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GRI Content Index

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Editorial Policy

This Report, in line with the Subaru Global Sustainability Policy established in April 2020, outlines our approach to corporate social responsibility (CSR) as well as targets and initiatives for CSR at Subaru Corporation and all its subsidiaries (the Subaru Group). It aims to promote communication with our stakeholders, including customers, shareholders, business partners, local communities, and employees, and to further enhance our CSR-related initiatives.

The descriptions contained in this Report regarding Subaru’s product specifications and equipment refer to Japanese specifications, unless otherwise stated.

Target Organizations
In uprinciple, the report covers the Subaru Group (Subaru Corporation and all its subsidiaries). In this report, the “Subaru Group” refers to the Subaru Group; “Subaru” refers to the Subaru Corporation; “affiliated companies (affiliates)” refers to Subaru’s subsidiaries in Japan and overseas, including dealers in the Automotive Business; and “group companies” refers to Subaru’s subsidiaries in Japan, excluding dealers in the Automotive Business.

Period Covered
• This report primarily concerns the period from April 2019 to March 2020. Some information is provided concerning events outside this reporting period, including the period just prior to publication.
• The departments, titles, etc. of the people introduced in this report are as of the time of writing.

Guidelines Referenced
• GRI Sustainability Reporting Standards
• Environmental Reporting Guidelines (2018 edition) by the Ministry of the Environment, Japan

Period Issued
• Previous issue: August 2019
• Current issue: August 2020
• Next scheduled issue: August 2021

Special Notice on Prospects
This report includes a variety of statements regarding the prospects, plans, forecasts, etc. for the future of the Subaru Corporation and the Subaru Group member companies. Since the statements contained here are based on past events and currently available information, please note that outcomes may differ markedly depending on future economic trends, the company’s business environment, and other factors.

Contact Us
Subaru Corporation
Sustainability Promotion Department
Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo 150-8554, Japan
Corporate Philosophy

1. We strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.

2. We aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.

3. We look to the future with a global perspective and aim to foster a vibrant, progressive company.

Management Philosophy

Aiming to be a compelling company with a strong market presence built upon its customer-first principle.

Subaru Global Sustainability Policy

Until recently, the Subaru Group promoted various initiatives in line with its CSR Policy, revised in June 2009. However, to cope with changes in the social environment and in relationships with our stakeholders, we established the “Subaru Global Sustainability Policy” in April 2020 as a guideline to be shared by all Group employees on a global basis.

This Policy is applied to Subaru Corporation and all its subsidiaries.

Subaru Global Sustainability Policy

We, Subaru Group, are committed to sustainable business practices designed to promote harmony between people, society and the environment in the following ways:

1. Through our business activities, we will contribute to the resolution of various social issues, including the protection of the global environment, and to the creation of a sustainable society.

2. Respecting the quality and originality of our products, we will continue to provide Subaru's unique value using advanced technologies, and enrich the lives of all those involved with the Subaru Group.

3. As a good corporate citizen in the international community, we respect human rights, diverse values and individuality, and treat all stakeholders with sincerity in every interaction.

4. We strive to maintain and advance the workplace environment so that employees can work safely in peace, and with a sense of satisfaction.

5. We respect international rules and the laws and regulations of each country and region, as well as local culture and customs, and pursue fair and transparent corporate governance.

6. We make use of dialogue with stakeholders to make management decisions, and disclose corporate information in a timely and proper manner.
Change mindset, change actions, change the company, and contribute to a sustainable society

Tomomi Nakamura
Representative Director of the Board, President and CEO

Social Problems and the Subaru Group’s CSR

Responding to the Novel Coronavirus and Environmental Changes
First, please allow me to express my sympathy to all impacted by the novel coronavirus. I send my deepest condolences to the survivors of those who have lost their lives.
The outbreak of this pandemic has had a large impact on the Subaru Group’s operating activities. In production, we had to make unavoidable adjustments that included temporary suspensions of our manufacturing operations both domestically and overseas. On the sales side, we faced various limitations at many dealerships.
Message from the President

In early February of 2020, the Subaru Group launched the Coronavirus Countermeasure Headquarters, for which I serve as the leader. We strive to prevent the spread of the infection, placing the health and safety of customers, business partners and employees first, based on the ideas of “surviving together with our business partners,” and “our employees are our assets.” Also, we have been attentive to the needs of local communities, producing face shields for medical use in cooperation with our business partners in Japan and offering them to local medical institutions and regional medical associations near our plants. We provided protective masks to community healthcare organizations in the United States, and donated 50 million meals through a non-profit organization.

It is my hope that we can use this unprecedented crisis as an opportunity to make structural reforms in various domains to become able to respond to any kind of change in the business environment. Specifically, we plan on improving business efficiency in such ways as reforming workstyles, promoting the reform of the fixed cost structure and integrating the investment selection, and shifting to a resilient business foundation and earnings structure.

Contributing to the SDGs

I believe that the coronavirus outbreak will provide further impetus for achieving a sustainable society. The Subaru Group conducts CSR activities by leveraging its strengths to find solutions to social problems, aiming to make the creation of a sustainable society and the continuous growth of the Subaru Group compatible. By fulfilling our social responsibility as a corporation, we will become a company that is trusted by society and contribute to creating a sustainable society with ever greater affluence.

The Subaru Group has established a mid-term management vision, STEP, which sets forth our ideal for 2025: From a company making things, to a company making people smile. To achieve this, we have been promoting CSR initiatives in the Six Priority Areas for CSR*1 that we selected for FYE2019. To show the Subaru Group’s sincere intent to further contribute to the creation of a sustainable society through our business activities, we clarified the SDGs that we contribute to in each field. In the field of Peace of Mind, for example, we are contributing to target 3.6, “By 2020, halve the number of global deaths and injuries from road traffic accidents” through our initiative of achieving zero fatal traffic accidents by 2030*. Going forward, we will contribute to the SDGs by leveraging the Subaru Groups’ strengths in ways such as by reducing the number of deaths and injuries from road traffic accidents while also delivering an enjoyable driving experience.

FYE2020 Initiatives and Progress with the Six Priority Areas for CSR

Promoting Initiatives Globally in the Group

In order to contribute to solutions to social issues through our business activities and to understand changes in society and the world, it is important to promote and instill CSR initiatives globally in the group. In FYE2020, we further solidified that foundation. Specifically, we established the Subaru Global Sustainability Policy in April 2020. It takes into account the changes in the social environment and all those involved with our stakeholders, and shares our intent with employees globally in the group. At the same time, we established our Human Rights Policy, extended the universal Subaru sense of purpose of “For people” to cover the entire value chain, and clarified our respect for the human rights of all people involved with Subaru.

I believe that sharing these intents and ideas of the Subaru Group globally in the group to align the vectors of our employees and conducting initiatives that grasp the unique needs of each region will serve to strengthen the Subaru brand and lead to the solution of social problems.

Leading Initiatives in Six Priority Areas for CSR with Peace of Mind and Environment

We are making steady progress in our Six Priority Areas for CSR. In FYE2020, we established our “ideal for 2025” as the
Message from the President

mid-term goal for each area, and we actively expanded in the areas of Peace of Mind and Environment. In Peace of Mind, we are continuing to work on Quality Reforms, one of the most important themes of our mid-term management vision STEP. We have changed employee awareness to focus on Quality First, and made steady efforts in each department involved in the value chain. In April of 2020, the Quality Assurance Management Office was established under direct control of the Chief Quality Officer (CQO) to oversee quality assurance in the entire domestic and overseas group. This system we have created reinforces Quality Reforms on a global level.

Also, we held a Technology Briefing in January 2020 at which we announced our roadmap for achieving zero fatal traffic accidents by 2030. We will focus on protecting people’s lives so that our drivers can experience enjoyment and peace of mind, and continue making cars with optimal safety functions.

Also, regarding Environment, the SUBARU Sustainability Principles set forth that “The earth, the sky and nature” are Subaru’s fields of business, and we give considerable consideration as part of our social responsibility. In particular, we are aware that climate change is one of our most important issues. We contribute to the achievement of a decarbonized society by supporting the Paris Agreement, which is aimed at achieving decarbonization at an early stage in the second half of the 21st century.

For that purpose, in FYE2020, we set mid- and long-term targets to reduce emissions of CO₂ from our business activities and products. Regarding business activities, we are aiming for carbon neutrality by FYE2051, and set a goal of reducing emissions by approximately 20,000 tons of CO₂, or 3% of our annual emissions up to FYE2021. For products, we will reduce average well-to-wheel CO₂ emissions from new vehicles (in operation) sold worldwide by 90% or more in 2050 compared to 2010 levels. We will of course meet environmental regulations, and will create Subaru cars that make compatible enjoyable driving and environmental functions in ways that will help our customers recognize the value of these features.

Also, we are establishing our environmental mid-term plan, entitled the Environmental Action Plan 2030. It is aimed at creating a sustainable society and is not restricted to climate change, but acknowledges that we must contribute to solutions for many global environmental problems.

FYE2021 Action Plan
In FYE2021, the third year of our mid-term management vision STEP, in addition with Quality Reforms, we will take aggressive measures toward Changing the Culture. We have been aiming to become a company that is more open to new ideas and where people can say what they want, and have gradually gained good results as the senior executive management takes the initiative in promoting this. However, we are still in the course of achieving our goal, and will continue our efforts.

In our Six Priority Areas for CSR initiative, we are conducting management with the use of a PDCA cycle in order to make steady efforts globally in the group in accordance with our newly enacted policies and plans.

To Achieve Our Initiative “From a Company Making Things, to a Company Making People Smile.”

To achieve our initiative “From a company making things, to a company making people smile,” we must contribute to diverse social needs and carry out our social responsibility as a company. “Change mindset, change actions, change the company.” It is necessary for the company to change in response to the changes and demands of society. In order to do that, it is necessary that we ourselves change. We will support people who keep a sharp watch on circumstances in the external environment, always reflect on themselves and can quickly respond to environmental changes, and work while thinking for themselves.

Also, I believe that people’s desire for movement is everlasting. To make that movement enjoyable and provide a range of experiences to people who want to build lasting memories—that is the value that Subaru has offered in the past, and it remains unchanged. We hope to make the lives of everyone who comes in contact with Subaru enjoyable. We will maintain that desire, and will offer products and services that can live up to the expectations of our stakeholders in any era.

CSR efforts are at the core of management. By sincerely listening to the voices of our stakeholders and incorporating them into our management, we are aiming to solidify the foundation for the sustainability of society and the continuous growth of the Subaru Group, earn resonance and trust with all of our stakeholders, and make Subaru a company that you can love.

Tomomi Nakamura
Representative Director of the Board, President and CEO
Response to the Spread of the Novel Coronavirus

We at Subaru would like to express our sympathies to all impacted by the novel coronavirus, and convey our deepest condolences to the survivors of those who have lost their lives. We also offer our thanks to many people for their tireless work, especially the healthcare workers who are battling the further spread of the disease.

The Subaru Group incurred a large impact on our business activities. We faced unavoidable adjustments to production, including temporary suspension of operations, and dealt with various limitations at many dealerships. Amidst these circumstances, we established the Coronavirus Countermeasure Headquarters with the CEO as its leader. Based on the overall supervision of the Chief Risk Management Officer (CRMO), we increased thorough prevention measures, the staggering of commutes, and remote working, all while placing the health and safety of customers, business partners and employees first. Going forward, we will shift to a strong business foundation and earnings structure that can respond to any kind of change in the business environment.

Also, the Subaru Group is conducting support activities from various aspects. We are aiming to become a company that is trusted by, and resonates and coexists with all stakeholders by sincerely listening to the voices of individual customers and society as a whole.

Support Activities

Production and Supply of Medical-use Face Shields
In cooperation with our corporate business partners, Subaru has been producing medical-use face shields. As of the end of May, we have distributed 7,000 face shields to local medical institutions and regional medical associations near our plants.

Donating 50 Million Meals
Subaru of America, Inc., has established the Subaru Love Promise, its vision to show love and respect to all people who encounter Subaru at every point of contact. One part of the vision is called “Loves to Help,” under which the company donated 50 million meals through Feeding America, a charitable organization that provides meals throughout the entire country. This made it possible to offer meals at 199 food banks around the United States.

Participating in Open COVID-19 Declaration
Subaru endorses the Open COVID-19 Declaration with the objective of preventing the spread of COVID-19, and thus has participated in this initiative.
In line with the Declaration, Subaru will make its intellectual property held in and outside of Japan available completely on a royalty-free basis, solely for the purpose of accelerating efforts to develop, manufacture, and distribute therapeutic drugs, vaccines, medical devices, infection control instruments and other products that will be key to stopping the spread of COVID-19.

Donating Goods to Firefighters
Firefighters are at high risk for contracting coronavirus. To help protect them, Subaru of Indiana Automotive, Inc., donated 75 articles of protective clothing and 320 wet wipes to fire stations in its local region of Lafayette, Indiana.
The Subaru Group’s CSR

In STEP, the mid-term management vision developed in 2018, Subaru envisions achieving a transition, by 2025, from a company making things, to a company making people smile, guided by our unwavering Management Philosophy of aiming to be a compelling company with a strong market presence built upon its customer-first principle. To achieve this vision, we have adopted the “Six Priority Areas for CSR” approach and will continue to promote initiatives based on the Subaru Global Sustainability Policy and to fulfill our corporate social responsibilities, thereby providing Enjoyment and Peace of Mind to our customers and other stakeholders. The Subaru Group aspires to be a truly global company trusted by society and to contribute to the development of a more affluent, sustainable society.

Medium-term Business Plans

Management Philosophy
Aiming to be a compelling company with a strong market presence built upon its customer-first principle

Vision
From a company making things, to a company making people smile

Vision for 2025
1. Become a brand that is “different” from others by enhancing distinctiveness
2. Engage in business activities that resonate with customers by putting them center-stage
3. Fulfill corporate social responsibilities by contributing to diversifying social needs

Subaru Group’s Six Priority Areas for CSR

People-oriented Car Culture
Resonance and Coexistence
Peace of Mind
Diversity
Environment
Compliance

Stakeholders

Customers
Local communities
Shareholders and investors
Employees
Business partners
NGOs and NPOs
Governments
Financial institutions
Media
Education and research institutions
Local communities

Stakeholder Engagement

Realization of a sustainable society

Enjoyment and Peace of Mind

Solutions to social issues

Delivered Value

Subaru Global Sustainability Policy

Social Issues
- Climate change
- Human rights issues
- Aging society
- Increasing traffic accidents
- Increasing environmental impact
- Increasing CO2 emissions
- Resource recycling
- Increasing driver’s driving load
- Response to mobility society
- Trade issues

Management
- Corporate governance
- Compliance
- Risk management

Society’s expectations

Priorities specific to Subaru

Automotive Business

Aerospace Business

Medium-term Business Plans

Vision for 2025
1. Become a brand that is “different” from others by enhancing distinctiveness
2. Engage in business activities that resonate with customers by putting them center-stage
3. Fulfill corporate social responsibilities by contributing to diversifying social needs
CSR Promotion System

The Subaru Group convenes its CSR Committee twice a year as a venue to discuss our CSR initiatives and confirms the status of PDCA operation of each related committee and division. The membership of the CSR Committee, which is headed by the President and Representative Director, is composed of all executives. The Committee considers business issues from a social perspective and works to strengthen CSR efforts.

Initiative for Widespread Adoption of CSR

Creation of Rank-specific Opportunities to Deepen CSR Understanding

In FYE2019, the Subaru Group provided opportunities for executives and managers to think about CSR, hoping to give each of them a deeper understanding of CSR in order to promote CSR initiatives. In FYE2020, we introduced these opportunities into rank-specific education for new managers, associate managers, and new recruits. We therefore offered more opportunities for a greater number of employees to deepen their understanding of the Subaru Group’s CSR.

Believing it important to face international challenges and act together with the global community as a global company, we invited Hidemi Tomita, director at Lloyd Register Japan K.K., to give a lecture on the Sustainable Development Goals (SDGs). We studied trends around the world from the perspective of SDGs and global issues Subaru should address through its business.

Study Groups held in FYE2020

<table>
<thead>
<tr>
<th>Content</th>
<th>Month/Year</th>
<th>Intended participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Apr 2019</td>
<td>New recruits</td>
</tr>
<tr>
<td></td>
<td>Jun 2019</td>
<td>New managers</td>
</tr>
<tr>
<td></td>
<td>Oct-Nov 2019</td>
<td>New associate managers</td>
</tr>
<tr>
<td>SDGs</td>
<td>Dec 2019</td>
<td>CSR Manager at each business division and administration staff at the head office</td>
</tr>
<tr>
<td></td>
<td>Jan 2020</td>
<td>All executives in Japan</td>
</tr>
<tr>
<td></td>
<td>Feb 2020</td>
<td>CSR managers and staff at each business division</td>
</tr>
</tbody>
</table>

Study Group on SDGs

Lecture by Mr. Tomita

Voice

Comments by Participants

CSR Study Group

- I learned that it was important to consider what I could do within my current duties by incorporating a CSR perspective, rather than doing something new with CSR. (Participated in the June 2019 session)
- As a member of a business division, I would like to examine a mechanism to regularly check whether we are always aware of CSR in our operations. (Participated in the June 2019 session)

Study Group on SDGs

- It was so informative. By studying the 169 targets for the SDGs, I became aware of their relevance in connection with my own duties. (Participated in the December 2019 session)
- I will start by doing what I can. I felt that I need to act with my place in society in mind. (Participated in the February 2020 session)
Stakeholder Engagement

The Subaru Group’s CSR initiatives place importance on the relationship with stakeholders. The Subaru Group believes that disclosing information to stakeholders, engaging in dialogue with them, and reflecting this in the management of the business are all essential. In order to realize our vision of becoming “a compelling company with a strong market presence” as stated in our management philosophy, the Subaru Group will continue to make efforts to gain trust from our stakeholders, and to make useful social contributions while at the same time increasing our corporate value.

Methods to Communicate with Stakeholders at the Subaru Group

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Communication method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Establish Subaru Customer Consultation Center, implement satisfaction surveys, and hold events.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Encourage traffic safety through safety workshops and traffic guidance. Schedule cleanup activities by employees and hold exchanges with local residents.</td>
</tr>
<tr>
<td>Shareholders and investors</td>
<td>Hold shareholder meetings (annual), issue reports, publish information online. Hold interviews with institutional investors and investor briefings. Hold factory tours.</td>
</tr>
<tr>
<td>Business partners</td>
<td>Hold procurement policy briefings, practice regular exchange of information, and recognize business partners that are making major contributions in technology, quality, etc.</td>
</tr>
<tr>
<td>Employees</td>
<td>Hold labor-management consultations, carry out stress check and employee awareness survey, and conduct educational training by profession and rank.</td>
</tr>
<tr>
<td>NGOs and NPOs</td>
<td>Respond to questionnaires and surveys, implement regional and social contribution activities, and make donations to support shared philosophies.</td>
</tr>
<tr>
<td>Governments</td>
<td>Participate in economic and industry associations’ conference bodies, and have discussions and exchanges with local governments.</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>Publish information online, provide explanations at account settlement, and hold monthly discussions.</td>
</tr>
<tr>
<td>Media</td>
<td>Hold financial reporting briefings for media and analysts (quarterly), and publish information online.</td>
</tr>
<tr>
<td>Education and research institutions</td>
<td>Implement workplace visits, implement school visit projects at elementary and middle schools, and hold plant tours (about 90,000 visitors annually).</td>
</tr>
</tbody>
</table>
Stakeholder Engagement Activities

Customers
The Subaru Group strives to put the Customer First in all of its business activities. By adopting precision, speed, relevance, fairness, impartiality, and kindness as our basic principles of conduct in dealing with customers, we seek to make Subaru a brand that customers will continue to choose for Enjoyment and Peace of Mind. We also feed our customers’ valuable opinions, requests, and comments back to the relevant departments, and use such feedback to improve our quality and products, make proposals, and upgrade our after-sales service.

Local Communities
Subaru is promoting communication with people in the communities where it operates, and strives to develop local communities and build relationships of trust. In Ota City, Gunma Prefecture, Subaru and its business partners joined forces with residents of Ota and its surrounding area to launch the Subaru Community Exchange Association in 1995 with the aim of promoting regional development and creating a more livable community. The association has since engaged in volunteer, cultural, educational, and civic activities. Building on these activities, we are conducting other community-based activities, focusing on “environmental activities” and “road safety activities” to respond to contemporary needs. In addition, we also host exchange meetings and events in Utsunomiya City (Tochigi Prefecture), Shibuya Ward (Tokyo), Mitaka City (Tokyo), and other areas where we have business and manufacturing sites.

Shareholders
Subaru has conducted plant tours for shareholders since 2004, with the aim of giving shareholders a deeper understanding of our policies and business as well as production activities. During the tour, Subaru provides them a chance to see our production sites including plants and allocates time to a Q&A session in which officers of the company participate to achieve direct communication with shareholders. Opinions and comments received during the tours are shared with the relevant people, including officers, and utilized in our business and IR activities.

Dealers
The Subaru 2025 Vision Kick-off was held with the attendance of approximately 1,000 presidents and executives of dealers in Japan as well as executives of Subaru. While Subaru unveiled its vehicle development concept and product plans for the future, managers of the dealers made presentations on their aspirations for achieving the shared 2025 vision for the Japan Sales and Marketing Division and the dealers, “Subaru, the Beloved Brand.” We also organized an inspection tour at the Gunma Plant for employees of dealers across Japan. The plant tour aimed to give dealer personnel, who work at the front lines of customer service, an opportunity to see the manufacturing plant and workers firsthand to promote their better understanding of Subaru’s endeavor to improve quality, and thereby support the Subaru brand with a shared sense of purpose as members of the Subaru Group.

Employees
Every month, Subaru publishes an in-house magazine for the purpose of sharing information on corporate policies and initiatives as well as boosting the motivation of employees and promoting communication. Subaru also distributes information of high-level importance to every single employee via email in order to share it more quickly and comprehensively. In addition, Subaru promotes direct communication with employees through periodic visits by management to each place of business and workplace.
Subaru Group’s Six Priority Areas for CSR

Process of Identifying Six Priority Areas for CSR

In accordance with STEP, our mid-term management vision, we reviewed the Subaru Group’s Eight CSR Action Items for CSR initiatives and established the Six Priority Areas for CSR: People-oriented Car Culture; Resonance and Coexistence; Peace of Mind; Diversity; Environment; and Compliance.

To select the priority areas, the Subaru Group first identified 41 CSR priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. Finally, we examined the areas from two perspectives: areas in which we can contribute to society by leveraging our business strengths, and areas related to the demands of society. As a result, the Subaru Group selected People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, and Diversity as the four areas where Subaru could contribute to society by leveraging our business strengths, and Peace of Mind, Diversity, Environment, and Compliance as the four areas where the Subaru Group could work to meet the demands of society.

Peace of Mind and Diversity appear in both categories, because Peace of Mind is an area in which society’s needs and the strengths of the Subaru Group’s business coincide, while Diversity refers not only to diversity in the community, but also to diversity in a broad sense, including in the products that the Subaru Group offers to customers.

Based on the Subaru Global Sustainability Policy revised in April 2020, we will promote initiatives in the six priority areas on a groupwide, global basis.

Reflecting Subaru Group’s Six Priority Areas for CSR in Management

Areas in which the company can contribute to the society leveraging its business strength

Areas in which the company meets society’s expectations

Subaru Global Sustainability Policy

Information disclosure and dialogue

Stakeholders

Board of Directors
Executive
Management Board
Meeting

Reflection in
management
## Six Priority Areas for CSR  Basic Concepts and Vision for 2025

<table>
<thead>
<tr>
<th>Six Priority Areas for CSR</th>
<th>Basic Concepts</th>
<th>Visions for 2025</th>
<th>Initiatives and SDGs</th>
<th>TOPICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>People-oriented Car Culture</td>
<td>Subaru believes that a car is more than just a means of transport. Subaru will foster a sustainable mobility culture by providing customers with added value in the form of products and services which make the car a partner that enriches people's lives and minds, while cherishing the human emotions of enjoyment and peace of mind.</td>
<td>Become a company that enriches people's lives and minds as a partner.</td>
<td>→ p. 014</td>
<td>→ p. 019</td>
</tr>
<tr>
<td>Resonance and Coexistence</td>
<td>Subaru will become a company that is trusted by, and resonates and coexists with both individual customers and society as a whole by engaging seriously with their voices through greater person-to-person communication.</td>
<td>Become a company that is widely trusted by, resonates and coexists with society.</td>
<td>→ p. 015</td>
<td>→ p. 021</td>
</tr>
<tr>
<td>Peace of Mind</td>
<td>Subaru will become a company that provides all stakeholders with the utmost peace of mind.</td>
<td>Become a company that provides the utmost peace of mind to all stakeholders.</td>
<td>→ p. 016</td>
<td>→ p. 023</td>
</tr>
<tr>
<td>Diversity</td>
<td>The Subaru Group’s approach to promoting diversity has two key elements: offering products that respect diverse forms of market value, and respecting and reflecting the diverse values of all those who work for the Subaru Group.</td>
<td>Promote businesses that create diverse forms of market values while respecting the diverse values of all people.</td>
<td>→ p. 017</td>
<td>→ p. 025</td>
</tr>
<tr>
<td>Environment</td>
<td>In order to pass on “The earth, the sky and nature,” Subaru’s fields of business, to future generations, we provide utmost care to the environment with our company-wide activities.</td>
<td>Cherish and protect the global environment—The earth, the sky and nature—through Group-wide activities.</td>
<td>→ p. 017</td>
<td>→ p. 027</td>
</tr>
<tr>
<td>Compliance</td>
<td>Subaru will become a company that operates in accordance with laws, regulations, and societal norms, ensuring that our focus on compliance as a priority permeates throughout and is practiced by all those who work for the Subaru Group.</td>
<td>Act in good faith and become a company that is trusted by and resonates with society.</td>
<td>→ p. 018</td>
<td>→ p. 029</td>
</tr>
</tbody>
</table>
## Activities in the Six Priority Areas for CSR in Relation to SDGs

The Sustainable Development Goals (SDGs) for 2030 are development goals for achieving a sustainable future, and the Subaru Group recognizes the importance of responding to these goals. By clarifying visions for 2025 regarding the Group’s Six Priority Areas for CSR, Subaru will reinforce its efforts in each priority area and make positive contributions toward achieving the SDGs. Specifically, we acknowledge that the Subaru Group’s initiative to achieve a goal of zero fatal traffic accidents* by 2030 contributes to Target 3.6 of the SDGs: “By 2020, halve the number of global deaths and injuries from road traffic accidents.”

* Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru vehicle.

### Relevant SDGs

<table>
<thead>
<tr>
<th>Relevant SDGs</th>
<th>Activities in the Six Priority Areas for CSR in Relation to SDGs</th>
<th>Relevant Stakeholders</th>
<th>Themes</th>
<th>Initiatives</th>
<th>Vision/KPIs (FYE2026–FYE2031)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Sustainable Development Goals (SDGs) for 2030 are</td>
<td>Customers</td>
<td>Enjoyment of driving a car</td>
<td>Evolution of Subaru Global Platform and Integration with Intelligent Technology (Achieving a safe and enjoyable driving with peace of mind like a skilled driver)</td>
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<tr>
<td></td>
<td>development goals for achieving a sustainable future, and</td>
<td>Enhancing the brand image</td>
<td>Providing enjoyment of customization</td>
<td>Development of high-quality accessories matched with new models</td>
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<tr>
<td></td>
<td>the Subaru Group recognizes the importance of responding to</td>
<td>Proposing new forms of mobility</td>
<td>Promoting the brand strategy (Subaru, the Beloved Brand: More than a Car Company)</td>
<td>Promotion of marketing activities that match the characteristics of each market</td>
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<tr>
<td></td>
<td>these goals. By clarifying visions for 2025 regarding the</td>
<td>Disseminating car culture</td>
<td>Promotion of motorsports and continuation of awareness-raising activities</td>
<td>Advancement of Subaru’s “Dynamic x Solid” design identity to “bolder” expression</td>
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<td></td>
<td>Group’s Six Priority Areas for CSR, Subaru will reinforce</td>
<td></td>
<td>Development of technologies in cooperation with relevant ministries and agencies</td>
<td>Development of new forms of mobility</td>
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<tr>
<td></td>
<td>its efforts in each priority area and make positive</td>
<td></td>
<td>Investigation of future mobility</td>
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<tr>
<td></td>
<td>contributions toward achieving the SDGs. Specifically, we</td>
<td></td>
<td>Dissemination of Subaru’s manufacturing practice and its endeavors for “Enjoyment and Peace of Mind”</td>
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<tr>
<td></td>
<td>acknowledge that the Subaru Group’s initiative to</td>
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<td></td>
<td>achieve a goal of zero fatal traffic accidents* by 2030</td>
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<td></td>
<td>contributes to Target 3.6 of the SDGs: “By 2020, halve the</td>
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<td>number of global deaths and injuries from road traffic</td>
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<td>accidents.”*</td>
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</tbody>
</table>

### Relevant Stakeholders

- **Customers**
  - Enjoyment of driving a car
  - Providing enjoyment of customization
  - Enhancing the brand image
  - Proposing new forms of mobility

- **Local communities**
  - Disseminating car culture

<table>
<thead>
<tr>
<th>SDGs</th>
<th>Activities in the Six Priority Areas for CSR in Relation to SDGs</th>
<th>Relevant Stakeholders</th>
<th>Themes</th>
<th>Initiatives</th>
<th>Vision/KPIs (FYE2026–FYE2031)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Become a company that enriches people’s lives and minds as a</td>
<td>Customers</td>
<td>Enjoyment of driving a car</td>
<td>Evolution of Subaru Global Platform and Integration with Intelligent Technology (Achieving a safe and enjoyable driving with peace of mind like a skilled driver)</td>
<td></td>
</tr>
<tr>
<td>11.2</td>
<td>partner.</td>
<td>Enhancing the brand image</td>
<td>Providing enjoyment of customization</td>
<td>Development of high-quality accessories matched with new models</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* KPI: (FYE2026–FYE2031)</td>
<td>Proposing new forms of mobility</td>
<td>Promoting the brand strategy (Subaru, the Beloved Brand: More than a Car Company)</td>
<td>Promotion of marketing activities that match the characteristics of each market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Continue satisfaction surveys. (Improve customer satisfaction.)</td>
<td>Disseminating car culture</td>
<td>Promotion of motorsports and continuation of awareness-raising activities</td>
<td>Advancement of Subaru’s “Dynamic x Solid” design identity to “bolder” expression</td>
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</tbody>
</table>
# Activities in the Six Priority Areas for CSR in Relation to SDGs

<table>
<thead>
<tr>
<th>Six Priority Areas</th>
<th>Relevant stakeholders</th>
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<th>Visions/KPIs (FYE2026–FYE2031)</th>
<th>Relevant SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Strengthening relationship with customers</td>
<td>Investment in dealers' stores (in Japan)</td>
<td>Enhancement of new ways of connecting with customers through IoT</td>
<td>Become a company that is widely trusted by, resonates and coexists with society.</td>
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<td></td>
<td></td>
<td>Enhancement of customer loyalty</td>
<td>Continuation of customer interaction programs</td>
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<td></td>
<td></td>
<td>Provision of products that benefit people's lives</td>
<td>Development of a maintenance system for marketing BEVs</td>
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<tr>
<td></td>
<td>Establishing a new maintenance system</td>
<td>CSR surveys and awareness programs at business partners</td>
<td>Building of relationships with business partners from the perspective of CSR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business partners</td>
<td>Coexistence and mutual prosperity with business partners</td>
<td>Continuation of production operations and maintenance of employment at each site</td>
<td>Utilization of athletic teams, boosting of employee morale</td>
<td></td>
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<tr>
<td>Employees</td>
<td>Creating a safe working environment</td>
<td>Reinforcement of efforts for occupational health and safety, improvement of plant environments</td>
<td>Creation of a safe and rewarding workplace environment, building of a brand that is loved by employees</td>
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<tr>
<td></td>
<td></td>
<td>Continuation of production operations and maintenance of employment at each site</td>
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<td></td>
<td></td>
<td>Utilization of athletic teams, boosting of employee morale</td>
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<td></td>
<td>Reinforcement of community exchange and partnership activities</td>
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<td>Contribution and relationship-building through sporting activities</td>
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<tr>
<td>Local communities</td>
<td>Revitalizing relationships with local communities</td>
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### Activities in the Six Priority Areas for CSR in Relation to SDGs

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<th>Relevant SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Peace of Mind</strong></td>
<td><strong>Customers</strong></td>
<td>Improving safety functions</td>
<td>Advancement of Advanced Driver Assistance System (ADAS)</td>
<td>Become a company that provides the utmost peace of mind to all stakeholders.</td>
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<td></td>
<td>Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions</td>
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<td></td>
<td></td>
<td>Continuous enhancement of crash safety</td>
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<td></td>
<td>Development of autonomous flight control systems (collision avoidance technology)</td>
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<td>Implementation of safe driving seminars for senior citizens on a continuous basis</td>
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<td>Establishment of a timely and efficient supply system of spare parts and accessories</td>
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<td></td>
<td></td>
<td>Enhancement of product supply capacity</td>
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<td></td>
<td></td>
<td><strong>Improving inspection and maintenance quality</strong></td>
<td>Promotion of accurate, high-quality inspection and maintenance</td>
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<tr>
<td></td>
<td></td>
<td>Revision of the quality policy</td>
<td>Promotion of initiatives to produce vehicles of choice in terms also of quality</td>
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<td></td>
<td></td>
<td>Improvement of the quality of operations in all processes, from product planning to production, sales, and service</td>
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<td></td>
<td>Placing of the highest priority on quality by implementing quality caravans and providing education for fostering quality awareness</td>
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<td></td>
<td></td>
<td><strong>Securing and improving quality</strong></td>
<td>Optimization of the span of management in manufacturing departments</td>
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<td></td>
<td>Continuation and reinforcement of activities of the health and safety committees</td>
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<td></td>
<td>Maintenance and enhancement of workplace health and safety, and promote a more comfortable workplace environment</td>
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<td>Formulation and implementation of plans for health promotion initiatives</td>
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<td>Reinforcement of health promotion efforts</td>
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<td></td>
<td>Secure and create employment</td>
<td></td>
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<td></td>
<td></td>
<td><strong>Employees</strong></td>
<td>Creating a safe workplace</td>
<td></td>
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<td>Promotion of plant environment improvement</td>
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<td>Promotion of a sense of trust regarding stable operations</td>
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<td>Reduction of environmental impact and prevention of pollution</td>
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<td></td>
<td>Contribution to the creation of a society in which people’s lives and property are protected and people can enjoy peace of mind</td>
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<tr>
<td></td>
<td></td>
<td><strong>Local communities</strong></td>
<td>Contributing to safety of local communities</td>
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<tr>
<td></td>
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<td></td>
<td>Contribution to the creation of a society in which people’s lives and property are protected and people can enjoy peace of mind</td>
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<td></td>
<td></td>
<td><strong>Governments</strong></td>
<td>Contributing to safe lives of people</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Contribution to the creation of a society in which people’s lives and property are protected and people can enjoy peace of mind</td>
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</tbody>
</table>

**KPI:**
- Achieve a goal of zero fatal traffic accidents* by 2030
- *Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru vehicle
- Improve impact energy absorption ability to 1.4 times
## Activities in the Six Priority Areas for CSR in Relation to SDGs

<table>
<thead>
<tr>
<th>Six Priority Areas</th>
<th>Relevant stakeholders</th>
<th>Themes</th>
<th>Initiatives FYE2020</th>
<th>Initiatives FYE2021</th>
<th>Initiatives FYE2022–FYE2026</th>
<th>Visions/KPIs (FYE2026–FYE2031)</th>
<th>Relevant SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity</td>
<td>Employees</td>
<td>Promoting active roles for female employees</td>
<td>Appointment of more female managers: FYE2021 (to five times the number in 2014), FYE2026 (to over 12 times the number in 2014)</td>
<td>Chilcare support for female employees in direct departments</td>
<td></td>
<td>Promote businesses that create diverse forms of market values while respecting the diverse values of all people.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Utilizing diverse human resources</td>
<td>Review of the human resources system for senior employees</td>
<td>Operation of the human resources system for senior employees</td>
<td></td>
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<td>5.5.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promote diverse work styles</td>
<td>Promotion of active roles for non-Japanese human resources</td>
<td>Examination and promotion of a workplace environment that pays due consideration to minorities in society</td>
<td></td>
<td></td>
<td>8.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Securing human resources at group companies</td>
<td>Compliance with the legally prescribed employment rate for persons with disabilities: 2.3% in and after FYE2021</td>
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<tr>
<td>Business partners</td>
<td>Efforts in cooperation with business partners</td>
<td>CSR survey and awareness program at business partner</td>
<td>Reinforcement of efforts for CSR throughout the supply chain</td>
<td>Enterprise of the understanding of employees, promotion of cooperation with the National Association of Minority Automobile Dealers (NAMAD)</td>
<td></td>
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<td>13.1 13.2</td>
</tr>
<tr>
<td></td>
<td>Customers</td>
<td>Providing a wide range of products</td>
<td>Incorporation of feedback on diverse market needs</td>
<td>Design parts that can be used in multiple vehicle models</td>
<td></td>
<td></td>
<td>12.2 12.5</td>
</tr>
<tr>
<td></td>
<td>Customers</td>
<td>Popularizing vehicles that reduce environmental impact</td>
<td>Expansion of the sale of electric vehicles (HEVs and PHEVs)</td>
<td>Development and marketing of electric vehicles (BEVs and HEVs)</td>
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<td>5 12</td>
</tr>
<tr>
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<td></td>
<td>Environmental protection in cooperation with customers</td>
<td>Parking of activities to protect outdoor fields</td>
<td>Implementation of activities to protect outdoor fields on a continuous basis</td>
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<td></td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental efforts in cooperation with business partners</td>
<td>Selection of business partner while considering transportation for overseas sites</td>
<td>Efficient parts storage and transportation, and reduction of transportation volume</td>
<td>Promotion of retailers' continuous efforts for energy saving, water quality conservation, and recycling</td>
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<td></td>
<td></td>
<td>Optimization of logistics and CKD costs</td>
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</table>

### Relevant SDGs
- **5** Gender Equality
- **5.5.2** Promote business that create diverse forms of market values while respecting the diverse values of all people.
- **8** Decent Work and Economic Growth
- **13** Climate Action
### Activities in the Six Priority Areas for CSR in Relation to SDGs

<table>
<thead>
<tr>
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<th>Relevant SDGs</th>
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</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>Governments</td>
<td>Ensuring comprehensive export control</td>
<td>Reinforcement of security and export control initiatives</td>
<td>Act in good faith and become a company that is trusted by and resonates with society.</td>
<td>8.7 8.8</td>
</tr>
<tr>
<td></td>
<td>Employees</td>
<td>Protecting human rights of workers</td>
<td>Prevention of harassment</td>
<td>Promotion of initiatives to respect human rights of workers</td>
<td>16.5 16.5.2</td>
</tr>
<tr>
<td></td>
<td>Business partners</td>
<td>Maintaining fair relationships</td>
<td>Reinforcement of efforts for CSR throughout the supply chain</td>
<td>Promotion of fair trade on a continuous basis</td>
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</table>

Development of products (vehicles) is based on a premise that they are equipped with the latest technologies yet affordably priced at the same time.
Become a company that enriches people’s lives and minds as a partner.

Why It Is Important to Us

The Subaru Group has contributed to increasing customers’ options by respecting people’s diverse values and offering distinctive products tailored to diverse forms of market value. We believe that a car is more than just a means of transport, but rather a partner that enriches people’s lives by understanding and meeting their expectations. The Subaru Group is transitioning from being a company making things, to a company making people smile. Continuing to cherish the human emotions of enjoyment and peace of mind experienced by each and every one of our customers, Subaru Group will develop and popularize a car culture that gives people the starring role by linking cars to changes in people’s lifestyles and life stages.
Subaru’s core technology continues pursuing Enjoyment and Peace of Mind

Integration of Artificial Intelligence (AI) Technologies

Subaru strives to make people-oriented cars. We have constantly polished our proprietary technologies and created new value for cars. Our newest such technology is EyeSight. With two cameras positioned left and right like a person’s eyes, this system provides accident avoidance using three-dimensional recognition of oncoming cars and pedestrians in addition to driver assistance. Eyesight technology is continuously evolving. In the 2020s, its next generation will feature enhanced ability to handle accidents at intersections, highway driving assist, and innovative cameras, as well as the ability to recognize the car’s entire surroundings by using sensors and to make judgements accordingly. Further, EyeSight will reach a new level of functionality by incorporating AI and other technologies such as a monitoring system that watches over the driver and SUBARU STARLINK, our connected service. By pushing forward the evolution of driver assist technologies, Subaru is striving to help lower the risk of traffic accidents.

Also, our proprietary All-Wheel Drive (AWD) System further increases the dynamic quality for which Subaru is renowned. Subaru will continue pushing forward with the evolution of these integration of AI technologies and increase peace of mind and enjoyment of driving of Subaru cars.

SUBARU GLOBAL PLATFORM

To deliver more enjoyment and peace of mind to drivers and passengers, Subaru seeks to enrich the lives of car owners. And Subaru Global Platform is the design concept for the frames of cars that can make that happen. Driving quality that makes a comfortable ride and tight maneuverability compatible. Extremely low noise and low-vibration stability. Dynamic quality that focuses on human sensitivity. All delivered at high spec in a rationalized package with world-class passive safety performance. Since the October 2016 full model change of the Impreza, we have been improving the platform and rolling it out in a sequential manner. What we call its ultimate form can be found in the Levorg, which is scheduled for sale in FYE 2021.

Subaru Global Platform allows its users to operate the car at will like a skilled professional driver, and provides a great sense of security to drivers and passengers. Even in the future era of autonomous driving, the core that supports the enjoyment and peace of mind of a car will remain the platform of the frame. We are moving ahead toward the next-generation evolution of the Subaru Global Platform: the core technology that supports Subaru cars.
Become a company that is widely trusted by, resonates and coexists with society

Why It Is Important to Us
At Subaru, when it comes to our business activities, we regard customers and local communities as some of our most important stakeholders. Over the years, Subaru has been sustained not only by our own efforts to put the customer first, but also by the efforts of many people in the communities where we do business. Subaru will form communities of resonance and coexistence to secure our sustainable growth as a company through routine communication, ensuring that our products and services resonate with and are trusted by our customers, and that Subaru’s corporate activities resonate with and are trusted by the local communities in which they take place.
Promoting initiatives under five promises to embody Resonance and Coexistence throughout the United States

Aiming to become more than just an automobile company, Subaru of America, Inc. (SOA) runs the Subaru Love Promise program. Committed to making the world a better place, we, together with our retailers, encourage many community partners to join our activities to spread the Love Promise in five categories. We believe in building lifelong relationships with our customers, earning their trust and exceeding their expectations by providing customer service with integrity and compassion.

- **Subaru Loves the Earth**
  There are many Subaru customers who love nature. The Subaru Love Promise that SOA is promoting includes many activities to protect the natural environment, one of which is providing support for one of which is National Park Partnership. They have offered donations continuously since 2013, and the funds have been used for a wide range of purposes, from the reduction and recycle of trash at national parks to enlightenment activities for attendees. Also, in partnership with company TerraCycle, they have been conducting the collection of waste matter that is hard to recycle.

- **Subaru Loves to Help**
  SOA offers a wide range of assistance through charitable organizations that support those facing hardships, such as the elderly and children, poor families, and disaster victims, such as provide meals and the cars to transport them, offering shelters and nursing during disasters, and maintaining disaster vehicles. They also cooperate on various initiatives with our U.S. dealerships, such as provide 50 million meals, through U.S. food bank Feeding America, to people who have become unemployed due to the spread of the novel coronavirus and are facing difficulties in having meals.

- **Subaru Loves Pets**
  The Subaru Love Promise not only applies to people, but the safety and peace of mind of pets and wild animals is also an important subject. SOA is involved in support activities for regional organizations engaged in the care and adoption of protected pets, including the American Society for the Prevention of Cruelty to Animals. Also, to further protect the safety of animals, SOA is supporting crash-test for animals which are conducted by the Center for Pet Safety.

- **Subaru Loves to Care**
  SOA supports the activities of many non-profit organizations in order to contribute to the health of a diverse range of people including patients who suffer from incurable diseases and people with disabilities. They also support scientific societies for leukemia and lymphoma, and also cooperate with our U.S. dealerships to donate blankets to about 150,000 patients with blood cancer.

- **Subaru Loves Learning**
  There are many children, even in the United States, who do not have the opportunity to receive an education. SOA is providing various kinds of support for organizations that work to support learning and increase opportunities for education for such children. Since 2015, they have partnered with the American Association for the Advancement of Science to donate over 270,000 science books to U.S. schools.

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**Subaru Share the Love®**
Every year SOA runs the Share the Love® program to donate a portion of proceeds (250 dollars per vehicle) from Subaru cars purchased during the period to charities chosen by each customer. The total amount of donation collected over 12 years since the program has been launched in 2008 exceeds 176 million dollars, including contributions from SOA. In 2019, as part of the Share the Love® kick-off event, participants packed food bank meals to be distributed to children in need in Camden, New Jersey. As a host, SOA donated 60,000 meals this year, doubling the quantity from the previous year.
TOPICS
03
CSR Priority Areas
Peace of Mind

Become a company that provides the utmost peace of mind to all stakeholders.

Why It Is Important to Us

Subaru will deliver the peace of mind that cars must offer by manufacturing vehicles and providing associated services. Subaru will tirelessly review all quality-related processes in our aim to be the No. 1 company for quality, whose products customers can rely on for a long period. Attaching particular importance to protecting lives, Subaru will work to achieve our target of zero fatal traffic accidents* by 2030. In addition, we must ensure that the local communities where our plants are based know that they can rely on Subaru to offer peace of mind in our manufacturing operations. Creating safe workplace environments that offer all Subaru Group workers peace of mind is also essential. Furthermore, Subaru will contribute to resolving the problem of traffic accidents and other social issues associated with cars. Subaru will aspire to become a company that provides customers, local communities, employees, and all other stakeholders with the utmost peace of mind.

* Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru
Subaru quality and safety technology that provides the utmost peace of mind

Quality Reforms
Subaru set forth quality improvement as our most important theme in our mid-term management vision, STEP. We are undertaking quality reforms in all processes, starting from the product planning stage, through the procurement of components from the supplier, the manufacturing and inspections in the plant, and up to the daily operations of all employees including those in corporate operations departments. For example, in the product planning and engineering departments, we are making efforts to incorporate quality policies from the initial stage which ensure that there are no “seeds” that could grow into causes of major flaws that may even necessitate a recall. In the manufacturing process, we go beyond only relying on the final inspection. In order to ensure high quality from the upstream stages, the employees in charge of each process perform their own checks, and if they find a problem, they stop the line and make sure the problem is solved.

In April 2019, seeking to align employees’ vectors regarding quality reforms, we made the first revision in 25 years to the Quality Policy, which articulates the vision of quality that SUBARU aspires to realize. Further, in an effort to instill awareness toward quality, we held a “Quality Caravan” at each office, in which we exhibit examples of defects, the opinions we have received from customers, and more. Subaru strives to be No.1 for “the quality that enables customers to enjoy long-term ownership with peace of mind.” Going forward, we will continue to make efforts for thorough quality reforms throughout the entire group.

Technologies that Protect People’s Lives
Cars carry human lives. That’s why Subaru is always actively aware that safety must be given our first priority over everything. That ideology remains in Subaru’s DNA from our origin as an aircraft manufacturer.

Subaru continuously endeavors to improve the technology that protects people’s lives in pursuit of unique overall safety features. Our safety features have received the highest of evaluations from third-party organizations in Japan, the United States, and Europe. Moving forward, we will increase safety, the most required value of a car, by linking to such functions as connected safety using connected service and passive safety, in addition to further upgrading our integration of AI technologies, including EyeSight. We aim to achieve our target of zero fatal traffic accidents by 2030* by continuously enhancing passive safety and installing Advanced Automatic Collision Notification (AACN) that utilizes connectivity in addition to upgrading Advanced Driver-assistance Systems (ADAS).

* Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru vehicle.

**Overall safety philosophy**
- **Primary Safety**: Basic design features for accidents
  - Visibility design
  - Driving position
  - Interface
- **Active Safety**: The ultimate in driving performance for greater safety
  - Horizontally-opposed engine
  - Symmetrical AWD
- **Preventive Safety**: Advanced technology that supports safe driving
  - Horizontally-opposed engine
  - Symmetrical AWD
- **Passive Safety**: Extra precautions just in case
  - Engine layout
  - Subaru Global Platform
  - Pedestrian protection airbags
CSR Priority Areas

Diversity

Promote businesses that create diverse forms of market values while respecting the diverse values of all people.

Why It Is Important to Us

Most companies today face social demand for diversity among their employees and diverse ways of working. Subaru believes that continuing to offer products that contribute to increasing options for our customers and respecting diverse forms of market value will lead to sustainable growth for the company. Achieving this requires diversity of perspective among those who work for the Subaru Group. Diversity for Subaru therefore has two key meanings: diversity in products and diversity of employees. While pursuing diversity in products, Subaru will promote diversity among all those who work for the Subaru Group.
The two kinds of diversity that Subaru engages in to create new value

**Employee Diversity at Subaru of America, Inc. (SOA)**

At SOA, a group of employees with diverse experiences, points of view and values learn from each other to grow, leading to the creation of the next generation of business and makes the company stronger. The principles of diversity, equity, and inclusion are woven into the corporate organization of Subaru. Five employee groups have been active, born from employee activities.

- **Women’s Network**
  This group was established based on the idea that supporting female coworkers leads to an advancement of workplace policies for all employees. In addition to creating opportunities for career advancement for all employees regardless of their gender, it is also a place to for female employees to build their networks.

- **BLENDS**
  This group offers support for workers with African or Latinx backgrounds as a place that aims to implement the opinions of employees. It supports cultural events and activities rooted in regions to promote a corporate culture of diversity, contributing to creating a broad, open community.

- **Out + Ally**
  The first employee group funded at SOA, it is an alliance group between LGBTQ+ and heterosexual/cisgender member. Their activities include support for education, examination, and counseling for those living with HIV/AIDS, assistance with meal provision, and more.

- **SARGE**
  This group is for former servicepersons as well as their families and supporters. Once military service is completed, it can be challenging to return to civilian life. Employees created this group to share useful information, create a network, and provide a place for communication.

- **EVOLVE**
  This group was founded to improve physical and mental health of employees while enjoying various meetings and get-togethers for encouragement. Staring with providing useful health information, the group supports and encourages employee self-improvement.

- **BLENDS**
  This group offers support for workers with African or Latinx backgrounds as a place that aims to implement the opinions of employees. It supports cultural events and activities rooted in regions to promote a corporate culture of diversity, contributing to creating a broad, open community.

**Subaru Promotes Employee Diversity**

Subaru promotes diversity to create an environment in which all our diverse employees can feel comfortable and put in their best efforts.

In January 2015, we established the Diversity Promotion Office, and put forth the following important themes: active roles for female employees, employment of people with disabilities, reemployment of seniors, and employment of non-Japanese. Among these, we identified the promotion of active roles for female employees as the most important, and are moving ahead with our efforts.

Currently, we have set a target for 2025 of increasing the number of female managers by 12 times or more on a 2014 basis, and are strengthening education for future female managers. Also, in 2019, we established a new post to promote diversity in the Manufacturing Department of the Gunma Plant, and are striving to create a workplace where seniors, people with disabilities, and female employees can work in comfort. We are strengthening promotion activities for female employees in manufacturing departments in ways such introducing an early morning childcare system in which a childcare professional provides care in an internal conference room.

**Diversity of Products**

In order to provide safety and enjoyment to customers and create the new value that will be required in future cars, we are working on what we call “diversity of products,” making compatible the characteristic enjoyment of driving a Subaru and the required environmental performance of the era. In 2018, we installed e-BOXER, a power unit that combines Subaru’s proprietary horizontally-opposed engine and the latest electrification technologies, in the SUBARU XV and Forester. In 2019, we launched sales of new models of the SUBARU XV and Forester in Europe and of plug-in hybrid vehicle Crosstrek Hybrid in the United States. Furthermore, Subaru plans to launch sales of its first battery electric vehicle (BEV) in FYE202X.

Present society with new value for cars by pioneering new categories

- **Legacy Touring Wagon**
  Vans with sporty performance
  - The basis of touring wagons
  + Rough-road capability

- **The basis of modern SUVs**
  - Forester
  - Crosstrek Hybrid
Cherish and protect the global environment—The earth, the sky and nature—through Group-wide activities.

Why It Is Important to Us

In FYE2018, Subaru revised its Environmental Policy, declaring that “The earth, the sky and nature” are Subaru’s fields of business, and made clear to strive for the coexistence with nature. These words encapsulate our desire to take the greatest possible care of “The earth, the sky and nature,” since they are the fields in which our automotive and aerospace businesses – the pillars of our enterprise – operate. With the concept that sustainability of both society and Subaru only becomes possible with the existence of rich global environment, that is “The earth, the sky and nature,” the entire Subaru Group will make the greatest possible efforts to undertake global environmental conservation activities.
Making Subaru-style cars that coexist with "The earth, the sky and nature"

**Initiatives for a Decarbonized Society**

Subaru is aware that climate change is one of our most important issues. We support the Paris Agreement, which is aimed at achieving decarbonization at an early stage in the second half of the 21st century. We have set mid-term targets related to Scope 1 and 2 emissions (CO₂ emitted at offices and plants), as well as Scope 3 (CO₂ emitted when using our products), and the group is working together to achieve them. We are aiming to achieve carbon neutrality by 2050 with Scope 1 and 2 emissions. As a milestone, we are working on a 30% reduction compared to 2016 levels by 2030.

For Scope 3 emissions, we have set a target to reduce average well-to-wheel* CO₂ emissions from new vehicles (in operation) sold worldwide by 90% or more compared to 2010 levels, make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs), and apply electrification technologies to all Subaru vehicles produced and sold by the first half of the 2030s. To achieve our mid- to long-term plans for 2030 and 2050, we will continue polishing Subaru's unique technologies, each employee will always remain aware of our mission, and we still strive to achieve sustainable growth for society and the Subaru group.

*When calculating CO₂ emissions, this approach includes those related to the energy source of the power generation, which electric and other vehicles use.

**Combining Environmental Performance and Subaru Style**

With the arrival of the era of hybrid cars and EVs, Subaru's DNA of pursuing enjoyment and peace of mind with the cars we make will remain unchanged. We are making use of our alliance with Toyota Motor Corporation to speed up development of these vehicles, while also pressing forward with the evolution of Subaru's proprietary core technologies, such as our Subaru Global Platform, Symmetrical All-Wheel Drive and horizontally-opposed engine. And by combining these advanced technologies at high specs, we will not only reduce CO₂, but also further improve safety performance, AWD performance and dynamic quality, emphasizing SUBARU-ness. Whichever the era, Subaru's aim is to make people-oriented cars. We pursue making cars which deliver enjoyment to the owner when they drive their car, provide a strong sense of security to all who drive or ride in a Subaru car, and coexist with "The earth, the sky and nature."

**Mid- to long-term targets to reduce CO₂ in plants, offices and products**

<table>
<thead>
<tr>
<th>Category</th>
<th>Time frame</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1, 2</td>
<td>FYE2031</td>
<td>Reduce CO₂ emissions by 30% compared to FYE2017 (total volume basis)</td>
</tr>
<tr>
<td>Scope 1, 2</td>
<td>FYE2051</td>
<td>Achieve carbon neutrality</td>
</tr>
<tr>
<td>2050</td>
<td></td>
<td>Reduce average well-to-wheel CO₂ emissions from new vehicles (in operation) by 90% or more compared to 2010 levels</td>
</tr>
<tr>
<td>Scope 3</td>
<td>First half of the 2030s</td>
<td>Apply electrification technologies to all Subaru vehicles produced and sold worldwide</td>
</tr>
<tr>
<td>By 2030</td>
<td>Make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs)</td>
<td></td>
</tr>
</tbody>
</table>

In addition to reducing CO₂, improve safety performance, AWD performance, and dynamic quality

Study model of exterior design for BEV* being jointly developed with Toyota

* BEV: Battery Electric Vehicle
Act in good faith and become a company that is trusted by and resonates with society.

Why It Is Important to Us

Having reflected on the previous lack of awareness of societal norms in the execution of our duties, flaws in our internal rules, and the inadequate understanding of laws and regulations relevant to our operations, Subaru is keenly aware of the need to change ways of thinking and completely change the culture. Subaru will dedicate the whole of the Subaru Group to promoting initiatives focused on compliance as a priority, with the aim of ensuring that Subaru resonates with and inspires trust in our customers and all other stakeholders.
Initiatives to change each individual’s awareness and actions, and create an organization open to new ideas

Highly Effective “Compliance + α” Initiative
To raise the effectiveness of compliance, Subaru is uncovering each department’s compliance issues, promoting the “Think Compliance” initiative for drafting and executing response plans, and striving to instill self-sustaining initiatives. To do this, we are creating thorough communication in workplaces that comes from an awareness of issues raised by all persons regardless of their positions and the wide ability to notice when something is wrong based on diversity.

In addition to actions that come from the existing compliance mindset of obeying laws and regulations, we are striving to instill sincere conduct based on social norms and ethics and making assertive, voluntary actions that come from an integrity mindset in executives and employees through education.

Furthermore, to promote future activities with the entire group, we have formulated and are enforcing a universal Compliance Policy for the group, and are sharing information.

Providing Information and Conducting Enlightenment Campaigns with the In-house Magazine, “Shuho”
October of every year is Compliance Month, and in order to raise compliance awareness, we conduct enlightenment campaigns and compliance training through in-house methods. We included a special feature page in the October 2019 edition of the Subaru in-house magazine, “Shuho.” It featured a message from the President, saying that “change your thinking, have courage and raise your voice,” and “change your thinking, listen to other’s voices with sincerity.” Also, it introduced examples of efforts to change the entire group’s corporate culture, providing information and enlightenment education on issues that are closely related to employees’ everyday work in order to raise awareness and change behavior regarding compliance.

Openly Exchanging Opinions in the Compliance Roundtable
In order to instill compliance, initiatives that are rooted in each respective workplace are critical. As part of those efforts, the head of the Compliance Committee, an organization that promotes compliance across the entire group, and the company employees of a workplace hold the Compliance Roundtable. During the Roundtable, the Committee head visits the workplace of each department and has a face-to-face meeting with a small group of around 10 employees, such as section or subsection managers. In FYE2020, meetings were carried out at the Manufacturing Division, Engineering Division, Purchasing Division, Cost Planning and Management Division and Aerospace Company, with a total of 138 people in attendance. We will effectively use the open opinions we received directly from these employees who gathered at the workplace in our efforts to continuously improve compliance activities.

Executives Themselves Speak with Employees in the Compliance Lecture
In the Compliance Lecture, executives other than the head of the Compliance Committee express their stance and thinking regarding compliance. In FYE2020, for the second year continuing on from FYE2019, we accepted participants from all ranks or positions so that any employee can raise their understanding and awareness of compliance. A total of 16 executives from all offices delivered lectures, and a total of 3,476 employees attended. After the lecture, we took a questionnaire involving all participants. We gathered a great deal of valuable opinions from the employees, such as their thoughts on the lecture and their views on the corporate culture.

For a sincere attitude toward compliance to take root in Subaru’s corporate culture, it is important to create a workplace where all employees communicate their true opinions openly, listen to each other with sincerity, and arrive at a conclusion together. We will continue promoting compliance efforts as we aim to “become a company that is more open to new ideas and where people can say what they want.”
Environment

032 Environmental Management
044 Environmentally Friendly Automobiles
047 Climate Change
055 Resource Recycling
060 Water Resources
062 Biodiversity
067 Prevention of Pollution
069 FYE2020 Environmental Performance Data for Plants and Offices
Environmental Management

Our Approach

In its Environmental Policies, Subaru states that “our fields of business are the earth, the sky and nature” and focus on efforts aimed at coexistence with nature. In “STEP,” our mid-term management vision, we are committed to making environmental contributions by enhancing the environmental performance of our products. We include “Environment” in the Six Priority Areas for CSR and deem it important to conduct environmental activities as a precondition to continue our business activities.

In order to foster environmental activities across the Subaru Group, we have our Environment Committee as well as a cross-company integrated environmental management system, which covers Subaru Corporation’s sites as well as its domestic and overseas consolidated production companies and dealers. Based on this system, we are fostering environmental management activities through an all-Subaru approach, including formulating medium- to long-term environmental targets, implementing measures to achieve the targets, complying with environmental laws and regulations, managing chemical substances, and compiling environmental performance data.

SUBARU Environmental Policies

SUBARU Sustainability Principles

“The earth, the sky and nature” are Subaru’s fields of business.

With the automotive and aerospace businesses as the pillars of Subaru’s operations, our fields of business are the earth, the sky and nature. Preservation of the ecosystem of our planet, the earth, the sky and nature, is of utmost importance to ensure the future sustainability of both society and our organization. We align our business strategy to enhance these global goals in all of our operations.

1. We develop and deliver products to meet societal needs and contribute to the environment through advanced technologies. By striving to create advanced technologies that put the environment and safety first, we will develop and deliver products that can contribute to protecting the earth’s environment.

2. We focus on efforts aimed at coexistence with nature. Together with efforts to reduce carbon-dioxide emissions in all of our operations, we will promote active engagement with nature by stressing forest conservation.

3. We take on challenges as one through an all-Subaru approach. Utilizing our unique organizational character that allows us to oversee the entire supply chain, all of us together will take on the challenges of environmental protection of our planet through an all-Subaru approach.

Environmental Principles

Subaru’s fields of business are the earth, the sky and nature. Subaru understands that the health and preservation of biodiversity and controlling climate change are critical to ensuring a sustainable future for our planet earth, nature, communities, and businesses.

- **Products:** We develop our products and conduct R&D in light of the lifecycle environmental impacts of our products.
- **Purchasing:** Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection.
- **Production:** We strive to minimize our environmental impact through improving energy efficiency and waste management.
- **Logistics:** We strive to minimize our environmental impact through enhancing energy efficiency and promoting pollution prevention.
- **Sales:** We endeavor to recycle resources efficiently and reduce waste.
- **Management:** We will strive to improve our sustainability program through contributions that meet societal needs and by publicizing our activities as Team Subaru.
Management System

Environmental Management System
Subaru comprehensively manages the entire progress and direction of its environmental management measures through the Environment Committee and based on the cross-company integrated environmental management system (EMS).

Subaru Group’s Environmental Management Organization

Environmental Risk Management System
Subaru regularly identifies the environmental risks involved in its business activities (environmental accidents, pollution, noncompliance with laws and regulations, etc.) and fosters the management of the identified risks to prevent and minimize their materialization.

Implementation of Environmental Audits
(1) Regular auditing based on the ISO 14001 environmental management system
(2) On-site checking of contractors to ensure proper collection, transportation, and disposal of industrial waste
(3) Checking of compliance with environmental laws, regulations, and ordinances

Procedures to Be Followed in Case of an Environmental Accident
Acquisition of External Certification for Environmental Management Systems

Subaru has been working to build a environmental management system, and its sites, suppliers, domestic and overseas consolidated production companies, and dealers have had their individual environmental management systems certified by external organizations.

**Major Certifications**

- **ISO 14001**
  Subaru Corporation and its six consolidated production and logistics subsidiaries in Japan and three consolidated production and sales subsidiaries in North America have obtained ISO 14001 certification for their environmental management systems. (The five domestic companies marked with an asterisk [*] in the lower right table have obtained group certification.)

- **Eco Action 21**
  In 2011, 44 Subaru dealers obtained Eco Action 21 certification, becoming the first automaker-affiliated dealers in Japan to do so. We also began implementing an initiative under the Eco Action 21 value chain model project fostered by the Japanese Ministry of the Environment, which the Ministry certified in 2016 as the first initiative implemented under the project in recognition of its results. We will receive instructions and support from the Institute for Promoting Sustainable Societies (IPSuS)*5, which is the certification body for Eco Action 21, to expand the related activities across the Subaru Group. At the same time, we will support our suppliers in achieving Eco Action 21 certification, thereby expanding the initiative across our value chain.

- **ISO 50001**
  In 2012, Subaru of Indiana Automotive, Inc. (SIA), which is our production base in North America, became the first automobile production plant in the United States to acquire certification for ISO 50001*3, which is the international standard for energy management systems (EnMS).

- **ISO 39001**
  Subaru Logistics Co., Ltd. obtained certification for ISO 39001*, the international standard for road traffic safety management systems, in 2015 and for ISO 9001*5, the standard for quality management systems, in 2016.

**Establishment of EMSs and EnMSs by the Subaru Group**

<table>
<thead>
<tr>
<th>Plants and offices</th>
<th>Domestic consolidated production and logistics companies</th>
<th>Overseas consolidated production companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
<td><strong>Subaru Corporation</strong></td>
<td><strong>ISO 14001</strong></td>
</tr>
<tr>
<td><strong>Certification obtained for EMSs/EnMSs</strong></td>
<td><strong>ISO 14001</strong></td>
<td><strong>ISO 14001</strong></td>
</tr>
<tr>
<td></td>
<td><strong>ISO 14001, Eco Action 21 or self-certification</strong></td>
<td><strong>ISO 14001</strong></td>
</tr>
<tr>
<td></td>
<td><strong>ISO 14001</strong></td>
<td><strong>ISO 50001</strong></td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td><strong>Gunma Plant</strong></td>
<td><strong>Eco Action 21</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Tokyo Office</strong></td>
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<td></td>
<td><strong>Utsunomiya Plant</strong></td>
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<td></td>
<td><strong>Head Office</strong></td>
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<td></td>
<td><strong>Green procurement Suppliers of materials</strong></td>
<td><strong>SIA</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>All Subaru dealers</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>44 companies in total</td>
</tr>
</tbody>
</table>

* Group certification

Subaru Corporation and its affiliated companies marked with an asterisk (*) carry out mutual internal audits on their EMSs within the scope required for ISO 14001 group certification.

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* Environmental conservation activity promotion program formulated by the Japanese Ministry of the Environment in which SMEs work on three themes: environmental management systems, environmental measures, and environmental reporting.
*2 This organization examines, plans, and implements new initiatives to build sustainable societies by integrating initiatives related to businesses, such as Eco Action 21, with product- and service-related initiatives to be promoted via supply chains.
*3 International standard applicable to all organizations that sets the requirements to be met by business operators when conducting activities to build an energy management system, including the formulation of policies, targets, and plans for their energy use and the determination of management procedures.
*4 International standard for road traffic safety management systems. It requires organizations to appropriately manage the factors that could cause traffic accidents and reduce the related risks effectively and efficiently, thereby reducing the number of deaths and serious injuries caused by road traffic accidents.
*5 Of the ISO 9000 family (a set of international standards on quality management systems) introduced by the International Organization for Standardization (ISO) in 1987, ISO 9001 deals with the requirements that should be met to obtain certification for the standards, which are intended to foster systematic quality improvement under quality management systems.

→ CSR Procurement
Environmental Management Systems Established by Dealers in Japan
All 44 dealers in Japan have acquired Eco Action 21 certification. Under the certification system, they promote their environmental management systems and carry out environmental audits on a regular basis for environmental conservation and compliance with environmental laws and regulations. Moreover, we collect data about domestic dealers’ energy use, CO₂ emissions, waste generation, and water use through the Subaru Group’s unique data system for environmental reporting and use the data to reduce our environmental impact.

Environmental Management Systems Established by Retailers in the United States (SOA)
Subaru of America, Inc. promotes the Eco-Friendly Retailer Program that encourages Subaru retailers in the United States to reduce energy consumption, water usage, wastes and other environmental impacts. A total of 194 companies, which constitutes more than 30% of all retailers, participate in the program.

Management of Chemical Substances
A range of chemical substances are regulated by laws and regulations, including the REACH regulation¹, ELV Directive², and the Chemical Substance Control Law³, under which we are required to disclose information and ensure the appropriate management of chemical substances. Subaru is strengthening the management of its supply chain by using the IMDS⁴ in order to identify which chemical substances are used in what amount in each of the several tens of thousands of parts that comprise its automobiles. Through this initiative, we are ensuring the non-use of prohibited substances (lead, mercury, cadmium, hexavalent chromium, etc.), promoting the replacement of newly regulated substances with alternatives, and establishing a management system that helps us promptly disclose information about the use of substances that we should appropriately manage under REACH and other regulations. We are thereby reducing the use and enhancing the management of environmentally hazardous substances.

¹ REACH regulation: European regulation on chemical substances requiring all chemical substances to be subject to management or restricted use commensurate to the risk that they pose to humans and the environment.
² The End-of-Life Vehicles (ELV) Directive: European Union (EU) directive brought into force in 2000 to reduce the environmental impact from the scrapping of end-of-life vehicles in the EU. It aims to prohibit the use of hazardous substances and reduce the generation of waste by encouraging the reuse and recycling of end-of-life vehicles and their parts.
³ The Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law) is a law whose purpose is to prevent environmental pollution caused by chemical substances that could harm human health or interfere with the habitat or growth of flora and fauna.
⁴ IMDS: International Material Data System, an international materials database for the automobile industry.

Targets, Plans, and Results
Environmental initiatives need to go beyond merely setting the goals and targets to be achieved. Subaru believes it is also important to implement the measures to attain them and bring the efforts to fruition.

Subaru began implementing the Voluntary Plan for the Environment in FYE1994 and we are currently promoting the sixth plan (FYE2018–FYE2021). For the attainment of the targets set in the plan, we are executing a PDCA cycle to get the greatest efficiency from the measures that we are taking, including those related to ISO 14001 and Eco Action 21 that we have introduced as necessary to some of our sites. Moreover, in order to implement more measures from medium- to long-term viewpoints, we have also started formulating our new Environment Action Plan for FYE2022 and subsequent years. For the Plan, we have already set some targets (directions in which to head) to examine in finalizing the specific details.

The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021)
(1) Global Warming Measures
(2) Resource Recycling
(3) Pollution Prevention and Reduction of Hazardous Chemical Use
(4) Environmental Management
# The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Global Warming Measures

<table>
<thead>
<tr>
<th>Field</th>
<th>Item</th>
<th>Up to FYE2021 Target/Initiative</th>
<th>FYE2020 Target</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fuel economy improvement</td>
<td>● Continue to improve fuel economy through full model changes and annual improvements.</td>
<td></td>
<td>● Innovate to an environmental engine, and realize category top level fuel efficiency.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● Introduce horizontally opposed direct-injection downsized turbo engines to the market.</td>
<td></td>
<td>● Complete the development phase for mass production of the downsized turbo engine and move to production readiness.</td>
</tr>
<tr>
<td></td>
<td>Clean energy use</td>
<td>● Promote introduction of electric vehicles.</td>
<td></td>
<td>● Introduce plug-in hybrid vehicles into the main market in 2018.</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td></td>
<td></td>
<td>● Promote research for introducing electric vehicles into the market.</td>
</tr>
<tr>
<td></td>
<td>Automobiles</td>
<td>● Make efforts to expand deployment of advanced driver assist system and development of automated driving technology, further advance technological development to prevent accidents, and contribute to CO2 reduction through preventing traffic congestion due to accidents and improving traffic flow with driving support technology.</td>
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<tr>
<td></td>
<td></td>
<td>● Promote technological development of advanced driver assist system technology and preventive safety technology, focused on the EyeSight advanced driver assist system, and expand to more markets.</td>
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<tr>
<td></td>
<td></td>
<td>● Introduce the traffic jam assist feature that keeps a car in the same lane on expressways to the market in 2017.</td>
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<tr>
<td></td>
<td></td>
<td>● Introduce the highway automatic driving feature including lane changes to the market in 2020.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Road traffic improvement - IT technology (Automate driving technology and preventive safety technology)</td>
<td>● Reduce CO2 emissions per unit of production at domestic production facilities.</td>
<td></td>
<td>● Reduce CO2 emissions per unit of production by 14% from FYE2007 level by FYE2021 at domestic production facilities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● For overseas production facilities, set medium term CO2 emissions reduction targets and continue to promote activities to attain them.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>● Promote activities to reduce CO2 emissions at overseas production facilities*.</td>
<td></td>
<td>● Reduce CO2 emissions to the extent possible, considering measures to achieve a significant reduction under the next action plan.</td>
</tr>
<tr>
<td></td>
<td>Production facilities</td>
<td>● Use FYE2007 per unit of CO2 emission as a benchmark, and reduce emission by 1% every year.</td>
<td></td>
<td>● Continue activities synchronized with the Energy Saving Law, and aim for 1% emission reduction every fiscal year with FYE2007 result as a benchmark.</td>
</tr>
<tr>
<td></td>
<td>Distribution/Sales</td>
<td>● Promote CO2 emissions reduction activities synchronized with the Energy Saving Law.</td>
<td></td>
<td>● Continued to achieve the yearly 1% emissions reduction target.</td>
</tr>
<tr>
<td></td>
<td>Distribution</td>
<td></td>
<td></td>
<td>● sPosted 27.03 kg/vehicle for CO2 emissions per unit, more than meeting the FYE2020 target set at 30.02 kg/vehicle (1% reduction every fiscal year from the FYE2007 benchmark).</td>
</tr>
</tbody>
</table>

### FYE2021 Target/Initiative

- Roll out the new Forester, SUBARU XV and Impreza-wagon fitted with the new e-Boxer power unit in Europe, Japan, China and Australia.
- Planned with good prospects to complete the development phase for mass production of the downsized turbo engine and the next Levorg by the end of March 2020, and partially moved to production readiness.
- Started joint development with Toyota Motor Corporation for a platform dedicated to EVs for midsize and large passenger cars, and a C-segment class EV SUV model.
- Considered expanding the adoption of THS, and established plans to address performance and adoption issues with good prospects.
- Promote joint development of EVs with Toyota Motor Corporation and move to mass production of THS-based vehicles, aiming to achieve the environmental goals announced publicly on January 20, 2020.
- Promote development that aims at zero fatal traffic accidents by 2030.
- Continue to promote development of advanced driving assist system technology, focusing mainly on rollout of the next-generation EyeSight and popularization and dissemination of accident damage reduction technology using assessment.
- Moved forward with the development of technology to facilitate automatic driving on expressways, aiming at market rollout of this function in 2020.
- Promote activities based on promotion plans of industry/government/academia such as SIP/ASV.
- Installed solar panels in the Technical Training Center completed in December 2019, which supplies 50% of the requirement to power the facility. Introduced motion sensor-fitted LED lighting to reduce energy consumption and CO2 emissions.
- Promote joint development of EVs with Toyota Motor Corporation and move to mass production of THS-based vehicles, aiming to achieve the environmental goals announced publicly on January 20, 2020.
- Promote development that aims at zero fatal traffic accidents by 2030.
- Continue to promote development of advanced driving assist system technology, focusing mainly on rollout of the next-generation EyeSight and popularization and dissemination of accident damage reduction technology using assessment.
- Continue to promote activities based on industry/government/academia initiatives such as SIP/ASV.

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*1 Subaru of Indiana Automotive, Inc.
## The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Resource Recycling

<table>
<thead>
<tr>
<th>Field</th>
<th>Item</th>
<th>Up to FYE2021 Target/Initiative</th>
<th>FYE2020</th>
<th>FYE2021 Target/Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recyclability improvement</td>
<td>• Continue to implement measures to comply with the Automobile Recycling Law.</td>
<td>- Promote new model design for recycle, and contribute to actual recycling rate of 95% by FYE2021.</td>
<td>- Promote technological development considering easy dismantling.</td>
<td>- Build collection schemes as necessary in relevant locations for used EV/HV batteries for large vehicles in time with the launch of MHEV/PHEV.</td>
</tr>
<tr>
<td></td>
<td>• Continue to implement measures to make parts and materials more detachable, separable, and sortable.</td>
<td>- Promote technological development regarding easy dismantling of CFRP products.</td>
<td>- Continue to promote high-level treatment and recycling, and demonstration experiment.</td>
<td>- Promote the use of recycled materials in resin parts based on an adequate understanding of trends in the social environment and in laws and regulations.</td>
</tr>
<tr>
<td></td>
<td>• Make efforts for CFRP recycling technology.</td>
<td>- Promote release of LCA data from full model change vehicles.</td>
<td>- Continue to appropriately dispose of waste and reduce waste generation.</td>
<td>- Promote technology development that considers easy dismantling.</td>
</tr>
<tr>
<td>Promotion of life-cycle assessment</td>
<td>• Promote disclosure of life-cycle assessment (LCA) data.</td>
<td>- Improve recycling and proper treatment.</td>
<td>- Keep the amount of waste below 19,731.8 t in FYE2020. Appropriately manage waste and continue to maintain and manage waste reduction by improving yield.</td>
<td>- Conduct demonstration experiments on the recycling of used EV/H-V lithium ion batteries and a test treatment before starting domestic operations.</td>
</tr>
<tr>
<td>Domestic dealerships and dismantlers</td>
<td>• Establish processing schemes for difficult material to process, etc.</td>
<td>- Appropriately manage waste, and continue the waste reduction maintenance/management by improving yield and packaging.</td>
<td>- Waste generated in FYE2020 totaled 19,861.5 t (129.7 t above the target). Continued to carry out appropriate waste management and waste reduction measures.</td>
<td>- Japan: Start to apply the used EV-H/V lithium ion batteries disposal scheme.</td>
</tr>
<tr>
<td>Production</td>
<td>• Continue the appropriate disposal of waste and reducing waste generation.</td>
<td>- Continue zero landfill at both domestic and overseas production facilities.</td>
<td>- Japan: Continued to achieve zero landfill. US: Achieved zero landfill for the 15th consecutive year starting from 2004. Planted 15 trees in celebration of the milestone record.</td>
<td>- Continue to appropriately dispose of waste and reduce waste generation through sorting.</td>
</tr>
<tr>
<td></td>
<td>• Continue zero landfill (zero landfill waste either directly or indirectly) at both domestic and overseas production facilities.</td>
<td>- Manage volume of water used at production facilities across Group companies in and outside Japan.</td>
<td>- Japan: Continued to achieve zero landfill.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Manage volume of water used at both domestic and overseas production facilities.</td>
<td>- Properly manage volume of water use at production facilities in and outside Japan.</td>
<td>- Conducted proper management.</td>
<td>- Properly manage water use at production facilities in and outside Japan.</td>
</tr>
</tbody>
</table>
The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Pollution Prevention and Reduction of Hazardous Chemical Use

<table>
<thead>
<tr>
<th>Field</th>
<th>Item</th>
<th>Up to FYE2021 Target/Initiative</th>
<th>FYE2020</th>
<th>Results</th>
<th>FYE2021 Target/Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Reduction in emissions</td>
<td>◆ Promote the introduction of low-emission vehicles to improve air quality.</td>
<td>◆ Japan: Increase the number of low emission standard certified models by WLTP (produced by Subaru).</td>
<td>◆ Bringing vehicles with gasoline particulate filters (GPFs), which curb emission of the particulate matter, to market.</td>
<td>◆ Japan: Continue to increase the number of low emission standard certified models by WLTP.</td>
</tr>
<tr>
<td></td>
<td>Reduction in the use of environmentally hazardous substances</td>
<td>◆ Promote the management and reduction in the use of environmentally hazardous substances.</td>
<td>◆ Overseas: Promote the introduction of low-emission vehicles to improve air quality in each country and region.</td>
<td>◆ Undertake advanced development aimed at expanding the rollout of SULEV-compliant vehicles in North America.</td>
<td>◆ Complete advanced development of SUL EV-compliant vehicles to be rolled out in North America.</td>
</tr>
<tr>
<td></td>
<td>Automobiles</td>
<td>◆ Further reduce per unit of VOC emissions (g/m²) at production lines.</td>
<td>◆ Improve management of chemical substances contained in products.</td>
<td>◆ Chemical substance management</td>
<td>◆ Built an IMS system enabling chemical components management for the complete range of parts in order to strengthen existing IMS management, and started to use it in FYE2020.</td>
</tr>
<tr>
<td></td>
<td>Management and emission reduction of environmentally hazardous substances at production facilities</td>
<td>◆ Promote activities targeting the elimination of occurrences of hazardous substances leaking off site, complaints, and exceeding legal standards.</td>
<td>◆ Promote switching to substances with lower environmental impact.</td>
<td>◆ Promote alternatives to Substances of Concern</td>
<td>◆ Continue to enhance chemical substance management using IMS.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>◆ Continue to reduce emissions of PRTR substances into the environment.</td>
<td>◆ Promote alternatives in line with policies on alternatives to phthalates and other regulated substances.</td>
<td>◆ Continue to replace regulated hazardous substances with appropriate alternatives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◆ Reduce per unit of VOC emissions.</td>
<td>◆ Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances.</td>
<td>◆ Continue aggregation management and control of chemical substances regulated by the PRTR law.</td>
<td>◆ Formulated policies on alternatives to phthalates (required by July 2024) and promoted switching according to the policies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>◆ Promote activities targeting the zero occurrence of environmental accidents, complaints, and cases exceeding legal standards through environmental risk reduction activities.</td>
<td>◆ Continue to implement environmental risk reduction activities (lighteningment, education, and coexistence with community), and aim to achieve the FYE2020 target of reducing instances of the issues listed on the left to zero in all cases.</td>
<td>◆ Promoted advanced development of SUL EVs for rollout in North America as planned.</td>
</tr>
</tbody>
</table>

*Exceeding legal regulation standards: 5 cases (5 in Gunma: effluent BOD, coliform contamination, nighttime noise; 1 in Utsunomiya: BOD [Handa Plant]; 1 in the Head Office: noise from the parts center). *Complaints: 2 cases (Gunma Yajima Plant: odor; Ota North Plant: noise (inadequate building repair). *Accidents (leakage): 2 cases (Gunma: oil leakage)
## The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Environmental Management

<table>
<thead>
<tr>
<th>Field</th>
<th>Item</th>
<th>Up to FYE2021 Target/Initiative</th>
<th>FYE2020 Target</th>
<th>Results</th>
<th>FYE2021 Target/Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>Green procurement activities</td>
<td>♦ Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems (EMS).</td>
<td></td>
<td>Continue to maintain the structure to establish EMS including new suppliers.</td>
<td>Continue to maintain the structure to establish EMS including new suppliers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>♦ Request that the entire supply chain improve environmental management throughout the product life cycle.</td>
<td></td>
<td>Request that the entire supply chain improve environmental management throughout the product life cycle.</td>
<td>Continue to maintain the structure to establish EMS including new suppliers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>♦ Encourage suppliers to further improve management of and reduce the use of environmentally hazardous substances contained in parts and materials.</td>
<td></td>
<td>Encourage suppliers to further improve management of and reduce the use of environmentally hazardous substances contained in parts and materials.</td>
<td>As necessary, publish the revised guidelines, and deploy and disseminate them to suppliers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>♦ Revise the guidelines according to changes in the social environment and corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines.</td>
<td></td>
<td>Revise the guidelines according to changes in the social environment and corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines.</td>
<td>Continue to investigate content of environmentally hazardous substances and promote switching to alternatives appropriately in response to global regulation trends.</td>
</tr>
<tr>
<td>Distribution</td>
<td>Promotion of environmental conservation activities among dealerships</td>
<td>♦ Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems (EMS).</td>
<td></td>
<td>Continue to maintain the structure to establish EMS including new suppliers.</td>
<td>Revise the guidelines as necessary after checking with related departments for any revision requirements, and issue a new version of the guidelines.</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>♦ Provide support to Subaru dealerships' environmental activities.</td>
<td></td>
<td>Provide support to Subaru dealerships' environmental activities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>♦ Support all dealerships maintain “Eco Action 21” certification.</td>
<td></td>
<td>Support all dealerships maintain “Eco Action 21” certification.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>♦ Support voluntary implementation of environmental measures, such as energy conservation and waste reduction measures, under “Eco Action 21”.</td>
<td></td>
<td>Support voluntary implementation of environmental measures, such as energy conservation and waste reduction measures, under “Eco Action 21”.</td>
<td>Provide individual companies with education and other support to ensure that each dealership can undergo the inspection for transition to the 2017 Version of the EA21 Guidelines without fail.</td>
</tr>
</tbody>
</table>

* In order to prepare domestic dealerships to undergo the inspection for transition to the FYE2018 version of the EA21 Guidelines, each dealership was visited together with a consultant to provide relevant information, exchange opinions and offer other forms of support.
* Out of a total of 44 applicable dealerships that underwent the transition inspection, 43 maintained certified status. The remaining one was exempted from the interim inspection due to the impact of COVID-19.

* Continue to help applicable EA 21-certified domestic dealerships, if any, prepare to undergo the inspection for continued certification in FYE2021.
* Support domestic dealerships with efforts to reduce environmental risks and promote environmentally considerate management.
### The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Environmental Management

<table>
<thead>
<tr>
<th>Field</th>
<th>Item</th>
<th>Up to FYE2021 Target/Initiative</th>
<th>FYE2020</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of environmental conservation activities, including biodiversity conservation, in cooperation with local communities</td>
<td>Develop and apply appropriate environmental management systems.</td>
<td>• Continue to participate in environmental events, and make friendly exchanges with and support factory tours of residents near factories.</td>
<td>• Continue to provide school visits to lecture on the environment and invite visitors to the Gunma Visitor Center.</td>
<td>• Provided group-wide education. • Maintained the ISO214001-certified status of the group. • Supported EA21-certified companies to maintain their status (January)</td>
</tr>
<tr>
<td>Disclosure of environmental information management</td>
<td>Continue to participate in environmental events and make friendly exchanges with and support factory tours of residents near factories.</td>
<td>• Continue to conduct cleanup and greening activities, including biodiversity conservation efforts, near factories.</td>
<td>• Continue to carry out cleanup activities around factories and offices.</td>
<td>• Provided e-learning programs, aiming for further improvement. • Provided programs aimed at improving understanding of the Waste Management and Public Cleansing Act.</td>
</tr>
<tr>
<td>Promotion of environmental education and awareness activities</td>
<td>Provide environmental report. Provide updated information on the website.</td>
<td>• Promote greening activities taking biodiversity into consideration.</td>
<td>• Aim to publish the 2019 CSR Report in August 2019. Carry out timely information disclosure by means of press releases, etc.</td>
<td>• Promote corporate communication activities appropriately, utilizing various content materials effectively.</td>
</tr>
<tr>
<td>Establishment of an Environmental Management System</td>
<td>Each and every Subaru site to maintain ISO14001 integrated certification.</td>
<td>• Improve environmental reporting systems and other documents in a timely manner.</td>
<td>• Provide environmental report. Provide updated information on the website.</td>
<td>• Consider approaches to increase readability of disclosed content.</td>
</tr>
<tr>
<td></td>
<td>Make continuous improvements to the Environmental Management System.</td>
<td>• Improve compliance of Environmental Report to Environmental Reporting Guidelines of the Ministry of the Environment, and improve the contents of environmental reporting.</td>
<td>• Continue to improve the EA21 Value Chain with regard to ISO14001 certification activities.</td>
<td>• Continue to carry out timely information disclosure in the CSR report.</td>
</tr>
<tr>
<td></td>
<td>Increase cooperation with subsidiaries and suppliers, and maintain and improve the establishment of consolidated environmental management system.</td>
<td>• Participate in environmental events and publicize corporate environmental activities.</td>
<td>• Participate in Eco-Products Exhibitions, etc. to widely publicize the company’s eco-friendly activities.</td>
<td>• Promote corporate communication activities appropriately to showcase Subaru’s environmental commitment.</td>
</tr>
</tbody>
</table>

*Environmental conservation activity promotion program for small- and medium-size enterprises formulated by the Ministry of the Environment, Japan. It is an environmental management system that addresses three areas: environmental management systems, environmental efforts, and environmental reporting, based on the guidelines.*
Environment Action Plan

Among various environmental problems, climate change in particular has significant impacts on societies and economies. Accordingly, measures must be implemented to deal with climate change as a pressing issue from a long-term perspective. Subaru regards climate change countermeasures as a priority and has set a target of reducing the total amount of CO2 emitted directly by the Subaru Group (Scope 1 and 2 emissions) by 30% relative to FYE2017 levels by FYE2031. Although it will not be easy for Subaru to meet this reduction target while it continues to grow, we believe it is important to share the same goal with society and work to “keep the increase in global average temperature to well below 2°C above pre-industrial levels,” as upheld in the Paris Agreement. Accordingly, we have drawn up a roadmap for the period up to FYE2031 and are examining specific measures to be taken based on that roadmap. Presently we are in Phase I of the roadmap and working to reduce our CO2 emissions by 20,000 tons, which constitutes around 3% of the Subaru Group’s annual direct CO2 emissions, earlier than planned by the end of FYE2021.

→ Medium- to long-term targets (long-term visions and milestones)
Environmental Compliance

Compliance with Environmental Laws and Regulations
In addition to complying with environmental laws and regulations, Subaru has set its own voluntary environmental standard values, which are 20% stricter than the regulatory values set by law. We are committed to never exceeding the regulatory and voluntary thresholds and striving to achieve the goal of zero environmental complaints and zero environmental accidents. The following shows the results in which the regulatory threshold was exceeded in FYE2020.

<table>
<thead>
<tr>
<th>Name of the site</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gunma Plant</td>
<td>3</td>
</tr>
<tr>
<td>Utsunomiya Plant</td>
<td>1</td>
</tr>
<tr>
<td>Head Office</td>
<td>1</td>
</tr>
</tbody>
</table>

Environmental Accidents
We are striving to achieve the goal of zero accidents, both on-site and off-site. There were 4 cases off-site and 5 cases on-site, and we took measures to prevent the reoccurrence of similar incidents.

<table>
<thead>
<tr>
<th>Name of the site</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gunma Plant</td>
<td>7</td>
</tr>
<tr>
<td>Utsunomiya Plant</td>
<td>2</td>
</tr>
</tbody>
</table>

Environmental Complaints
We are striving to achieve the goal of zero environmental complaints. However, we received complaints in FYE2020 and took corrective measures.

<table>
<thead>
<tr>
<th>Name of the site</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gunma Plant</td>
<td>2</td>
</tr>
</tbody>
</table>

Environmental Education
Subaru deems it important for employees to conduct business and environmental activities with a strong awareness of environmental issues and the importance of environmental efficiency. Based on this recognition, we provide employees with a range of environmental education according to rank and job type.

■ New Employee Environmental Education
In FYE2020, we provided the New Employee Environmental Education program to 566 employees. Our personnel in charge of environmental issues gave lectures on global environmental issues and Subaru's environmental policies and environmental activities, including the importance of each employee’s commitment to these activities, by showing examples.
Material Flow Concerning Automobiles

**INPUT**
- Energy use: 170,000 kWh
  - Electricity, natural gas, etc.
- Raw materials: 720,000 t
  - Iron, aluminum, plastic, etc.
- Water consumption: 3,262,000 m³
  - Tap water, industrial water, underground water
- Substances regulated by the PRTR law: 2,800 t
  - Toluene, xylene, etc.

**OUTPUT**
- Business activities
  - Purchasing
    - Green procurement
  - R&D
    - Higher fuel efficiency
    - Cleaner exhaust gas
    - Reduced noise
  - Production
    - Prevent global warming
    - Manage chemical substances
    - Reduce waste
  - Logistics
    - CO₂ emissions: 317,000 t-CO₂
    - Waste generation: 110,000 t
      - Iron scrap, waste plastics, etc.
  - Waste generation
    - Emissions of PRTR law-regulated substances: 799 t
      - Toluene, xylene, etc.
  - Recycling
    - Purchasing
      - Green procurement
    - R&D
      - Higher fuel efficiency
      - Cleaner exhaust gas
      - Reduced noise
    - Production
      - Prevent global warming
      - Manage chemical substances
      - Reduce waste
    - Logistics
      - CO₂ emissions: 317,000 t-CO₂
      - Waste generation: 110,000 t
        - Iron scrap, waste plastics, etc.
    - Recycling
      - Purchasing
        - Green procurement
      - R&D
        - Higher fuel efficiency
        - Cleaner exhaust gas
        - Reduced noise
      - Production
        - Prevent global warming
        - Manage chemical substances
        - Reduce waste
      - Logistics
        - CO₂ emissions: 317,000 t-CO₂
        - Waste generation: 110,000 t
          - Iron scrap, waste plastics, etc.
    - Use by customers
      - Assist eco drive
    - End-of-life vehicles
      - Collection and recycling
  - Use by customers
    - Assist eco drive
  - End-of-life vehicles
    - Collection and recycling

**Environmental Investment**

**Calculation Method**
Subaru has its own guidelines for calculating and tabulating the amount of environmental investments made by the company and other Subaru Group companies.

**Calculation Results for Environmental Investments**

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>FYE2019</th>
<th>FYE2020</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cost in the business area</td>
<td>(i) Pollution prevention cost</td>
<td>189</td>
<td>135</td>
<td>189</td>
<td>137</td>
</tr>
<tr>
<td></td>
<td>(ii) Global environment conservation cost</td>
<td>176</td>
<td>219</td>
<td>314</td>
<td>223</td>
</tr>
<tr>
<td></td>
<td>(iii) Resource recycling cost</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>(2) R&amp;D cost</td>
<td>R&amp;D cost to reduce environmental impact</td>
<td>2,277</td>
<td>2,480</td>
<td>2,292</td>
<td>2,502</td>
</tr>
<tr>
<td>Grand total</td>
<td></td>
<td>2,642</td>
<td>2,835</td>
<td>2,799</td>
<td>2,863</td>
</tr>
</tbody>
</table>

(Unit: million yen)

Note: Due to rounding, the sum may not exactly match the corresponding total.

Consolidated companies

Calculation Results
For FYE2020, the amount of environmental investments made by the Subaru Group totaled 2,860 million yen, up about 60 million yen year on year. The increase was mainly attributable to an increase in the R&D cost (200 million yen on a non-consolidated basis).

Note: These are the main environmental impacts arising from Subaru’s automobile manufacturing, sales, etc.
Target: Tokyo Office and Gunma Plant
Energy use and CO₂ emissions: Calculated according to the Mandatory Greenhouse Gas Accounting and Reporting System, which is based on the Act on the Promotion of Global Warming Countermeasures
PRTR: Pollutant Release and Transfer Register system in Japan
Environmental Management

Environmentally Friendly Automobiles

Our Approach

“The earth, the sky and nature” are Subaru’s fields of business, and we truly do value the benefits nature provides. The Subaru Group is committed to increasing the environmental performance of its products and also to protecting the global environment throughout the life cycle of its products, from the mining of raw materials through to the manufacturing, transportation, use, and disposal of its products.

Medium- to Long-term Targets (Long-term Visions and Milestones)

To contribute to the creation of a carbon-free society, the Subaru Group released long-term goals related to vehicles (long-term visions) and complementary medium-term goals (milestones) in January 2020.

Following the adoption of the document urging each country to voluntarily raise their CO2 emission reduction targets at COP25 held in December 2019, we set our own medium- to long-term targets for 2030 and 2050, with an eye to contributing to the achievement of the non-binding 1.5-degree target set in the Paris Agreement.

Contribution to the creation of a carbon-free society through products from Subaru’s point of view

Global Environment Preservation

Companies are required to contribute to the achievement of a decarbonized society

Year 2050

On the well-to-wheel basis, we will pursue our goal of reducing the average CO2 emissions from new passenger cars by at least 90% by 2050, compared with 2010.

*1 Well-to-Wheel: Approach to calculate CO2 emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles.

*2 Reduce total CO2 emissions calculated based on the fuel efficiency (notified value) of all Subaru automobiles sold across the world by 90% or more relative to the 2010 levels in 2050. Changes in the sales quantity due to changes in the market environment shall be taken into consideration, while minor changes in running distance shall not.

*3 Excluding the models supplied by OEMs.

*4 Refers to the technology used to foster the use of electricity for EVs, HVs, and others.

SUBARU will accelerate the development of fundamental technologies for EVs and hybrid cars with support from alliance partners and continue offering products accentuating SUBARU’s distinctions even in the emerging electric age.

SUBARU will contribute to building a carbon-free society through our distinctive and technological innovations.
**Initiatives**

**Efforts to Reduce CO₂ Emissions for New Models**
Subaru believes that finding ways to improve fuel efficiency is a key to reducing the amount of CO₂ emitted by automobiles. While further improving the fuel efficiency of our gasoline engine vehicles, we will strive to reduce CO₂ emissions produced by our new models by expanding our range of electric vehicles (EVs) and developing more EVs in anticipation of the enforcement of more stringent fuel efficiency regulations in various countries.

**Higher Fuel Efficiency**
There is still large demand for conventional gasoline-powered vehicles from customers. In fact, HVs are made by combining gasoline engines with electrification technology, and engines need to be further advanced to improve fuel efficiency. The new Outback/Legacy, which we released in the United States in 2019, is equipped with the newly developed 2.5-liter direct injection engine, which is combined with the improved continuously variable transmission (CVT) to provide higher fuel efficiency. Moreover, for the 2020 Forester and Ascent models targeted at the North American market, we are continuing to provide the top-level fuel efficiency in the SUV class.

**Electric Vehicles—HV, Plug-in Hybrid Vehicles (PHV), Strong Hybrid Electric Vehicles (SHEV), and Other Electromotive Vehicles (xEV)**
Subaru will expand its lineup of models equipped with the e-BOXER* power unit, which was developed by combining a horizontally opposed engine with electrification technology. We will also put on sale a unique plug-in hybrid vehicle developed by using the HV know-how possessed by Toyota Motor Corporation, and will develop a strong hybrid vehicle that provides both SUBARU-ness and high environmental performance in the 2020s. Also, we will equip gasoline-powered vehicles with a range of electrification technologies to release xEVs with higher fuel efficiency. Subaru will expand the lineup of these electromotive vehicles in a planned manner with an eye to reducing CO₂ emissions from new models.

* Generic term used for “horizontally opposed engine + electrification technology,” which offers the unique driving pleasure of Subaru while being environmentally friendly.

**Electric Vehicles (EVs)**
In June 2019, Subaru announced that it had reached an agreement with Toyota to jointly develop a platform for medium- to large-sized electric passenger vehicles as well as an electric SUV in the C-Segment class as its next step for remaining competitive in the coming age of electrification. By bringing together the technological strengths of two companies, including the electrification technology for which Toyota is fostering partnerships and the all-wheel drive (AWD) technology long accumulated by Subaru, the two will take on the challenge of making an attractive EV and releasing it in the first half of the 2020s.

We at Subaru will “develop and deliver products to meet societal needs and contribute to the environment through advanced technologies,” thereby contributing to the protection of the global environment. We will continue to develop EVs and expand our EV lineup, giving consideration to practical functions and customer preferences. We will thereby gradually increase the rate of environmentally friendly automobiles among our products for each market.

Reducing CO₂ emissions with electrification technologies while further accentuating “SUBARU-ness” in the environmental era
Life Cycle Assessment
Subaru carries out LCA* of its automobiles to reduce their environmental impact throughout their life cycle (from the mining of materials to the manufacture, transportation, use, and disposal of the automobiles).

* Life cycle assessment (LCA) is a method to evaluate the environmental performance of a product or service throughout its life cycle.

Cleaner Exhaust Gas
To achieve and maintain clean air across the globe, Subaru is developing technologies for cleaner exhaust gas, targeting not only conventional air pollutants such as hydrocarbon compounds and nitrogen oxides but also particulate matter, which is feared to have serious impacts on human health.

For our products, we are expanding our range of models that meet the latest environmental standards adopted by each country.

- Japan : 2018 low emissions standards
- US : State of California's SULEV standards
- Europe: Euro 6 emission standards (final stage)
- China : China 6 emission standards

We will develop and propose reasonable products for customers based on the results of research conducted to identify the optimal specifications in each country, including research on the components of exhaust gas that will be regulated in the future. To this end, we are designing materials on an atomic level to improve the performance of the catalyst, which plays a major role in producing cleaner exhaust gas, while also reducing the use of precious metal.

Reducing Environmentally Hazardous Substances
Subaru is also actively working on reducing the use of environmentally hazardous substances in automobiles. As for lead, mercury, hexavalent chromium, and cadmium, we achieved the environmentally hazardous substance reduction target set by the Japan Automobile Manufacturers Association, Inc. (JAMA) for all new models released in and after 2008.

In order to ensure compliance with the REACH regulation, ELV Directive, Chemical Substance Control Law and other regulations enforced across the world, we are further reducing the use of lead and replacing phthalic acid-based plasticizer and other hazardous chemical substances with alternatives.

Reducing VOCs* in Vehicle Interiors
Subaru is reviewing the components and adhesive agents used in vehicle interiors in order to reduce the use of volatile organic compounds (VOCs)*.

For the Legacy, Levorg, Impreza, Forester, and SUBARU BRZ, we achieved the voluntary target set by the JAMA* by reducing the concentration of the 13 substances defined by the Japanese Ministry of Health, Labour and Welfare to levels below the indoor concentration guideline values. We will continue our efforts to reduce the levels of VOCs to make the in-vehicle environment even more comfortable.

Utilizing Recycled Resins
To contribute to realizing a resource recycling society and a low carbon society, Subaru is working to develop technologies to utilize recycled resins and biomass materials.
Climate Change

Our Approach

Recognizing that climate change is one of the most pressing global issues, Subaru is committed to contributing to the establishment of a decarbonized society, in support of the purpose of the Paris Agreement to decarbonize the world at the earliest possible time in the second half of the 21st century.

Risks and Opportunities Identified

In order to ensure sustainable business activities, Subaru works to understand risks and opportunities associated with climate change. Risks identified at present are as follows: climate change initiatives may not progress as planned, or transition risks and physical risks which are almost unforeseeable at this time may develop into actual issues yielding a serious impact on the Subaru Group’s business performance and financial standing; and these scenarios involve a number of possible difficult situations, such as an increase in R&D and other expenses, a decline in customer satisfaction and damaged brand images resulting in lost sales opportunities, and extreme weather disrupting procurement/production/logistics activities. On the other hand, adequate progress of efforts against climate change could provide opportunities for creating new markets and employments as well as reducing capital and energy costs.

Main Risks Identified

■ Relating to Business Management in General

(1) If Subaru fails to implement adequate initiatives to achieve low-carbon/zero-carbon outcomes, its brand value could be harmed, which could affect the company's sales and recruiting ability. Capital costs could also rise, due to increased difficulty in obtaining financing from medium- and long-term investors.

(2) There is an argument that NDCs need to be expanded to be able to achieve the Paris Agreement’s “well below 2°C” target, and thus countries may revise their NDCs to set more stringent targets. Such revisions could have a significant impact on Subaru’s business activities.

(3) As an impact of climate change, extreme torrential rain will frequently cause floods in various locations, which could pose risks of Subaru’s operations being affected by disrupted supply of raw materials and submerged factories.

■ Relating to Products

(1) If Subaru fails to meet fuel economy regulations imposed in Japan, the U.S., Europe, and China, the company could incur additional costs or losses related to negative incentives, such as fines or non-penal fines for legal violation, and credit purchase for unmet standards. Also, some of our products could fail to satisfy certain fuel economy standards, resulting in restrained sales opportunities.

(2) At present, it is difficult to predict technological progress and price optimization for electrification, which will likely cause a substantial gap with the real state of market needs. In such a situation, Subaru could incur unnecessary and
excessive R&D costs while facing a decline in customer satisfaction, resulting in unexpected losses and reduced sales opportunities as well as hampered advancement of the company’s electrification efforts.

(3) To promote electrification, it is crucial to ensure profitability for the entire product cycle ranging from procurement and use to disposal. Thus, it is essential to involve Subaru’s upstream and downstream partners in exerting efforts toward this end. Failure to do this could render the company unable to meet the profitability goal for the entire product life cycle.

(4) Subaru views electrification as a medium- to long-term steady trend, and also anticipates the possibility of its swift and sweeping penetration of the market at some stage. Subaru could be unprepared for such prospect in terms of technology and timely product lineups, and thus suffer from a resultant loss of product sales opportunities.

(5) There is a possibility that Subaru might suffer from shortages of natural resources used for tires and metal resources for electrification technologies.

Related to Production Phase

(1) If Subaru continues to use energy derived from fossil fuels, it could incur rising costs, due not only to geopolitical factors associated with petroleum and the like, but also to carbon taxes, emission quotas, and other government policies and regulations.

(2) If use of renewable energy does not grow as expected, Subaru could face a slower progress in achieving its Scope 1 and 2 emissions reduction goals.

Main Opportunities Identified

(1) If Subaru advances its efforts to make products more environmentally friendly as planned and global climate change mitigation/adaptation efforts progress adequately, the company will be able to maintain its key markets. This scenario also implies a possibility of the company creating new markets through receiving support for its safe and reliable products, a source of its strength, even in the face of intensifying extreme weather conditions that are to some extent unavoidable in certain parts of the world.

(2) Through contributing to addressing climate change issues, Subaru could increase its brand value, thereby enhancing its sales and recruiting ability. This could make it easier for the company to obtain financing from investors, thereby lowering capital costs.

(3) Regarding energy use during the production phase, by transitioning to renewable energy while at the same time giving due consideration to cost-effectiveness, Subaru could overcome the risk of being exposed to price fluctuations involved in energy derived from fossil fuels, thereby preventing future cost increases.

The risks and opportunities described above are based on past facts and currently available information, and may change significantly due to such factors as future economic trends and the business environment facing Subaru. The opportunities described represent those for Subaru’s products to contribute to climate change adaptation and do not anticipate climate change-related deterioration.

Management System

Subaru has established the Environment Committee for the purpose of promoting the sustainable growth of both society and the company, and thereby contributing to global environment conservation. The committee discusses targets and measures from broad as well as medium- to long-term perspectives that accommodate environmental standards required by future societies, and evaluates the progress of related implementations and achievements.

The Environment Committee is chaired by the Director in charge of the Sustainability Promotion Department. Details of discussions by the Environment Committee are reported to the CSR Committee. We also have a system for escalation and reporting to the Executive Management Board Meeting and Board of Directors to be used as necessary. Management of climate change-related activities is included in the responsibilities of the environmental management structure. Environmental risks and opportunities associated with climate change are assessed and monitored, and undergo management review before major issues are reported to the Board of Directors. Each of the four bodies within the structure—Production & Environment Subcommittee, Global Warming Prevention Division, Domestic Affiliated Company’s Environment Subcommittee, and Sales and Service/Distribution Environment Subcommittee—meets twice a year for the purpose of monitoring.

Governance Structure Relating to Climate Change
Medium- to Long-term Goals (Long-term Visions and Milestones)

In order to contribute to a decarbonized society, Subaru has set long-term goals (long-term visions) for 2050 and medium-term goals (milestones) for around 2030, regarding the product and production phases (Scopes 1 and 2).

### Products (Scope 3)
- **2050**: Reduce average well-to-wheel CO₂ emissions from new vehicles (in operation) by 90% or more compared to 2010 levels.
- **Early 2030s**: Apply electrification technologies to all Subaru vehicles produced and sold worldwide.
- **Up to 2030**: Make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs).

### Plants and offices (Scopes 1 and 2)
- **FYE2021**: Achieve carbon neutrality.
- **FYE2031**: Reduce CO₂ emissions by 30% compared with FYE2017 (total volume basis).

Aiming at a 20,000 t-CO₂ Reduction from Plants and Offices

The Subaru Group has set up a target of reducing CO₂ generated from its plants and offices by 30% (total volume basis) by FYE2031 from FYE2017, as stipulated in the Subaru Environmental Action Plan 2030. As a step toward accomplishing this target, we are promoting group-wide efforts to eliminate 20,000 t-CO₂ by FYE2021.

In FYE2020 our efforts effected a reduction of 18,000 t-CO₂. In FYE2021, we will seek to achieve a 23,000 t-CO₂ reduction, exceeding the target for the milestone year.

### FYE2020 Main Initiatives and CO₂ Reduction Equivalents

<table>
<thead>
<tr>
<th>Main initiatives</th>
<th>FYE2020 Results</th>
<th>FYE2021 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captive-consumption solar power system installed at Gunma Oizumi Plant*1</td>
<td>—</td>
<td>3,700 t-CO₂</td>
</tr>
<tr>
<td>Zero-carbon electricity (Aqua Premium) introduced at Gunma Main Plant</td>
<td>6,032 t-CO₂</td>
<td>6,000 t-CO₂</td>
</tr>
<tr>
<td>Captive-consumption solar power system installed at Subaru Accessory Center and Kanto PDI Center*2</td>
<td>—</td>
<td>330 t-CO₂</td>
</tr>
<tr>
<td>Zero-carbon electricity (Tochigi Furusato Denki) introduced at Utsunomiya South Plant and 2nd South Plant</td>
<td>4,771 t-CO₂</td>
<td>4,700 t-CO₂</td>
</tr>
<tr>
<td>Zero-carbon electricity (Aqua Premium) introduced and Green Power certificates utilized at Tokyo Office</td>
<td>3,891 t-CO₂</td>
<td>3,883 t-CO₂</td>
</tr>
<tr>
<td>Solar power system installed at SIA Technical Training Center*3</td>
<td>411 t-CO₂</td>
<td>120 t-CO₂</td>
</tr>
<tr>
<td>Green Power and Green Heat certificates*4 utilized at Head Office (Ebisu Subaru Building) and Subaru Training Center</td>
<td>2,029 t-CO₂</td>
<td>1,000 t-CO₂</td>
</tr>
<tr>
<td>Switching to LED lighting (total from FYE2019 to 2021)*5</td>
<td>1,868 t-CO₂</td>
<td>3,358 t-CO₂</td>
</tr>
<tr>
<td>Total</td>
<td>17,632 t-CO₂</td>
<td>23,091 t-CO₂</td>
</tr>
</tbody>
</table>

*1 Came online in May 2020.  *2 Came online in April 2020.  *3 Came online in December 2019.  *4 Provisional values to be verified under the Green Energy-based CO₂ Reduction Certification System.  *5 Total amount for the three-year plan period (FYE2019: 440 t-CO₂; FYE2020: 1,428 t-CO₂; FYE2021 (plan): 1,490 t-CO₂)

### Efforts to achieve the target of reducing 20,000 t-CO₂ emissions

- **Captive-consumption solar power system**
  - Japan’s largest-scale captive-consumption solar power system (Gunma Oizumi Plant)
  - Subaru Accessory Center, etc.
  - Energy-conserving/solar power system demonstration (Subaru of Indiana Automotive, Inc.)

- **Renewable energy system installation**

- **Renewable energy purchase**

- **Renewable energy certificates utilization**

- **Purchase of hydroelectricity**
  - Utsunomiya South Plant/2nd South Plant
  - Tokyo Office
  - Gunma Main Plant
Achievements

For FYE2020, Subaru has reported a total of 35.93 million t-CO₂ of supply chain greenhouse gas emissions (Scopes 1, 2, and 3). Out of the total amount, 98% is related to Scope 3, the majority of which stems from the use of sold products. Although our direct CO₂ emissions (Scopes 1 and 2) constitute only a marginal portion of the total, we are making proactive efforts to diminish direct emissions, which we believe will encourage the entire Subaru value chain to work as a team and in greater earnest. In FYE2020, energy use increased by 2,242 kL in line with production increase, while CO₂ emissions (Scopes 1 and 2) decreased by 6,678 t-CO₂ thanks to renewable energy usage. Going forward, we will introduce cutting-edge energy conservation functions and renewable energy sources in order to further reduce CO₂ emissions and energy use.

Scope 1: Direct emissions of greenhouse gases from a company’s own facilities.
Scope 2: Indirect emissions of greenhouse gases from the use of purchased or acquired electricity, heat, and/or steam supplied by another company.
Scope 3: All indirect emissions other than Scope 1 and 2 emissions, including those arising from the procurement of raw materials, transport, product use, and the disposal process, as well as arising from employee commuting, business travel, etc.

The calculation method for Scope 3 emissions has been revised in reference to the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.3 (December 2017) by the Ministry of the Environment and Ministry of Economy, Trade and Industry, and the Emissions Unit Value Database Ver. 3.0 by the Ministry of the Environment Database of emissions unit values, as well as Subaru’s LCA calculation standards.
Initiatives

Production

Subaru has set (the 6th Voluntary Plan for the Environment), and to achieve the quantified CO2 reduction targets as set, we are implementing measures aimed at more energy-conserving facilities and equipment, specifically through replacement with energy-saving lighting and introduction of renewable energy. One major plan concerns rooftop thermal insulation features (coating and sheeting) installed at plants to protect against solar radiation heat, thereby suppressing increases in indoor temperature. Subaru also pursues groupwide initiatives, represented by switching to LED lighting. The Subaru Group has replaced a total of about 59,000 lighting units with energy-saving.

■ Introduction of High-efficiency Air-conditioning Systems

The automobile painting process involves repeated heating and cooling steps, which consumes a huge amount of energy. To address this issue, the Gunma Yajima Plant adopted a heat pump-based highly efficient heat source system to replace the previous discrete heat source system, starting its operation in 2018. In FYE2020, the new technology effected an emissions reduction of 2,926 t-CO2 from FYE2018 levels.

■ Replacement of Cogeneration Facilities

At the Gunma Plant, a new cogeneration system was installed to replace the plant’s first such system, which had served 15 years. To select a replacement model, we sought out high energy-saving functions to be performed under recent energy mix conditions. The new facilities came into operation in 2019. The replacement had an effect of cutting 5,892 t-CO2 emissions in FYE2020.

Switching to LED Lighting

The Subaru Group is earnestly replacing lighting with LED products. In FYE2020, a total of about 9,000 units were replaced with LED lights, producing an effect equivalent to cutting approximately 1,500 t-CO2 emissions.

Distribution

In accordance with the 6th Voluntary Plan for the Environment, Subaru is working with its logistics and distribution arms to reduce CO2 emissions from the entire group through increased transport efficiency for finished vehicles and export parts. We will enhance supply chain management to pursue higher efficiency.

■ Transport of Finished Vehicles

To improve the transport efficiency for finished vehicles, Subaru is pursuing various measures, including: establishing optimal standard routes; enhancing transport efficiency; improving loading efficiency; installing digital tachographs\(^1\) to help energy conservation; and promoting modal shift\(^2\).

As a result of expanded efforts for consolidated and standardized transportation routes, per unit CO2 emissions from transportation of Subaru vehicles in FYE2020 declined 9.7% from the FYE2007 level, against the target of a 1% reduction per year from the base year. We will continue with our efforts to pursue further reduction.

\(^1\) Fitted to a vehicle to automatically record its journey information, such as driving time and speed, and store the information in the installed recording medium, such as a memory card. The device is employed broadly by industries involving the commercial operation of vehicles as a tool for driving management. As the system can present clear data of recorded events, including sudden acceleration and deceleration, fuel-wasting engine idling, and dangerous driving, it is expected to help drivers increase their awareness of safe driving and fuel economy.

\(^2\) For cargo transportation, switching transportation modes from trucks to those imposing less environmental burden, such as railway and seaborne systems.

■ Export Parts

Subaru Logistics Co., Ltd., which packages and ships parts for overseas production of Subaru vehicles, makes ongoing efforts to improve the container fill rate. Key activities relate to utilizing unused upper space in high cube containers, improving packing modes, and employing lighter-weight packaging materials. As a result, the container fill rate rose 14.7 percentage points from the previous year to 93.6% in FYE2020. We are also seeking to increase transport route efficiency. As of FYE2018, we employ the container round use system\(^1\), which enabled us to cut 510 t-CO2 year on year in FYE2020. We will vigorously aim for further reduction through usage of inland container depots\(^2\).
Environmental Management       Environmentally Friendly Automobiles       Climate Change       Resource Recycling       Water Resources       Biodiversity       Prevention of Pollution       FYE2020 Environmental Performance Data for Plants and Offices

FYE2016 FYE2017 FYE2018 FYE2019 FYE2020
Container fill rate 84% 89% 88% 79% 94%

*1 System for shared use of sea freight containers between importers and exporters. Allows empty containers that have been used for import to be directly reused for export, without first being returned to the originating port, thereby decreasing unnecessary shipment of empty containers from ports.

*2 Inland function for consolidation of sea freight container cargo. Introduced as part of redevelopment plans for the overland portion of sea freight container transportation systems to save shippers' transport costs and increase transport efficiency.

### Transportation Vehicles
Subaru of Indiana Automotive, Inc., the U.S. production base of Subaru automobiles, is working closely with Venture Logistics, its parts delivery arm, to introduce natural gas vehicles. Compressed natural gas (CNG) has a lower environmental impact than diesel fuel and is superior in terms of cost efficiency and reliability. The companies, however, were faced with a major challenge, which was about poor local accessibility to natural gas stations. In 2014, to overcome this, SIA provided one million-plus dollars for Venture Logistics to purchase CNG trucks and built a natural gas station on SIA's own site. This has enabled SIA and its arm to reduce CO₂ emissions over years, including 72,620 t-CO₂ curtailed in FYE2020.

### Sales
Subaru dealerships are switching to LED lights and highly efficient-type air conditioners, taking advantage of replacement opportunities.

### Renewable Energy
Renewable energy is sourced from carbon-free resources, including sunlight, and as such it is becoming an important energy source for electricity generation. Also, it serves to diversify energy sources, which is important in ensuring a stable power supply. Subaru is thus introducing renewable energy generation systems to its facilities. In FYE2020, use of renewable energy at the Subaru Group effected a reduction of 16,000 t-CO₂.

#### Use of Solar Energy

**Tokyo Office**
The Tokyo Office has installed a total of five solar power generation systems: two 10 kW units (FYE2010 and FYE2015) and one 5 kW unit (FYE2015) on the main office building rooftop; one 2 kW unit (FYE2015) in the guardhouse; and one 2.7 kW unit (FYE2017) in the special high-voltage substation. In FYE2020, these systems generated 38 MWh in total, to supply part of the electricity required to power the office.

**Subaru Research and Experiment Center, Fuji Machinery Oizumi Plant**
In FYE2018, the Subaru Research and Experiment Center and the Oizumi Plant of Fuji Machinery Co., Ltd. installed their first solar power generation system on the building and on the ground, respectively. In FYE2020, the former generated 64 MWh and the latter 36 MWh.

**Gunma Oizumi Plant**
In May 2020, the Gunma Oizumi Plant introduced a solar power generation system with Japan's largest-class output capacity (about 5,000 MWh/year), looking to achieve a reduction of approximately 2,600 t-CO₂ emissions per year.

**Subaru Accessory Center**
In March 2020, the Subaru Accessory Center introduced a solar power generation system with an output capacity of 1,145 MWh/year, planning to cut emissions by approximately 330 t-CO₂ per year.

**Electricity Sales**
In FYE2015, we installed a solar power generation system with a rated output of 420 kW (capacity to power 100 detached houses) in Kiryu City, Gunma Prefecture, to start an electricity business. In FYE2020, we sold 627 MWh of electricity.

#### Use of Hydroelectricity
Subaru will adopt the Aqua Premium plan that offers full zero-carbon hydroelectric power to provide part of the electricity demand related to the Gunma Main Plant and the Tokyo Office. This will enable the company to attain an annual emissions reduction of an estimated 10,000 t-CO₂ (corresponding to: 21 GWh). In FYE2020, Aqua Premium produced the emissions reduction effect of 6,032 t-CO₂ at the Gunma Plant and 2,273 t-CO₂ at the Tokyo Office.

**Tochigi Furusato Denki, Power Supply Program for Local Production for Local Consumption**
In FYE2019, Subaru's Aerospace Company adopted the Tochigi Furusato Denki program* to provide electricity to its Utsunomiya South and 2nd South Plants. The program offers electricity from
hydropower generation projects owned by Tochigi Prefecture, and represents Japan’s first-ever power supply program themed on the “local production for local consumption” concept.
The above program enables the two plants to reduce emissions by an average of 4,700-plus t-CO₂ per year. This program also includes a scheme to spend part of the funds from bill payment, including from Subaru, on environmental conservation projects promoted in Tochigi Prefecture.

* Electricity service program co-hosted by the Tochigi Public Enterprise Bureau and TEPCO Energy Partner, Inc. Supplies electricity generated by eight hydroelectric power stations run by the Tochigi prefectural government. Hydropower users can claim to be emitting no CO₂ from using the electricity, on the grounds of its carbon-free generation process.

Utilization of Renewable Energy Certificates
The Head Office (Ebisu Subaru Building) and Subaru Training Center utilize renewable energy certificate systems (Green Power/Heat certificate) to decarbonize their power and heat consumption, aiming at a 100% green office. They launched the initiative in FYE2020, and achieved a reduction of approximately 1,000 t-CO₂ emissions.
From November 2019, the Tokyo Office purchased Green Power certificates for 3,556 MWh, which is equivalent to 1,681 t-CO₂ emissions. We will use the above values to meet the total volume carbon reduction requirement imposed by the Tokyo Metropolitan Environmental Security Ordinance.

Environmental Technologies Employed at Plants and Offices

■ Gunma Plant
The Gunma Plant’s West Building completed in April 2016 has installed solar panels with a 20 kWh capacity, and employed two key advanced environmental functions: a new-generation lighting system that has incorporated individual address control and image-pickup human-presence sensor technologies; and a high-efficiency ar-cooling heat-pump chiller. The plant has also adopted a number of non-mechanical features that can help achieve energy conservation and workplace comfort, such as: low-e double-pane windows; trench heating/cooling systems; and balconies that create an attractive recreation space while also serving as a sunlight blocker. In FYE2020, the Gunma Main Plant and the Yajima Plant were commended by the Energy Conservation Center, Japan for their efforts to promote energy conservation.

■ Subaru of Indiana Automotive, Inc.
The SIA Technical Training Center completed in December 2019 has installed a rooftop solar power generation system to supply about half the electricity required to power its facilities while achieving full LED and motion sensor-fitted indoor lighting.

* Leadership in Energy and Environmental Design (LEED) certification is a green building certification system developed and operated by the U.S. Green Building Council (USGBC). It provides objective environmental performance data on buildings through evaluation of energy conservation and environmental impact reduction abilities for a range of project stages from overall planning and design to construction, management, and maintenance. Acquisition of the certification is becoming popular in the U.S. and others.
Subaru Canada, Inc.

The building that houses the relocated office of Scott Subaru, a retailer of Subaru Canada, Inc. from 2019 boasts a distinctively high energy efficiency design that enables comfort without air conditioning systems. In recognition of this, the building is the world's first retail facility to obtain a passive house certification.

Customers
Carter Subaru Ballad, a U.S. retailer, runs regional forest conservation campaigns involving its customers. Specifically, for each test drive in a Subaru car, the retailer donates one tree to be planted in areas along national highways, and additional three trees for each purchase. Under this campaign, a total of more than 200,000 trees have been planted over 11 years up to 2019. Engaging customers and local residents, this forestation initiative helps them become more aware of environmental issues, including about climate change.

External Partnership
Subaru is tackling the climate change challenge through partnerships with suppliers, customers, and industry groups.

Alliance with Toyota Motor Corporation
Subaru and Toyota Motor announced an agreement to jointly develop EV platforms and vehicles applying Subaru’s AWD technologies and Toyota Motor’s electrification technologies. This agreement will enable the two automakers to bring together technical strengths of each, seeking to create attractive EV products.

Suppliers
We have set out a code of conduct that requires supplier selection and management mechanisms relating to climate change issues, and share the code with our suppliers, asking them to take appropriate actions when providing orientation sessions. This measure has encouraged suppliers to voluntarily work to obtain ISO14001 certification, resulting in a decline in environmental accidents and mismanagement events. We have also created and run a system to assist voluntary Tier 2 customers* to seek Eco Action 21 certification.

* Secondary subcontractor that supplies parts to motor vehicle manufacturers.

Industry Groups
Subaru is a member of the climate change committee of the Japan Automobile Manufacturers Association, Inc. (JAMA). Also, the President and Executive Vice Presidents are JAMA directors responsible for the body’s executive decision making, and decisions made by the JAMA are reflected in STEP, Subaru’s mid-term management vision.
Resource Recycling

Our Approach

The Subaru Group considers it very important for manufacturing companies to help realize a society where materials are recycled continuously and the sustainability of business is assured through recycling to maximize resource efficiency. We will strive to support the creation of such a recycling-based society by efficiently recycling resources during the life cycle of our products, while continuing to achieve zero landfill at our domestic and overseas plants. We will also aim for a higher level of the integrated achievements of the 3Rs (reduce, reuse, recycle).

Achievements and Initiatives

Raw Materials and Design

Subaru reuses remnant materials and scrap generated during the production of automobiles as well as end-of-life products that have been collected and other reusables as resources for materials, such as iron, aluminum, and plastics, that account for a large proportion of materials used in making an automobile. Through these efforts, we are promoting closed-loop recycling* to reduce natural resource consumption and waste generation.

* A method by which waste and scrap generated during production along with end-of-life products are recycled as materials for parts of the same quality and then reused to make products of the same kind.

e.g., Recycling of aluminum chips

<table>
<thead>
<tr>
<th>Raw materials used in automobiles in FYE2020</th>
</tr>
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<tbody>
<tr>
<td>Iron</td>
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<tr>
<td>664,330 tons</td>
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<tr>
<td>Delivered to dealers in the form of iron scrap for reuse</td>
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<td>Aluminum</td>
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<tr>
<td>30,468 tons</td>
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<tr>
<td>Re-melted at plants and reused almost entirely</td>
</tr>
<tr>
<td>Plastics</td>
</tr>
<tr>
<td>23,314 tons</td>
</tr>
<tr>
<td>Crushed again at plants and reused partially</td>
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</tbody>
</table>

Recycling method

1. Aluminum ingots
2. Die casting
3. Engine cylinder block machining
4. Chips
5. Melting
6. Reused as materials for products

Raw materials used in automobiles in FYE2020

Iron 664,330 tons
Delivered to dealers in the form of iron scrap for reuse
Aluminum 30,468 tons
Re-melted at plants and reused almost entirely
Plastics 23,314 tons
Crushed again at plants and reused partially
■ Design for Recycling
Subaru incorporates recyclability into its automobile design process to make effective use of limited resources.

- **Increased ease of dismantling wiring harnesses**
  A harness layout and structure are designed in such a way as to enable quick and efficient recovery of wiring harnesses.

- **Use of easy-to-recycle materials**
  Olefin resin with superior recyclability is actively used for interior parts.

- **Improved material identification**
  Material identification is displayed on the both inner and outer surfaces of bumpers to facilitate material separation.

- **Adoption of easy-to-dismantle structure**
  Trunk and rear gate opener switches are now clipped, rather than screwed, in place.
Production

■ Zero Emissions of Waste from Production

Our waste generation in FYE2020 increased by 664 tons due to increased automobile production and treatment of waste liquid. This is attributable mainly to reduced automobile production. However, as waste is also an important resource, we have maintained zero emissions* of waste since FYE2015 through maximum recovery and recycling and proper treatment of waste generated.

* A system in which waste and by-products generated in one industry are utilized as resources by other industries, resulting in no waste discharge. This concept was proposed by the United Nations University (UNU) in 1994.

Primary waste products and their recycled products

<table>
<thead>
<tr>
<th>Primary waste product</th>
<th>Primary recycled product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater treatment plant sludge</td>
<td>Raw material for cement</td>
</tr>
<tr>
<td>Paint sludge</td>
<td>Iron-making reducer</td>
</tr>
<tr>
<td>Waste plastics</td>
<td>Refuse paper and plastic fuel (RPF) (solid fuels, etc.)</td>
</tr>
<tr>
<td>Paper waste</td>
<td>Recycled paper, RPF, etc.</td>
</tr>
</tbody>
</table>

Amount of waste generated and processed

- **Amount of waste generated**
  - FYE2016: 166,856 t
  - FYE2017: 170,589 t
  - FYE2018: 190,924 t
  - FYE2019: 185,736 t
  - FYE2020: 186,382 t

- **Amount of waste recycled after internal intermediate processing and external intermediate processing**
  - FYE2016: 19,302 t
  - FYE2017: 19,302 t
  - FYE2018: 19,302 t
  - FYE2019: 19,302 t
  - FYE2020: 19,302 t

- **Amount of metal scrap recycled**
  - FYE2016: 94,429 t
  - FYE2017: 94,429 t
  - FYE2018: 94,429 t
  - FYE2019: 94,429 t
  - FYE2020: 94,429 t

- **Amount of waste recycled internally**
  - FYE2016: 3,869 t
  - FYE2017: 3,869 t
  - FYE2018: 3,869 t
  - FYE2019: 3,869 t
  - FYE2020: 3,869 t

* Waste is not disposed of in a landfill after external intermediate processing.

Logistics

■ Reuse of Packaging Materials

Subaru Logistics Co., Ltd., which handles packaging and transport for complete knockdown (CKD) parts of Subaru automobiles, has been actively working on reducing its environmental impact, focusing on the reuse of packaging materials. The amount of packaging materials reused in FYE2020 was 1,020 tons, up 32% from the previous year. This was due to the standardization of packaging materials reused for a new Legacy model that began to be produced in a US plant in July 2019, expanded adoption of reused packaging materials to new parts, and an increase in the number of CKD parts.
Sales

Zero Emissions of Waste from Subaru Dealers in Japan

Subaru dealers in Japan are committed to the proper management of waste generated from their business activities. In cooperation with companies and industrial organizations, they advance zero waste emission initiatives aimed at recycling all their waste into useful resources in Japan. As the result of these efforts, in FYE2020, 130,003 used lead-acid batteries (equivalent to 1,699 tons of lead), 5,563 kL of used oil, and 195,573 used tires were collected and recycled. Zero waste emission initiatives led by dealers, who work most closely with stakeholders, are activities that will contribute more directly to environmental conservation in each community. The initiatives are expected to help promote proper processing, recycling, and the effective use of resources.

Proper Processing of End-of-life Automobiles

Under the Act on Recycling, etc. of End-of-Life Vehicles of Japan, car manufacturers are required to fully recover and properly recycle automotive shredder residue (ASR), airbags, and chlorofluorocarbons (CFCs) from their end-of-life automobiles. Subaru has been promoting the smooth, proper, and efficient recycling of ASR by establishing, together with 12 other automakers and other companies, the Automobile shredder residue Recycling promotion Team (ART)*. We also ensure proper processing of airbags and CFCs through operations of Japan Auto Recycling Partnership Ltd., established jointly with Japanese automakers and importers. Subaru also collaborates with its dealers nationwide by jointly operating an automotive recycling system aimed at promoting the proper processing and raising the recycling rate of ASR, airbags, and CFCs.

In FYE2020, the ASR recycling rate was 96.1%, achieving the legal target of 70% for the fiscal year ended March 2016 and thereafter. The airbag recycling rate was 94.6%, exceeding the legal target of 85%, and all CFCs recovered were processed properly.

* A team to promote the recycling of automotive shredder residue (ASR), organized by 13 automobile manufacturers in December 2003. The team plans the smooth, proper, and efficient recycling of ASR by establishing, together with 12 other automakers and other companies, the Automobile shredder residue Recycling promotion Team (ART) (Japanese version only)

Recycling of Waste Oil

Waste oil generated at Subaru dealers in Japan during oil changes is recycled as recycled fuel oil through Subaru’s zero waste emissions scheme. Flower farmers in Yamagata Prefecture grow beautiful poinsettia and cyclamen every year using this recycled fuel oil to heat their greenhouses.
Overseas Initiatives

■ Zero Landfill Disposal
(Subaru of Indiana Automotive, Inc.)
In 2004, Subaru of Indiana Automotive, Inc. (SIA) became the first automobile plant in the United States to achieve zero landfill and is continuing to make various efforts to maintain that status.

(Subaru of America, Inc.)
Subaru Gear Distribution Facility reviewed its packaging materials and promoted cardboard and paper recycling. As a result, it achieved zero landfill in 2019.

■ Improvement of Recycling Rates
(Subaru of America, Inc.)
Subaru of America, Inc. (SOA) partnered with U.S. recycling firm TerraCycle® to launch the TerraCycle® Zero Waste™ Box program in 2018 to promote the recycling of various waste products considered difficult to recycle. The program is part of the “Subaru Loves the Earth” initiative aimed at improving waste recycling rates.

Under the program, TerraCycle® Zero Waste™ Boxes have been placed on the premises of around 540 Subaru dealers in the United States to collect recyclables. Customers, employees, and community partner organizations are encouraged to deposit snack packages, used paper cups and plastic containers. SOA also ran a three-month campaign from October to December 2019 in cooperation with a partner outdoor equipment retailer, setting up a total of 154 TerraCycle® Zero Waste™ Boxes in its outlets and calling for shoppers to hand in used snack wrappers and unwanted recreational equipment they wish to recycle. This program collected 33,538 used items in total, including hiking tents, yoga mats and other items from household that require professional services for recycling.

■ Zero Landfill Waste Joint Initiative in U.S. National Parks
(Subaru of America, Inc.)
By leveraging the expertise of Subaru of Indiana Automotive, Inc. (SIA), Subaru’s production base in the United States that has achieved and maintains zero landfill waste status, SOA has been advancing a joint initiative with suppliers, the National Parks Conservation Association, the National Park Service, and others since 2015 to reduce landfill waste generated from three national parks: Yosemite National Park (California), Denali National Park and Preserve (Alaska), and Grand Teton National Park (Wyoming). The initiative encompasses a range of activities that include placing more than 500 trash bins in the parks, promoting the composting of organic waste, and increasing the number of water supply stations, which are leading to the steady reduction of waste left inside the parks. As a result, the amount of waste reduced 50% and the recycling rate doubled in four years by 2019.

SOA donated $24 million to the National Park Foundation (NPF) in FYE2020 and the total amount of donations made since SOA started supporting NPF in 2013 has reached $176 million. These donations came from proceeds raised by Subaru by setting aside a certain amount of money each time a customer purchased or leased a Subaru automobile.

At the New York International Auto Show held in April 2019, SOA installed a booth that allowed visitors to virtually experience National Parks in the United States. Most of the display materials were recycled, donated or saved for future reuse at other auto shows and events.

■ Proper Recycling of Household Waste
(Subaru of Indiana Automotive, Inc.)
Every year, SIA organizes an opportunity for its employees to hand in used household items to be appropriately recycled or disposed of. In 2019, the company collected a total of about 17 tons of used products, such as oils, pigments, electronics, and pharmaceuticals, from 246 employees.

■ Collection of Waste Electronic Equipment
(Subaru Canada, Inc.)
As part of its environmental week campaign, SCI collected used personal electronic devices from employees to be recycled by appropriated services. A palletful of used electronics were collected during the campaign period.

Subaru’s booth recreates the National Parks
Water Resources

Our Approach

Water is an indispensable resource for the Subaru Group’s business activities. The risk of droughts, floods, and other disasters is increasing, however, due to climate change, while global population growth and economic development are increasing demand for water and raising the risk of water shortages and pollution. To help alleviate these risks, the Subaru Group is committed to the proper management of water consumption, as well as to minimizing the environmental impact of its discharged water. We are also actively engaging in activities to conserve forests that have a water storage function.

Water Management

Water consumption at the Subaru Group is maintained at a certain level in terms of the total amount used and the amount used per unit of sales. Our aim is to “Manage [the] volume of water used at both domestic and overseas production facilities” as stated in our 6th Voluntary Plan for the Environment. The Production & Environment Subcommittee is in charge of monitoring the water consumption of each location. The share of each water source in the total freshwater consumption at major locations of the Subaru Group is as follows: industrial water 60%, tap water 30%, and groundwater 10%. As we are well aware of the risks involved in using the valuable resource of fresh water, we carefully monitor water consumption by conducting water risk assessments at major locations. Although the current assessment results show that the water risk is not high, we will continue to regularly assess our water risk levels and work to reduce water consumption in order to ensure a continuous water supply.

Water Risk Assessment

The Subaru Group uses a third-party expert to implement water risk assessments to ensure the sustainable use of water. These assessments estimate, among other things, the water supply and demand risk in the river basins in which the production bases are located, the probability of water-related disasters occurring, and the impact on public health and ecosystems on a five-point scale. These assessments showed that water risk at the Gunma Plant, Utsunomiya Plant, and Subaru of Indiana Automotive, Inc. is generally evaluated as moderate or lower.

Gunma Plant and Subaru of Indiana Automotive, Inc.

According to an assessment in FYE2017, the water supply and demand risk at the Gunma Plant and Subaru of Indiana Automotive, Inc., both of which are automobile manufacturing bases, is moderate. It is expected that the current risk level will be maintained for the mid to long term, even when the impact of climate change is taken into account. No biodiversity conservation areas are identified at the lower reaches of the rivers. The vulnerability to water pollution is low.

Utsunomiya Plant

According to an assessment in FYE2018, the water supply and demand risk at the Utsunomiya Plant, which is our base for aerospace manufacturing, is moderate. This risk level is expected to drop in the future as an increase in the river flow rate and decrease in water demand are likely to take place. The plant is not located in an area at high risk of flood inundation or landslides. No biodiversity conservation areas or habitats for rare aquatic life are identified in the areas within 10 km downstream from the site. Going forward, we will continue to accurately monitor our water risk based on the assessments, ensure optimum water consumption in relation to local water demand, and help conserve the environment along the river.

* Reference databases

Achievements and Initiatives

Water Consumption

The total amount used is monitored and compiled for each location, and reported and verified at biannual meetings. Necessary measures are then taken as appropriate.

Water consumption (total amount used)

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Water Reuse

■ Utsunomiya Plant

The Utsunomiya Plant has introduced a surface treatment facility equipped with an ion-exchange water recycling system that converts wastewater into pure water. In FYE2020, 41,998 m³ (33%) of the total of 126,669 m³ of water used in the surface treatment facility was recycled and utilized at the plant as washing water for the facility.

■ Subaru of Indiana Automotive, Inc.

Subaru of Indiana Automotive, Inc. (SIA) added filters to its water tanks equipped with electrodeposition apparatus that are used to clean the car body prior to the painting process, and started water reuse. As a result, SIA was able to reduce its water consumption by approximately 1,300 m³ in FYE2020.
Biodiversity

Our Approach

With the automotive and aerospace businesses as the pillars of Subaru’s operations, our fields of business are the earth, the sky and nature. We promote biodiversity preservation through our business activities, aiming to achieve coexistence with nature. We support the Declaration of Biodiversity by Keidanren (Japan Business Federation) and participate in the Japan Business and Biodiversity Partnership as part of our active commitment to biodiversity. We also ensure ongoing, biodiversity-friendly business activities by establishing the Guidelines on Biodiversity, while also committing ourselves to the Subaru Forest Project for biodiversity conservation and organizing various events in and outside our business locations aimed at raising people’s awareness of biodiversity.

Guidelines on Biodiversity

The Subaru Group instituted the Subaru Guidelines on Biodiversity in April 2019, which serve as the basis for its approach to biodiversity. The guidelines were formulated with reference to the government’s Guidelines for Private Sector Engagement in Biodiversity and the Declaration of Biodiversity by Keidanren: Guide to Action Policy as well as by taking into account international trends in biodiversity management. They are consistent with the Six Priority Areas for CSR and the Subaru Environmental Policies and are designed to ensure that their effectiveness and continuity can be guaranteed.

Subaru Guidelines on Biodiversity

Our society is supported by biodiversity, which is the source of various blessings from nature. On the other hand, “biodiversity” is rapidly being lost on a global scale. We promote biodiversity preservation through our business activities and contribute to the environmental protection of our planet while aiming to coexist with “the earth, the sky and nature.”

1. We grasp the impact of business activities on biodiversity and reduce their impact. We also promote initiatives leading to further recovery.
2. We strive to raise awareness of biodiversity.
3. We respect international rules concerning biodiversity.
4. We cooperate with stakeholders and strive for preservation of biodiversity.
5. We proactively disclose information on activities regarding biodiversity.

Management System

Our cross-sectional working group covering all of our business locations, which was established in FYE2015, studies the relationship between our business activities and biodiversity, identifies potential risks and priority issues, and formulates roadmaps. With this arrangement, we have been addressing and advancing biodiversity management in a steadfast manner.
Initiatives

Japan

Subaru Forest Project
Since FYE2018, Subaru has been working on the Subaru Forest Project, an initiative that is directly linked to biodiversity conservation and embodies the idea of “coexistence with nature” included in the Subaru Environmental Policies.

Subaru Forest Bifuka in Hokkaido
In a forest of 115 hectares located on the premises of Subaru Test & Development Center Bifuka Proving Ground, Subaru started forest management and conservation activities in FYE2018, including tree-planting, thinning, and nature conservation. We aim to carry out these activities in collaboration with local communities such as Bifuka Town with a long-term plan to create a forest through artificial afforestation in 50 years. Furthermore, as a measure against climate change, we have completed the certification and registration process required for the issuance of J-Credit (which we expect to purchase in or after FYE2022), while also utilizing wood from thinning as biomass fuel.

Sponsorship of a tree-planting ceremony at Bifuka Town
A tree spirit ceremony and a tree-planting ceremony, which had been organized by Bifuka Town annually, were held in May 2019. The ceremonies were attended by about 90 people. The participants planted 300 Todo fir trees, a variety chosen for its suitability to the local climate, on the 0.7-hectare site in the hope of passing on healthy and abundant forests to the next generation. These Todo firs so planted will be ready for felling in 50 years’ time.

Donations to fund environmental conservation activities at Matsuyama Marsh
Subaru, Bifuka Town, and the Hokkaido Government Kamikawa General Subprefectural Bureau signed an agreement to promote conservation of the forest environment in Bifuka Town in 2017. Subaru has been utilizing the corporate version of a hometown tax donation program—the government’s tax incentive scheme to encourage companies to support regional revitalization—to donate three million yen to the Hokkaido Government’s Matsuyama Marsh* Forest Project over three years starting from FYE2020. The donations are used, among others, for boardwalk improvements in Matsuyama Marsh. The initial donation was made and used to replace the old signpost and maintain trails so that the trekking route is properly demarcated to preserve valuable vegetation and ensure safety of visitors.

Subaru Friendship Forest Akagi (Gunma Prefectural Forest Park)
In April 2018, Subaru obtained the naming rights to a prefectural forest park in Gunma Prefecture, where its automotive plants are located. The park is named “Subaru Friendship Forest Akagi,” and the name will be used for five years through 2023. During these years, we will donate a total of 9.8 million yen to the prefectural government to support forest park conservation and management. In June 2019, a donation presentation ceremony was held at the prefectural government office.

* Matsuyama Marsh (Bifuka Town): Japan’s northernmost high-altitude wetland situated 797 meters above sea level. As the marsh is home to around 200 distinctive plant species, including ferns and mosses, the Ministry of the Environment has selected it as one of Japan’s 500 most important wetlands.
Subaru Forest Utsunomiya (Utsunomiya City Forest Park in Tochigi Prefecture)

Utsunomiya City, Tochigi Prefecture, is where our Aerospace Business is located. We support the conservation and management of a part of a forest owned by the city named “Subaru Forest Utsunomiya” in collaboration with the city. In FYE2020, we helped perform thinning for forest maintenance and make new benches and cycle stands, utilizing the thinned wood.

- Social Contribution: Subaru Forest Project

Greenery Conservation and Creation

Since the Subaru Group’s business locations are closely linked to the neighboring natural environments and ecosystems, we make a variety of contributions to the conservation of biodiversity in each area.

- Saitama Logistics Center

The Saitama Logistics Center in Kitamoto City has been nurturing and taking care of cherry trees growing on the site since they were received from the city in 2003. The trees are descendants of the Ishito Kabazakura cherry tree, estimated to be 800 years old, at Tokoji Temple in the city. Ishito Kabazakura was designated as a natural monument of Japan in 1922 and is classified as one of Japan’s five great cherry trees.

- Tokyo Office

The Tokyo Office has been gradually increasing greenery at its site in a manner that does not impede biodiversity by carefully choosing native plants and trees. The plants and trees planted include East Asian beautyberry and bamboo-leaf oak, both of which grow wild around the Musashino area where the office is located. With this initiative, we are contributing to recreating the lush Musashino landscape in consideration of the biodiversity.

- Utsunomiya Plant

At Utsunomiya Plant, based on our recognition that natural vegetation is an important habitat for various living creatures, we deliberately left an area in the site unmowed on a trial basis to monitor its biodiversity. As a result of the monitoring study conducted in cooperation with experts, we found 20 species of insects in the monitoring area, compared to only 11 species found in a mowed area of lawn. Based on this study, we will create an environment suitable for promoting biodiversity in the monitoring area.

Insects found in the monitoring area

- Asian swallowtail (Papilio xuthus)
- Asian lady beetle (Harmonia axyridis)
- Noshime-tombo dragonfly (Sympetrum infuscatum)
- Migratory locust (Locusta migratoria)
**Gunma Plant**

Flower distribution

We distribute flower seedlings to member companies of the Subaru Community Exchange Association on request basis three times a year. We chose varieties that contribute to biodiversity in 2015. With these seedlings, each company promotes greenery conservation.

![Staff distributing flower seedlings](image)

**Subaru Community Exchange Association (Japanese version only)**

Elementary school flowerbed contest

We have hosted a flowerbed contest for elementary schools in Ota City and Oizumi Town since 2015. The contest is intended to provide children in the communities with an opportunity to understand the preciousness of life through their experience of growing flower seedlings donated by Subaru for use in creating flowerbeds.

Fifteen schools participated in the seventh contest, held in FY2020. The winner was the Ota Municipal Ikushina Elementary School for their flowerbed with flowers arranged in the shape of hiragana letters that read “Ikushina.” The children said that it was difficult for them to keep the bed free of weeds and to make the flowers bloom in a beautiful way, but expressed their joy at seeing how colorful the flowers made their school. The contest helped the children to understand how valuable life is.

![Winner: Ota Municipal Ikushina Elementary School (Right and left)](image)

**Participation in Ota City Environmental Creation Council**

Subaru is a sponsor of the Ota City Environmental Creation Council and takes part in a wide range of environmental activities through interaction with local communities.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firefly watching</td>
<td>June 2019</td>
<td>We planned an event that would allow participants to observe fireflies and learn about environmental conservation. The fireflies had been raised at a firefly habitat in Ota City and released at a larval stage.</td>
</tr>
<tr>
<td>Used oil candle making</td>
<td>June 2019</td>
<td>We participated in an eco-event where participants made a candle from discarded household cooking oil and were encouraged to spend one hour a day with the lights switched off, using only candlelight for illumination. A contest for photos of the candles made was also organized, and our sponsorship fee was used to organize the contest and purchase prizes for the winners.</td>
</tr>
<tr>
<td>Participation in Ota City Environmental Fair</td>
<td>November 2019</td>
<td>Environmental activities by businesses in the city were presented at the two booths of the Ota City Environmental Creation Council through panels and other means at the Ota City Environmental Fair. We introduced our recycling operations for automotive production waste and explained how wood from thinning in Bifuka is utilized as part of our environmental efforts. We also handed out 50 of the candles made from used cooking oil mentioned above to visitors.</td>
</tr>
<tr>
<td>Volunteer cleanup event in the lower Amanuma area to remove non-native parrotfeather</td>
<td>February 2020</td>
<td>The environment of Ota City is increasingly being destroyed by non-native plants. We are working on the conservation of native biodiversity, focusing particularly on areas hardest hit by the non-native plant invasion, as well as drawing attention to the need to address the problem.</td>
</tr>
</tbody>
</table>

**Overseas**

- **Forest Protection (Subaru of China Ltd.)**

Subaru of China Ltd. (SOC) established the SUBARU Forest Ecology Conservation Project in 2012 in collaboration with Wildlife Conservation Society China (WCS China), an organization under the jurisdiction of the State Forestry Administration of China. SOC established 31 Subaru Ecology Conservation Forests in nature reserves in 31 provinces in collaboration with WCS China in 2013. Starting 2012, SOC hosts “31 Forest Star Tours” for afforestation and rare species protection, while running fund-raising drives for wildlife protection and commending staff who have participated in natural reserves’ activities to contribute to afforestation.

Going forward, SOC will continue to conduct activities in harmony with the local natural environment and promote initiatives to conserve biodiversity.
Initiatives Aiming at Coexistence with Nature
( Subaru of Indiana Automotive, Inc.)
Subaru of Indiana Automotive, Inc. (SIA) worked on ecosystem protection by improving the water retention area on and its surrounding greenery on the plant's premises to make them suitable habitats for local wildlife. Thanks to these efforts, the area was certified by the National Wildlife Foundation in 2003 as a wildlife habitat, making SIA the first U.S. automobile production plant to receive the certificate. SIA maintains its surrounding natural environment, where wild Canadian geese and herons feed and rest, and many wild deer live in the native wildlife area behind the recreation center.

Afforestation in Wildfire-burned Areas
( Subaru of America, Inc.)
Subaru of America, Inc. (SOA) carried out afforestation activities in areas severely damaged by a record-scale forest fire in 2019, in collaboration with the National Forest Foundation. The company planted a total of 125 thousand trees in 2019, and plans to plant the same number of trees annually in the coming three years.

Participating in Postal Service-run Nature Conservation Programs
( Subaru of America, Inc.)
Starting 2019, SOA, together with printing companies, is involved in a program to donate one cent per postal mail to plant one seedling in each of the areas affected by natural disasters and faced by the challenge of protecting local species. Through this activity, a total of 692,919 seedling were planted in 2019.
Prevention of Pollution

Our Approach

For the development of a sustainable society as well as its own business continuity, the Subaru Group considers it essential to prevent the pollution of public water resources, soil, and the atmosphere. The Group endeavors to accurately measure its environmental impact and reduce it to a minimum by making the best use of its environmental management system.

Achievements and Initiatives

Chemical substances regulated by Pollutant Release and Transfer Register (PRTR) law of Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>NOx</th>
<th>SOx</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1,020</td>
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<td>2017</td>
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<td>2018</td>
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<tr>
<td>2019</td>
<td>2,968</td>
<td>813</td>
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<tr>
<td>2020 (FYE)</td>
<td>2,986</td>
<td>814</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>NOx</th>
<th>SOx</th>
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<tbody>
<tr>
<td>2016</td>
<td>474</td>
<td>428</td>
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<tr>
<td>2017</td>
<td>441</td>
<td>4</td>
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<td>2018</td>
<td>270</td>
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<tr>
<td>2019</td>
<td>304</td>
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</table>

Scope: Subaru—Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant

Subaru Domestic group companies

NOx, SOx

Scope: Subaru—Gunma Plant, Tokyo Office, Utsunomiya Plant
Overseas group company: Subaru of Indiana Automotive, Inc.
VOC
The amount of volatile organic compounds (VOCs) emitted from the automobile coating process at Subaru is figured out by emissions per unit coating area, which in FYE2020 was 44.0 g/m², down 3.9% from the FYE2019 level. This reduction in VOC emissions was mainly due to the decreased use of cleaning thinners and the increased collection of used thinners.

Soil and Groundwater
We started our voluntary soil and groundwater tests at our locations in 1998 and have since implemented purification measures and groundwater monitoring as required. Since the Soil Contamination Countermeasures Act came into effect in 2003, we have also filed reports and conducted tests in accordance with the law.

Sensory Nuisance
According to empirical studies showing that there is a significant difference between instrumental measurement results and the level of odor or noise perceived by people, the Gunma Plant conducts patrols around the site every day. The plant also makes available a contact point for consultation and organizes dialogues and plant tours for residents in the neighborhood to maintain close communication with them. The plant makes improvements of its facilities as necessary based on the valuable feedback received from residents.

PCB Waste
Subaru stores polychlorinated biphenyl (PCB) waste appropriately in accordance with the law and disposes of it according to a plan set to ensure that the disposal will be completed within the legally stipulated time frame.

Hazardous Waste
Subaru has had no significant spillage, nor has it transported, waste deemed hazardous under the terms of Annex I, II, III, and IV of the Basel Convention*.

* International treaty on the control of movements of hazardous wastes between nations and their disposal procedures.
FYE2020 Environmental Performance Data for Plants and Offices

In addition to complying with the laws and regulations, Subaru sets voluntary standards that are 20% stricter than the legal regulation values to manage the controlled substances. The following shows the regulation values and measured performance data for our plants and offices regarding the main substances.

### Atmosphere
**(Air Pollution Control Act, Prefectural Regulations)**

#### Automotive Business

##### Gunma Plant

- **Main Plant**

<table>
<thead>
<tr>
<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>Paint drying oven</td>
<td>ppm</td>
<td>230</td>
<td>184</td>
<td>50</td>
<td>36</td>
</tr>
<tr>
<td>Particulate matter</td>
<td>Paint drying oven</td>
<td>g/m³N</td>
<td>0.2</td>
<td>0.16</td>
<td>0.003</td>
<td>0.002</td>
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<tr>
<td>VOC</td>
<td>Paint booth, etc.</td>
<td>ppm-C</td>
<td>700</td>
<td>—</td>
<td>687</td>
<td>211</td>
</tr>
</tbody>
</table>

- **Yajima Plant**

<table>
<thead>
<tr>
<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
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</thead>
<tbody>
<tr>
<td>NOx</td>
<td>Paint drying oven</td>
<td>ppm</td>
<td>230</td>
<td>184</td>
<td>68</td>
<td>38</td>
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<tr>
<td>Particulate matter</td>
<td>Paint drying oven</td>
<td>g/m³N</td>
<td>0.2</td>
<td>0.16</td>
<td>0.005</td>
<td>0.002</td>
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<tr>
<td>VOC</td>
<td>Paint booth, etc.</td>
<td>ppm-C</td>
<td>700</td>
<td>—</td>
<td>299</td>
<td>73</td>
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</table>

- **Oizumi Plant**

<table>
<thead>
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<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>Aluminum melting furnace</td>
<td>ppm</td>
<td>180</td>
<td>1.44</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td>Particulate matter</td>
<td>Aluminum melting furnace</td>
<td>g/m³N</td>
<td>0.3</td>
<td>0.24</td>
<td>0.003</td>
<td>0.003</td>
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</tbody>
</table>

#### Aerospace Company

##### Utsunomiya Plant

- **Main Plant**

<table>
<thead>
<tr>
<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>Cogeneration</td>
<td>ppm</td>
<td>600</td>
<td>480</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>NOx</td>
<td>Drying oven</td>
<td>g/m³N</td>
<td>180</td>
<td>144</td>
<td>47</td>
<td>45</td>
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<tr>
<td>NOx</td>
<td>Quenching furnace</td>
<td>g/m³N</td>
<td>170</td>
<td>136</td>
<td>&lt;100</td>
<td>&lt;100</td>
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<tr>
<td>Particulate matter</td>
<td>Drying oven</td>
<td>g/m³N</td>
<td>0.3</td>
<td>0.24</td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
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<tr>
<td>Particulate matter</td>
<td>Quenching furnace</td>
<td>g/m³N</td>
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<td>&lt;0.010</td>
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#### Ota North Plant

No applicable equipment/facility

#### Tokyo Office

No applicable equipment/facility

#### South Plant and 2nd South Plant

No applicable equipment/facility
### Handa Plant

<table>
<thead>
<tr>
<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOx</td>
<td>2-ton boiler</td>
<td>ppm</td>
<td>1.5</td>
<td>1.2</td>
<td>&lt;0.02</td>
<td>&lt;0.02</td>
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<tr>
<td>NOx</td>
<td>2-ton boiler</td>
<td>ppm</td>
<td>180</td>
<td>144</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>Particulate matter</td>
<td>2-ton boiler</td>
<td>g/m³/N</td>
<td>0.1</td>
<td>0.08</td>
<td>&lt;0.002</td>
<td>&lt;0.002</td>
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</table>

### Handa West Plant

<table>
<thead>
<tr>
<th>Substance</th>
<th>Equipment/facility</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOx</td>
<td>2-ton boiler</td>
<td>ppm</td>
<td>1.5</td>
<td>1.2</td>
<td>0.03</td>
<td>0.023</td>
</tr>
<tr>
<td>NOx</td>
<td>2-ton boiler</td>
<td>ppm</td>
<td>180</td>
<td>144</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>Particulate matter</td>
<td>2-ton boiler</td>
<td>g/m³/N</td>
<td>0.1</td>
<td>0.08</td>
<td>&lt;0.002</td>
<td>&lt;0.002</td>
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</table>

### Water Quality (Water Pollution Prevention Act, Sewerage Act, Prefectural/Municipal Regulations)

#### Gunma Plant

#### Main Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5.8-8.6</td>
<td>6.1-6.3</td>
<td>7.7</td>
<td>7.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>25</td>
<td>20</td>
<td>14.1</td>
<td>&lt;1.0</td>
<td>5.1</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>50</td>
<td>40</td>
<td>8.8</td>
<td>&lt;1.0</td>
<td>3.1</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil content)</td>
<td>mg/L</td>
<td>0</td>
<td>4</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content)</td>
<td>mg/L</td>
<td>30</td>
<td>24</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>Zinc content</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.300</td>
<td>0.021</td>
<td>0.153</td>
</tr>
<tr>
<td>Soluble iron content</td>
<td>mg/L</td>
<td>10</td>
<td>8</td>
<td>0.2</td>
<td>&lt;0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Soluble manganese content</td>
<td>mg/L</td>
<td>10</td>
<td>8</td>
<td>0.3</td>
<td>&lt;0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Nitrogen content</td>
<td>mg/L</td>
<td>60</td>
<td>48</td>
<td>21.8</td>
<td>2.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Phosphorus content</td>
<td>mg/L</td>
<td>8</td>
<td>6.4</td>
<td>1.9</td>
<td>&lt;0.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Fluorine and its compounds</td>
<td>mg/L</td>
<td>8</td>
<td>6.4</td>
<td>1.8</td>
<td>&lt;0.2</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers. Measured at two drainage outlets (New No.2 and No.5 waterways). Values for total phosphorus content and total nitrogen content are daily averages.
### Yajima Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5.8–8.6</td>
<td>6.1–8.3</td>
<td>7.3</td>
<td>7.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD) mg/L</td>
<td></td>
<td>25</td>
<td>20</td>
<td>77.7</td>
<td>1.3</td>
<td>19.7</td>
</tr>
<tr>
<td>Suspended solids (SS) mg/L</td>
<td></td>
<td>50</td>
<td>40</td>
<td>5.6</td>
<td>2.0</td>
<td>3.5</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content) mg/L</td>
<td>30</td>
<td>24</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>Zinc content mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.4</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
</tr>
<tr>
<td>Soluble iron content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.4</td>
<td>&lt;0.1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Soluble manganese content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.2</td>
<td>&lt;0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Nitrogen content mg/L</td>
<td>60</td>
<td>48</td>
<td>8.9</td>
<td>4.8</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Phosphorus content mg/L</td>
<td>8</td>
<td>6.4</td>
<td>1.1</td>
<td>0.3</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Fluorine and its compounds mg/L</td>
<td>8</td>
<td>6.4</td>
<td>1.9</td>
<td>0.9</td>
<td>1.4</td>
<td></td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers. Values for total phosphorus content and total nitrogen content are daily averages.

* The BOD values exceeded the standard value since air conditioner drainage containing solvents leaked into the rainwater ditch. We reviewed and improved the discharge paths and treatment processes so that the BOD values are now maintained within the standard value.

### Ota North Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5.8–8.6</td>
<td>6.1–8.3</td>
<td>7.8</td>
<td>7.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD) mg/L</td>
<td></td>
<td>25</td>
<td>20</td>
<td>7.7</td>
<td>1.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Suspended solids (SS) mg/L</td>
<td></td>
<td>40</td>
<td>40</td>
<td>2.4</td>
<td>&lt;1.0</td>
<td>1.7</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content) mg/L</td>
<td>30</td>
<td>24</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>Zinc content mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.234</td>
<td>0.083</td>
<td>0.166</td>
<td></td>
</tr>
<tr>
<td>Soluble iron content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.2</td>
<td>&lt;0.1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Soluble manganese content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.1</td>
<td>&lt;0.1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Nitrogen content mg/L</td>
<td>60</td>
<td>48</td>
<td>13.9</td>
<td>6.3</td>
<td>10.3</td>
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</tr>
<tr>
<td>Phosphorus content mg/L</td>
<td>8</td>
<td>6.4</td>
<td>&lt;0.1</td>
<td>&lt;0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluorine and its compounds mg/L</td>
<td>8</td>
<td>6.4</td>
<td>&lt;0.2</td>
<td>&lt;0.2</td>
<td></td>
<td></td>
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</tbody>
</table>

Effluent is discharged into public rivers. Values for total phosphorus content and total nitrogen content are daily averages.

### Oizumi Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5.8–8.6</td>
<td>6.1–8.3</td>
<td>7.6</td>
<td>7.6</td>
<td>7.6</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD) mg/L</td>
<td></td>
<td>600</td>
<td>480</td>
<td>350</td>
<td>56</td>
<td>172</td>
</tr>
<tr>
<td>Suspended solids (SS) mg/L</td>
<td></td>
<td>600</td>
<td>480</td>
<td>410</td>
<td>82</td>
<td>194</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>1.0</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content) mg/L</td>
<td>30</td>
<td>24</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>Zinc content mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.234</td>
<td>0.083</td>
<td>0.166</td>
<td></td>
</tr>
<tr>
<td>Soluble iron content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.2</td>
<td>&lt;0.1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Soluble manganese content mg/L</td>
<td>10</td>
<td>8</td>
<td>0.1</td>
<td>&lt;0.1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Nitrogen content mg/L</td>
<td>60</td>
<td>48</td>
<td>13.9</td>
<td>6.3</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Phosphorus content mg/L</td>
<td>8</td>
<td>6.4</td>
<td>&lt;0.1</td>
<td>&lt;0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluorine and its compounds mg/L</td>
<td>8</td>
<td>6.4</td>
<td>&lt;0.2</td>
<td>&lt;0.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers. Values for total phosphorus content and total nitrogen content are daily averages.

### Tokyo Office

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation*</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5–9</td>
<td>5.4–8.6</td>
<td>8.6</td>
<td>7.6</td>
<td>8.3</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD) mg/L</td>
<td></td>
<td>600</td>
<td>480</td>
<td>350</td>
<td>56</td>
<td>172</td>
</tr>
<tr>
<td>Suspended solids (SS) mg/L</td>
<td></td>
<td>600</td>
<td>480</td>
<td>410</td>
<td>82</td>
<td>194</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>1.0</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content) mg/L</td>
<td>30</td>
<td>24</td>
<td>24.0</td>
<td>2.6</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>Total phosphorus mg/L</td>
<td>16</td>
<td>12.8</td>
<td>11</td>
<td>2.6</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Total nitrogen mg/L</td>
<td>120</td>
<td>96</td>
<td>96</td>
<td>25</td>
<td>63.0</td>
<td></td>
</tr>
<tr>
<td>Soluble manganese mg/L</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>0.03</td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td>Cyanogen mg/L</td>
<td>1</td>
<td>0.8</td>
<td>&lt;0.1</td>
<td>&lt;0.01</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Effluent is discharged into public sewer.

* Water Pollution Prevention Act, Mitaka City Sewer Regulation
### Aerospace Company

#### Utsunomiya Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5–9</td>
<td>5.4–8.6</td>
<td>6.5</td>
<td>6.5</td>
<td>7.4</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>600</td>
<td>460</td>
<td>307</td>
<td>1.0</td>
<td>65</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>600</td>
<td>460</td>
<td>476</td>
<td>0.7</td>
<td>81</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil content)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content)</td>
<td>mg/L</td>
<td>30</td>
<td>24</td>
<td>20.8</td>
<td>1.0</td>
<td>7.8</td>
</tr>
<tr>
<td>Fluorine compounds</td>
<td>mg/L</td>
<td>8</td>
<td>6.4</td>
<td>0.7</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Cyanogen</td>
<td>mg/L</td>
<td>1</td>
<td>0.8</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Cadmium</td>
<td>mg/L</td>
<td>0.03</td>
<td>0.024</td>
<td>0.01</td>
<td>0.003</td>
<td>0.004</td>
</tr>
<tr>
<td>Total chromium</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.15</td>
<td>0.01</td>
<td>0.03</td>
</tr>
<tr>
<td>Hexavalent chromium</td>
<td>mg/L</td>
<td>0.1</td>
<td>0.08</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
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</tbody>
</table>

Discharged into public rivers.

### South Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation (Prefectural regulation)</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5–9</td>
<td>5.4–8.6</td>
<td>8.4</td>
<td>6.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>600</td>
<td>480</td>
<td>312</td>
<td>2.6</td>
<td>111</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>600</td>
<td>480</td>
<td>312</td>
<td>2.6</td>
<td>111</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil content)</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat content)</td>
<td>mg/L</td>
<td>30</td>
<td>24</td>
<td>17</td>
<td>1.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Fluorine compounds</td>
<td>mg/L</td>
<td>8</td>
<td>6.4</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Cyanogen</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Cadmium</td>
<td>mg/L</td>
<td>0.1</td>
<td>0.08</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers.
### 2nd South Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>5–9</td>
<td>5.4–8.6</td>
<td>8.6</td>
<td>6.9</td>
<td>7.6</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>600</td>
<td>480</td>
<td>197</td>
<td>1.0</td>
<td>42</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>600</td>
<td>480</td>
<td>416</td>
<td>1.0</td>
<td>54</td>
</tr>
<tr>
<td>n-Hexane extract content</td>
<td>mg/L</td>
<td>5</td>
<td>4</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>(Mineral oil content)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n-Hexane extract content</td>
<td>mg/L</td>
<td>30</td>
<td>24</td>
<td>14</td>
<td>1.0</td>
<td>2.8</td>
</tr>
<tr>
<td>(Animal and plant oil and fat content)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluorine compounds</td>
<td>mg/L</td>
<td>8</td>
<td>6.4</td>
<td>1.2</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Total chromium</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.56</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Hexavalent chromium</td>
<td>mg/L</td>
<td>0.1</td>
<td>0.08</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Total nitrogen</td>
<td>mg/L</td>
<td>240</td>
<td>192</td>
<td>56</td>
<td>2.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Total phosphorus</td>
<td>mg/L</td>
<td>32</td>
<td>26</td>
<td>2.9</td>
<td>0.05</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Discharged into public rivers

### Handa Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>6–8</td>
<td>6–8</td>
<td>7.8</td>
<td>6.3</td>
<td>6.9</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>25</td>
<td>20</td>
<td>12</td>
<td>1.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>25</td>
<td>20</td>
<td>11</td>
<td>0.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Chemical oxygen demand (COD)</td>
<td>mg/L</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>1.7</td>
<td>6.6</td>
</tr>
<tr>
<td>n-Hexane extract content</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>(Mineral oil content)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n-Hexane extract content</td>
<td>mg/L</td>
<td>10</td>
<td>8</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>(Animal and plant oil and fat content)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cadmium</td>
<td>mg/L</td>
<td>0.03</td>
<td>0.024</td>
<td>0.005</td>
<td>0.005</td>
<td>0.005</td>
</tr>
<tr>
<td>Total chromium</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Hexavalent chromium</td>
<td>mg/L</td>
<td>0.5</td>
<td>0.4</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers.
### Handa West Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen ion concentration (pH)</td>
<td>—</td>
<td>—</td>
<td>6–8</td>
<td>7.6</td>
<td>6.9</td>
<td>7.3</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>15</td>
<td>12</td>
<td>7.0</td>
<td>1.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>15</td>
<td>12</td>
<td>17</td>
<td>2.2</td>
<td>6.5</td>
</tr>
<tr>
<td>Chemical oxygen demand (COD)</td>
<td>mg/L</td>
<td>15</td>
<td>12</td>
<td>10</td>
<td>2.7</td>
<td>5.9</td>
</tr>
<tr>
<td>n-Hexane extract content (Mineral oil)</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>n-Hexane extract content (Animal and plant oil and fat)</td>
<td>mg/L</td>
<td>2</td>
<td>1.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Soluble manganese</td>
<td>mg/L</td>
<td>0.5</td>
<td>0.4</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Total chromium</td>
<td>mg/L</td>
<td>0.2</td>
<td>0.16</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>Hexavalent chromium</td>
<td>mg/L</td>
<td>0.3</td>
<td>0.3</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Effluent is discharged into public rivers.  
* The BOD values exceeded the standard value due to the temporarily elevated values in washing water. We reviewed and improved the drainage process so that the BOD values are now maintained within the standard value.

### Noise (Noise Regulation Act, Prefectural Regulations, Agreements)

#### Automotive Business

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>dB(A)</td>
<td>60</td>
<td>58</td>
<td>8</td>
<td>65</td>
</tr>
<tr>
<td>Oizumi Plant</td>
<td>dB(A)</td>
<td>55 (50)</td>
<td>49</td>
<td>10</td>
<td>54</td>
</tr>
</tbody>
</table>

* The night value for Oizumi Plant is specified by the Pollution Prevention Agreement with Ota–Oizumi.

#### Gunma Plant

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>dB(A)</td>
<td>60</td>
<td>58</td>
<td>8</td>
<td>65</td>
</tr>
<tr>
<td>Yajima Plant</td>
<td>dB(A)</td>
<td>55</td>
<td>54</td>
<td>10</td>
<td>55</td>
</tr>
<tr>
<td>Oizumi Plant</td>
<td>dB(A)</td>
<td>55 (50)</td>
<td>49</td>
<td>6</td>
<td>54</td>
</tr>
</tbody>
</table>

* Since the measured values exceeded the agreement value, we are providing a new noise barrier to avoid recurrence.

#### Aerospace Company

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>dB(A)</td>
<td>60</td>
<td>58</td>
<td>8</td>
<td>65</td>
</tr>
<tr>
<td>South Plant</td>
<td>dB(A)</td>
<td>50</td>
<td>48</td>
<td>3</td>
<td>42</td>
</tr>
<tr>
<td>2nd South Plant</td>
<td>dB(A)</td>
<td>50</td>
<td>48</td>
<td>3</td>
<td>42</td>
</tr>
</tbody>
</table>

#### Handa Plant

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handa Plant</td>
<td>dB(A)</td>
<td>65</td>
<td>63</td>
<td>3</td>
<td>52</td>
</tr>
</tbody>
</table>

#### Handa West Plant

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handa West Plant</td>
<td>dB(A)</td>
<td>65</td>
<td>63</td>
<td>6</td>
<td>59</td>
</tr>
</tbody>
</table>

#### Kisarazu Office

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kisarazu Office</td>
<td>dB(A)</td>
<td>50</td>
<td>48</td>
<td>2</td>
<td>30</td>
</tr>
</tbody>
</table>
### Vibration (Vibration Regulation Act, Prefectural Regulations, Agreements)

#### Automotive Business

**Gunma Plant**

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>dB(A)</td>
<td>65</td>
<td>64</td>
<td>8</td>
<td>46</td>
</tr>
<tr>
<td>Yajima Plant</td>
<td>dB(A)</td>
<td>65</td>
<td>64</td>
<td>10</td>
<td>42</td>
</tr>
<tr>
<td>Oizumi Plant</td>
<td>dB(A)</td>
<td>60</td>
<td>59</td>
<td>8</td>
<td>40</td>
</tr>
</tbody>
</table>

#### Aerospace Company

**Utsunomiya Plant**

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>dB(Z)</td>
<td>65</td>
<td>63</td>
<td>8</td>
<td>38</td>
</tr>
<tr>
<td>South Plant</td>
<td>dB(Z)</td>
<td>60</td>
<td>58</td>
<td>2</td>
<td>&lt;30</td>
</tr>
<tr>
<td>2nd South Plant</td>
<td>dB(Z)</td>
<td>60</td>
<td>58</td>
<td>3</td>
<td>&lt;30</td>
</tr>
</tbody>
</table>

#### Handa Plant and Handa West Plant

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handa Plant</td>
<td>dB(Z)</td>
<td>70</td>
<td>68</td>
<td>3</td>
<td>&lt;30</td>
</tr>
<tr>
<td>Handa West Plant</td>
<td>dB(Z)</td>
<td>70</td>
<td>68</td>
<td>5</td>
<td>&lt;30</td>
</tr>
</tbody>
</table>

#### Kisarazu Office

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Unit</th>
<th>Regulation* (Night)</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kisarazu Office</td>
<td>dB(Z)</td>
<td>55</td>
<td>53</td>
<td>2</td>
<td>&lt;30</td>
</tr>
</tbody>
</table>

### Odor (Offensive Odor Control Act)

#### Automotive Business

**Gunma Plant**

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>21</td>
<td>20</td>
<td>6</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Yajima Plant</td>
<td>21</td>
<td>20</td>
<td>8</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Oizumi Plant</td>
<td>21</td>
<td>20</td>
<td>6</td>
<td>15</td>
</tr>
</tbody>
</table>

#### Aerospace Company

**Utsunomiya Plant**

<table>
<thead>
<tr>
<th>Measurement location</th>
<th>Regulation</th>
<th>Voluntary standard</th>
<th>Number of measurement sites</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Plant</td>
<td>21</td>
<td>20</td>
<td>6</td>
<td>&lt;10</td>
</tr>
<tr>
<td>South Plant</td>
<td>21</td>
<td>20</td>
<td>8</td>
<td>&lt;10</td>
</tr>
<tr>
<td>2nd South Plant</td>
<td>21</td>
<td>20</td>
<td>6</td>
<td>15</td>
</tr>
</tbody>
</table>
### Chemical Substances Subject to Japan’s Pollutant Release and Transfer Register (PRTR) System: Handling Amount and Emissions

#### Automotive Business

**Gunma Plant** (Main Plant, Yajima Plant, Oizumi Plant, Subaru Test & Development Center at Sano)  
[Unit: kg/year, excluding dioxins (mg-TEQ/year)]

<table>
<thead>
<tr>
<th>Chemical substance</th>
<th>Amount handled</th>
<th>Atmospheric emissions</th>
<th>Water emissions (Public waters)</th>
<th>Amount transferred (Sewer)</th>
<th>Amount consumed</th>
<th>Amount removed through processing</th>
<th>Amount recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water-soluble zinc compounds</td>
<td>61,935</td>
<td>0</td>
<td>848</td>
<td>0</td>
<td>0</td>
<td>61,086</td>
<td>0</td>
</tr>
<tr>
<td>Ethylbenzene</td>
<td>460,654</td>
<td>246,328</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>45,921</td>
<td>119,682</td>
</tr>
<tr>
<td>Xylene</td>
<td>636,938</td>
<td>261,630</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>192,167</td>
<td>106,454</td>
</tr>
<tr>
<td>1,2,4-Trimethylbenzene</td>
<td>238,135</td>
<td>1,174</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>236,961</td>
<td>0</td>
</tr>
<tr>
<td>1,3,5-Trimethylbenzene</td>
<td>36,289</td>
<td>23,342</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,034</td>
<td>4,554</td>
</tr>
<tr>
<td>Xylene</td>
<td>759,519</td>
<td>234,628</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>389,381</td>
<td>66,452</td>
</tr>
<tr>
<td>Naphthalene</td>
<td>11,267</td>
<td>7,381</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,048</td>
<td>1,837</td>
</tr>
<tr>
<td>Nickel compounds</td>
<td>3,797</td>
<td>103</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,796</td>
<td>1,898</td>
</tr>
<tr>
<td>Bis(2-ethylhexyl) phthalate</td>
<td>7,610</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7,407</td>
<td>0</td>
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<tr>
<td>Hydrogen fluoride and its water-soluble salts</td>
<td>4,180</td>
<td>0</td>
<td>3,804</td>
<td>0</td>
<td>0</td>
<td>376</td>
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<td>2,009</td>
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<tr>
<td>Dioxins</td>
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<tr>
<td>Unit: mg-TEQ/year</td>
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<td>Cumene</td>
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<td>6,251</td>
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</table>

Total                                      |                |                      |                                 |                           |                |                                   |                |

#### Tokyo Office

<table>
<thead>
<tr>
<th>Chemical substance</th>
<th>Amount handled</th>
<th>Atmospheric emissions</th>
<th>Water emissions (Public waters)</th>
<th>Amount transferred (Sewer)</th>
<th>Amount consumed</th>
<th>Amount removed through processing</th>
<th>Amount recycled</th>
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Total                                      | 374,496        | 14.15                | 0                               | 0                         | 0              | 374,496                           | 0              |

#### Aerospace Company

<table>
<thead>
<tr>
<th>Chemical substance</th>
<th>Amount handled</th>
<th>Atmospheric emissions</th>
<th>Water emissions (Public waters)</th>
<th>Amount transferred (Sewer)</th>
<th>Amount consumed</th>
<th>Amount removed through processing</th>
<th>Amount recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bisphenol A</td>
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<td>Hexavalent chromium</td>
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<td>4,542</td>
<td>16,364</td>
</tr>
</tbody>
</table>

Total                                      |                |                      |                                 |                           |                |                                   |                |

**Tokyo Office**

**Aerospace Company**
Social

078  Respect for Human Rights
081  Quality: Automotive Business
084  Quality: Aerospace Business
086  Making Safe Vehicles
093  Human Resources
104  Customers
108  CSR Procurement
111  Social Contribution
The Subaru Group puts people first and engages in people-oriented manufacturing. Based on the belief that respect for the rights and characteristics of individuals is an important management issue for realizing Subaru's corporate philosophy of promoting harmony between people, society, and the environment while contributing to the prosperity of society, the Subaru Group clarified its responsibilities to respect human rights by establishing its “Human Rights Policy” in April 2020.

Human Rights Policy

Principle of Respect for Human Rights:
The Subaru Group, through its automotive and aerospace businesses, puts people first and engages in people-oriented manufacturing. Respect for the rights and characteristics of individuals is an important management issue for realizing Subaru’s corporate philosophy of promoting harmony between people, society, and the environment while contributing to the prosperity of society. Based on this policy, the Subaru Group clarifies its responsibilities to respect human rights based on the United Nations Guiding Principles on Business and Human Rights.

1. Compliance with Laws and Regulations to Respect for Human Rights

(Scope and Management Structure)
- This policy applies to the Subaru Group worldwide—Subaru Corporation and its all subsidiaries, expects and encourages our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy. To realize these goals, we have appointed Representative Director, President and CEO as a director who is responsible for leading the process of developing this Policy and assigning resources as needed for its implementation and continued improvement.

(Related Laws and International Norms)
- We will comply with the relevant laws and regulations of each country, and respect the human rights stipulated in international norms such as The Universal Declaration of Human Rights (UDHR), International Covenants on Human Rights (International Covenant on Economic, Social and Cultural Rights, and International Covenant on Civil and Political Rights), and The ILO Declaration on Fundamental Principles and Rights at Work. If the standards set forth in the international norms exceed those set forth in applicable law, we will aim to adhere to the international norms.

2. Implementation of Human Rights Due Diligence

(Response to Human Rights Risks)
- We will identify potential or actual human rights risks linked to our business and establish and continuously operate mechanisms to prevent or mitigate such risks.

(Corrective Actions)
- We will strive to remedy any adverse human rights impact that we have caused or are involved in. We will also establish and maintain our grievance mechanism to do so.

(Training)
- To ensure that this policy is understood and practiced by all the members of the Subaru Group, we conduct regular training and awareness-raising programs for executives, employees, and other stakeholders to respect for human rights.

(Dialogue and Consultation)
- We engage in dialogue and consultation with relevant stakeholders in order to improve our commitment to respect for human rights.

(Information Disclosure)
- We will annually report on our commitments and the actions we have taken to respect and promote human rights pursuant to this Policy.
Human Rights Policy Appendix

Priority Human Rights Issues in Subaru Group’s Businesses

The Subaru Group’s manufacturing is supported not only by our own factories, but also by an extremely large number of people working in the multilayered supply chains. We also have contact with a variety of people in areas such as marketing, sales, and after-sales service through distributors and dealers all over the world.

In order to respect human rights, and the numerous irreplaceable lives of all those involved in the Subaru Group, we will actively address the following as priority issues identified so far.

We will regularly review the priority issues in this Appendix based on changes in social demands, including laws and regulations, technical progress, and the business operations of the Subaru Group.

(Respect for Rights to Human Life and Property)

- In order to protect the basic rights of people and their families who interact with Subaru Group’s products and services, such as drivers, passengers, and pedestrians, we aim to eliminate all traffic accident deaths that involve Subaru vehicles.
- We will promote the humanitarian use of the Subaru Group’s various products and services, including disaster relief, and strive to avoid non-human use.

(Respect for Individuals, Diversity and Inclusion)

- We value the unique characteristics of our employees, our business partners, and the members of the communities in which we operate and strive to create an environment of diversity and inclusion.
- We will conduct our business activities with full respect for privacy, including protecting the personal information of not only our customers and employees, but also those involved with the Subaru Group.

(Zero Tolerance for Discrimination and Harassment)

- We do not tolerate any discrimination based on race, age, sex, gender identification or expression, sexual orientation, national origin, ethnicity, religion, creed, profession, disability, family relations, or any other status protected by applicable law among all persons involved in the Subaru Group. Moreover, we do not tolerate any harassment that harms human dignity.
- We will carefully consider potential human rights risks in our marketing and other communication activities, and do not tolerate expressions that are discriminatory or may adversely affect children.

(Respect for the Workers’ Rights in Subaru Group and Encouraging Our Supply Chains)

- We do not tolerate child labor, forced labor, slave labor, and human trafficking.
- We do not expose young workers to hazardous work.

- We will give due consideration to the human rights of foreign workers and migrant workers.
- We respect freedom of association and the right to collective bargaining, which are fundamental workers’ rights. We are committed to engagement with employees to ensure a positive working environment.
- We will maintain a worthwhile, safe, and hygienic working environment.
- In order to promote the well-being of workers, we will pay appropriate wages more than the minimum and living wages, and manage working hours appropriately.
- We expect and encourage our supply chains to respect the rights of workers.

(Respect for the Rights of Vulnerable People in Local Communities)

- We engage in responsible procurement practices including those related to conflict minerals.
- We will give special consideration to respect for the human rights of women, children, disability, social minorities, ethnic minorities, indigenous peoples, and other vulnerable groups.

(Contributions to Respect for Human Rights)

- We will actively contribute to human rights protection worldwide through the Subaru Group’s corporate citizenship activities.
Management System

We have appointed Representative Director, President and CEO as a director who is responsible for leading the process of developing the Policy and assigning resources as needed for its implementation and continued improvement. The Representative Director, President and CEO also serves as head of the CSR Committee, where we hold discussions on human rights issues and initiatives.

Initiatives

Based on the belief that respect for the rights and characteristics of individuals is an important management issue for realizing Subaru's corporate philosophy, the CSR Committee decided to form the Human Rights Task Team in March 2019, which was materialized in April 2019 and is comprised of the Human Resources Department, IR Department, Sustainability Promotion Department, and Procurement Planning Department. As a result of multiple discussions with outside experts and specialists, the Task Team formulated the Human Rights Policy in April 2020. It sets forth that the Subaru Group's universal sense of purpose in acting for the good of people not only applies to our customers and employees, but also extends across the entire value chain. Going forward, the Subaru Group will continue managing its operations in line with respect for human rights.

Activities to Raise Awareness of Human Rights

The Subaru Group’s Human Rights Policy states that it “expects and encourages our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy.” We have been conducting Subaru’s new employee training and manager training on the theme of diversity, and going forward, we will analyze and conduct awareness raising activities in order to further increase employees’ respect for human rights.

Preventing Harassment

The Subaru Group regards the prevention of discrimination and harassment as important issues, and this is expressed in the Human Rights Policy. Seeking to prevent all forms of harassment, we prohibit such behavior in our work regulations, and it is also mentioned in the Conduct Guidelines. We have prepared the Power Harassment Explanatory Booklet, and ensure that all Subaru employees are aware of its contents. Also, we distribute the Power Harassment Prevention Handbook to all managers and supervisors, and make efforts to prevent harassment.

We have set up a Compliance Hotline and a Harassment Advice Line internally and externally to accept requests for consultations regarding harassment, creating an environment in which all employees, including those at group companies, can receive advice. By creating a management system in which it is easy to seek advice, we encourage carefree consultations, and attempt to detect and resolve problems at an early stage.
Quality: Automotive Business

Our Approach

Quality is the foundation of “Enjoyment and Peace of Mind,” SUBARU's core value, and delivering quality is one of our most fundamental responsibilities to our customers. Quality reforms are a top priority in STEP, SUBARU's mid-term management vision, and we are reviewing all business processes, from product planning and parts procurement by suppliers to production and shipping at our plants, and implementing reforms.

To ensure that we become a company that resonates with and inspires trust in our customers, under the banner of our new quality policy, all employees are making “quality first” their slogan as they work hard to provide high-quality products and services that will impress customers. Subaru has also established quality policies at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics, and affiliated companies practice quality control based on these policies.

In FYE2021, we established the Quality Assurance Management Office to supervise quality assurance across the entire Subaru Group, including the Aerospace Company. The roles of this office will include developing and managing the Subaru Group’s organizational structure and systems required to assure quality, maintaining their effectiveness, and continually improving them.

Quality Policy

At Subaru, quality is our highest priority as we earn the trust of our customers.

1. We will deliver long lasting products that our customers can use with peace of mind.
2. We will continually improve our products and services by always listening closely to our customer's voice.
3. We will be a good corporate citizen in all markets where we do business by ensuring compliance with all internal rules, local laws, regulations and social norms.

Revised in April 2019

Quality Management System

1. Establish Quality Management System (QMS) based on the Quality Policy and ISO9001 Standard and put it into practice for orderly and effective operations.
2. Aim to improve customer satisfaction by assuring that products will comply with both customer requirements and applicable statutory and regulatory requirements.
3. Strive to continually improve the QMS through operational improvements.

With Quality Management System, Subaru works to assure quality in each process from design and development to sales, thereby creating a cycle to create even higher quality products. In addition, Subaru strives to work through this cycle swiftly in order to meet customer needs without any delay.

Quality Management Cycle

- **Design and development**
  - Consideration given to preventing variability and standardization of tasks from the blueprint creation stage through to production processes

- **Production (mass production)**
  - Establishment of process management aimed at preventing quality defects and variability as well as implementation of strict quality inspections and testing

- **Distribution and sales**
  - Establishment of quality management system after shipment from production plant, as well as system for dealerships, and inspections of dealerships

Collection and analysis of after-sales information and quality improvements

Collection and analysis of information on quality defects and requests received by dealerships and Subaru Customer Center and prompt implementation of quality improvements
Management System

Subaru has established a quality improvement system with Quality Assurance Division at the heart of efforts in order to analyze after-sales quality defects and customer requests to realize higher-quality development and production. Based on customers’ opinions collected from around the world, Subaru works with the relevant in-house departments and suppliers in identifying quality issues, investigating their cause, and planning countermeasures.

We are promoting measures to prevent recurrence of the Final Vehicle Inspection Issue, with the COP* Supervision Section taking the lead.

In FYE2019, we transferred responsibility for final vehicle inspections from the Manufacturing Division to the Quality Assurance Division. This ensures the independence of final vehicle inspections from manufacturing departments. As well as placing quality first on a solid footing by raising awareness among final vehicle inspectors and improving the workplace environment, we have been conducting radical revisions of the final vehicle inspection system with an eye to the future.

Furthermore, we will ensure that all external stakeholders understand Subaru’s initiatives, by such means as holding tours of our car manufacturing plants for shareholders and investors.

* Conformity of Production
At the Global Quality Meeting

At the Quality Caravan

Number of Recalls and Improvements (Japan)

<table>
<thead>
<tr>
<th></th>
<th>FYE2017</th>
<th>FYE2018</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recalls*1</td>
<td>10*4</td>
<td>9*4</td>
<td>11</td>
<td>13*4</td>
</tr>
<tr>
<td>Corrective Action*2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Service Campaigns*3</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>13</td>
<td>18</td>
<td>17</td>
</tr>
</tbody>
</table>

*1 Corrective action implemented by automobile manufacturers, etc. for a specific range of automobiles, or tires or child car seats, of a similar type to bring the product in question into compliance with the Safety Regulations for Road Vehicles when vehicles, etc. are in a condition that suggests that they may cease to conform or do not conform to those safety regulations, and when the cause for such non-conformity lies in the design of the vehicles, etc. or their manufacturing process.

*2 Corrective action implemented by automobile manufacturers, etc. in respect of matters which, although not specified in the Safety Regulations for Road Vehicles, cannot be overlooked from a safety or environmental conservation perspective in the event that a defect should arise, where the cause lies in the design or manufacturing process.

*3 Corrective action relating to merchantability/quality in respect of a defect that is not subject to a notification of recall or corrective action.

*4 The figure includes one recall relating to Takata airbags, in which a recall notification was submitted on the basis of individual model.

Initiatives

Quality Control Training

We provide quality training as part of our employee training program to enable employees to learn basic QC* and problem-solving techniques tailored to their year of entry into the company and their qualification requirements.

Main curriculum for quality

• Quality control training (Introduction/Intermediate/Advanced)
• Lectures to foster quality awareness

Global Quality Meeting

Aiming to ensure that the customer-first mindset runs through our quality, Subaru attaches great importance to dialogue with dealers, as they are responsible for dealing with customers across the globe. We participate in technical liaison meetings held twice a year for the Japanese market, while in overseas markets, we take part in twice-yearly main dealerships (G8) service meetings and block conferences held in six regions*. We take in the views of dealers expressed at these meetings to make decisions on the optimum means of addressing product issues that inconvenience our customers.

* Block conferences are held in a country in each of the six regions—the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America. Their participants include representatives from dealerships and expatriates working in the region.

Quality Caravan

Since FYE2019 we have been holding an event called the Quality Caravan at all our business sites to inform participants of customer feedback and the quality status of Subaru products. Our aim in doing so is to provide each and every employee with an accurate understanding of the current state of Subaru and create an environment in which they are conscious of putting quality first at all times and approach their work in that mindset. In addition to employees, we also receive a large number of participants from suppliers.

In FYE2021, Subaru of Indiana Automotive, Inc., Subaru’s production base in the United States, is organizing the event to raise global awareness of quality.

Going forward, we will continue to engage in awareness activities, while enhancing the program and extending the duration, among other improvements.

Response to Recalls

Subaru is taking measures to cope with recalls in order to prevent accidents and to protect customers.

In the event of product defects that can infringe safety and the laws and regulations, Subaru promptly establishes a committee structure of staff from departments involved in quality to investigate, and determines the specific details of our response based on the laws and regulations of each country. Moreover, Subaru sends direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

As of April 2020, Subaru had no cases of violating laws and in-house regulations in regard to information provision on quality and safety.
Quality: Aerospace Business

Our Approach

The Aerospace Company conducts Subaru’s aerospace business and its production activities are based on its policy of “Giving Safety and Quality Top Priority.”

Quality Management System

Based on its policy of “Giving Safety and Quality Top Priority,” the Aerospace Company has built and acts under the quality management system that conforms to the latest JISQ9100:2016 quality management system requirements for Aviation, Space and Defense Organizations. In addition, it incorporated the Supplements to JISQ9100 (SJAC9068) that are independently and jointly established by the Japanese aerospace and defense industries in order to prevent improper occurrences related to quality.

Quality Management Cycle

Subaru’s Aerospace Company strives for quality assurance in every process from the clarification of requirements through to manufacturing in order to create safe, reliable products. In addition, it has established and operates a quality management cycle to enhance customer satisfaction.

Management System

At Subaru’s Aerospace Company, the QMS Promotion Office maintains and promotes the quality management system (QMS), and also works on improving the system to enhance quality. The Quality Assurance Department promotes the following quality assurance activities covering product manufacture, repair, sales, and service, and rolls them out to relevant company departments and suppliers.

- Gather customer feedback
- Identify quality-related issues
- Investigate the root causes
- Formulate measures to deal with them
### Initiatives

#### Quality Assurance Training

We provide quality assurance training in each department as part of our employee training program. We also hold training programs aimed at cultivating experts in quality assurance.

#### Major Education Training Programs

<table>
<thead>
<tr>
<th>Course Topic</th>
<th>Target</th>
<th>Frequency</th>
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</thead>
<tbody>
<tr>
<td>Quality Education</td>
<td>Basic manners training for inspectors</td>
<td>Once a year</td>
</tr>
<tr>
<td></td>
<td>Quality refresher training</td>
<td>Twice a year</td>
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<tr>
<td></td>
<td>Human factor training</td>
<td>Once a year</td>
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<tr>
<td></td>
<td>Aeronautical safety training</td>
<td>Once a year</td>
</tr>
<tr>
<td></td>
<td>Education for employees in certified workplaces</td>
<td>Once a year</td>
</tr>
<tr>
<td></td>
<td>GMS consolidation training</td>
<td>Upon accreditation/ every 3 years</td>
</tr>
<tr>
<td>Basic Training for Inspectors</td>
<td>New accreditation/ periodic renewal training</td>
<td>Twice a year</td>
</tr>
<tr>
<td></td>
<td>Skills enhancement training for inspectors</td>
<td>Once a month</td>
</tr>
<tr>
<td>Skills Training for Inspectors</td>
<td>Techno-school</td>
<td>Ten times a year</td>
</tr>
</tbody>
</table>

#### Four Rules Activity

To bring happiness to our customers, to carry out our social responsibilities, and to achieve growth, each member of the Aerospace Company remains aware of our work rules (procedures, basics). When we find that the rules are difficult to follow, unclear, or out of step with the times, we all work together to improve them, rather than leaving the burden to one person. Through this activity, we strive to increase the quality of our work.

The four rules

**In the work you are doing today,**

1. Are there any rules (procedures, basics)?
2. Are you following the rules?
3. Is there any room for improvement?
4. Are you discussing with someone about workplace improvements?

#### Quality Month Lecture

The Aerospace Company holds periodic quality meetings. They hold discussions regarding customer satisfaction and product quality from various aspects. Also, every November is designated as Quality Month. There are lectures, awards for employees who have contributed to improving quality, and the distribution of pamphlets to educate all employees on quality.

At the FYE2020 lecture, President Kazuhiko Yamazaki of Fuji Bottling Co., Ltd., and Environmental/Quality Management Office Manager Hidemi Tomono provided a talk on the theme of leadership that encourages lively engagement and related communication techniques. There were over 500 participants, with the company president, employees and business partners in attendance.

Also, we have established many kinds of systems such as the Improvement Proposal System, which aims to allow employees to display their creative abilities and build a culture of making improvements.
Making Safe Vehicles

Our Approach

Subaru Group believes that a car is more than just a means of transport, but rather a partner that enriches people’s lives by understanding and meeting their expectations. Subaru’s DNA comes from our origin as an aircraft maker, and has a focus on people. We think about what is important to people who use cars, and develop products with the necessary functions and performance.

“Focus on people. Think about what is important to people who use cars. And create new value with cars.” We believe that this is the SUBARU-ness.

Having roots in the aircraft industry, we have, for more than half a century, consistently engaged in automotive manufacturing with maximum emphasis on safety performance, attaching particular importance to protecting lives in order to ensure that each and every one of our customers experiences enjoyment and peace of mind. In our pursuit of vehicle safety performance from all perspectives, we are honing our unique safety technologies in the fields of Primary Safety, Active Safety, Preventive Safety, and Connected Safety.

Subaru’s intention does not lie in changing everything automatic, but in “Respect what humans are good at and leave what humans are not good at to automobiles for safe transportation.” With this idea, Subaru has polished our driver assist technology.

Going forward, the evolution of advanced driver assistance systems (ADAS) will make it possible to slow down and avoid collisions in high-speed zones and on large bends, which is expected to be of further assistance in preventing and mitigating accidents. At the same time, we still face an issue that around 30% of fatal accidents primarily caused by the no-fault accidents arising from collisions with a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like are expected to remain under the current situation.

Facing these problems, Subaru is aiming to achieve zero fatal traffic accidents by 2030 by applying our intelligence technologies in the fields of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, plus Connected Safety.

Aiming for Zero Fatal Traffic Accidents by 2030

Subaru has four safety areas. Primary Safety involves design that allows for a good field of vision and does not make the driver or passengers feel tired. Active Safety is controllability that allows a driver to avoid an obstacle that is in front of them, and to continue driving after avoiding it. Preventive Safety refers to pre-crash breaking, as represented by EyeSight. And Passive Safety involves damage mitigation to protect the driver and passengers in the event that an accident does occur. By polishing these four safety areas, we intend to achieve a low rate of fatal traffic accidents in the real world.

Our mid-term management vision STEP describes our efforts to enhance safety and peace of mind by setting a target of achieving zero fatal traffic accidents by 2030*. As such, we are engaged in the development of vehicles that will enable us to eliminate traffic accident deaths.

Achieving a Low Rate of Fatal Traffic Accidents in the United States and Japan

From FYE 2009 to FYE 2019, we carried out an investigation on the number of fatal traffic accidents involving Subaru cars sold in the United States and domestically in Japan. In the United States, Subaru cars have maintained a rate of fatal traffic accidents that is lower than the average for major selling brands in the United States for 10 consecutive years.* Domestically in Japan, Subaru cars also show a rate of fatal traffic accidents that is lower than the average for domestic auto manufacturers for 10 consecutive years.

* These calculations were made independently based on data from the Fatality Analysis Reporting System (FARS) of the United States and the Institute for Traffic Accident Research and Data Analysis (ITARDA) of Japan.

Facts about fatal traffic accidents in the United States

(Number of accidents)

<table>
<thead>
<tr>
<th>Year</th>
<th>SUBARU</th>
<th>Average of major brands sold in USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>110</td>
<td>116</td>
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<td>2009</td>
<td>122</td>
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<tr>
<td>2016</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>2017</td>
<td>59</td>
<td>59</td>
</tr>
</tbody>
</table>

Calculated by SUBARU based on FARS data
Fatal accident numbers per one million vehicles in last five years.
Average of 13 major brands sold in USA, including SUBARU (excluding trucks and large SUVs)

* Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru vehicle.

EyeSight for 2030 (Japanese version only)
Initiatives

Primary Safety
Subaru's predecessor was an aircraft manufacturer. With aircraft, it is necessary to pursue "accident-free vehicle" design, as even a slight error in operation or judgement can cause a severe accident. Inheriting the philosophy of safety, Subaru focuses on the primary design such as surface and operation, thereby we pursue clear, useful and comfortable space where the driver can concentrate on driving easily.

■ Visibility Optimized for Every Condition
Early detection of danger can help avoid accidents. Subaru has concentrated efforts on minimizing blind spots and improving visibility even under difficult conditions such as driving in rain or at night.

■ Optimal Driving Position
Optimal driving position allows drivers to move naturally, reducing fatigue and helping to improve safety and comfort while driving. It also helps the driver to steer the car precisely for taking evasive action when the risk of an accident occurs. Subaru's cockpit is designed to be adjusted so that every driver can find their optimal driving position.

■ Intuitive Interface
Drivers can sometimes have a lapse in concentration when checking the navigation screen or adjusting the air conditioning. To prevent this from happening, Subaru has designed an interface layout that is easy to use. For example, the navigation screen is placed so that the driver does not need to shift their line of vision too far, while the air conditioning system and audio controls use switches that allow for intuitive operation so that drivers do not have to take their eyes off the road.

Active Safety
For Subaru, "driving" means more than simply delivering enjoyment. It is an important factor in increasing safety. To make it possible to avoid the situation safely if an accident occurs. To be able to drive safely in various weather conditions and road services, the same way as during normal conditions. Subaru has fine-tuned all the basic functions of a vehicle—driving, turning and stopping—to develop vehicles that offer exceptional stability and predictable control in the most challenging conditions, which makes cars safer and more trustworthy.

■ Driving Stability
On the foundation of the outstanding basic performance of the Symmetrical All-Wheel Drive paired with the horizontally-opposed engine, Subaru tempers the body and suspension of its vehicles along with employing vehicle control devices that increase drivability, creating stable driving that provides peace of mind to drivers and passengers.

■ Traceability
Imagine being able to drive into a slippery corner on a snowy or rainy day without unpredictable car movement, turn exactly as intended through the corner, and head out of the corner smoothly. Subaru includes a number of functions that make smooth cornering a reality.
Braking Performance
Braking performance is directly related to a car's safety, particularly its risk aversion capabilities. Subaru goes beyond polishing such performance, also placing great focus on peace of mind. Brakes that provide peace of mind work as predicted every time. Subaru repeatedly tests in all environments and on all road surfaces in our quest to deliver brakes that are easy to operate regardless of weather and that react quickly at the critical moment.

Preventive Safety
Eliminating accidents is the ultimate goal of any car manufacturer. Therefore, Subaru has developed the driving support system using stereo cameras and radar for more than 20 years. We have created advanced safety technologies, including EyeSight. Subaru continues to evolve to enhance the peace of mind and enjoyment of all people whose lives involve cars.

EyeSight Core Technology
EyeSight's main feature is that it allows for extra awareness and control through “stereo cameras.” The cameras always monitor the forward direction. They can not only measure the same distance as a person's eyes, but can also distinguish between cars, pedestrians, and road lines. It boasts high cognition performance with its wide viewing angle and vision range as well as color recognition that perceives brake lights. Based on that information and the state of the vehicle’s operation, the software which functions as the “brain” determines the necessary controls, and executes controls in a manner that fits the situation as the “hands and feet” in each vehicle unit. Leveraging the potential of the stereo cameras with help of various types of sensors, EyeSight achieves advanced driving support in every situation.

Collision Avoidance Support
Pre-crash brakes are aimed at collision avoidance by using automatic (damage reduction) braking. Reverse brake assist is designed to avoid collisions when driving in reverse. AT Forward Throttle Error Control and AT Reverse Throttle Error Control stop sudden jumps caused by operating the shift lever and the pedals. Through these and other technologies, Subaru supports the avoidance of collisions and protects the safety of drivers.

Reducing Operating Burden
Subaru reduces the burden of operation, supporting a safe, comfortable driving experience. An example is EyeSight, which recognizes cars, pedestrians and road lines, and automatically assists with the operation of the accelerator, brake, and steering. We ease the burden on drivers with a variety of features. Touring Assist greatly reduces operation burden in situations ranging from the stress of traffic congestion to fatigue from high-speed cruising, and Advanced Adaptive Cruise Control maintains a safe preset distance from other vehicles. Active Lane Keep maintains vehicle position in the center area of the traffic lane and controls deviations from the traffic lane, while the Alarm and Warning Feature detects vehicle wobbling or deviation from the traffic lane and alerts the driver.

New Ring-Shaped Reinforcement Frame
Subaru has a uniquely safe body design. In the cabin, the pillar and frame combine to form a “cage.” The purpose of this is to protect from deformation regardless of the angle from which the vehicle is struck. A relatively crushable zone is provided to disperse and absorb the shock of a powerful impact. This gives Subaru vehicles high collision absorption performance against impacts from any direction.

Improving Visibility
Smart Rear-View Mirror supports safely checking behind the car, and Front and Side-View Monitor reduces blind spots. These reduce the driver's blind spots, and assist with safe driving.
Respect for Human Rights       Quality       Making Safe Vehicles       Human Resources       Customers       CSR Procurement       Social Contribution

■ Front-end/Rear-end Collisions
Even small components can become as deadly as weapons when receiving the powerful force of a collision. Based on that fact, Subaru equips its vehicles with a horizontally-opposed engine, which has the advantage of being able to effectively absorb the energy from a collision. During a front-end collision, not only can it easily slip under the floor, but the frame that absorbs the shock can extend symmetrically as well as straight. Each component of the cabin is made of shock absorbing materials in order to protect lives.

■ Front-end/Offset Collision/Rollover
To protect the driver and passengers during a side collision, an extremely rigid side door beam is installed in the door. In addition to that, the new high-rigidity Ring-Shaped Reinforcement Frame protects the cabin space during a collision or rollover. Further, several kinds of airbags and energy absorption materials line the entire car, protecting every person inside the cabin.

■ Protecting Pedestrians
Subaru strives to protect not only our drivers and passengers, but also pedestrians. For example, our horizontally-opposed engines have a wide energy absorption space between the front hood and engine unit. This reduces damage from being struck by the top of the hood, which is a highly probable head injury for pedestrians. Furthermore, our cars are designed to absorb the shock from components such as the hinge and hood stay. Subaru’s four safety areas, which take into consideration all forms of safety, can be found in all of our designs and initiatives, such as becoming the first Japanese automobile manufacturer to install Pedestrian Protection Airbags.

■ Safety Recognized around the World
Subaru’s damage mitigation features have received high evaluations in safety assessments from countries all around the world.

Connected Safety
We use connection technology and data based on Subaru’s four safety areas of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, and develop new technologies and services to further pursue safety. Subaru’s mass market car models are equipped with the Driver Monitoring System, which attentively watches over the state of the driver. It detects when the driver looks away or shows signs of sleepiness, and sends an alert. Going forward, we will couple it with various controls.

Technology: Passive safety (Japanese version only)
Car Assessments

Subaru undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP in Japan, IIHS\(^1\) in the U.S., EuroNCAP\(^2\) in Europe, and ANCAP\(^3\) in Australia, and has gained the highest rank of assessment in most of them.

In FYE 2020, the Forester received a performance test (no street light) for the collision damage reducing braking control device (pedestrian, nighttime) in the JNCAP preventive safety performance assessment, and again won the highest rating Advanced Safety Vehicle Triple Plus (ASV+++) rating.

<table>
<thead>
<tr>
<th>Assessed automobiles</th>
<th>Assessment organization</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forester</td>
<td>JNCAP, Japan</td>
<td>Preventive Safety Performance Assessment: ASV+++</td>
</tr>
<tr>
<td>2020 models of the Outback (built after October 2019), Legacy, Forester and Crosstrek Hybrid(^*1)</td>
<td>IIHS, U.S.</td>
<td>2020 TSP+ award(^*2)</td>
</tr>
<tr>
<td>2020 models of the Ascent (with specific headlights), Crosstrek, Impreza (sedan and 5-door) and WRX (all with optional EyeSight and specific headlights)(^*1)</td>
<td>IIHS, U.S.</td>
<td>2020 TSP+ award(^*2)</td>
</tr>
<tr>
<td>Forester</td>
<td>Euro NCAP, Europe</td>
<td>Five-star Evaluation in 2019</td>
</tr>
</tbody>
</table>

*1. Insurance Institute for Highway Safety  
*2. European New Car Assessment Programme: a program for publishing vehicle safety information conducted in Europe.  
*3. The Australasian New Car Assessment Program: a safety assessment program that has been provided by an independent organization composed mainly of the transportation authorities of Australia and New Zealand since 1993.
Safety Is Our DNA

Having roots in the aircraft industry, the Subaru Group considers safety to be the most important feature underpinning automobiles. Since the launch of Subaru 360 more than half a century ago to this day, Subaru has engaged in automotive manufacturing with a philosophy of “All-Around Safety” and maximum emphasis on safety performance.

SINCE 1917
Ensuring Safety for Pilots
■ Our DNA of Safety is Inherited from Aircraft Development
At the core of Subaru’s safety development expertise lie traits acquired from developing aircrafts. With aircraft, the implementation of ideas and countermeasures within the vehicle’s basic structure prevents the onset of danger. One indispensable safety feature of smaller aircrafts is the ability for the pilot to be able to secure an all-around unobstructed line of sight. This approach to safety has not diminished even after Subaru moved into automobile manufacturing.

SINCE 1960
Ensuring Safety for Drivers
■ Going ahead of the Times: Developing a Vehicle Body for Collision Safety Based on All-Around Safety
Subaru 360 had played an important role in expanding the popularization of automobiles during the period of high economic development. Subaru has dedicated itself to developing vehicle bodies for collision safety following the principle of All-Around Safety—effectively absorbing shock from collisions in all directions and protecting the driver and passengers with a cabin structure of robust strength—since that period. Subaru pushed forward independent research on car body structure and how it affects human body, and pursued superior collision safety technologies ahead of the times.

IN THE 1980s & 1990s
Ensuring Safety for Drivers and Passengers
■ Legacy Launched. Development of Driving Support Systems
Our flagship Legacy model set a world speed record in January 1989 for 100,000 km of continuous driving, demonstrating both reliable driving performance and mechanical endurance. Furthermore, Subaru commercialized Active Driving Assist (ADA), a driving support system using stereo cameras which was the predecessor of our current EyeSight technology.

IN THE 2000s & 2010s
Ensuring Safety for Everyone
■ Commercialized EyeSight
Made the Latest Advanced Safety Features Standard Equipment on All Vehicles
Subaru commercialized our EyeSight technology, featuring stereo cameras constantly surveying the area forward of the vehicle and warnings and pre-crash braking functions for mitigating damage from accidents. In 2017, we began fitting vehicles with the new Touring Assist function, extending the minimum speed at which Lane Keep Assist can operate from 60 km/h to 0 km/h. Moving forward, Subaru is engaging in development for even more leading-edge technologies.
Initiatives in the Aerospace Business

In recent years, reduction of CO₂ emissions has become a major environmental issue on a global basis, and this also encompasses aircraft. At the same time, electrification has garnered attention as a way to reduce environmental burdens. The Aerospace Company is active as a Steering Committee member of the Electrification Challenge for AIRcraft (ECLAIR) Consortium, spearheaded by the Japan Aerospace Exploration Agency (JAXA), a national research and development agency. The Company has also formulated a future vision for the electrification of aircraft and created a technology roadmap with the goal of developing electrification technology that will drastically reduce environmental burdens, such as CO₂ emissions.

Also, with the “Roadmap towards Air Transportation Revolution” announced by the Ministry of Economy, Trade and Industry in December of 2018, Japan is increasing its momentum for a major advancement toward the development of flying cars. However, it is necessary to generate rules, including a great deal of legislation, to ensure traffic safety in the sky. Subaru is proposing a public and private sector conference to consider the creations of these rules.

Also, drones are seeing a remarkable rise in use recently. To improve safety, we are working on joint drone development with the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency, and four other organizations. Also, we succeeded in a flight demonstration for our technology that allows unmanned aircraft to automatically avoid danger, even in times of emergency. The test was conducted off the coast of Mikawawan from December 16 to 24, 2019, with cooperation from Aichi Prefecture, Toyokawa City, and Tahara City.

Going forward, Subaru will continue working on initiatives to ensure the safety of airspaces.
Human Resources

Human Resource Development

Our Approach to Human Resource Development

The Subaru Group aspires to grow “from a company making things, to a company making people smile,” as upheld as the goal of the STEP mid-term management vision, and to become a company that is trusted by customers and other stakeholders. We believe that the key to realizing this is the entire workforce of the Subaru Group.

To achieve STEP, the Subaru Group will work to provide an environment that enables all employees to both grow and feel pride in their work, and will reform the corporate culture to create a company that is open to new ideas so that each and every employee can readily contribute their thoughts and opinions. By empowering employees to exert their full potential toward enhancing the appeal of the Subaru brand, we will continue to boost the Group’s corporate value.

Training and Education

Our Approach

Subaru has positioned human resource development as an extremely important element of our efforts to achieve STEP. To help employees remain motivated to achieve their own professional development, Subaru utilizes the personnel system, which consists of occupational skill certification programs, a performance appraisal system, a goal management system, and personnel rotations, as well as the education and training systems, as a tool for the development of human resources. In addition, Subaru's affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Regular Reviews and Career Development

Through the operation of the personnel system, each employee's job outcomes and performance levels for skills are objectively evaluated. In addition, under the goal management system, all Subaru employees have an interview four times a year (for goal setting, interim confirmation, outcome confirmation, and evaluation sharing) and the supervisors and subordinates agree on the challenges necessary for growth. Both men and women are treated appropriately and there is no gender gap in the basic salary.

Programs for Upgrading Skills

Subaru has put in place a wide-ranging training system to enable all employees to fulfill the roles required of them at each qualification level.

Education and Training System Chart

<table>
<thead>
<tr>
<th>Rank-specific Education</th>
<th>Managerial Talent Development</th>
<th>Education by Job Skill</th>
<th>Globally Focused Talent Development</th>
<th>Self-development Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager Class</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newly appointed personnel training</td>
<td>Career plan training</td>
<td>Training for selected staff</td>
<td>Professional programs</td>
<td>Support for attending business school</td>
</tr>
<tr>
<td>Mid-level/ Regular Employee</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>New hires</td>
<td>New employee training (after starting official employment)</td>
<td>New employee training (before starting official employment)</td>
<td>TOEIC/mindset</td>
<td>Training at each business site/official certification support</td>
</tr>
</tbody>
</table>

Education by Job Skill

- Training for selected staff
- Professional programs
- Support for attending business school
- TOEIC/mindset

Self-development Support

- Training at each business site/official certification support
Respect for Human Rights       Quality       Making Safe Vehicles       Human Resources       Customers       CSR Procurement       Social Contribution

Based on a program of skills education. A leading example of this is the Subaru Technical School (STS), which opened in 2006 with the goal of training young technicians to become future leaders. At the STS, trainees learn technical expertise and skills according to their rank.

In FYE2020, 655 employees took and completed the courses, bringing the cumulative total of successful trainees to 5,511.

Basic skills training at STS

Overview of Skills Training Programs

- **Subaru Skills Improvement Programs**
  1. Improving skill levels
  2. Transmitting skills
  3. Clarifying skill levels required
  4. Standards for skills qualifications
  5. Acquiring basic skills
  6. Enhancing OJT
  7. Passing on the know-how of highly proficient technicians
  8. Intensive skills training requiring intuition and skills
  9. Passing on critical skills for manufacturing

**Skills assessment**

**Acquiring basic skills**
- Skill certification
- Vocational training school
- STS education
- In-house heat for the National Skills Competition

**Enhancing OJT**
- Face to Face sheet goal management system

**Passing on the know-how of highly proficient technicians**
- Know-how transmission course

**Intensive skills training requiring intuition and skills**
- Special skills transmission course

**Passing on critical skills for manufacturing**
- Cultivating competitors in the National Skills Competition for Young People

**Voice**

**Comment from a Trainee at STS**

The instructors were patient and enthusiastic in teaching us inexperienced people, and I was able to acquire knowledge and skills that we could apply immediately in the workplace. I will not waste the knowledge and skills I learned at the STS but will work more diligently as an employee of a traditional company to make vehicles that our customers can drive with peace of mind.

Seita Matsui
Fifth Painting Section, Second Production Department, Manufacturing Division

**Rank-specific Education**

Rank-specific education takes the form of newly appointed personnel training, which is provided to all employees at the time of promotion and tailored to their qualifications. Subaru has established programs that facilitate growth through practice and reflection to enable employees to assuredly demonstrate the abilities required for each qualification. For regular employees, these mainly focus on problem-solving, while for mid-level and manager class employees, they include human resource development and leadership. In FYE2020, about 2,000 employees took and completed these programs.

**Managerial Talent Development**

Subaru offers training for selected mid-level and manager class employees with the aim of continually fostering the next generation of managerial talent.

**Education by Job Skill**

Subaru has established an in-house training program called the "professional program," which employees are encouraged to apply to in order to improve their business skills and acquire new ones. Subaru also offers support, mainly for mid-level employees, to attend business school.

**Globally Focused Talent Development**

Subaru has developed programs focused primarily on improving foreign language skills and encourages wide-ranging skills development tailored to the challenges and operational needs of individual employees.

**Initiatives to Transfer Skills**

The transfer of skills at Subaru involves cultivating talented individuals capable of safely and efficiently making high-quality products by improving their ability to adapt to change, their ability to standardize and sustain that standardization, and their ability to achieve further enhancements through continuous improvement. At the Gunma Plant, we are systematically cultivating technicians based on a program of skills education.
Diversity

Our Approach
For the Subaru Group to continue offering customers the unique value of the Subaru brand, Subaru employees need to be able to exert their unique talents informed by their own personal values and characteristics. This is why Subaru values the differences in gender, nationality, culture, and lifestyle among its employees and strives to create workplace environments where everyone can make a meaningful contribution.

In addition, Subaru’s affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Management System
The Diversity Promotion Office leads the efforts of the Subaru Group in relation to diversity. The Office has designated “supporting female employees to take on more active roles,” “promoting the employment of people with disabilities,” “promoting the reemployment of post-retirement age workers,” and “promoting the recruitment of non-Japanese workers” as priority themes. Among them, Subaru has placed particular emphasis on efforts to support and empower female employees.

Initiatives

Empowerment of Female Employees
Subaru is promoting initiatives for the empowerment of female employees, mainly by supporting employees in their efforts to balance work and childcare and in their pursuit of career development.

Subaru set its target of increasing the number of female managers by five times the 2014 level in 2020, and achieved this goal in 2019, a year ahead of schedule. In FYE2020, sessions to share development plans were held for general managers in all development-related departments, where the participants confirmed the promotion of a training-based development policy. In FYE2021, we will introduce a new career vision training program for female employees in their 20s with the aim of fostering career awareness among women at an early stage of their careers. We will further strengthen our efforts to create a workplace environment in which they can plan their own career paths and make a meaningful contribution on a level playing field.

In addition, we conduct interviews with employees returning to work after childcare leave to support the early resumption of their full roster of duties. Our aim is to ease their anxiety about building a career while balancing work and family responsibilities and to foster their career awareness.

In the future, Subaru will further strengthen job rotation, which helps female employees to expand their work horizon and develop themselves to a greater degree.

Number of Female Managers (Subaru non-consolidated)
2014: 4 managers
2020: 22 managers (as of April)

Employment of People with Disabilities
Subaru strives to create workplace environments in which people with disabilities can truly shine. To achieve this goal, Subaru leverages the ideas and opinions of our employees with disabilities and their family members.

As of April 2020, Subaru has 291 employees with disabilities, mainly engaged in manufacturing work, and the percentage of employees with disabilities is 2.3%.*

In FYE2020, Subaru held study group sessions for personnel in charge of hiring people with disabilities at our affiliates in Japan to share awareness toward achieving the legally prescribed rate of employment of people with disabilities on a groupwide basis.

The height of automatic door switches and work stations is set at a level that is convenient for those using wheelchairs.

Supporting Reemployment
Subaru has also established a reemployment support system for employees who resigned for reasons beyond their control, such as the relocation of their spouse. From the introduction of the system in 2009 to March 2020, 11 employees have returned to work at Subaru using this system.

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■ Universal Design Initiatives

In order to ensure compliance with the Guidelines for the Creation of Comfortable Working Environment*1, Subaru makes improvements to the working environment, work methods, environmental facilities and others in an organized and planned manner. We also proactively adopt universal design for our facilities, aiming to make the breakrooms, restrooms, smoking areas and cafeterias barrier-free, thereby providing all employees with comfortable workplaces. Subaru has adopted universal design for the entry/exit gates, restrooms and other facilities of the West Main Building of the Gunma Plant, as was done at the head office.

*1 “Guidelines for the Creation of Comfortable Working Environment” as stated in the Industrial Safety and Health Act of Japan

■ Specified Subsidiary Company SUBARU Bloom Co., Ltd.

SUBARU Bloom Co., Ltd. (SBC) proactively employs people with disabilities. As of April 2020, 69 employees and 18 instructors engage in the cleaning service provided by SBC to Subaru’s dormitories and plants. As a company proactively employing people with disabilities, SBC has registered with the “Supporter Company for Employment of People with Disabilities” program implemented by Gunma Prefecture’s Department of Employment Support for People with Disabilities.

In FYE2020, SBC widely accepted study visits by local people and also introduced its initiatives to those in charge of the employment of students by companies at two neighboring special education also introduced its initiatives to those in charge of the employment of students by companies at two neighboring special education. SBC will continue to expand its network for the education of students by companies at two neighboring special education.

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Reemployment of Retirees

Subaru introduced the Senior Partner Program and the Senior Staff Program with an eye to helping solve employment problems faced by employees after retiring at the age of 60 and to make more effective use of human resources. We have reviewed the programs to proactively utilize the experience and abilities of retired employees for the education of younger employees and to pass down the skills possessed by the retirees to future generations. As a result, all those who want to be reemployed can now work for Subaru and other Group companies.

In FYE2020, the number of employees aged 60 and older totaled 461.

Reemployment Rate (for Subaru on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retirees (Persons)</th>
<th>Applicants for reemployment (Persons)</th>
<th>Reemployed (Persons)</th>
<th>Reemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>114</td>
<td>98</td>
<td>98 (of whom 29 were reemployed by Group companies)</td>
<td>100</td>
</tr>
<tr>
<td>2018</td>
<td>108</td>
<td>83</td>
<td>83 (of whom 21 were employed by Group companies)</td>
<td>100</td>
</tr>
<tr>
<td>2019</td>
<td>107</td>
<td>86</td>
<td>86 (of whom 27 were employed by Group companies)</td>
<td>100</td>
</tr>
<tr>
<td>2020</td>
<td>164</td>
<td>130</td>
<td>130 (of whom 40 were employed by Group companies)</td>
<td>100</td>
</tr>
</tbody>
</table>

Employment of Non-Japanese Employees

Subaru employs non-Japanese new graduates and mid-career workers as regular and temporary employees regardless of their nationality. In order to help non-Japanese employees to deepen their understanding of their work, we prepare safety and quality policy-related documents, work manuals, and other documents in multiple languages. At the Gunma Plant with lots of non-Japanese employees, we have stationed interpreters in English, Portuguese, Tagalog, Spanish, Chinese and other languages at each of the facilities to foster communication between Japanese and non-Japanese employees.

Moreover, we provide Japanese employees with opportunities to receive language training and engage in overseas training, thereby helping them to enhance their ability to communicate with people from other countries and understand cultural differences. These initiatives contribute to revitalizing the company and securing human resources in a stable manner. As for foreign trainee workers, we basically provide them with education on safety and quality under the Technical Intern Training Program and also implement other measures to develop them into human resources who can utilize their abilities for their own countries after returning home.

Our overseas sites and affiliated companies independently employ human resources and work to secure human resources in line with their own policies and business details.
Regular Employment System for Temporary Workers

Subaru has a regular employment system for temporary workers. We offer an opportunity to sit for an examination for regular employment to temporary workers who want to become regular employees and whom we have comprehensively judged to be qualified to take the examination based on the recommendations from their workplaces and other information. This system contributes to increasing the motivation and vigor of temporary workers. For nine years from FYE2012 to FYE2020, a total of 1,334 temporary workers became regular employees under the system.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of those who became regular employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>81</td>
</tr>
<tr>
<td>2013</td>
<td>164</td>
</tr>
<tr>
<td>2014</td>
<td>118</td>
</tr>
<tr>
<td>2015</td>
<td>137</td>
</tr>
<tr>
<td>2016</td>
<td>181</td>
</tr>
<tr>
<td>2017</td>
<td>112</td>
</tr>
<tr>
<td>2018</td>
<td>113</td>
</tr>
<tr>
<td>2019</td>
<td>205</td>
</tr>
<tr>
<td>2020</td>
<td>223</td>
</tr>
</tbody>
</table>

Occupational Health and Safety

Our Approach

Subaru regards occupational health and safety as a critical management issue, and our Health and Safety Philosophy is “Subaru makes health and safety the first priority in all our work.” Further, in addition to our Basic Health and Safety Policy, each of the Subaru Group companies in Japan and overseas establishes their own occupational health and safety policies in line with their business details, regional characteristics, and local laws and regulations, and implements initiatives based on the policies.

Basic Health and Safety Policy

With the aim of reducing industrial accidents, traffic accidents, diseases, and fires and other disasters to zero, every individual will strive to create a safe, comfortable workplace through efforts to improve facilities, environments, and work methods, and to enhance management and awareness, based on a shared recognition of the importance of health and safety.

Established April 2002 Central Health and Safety Committee

Management System

Subaru established the Central Health and Safety Committee, which is composed of members from management (the director in charge of health and safety and the manager in charge of on-site health and safety) and from the labor union, with a view to protecting employees from industrial accidents and illness and improving the working environment. The committee is chaired by the director, and its vice-chairperson is elected from labor union members. It holds a meeting three times a year.

The Central Health and Safety Committee engages in discussions on themes such as the following: the Basic Health and Safety Policy; identification and elimination of the risks that may cause industrial accidents; assessment and minimization of risks; investigation into industrial accidents and the causes of industrial diseases, and countermeasures against them; improvement of the working environment; health and safety education; road safety; and fire prevention. Moreover, based on the Basic Health and Safety Policy, the Site Health and Safety Committee discusses the specific initiatives to be implemented at their own sites, and raises awareness about the Policy among all on-site employees, including non-regular employees and also employees of affiliated companies. In addition, we have stationed industrial physicians, registered nurses and public health nurses across the company to promote occupational health and safety for employees.

As for affiliated companies under the control of the Site Health and Safety Committee, we provide them with related information, as necessary for the promotion of their occupational health and safety activities.
I always check for safety before performing any action.

In order to raise their safety awareness, all Subaru employees wear the safety declaration badge, on which it is clearly stated, “always check for safety before performing any action.”

In order to prevent employees from getting involved in any traffic accidents while working, commuting or spending their private time, we are implementing a range of measures as follows:

- Conduct awareness-raising activity, including introducing the cases of past accidents and showing a video on road safety, before the start of a long vacation, targeting all employees of the Automotive Business and the Aerospace Company, many of whom commute by car.
- Organize a lecture by the chief of the local police station to improve employees’ driving manners.
- Provide new employees with hands-on education using training institutions.
- Conduct psychological driving aptitude tests and use a driving recorder to help employees recognize their driving habits.

Road Safety

In order to prevent mistakes and human error, we urge employees at all our sites to practice pointing and calling at the crosswalks and other places on the premises as the basis for occupational health and safety, thereby raising their awareness about the importance of safe behaviors and increasing the accuracy of their safety checks.

Health Promotion

Subaru is fostering employees’ health promotion measures along with occupational health and safety activities so that all employees can work healthily, soundly and vigorously, take on challenges and achieve growth, believing that the health of employees and their families is essential for all its business operations. In 2020, we established a department dedicated to health promotion, and stationed public health nurses and clinical psychologists at all our sites for employees to easily get health-related advice at their sites. We inform employees of the availability of the consulting service via the intranet. Also, in the activities conducted by the Health Promotion Subcommittee since 2018 under the control of the Central Health and Safety Committee, staff in charge of industrial health and those in charge of personnel affairs work together to visualize issues related to health, while implementing measures against smoking as well as a lifestyle improvement program in consideration of employees’ work styles, receiving advice from industrial physicians.

Subaru will continue to conduct health promotion activities for its employees and their families.

In order to support the physical and mental health of employees, Subaru is taking two-pronged approach. Specifically, we work to prevent the onset of lifestyle-related diseases among employees to support their physical health and also strive to prevent the onset of mental illness to support their mental health.

Prevention of lifestyle-related diseases

By encouraging employees to undergo regular health checkups, we are striving to promote early detection of lifestyle-related diseases among employees and help those suffering from the diseases to recover. We also collect data about employees with some signs of these diseases, including numerical data, to help them improve their lifestyles and prevent the outset of the diseases.

(1) Measures to increase the rate of employees who undergo regular health checkups and encourage them to take reexaminations as necessary

We work to have all employees undergo regular health checkups by flexibly providing them with options in consideration of their workplaces and work situations. For those who need to take reexaminations, we share part of the cost. We also provide those diagnosed to have a high health risk with advice from public health nurses and give them necessary instructions to raise their health awareness.

(2) Activities to encourage employees to do physical exercise and improve their dietary habits

We are implementing a total health promotion plan (THP) and various other physical exercise programs for employees, while also holding seminars to help them improve their dietary habits.

(3) Measures against smoking

We are implementing measures to completely separate smoking areas from non-smoking areas on our premises and to reduce the rate of smokers among employees.

In order to prevent passive smoking, we are relocating the indoor smoking areas to outside the buildings and conducting awareness raising activities for the complete separation of smoking and non-smoking areas at all our sites. Also, we are working to reduce the rate of smoking employees to 25% by 2025. To this end, we have designated two or more “non-smoking days” per month and have been conducting an event in which employees’ “lung age” is measured as well as an event in which employees can enjoy collecting stamps by


Health and Safety Organization Chart

Representative Director and President

Executive Management Board Meeting

Central Health and Safety Committee

Cross-Company Health and Safety Committee

Head Office Health and Safety Committee

Tokyo Office Health and Safety Committee

Gunma Plant Health and Safety Committee

Aerospace Company Health and Safety Committee

Initiatives

At the start of every fiscal year, each of our sites holds the Health and Safety Kickoff Meeting, where the head of the site communicates the health and safety policies for the fiscal year to workplace leaders so that all employees can share the health and safety activity targets and plans as a unified team and raise their awareness about the prevention of industrial accidents, road safety and health management.

Prevention of Industrial Accidents

Wearing of the safety declaration badge

In order to raise their safety awareness, all Subaru employees wear the safety declaration badge, on which it is clearly stated, “always check for safety before performing any action.”
walking without smoking during the lunch break. We also established internal clinics to help smokers stop smoking and are cooperating with the health insurance association to encourage smoking employees to meet the challenge of quitting smoking. Moreover, we give financial support to employees who visit external clinics to stop smoking. We are thus conducting a range of activities against smoking.

(4) Increasing employees’ health awareness at the canteens
At all our canteens, we provide healthy dishes prepared under the supervision of registered dietitians so that employees can enjoy meals rich in vegetables. We also provide low-salt, low-fat, high-protein and low-sugar dishes alternatively from day to day, with a view to helping employees raise their health awareness by eating at the canteens.

• Prevention of mental illness
We are implementing “selfcare” and “line care” measures for the prevention and early detection of mental illness among employees. Specifically, we help employees detect their own mental stress and deal with it through “selfcare,” and request their managers to give them instructions and advice individually and improve the workplace environment as “line care.”

We also proactively support employees who took leave due to mental illness when they return to their workplaces.

(1) Selfcare
We include selfcare training and a stress check in the level-specific collective training provided to employees, so that participants can learn how to self-manage their mental health. We also provide new employees with internet-based cognitive behavioral therapy (iCBT) training and make a counseling service by industrial physicians and clinical psychologists available to employees.

(2) Line care
We published the mental health manual for managers and have included line care training in the collective training for managers, give feedback about the results of collective analysis of employees’ stress checks, and dispatch public health nurses to our workplaces with high health risks to make improvements through the exchange of opinions between the nurses and the managers. For the departments engaging in technological development, we foster workplace improvement activities in which employees themselves voluntarily work to revitalize their workplaces, promote management systems that attribute importance to individual employees’ engagement and to increasing their work motivation, and enhance bidirectional communications between managers and their subordinates. These measures are contributing to preventing the onset of mental illness and the prolongation of such illness period among employees.

(3) Return to work program (for return to work on a trial basis and gradual return to full-time work)
We are implementing this program for employees who have been taking leave to return to their workplaces smoothly, under which our industrial health staff and the personnel department collaborate to support such employees in returning to work on a trial basis or gradually returning to full-time work.

In addition, we hold health seminars for female employees to deal with the health concerns that they may have when facing their life events. According to the results of the post-seminar questionnaire surveys, 95% or more of participants are satisfied/nearly satisfied with the seminars. We are thus dealing with the concerns of female employees and supporting them in working with smiles on their faces.

Industrial Accidents
As for industrial accidents and close calls that happened at our sites and affiliated companies, we comply with the following rule for the prevention of similar incidents at the sites: the department that has faced the incident shall disclose related information to other departments on the premises and affiliated (partner) companies via the department in charge of health and safety at the site.

For FYE2020, we had 24 industrial accidents, of which three were lost time accidents and none were fatal accidents. The accident frequency rate was 0.60.
**Message**

Aiming to provide employees with safe and comfortable workplaces

Takayuki Hino  
Safety Planning Coordinator  
Human Resources Department  
Secretariat of the Central Health and Safety Committee

Employees are the company’s most important resource and are a driving force for the company to enhance its competitiveness, on the precondition that they are healthy and can work safely with peace of mind. As a member of the secretariat of the Central Health and Safety Committee, I work in partnership with on-site safety coordinators, industrial physicians, public health nurses, and registered nurses to propose and implement health and safety initiatives on a daily basis in a manner suitable for the situation of each site. We aim to provide employees with safe and comfortable workplaces so that they can cheerfully leave home for work and also cheerfully return home after work.

**Work-Life Balance**

**Our Approach**

As a precondition to increase customer satisfaction, the Subaru Group believes it is vital to provide employees with workplaces where they can work with vigor and peace of mind and demonstrate their abilities to the fullest. In order to help diverse employees to maintain their work-life balance, we are diversifying work style options and expanding the relevant systems. Moreover, our affiliated companies in Japan and abroad are fostering initiatives suitable for local business conditions and regional characteristics.

**Initiatives**

- **Work Style Reforms**

  Subaru’s response to the Act on the Arrangement of Related Acts to Promote Work Style Reform*

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurate calculation of employees’ working hours</td>
<td>In July 2018, introduced a company-wide attendance management system for the central management of all electromagnetic records (computer logs and clock-in and clock-out records) for the accurate calculation of employees’ working hours.</td>
</tr>
<tr>
<td>Encouraging employees to take at least five paid days off per year</td>
<td>In FY2020, began implementing measures for all employees, including an initiative to encourage employees who are newly entitled to take 10 or more paid days off to take at least five days off within seven months after the entitlement. Also established operational rules to ensure that all employees can take at least five paid days off per year.</td>
</tr>
<tr>
<td>Imposing an upper limit on overtime working hours</td>
<td>Has been limiting the number of overtime work hours to 590 hours and below annually and to 79 hours and below monthly, setting the criteria stricter than those stipulated by law.</td>
</tr>
<tr>
<td>Raising the premium pay rate for overtime work exceeding 60 hours per month</td>
<td>Has been implementing necessary measures since FY2011.</td>
</tr>
<tr>
<td>Equal pay for equal work</td>
<td>Began reviewing the amount of allowances granted to non-regular employees in FY2021.</td>
</tr>
</tbody>
</table>

* This law was enacted in June 2018 to revise the labor-related laws to foster work style reforms.

**Appropriate Management of Working Hours**

When introducing a new attendance management system in FYE2019 to manage employees’ working hours in the unit of one minute, we recalculated employees’ past working hours in reference to electromagnetic records such as computer logs. As a result, it was revealed that not all employees’ working hours had been appropriately managed. We therefore conducted a survey targeting all employees and made appropriate payments in a retrospective manner to employees who were confirmed to have been unpaid for part of their working hours.

**Reduction of Long Working Hours**

In addition to “no-overtime days,” Subaru also established in FYE2016 “ultra no-overtime day,” on which all managers and general employees leave work on time across its sites. Moreover, mainly targeting the staff of the development and administrative departments of the Gunma Plant and the development department of the Tokyo Office, we make it a rule to lock the doors on the office floor at 10:00 p.m., thereby making all those working on the floor leave before the doors are locked. By clearly imposing limits on overtime work, we are helping employees to be more conscious about their working hours.

**Flex-time system**

Subaru introduced the flex-time system in FYE1999. Subsequently in FYE2017, we reduced the number of the core working hours for the system from four to two hours, thereby enabling employees to work in styles more suitable for their job details and job schedules. They can now control their working hours more flexibly. For example, they can leave work earlier during the low-peak period for their work. The flex-time system thus contributes to reducing employees’ working hours and improving their private life.
**Paid Leave**

Subaru grants employees annual paid leave in the number of days commensurate with their length of service. At each of our sites, labor and management cooperate to encourage employees to take the leave.

| Annual paid leave utilization rate* (for Subaru on a non-consolidated basis) |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Encourage employees to take the leave at each site every month | Proportion of paid days off taken by employees (%) | FYE2016 | FYE2017 | FYE2018 | FYE2019 | FYE2020 |
| Proportion of paid days off taken by employees (%) | 84.2 | 84.4 | 86.2 | 85.7 | 86.4 |

* Percentage of the number of days off taken by employees of the total number of annual paid leave taken.

**Support for the Maintenance of Balance between Work and Elderly Care**

For employees to continue working with peace of mind, it is important to help mitigate the concerns and burdens of employees and their families concerning the care of the elderly family members. Based on this belief, Subaru has distributed the copies of the Elderly Care Support Handbook to all employees of Subaru and other Group companies to inform them of the related systems available internally and externally and of the contacts through which they can ask for advice. We have also established a specific long-term care support system to help reduce the burdens imposed on employees.

**Number of employees who took long-term care leave (for Subaru on a non-consolidated basis)**

<table>
<thead>
<tr>
<th>System for employees to take leave to take care of the family member in need of long-term care</th>
<th>FYE2016</th>
<th>FYE2017</th>
<th>FYE2018</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees who took this leave (persons)</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>30</td>
</tr>
</tbody>
</table>

* This law was enacted for the provision of an environment where people can have and raise children, who are the next generation of leaders, in a sound manner.

As a result of establishing a support system based on criteria that are stricter than the legal obligations, the number of employees who quit their jobs for childcare has reduced to almost zero at our administrative departments. We are now stepping up the measures to support employees in achieving career advancement while raising their children.

For the production departments of the Gunma Plant, we have been fostering measures to help employees to return to their shift work smoothly. Specifically, in FYE2019, we began making the conference rooms available for the children of employees, where they can wait until their nursery schools are opened. We also started to provide employees with an early-morning childcare service by qualified nursery teachers on a trial basis.

**Childcare leave system**

Subaru’s employees can extend the period of childcare leave to the end of the first April after the child becomes two years old.

**Number of employees who took childcare leave (for Subaru on a non-consolidated basis)**

<table>
<thead>
<tr>
<th>System for employees to take leave for childcare</th>
<th>FYE2016</th>
<th>FYE2017</th>
<th>FYE2018</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of employees who returned to work (%)</td>
<td>Male</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Rate of Employees who belong to the company one year after returning to work (%) Female</td>
<td>98</td>
<td>100</td>
<td>100</td>
<td>97.5</td>
<td>95</td>
</tr>
</tbody>
</table>

**Childcare leave taken by male employees**

In FYE2020, 42 male employees took childcare leave, with 30 taking it for a month or longer and half of them taking it for three months or longer. Also, under the Special Childcare Leave system, which allows employees to take up to five days off at the birth of their children, 80.4% of male employees entitled to take the leave actually took it. We will continue to provide workplaces where employees can take this leave in addition to childcare leave.

Average number of days off taken by male employees under the childcare leave system: 95 days

Largest number of days off taken by a male employee: 349 days

**Special Childcare Leave taken by employees**

Number of employees who took the leave (up to five days): 459 persons

Average number of days off taken under the system: 2.4 days

Rate of employees who took the Special Childcare Leave or Childcare Leave (excluding annual paid days off): 80.7%
Employees can use this system until their children become fourth graders at elementary school and can also concurrently use the flex-time system (with two-hour core working hours).

Employee Attitudes Survey
Subaru conducts the Employee Attitudes Survey with an eye to increasing employees’ motivation and revitalizing the organization. The survey results are reported to the management team and are also utilized to identify problems and formulate the countermeasures at each of our workplaces.

In the FYE2020 survey, 14,429 employees or about 90% of the total number of regular employees replied to the questionnaire, and 63% of the respondents answered, “Feeling proud of being a Subaru employee.”

Results of the Employee Attitudes Survey
Rate of respondents who gave positive answers (%) to the questions

<table>
<thead>
<tr>
<th>Question</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication and openness</td>
<td>53</td>
<td>56</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>57</td>
<td>59</td>
</tr>
<tr>
<td>Sympathy with the corporate philosophy</td>
<td>64</td>
<td>70</td>
</tr>
<tr>
<td>Work satisfaction</td>
<td>51</td>
<td>56</td>
</tr>
<tr>
<td>Pride in the company</td>
<td>62</td>
<td>63</td>
</tr>
</tbody>
</table>

Labor-Management Communication

Our Approach
Subaru and its labor union have been on good terms with each other based on mutual understanding and trust. The company acknowledges that the union has the right to unite and engage in collective bargaining and other collective actions, while the union recognizes that the company has the right to manage the business, and the two parties respect the legitimate use of their mutual rights.

The Labor and Management Council regularly holds meetings for smooth corporate management and mutual communication. Specifically, participants exchange opinions regarding the management policies, outline of the business results, and production and sales, and also discuss issues such as labor conditions, challenges concerning work styles, and the occupational health and safety policies. In the labor-management negotiations on the revision of wages (salaries and bonuses) and other labor conditions, the two parties work to reach an agreement for revision or the establishment of new rules. For issues that might have a significant impact on employees, the parties discuss them fully before informing employees of the results.

Number of Employees Belonging to the Labor Union (as of October 1, 2019)
The following shows the data for FYE2020.

- Members of the Subaru Labor Union: 14,997 persons
  (Total number of employees: 16,280 persons, excluding managers)
- Confederation of Subaru Affiliated Labor Unions
  Number of members: 27,524 persons
## Employee Data

### Composition of employees by age (for FYE2020 on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 30</td>
<td>4,381</td>
<td>437</td>
<td>4,818</td>
</tr>
<tr>
<td>30 to 39</td>
<td>3,915</td>
<td>249</td>
<td>4,164</td>
</tr>
<tr>
<td>40 to 49</td>
<td>3,893</td>
<td>347</td>
<td>4,240</td>
</tr>
<tr>
<td>50 to 59</td>
<td>2,634</td>
<td>106</td>
<td>2,740</td>
</tr>
</tbody>
</table>

### Breakdown of new graduate hires by job category (for FYE2020 on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career-track employee (in technological fields)</td>
<td>154</td>
<td>23</td>
<td>177</td>
</tr>
<tr>
<td>Career-track employee (in other fields)</td>
<td>28</td>
<td>10</td>
<td>38</td>
</tr>
<tr>
<td>Clerk</td>
<td>78</td>
<td>14</td>
<td>92</td>
</tr>
<tr>
<td>Skilled worker</td>
<td>238</td>
<td>21</td>
<td>259</td>
</tr>
</tbody>
</table>

### Composition of mid-career hires by age (for FYE2020 on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 30</td>
<td>66</td>
<td>10</td>
<td>76</td>
</tr>
<tr>
<td>30 to 39</td>
<td>75</td>
<td>9</td>
<td>84</td>
</tr>
<tr>
<td>40 to 49</td>
<td>17</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>50 and older</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

### Comparison of fixed wages between male and female employees (for FYE2020 on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Fixed wages</th>
<th>Male: Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1.0:88</td>
</tr>
<tr>
<td>General</td>
<td>1.0:93</td>
</tr>
</tbody>
</table>

* The same salary system is adopted for both male and female employees. Differences in fixed wages are due to age- and job grade-related differences.
Customers

Our Approach

The Subaru Group strives to put Customers First in all business activities. Subaru is promoting customer satisfaction activities across the Group, particularly at dealerships, so that customers continue to choose our brand for “Enjoyment and Peace of Mind,” with the aim of achieving our Mid-term Management Vision “STEP.”

Initiatives

Subaru Customer Center: Subaru Call

Subaru seeks to deliver enjoyment and peace of mind by adopting precision, speed, relevance, fairness, impartiality, and kindness as our basic principles of conduct in dealing with customers. We also feed our customers’ valuable opinions, requests, and comments back to relevant departments, which reflect them in quality and product improvements, as well as making good use of them to enhance solutions and after-sales service.

Subaru Customer Center: Subaru Call

0120-052215

Your call is recorded for the purpose of confirming its content. Thank you for your understanding.

The Subaru Customer Center will ask you for the following information:

1. Your opinions/impressions
2. Details (catalog, dealership, change of address, others)
3. Inquiries/consultations

Hours of operation:
- Weekdays: 9:00 a.m. to 5:00 p.m.
- Saturdays, Sundays, and holidays: 9:00 a.m. to noon, 1:00 p.m. to 5:00 p.m.

* On Saturdays, Sundays and holidays and from noon to 1 p.m. on weekdays, only the information service for 1 and 2 is available.

Annual number of customer consultations

<table>
<thead>
<tr>
<th>Year</th>
<th>Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>35,941</td>
</tr>
<tr>
<td>2017</td>
<td>37,502</td>
</tr>
<tr>
<td>2018</td>
<td>38,857</td>
</tr>
<tr>
<td>2019</td>
<td>40,222</td>
</tr>
<tr>
<td>2020</td>
<td>32,992</td>
</tr>
</tbody>
</table>

Breakdown by type of consultation

- Questions or inquiries: 19,668 (59.6%)
- Opinion: 5,014 (15.2%)
- Change of address: 81 (0.2%)
- Catalog request: 875 (2.7%)
- Proposal: 594 (1.8%)
- Other: 6,780 (20.5%)

FYE2020: 32,992
SUBARU Recall Inquiry Line

Starting with the airbag issue, we established the SUBARU Recall Inquiry Line as a dedicated contact point for each recall case. The line is open every day of the year.

The SUBARU Recall Inquiry Line will ask you for the following information:
- Inquiries/consultations regarding recalls
- Hours of operation: 9:00 a.m. to 5:00 p.m. (Weekdays, Saturdays, Sundays and holidays)

Your call is recorded for the purpose of confirming its content. Thank you for your understanding.

Customer Satisfaction Survey

Seeking to offer ever better service at our sales outlets, Subaru conducts the Subaru Customer Questionnaire directed at customers who bought a Subaru vehicle at our dealerships. In order to take the customers’ comments and requests learned from the survey results seriously, we have established a system in which our dealerships share those comments and requests so that they can respond to customer expectations, leading to improvements.

■ Number of Valid Responses

In FYE2020, we once again received many opinions.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Valid Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE2017</td>
<td>98,127</td>
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<tr>
<td>FYE2018</td>
<td>107,350</td>
</tr>
<tr>
<td>FYE2019</td>
<td>102,571</td>
</tr>
<tr>
<td>FYE2020</td>
<td>74,148</td>
</tr>
</tbody>
</table>

■ Evaluation of Achievements in FYE2020

We took a survey of new and used car owners one month after delivery of the vehicle. We received high evaluations, with close to 90% responding “Good” or “I would like to continue driving a Subaru.” We also took a survey of new car owners three and five years after delivery of the vehicle. While we generally received positive feedback, the results fell below those of the first month survey. Subaru and Subaru dealerships take the views of our customers seriously and will work together on activities aimed at achieving further improvements.

■ Improvements in FYE2021

Subaru strives for the continued trustworthy operation of dealerships. To that end, we revised the content of the questionnaire to better understand our customers’ expectations, and changed the survey scheme to cover a wider range of customers.

Human Resource Training at Dealerships

Subaru’s vision is to “Have Customers Say ‘Let’s Choose SUBARU Again’ through Our Customer Service.” We are working to develop human resources that can deliver “Enjoyment and Peace of Mind” to customers.

We have established the SUBARU Academy, which is dedicated to training human resources at our domestic and overseas dealerships. For dealerships in Japan, it provides training that meets the fast environmental changes in sales and services. For overseas service staff, it provides curriculums that meet specific regional needs. Also, we have a Subaru Training Center in Hachioji, Tokyo, with training rooms, a test drive course, maintenance drill equipment, and accommodations for up to 135 people.

Organizational Structure of SUBARU Academy

- Planning Section
  - Planning and operation of trainings
  - Operation of qualification system
  - Planning of sales contest and technology competition

- Overall Sales/Management Group
  - Education of managers/salespersons of sales departments in domestic dealerships
  - Education of managers/front counter service advisors/mechanics of service departments in domestic dealerships

- Service Technology (support/domestic/overseas) Group
  - Online education operation management and creation of techniques acquisition form
  - Planning, development, operation and implementation of trainings
  - Development of overseas trainers and domestic leaders

The Subaru Training Center
International CS Initiatives
At Subaru, the Customer Service Division cooperates with overseas distributors on “service staff training” and “distributor support,” enabling distributors around the world to provide uniformly high-level after-sales service that meets customers’ needs through dealers.

■ Service Staff Training
To improve the technical skills of our service staff, Subaru develops trainers who provide training to our service staff worldwide and trains service staff to be able to handle increasingly sophisticated automobile technology. We offer the Advanced Technical Training (ATT)*1 and STEP Trainer Training (STT)*2 as technical training curriculums, using skill certification testing to provide motivation for learning.

Subaru is increasing the technical training that our employees attend at overseas distributors in addition to utilizing affiliated colleges in five countries around the world. Moreover, Subaru assigns external trainers certified by us to countries with annual sales of at least 1,000 cars with the aim of further enhancing service.

*1 A periodic training program held for the purpose of increasing the skills of certification trainers overseas. It provides education on topics such as Subaru’s new technology and high-level control technology.

*2 A training program for certification trainers who teach the STEP (SUBARU Technician Education Program) Program. The STEP Program is a system that establishes three levels of engineering/technical skill as a mechanic (technician) and provides certification based on those levels. The three levels, from the beginner qualification, are Subaru Technician, Subaru Senior Technician, and Subaru Master Technician.

■ Supporting Dealerships
Implementation of recalls, which is increasing in number in recent years, is a serious issue. The Customer Service Division identifies the laws and regulations and the status of recall operations of each market and expedites our response, including for overseas and domestic recalls.

Subaru also supports overseas distributors readily to establish necessary facilities and systems to introduce vehicles equipped with new technologies. To carry out these activities, close communication is necessary. Subaru holds conferences in Japan (most recently in June and November in 2019) that bring together overseas distributors from eight leading countries (the United States, Canada, Germany, Switzerland, Russia, Chile, Australia, China). In addition, we hold regional meetings in each region (North America, Europe, Central and South America, Oceania, China, Southeast Asia, etc.) with the aim of speeding up the resolution of any issues. Subaru also continuously holds trainings for high-level technical skills necessary for repairs in markets in North America, Australia, Europe, Chile, etc.
Responding to Emerging Market Needs
At Subaru, we seek to offer cars that deliver “Enjoyment and Peace of Mind” in regions called emerging markets, such as China, Asia, and South America. In the world's largest market of China, we have organized our distributors into a group, and created a system which allows for management of the entire operation, from products to service. In Southeast Asia, we are responding to customer needs in ways such as launching complete knock down (CKD) manufacturing in Thailand, in addition to Malaysia.

Developing/Popularizing Welfare Vehicles
Subaru aspires toward sharing the happiness and freedom of living through cars for everybody. Subaru is working to develop and increase the popularity of welfare vehicles so that people with physical handicaps and the elderly can travel by car in comfort and with peace of mind.
Subaru started producing and selling welfare vehicles in 1980 and now they are well known as the “TRANSCARE series.” It offers a wide range of options, from standard-sized cars to mini cars. Subaru aims to develop vehicles that provide comfortable driving for both people who are in care and for care providers.
In FYE2020, we gave the Chiffon a full design change, in which we launched the two model TRANSCARE series. The Wing Seat is a passenger seat that swings out and moves up and down, while the Slope Type allows passengers to board the vehicle while on a wheelchair. Going forward, Subaru will promote all kinds of initiatives.

Initiatives for Customers in the Aerospace Business
In the aerospace business, we continue to solve issues with customers after product delivery in order to maintain the continued operating condition of the aircraft we supply to Japan's Self-Defense Force and others. We periodically visit customers and take questionnaires in order to confirm the effectiveness of this initiative. The questionnaire covers items such as product quality, service, emergency response, and visitor response, evaluated on a five-step scale. We received 4.0 in FYE2018, 3.8 in FYE2019, and 3.9 in FYE2020. We are continuing with our aim of increasing customer satisfaction.
Also, Subaru's maintenance staff involved in manufacturing visit the land, sea, and air units of the Self-Defense Force that use our products. They exchange information on use and maintenance, develop a better understanding of the operations, and communicate extensively, leading to the improvement of their work.
Going forward, we will move ahead with initiatives to understand customer's requests in detail and to earn customer satisfaction with Subaru's products and services through maintenance and operations.

See videos for the TRANSCARE series here. [Japanese version only]
CSR Procurement

Our Approach

In keeping with our Corporate Philosophy and to contribute to building a sustainable society, the Subaru Group strives to procure high quality, environmentally friendly parts, materials, and equipment that offer excellent cost performance. To realize this goal, it is necessary for us to establish relationships with our business partners based on equality, trust, mutual benefit, and dedication to continuous improvement.

1. CSR Procurement
   We engage in procurement activities in a way to harmonize people, society and the environment, and carry out our corporate social responsibility in such ways as conducting transactions paying due care to observe legal and societal rules and to protect human rights and the environment.

2. Establish Best Partnership
   We establish “WIN-WIN” relationships with suppliers through transactions based on mutual trust under the doctrine of good faith.

3. Fair and Open Way of Selecting Suppliers
   In selecting suppliers, the door is wide-open to all firms, domestic and overseas, for fair and equitable business to procure goods and services most excellent from seven perspectives: quality, cost, delivery, technical development, management, environment and society (QCDDMESIS).

Fundamental Procurement Policy

Subaru group has been promoting activities for sustainable procurement under the following basic policy.

1. CSR Procurement
   We engage in procurement activities in a way to harmonize people, society, and the environment, and carry out our corporate social responsibility in such ways as conducting transactions paying due care to observe legal and societal rules and to protect human rights and the environment.

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Management System

At Subaru, the Procurement Departments of Automotive Business and Aerospace Company participate in the Purchasing Committee, which promotes Subaru's CSR procurement initiatives. The action policy of the Purchasing Committee is to facilitate fair procurement practices and encourage CSR at suppliers, thereby helping to ensure fair trade between Subaru and its business partners and cooperative CSR-based procurement throughout the supply chain.

Initiatives

Promoting Fair Trade

Subaru has observed the laws and regulations, including the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors. Subaru also carries out fair trade promotion initiatives based on Automobile Industry Fair Trade Guidelines. As part of our efforts, Subaru has set up a consultation service targeting at suppliers in Subaru's supply chain. In 2020, we took the Partnership Formation Oath for the purpose of coexistence and prosperity of both large companies and small to medium-sized enterprises.

For employees, we provide legal and regulatory training for those in charge of procurement and transmit alerts on our intranet to ensure that business is conducted properly.

■ Employee Training on Fair Trade in FYE2020

Automotive Business
- Training for new recruits (7 employees)
- Training for transferees (24 employees)
- Comprehension tests for compliance (152 employees)

Aerospace Company
- Training for new recruits (6 employees)
- Consumption Tax Act: Tax system revision course (62 employees)
- CSR information session (98 employees)

Consultation service for promoting fair-trade (Japanese version only)
Partnership Formation Oath (Japanese version only)
Supplier CSR Guidelines

To promote Subaru CSR procurement and help our suppliers conduct CSR activities, we created, and in FYE2012 began application of, the SUBARU Supplier CSR Guidelines. They are based on the CSR Guidelines for Suppliers of the Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our CSR policy.

In FYE2014, these guidelines were made company-wide, including all suppliers of the Aerospace Company, and in FYE2016, Subaru revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals.* In the same year in FYE2016, Subaru revised the guidelines in the form of a joint edition with Subaru of Indiana Automotive, Inc. (SIA), our local production plant in the U.S., confirming the integration of the procurement policy. We incorporated the Subaru Global Sustainability Policy (a reformed version of the former CSR Policy) that was enacted in April of FYE2021 as well as our Human Rights Policy. At Subaru, compliance to these Guidelines is one of the criteria of our supplier selection. Subaru asks not only our suppliers but also their suppliers as well to develop and promote CSR.

* Minerals for which there is concern regarding participation in unjust acts, such as support for non-governmental armed groups, human rights violations, or illegal acts. In Dodd-Frank Act of the United States, tin, tantalum, tungsten, and gold are specified as minerals for which there is concern that they may be a source of funding for armed groups in the Democratic Republic of the Congo and surrounding countries.

Five Topics in the SUBARU Supplier CSR Guidelines

Subaru promotes our procurement activities based on the following basic approach.

1. **Safety and Quality**
   - Providing products and services that meet consumer and customer needs
   - Providing appropriate information concerning products and services
   - Ensuring safety of products and services
   - Ensuring quality of products and services

2. **Human Rights and Labor Issues**
   - Striving to avoid discrimination
   - Respecting human rights
   - Prohibiting child labor
   - Prohibiting forced labor
   - Non-use of raw materials that engender social problems
   - Compliance with the law on remuneration
   - Compliance with the law on working hours
   - Practicing dialogue and consultation with employees
   - Ensuring a safe and healthy working environment
   - Providing human resource training

3. **Environment**
   - Implementing environmental management
   - Reducing greenhouse gas emissions
   - Preventing air, water, and soil pollution
   - Conservation of the eco system
   - Saving resources and reducing waste
   - Managing chemical substances

4. **Compliance**
   - Compliance with laws
   - Compliance with competition laws
   - Preventing corruption
   - Managing and protecting confidential information
   - Managing export trading
   - Protecting intellectual property

5. **Information Disclosure**
   - Disclosing information to stakeholders

Business Partner CSR Briefing and CSR Survey

In FYE2020, we conducted the following initiatives for about 360 business partners involved in the automotive business for the purpose of promoting CSR in our supply chain.

- We held the Business Partner CSR Briefing, in which we explained the importance of promoting CSR, the details of the Subaru Group’s CSR, and made specific requests to business partners (such as compliance with the SUBARU Supplier CSR Guidelines).
- We investigated business partners’ CSR systems, CSR initiatives for their suppliers, and compliance with the SUBARU Supplier CSR Guidelines, and used the results as reference in selecting suppliers.
- We took a questionnaire on overseas employees at our business partners, and checked that there were no human right violations regarding overseas employees and technical training interns.

We plan to continue conducting these initiatives in FYE2021 and onward.

Conflict Minerals

The Subaru Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. In FYE2020, upon request from our customers, Subaru continued to conduct a conflict mineral survey targeting at about 210 suppliers of parts and materials.

Going forward, Subaru will make efforts for “No use of materials engendering social problems” including conflict minerals in partnership with our customers and suppliers as our social responsibility in procurement activities.

Green Procurement Guidelines

The Subaru environmental policies state that “Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection.” We promote the procurement
of parts, materials, and services from business partners who implement business activities that consider the environment. In addition, Subaru has expressed in the “Subaru Green Procurement Guidelines” its expectations for business partners regarding environmental initiatives. The guidelines primarily request cooperation in the following six areas:

Requirements for Suppliers

Requirements concerning Suppliers’ Environmental Management
1. Compliance with Environmental Laws and Regulations
2. Establishment of Environmental Management System (EMS)
3. Submission of Environment Manager Registration Forms
4. Improved Environmental Performance

Requirements for Parts, Materials, and Services supplied to SUBARU
5. Management of Substances of Concern
6. Reduction of CO₂ Emissions and Packaging and Wrapping Materials in Logistics

Compliance to these guidelines is considered a necessary criterion for selecting business partners, and we recommend new business partners to formulate an environmental management system with the acquisition of ISO14001 third-party certification at its base. Currently, all of our Tier1 business partners have already acquired ISO14001 certification. In case our new business partners have difficulty acquiring ISO14001, we review their compliance status by having them submit reports on their voluntary assessment based on environmental guidelines, while supporting them with the acquisition of Eco Action 21.

To those business partners who have passed our voluntary examination, Subaru makes inquiries or performs audits as necessary and request them to continue efforts toward early acquisition of third-party certification for environmental management.

Subaru complies with laws and regulations concerning substances of concern in each country, including the REACH regulation ¹1 and ELV Directive ². We perform usage surveys regarding chemical substances contained in parts to our business partners as necessary and continue to perform management of those substances. In addition, we are sequentially switching from materials that are prohibited by laws, regulations, or self-regulations such as industrial norms to alternative materials, and are working to reduce environmentally hazardous substances.

*1 European regulation on chemical substances, requiring all chemical substances to be subject to management or restriction measures commensurate to the risk that they pose to humans and the environment.
*2 The End-of-Life Vehicles Directive: European Union (EU) directive brought into force in 2000 to reduce the environmental impact from the scrapping of used vehicles in the EU. It aims to prohibit the use of hazardous substances and promote a reduction in waste products by encouraging the reuse or recycling of used vehicles and their parts.

Procurement with Consideration for Biodiversity

Subaru surveys the usages of the biological resources of leather and plant-derived materials to make sure that there is no negative impact on the ecosystem during the procurement of raw materials. In addition, our main office has switched to regenerated copy paper with 100% recycled paper pulp that does not use any new plant resources, and we completed rolling out this initiative to all domestic Subaru offices in April 2020.

Communication with Suppliers

In an effort to share with suppliers our mid- to long-term management strategies and our quality, procurement, production, and sales policies, Subaru has been hosting “Policy Briefings” every spring, and in FYE2020 had 700 people from about 400 companies participating in the Briefings. Subaru also periodically exchanges information by participating in “Cooperation Meetings” comprised of our suppliers. Once a year, Subaru awards those that have particularly contributed to R&D, production, and quality improvement.
Social Contribution

Our Approach

The Subaru Group has developed its social contribution policy in the hope of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice. In accordance with the policy, we promote social contribution activities in the four fields—activity in the community, environment, road traffic safety, and sports and culture—which we have selected as befitting a socially responsible transportation equipment manufacturer.

In FYE2020, we established a social contribution vision for 2025, in addition to a set of 2025 visions for the Group’s Six Priority Areas for CSR. Aiming at this vision, we will pursue social contribution initiatives based on the decision to shift “From being a company making things, to a company making people smile,” as described in STEP, our mid-term management vision.

Social Contribution Policy

1. We contribute to the development of science and technology and automobile culture and to the promotion of road safety.
2. We contribute to the fostering of human resources who understand the pleasure, importance and preciousness of creative manufacturing.
3. We contribute to the development of the communities in which we operate.
4. We support each other in contributing to society as good citizens.

Vision for 2025

1. The background and reasons that the four fields were selected for social contribution initiatives are fully understood and ingrained across the Subaru Group.
2. The Subaru Group is developing activities in consideration of the four fields.
3. The Subaru Group’s entire workforce is fully aware of the importance of social contribution.

Management System

Subaru has established the Social Contribution Committee to actively promote and continue social contribution activities that make use of our technology and expertise. The Committee was reorganized in April 2019 during corporate restructuring. The newly appointed chair is also the director in charge of the Sustainability Promotion Department, which was assigned to serve as secretariat. Under the Committee, the cross-organizational Planning Subcommittee has been created to discuss issues related to companywide activities, ranging from planning and preparation to implementation, evaluation and review. The Committee meets every six months to compile reported activity results and issues, and discuss improvement plans to invigorate efforts.

Social Contribution Committee: organization chart
Initiatives

Activity in the Community: in Japan

Communication with Local Residents (Gunma Plant, Utsunomiya Plant)
Subaru strives to communicate with people living in districts where its offices, plants, and company housing facilities are located, aiming to become a corporate citizen open to the community.

At the Gunma Plant, we send representatives to town council member homes every month to exchange information, while hosting meetings to explain to local residents about the company’s current situation and environmental activities. We also provide an annual factory tour for local residents to give them an opportunity to witness the car manufacturing processes firsthand and talk with company representatives in person.

Through such efforts, we look to increase their understanding of our production activities and to serve as a community member.

The Utsunomiya Plant organizes community events in a bid to increase communication with local residents. In addition, when conducting construction work that may generate noise and vibration, we visit the relevant community associations in advance to explain and ask for understanding from local residents. We also distribute related information directly, as appropriate, to the individual households concerned.

Factory Tours (Gunma Plant, Utsunomiya Plant)

• Gunma Plant
The Gunma Plant welcomes general visitors to factory tours, and also hosts elementary school field trip programs. In FYE2020, we welcomed a total of 86,560 such visitors. The Subaru Visitor Center is located on the premises. It exhibits various Subaru cars from the past as well as our proprietary technologies, and introduces vehicle recycling systems.

• Utsunomiya Plant
Since FYE2018, the Utsunomiya Plant has been accepting 50 school children each year to go on Environmentally Friendly Factory Tours, an environmental education program sponsored by the Utsunomiya City government. The tour introduces a number of the plant’s environmental initiatives, such as the promotion of recycling, the use of solar power and technologies for fuel efficient vehicle manufacturing. Through this activity, Subaru hopes to help children become more aware of environmental issues.

Community Cleanup Activities (Gunma Plant, Tokyo Office, Utsunomiya Plant, Head Office)
As part of its social contribution initiatives, Subaru carries out cleanup activities on a regular basis in districts where its offices and plants are located.

In the Ebisu district where the Head Office is based, employees at Subaru and its group companies engage in company-run periodical street cleanups around Ebisu Station while participating in cleaning campaigns organized by Shibuya Ward. In recognition of these continued efforts, Subaru was certified as a Clean Town Partner* by the ward and presented with a certificate of gratitude.

The Utsunomiya Plant carries out cleanup activities around its site in the Kisarazu district.

As a responsible community member, we will continue with these beautification activities to help conserve local environments.

* Shibuya Ward’s award program to commend individuals and organizations for their contributions to the district’s beautification efforts
Participating in Ebisu Cultural Festival (Head Office)
In an effort to increase engagement with local communities, we took part in the Ebisu Cultural Festival* by running two programs: a workshop to craft musical instruments using thinned wood sourced from the Subaru Forest Project, and a stargazing session with the theme of global environment preservation and based on Subaru’s star-motif brand logo. We welcomed a combined total of 800 visitors. As a member of the Ebisu district community, we will continue with these activities to help revitalize the local society.

* Held in Ebisu, the main venue is the Yebisu Garden Place, and groups and organizations related to or based in the district are invited

Hosting Local Community Events
(Gunma Plant, Tokyo Office, Utsunomiya Plant)
In order to build good relationships with the communities in which Subaru’s offices and plants are located, we host events on our premises. We invite local residents, as listed below, while participating in various regional community events.

- **Gunma Plant**
  - Ozumi Plant Friendship Festival (May)
  - Ota Summer Festival (participation, July)
  - Yajima Plant Subaru Festival (November)
- **Tokyo Office**
  - Summer Festival (July)

Voice
Comments from Parents
- The class was about more than making model cars. It gave a simple but solid lecture on automobiles, including historical background. The children showed serious interest in technology presentations on vehicle driving mechanisms and other functions.
- I appreciated the easy-to-understand instructions and presentations. My child had a lot of fun racing the self-made model car and performing experiments with it.

Activity in the Community: Overseas

- **Factory Tours (Subaru of Indiana Automotive, Inc.)**
  Subaru of Indiana Automotive, Inc. hosts factory tours that offer an opportunity to see the car manufacturing processes firsthand and increase public understanding of Subaru’s products. SIA runs several tour courses, including hands-on programs for students using state-of-the-art robotics, 3-D printing, VR and other technologies.

- **Employee Volunteer Activities (Subaru of Indiana Automotive, Inc.)**
  Subaru of Indiana Automotive, Inc. provides employee volunteer programs in collaboration with local non-profit groups. Employees can choose from among various projects, including for food banks, environmental protection, science museums for children, and support for the homeless.
Respect for Human Rights       Quality       Making Safe Vehicles       Human Resources       Customers       CSR Procurement       Social Contribution

■ Participating in Local Government Trash Pickup Activity (Subaru Canada, Inc.)
Subaru Canada, Inc. contributes to local environmental beautification through government projects. Since 2005, SCI has participated in a trash pickup campaign run by the City of Mississauga on Earth Day every year, together with other local companies. SCI also takes part in the city's road beautification initiatives, working on the assigned areas three times a year.

■ Contributions to Local Community (Subaru Research & Development, Inc.)
Subaru Research & Development, Inc. runs a number of social action projects for water resource protection, animal welfare, and education at Japanese schools in the company's base of Orange County, California. Specifically, the project for Japanese schools focuses on teaching curriculum enhancement and course development, and there are plans to launch work experience programs as part of school activities in the future.

Environment: in Japan
■ Subaru Forest Project
Launched in 2017, Subaru Forest Project symbolizes an essential mission of Subaru as an automotive and aerospace company: protecting its fields of business—the global environment comprising earth, sky and nature—to ensure the sustainability of both Subaru and society as a whole. Subaru is working with Bifuka-cho in Hokkaido, Gunma Prefecture, and Utsunomiya City in Tochigi Prefecture, where Subaru has close ties with local communities. We promote forest protection activities, such as for supporting forest management, tree planting and use of thinned wood obtained from forest management work.

■ Making Candles with Waste Oil: Workshop and Photo Contest (Gunma Plant)
As a member of the Ota City Environmental Creation Council,* Subaru cooperated in organizing an event held by the Council in which local residents were invited to make candles from the used cooking oil collected in their households. The environmental workshop included a session in which participants spend one hour in spaces lit only by candles made from recycled materials. It was followed by a photo contest featuring recycled candles. Participants were offered gifts of Subaru's original water bottles and rulers made of thinned wood sourced from Subaru Forest Bifuka.

* Launched in 2018, the Council invites citizens’ groups, NPOs, business operators, and other organizations running environmental preservation projects in Ota City, Gunma Prefecture, to work together to revitalize local environmental activities across the city.

■ Cooperating in Environmental Beautification around Mt. Fuji
Since 2014, Subaru has been a regular participant in the Mt. Fuji Cleanup Campaign organized by the Mt. Fuji Beautification Foundation, which cleans up the mountain trails around Mt. Fuji's fifth station. A total of about 300 people from local governments, companies, and groups took part in a cleanup in September 2019, collecting about 60 kg of trash.
At the departure ceremony held at the beginning of the event, Subaru presented the Mt. Fuji Beautification Foundation with a list of donations to the foundation. The money donated will be used to maintain the environment on Mt. Fuji and in the Fuji Hokuraku area, as well as for activities to raise awareness of beautification.

■ Teaching a School Class (Utsunomiya Plan)
Starting from FYE2007, Utsunomiya Plant sends employees to local elementary and junior high schools to teach classes designed to increase children's interest in the field of aerospace and the environment, seeking to raise their environmental awareness and present a future career option. Our programs contain lectures and experiments planned to learn about global warming, primarily major causes and the significance of stopping the phenomenon, as well as the principles of aircraft flight and the structure's environment-friendly designs. Having taught 20,078 students in total at 296 schools in Utsunomiya and Handa Districts over years, this project has become an essential local community activity.

Environment X Sports
■ Sponsoring Clean Trai Run
Subaru understands the importance of passing on "the earth, the sky and nature" to future generations, a core concept of its sustainability principles, and looking to promote this
understanding broadly, the company sponsored Clean Trail Run events held in 2019.
Clean Trail Runners picked up trash off the course road while running the race, and their supporting families participated in environment/nature-themed programs, such as woodwork workshops using thinned wood sourced from the Subaru Forest and guided nature exploration tours, which were planned as part of the event.
On the days of the event, current and former members of Subaru’s track-and-field team helped facilitate individual activities, specifically by running the race and serving as running clinic coaches, and shared the enjoyment of running in nature with many participants and their families.

### Environment: Overseas

#### Zero Landfill Partnership with US National Parks (Subaru of America, Inc.)
Subaru of America, Inc. has partnered with three US national parks to reduce landfill waste generated from the parks. SOA has placed 512 trash bins and held 59 awareness-raising events attended by 33,765 people in total.

#### Road Traffic Safety

##### Traffic Safety Guidance (Utsunomiya Plant)
As part of our efforts to prevent traffic accidents, Subaru employees at the Utsunomiya Plant provide traffic safety guidance on roads around the plant. The activities are conducted at the beginning of the school year in April and after the summer vacation in September, and at times of the day when children are commuting to and from school.

##### Activities of the Association of Driving Safety Supervisors (Utsunomiya Plant)
At the Utsunomiya Plant, Subaru serves as the president of the southern Utsunomiya branch of the Tochigi Prefecture Association of Driving Safety Supervisors. We work with community associations located around the plant and the Utsunomiya Minami Police Department to promote local road traffic safety activities in order to raise awareness in the southern Utsunomiya district. Appreciation for our many years of conducting these activities has been shown through certificates of gratitude from the Head of the Utsunomiya Minami Police Department.

#### Track and Field Team Member Serving as “One-day Police Chief” in the Autumn Traffic Safety Campaign
In September 2019, Subaru track and field team member Ryosuke Maki was appointed as a “one-day police chief” for an autumn traffic safety campaign. The event aimed to achieve zero traffic accidents through raising driving safety awareness. Mr. Maki has a strong passion for the project, because he once witnessed a pedestrian nearly get struck by a car during a routine training run. On the day of the event, Maki spoke to individual drivers in their parked cars to encourage safe driving while distributing flyers and small gifts. He worked in earnest to perform his mission in the hope of helping decrease the number of accidents, even if by only one, which he believes is possible when drivers and pedestrians are considerate to each other.

#### Driving Lessons

- **Slow Aging** driving lessons
Subaru hopes that many senior drivers will be able to enjoy driving as long as possible as a way to lead an active life. We
organized a safe driving lesson program targeted at senior customers and their family members, inviting racecar driver Hideshi Matsuda as an instructor. The program was attended by 37 groups. Mr. Matsuda introduced his original Slow Aging method through a lecture, exercises and skill practice sessions.

* Easy-to-do routine physical care and exercise methods developed by Hideshi Matsuda.

- **Practical driving lessons at Subaru Research and Experiment Center**
  Recognizing that increasing drivers’ knowledge, awareness and skills can help prevent road accidents, Subaru offered driving lessons at the Subaru Research and Experiment Center jointly with Sports Driving Japan, Inc. Major programs included lectures by former race driver Tetsuya Ota, practical training on danger avoidance and other skills provided by Subaru Driving Academy* instructors, and an opportunity to drive on high-speed oval tracks.

* Formed to prepare vehicle development engineers to be able to perform vehicle assessments on their own rather than employing vehicle test drivers, according to Subaru’s policy.

Sports and Culture: in Japan

- **Subaru’s Baseball Team and Track and Field Team Coach Children**
  In January 2020, Subaru held the 18th Utsunomiya Junior Baseball Class and the 13th Musashino Junior Baseball Class. The events attracted 139 and 152 local elementary school children in total, respectively. Members from Subaru’s baseball team coached each baseball clinic, teaching children the joy of sports and helping them to improve their skills.

In September 2019, the “How to Run Faster” Class was held in Oizumi Town, coached by Subaru’s track and field team members. Around 70 local elementary school children participated in the event, learning basic movements in running and training methods to increase their running abilities ahead of the coming autumn’s long-distance race.

- **Slow Aging driving lesson**
- **Driving lessons at Subaru Research and Experiment Center**
- **Baseball clinic**
- **Running clinic**

Sports and Culture: Overseas

- **Support for Disadvantaged Children (Subaru of Indiana Automotive, Inc.)**
  Each year, Subaru of Indiana Automotive, Inc. (SIA) hosts a charity 24-hour cycling challenge on its test track. Entries are registered from many cyclists, including SIA employees. Over nine years since its launch, the charity drive has collected a total of 127,000 dollars, which has been donated primarily to disadvantaged children, including survivors of abuse.

* Subaru Community Exchange Association: Organized by Subaru and its business partners, the association promotes interactions among residents as well as community development in Ota City and its surrounding districts, thereby contributing to creating an attractive place to live.
Donation, Volunteer Activities, etc.: in Japan

**Awarded the Golden Order of Merit by the Japanese Red Cross Society**

At Subaru, a total of 291 employees donated around one million yen in total in FYE2018 and FYE2019 to the Japanese Red Cross Society through the company welfare program. For this contribution, the employees were awarded the Golden Order of Merit* by the charity organization, and the award ceremony took place at Subaru’s Head Office in Ebisu in November 2019.

* The Golden Order of Merit is awarded by the Japanese Red Cross Society to individuals and organizations for donating operating funds that exceed a determined amount.

**Utsunomiya City Sound Development of the Juvenile Promotion Award for Business Operators**

In January 2020, the Aerospace Company was honored with an award from Utsunomiya City as a company that organizes original activities to promote the sound development of the youth, chiefly in collaboration with local communities and organizations. The commendation was awarded for various programs provided by the division over the years to help the sound, healthy growth of children, including: the summer bon dance event (since 1984); the Friendship Festival (since 1988); and a local baseball clinic held in cooperation with Subaru's baseball team (since 2002) which gives young people an opportunity to learn the importance of teamwork.

Donation, Volunteer Activities, etc.: Overseas

**Blood Donation (Subaru of America, Inc.)**

Subaru of America, Inc. has been running a blood drive twice a year since 1991. In 2019, around 900 employees in total donated blood at sessions taking place in the company in July and December.
Governance

119  Corporate Governance
133  Compliance
137  Risk Management
Corporate Governance

Our Approach

Subaru aims to realize its vision of shifting “From a company making things, to a company making people smile,” while being guided by its corporate philosophy and management philosophy, in order to achieve sustainable growth, improve its corporate value over the medium to long term, and gain the satisfaction and trust of all its stakeholders. As part of efforts toward this end, we are committed to enhancing corporate governance as one of the top priorities of corporate management.

At Subaru, functions for making management decisions and overseeing the management are clearly separated from those for executing business operations, with a view to facilitating faster decision making and more efficient management processes. To ensure proper decision making and oversight of the management as well as effective execution of business operations while enhancing compliance and risk management systems, outside officers are employed to serve as monitors and to provide necessary advice. We also implement proper and timely information disclosure in order to improve the transparency of management processes.

Subaru has created the Corporate Governance Guidelines with the objective of clarifying the basic concept, framework, and operating policy of its corporate governance.

Management System

As its corporate governance system, Subaru has chosen the form of company with board of company auditors, in which the Board of Directors and Board of Corporate Auditors perform decision making, oversight and audit of the execution of important business operations. This structure enables us to achieve sounder, more efficient business operations through increased effectiveness of management monitoring by involving highly independent outside directors and outside corporate auditors. In addition, in order to enhance the practical governance structure based on the ongoing system design, we have established two voluntary meetings: the Executive Nomination Meeting and Executive Compensation Meeting.

Corporate Governance Structure
Board of Directors

The Board of Directors is committed to bringing to fruition Subaru's corporate philosophy, achieving effective corporate governance and sustainable growth, and enhancing its corporate value over the medium to long term. For this purpose, the body seeks to select individuals with a wealth of experience, high levels of skill and insight, and advanced expertise appropriate for Subaru's directors and auditors. The Board of Directors consists of a maximum of 15 members, from within and outside of the company, in accordance with the Articles of Incorporation. It is now composed of nine directors, including three outside directors, which was approved at the 89th Ordinary General Meeting of Shareholders held in June 2020.

Board of Corporate Auditors

Subaru's corporate auditors attend Board of Directors meetings and other important meetings, inspect business sites and subsidiaries, interview members of the audit department, and audit the execution of duties by the directors and others, based on the audit policy and audit plan established by the Board of Corporate Auditors. The body consists of a maximum of five members in accordance with the Articles of Incorporation. It is now composed of four corporate auditors, including two outside corporate auditors, which was approved at the 89th Ordinary General Meeting of Shareholders held in June 2020.

Executive Nomination Meeting

In order to ensure fairness and transparency in the process for selecting directors and corporate auditors, the Executive Nomination Meeting, whose members include independent outside directors, decides on the compensation system and specific sums paid in compensation to executives after due deliberation, based on the authority delegated to the Meeting by the Board of Directors. Where matters concern the executive compensation system in general, such as its revision, the Board of Directors deliberates on proposals approved by the Executive Compensation Meeting and decides on them by resolution. It was resolved at the Board of Directors meeting held on March 3, 2020 that the Executive Nomination Meeting would consist of two representative directors and three outside directors and be chaired by the President and Representative Director from April 1, 2020. The Executive Nomination Meeting was convened four times in FYE2020, and submitted reports mainly on the executive structure and appointments, the division of duties of executives, and the appointment of representatives of major subsidiaries, in addition to discussing CEO succession plans.

Executive Compensation Meeting

In order to ensure objectivity and transparency in the process for determining executive compensation, the Executive Compensation Meeting, whose members include independent outside directors, decides on the compensation system and specific sums paid in compensation to executives after due deliberation, based on the authority delegated to the Meeting by the Board of Directors. Where matters concern the executive compensation system in general, such as its revision, the Board of Directors deliberates on proposals approved by the Executive Compensation Meeting and decides on them by resolution. It was resolved at the Board of Directors meeting held on March 3, 2020 that the Executive Nomination Meeting would consist of two representative directors and three outside directors and be chaired by the President and Representative Director from April 1, 2020. The Executive Compensation Meeting was convened four times in FYE2020, and deliberated on compensation systems, while deciding on performance-based compensation for directors (excluding outside directors) and executive officers based on evaluations and the amount of monetary compensation claims in respect of restricted stock compensation for each individual recipient.

Participation of Directors

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Meetings</th>
<th>Attendance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE2016</td>
<td>15</td>
<td>96.3%</td>
</tr>
<tr>
<td>FYE2017</td>
<td>15</td>
<td>96.3%</td>
</tr>
<tr>
<td>FYE2018</td>
<td>17</td>
<td>99.0%</td>
</tr>
<tr>
<td>FYE2019</td>
<td>16</td>
<td>98.4%</td>
</tr>
<tr>
<td>FYE2020</td>
<td>13</td>
<td>100%</td>
</tr>
</tbody>
</table>

* In addition to the above-indicated number of meetings, there were three cases (one in FYE2019 and two in FYE2020) in which a resolution was deemed to have been passed at a Board of Directors meeting, as stipulated in Article 370 of the Companies Act and the Articles of Incorporation.

* Attendance rates for newly appointed directors are calculated for Board of Directors meetings held after their appointment.
Business Operation System

Executive Management Board Meeting
The Executive Management Board Meeting is a preliminary consultation body tasked with deliberating on companywide management strategies and the execution of important operations to provide bases for discussion at Board of Directors meetings. The body is composed of the representative directors, directors who execute business, and executive vice presidents, and is chaired by the President and Representative Director, who is the CEO. Standing corporate auditors also attend the Meeting.

Executive Meeting
Subaru has adopted an executive officer system, and accordingly established the Executive Meeting to serve as the decision-making function for the operations of the Automotive Business. Additionally, an in-house company system has been introduced to the Aerospace business division in order to achieve clearer responsibilities and faster execution of its business operations. The body consists of the representative directors, directors and executive officers, and is chaired by the President and Representative Director, who is the CEO.

CEO Succession Plan

Approach
Subaru recognizes that decision making regarding top management changes and successor selection may have a critical influence on corporate value. Therefore, in order to ensure a successful succession a change to the right person at the right timing, we invest substantial time and resources to carefully develop and implement succession plans.

In order to hand over the business to the right person, the Board of Directors, as part of its essential duties, develops succession plans that can convince all stakeholder groups.

To ensure objectivity and transparency in the process for deciding on replacement and selection of the CEO, the Board of Directors appropriately supervises the preparation of proposals by the current CEO through discussions at the Executive Nomination Meeting.

To be able to implement succession plans appropriately, the CEO begins to prepare for selection and development of his/her successor candidates independently, upon assuming office. Key processes for this purpose include providing information on candidates to outside directors on an ongoing basis, particularly by enabling the directors to monitor the candidates in person continuously in day-to-day business settings, as a measure to ensure appropriate and timely evaluation and selection down the road.

The Board of Directors and Executive Nomination Meeting meet on a regular basis to review the list of essential qualities and skills required of the CEO, including removing and adding items, in consideration of perception of current trends, changes in the business environment surrounding the company, and the future direction of the group's business strategies.

To ensure the objectivity of successor selection process and increase the effectiveness of its supervision by the Board of Directors and Executive Nomination Meeting, it is important to have effective selection criteria in place, particularly for usage by outside directors. Based on this view, Subaru has established two sets of criteria: “Abilities required of the Subaru Group’s CEO” and “Five key qualities required of the Subaru Group’s CEO.” These criteria serve as a guide for evaluating candidates in light of quality, competency, experience, track record, specialized expertise, personality and other factors, which have been discussed and decided on by the Board of Directors and Executive Nomination Meeting.

Abilities required of the Subaru Group’s CEO

The Subaru Group’s CEO must be able to: properly understand the business environment surrounding Subaru, its corporate culture and philosophy, business growth stages, and medium-to long-term management strategies and challenges; facilitate collaboration appropriately with various stakeholders; and lead all executives and employees to work together to maximize corporate value.

Five key qualities required of the Subaru Group’s CEO

1. Integrity
2. Broad perspective
3. Character
4. Tireless spirit or revolutionary leadership skills
5. Person of action

Executive Training

Training Policy
Subaru provides its directors and corporate auditors on an ongoing basis with information and knowledge regarding its business activities that is necessary for them to fulfill their responsibilities to oversee and audit the management. The company gives similar opportunities to executive officers, for the purpose of developing human resources to lead its management in the future.

Subaru provides its outside officers on an ongoing basis with information relating to the company's management philosophy, corporate culture, business environment and other matters, mainly through arranging appropriate opportunities, such as operations briefings from business divisions and factory tours, as well as creating an environment for officers to share information and exchange opinions more easily. Expenses to be incurred for offering the above training to directors and corporate auditors, including outside officers, and executive officers are borne by the company.

Major Ongoing Programs

1. Training for directors/corporate auditors
   1) Refresher courses focusing on information regarding the Companies Act and other laws and regulations related to corporate governance
   2) Participation in seminars and programs hosted by government agencies, Japan Federation of Economic Organizations, Japan Association of Corporate Directors, Japan Audit & Supervisory Board Members Association, etc.
2. Training for outside directors/outside corporate auditors
The following programs are provided to outside Board members at the time of appointment and subsequently to keep them updated.
1) Briefings from responsible executive officers about the management philosophy, corporate culture, business environment, and the performance, situation and issues of each business division/department, and related discussions
2) Inspection tours at manufacturing/R&D/distribution sites
3) Discussions with directors and corporate auditors on management issues
4) Social gatherings with directors and corporate auditors
5) Participation in companywide business events, such as improvement activity debriefing sessions

3. Training for executive officers
1) Participation in external programs aimed at fostering the mindset required for executive management and motivating self-improvement actions
2) Lectures by invited experts in specified topics to share and increase literacy in the related field (legal affairs, compliance, IT, the SDGs, etc.)
3) All-hands strategy building camps
4) Recommendation and support for participation in appropriate external seminars and programs

4. Programs provided in FYE2020
1) Programs for outside directors/corporate auditors
   • Operations briefings offered by executive officers and related discussions
     Three newly appointed outside directors/corporate auditors attended 18 sessions in total.
   • Inspection tours at manufacturing sites in Japan
     Three newly appointed outside directors/corporate auditors visited three different locations (plants, offices).
   • Inspection tours at group companies in Japan
     Two outside corporate auditors visited five companies in total.
   • Inspection tours at manufacturing and distribution sites outside Japan
     Two outside corporate auditors visited manufacturing and distribution sites in two countries.
   • Management discussions and social gatherings with directors and corporate auditors
     The entire board membership (13 directors and corporate auditors) attended two semi-annual events.
   • External exhibitions
     Outside directors and corporate auditors participated in external exhibitions.
2) Programs for all executives (directors/corporate auditors/executive officers)
   • External seminars
     Each of the four newly appointed directors and executive officers in total participated in different three-day programs.
   • Classroom lectures by invited experts
     Two sessions were held for all executives to discuss management issues. (ESG seminar, SDGs study meeting)
   • Individual lectures by invited experts
     A total of three sessions were held for two directors to listen to specialists in specified topics, including about the Companies Act.
   • In-house presentations and exhibits
     Held to present to all executives information about future technologies and quality solutions.
   • In-vehicle lessons offered to all executives, aimed to improve their driving skills, and teach them about new technologies (three sessions)
Year of Birth: 1951 (male)

Director

Natsunosuke Yago
Year of Birth: 1962 (male)

Apr 1977 Joined Sumitomo Corporation
Jun 2002 President & Representative Director of Sumitomo Electric Co., Ltd. (present-day SSKI Corporation)
Apr 2005 President & Representative Director of Sumitomo Computer Systems Corporation (present-day SSKI Corporation)
Jun 2009 Representative Director, Managing Executive Officer, General Manager of Financial & Logistics Business Unit, Sumitomo Corporation
Apr 2010 Representative Director, Managing Executive Officer, General Manager of New Industry Development & Cross-Function Business Unit, Sumitomo Corporation
Apr 2011 Representative Director, Senior Executive Operating Officer, General Manager of New Industry Development & Cross-Function Business Unit and Finance Department, Sumitomo Corporation
Apr 2013 Representative Director, Senior Executive Operating Officer, General Manager of Corporate Planning and Coordination Department, Sumitomo Corporation
Jun 2015 Advisor at Sumitomo Corporation
Jun 2016 Outside Corporate Auditor at Subaru
Jun 2018 Retired from position as an advisor at Sumitomo Corporation
Jun 2019 Retired from position as Outside Corporate Auditor
Jun 2019 Director at Subaru (to the present)

Year of Birth: 1953 (male)

Auditor

Akira Mabuchi
Year of Birth: 1953 (male)

Apr 1977 Joined Ebara Corporation
Jun 2002 Executive Officer, Ebara Corporation
Apr 2004 Senior Executive Officer and General Manager of Precision Machinery Department, Ebara Corporation, Chairman and Representative Director, Ebara Precision Machinery Europe GmbH, Chairman and Representative Director, Ebara Technologies Inc., Chairman, Shibaura Ebara Precision Machinery Co., Ltd.
Jun 2004 Director, Ebara Corporation
Apr 2005 Director, Ebara Corporation, Chairman, Ebara-Denso Taiwan Manufacturing Co., Ltd.
Jun 2005 Director, President of Precision Machinery Company and Director of Fujiwara Plant
Apr 2006 Director, Managing Executive Officer, President of Precision Machinery Company
Apr 2007 President and Representative Director, Ebara Corporation
May 2007 President and Representative Director and General Manager of Internal Control Promotion Division, Ebara Corporation
Jul 2009 President and Representative Director, General Manager of Internal Control Division
Apr 2013 Chairman, Ebara Corporation
Mar 2019 Retired from position as Chairman, Ebara Corporation
Jun 2019 Director at Subaru (to the present)

Apr 1979 Joined the Integrated Research Institute (present-day Corporate Research & Development Development Center), Tokyo Shibaura Electric Corporation (present-day Toshiba Corporation)
Jul 2005 Senior Fellow, Human-Centric Laboratory, Corporate Research & Development Center
Jul 2008 Senior Fellow, Corporate Research & Development Center
Jul 2008 Chief Fellow, Corporate Research & Development Center
Jun 2014 Retired from Toshiba Corporation
Jun 2020 Director at Subaru (to the present)

Corporate Auditors

Akira Mabuchi
Standing Corporate Auditor
Year of Birth: 1953 (male)

Apr 1980 Joined the Company
Jun 2002 General Manager of Corporate Communications Department
Jun 2006 General Manager of Subaru Product Planning Division, Product Planning Division
Apr 2013 Vice President, General Manager of Subaru Customer Center
Jun 2015 Vice President, General Manager of Human Resources Department and President of Subaru Bloom Co., Ltd.
Apr 2017 Senior Vice President, General Manager of Human Resources Department
Apr 2020 Senior Vice President
Jun 2020 Standing corporate auditor (to the present)

Hiromi Tsutsumi
Standing Corporate Auditor
Year of Birth: 1957 (female)

Year of Birth: 1959 (female)

Corporate Auditor

Kyoko Okada
Year of Birth: 1959 (female)

Apr 1982 Joined Showa Oil Co., Ltd.
Sep 2004 CSR Department
Apr 2006 Corporate Culture Department
Oct 2011 General Manager of Corporate Culture Department
Oct 2012 General Manager of Corporate Culture Department and project leader for compilation of the 150-year history
Apr 2015 General Manager of Executive Section, General Affairs Department
Jun 2015 Audit & Supervisory Board Member (standing)
Mar 2019 Retired from position as standing corporate auditor
Jun 2019 Corporate Auditor at Subaru (to the present)

Shigeru Nosaka
Corporate Auditor
Year of Birth: 1953 (male)

Apr 1976 Joined Marubeni Corporation
Dec 1989 Joined Apple Computer Japan
Mar 1996 Joined Minger plc
Nov 1996 Joined Japan Communications Inc., Senior Executive Officer and CFO
Apr 2002 Joined Oracle Corporation Japan, Vice President under direct control of CEO, Financial Affairs
Aug 2002 Director, Senior Executive Officer and CFO
Jun 2004 Director, Executive Vice President, CFO, Finance/Infrastructure Development/Aplication IT, Director of Finance
Nov 2005 Retired from Oracle
Oct 2007 Executive Vice President, CFO, Finance, IT and General Affairs, Director of Finance
Aug 2008 Director, Senior Corporate Executive Officer, CFO, Finance, Facility, IT, Internal Audit
Jun 2011 Director, Executive Officer Deputy President, CFO
Aug 2018 Director, Deputy Chairman
Jun 2019 Corporate Auditor at Subaru (to the present)
Aug 2019 Retired from position as Deputy Chairman at Oracle Corporation Japan

Apr 1977 Joined the Company
Jul 2000 General Manager of Chassis Design Division, Subaru Engineering Division
Apr 2005 Vice President, Senior General Manager of Subaru Engineering Division and General Manager of Engineering Administration Department
Jun 2007 Senior Vice President, Chief General Manager of Subaru Engineering Division
Apr 2009 Senior Vice President, Chief General Manager of Strategy Development Division
Jun 2010 Director, Executive Vice President, Chief General Manager of Strategy Development Division
Jun 2011 Director, Executive Vice President
Oct 2011 Director, Executive Vice President, General Manager of China Project Offices
Apr 2015 Director, Executive Vice President
Jun 2015 Standing Corporate Auditor (to the present)

Miwako Doi
Director
Year of Birth: 1954 (female)

Jun 2009 Representative Director, Managing Executive Officer, Corporate Research & Development Center, Tokyo Shibaura Electric Corporation (present-day Toshiba Corporation)
Jul 2005 Senior Fellow, Human-Centric Laboratory, Corporate Research & Development Center
Jul 2008 Senior Fellow, Corporate Research & Development Center
Jul 2008 Chief Fellow, Corporate Research & Development Center
Jun 2014 Retired from Toshiba Corporation
Jun 2020 Director at Subaru (to the present)

Apr 1979 Joined the Company
Jul 2000 General Manager of Chassis Design Division, Subaru Engineering Division
Apr 2005 Vice President, Senior General Manager of Subaru Engineering Division
Apr 2009 Senior Vice President, Chief General Manager of Subaru Engineering Division
Apr 2009 Senior Vice President, Chief General Manager of Strategy Development Division
Jun 2010 Director, Executive Vice President, Chief General Manager of Strategy Development Division
Jun 2011 Director, Executive Vice President
Oct 2011 Director, Executive Vice President, General Manager of China Project Offices
Apr 2015 Director, Executive Vice President
Jun 2015 Standing Corporate Auditor (to the present)

Akira Mabuchi
Standing Corporate Auditor
Year of Birth: 1953 (male)

Apr 1977 Joined Ebara Corporation
Jun 2002 Executive Officer, Ebara Corporation
Apr 2004 Senior Executive Officer and General Manager of Precision Machinery Department, Ebara Corporation, Chairman and Representative Director, Ebara Precision Machinery Europe GmbH, Chairman and Representative Director, Ebara Technologies Inc., Chairman, Shibaura Ebara Precision Machinery Co., Ltd.
Jun 2004 Director, Ebara Corporation
Apr 2005 Director, Ebara Corporation, Chairman, Ebara-Denso Taiwan Manufacturing Co., Ltd.
Jun 2005 Director, President of Precision Machinery Company and Director of Fujiwara Plant
Apr 2006 Director, Managing Executive Officer, President of Precision Machinery Company
Apr 2007 President and Representative Director, Ebara Corporation
May 2007 President and Representative Director and General Manager of Internal Control Promotion Division, Ebara Corporation
Jul 2009 President and Representative Director, General Manager of Internal Control Division
Apr 2013 Chairman, Ebara Corporation
Mar 2019 Retired from position as Chairman, Ebara Corporation
Jun 2019 Director at Subaru (to the present)

Corporate Auditors

Miwako Doi
Director
Year of Birth: 1954 (female)

Apr 1979 Joined the Integrated Research Institute (present-day Corporate Research & Development Development Center), Tokyo Shibaura Electric Corporation (present-day Toshiba Corporation)
Jul 2005 Senior Fellow, Human-Centric Laboratory, Corporate Research & Development Center
Jul 2008 Senior Fellow, Corporate Research & Development Center
Jul 2008 Chief Fellow, Corporate Research & Development Center
Jun 2014 Retired from Toshiba Corporation
Jun 2020 Director at Subaru (to the present)

Corporate Auditor

Shigeru Nosaka
Corporate Auditor
Year of Birth: 1953 (male)

Apr 1977 Joined the Company
Jul 2000 General Manager of Chassis Design Division, Subaru Engineering Division
Apr 2005 Vice President, Senior General Manager of Subaru Engineering Division
Apr 2009 Senior Vice President, Chief General Manager of Subaru Engineering Division
Apr 2009 Senior Vice President, Chief General Manager of Strategy Development Division
Jun 2010 Director, Executive Vice President, Chief General Manager of Strategy Development Division
Jun 2011 Director, Executive Vice President
Oct 2011 Director, Executive Vice President, General Manager of China Project Offices
Apr 2015 Director, Executive Vice President
Jun 2015 Standing Corporate Auditor (to the present)

 Apr 1979 Joined the Company
 Jul 2000 General Manager of Chassis Design Division, Subaru Engineering Division
 Apr 2005 Vice President, Senior General Manager of Subaru Engineering Division
 Apr 2009 Senior Vice President, Chief General Manager of Subaru Engineering Division
 Apr 2009 Senior Vice President, Chief General Manager of Strategy Development Division
 Jun 2010 Director, Executive Vice President, Chief General Manager of Strategy Development Division
 Jun 2011 Director, Executive Vice President
 Oct 2011 Director, Executive Vice President, General Manager of China Project Offices
 Apr 2015 Director, Executive Vice President
 Jun 2015 Standing Corporate Auditor (to the present)
## Executive Officers

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Yasuyuki Yoshinaga</td>
<td>President</td>
</tr>
<tr>
<td>President</td>
<td>Tomomi Nakamura</td>
<td>CEO (Chief Executive Officer)</td>
</tr>
<tr>
<td>Deputy President</td>
<td>Kazuo Hosoya</td>
<td>Chief General Manager of Manufacturing Div.</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Toshiaki Okada</td>
<td>CFO (Chief Financial Officer)</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Yoichi Kato</td>
<td>CRMO (Chief Risk Management Officer)</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Katsuyuki Mizuma</td>
<td>Chief General Manager of Overseas Sales &amp; Marketing Div. 2</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Tetsuo Onuki</td>
<td>Chief General Manager of Purchasing Div.</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Atsuhi Osaki</td>
<td>CQO (Chief Quality Officer), Chief General Manager of Quality Assurance Management Office</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Fumiaki Hayata</td>
<td>Chief General Manager of Overseas Sales &amp; Marketing Div. 1, Chairman of Subaru Indiana Automotive, Inc.</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Yoshihiro Tsukuba</td>
<td>Company President of Aerospace Company</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Takaji Dai</td>
<td>CIO (Chief Information Officer), Chief General Manager of IT Strategy and Senior General Manager of Corporate Planning Div.</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Tatsuo Kobayashi</td>
<td>General Manager of Human Resources Dept.</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Eiji Ogino</td>
<td>Senior General Manager of Manufacturing Div., Chief General Manager of Gunma Plant</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Jinya Shoji</td>
<td>Senior General Manager of Overseas Sales &amp; Marketing Div. 1, Executive Vice President of Subaru of America (SOA), Inc.</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Yoichi Sato</td>
<td>Chief General Manager of Japan Sales &amp; Marketing Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Yasushi Nagae</td>
<td>General Manager of Investor Relations Dept., and General Administration Dept.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Takeshi Suyama</td>
<td>Chief General Manager of Parts &amp; Accessories Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Osamu Eriguchi</td>
<td>Chief General Manager of Engineering Div. 2, Senior General Manager of Engineering Management Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Tomosaki Emori</td>
<td>Chief General Manager of Corporate Planning Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Tatsuya Okuno</td>
<td>Chief General Manager of Engineering Div. 1, Senior General Manager of Engineering Management Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Tamotsu Inui</td>
<td>Chief General Manager of Cost Planning &amp; Management Div., Senior General Manager of Corporate Planning Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Tetsuo Fujinuki</td>
<td>CTO (Chief Technology Officer), Chief General Manager of Engineering Management Div. and Technical Research Center</td>
</tr>
<tr>
<td>Vice President</td>
<td>Hiroshi Wakai</td>
<td>Company Vice President of Aerospace Company, Senior General Manager of Engineering &amp; Development Center</td>
</tr>
<tr>
<td>Vice President</td>
<td>Kazuhiro Abe</td>
<td>Chief General Manager of Product &amp; Portfolio Planning Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Hiroshi Watahiki</td>
<td>Senior General Manager of Engineering Management Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Tadashi Yoshida</td>
<td>Chief General Manager of Customer Service Div.</td>
</tr>
<tr>
<td>Vice President</td>
<td>Ryota Fukumizuru</td>
<td>President of Subaru Indiana Automotive (SIA), Inc.</td>
</tr>
</tbody>
</table>
Reasons for Appointing the Outside Officers and Major Activities (as of June 2020)

**Independent Officer Status**

<table>
<thead>
<tr>
<th>Outside Directors</th>
<th>Reasons for Appointing the Outside Officers and Major Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yassuyuki Abe</td>
<td>As representative director and senior managing executive officer of Sumitomo Corporation, Mr. Yassuyuki Abe has been involved in management in both a supervisory and executional capacity, possesses extensive experience and knowledge in business management, and has an advanced understanding of the IT field. Mr. Abe has served three years as an independent outside corporate auditor for the Company since June 2016. During his tenure, he has supervised the execution of duties conducted by directors, as well as understood the true nature of the problems facing the Company and offered his frank opinions to senior management in a timely and appropriate manner. In June 2019, Mr. Abe was appointed to the position of independent outside director and has been providing beneficial advice to the Company's management. In light of this, the Company has once again appointed Mr. Abe with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective when he assumes office as an outside director of the Company,</td>
</tr>
<tr>
<td>Natsunosuke Yago</td>
<td>As a researcher and supervisor in the field of information technology at Toshiba Corporation, Ms. Miwako Doi has accumulated vast experience and made many achievements in this field over many years. In addition, she has held successive positions, mainly in government committees, owing to her high level of expertise and extensive experience and knowledge. In June 2020, we appointed Ms. Doi to the position of outside director with the expectation that she will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective when she assumes office, given her experience and a high level of insight as an expert cultivated from her vast experience.</td>
</tr>
</tbody>
</table>

**Outside Corporate Auditors**

<table>
<thead>
<tr>
<th>Outside Corporate Auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shigenu Nokasa</td>
</tr>
<tr>
<td>Kyoko Okada</td>
</tr>
</tbody>
</table>

Note:
In addition to the number of times Board of Director meetings were held as stated in the table above, there were two written resolutions that were deemed to be Board of Director resolutions in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company. In October 2017, during Mr. Yassuyuki Abe's tenure as an outside auditor, inappropriate actions related to a spot check and other final inspections for fuel consumption and exhaust gas were identified. Mr. Abe had no beforehand knowledge of said facts. On a daily basis, he has been providing advice on legal compliance and internal control based on insights from his ample experience. After this matter was identified, he adequately received reports on measures to determine the cause of these inappropriate actions and to prevent their recurrence and also provided various suggestions, thereby fulfilling his responsibilities. In September 2016, during Mr. Natsunosuke Yago's tenure as a director at Ebara Corporation, it was discovered that construction was carried out to determine the cause of these inappropriate actions and to prevent their recurrence and also provided various suggestions, thereby fulfilling his responsibilities. In September 2017, Mr. Natsunosuke Yago served successively as president and representative executive officer and chairman at Ebara Corporation, and has extensive experience and knowledge in business management. Mr. Yago is especially knowledgeable in the areas of internal control and governance. In June 2019, the Company has appointed him to the position of independent outside director. Given that he has been providing beneficial advice to the Company's management based on his rich experience and wide range of knowledge, and high level of insight into the Company's social responsibilities, we appointed Mr. Yago once again with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective when he assumes office as an outside director of the Company. |
Executive Compensation

Policy for Determining the Amount of Compensation for Subaru Executives or the Calculation Method

Compensation of directors is determined based on the following:
- An appropriate, fair, and well-balanced level commensurate with the director’s roles and responsibilities.
- A system that takes into account the need to secure outstanding personnel and motivate them to achieve sustained improvements in corporate performance and corporate value.

Specific compensation consists of the following items. Note that standards for each item are set according to responsibilities and are differentiated between internal and external status by using survey data from external expert institutions.

Policy for Determining the Amount of Compensation for Subaru Executives or the Calculation Method

<table>
<thead>
<tr>
<th>1st Basic compensation</th>
<th>Fixed portion amount based on position held and taking into consideration the business environment, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Short-term compensation</td>
<td>Performance-linked portion based on the consolidated ordinary income of FYE2020, with the adjustment using a matrix of return on equity (ROE) and equity ratio improvement, which are management indicators consistent with the company’s capital policy, and taking into account human resource development and the business environment.</td>
</tr>
<tr>
<td>3rd Restricted stock compensation</td>
<td>Compensation for granting shares with transfer restriction to provide long-term incentive for sustained improvement of corporate value and to further enhance value sharing with shareholders.</td>
</tr>
</tbody>
</table>

* As the Group has voluntarily adopted the International Financial Reporting Standards (IFRS) from FYE2020, the consolidated ordinary income is reclassified under the Japanese GAAP.

Compensation System for Directors (excluding outside directors)

Total compensation for directors was resolved to be no more than 1.2 billion yen per year (of which, compensation for outside directors was to be no more than 200 million yen per year) at the 85th Ordinary General Meeting of Shareholders held in June 2016. Within that sum, total monetary compensation associated with long-term incentives is capped at 200 million yen per year. In determining the compensation paid to directors, the Executive Compensation Meeting decides on the compensation system and specific sums paid in compensation to executives after ample deliberation by the Meeting members, including the independent outside directors, based on the authority delegated to the Meeting by the Board of Directors. Where matters concern the executive compensation system in general, such as its revision, the Board of Directors deliberates on proposals approved by the Executive Compensation Meeting and decides on them by resolution.

In STEP, the mid-term management vision published in July 10, 2018, Subaru set out a profit plan for operating income of 950 billion yen over the three years from FYE2019 to FYE2021. Under this plan, Subaru will ensure an equity ratio of 50% or higher and ROE of 10%, while aiming for 15% or higher. Under the authority delegated to it by the Board of Directors, the Executive Compensation Meeting determined the sums to be paid in short-term performance-linked compensation to each director in line with these targets and based on the consolidated ordinary income of FYE2020*, with the adjustment using a matrix of return on equity (ROE) and equity ratio improvement, and taking into account human resource development and the business environment.

Policies for Cross-shareholding

Subaru scrutinizes each of its major listed shares held as cross-shareholding at annual meetings of the Board of Directors, examining the purpose of the shareholdings and whether their benefits are commensurate with the capital cost, and will continue to hold those deemed to contribute to the company’s medium- to long-term management and business strategies. Subaru has steadily reduced its major listed shares held as cross-shareholding since the Corporate Governance Code entered into force in FYE2016. As a result, Subaru’s major listed shares held as of March 31 each year for policy purposes fell as indicated below, and as a result, the number of the shares held was four as of March 31, 2020.

Subaru’s Shareholdings for Purposes Other Than Investment Alone: Number of Securities and Total Value as Recorded in the Balance Sheet

<table>
<thead>
<tr>
<th>85th Term FYE2016</th>
<th>86th Term FYE2017</th>
<th>87th Term FYE2018</th>
<th>88th Term FYE2019</th>
<th>89th Term FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Issues (Securities)</td>
<td>32</td>
<td>30</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Listed</td>
<td>31</td>
<td>32</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Unlisted</td>
<td>63</td>
<td>62</td>
<td>40</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>28,238</td>
<td>12,795</td>
<td>8,836</td>
<td>3,138</td>
</tr>
<tr>
<td>Value Listed on Balance Sheet (million yen)</td>
<td>526</td>
<td>544</td>
<td>535</td>
<td>535</td>
</tr>
<tr>
<td>Listed</td>
<td>28,764</td>
<td>13,339</td>
<td>9,371</td>
<td>3,673</td>
</tr>
</tbody>
</table>
Preventing Conflicts of Interest

The approval of the Board of Directors is obtained in advance where a transaction poses the risk of a conflict of interest. A report on the positions that each director has held concurrently over the past financial year is provided once a year at the April meeting of the Board of Directors (A report to confirm that there have been no improper transactions or positions held concurrently that would hinder the performance of their duties).

Effectiveness Evaluation of the Board of Directors

Subaru has created and published the Corporate Governance Guidelines with the objective of informing all stakeholders about the basic concept, framework, and operating policy of our corporate governance, in order to ensure the sustainable growth of the Subaru Group and enhance its medium- to long-term corporate value.

In accordance with the Guidelines, the Board of Directors analyzes and evaluates the effectiveness of the Board and examines and implements improvement measures to tackle the issues identified.

In FYE2020, as well as conducting fixed-point observation based on the FYE2019 evaluation, the Board of Directors undertook analysis and evaluation focused primarily on checks of initiatives to tackle issues identified in the FYE2019 evaluation. The results are reported below.

Overview of Evaluation
Timing of implementation: February 2020
Respondents: All directors and all corporate auditors (13, including outside directors)
Method: Self-evaluation using a questionnaire drawn up by a third-party body
  (1) The third-party body conducts an anonymous self-evaluation questionnaire among all directors and all corporate auditors.
  (2) The third-party body collates and analyzes results.
  (3) The Board of Directors reviews and discusses the report received from the third-party body.

Focus of Questions
  1) Operational structure of the Board of Directors
  2) Supervisory functions of the Board of Directors
  3) Dialogue with shareholders
  4) Initiatives to tackle issues identified in the FYE2019 evaluation

As well as the self-evaluation section in which each person rates themselves on a four-rank scale, the questionnaire has a free-response section in which respondents can describe their views on the areas in which Subaru's Board of Directors is achieving excellence and areas where it needs to increase its effectiveness.

Results of Evaluation
Subaru has received the following report on the results from the third-party body commissioned to conduct the evaluation:
• As with the evaluations conducted through to FYE2019, with respect to the operation of the Board of Directors, the evaluation found that healthy, frank discussion from a company-wide perspective took place at meetings of the Board of Directors.
• The areas identified as strengths in the previous year’s evaluation (“Leadership by the Chair,” “Discussion of cross-shareholdings for policy purposes,” and “Size of the Board of Directors”) continued to be rated highly, confirming that the strengths of Subaru’s Board of Directors have been sustained.
• In particular, there were improvements in the following areas: Operation of the Board of Directors, Support system for the Board of Directors, and Supervisory functions of the Board of Directors and Risk management system of the Board of Directors.
• On the other hand, as in the previous year, the need to further enhance the discussion on medium- to long-term management strategies was confirmed. The evaluation also showed that there was a strong awareness of issues in such areas as information security system and sustainability, so further improvements and functional enhancements are expected in these areas.
• Regarding this evaluation, five of the 13 officers were new to the Board. It has been noted that simple comparisons to the previous year’s evaluation should be made with caution, as the evaluation criteria may differ for each officer.
Issues Recognized in the FYE2019 Evaluation
In FYE2020, directors and corporate auditors tackled the following issues recognized in the FYE2019 evaluation.

(1) Strengthening the system for identifying and managing risk
We have strengthened our risk identification and management system by establishing the position of Chief Risk Management Officer (CRMO) to oversee the Risk Management Group and by providing more opportunities for discussion at Board of Directors meetings than before.

(2) Enhancing discussions on medium- to long-term management strategies
We strove to invigorate discussions on medium- to long-term management strategies by providing more opportunities for reporting and discussion at Board of Directors meetings, including sharing and discussing the progress of our medium-term management vision.

(3) Succession planning and development policies
The Executive Nomination Meeting and the Board of Directors held discussions on the CEO succession plan, and resolved on the CEO succession plan and the ideal image of the Subaru Group’s CEO, which will be implemented through ongoing discussions.

Future Initiatives
After receiving the evaluation report from the third-party body, the Board of Directors examines and discusses the CEO’s succession plan and the members of the Board of Directors, Executive Nomination Meeting and Executive Compensation Meeting for implementing relevant measures. Furthermore, the Board of Directors continues to deepen discussions on medium- to long-term management strategies and has begun active discussions on information security systems and sustainability, with the aim of enhancing corporate value and achieving sustainable growth in the medium to long term. We will continue to strive to maintain and improve the effectiveness of the Board of Directors.
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SUBARU CORPORATION CSR Report 2020

Internal Control

Management System
With the aim of increasing the effectiveness of internal controls and risk management, the Internal Audit Department was made independent of the Risk Management Group (overseen by the Chief Risk Management Officer (CRMO)) to ensure a higher level of independence of internal audit departments in the organization and to enhance the effectiveness of internal controls.

Internal Control System
In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, Subaru's Board of Directors has adopted a basic policy on putting in place systems that ensure that the performance of duties by directors is in conformity with laws and regulations and with the Articles of Incorporation, and other systems prescribed in the ordinance of the Ministry of Justice as being necessary to ensure the appropriate operations of the company and the corporate group consisting of the company and its subsidiaries. The Board of Directors maintains and operates this basic policy, reviewing it as needed.

Auditing

Auditing by Corporate Auditors
Subaru has put in place a system that enables corporate auditors to gather information as required from directors and employees in the event of risk causing significant harm to the company, or a serious breach of laws, regulations or the Articles of Incorporation, or any other critical compliance issue. Under this system, Subaru employees are deployed to assist the corporate auditors in their duties, to enable the corporate auditors to execute their duties smoothly.
In addition, Subaru's corporate auditors attend important meetings, including meetings of the Board of Directors, the Executive Management Board Meeting, the CSR Committee, and the Risk Management & Compliance Committee, at which they give their opinions as needed, thereby ensuring the effectiveness of the audit process. The corporate auditors also perform the following:

• Check the state of the development and operation of internal control systems by holding regular meetings with the directors and executive officers, and making site visits to major business establishments and affiliated companies.
• Receive monthly reports from the Risk Management & Compliance Office, the Internal Audit Department, and the Legal Department, as well as receiving reports as needed from departments in charge of managing subsidiaries concerning the state of those subsidiaries.
• Hold meetings with the corporate auditors of major group subsidiaries.
• Meet the accounting auditors quarterly to exchange information and opinions, thereby facilitating their efforts to work together, and hold discussions concerning the appointment of accounting auditors.

Internal Auditing
Subaru has established the Internal Audit Department (13 members) that reports directly to the President as an internal auditing organization and conducts internal audits of business execution at Subaru and its group companies in and outside Japan from an independent and objective standpoint. At the beginning of the fiscal year, the Internal Audit Department prepares an internal audit plan for the fiscal year that takes into consideration the risks and internal control status of the Group as a whole and systematically implements the plan. The Department prepares and distributes to the directors, corporate auditors, and concerned parties audit reports on the results of internal audits. It also reports the results semi-annually at a Board of Directors meeting and quarterly at the joint meeting.
Subaru's Internal Audit Department and corporate auditors achieve closer collaboration and strengthen their auditing functions by holding dialogues on the status of internal control activities, in addition to the Department's monthly reports on the results of audits to the corporate auditors. The Internal Audit Department and corporate auditors also endeavor to strengthen auditing functions by quarterly information sharing with accounting auditors. In addition, the Internal Audit Department periodically undergoes an evaluation by external experts to confirm that the audit operations are being performed appropriately.
Internal Control System Related to Financial Reporting

Regarding internal control reporting systems pursuant to the Financial Instruments and Exchange Act, the evaluation of the internal control system related to financial reporting is dated the final day of the consolidated accounting period and is conducted in accordance with generally accepted assessment standards for internal control over financial reporting. The President & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) evaluated the status of the development of the internal control system related to financial reporting as of March 31, 2020 and affirmed that it has been established properly and functions effectively, and issued an internal control report audited by the accounting auditors to that effect.

Group Governance
(Affiliated Companies in Japan)

Affiliated companies will play an ever-greater role in enabling the Subaru Group to survive the automobile industry’s epochal transformation once in a hundred years, including electrification and driving automation. Subaru now faces the pressing issue of enhancing the governance of the Group as a whole.

Group Companies

In the Subaru Group, Subaru’s Business Administration Department administers the businesses of group companies, while its Group Company Management Department supports the management of the group companies. In order to strengthen group governance and enhance the overall strength of the Group, the Subaru Group is promoting the “three-in-one activities,” in which each of the group companies, the Business Administration Department, and the Group Company Management Department work together and cooperate with each other. In FYE2021, the Group Company Management Department, as the Risk Management Group, will continue to promote initiatives under the supervision of the CRMO, focusing on the following three priority issues in order to make the three-in-one activities more effective.

1. Strengthening the function of the three-in-one activities as a platform

(1) After a review of the corporate auditor system at group companies, the managers of the Group Company Management Department, who concurrently assumed the post of the part-time corporate auditor of a group company, stepped down from the post at the end of June 2020 to use their resources intensively for providing management support to group companies, information sharing and communication, and promoting compliance

(2) Raise the awareness of compliance policies and the Subaru Global Sustainability Policy groupwide, to enhance the value of the Subaru brand

2. Supporting efforts to strengthen corporate management (strengthening and enhancement of auditing system and education/training system)

(1) Dispatching personnel from the Business Administration Department of Subaru to play a part in the management of group companies by serving as part-time directors

(2) Enhancing the quality of auditing by increasing the number of full-time corporate auditors (from 11 to 12)

(3) Holding periodic directors’ workshops (once a year), general administration managers meetings (twice a year), and corporate auditors’ workshops (twice a year)

(4) Strengthening governance through the Subaru Internal Audit Department’s efforts to share examples of auditing with each company

3. Revising means of communication

(1) Revitalizing conference bodies

Holding meetings for all group company presidents twice a year and industry- or theme-based small group meetings for relevant group company presidents as needed to provide a forum for two-way exchanges of opinions

(2) Use of the web

Sharing information via the Subaru Group Multi Communication Site website for group companies
Subaru Dealerships

Subaru dealerships are the company's point of contact with customers. Subaru is therefore striving to strengthen group governance at its dealerships, believing that getting even closer to the voice of the customer and working with Subaru dealerships to become an integrated team serving customers is crucial to foster trust on the part of our customers.

1. Management system support
   (1) Deploying directors (part-time) and corporate auditors (all presiding companies)
   (2) Holding periodic training for executives (newly appointed directors, directors in their third year, corporate auditors)

2. Sharing Subaru's policies with Subaru dealerships
   (1) Directors Council meeting (twice a year)
   (2) Specialist committee meetings (sales and marketing, used cars, service and parts, general affairs, and IT)
   (3) Internal Audit Department Liaison Committee meeting (twice a year)
We develop and provide creative products and services while paying sufficient attention to the environment and safety.

2. We respect the rights and characteristics of individuals.

3. We promote harmony with society and contribute to the prosperity of society.

4. We meet social norms and act honestly and fairly.

5. We maintain global perspective and act honestly and fairly.

Corporate Code of Conduct

Based on Subaru’s Corporate Philosophy, the Corporate Code of Conduct sets forth the basic policy that all executives and employees must observe for customers, business partners, shareholders, regional communities, and all stakeholders.

Corporate Code of Conduct

1. We develop and provide creative products and services while paying sufficient attention to the environment and safety.
2. We respect the rights and characteristics of individuals.
3. We promote harmony with society and contribute to the prosperity of society.
4. We meet social norms and act honestly and fairly.
5. We maintain global perspective and aim to be in harmony with international society.

Conduct Guidelines

These guidelines specifically set forth standards for actions in order to put the basic policy as exemplified by the Corporate Code of Conduct into practice in the daily business activities of all executives and workers.

Rules for Compliance

Subaru has Compliance Regulations which set forth the systems, organization and management processes related to compliance. In FYE2020, for the purpose of promoting better understanding of the systems, organization and management processes related to compliance and striving for thorough implementation of efforts, we performed a systematic review of the Compliance Regulations, after which the Compliance Committee deliberated and approved the establishment and revision of several rules related to compliance. Starting in FYE2021, we are further enhancing efforts on compliance based on these rules.
Management System

Subaru has established the Compliance Committee as a group-wide organization to promote compliance and to deliberate, discuss, make decisions, and exchange information related to important matters. Also, each department formulates their own implementation plan (compliance program) to promote compliance every fiscal year, and moves forward with continuous, systematic independent activities. In FYE2020, the Director and Executive Vice President was newly appointed Chief Risk Management Officer (CRMO) in April, and appointed Chair of the Committee. Also in April, the newly established Risk Management and Compliance Office was appointed secretariat for the Committee. These efforts were carried out for the purpose of accelerating global, group-wide initiatives related to compliance under the direction of the Committee Chair. Also, starting in FYE2021, the Committee’s name was changed to the Risk Management and Compliance Committee, and it will deliberate, discuss, make decisions, and exchange information on important matters related to risk management, in addition to those related to compliance.

Compliance Hotline

When regular and temporary employees of the Subaru Group detect a problem related to compliance in the group, they can consult with the Hotline Desk by using the Compliance Hotline. Based on the relevant regulations, the Hotline Desk is where employees affiliated with the appointed Risk Management and Compliance Office directly receive mail, telephone calls, and e-mail, investigate facts, and provide response. We have also established a desk outside the company staffed by external specialists to increase the hours in which service is available and to increase the confidentiality of those contacting the desk. The Desk works to quickly resolve consultation matters upon conducting a fact-finding investigation headed by the Risk Management and Compliance Office Manager. Also, it reports to the proper management members and the Risk Management and Compliance Committee, working toward preventive measures. There were 216 consultations in FYE2020, the details of which are outlined in the table below. We strive to instill a mindset of being assertive regarding use of the system and to improve compliance awareness through efforts to make the existence of the system common knowledge (please refer to “Initiatives”). This has increased the number of consultations, and we have seen improvements in the management of the system, such as an increase in the number of events that lead to improvements in the corporate culture in addition to proper response and issue resolution.

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace environment</td>
<td>14</td>
</tr>
<tr>
<td>Labor related</td>
<td>68</td>
</tr>
<tr>
<td>Personal relationships, suspicion of harassment</td>
<td>84</td>
</tr>
<tr>
<td>Other compliance-related issues (Work violations, suspicion of wrongdoing, etc.)</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
</tr>
</tbody>
</table>

Itemization of the contents of consultations with the Compliance Hotline

Compliance Hotline (Consultation and resolution procedure)
Initiatives

Training
In enforcing thorough compliance, we believe that initiatives in which the entire Subaru Group acts in concert are necessary. We conduct compliance training and training for legal affairs in practical business for all Group employees organized by our Legal Department, Risk Management and Compliance Office, and human resource and education departments. Also, each department and affiliated company creates their own unique education plan based on their compliance program, supplemented with study groups on important laws related to their work and compliance enlightenment training.

In FYE2020, we started offering the compliance training we have been providing for employees of a designated rank to all regular and non-regular employees in an effort to further expand the range of compliance. Also, in addition to a training course with Risk Management and Compliance Office members serving as the instructors, we also established a course in which executives from various departments speak from their own experience, promoting further understanding of compliance on the part of our employees and encouraging communication with executives.

In FYE2020, approximately 7,700 people participated in trainings conducted by or involving the Legal Department and the Risk Management and Compliance Office.

Compliance Implementation Support Tools
In order to promote compliance in everyday work, we create and provide various implementation support tools other than the Compliance Manual, such as in areas of specialization at affiliated companies.

To make knowledge of the Compliance Hotline common, we distribute cards containing information on the framework of the system and the contact address for consulting services, and also put up posters in all workplaces. In FYE2019, we updated the design of the information cards and posters to deliver a message that encourages employees to proactively use the system even for things that feel only slightly suspicious.

In addition, we are making efforts for the timely report of highly urgent information and to call the entire group’s attention to such matters.

Bribery Prevention
At Subaru, based on our stance toward the prevention of acts of corruption related to business as an important issue, we distribute the Anti-Corruption Guidelines (Japanese and English versions) throughout the Subaru Group. The guidelines clarify the conduct required of employees and executives by explaining prohibited and non-prohibited acts particularly when coming in contact with government workers. In China, taking into considerations unique social conditions, we created the China Anti-Corruption Guidelines (with a Chinese translation included). It is distributed throughout our Chinese subsidiaries and forms the official rules of the relevant companies.

Also, anti-corruption is identified as an important issue in the Compliance Manual (Japanese and English versions) issued to domestic and overseas companies. We not only require proper conduct regarding bribery to government workers, but also pursue thorough fairness in transactions with private-sector customers and partners.

Security Trade Control
Subaru, seeking to preserve the peace and safety of the international community, performs independent export control in accordance with the Foreign Exchange and Foreign Trade Act so that consumer products and technology that could be repurposed for military use, including weaponry, do not fall into the hands of countries developing weapons of mass destruction or terrorists (non-state entities).

We have regulations for the purpose of appropriate management of the entire group. Also, the Export Control Committee is a body that meets at least once a year to deliberate on the state of initiatives throughout the entire group. It is comprised of all executives of departments involved in exports, with the director in charge of the Legal Department, the person in charge at the same department, or the executive responsible for business execution as the Chair.

Further, for the purpose of improving the control level, we carry out export controls with the use of IT and work to continuously improve the system.

Since FYE2019, we started detailed autonomous confirmations using a check list to ascertain that operations are in conformance with a variety of official regulations. Based on the results, we conducted the full-scale launch of continuous improvement activities.
Enactment of the Tax Policy

Subaru enacted its Tax Policy in June 2020. This basic policy sets forth our posture and way of thinking toward the tax laws we should comply with when paying the appropriate amount of tax.

### Tax Policy

The SUBARU Group is able to conduct its business operations thanks to support from society, and the company strongly recognizes the importance of returning profits to society. The SUBARU Group considers fulfilling its tax obligations to be an essential element of this.

The SUBARU Group strives to ensure compliance with the tax laws and regulations of each country and jurisdiction, pursuant to the international rules and standards set out by international organizations, thereby fulfilling its societal obligations through appropriate tax payment, while aiming for sustainable growth through sound business activities.

1. Compliance with tax laws and tax-related regulations

The SUBARU Group undertakes applicable tax return filing and tax payment procedures in compliance with the tax laws and tax-related regulations of each country, and relevant tax treaties.

2. Tax corporate governance

The SUBARU Group establishes and implements a structure to appropriately identify, manage and report tax risk. In order to respond to changes in its businesses, and in light of complex tax operations, the SUBARU Group enhances this structure by assigning to it employees with tax expertise. Furthermore, the SUBARU Group raises awareness and provides guidance and consultation regarding tax compliance to SUBARU Group companies, making use of external professionals, and properly fulfils its tax payment obligations.

3. Appropriate intercompany transaction prices (Transfer Pricing)

The SUBARU Group conducts inter-group transactions and transactions with unrelated parties applying economically rational (arm’s length) prices, and does not inappropriately set prices through arbitrary manipulation.

4. Compliance with Anti-Tax Haven Rules

The SUBARU Group does not establish entities that are unnecessary for its business with the aim of tax avoidance, and the SUBARU Group pays taxes pursuant to the substance of its businesses in accordance with the tax laws and regulations.

5. Relationship with tax authorities

The SUBARU Group strives to maintain trust with tax authorities by dealing with the authorities in a good faith manner; for example, by providing fact-based information in an appropriate and timely manner in response to requests.
Risk Management

Our Approach

Subaru is undertaking risk management as one of its key priority management issues, not only to address emergency situations when they arise but also to deal with various risks that have a serious impact on daily corporate activities, as well as to minimize damage when risks emerge.

The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. Subaru, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure by ensuring the sustainability of its businesses by quickly tackling recent changes in world affairs. At the same time, the Company must boost its measures to minimize its human, social and economic losses. Amid this environment, it is essential to strategically conduct risk management throughout the group to conduct business activities. We therefore believe it is important to create a Subaru Group that has an infrastructure that is resilient to risk to enhance our corporate value.

Management System

At Subaru, we aim to fortifying risk management by having each department and company closely coordinate with company-wide shared corporate operations departments, in which the Risk Management Group (the General Administration Department, Sustainability Promotion Department, Risk Management & Compliance Office, Group Company Management Department, and Legal Department), which is overseen by the Corporate Planning Department, a unit in charge of cross-organizational functions, and the Chief Risk Management Officer (CRMO), plays a central role. Furthermore, the Audit Department systematically carries out audits of the operations executed by each department and affiliate. In FYE2020, mainly centering around the Risk Management & Compliance Office, we further enhanced our risk management by establishing various regulations related to risk management, including positioning risk management officers and people in charge of risk management in each department, and reviewing the response system for when cases of risk arise. On top of this, in the FYE2021, as a function to compile and summarize risk management actions (PDCA), we have decided to launch a Risk Management & Compliance Committee, which is an improved version of the former Compliance Committee. This aims to clarify the reporting line for handling emergencies when their rise, including in particular the rising threat from natural disasters, pandemics and accidents in recent years, and strengthen Subaru’s initial response, which contributes to business continuity. Along with this, we plan to move forward with further enriching our risk management by instilling the use of a PDCA cycle to ensure all employees recognize, are aware of, think about and deal with risk independently in their daily duties.
Risks Associated with Business Activities

At the Subaru Group, we extract and identify key risks associated with our business activities and consider measures to combat them. The major business risks are listed below. Please note that this is not an exhaustive list of all risks relating to the Subaru Group.

Risks related to changes in the economic and financial environments
1. Economic trends in major markets
2. Exchange rate fluctuations
3. Financial markets fluctuations
4. Change in raw material costs

Risks related to industries and business activities
5. Focus on specific businesses and markets
6. Changes in the demand and competitive environment in the market
7. Responsibility related to products, sales and services
8. Supply chain disruptions
9. Intellectual property infringement
10. Information network security
11. Compliance
12. Secure and train human resources

Risk of regulations and events in various countries that impact other business activities
13. Political, regulatory and legal procedures in various countries that impact business activities
14. Climate change
15. Impact of disasters, war, terrorism, infections, etc.

Crisis-level Risks

Among the various types of risk we face, Subaru calls those risks that are particularly dangerous to our business operations and that Subaru cannot handle through regular decision-making channels “crisis-level risks” and categorizes them as follows: natural disaster, accident, internal human factors, external human factors, social factors (domestic, overseas), and compliance. Subaru is creating various manuals for dealing with each of these types of emergencies.

BCP

At Subaru, the Risk Management & Compliance Office plays a pivotal role in establishing regulations related to BCPs*. During emergencies, the Office centrally grasps group-wide information, establishing a system to manage company-wide response. In FYE 2020, a BCP was launched to deal with the spread of COVID-19, with the president at the top and CRMO handling overall management. Specifically, crisis management headquarters are set up immediately with the occurrence of a serious incident and a response system is quickly and accurately developed in line with the basic policy of our Emergency Response Policy. This leads to the swift achievement of business restoration and contributes to business continuity. In addition, during normal times we work to enhance the speed and accuracy of risk recognition and identification to the best of our ability by clarifying the roles of each department and the domain of management responsibilities. In conjunction with this, we are regularly preparing and updating manuals and are implementing training. Furthermore, each business site develops its own BCP, including specifying key operations, establishing an emergency contact system, and developing a telework system. While closely collaborating with company-wide shared corporate operations departments, we are implementing measures to accurately and speedily carry out business continuity and early restoration of operations.

*Abbreviation for Business Continuity Plans.
Gunma Plant
The Gunma Plant has installed a storm water detention tank with a capacity of some 1,000 m³ beneath the pavement of the Main Plant’s visitors’ car park, to combat flooding of the plant at times of heavy rainfall. This also helps to curb flooding of the surrounding area. Grass has been planted in the car park to reduce the total area of asphalt, thereby alleviating issues caused by heat reflection due to the heat island effect.

Utsunomiya Plant
The Utsunomiya Plant has frequently suffered damage due to flooding of the plant at times of intense heavy rain. Accordingly, storm water channels at the plant were revised and drainage work was carried out in FYE2018 to combat flooding due to intense heavy rain. In addition, storm water gutter sizes and routes were revised and new facilities were installed to facilitate discharge into the river (culvert) to the east of the plant, thereby bolstering storm water drainage capacity. As a result, the plant has suffered no flooding since FYE2019. The measures also helped to combat flooding of the surrounding area.

Supporting Restoration at Suppliers Stricken by Disaster
Subaru dispatched a total of 590 employees from the Gunma Plant to provide support for restoration work at those suppliers that experienced damage during the heavy rains in Saga Prefecture in August 2019 and due to Typhoon Hagibis which struck in October.

In addition to providing support for the restoration of flooded plants belonging to primary suppliers during the heavy rains in Saga Prefecture, we also helped with oil recovery and to clean and straighten up damaged homes as oil used in product had leaked into nearby homes and farmlands.

Many suppliers in Kita Kanto and Fukushima Prefecture were struck by Typhoon Hagibis. In particular, to help secondary suppliers in Tochigi Prefecture that suffered severe damage, we dispatched expert engineers for a 10-day period to restore the flooded plant infrastructure and facilities. We also enlisted the cooperation of other automobile manufacturers and primary suppliers to aid with the restoration.

Providing support to suppliers during times of emergency is a major pillar of Subaru’s BCP and is an essential measures for Subaru which aims to achieve coexistence and co-prosperity with its suppliers.

Going forward, Subaru aims to derive and strengthen its own unique BCP vision.
Information Security

Our Approach

The use of digital data is essential for Subaru and Subaru Group companies to conduct business activities. The use of digital data is not limited to traditional information systems but covers diverse realms, including facilities, products, and a whole range of services offered by Subaru.

Being aware of our social responsibility to handle digital data in these realms safely, we have established the Basic Cybersecurity Policy, undertaking information security protection activities group-wide.

Basic Cybersecurity Policy

[Objective]
Subaru Corporation and its group companies (hereinafter referred to as “the Subaru Group”) put in place a Basic Cybersecurity Policy to protect all our conceivable products, services, and information assets from threats arising in the course of our business activities and earn the trust of our customers and society as a whole.

[Scope]
This basic policy applies to all executives and employees of the Subaru Group, and also to the employees and other staff of Subaru’s subcontractors.

[Initiatives]
1. The Subaru Group will comply with laws, regulations, and standards, as well as security-related contractual obligations to our customers.
2. The Subaru Group will put in place and operate management systems and internal regulations concerning cybersecurity.
3. The Subaru Group will establish information security measures tailored to our information assets and strive to prevent and minimize information security incidents. Should such an incident occur, Subaru will address it swiftly and appropriately, taking steps to prevent recurrence.
4. The Subaru Group will strive to ensure information security by providing both executives and employees with education and training, as well as undertaking other efforts to raise their awareness of this issue.
5. The Subaru Group will continually review and strive to improve the aforementioned activities.

Established in June 2018

Initiatives

As an organization system and rules on safe vehicle design, testing, manufacturing and operations, we established cybersecurity management system documents that encompass three domains, In-Car (interior systems), Out-Car (exterior systems) and information systems. In conjunction with this, we brushed up areas related to conventional information systems and clarified what we should carry out as initiatives for Out-Car IT security.

In addition, as an initiative to deal with supply chain cybersecurity incidents that arise at suppliers, we aim to grasp the status of initiatives at each supplier while also boosting the level of their cybersecurity, including providing advice on specific initiatives.

Personal Information Protection Initiatives

Subaru, in conjunction with the enactment of the Act on the Protection of Personal Information, undertook various initiatives, including establishing internal systems and rules, and publicly disclosing its privacy policy.

In particular, Subaru dealerships in Japan, which handle a large volume of customer information, have worked to establish personal information protection regulations and put a system in place to comply with the Act. To ensure that all employees at these dealerships understand the importance of information management and have a correct understanding of personal information protection, Subaru is deploying educational tools, including an Information Security Handbook (January 2020).

In FYE2020, Subaru implemented the following key initiatives.

• Training for all departmental and office managers concerning the Act on the Protection of Personal Information
• Identification of management issues by taking stock of personal information held by all departments
• Confirmation of a check sheet on the status of compliance with related internal rules at all departments and the implementation of a PDCA cycle
In addition to addressing Japan’s Act on the Protection of Personal Information, the Subaru Group has built a system to conform with the EU’s General Data Protection Regulation (GDPR). Moreover, the Subaru Group, among other things, has put in place a privacy policy and regulations, is conducting training concerning them and confirming the status of compliance.

**Intellectual Property Protection Initiatives**

**Our Approach**

Subaru, after identifying its strengths and weaknesses, has put together a vision for Subaru’s intellectual property activities with aims to achieve the brand management outlined in its medium-term management vision “STEP.” The following is the three-point basic policy being carried out.

**Basic Intellectual Property Policy**

1. Function as a compass for business and R&D strategies using the IP landscape*
2. Throughout Subaru, Subaru will dedicate ourselves to creating intellectual properties that originate from the market and appropriately manage its intellectual property portfolio to protect and enhance its brand.
3. Subaru will respect the intellectual property rights of others and work thoroughly for patent clearance in product development

* In combination with market information on intellectual properties, analyzes the business environment and support strategic plans

**Management System**

**Intellectual Property Promotion System**

**Initiatives**

At Subaru, the Intellectual Property Department protects and utilizes intellectual property rights belonging to the Subaru Group and also implements internal activities that aim to avoid infringing on the intellectual property rights of others. The following are specific activities being undertaken.

1. Support the proposal of strategies using the IP landscape
2. Acquire rights for intellectual properties, including technologies, trademarks, naming and design, and adequately manage the IP portfolio
3. Conduct a comprehensive survey on the existence of intellectual property rights which may hinder business operations and take measures to prevent and resolve such issues
4. Crack down on counterfeit goods, including protection measures at borders for oversight and taxation of online sales
5. Secure intellectual properties, ownership of data and user rights in technology and business contracts

**Awareness Activities**

At Subaru, the Intellectual Property Department manages the intellectual properties of the Subaru Group as well as regularly undertaking awareness activities, as shown below, to instill standard practices.

1. Implementing rank-specific training for employees involved in development, tailored to their year of entry into the company and their position
2. Established the Patent Promotion Committee to promote the creation of inventions and patent application activities in each department, and to implement awareness activities through this committee
3. Development departments are surveying the intellectual property rights of other parties and securing patent clearance. In addition, holding charity bazaars that utilize commercialization rights to continue to donate revenues to charitable organizations
Appendix

143  Corporate Overview
152  Third-party Evaluations
153  Third-party Opinion on the Subaru CSR Report
Corporate Overview

Corporate Overview (As of March 31, 2020)

Company Name: SUBARU CORPORATION
Established: July 15, 1953
Head Office: Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo 150-8554
Paid-in Capital: 153,795 million yen
Number of Employees: 15,806 (consolidated: 35,034)
Main Businesses:
- Automotive: The manufacture, repair and sales of passenger cars and their components
- Aerospace: The manufacture, repair and sales of airplanes aerospace-related machinery and their components
Number of Affiliates: 73 consolidated subsidiaries and 10 equity-method affiliated companies
Website Addresses:
- Corporate website: https://www.subaru.co.jp/en/
- Official SUBARU website (automobiles): https://www.subaru-global.com

Stock Information (As of March 31, 2020)

- Number of Shares Authorized: 1,500,000,000 shares
- Number of Shares Issued: 769,175,873 shares
- Number of Shareholders: 152,889 shareholders
- Number of Shares per Trading Unit: 100 shares
- Stock Exchange Listing: Tokyo Stock Exchange
- Securities Code: 7270
- Transfer Agent: Mizuho Trust & Banking Co., Ltd.

Breakdown of Shareholders

- Securities companies: 31,243,000 shares (4.06%)
- Individuals and others: 105,762,000 shares (13.75%)
- Foreign institutions and others: 205,296,000 shares (26.69%)
- Financial institutions: 253,140,000 shares (32.91%)
- Treasury stock: 1,960,000 shares (0.25%)

Membership of Industry Bodies

- Keidanren (Japan Business Federation)
- Japan Automobile Manufacturers Association, Inc. (JAMA)
- The Society of Japanese Aerospace Companies (SJAC)
- Japan Aircraft Development Corporation (JADC)

Subaru strives to enhance collaboration with external institutions in order to fulfill its social responsibilities. Among them are Keidanren, JAMA, SJAC, JADC and other industry bodies and administrative bodies, as well as local communities in which our business sites are located.

Major Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares Held (in thousands)</th>
<th>Percentage of Total Shares Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
<td>153,600</td>
<td>20.02</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>68,332</td>
<td>8.91</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>42,679</td>
<td>5.56</td>
</tr>
<tr>
<td>BNYM TREATY DTT 15</td>
<td>18,729</td>
<td>2.44</td>
</tr>
<tr>
<td>GIC PRIVATE LIMITED C</td>
<td>13,917</td>
<td>1.81</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 9)</td>
<td>12,924</td>
<td>1.68</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 5)</td>
<td>12,646</td>
<td>1.65</td>
</tr>
<tr>
<td>JP MORGAN CHASE BANK 385151</td>
<td>10,721</td>
<td>1.40</td>
</tr>
<tr>
<td>MIZUHO SECURITIES ASIA LIMITED-CLIENT A/C</td>
<td>10,112</td>
<td>1.32</td>
</tr>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>10,078</td>
<td>1.31</td>
</tr>
</tbody>
</table>

* Number of shares held are rounded down to the nearest thousand shares.
* The percentage of total shares held is calculated based on the number of shares excluding treasury stock of 1,960,368 shares.
Business Segments and Scope of Consolidation

The SUBARU Group ("the Group") consists of three business segments: the core Automotive Business Unit, which accounts for approximately 95% of consolidated net sales; the Aerospace Company; and Other Businesses consisting of businesses that do not belong to either of the other two segments. In the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020; the "fiscal year under review"), SUBARU CORPORATION ("the Company"), 73 subsidiaries, and 10 equity-method affiliated companies were included in the scope of consolidation.
Global Network

Main Overseas Business Sites

1. Subaru Europe N.V./S.A.
2. Subaru Italia S.p.A.
3. N.V. Subaru Benelux
4. Subaru Vehicle Distribution B.V.
5. Subaru of China Ltd.
7. Subaru of America, Inc.
10. Subaru of Indiana Automotive, Inc.
  - Production Models: Legacy, Outback, Impreza, and Ascent
11. Subaru Canada, Inc.

Domestic Business Sites

Main Domestic Business Sites

Gunma Plant
- Plant
- Production Models
  - Main Plant
    - Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ
  - Yajima Plant
    - Legacy, Outback, Impreza, SUBARU XV, and Forester
  - Ozumi Plant
    - Automobile engines and transmissions
  - Aerospace Company
    - Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ

Aerospace Company
- Aerospace Company
- Utsunomiya Plant
- Handa Plant
- Handa West Plant
- Tokyo Office
- Head Office
# Domestic Facilities

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Land Area (Thousand m²)</th>
<th>Building Area (Thousand m²)</th>
<th>Number of Employees (Persons)</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Head Office</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Office (Ebisu)</td>
<td>Tokyo</td>
<td>4</td>
<td>14</td>
<td>681</td>
<td>—</td>
</tr>
<tr>
<td>SUBARU Training Facility (SUBARU Academy)</td>
<td>Tokyo</td>
<td>10</td>
<td>13</td>
<td>42</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parts Distribution Center, Pre Delivery Inspection Center, parking lots, Vicinity of Oizumi Plant, etc.</td>
<td>Gunma</td>
<td>573 [12]</td>
<td>247</td>
<td>171</td>
<td>—</td>
</tr>
<tr>
<td><strong>Tokyo Office</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tokyo Office</td>
<td>Tokyo</td>
<td>108</td>
<td>79</td>
<td>1,658</td>
<td>—</td>
</tr>
<tr>
<td><strong>Gunma Plant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gunma Main Plant</td>
<td>Gunma</td>
<td>585 [14]</td>
<td>330</td>
<td>4,735</td>
<td>Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ</td>
</tr>
<tr>
<td>Gunma Yajima Plant</td>
<td>Gunma</td>
<td>550</td>
<td>319</td>
<td>3,271</td>
<td>Legacy, Outback, Impreza, SUBARU XV, and Forester</td>
</tr>
<tr>
<td>Gunma Ozumi Plant</td>
<td>Gunma</td>
<td>304</td>
<td>238</td>
<td>2,872</td>
<td>Automobile engines and transmissions</td>
</tr>
<tr>
<td>Gunma Ota North Plant</td>
<td>Gunma</td>
<td>44</td>
<td>25</td>
<td>0</td>
<td>—</td>
</tr>
<tr>
<td>SUBARU R&amp;E Center (Sano)</td>
<td>Tochigi</td>
<td>1,081</td>
<td>25</td>
<td>162</td>
<td>—</td>
</tr>
<tr>
<td>SUBARU R&amp;E Center (Bifuka)</td>
<td>Hokkaido</td>
<td>3,614</td>
<td>0</td>
<td>0</td>
<td>—</td>
</tr>
<tr>
<td><strong>Aerospace Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utsunomiya Plant</td>
<td>Tochigi</td>
<td>572</td>
<td>228</td>
<td>1,847</td>
<td>Aircraft</td>
</tr>
<tr>
<td>Handa Plant</td>
<td>Aichi</td>
<td>59</td>
<td>31</td>
<td>293</td>
<td>Aircraft</td>
</tr>
<tr>
<td>Handa West Plant</td>
<td>Aichi</td>
<td>51</td>
<td>13</td>
<td>44</td>
<td>Aircraft</td>
</tr>
<tr>
<td><strong>Subtotal (1)</strong></td>
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<td></td>
<td></td>
<td>7,605</td>
<td>1,062</td>
<td>15,806</td>
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</tr>
<tr>
<td><strong>Other</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>The site of airport</td>
<td>Gunma</td>
<td>622</td>
<td>0</td>
<td></td>
<td></td>
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<tr>
<td>Utsunomiya airstrip</td>
<td>Tochigi</td>
<td>105</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare facilities</td>
<td></td>
<td>—</td>
<td>215</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>Lease to affiliates</td>
<td>Aichi</td>
<td>37</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iseaki business office</td>
<td>Gunma</td>
<td>157</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eco Utsunomiya Factory</td>
<td>Tochigi</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saitama Plant</td>
<td>Saitama</td>
<td>143</td>
<td>72</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal (2)</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,285</td>
<td>237</td>
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</tr>
<tr>
<td><strong>Total (1)+(2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,890</td>
<td>1,799</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. [ ]: area of tenancy
2. Welfare facilities include 37 sites of dormitories and company houses.
3. Number of employees excludes executive officers, advisors, and dispatches.
<table>
<thead>
<tr>
<th>Name</th>
<th>Established</th>
<th>Location</th>
<th>Representative</th>
<th>Capital (Millions of yen)</th>
<th>Equity Interest (%)</th>
<th>Number of Employees (Persons)</th>
<th>FYE March 2020 Net Sales (Millions of yen)</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuji Machinery Co., Ltd.</td>
<td>1950. 7. 18</td>
<td>Gunma</td>
<td>Tamaki Kamogawa</td>
<td>480</td>
<td>100.0</td>
<td>95</td>
<td>44,077</td>
<td>Manufacture and sales of automobile parts, industrial product parts and agricultural transmissions</td>
</tr>
<tr>
<td>Ichitan Co., Ltd.</td>
<td>1951. 2. 2</td>
<td>Gunma</td>
<td>Satoshi Maeda</td>
<td>480</td>
<td>100.0</td>
<td>231</td>
<td>20,060</td>
<td>Manufacture and sales of forging parts of automobile and industrial machinery</td>
</tr>
<tr>
<td>KIRYU INDUSTRY Co., Ltd.</td>
<td>1960. 12. 23</td>
<td>Gunma</td>
<td>Toshiaki Tamegai</td>
<td>400</td>
<td>100.0</td>
<td>309</td>
<td>11,705</td>
<td>Manufacture of specially-equipped SUBARU automobiles, engines, sheet metal repair parts and remanufacture of transmissions</td>
</tr>
<tr>
<td>Subaru Tecnica International Inc.</td>
<td>1988. 4. 2</td>
<td>Tokyo</td>
<td>Yasuo Hirazaka</td>
<td>250</td>
<td>100.0</td>
<td>171</td>
<td>4,828</td>
<td>Management of motor sports activities, sales of motor sports parts and merchandise, technical development, R&amp;D support, and automobile maintenance</td>
</tr>
<tr>
<td>Subaru Used cars Sales &amp; Marketing Co., Ltd.</td>
<td>1988. 4. 2</td>
<td>Kanagawa</td>
<td>Masahiro Maeda</td>
<td>100</td>
<td>100.0</td>
<td>20</td>
<td>2,659</td>
<td>Tack-related operation of used cars, head office of SUAA Kanto, sales of supplies</td>
</tr>
<tr>
<td>Subaru Auto Accessories Ltd.</td>
<td>1987. 3. 9</td>
<td>Saitama</td>
<td>Toshio Masuda</td>
<td>70</td>
<td>100.0</td>
<td>74</td>
<td>14,011</td>
<td>Sales, research &amp; development, licensing of technology and import-export business of automobile accessories, parts and service materials</td>
</tr>
<tr>
<td>Subaru Logistics Co., Ltd.</td>
<td>1985. 3. 27</td>
<td>Gunma</td>
<td>Masaki Okawara</td>
<td>96</td>
<td>100.0</td>
<td>360</td>
<td>23,515</td>
<td>Shipping, land freight, warehousing, maintenance and insurance for automobiles and their components</td>
</tr>
<tr>
<td>H. B. C. Co., Ltd.</td>
<td>1983. 8. 29</td>
<td>Kanagawa</td>
<td>Junichi Tsukamoto</td>
<td>490</td>
<td>68.0</td>
<td>8</td>
<td>817</td>
<td>Storing and shipping of automobiles for international sales</td>
</tr>
<tr>
<td>Subaru Finance Co., Ltd.</td>
<td>1988. 7. 1</td>
<td>Tokyo</td>
<td>Mitsuru Takehashi</td>
<td>2,000</td>
<td>100.0</td>
<td>222</td>
<td>24,856</td>
<td>Leasing and rental of SUBARU automobiles, credit, financing and sales of auto insurance</td>
</tr>
<tr>
<td>SUBARU TECHNO CORPORATION</td>
<td>1985. 3. 2</td>
<td>Tokyo</td>
<td>Hiromi Tamou</td>
<td>70</td>
<td>100.0</td>
<td>970</td>
<td>9,164</td>
<td>Design, plan, research, experiment, examination and compile technical material of automobile, aircraft, general-purpose engine and environmental tool</td>
</tr>
<tr>
<td>Subaru Intelligent Service Ltd.</td>
<td>2005. 3. 1</td>
<td>Tokyo</td>
<td>Yoshinori Saito</td>
<td>40</td>
<td>75.0</td>
<td>58</td>
<td>2,555</td>
<td>Development of technical service documents including service manuals and owner's manuals</td>
</tr>
<tr>
<td>Yusuki Kogyo K. K.</td>
<td>1953. 7. 15</td>
<td>Aichi</td>
<td>Eiji Tanikawa</td>
<td>100</td>
<td>100.0</td>
<td>135</td>
<td>2,142</td>
<td>Manufacture and sales of aircraft parts</td>
</tr>
<tr>
<td>Fuji Aircraft Maintenance Co., Ltd.</td>
<td>1988. 10. 31</td>
<td>Tokyo</td>
<td>Takayuki Kobayashi</td>
<td>30</td>
<td>100.0</td>
<td>190</td>
<td>1,450</td>
<td>Inspection, service and maintenance of aircraft and onboard equipment</td>
</tr>
<tr>
<td>Fuji Aerospace Corporation</td>
<td>1991. 6. 14</td>
<td>Tochigi</td>
<td>Yashiro Hanaoka</td>
<td>30</td>
<td>100.0</td>
<td>175</td>
<td>1,645</td>
<td>Processing and assembly of aircraft parts</td>
</tr>
<tr>
<td>Fuji Aerospace Technology Co., Ltd.</td>
<td>1994. 4. 1</td>
<td>Tochigi</td>
<td>Yoshio Saito</td>
<td>20</td>
<td>100.0</td>
<td>94</td>
<td>2,732</td>
<td>Contract design, drafting, translation, calculation, analytical testing and software development for aircraft</td>
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<tr>
<td>Subaru Kovin Co., Ltd.</td>
<td>1977. 2. 2</td>
<td>Tokyo</td>
<td>Masami Iida</td>
<td>675</td>
<td>100.0</td>
<td>85</td>
<td>7,058</td>
<td>Deal/rental of real estate, administrative operation of rental hall and conference room, administrative operation/rental of parking ground, travel agency</td>
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<tr>
<td>SUBARU IT CREATIONS CORPORATION</td>
<td>1993. 4. 1</td>
<td>Saitama</td>
<td>Nozomu Oyama</td>
<td>100</td>
<td>100.0</td>
<td>294</td>
<td>21,983</td>
<td>Development, maintenance and operation of information systems and related consulting services; sales and leasing of information equipment</td>
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<tr>
<td>Subaru Living Service Co., Ltd.</td>
<td>1988. 4. 2</td>
<td>Tokyo</td>
<td>Katsuo Saito</td>
<td>20</td>
<td>100.0</td>
<td>307</td>
<td>19,033</td>
<td>Sales of office supplies and daily commodities, real estate services, and personal import services</td>
</tr>
</tbody>
</table>

* Shareholdings on a consolidated basis
## Main Subsidiaries (Overseas)

<table>
<thead>
<tr>
<th>Region</th>
<th>Name</th>
<th>Established</th>
<th>Address</th>
<th>Representative</th>
<th>Equity Interest* (%)</th>
<th>Number of Employees (Persons)</th>
<th>Operations</th>
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</thead>
<tbody>
<tr>
<td>North America</td>
<td><strong>Subaru of America, Inc.</strong></td>
<td>1968.2</td>
<td>One Subaru Drive, Camden, NJ 08103, U.S.A.</td>
<td>Thomas J. Doll</td>
<td>100</td>
<td>1,286</td>
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<tr>
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<td>Subaru of Indiana Automotive, Inc.</td>
<td>1987.3</td>
<td>5500 State Road 38 East, Lafayette, IN 47905, U.S.A.</td>
<td>Fumiaki Hayata</td>
<td>100</td>
<td>6,322</td>
<td>Manufacture of SUBARU vehicles, purchasing of parts, sales for</td>
</tr>
<tr>
<td></td>
<td>North American Subaru, Inc.</td>
<td>1985.9</td>
<td>C/O Subaru of America, Inc. One Subaru Drive, Camden, NJ 08103, U.S.A.</td>
<td>Makoto Ikemura</td>
<td>100</td>
<td>84</td>
<td>Subaru of America, Inc., etc.</td>
</tr>
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<td></td>
<td>Subaru Research &amp; Development, Inc.</td>
<td>1986.6</td>
<td>52255 Michigan Avenue, Van Buren Township, MI 48111, U.S.A.</td>
<td>Tetsuo Fujinuki</td>
<td>100</td>
<td>76</td>
<td>Technical research on SUBARU vehicles in North American market, government</td>
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<td></td>
<td>Subaru Canada, Inc.</td>
<td>1989.1</td>
<td>560 Suffolk Court Mississauga, Ontario, L5R A7J, Canada</td>
<td>Yasushi Enami</td>
<td>100</td>
<td>169</td>
<td>Sales of SUBARU vehicles and supplies</td>
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<td>Europe</td>
<td>Subaru Europe N.V./S.A.</td>
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<td>Leuvensteenweg 555 B/8, 1930 Zaventem, Belgium</td>
<td>Takeshi Kubota</td>
<td>100</td>
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<td>Sales of SUBARU vehicles and supplies</td>
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<td>Subaru Italia S.p.A.</td>
<td>1985.7</td>
<td>Via Montefeltro, 6/A, 20156 Milano, Italy</td>
<td>Kunichiko Koshimizu</td>
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<tr>
<td></td>
<td>N.V. Subaru Benelux</td>
<td>1974.3</td>
<td>Leuvensteenweg 555 B/1, 1930 Zaventem, Belgium</td>
<td>Shunsuke Sawada</td>
<td>100</td>
<td>35</td>
<td>Sales of SUBARU vehicles and supplies</td>
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<td>Subaru Vehicle Distribution B.V.</td>
<td>2001.5</td>
<td>Merseyweg 40, 3197 KG Botlek, Netherlands</td>
<td>Shunsuke Sawada</td>
<td>50</td>
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<td>Contract of discharging and transporting inland for dealers in</td>
</tr>
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<td>Asia</td>
<td>Subaru of China Ltd.</td>
<td>2006.3</td>
<td>Room 405, Building D2, Liangmaiqiao Diplomatic Office Building, No.19 Dongfangdonglu, Chaoyang District, Beijing 100602, China</td>
<td>Hiroaki Takahashi</td>
<td>60</td>
<td>181</td>
<td>Middle Europe, PDI operation</td>
</tr>
<tr>
<td></td>
<td>Subaru Technology Beijing, Co., Ltd.</td>
<td>2013.6</td>
<td>Room 401A, Building D2, Liangmaiqiao Diplomatic Office Building, No.19 Dongfangdonglu, Chaoyang District, Beijing 100602, China</td>
<td>Hideto Imamura</td>
<td>100</td>
<td>42</td>
<td>Authentication, research and development of SUBARU vehicles in the</td>
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</table>

* Shareholdings on a consolidated basis
### Sales Agents (Domestic)

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<th>Area</th>
<th>Group</th>
<th>Head</th>
<th>Agent</th>
<th>Consolidated subsidiary</th>
<th>Location</th>
<th>President</th>
<th>New Car Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hokkaido Tohoku area (9)</td>
<td></td>
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<td>Kushiro Subaru Inc.</td>
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<td>Kobe Hiroshi Uehara</td>
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<td>Obihiro Subaru Inc.</td>
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<td>Hokkaido Subaru Inc.</td>
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<tr>
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<td>Tohoku region</td>
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<td>Miyagi Subaru Inc.</td>
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<td>Aomori Nobuhiko Mori</td>
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<tr>
<td></td>
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<td>Ishikawa Subaru Inc.</td>
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<td></td>
<td>Ishikawa Yasuo Watanabe</td>
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<td></td>
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<td></td>
<td>Aomori Takaharu Mitsui</td>
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</tr>
<tr>
<td></td>
<td>Hokushinetsu area (12)</td>
<td></td>
<td>Yamagata Subaru Inc.</td>
<td></td>
<td></td>
<td>Yamagata Shinsuke Ito</td>
<td>5</td>
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<tr>
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<td>Fukushima Subaru Inc.</td>
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<td>Hikuriku Subaru Inc.</td>
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<td>Ishikawa Osamu Ueno</td>
<td>12</td>
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<td>Nishin Shizuoka Inc.</td>
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<td>Ibaraki Subaru Inc.</td>
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<td>Kanagawa Subaru Inc.</td>
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<td>Kanagawa Tsukasa Suzuki</td>
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<td>Chiba Subaru Inc.</td>
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<td>Chiba Tsuguo Nakamura</td>
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<td>Tokyo Subaru Inc.</td>
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<td>Tokyo Hiroki Kurita</td>
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<td>Yamanashi Subaru Inc.</td>
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<td>Yamanashi Hirokichi Kunadai</td>
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<tr>
<td>Kanto Chugoku/ Shikoku Kyushu area (12)</td>
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<td>Nagoya Subaru Inc.</td>
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<td>Fukushima Minami Subaru Inc.</td>
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<td>Hyogo Subaru Inc.</td>
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<td>Hyogo Masamichi Kudo</td>
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<td>Sanin Subaru Inc.</td>
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<td>Fukushima Subaru Inc.</td>
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<td>Nishi Kyushu Subaru Inc.</td>
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<td>Kumamoto Subaru Inc.</td>
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<tr>
<td>Area</td>
<td>Group</td>
<td>Head</td>
<td>Agent</td>
<td>Consolidated subsidiary</td>
<td>Location</td>
<td>President</td>
<td>New Car Base</td>
</tr>
<tr>
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<td>Hokkaido Tohoku area (9)</td>
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<td>Kanto Chugoku/ Shikoku Kyushu area (12)</td>
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(As of April 1, 2020)
### Distributors (Overseas)

*(As of April 1 2020)*

(Number of dealers: as of December 31, 2019)

<table>
<thead>
<tr>
<th>Region</th>
<th>Market</th>
<th>Company</th>
<th>Location</th>
<th>Number of dealers</th>
<th>SUBARU Ownership</th>
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<td>North America</td>
<td>U.S.</td>
<td>Subaru of America, Inc.</td>
<td>Camden, NJ, U.S.A.</td>
<td>633</td>
<td>100%</td>
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<tr>
<td></td>
<td>Canada</td>
<td>Subaru Canada, Inc.</td>
<td>Mississauga, Ontario, Canada</td>
<td>94</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
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<td>727</td>
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<tr>
<td>Europe</td>
<td>Germany</td>
<td>SUBARU/DEUTSCHLAND GMBH</td>
<td>Friedberg, Germany</td>
<td>150</td>
<td>29%</td>
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<tr>
<td></td>
<td>Switzerland</td>
<td>SUBARU SCHWEIZ AG</td>
<td>Safenwil, Switzerland</td>
<td>137</td>
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<td></td>
<td>Sweden</td>
<td>Subaru Nordic AB</td>
<td>Arlöv, Sweden</td>
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<td>Total</td>
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<tr>
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<td>Israel</td>
<td>Japanauto-Israel Auto Corporation Ltd.</td>
<td>Petah Tikva, Israel</td>
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<td>SUBARU MOTOR (RUSSIA) LLC</td>
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<td>Oceania</td>
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<td>Sydney, Australia</td>
<td>123</td>
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<td>New Zealand</td>
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<td>Auckland, New Zealand</td>
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<td>0%</td>
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<td>Asia</td>
<td>Taiwan</td>
<td>Subaru of Taiwan Co., Ltd.</td>
<td>Taoyuan City, Taiwan</td>
<td>22</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>TC Subaru (Thailand) Co., Ltd.</td>
<td>Bangkok, Thailand</td>
<td>33</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>TC Subaru Sdn Bhd</td>
<td>Selangor, Malaysia</td>
<td>31</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td>160</td>
<td>60%</td>
</tr>
</tbody>
</table>

* SUBARU ownership on a consolidated basis
Product Lineup

Legacy series

**LEGACY**
Consolidated unit sales: 238,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

**OUTBACK**
Consolidated unit sales: 314,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

Impreza series

**IMPREZA**
Consolidated unit sales: 312,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

**SUBARU XV**
(known as CROSSTRAX in North America)
Consolidated unit sales: 312,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

**FORESTER**
Consolidated unit sales: 34,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

**WRX**
Consolidated unit sales: 34,000
Sales area: Japan, North America, Russia, Europe, Australia, and other regions

**LEVORG**
Consolidated unit sales: 15,000
Sales area: Japan, Europe, Australia, and other regions

**ASPECT**
(Sold only in North America)
Consolidated unit sales: 89,000
Sales area: North America

**SUBARU BRZ**
Consolidated unit sales: 5,000
Sales area: Japan, North America, Europe, Australia, China, and other regions

**SAMBAR**
Consolidated unit sales: 27,000
Sales area: Japan (supplied by DAIHATSU MOTOR CO., LTD. under an OEM agreement)

**SAMBAR TRUCK**
*For the period from April 1, 2019 to March 31, 2020.
*Finished vehicle sales of Subaru and its consolidated subsidiaries
Third-party Evaluations

Concluding Positive Impact Finance Loan Agreement

Subaru is committed to solving social challenges through its strong business activities, aiming to build a sustainable society while pursuing the sustainable growth of the Subaru Group. In FYE2021, as part of the related efforts, the company concluded a Positive Impact Finance loan agreement (with unspecified use of funds) with Sumitomo Mitsui Trust Bank, Limited, making us the world’s first automobile manufacturer to sign such an agreement\(^1\). This move has been inspired by the Principles for Positive Impact Finance\(^2\) established by the United Nations Environmental Programme Finance Initiative (UNEP FI)\(^3\). The Principles provide a framework and guidelines for comprehensive analysis and evaluation of the environmental, social and economic impacts (positive and negative) of corporate activities for the purpose of encouraging companies to generate positive impacts on an ongoing basis. The key aspect of the framework is that companies prepare KPIs for contributions to achieving the SDGs and disclose processes to achieve KPI goals as well as results. Under the recent agreement, Subaru will continue with its efforts to help achieve the SDGs and create a sustainable society.

\(^1\) Based on research by Sumitomo Mitsui Trust Bank, Limited (as of the end of February 2020)

\(^2\) The Principles for Positive Impact Finance were established by UNEP FI in January 2017 to provide a financial system framework with a view to achieving the United Nations Sustainable Development Goals (SDGs). The framework requires companies to disclose key performance indicators (KPIs) for contributions to achieving the SDGs, and banks to assess the KPIs and provide finance based on assessed positive impacts, thus looking to encourage financed companies to increase positive impacts and decrease negative impacts from their activities. Financing banks, as responsible financial institutions, are required to practice KPI monitoring properly to ensure effective continuance of positive impacts.

\(^3\) The United Nations Environment Programme (UNEP) was established in 1972 as a subsidiary body to the United Nations system to implement the Human Environment Declaration and International Environmental Action Programme initiatives. The United Nations Environmental Programme Finance Initiative (UNEP FI) represents a broad and close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, the initiative has been working in concert with financial institutions and policy/regulatory authorities to transform the financial system so as to allow for effective integration of economic development and ESG considerations.
Third-party Opinion on the Subaru CSR Report

Mr. Keisuke Takegahara
Executive Officer, Deputy Chief Research Officer, Chief Manager, Sustainability Management Office, Corporate Planning & Coordination Department, Development Bank of Japan Inc. (DBJ)

(Profile)
Graduated from Hitotsubashi University Faculty of Law in 1989 and joined the Development Bank of Japan in the same year. After appointments as Chief Representative for the Frankfurt Office and Manager of the Environmental and CSR Division, he was appointed to his current position in 2017.

He has been working for many years in the field of environmental finance planning, including the creation of DBJ’s environmental rating-based financing program. At present, he supervises the bank’s industrial research activities. He holds many public posts, including a temporary member of the Ministry of the Environment’s “Central Environmental Council” and a member of the Ministry of Economy, Trade and Industry’s “TCFD Consortium Planning Committee.” He also writes third party opinions for CSR reports and gives lectures on ESG and SDGs.


The 2020 CSR Report describes Subaru’s CSR activities in the second year of the mid-term management vision, STEP. As a reviewer of the Report, I am impressed by the steady progress made overall from the 2019 Report. The 2020 report includes a number of notable changes or improvements from the previous year with respect to the description method and reported content. I will discuss the description method first. The 2020 Report consists of two major parts—an introductory overview of the group’s basic CSR concept, and detailed descriptions that follow on activities promoted in individual areas. The first part features a Message from the President, which emphasizes the commitment toward solving social challenges through business activities in pursuit of sustainable development of the group and society simultaneously. His statement clarifies Subaru’s proactive objective of promoting CSR initiatives as part of the company’s business strategies, a stance also articulated in the previous report. What is remarkably new this year comes from a format created to illustrate relationships between the Subaru Group’s six priority areas for CSR and the SDGs, delivering an easy-to-understand presentation of Subaru’s structural concept of materiality. For example, to discuss “peace of mind,” one of the six priority areas for CSR, a number of sub-concepts, such as “improvement of safety features,” “assurance and improvement of quality” and a “safe workplace environment,” are introduced to offer a structural framework, where relevant topics are effectively bought in to report specific improvement efforts for the sophistication of the advanced driver assist system (ADAS), the first revision of the quality policy in 25 years, among others. These descriptions are further enhanced by embracing the connection with the SDGs and setting KPI targets to achieve “zero fatal traffic accidents in 2030” as a desired vision. Complete with various safety technologies to support efforts toward attaining the vision, the resultant story has strong readership appeal.

I have also recognized a significant improvement in the second part that reports from individual areas. The entire section is organized into three major divisions—the environment, social, and governance (ESG)—with a number of selected topics laid out for each. In discussing each issue, a standardized structure has been adopted to introduce the approach, structure, plan, and initiative in a systematic manner. This has helped to efficiently organize an enormous volume of information, eliminating overlapping descriptions—an issue identified in the 2019 Report—resulting in increased readability. Other noteworthy measures include an enhanced Appendix, which is a key section of the integrated report format.

On top of the description method, reported content also shows progress of particular note in a number of ways. One is related to long and medium-term environmental visions developed in line with the “1.5°C global warming” scenario. To present these visions, the 2020 Report introduced specific long-term goals to achieve by FYE2051, such as carbon-neutral business activities and an average 90-plus percent reduction in CO2 emissions from new cars (on the road) on a well-to wheel basis from the 2010 level, as well as the related milestone goals for 2030 specifically associated with electrification rate and other indicators. I acknowledge this as Subaru’s sincere response to suggestions and advice from many stakeholders as well as my review from the previous year. I also take note of the company’s determination stated in the report to strive to achieve these challenging goals while maintaining its characteristic spirit inherited by the company as a long-established auto manufacturer. Subaru should see these challenges as an opportunity to showcase the group’s technological prowess, and to this end, the company will develop specific strategies to be incorporated into its environmental action plan in a manner unique to Subaru. I view this “SUBARU-ness” as an implicit but genuine theme in the 2020 Report.

The same uniqueness can be felt with another progress highlight registered in the Report, which is related to the newly established Human Rights Policy, formulated into a special Appendix. Subaru inevitably needs to face human rights issues when globalizing its CSR activities, expanding from non-consolidated domestic operations to include the group’s global operations. The Policy presents universal value based on the United Nations Guiding Principles on Business and Human
Rights, while at the same time offering SUBAURU-ness as a manufacturer that consistently places great value on personnel. The above-described strong uniqueness is demonstrated in other aspects of the company’s activities. One major example concerns its vigorous pursuit of employee engagement based on the firm recognition of employees as an important stakeholder group. The company is putting forth distinctively earnest efforts to engage the minds in its diverse workforce, comprised of different nationalities undertaking various jobs, as I became aware of while talking with related persons at Subaru in preparation for this review. I suggest this can provide attractive, even if hard-to-handle, corporate communication content materials.

The 2020 Report as a whole has shown substantial progress in light of its content and organization to produce an effective corporate communication tool, and reflects the recent development of Subaru’s CSR activities in multiple ways. Based on this recognition, I would like to offer some advice for further development in this direction toward the 2021 Report. First, the process of organizing CSR systems and structures should be continued to deliver a higher-level product, incorporating the recently revised Subaru Global Sustainability Policy, which provides a clearer direction for the company’s CSR initiatives. The revised policy needs to be properly positioned within the existing framework in order to develop a new system that can accommodate a consistent, convincing grand story. Second, the KPIs set for the six priority areas for CSR in association with the SDRs should be reviewed for appropriateness for the purpose of publicizing the company’s strengths. For example, is it duly appropriate to continue customer satisfaction surveys for the purpose of KPI monitoring for the “people-oriented car culture”? Third and lastly, in order to develop corporate communication content to showcase strong employee engagement, the reporter should enhance the descriptions of its human capital development and personnel strategies. I look forward to additional progress being made in the 2021 Report, particularly on showcasing SUBAURU-ness.

Response to the Third-Party Opinion

Thank you for your opinion concerning our 2020 CSR Report.

We made this report to provide readers with useful information in a more intelligible and accessible manner. To this end, we clearly stated the Subaru Group’s future-oriented approaches and strategies for CSR at the beginning of the report, and then introduced the Group’s progress with the specific CSR measures, along with the approaches and management systems adopted for the implementation of the measures.

In FYE2020, we enhanced the basis from which to proactively implement measures for “Peace of Mind” and “Environment” among our Six Priority Areas for CSR. In particular, for “Peace of Mind,” we took one more step forward to establish the Subaru Global Sustainability Policy and the Human Rights Policy in April 2020. The Subaru Global Sustainability Policy takes account of the changes to our social environment and relationships with stakeholders and is intended to be shared by all Group employees across the globe. In the Human Rights Policy, we clearly state that we will respect the human rights of all people connected to Subaru. Moreover, with regard to the Human Rights Policy, we have announced a scenario by which we hope to “zero fatal traffic accidents in 2030” as well as our medium- to long-term goals to reduce our CO2 emissions and contribute to carbon neutrality in society. When formulating our plans and policies, including the aforementioned ones, and implementing measures in line with them, we always attribute importance to SUBAURU-ness. By holding on to Subaru’s corporate DNA, which means we put people first and engage in people-oriented manufacturing, we will work to achieve the predefined goals, while delivering “Enjoyment and Peace of Mind” to all our stakeholders.

It is quite encouraging for the Subaru Group to see that you have rated highly the revised structure of the CSR Report and the advancement of the Group’s CSR measures as steady progress made by the Group, and I also feel very pleased that the CSR report has communicated some of SUBAURU-ness to you.

You have, however, also pointed out some issues, including the need for us to reorganize our CSR system, examine the appropriateness of our KPIs, and further enhance our human resource strategy.

In line with the Subaru Global Sustainability Policy, we will manage the measures taken for the Six Priority Areas for CSR on a global scale across the Group so that we can change Subaru “from a company making things, to a company making people smile” as our vision for 2025. I believe that by doing so, we will eventually be able to contribute to the attainment of the SDGs.

We deliver our products in consideration of a range of market values. We also respect the diverse values of all Subaru Group employees and incorporate these values into our business operations, thereby fostering the diversity of the entire Subaru Group. For the creation of a range of market values, we need to respect the diverse values of all people, including our employees. We view our employees as important assets, and we will protect their health and safety and provide each of them with an environment where they can demonstrate their abilities to the fullest, which will in turn help us improve our corporate value on a continual basis.

The automobile industry is currently undergoing a series of once-in-a-century changes, while people are also required to adapt to a “new normal” in today’s society. Accordingly, Subaru also needs to change. Based on this recognition, we will appropriately identify social problems and what our stakeholders expect of us, implement strategies and initiatives based on the findings, and foster our CSR measures while continuing to demonstrate SUBAURU-ness.

Thank you for your opinion concerning our 2020 CSR Report.

Tomomi Nakamura
Representative Director of the Board, President and CEO
Subaru Corporation
GRI Content Index
# GRI Content Index

In reference to the reporting requirements set forth by the GRI Sustainability Reporting Standards, the content index indicates where you can find the relevant information in the CSR Report 2020, annual securities report, Corporate Governance Report, and others.

* Not applicable (NA): Item that is irrelevant or has no cases in which we are involved on a material level.
* -: Item we do not disclose.

## Universal Standards

<table>
<thead>
<tr>
<th>Item number</th>
<th>Disclosure</th>
<th>Reporting requirements</th>
<th>Corresponding sections</th>
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<tr>
<td>GRI 102: General Disclosures 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Organizational profile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>a. Name of the organization.</td>
<td>→ Corporate Overview</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.</td>
<td>→ Product lineup</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>a. Location of the organization's headquarters.</td>
<td>→ Corporate Overview</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.</td>
<td>→ Global Network</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>a. Nature of ownership and legal form.</td>
<td>→ Corporate Overview</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.</td>
<td>→ Global Network</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.</td>
<td>→ Employee Data → Corporate Overview → Financial Highlights</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td></td>
<td>→ Employee Data</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.</td>
<td>→ Employee Data</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</td>
<td>→ Employee Data</td>
</tr>
<tr>
<td>Item number</td>
<td>Disclosure</td>
<td>Reporting requirements</td>
<td>Corresponding sections</td>
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<td>----------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 102-11      | Precautionary Principle or approach                                       | a. Whether and how the organization applies the Precautionary Principle or approach.   | → Acquisition of External Certification for Environmental Management Systems  
→ Occupational Health and Safety  
→ Green Procurement Guidelines  
→ Information security  
→ Intellectual property protection initiatives |
| 102-12      | External initiatives                                                      | a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses. | → Corporate Philosophy |
| 102-13      | Membership of associations                                                | a. A list of the main memberships of industry or other associations, and national or international advocacy organizations. | → Compliance Hotline |

2. Strategy

| 102-14      | Statement from senior decision-maker                                     | a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability. | → Subaru Group's Six Priority Areas for CSR |
| 102-15      | Key impacts, risks, and opportunities                                     | a. A description of key impacts, risks, and opportunities.                              |                                               |

3. Ethics and integrity

| 102-16      | Values, principles, standards, and norms of behavior                      | a. A description of the organization's values, principles, standards, and norms of behavior. | → Corporate Philosophy |
| 102-17      | Mechanisms for advice and concerns about ethics                           | a. A description of internal and external mechanisms for:  
   i. seeking advice about ethical and lawful behavior, and organizational integrity;  
   ii. reporting concerns about unethical or unlawful behavior, and organizational integrity. | → Compliance Hotline |

4. Governance

| 102-18      | Governance structure                                                      | a. Governance structure of the organization, including committees of the highest governance body,  
b. Committees responsible for decision-making on economic, environmental, and social topics. | → Corporate Governance-Management System  
→ Directors, Auditors, and Executive Officers  
→ Environmental Risk Management System |
| 102-19      | Delegating authority                                                      | a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees. | → Environmental Management |
| 102-20      | Executive-level responsibility for economic, environmental, and social topics | a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.  
b. Whether post holders report directly to the highest governance body. |                                               |
| 102-21      | Consulting stakeholders on economic, environmental, and social topics     | a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.  
b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body. |                                               |
| 102-22      | Composition of the highest governance body and its committees             | a. Composition of the highest governance body and its committees by:  
i. executive or non-executive;  
ii. independence;  
iii. tenure on the governance body;  
iv. number of each individual's other significant positions and commitments, and the nature of the commitments;  
v. gender;  
vi. membership of under-represented social groups;  
vii. competencies relating to economic, environmental, and social topics;  
viii. stakeholder representation. | → Corporate Governance-Management System |
| 102-23      | Chair of the highest governance body                                     | a. Whether the chair of the highest governance body is also an executive officer in the organization.  
b. If the chair is also an executive officer, describe his or her function within the organization’s management and the reasons for this arrangement. | → Corporate Governance-Management System |

Corporate Governance Report P.5  
II Status of corporate governance system including organization of management pertaining to management decision-making, business execution, and oversight (Japanese version only)
<table>
<thead>
<tr>
<th>Item number</th>
<th>Disclosure</th>
<th>Reporting requirements</th>
<th>Corresponding sections</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered.</td>
<td>Annual Securities Report and Internal Controls Report for the 89th Period P.54 [Compensation for Directors]  (Japanese version only)</td>
</tr>
<tr>
<td>102-25</td>
<td>Conflicts of interest</td>
<td>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures.</td>
<td>Preventing Conflicts of Interest</td>
</tr>
<tr>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td>a. Highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, values or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</td>
<td>CSR Promotion System</td>
</tr>
<tr>
<td>102-27</td>
<td>Collective knowledge of highest governance body</td>
<td>a. Measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental, and social topics.</td>
<td>Executive Training  Compliance Initiatives Training</td>
</tr>
<tr>
<td>102-28</td>
<td>Evaluating the highest governance body’s performance</td>
<td>a. Processes for evaluating the highest governance body’s performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</td>
<td>Effectiveness Evaluation of the Board of Directors</td>
</tr>
<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>a. Highest governance body’s role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body’s identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</td>
<td></td>
</tr>
<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>a. Highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental, and social topics.</td>
<td>Risk Management Management System</td>
</tr>
<tr>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td>a. Frequency of the highest governance body’s review of economic, environmental, and social topics and their impacts, risks, and opportunities.</td>
<td>Environmental Management System</td>
</tr>
<tr>
<td>102-32</td>
<td>Highest governance body’s role in sustainability reporting</td>
<td>a. The highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material topics are covered.</td>
<td></td>
</tr>
<tr>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td>a. Process for communicating critical concerns to the highest governance body.</td>
<td></td>
</tr>
<tr>
<td>102-34</td>
<td>Nature and total number of critical concerns</td>
<td>a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.</td>
<td>N/A</td>
</tr>
<tr>
<td>102-35</td>
<td>Remuneration policies</td>
<td>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay; including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.</td>
<td>Executive Compensation</td>
</tr>
<tr>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.</td>
<td>Executive Compensation</td>
</tr>
<tr>
<td>Item number</td>
<td>Disclosure</td>
<td>Reporting requirements</td>
<td>Corresponding sections</td>
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<tr>
<td>-------------</td>
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<td>------------------------</td>
</tr>
</tbody>
</table>
| 102-37      | Stakeholders’ involvement in remuneration | a. How stakeholders’ views are sought and taken into account regarding remuneration.  
   b. If applicable, the results of votes on remuneration policies and proposals. | — |
| 102-38      | Annual total compensation ratio | a. Ratio of the annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. | — |
| 102-39      | Percentage increase in annual total compensation ratio | a. Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. | — |

5. Stakeholder engagement

102-40      | List of stakeholder groups | a. A list of stakeholder groups engaged by the organization. | — |
102-41      | Collective bargaining agreements | a. Percentage of total employees covered by collective bargaining agreements. | — |
102-42      | Identifying and selecting stakeholders | a. The basis for identifying and selecting stakeholders with whom to engage. | — |
102-43      | Approach to stakeholder engagement | a. The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | — |
102-44      | Key topics and concerns raised | a. Key topics and concerns that have been raised through stakeholder engagement, including:  
   i. how the organization has responded to those key topics and concerns, including through its reporting;  
   ii. the stakeholder groups that raised each of the key topics and concerns. | — |

6. Reporting practice

102-45      | Entities included in the consolidated financial statements | a. A list of all entities included in the organization’s consolidated financial statements or equivalent documents.  
   b. Whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report. | — |
102-46      | Defining report content and topic Boundaries | a. An explanation of the process for defining the report content and the topic Boundaries.  
   b. An explanation of how the organization has implemented the Reporting Principles for defining report content. | — |
102-47      | List of material topics | a. A list of the material topics identified in the process for defining report content. | — |
102-48      | Restatements of information | a. The effect of any restatements of information given in previous reports, and the reasons for such restatements. | N/A |
102-49      | Changes in reporting | a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries. | N/A |
102-50      | Reporting period | a. Reporting period for the information provided. | — |
102-51      | Date of most recent report | a. If applicable, the date of the most recent previous report. | — |
102-52      | Reporting cycle | a. Reporting cycle. | — |
102-53      | Contact point for questions regarding the report | a. The contact point for questions regarding the report or its contents. | — |
102-54      | Claims of reporting in accordance with the GRI Standards | a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:  
   i. ‘This report has been prepared in accordance with the GRI Standards: Core option’;  
   ii. ‘This report has been prepared in accordance with the GRI Standards: Comprehensive option’. | — |
102-55      | GRI content index | a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.  
   b. For each disclosure, the content index shall include:  
   i. the number of the disclosure (for disclosures covered by the GRI Standards);  
   ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;  
   iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. | — |
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| 102-56      | External assurance | a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.  
  b. If the report has been externally assured:  
  i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;  
  ii. The relationship between the organization and the assurance provider;  
  iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report. | — |

**GRI 103: Management Approach 2016**

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| 103-1       | Explanation of the material topic and its Boundary | a. An explanation of why the topic is material.  
  b. The Boundary for the material topic, which includes a description of:  
  i. where the impacts occur;  
  ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.  
  c. Any specific limitation regarding the topic Boundary. | → The Subaru Group’s CSR |
| 103-2       | The management approach and its components | a. An explanation of how the organization manages the topic.  
  b. A statement of the purpose of the management approach.  
  c. A description of the following, if the management approach includes that component:  
  i. Policies  
  ii. Commitments  
  iii. Goals and targets  
  iv. Responsibilities  
  v. Resources  
  vi. Grievance mechanisms  
  vii. Specific actions, such as processes, projects, programs and initiatives? | → CSR Promotion System  
 → Subaru Group’s Six Priority Areas for CSR  
 → Activities in the Six Priority Areas for CSR in Relation to SDGs |

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| 103-3       | Evaluation of the management approach | a. An explanation of how the organization evaluates the management approach, including:  
  i. the mechanisms for evaluating the effectiveness of the management approach;  
  ii. the results of the evaluation of the management approach;  
  iii. any related adjustments to the management approach. | — |
## Topic-specific Standards

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<tr>
<td>GRI 200:Economic</td>
<td>201:Economic Performance2016</td>
<td>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization’s global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; and iii. Economic value retained: ‘direct economic value generated’ less ‘economic value distributed’. b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</td>
<td>Annual Securities Report and Internal Controls Report for the 89th Period P60-66 [Consolidated Financial Statements] (Japanese version only)</td>
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<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; and v. the costs of actions taken to manage the risk or opportunity.</td>
<td>Climate Change</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>a. If the plan’s liabilities are met by the organization’s general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan’s pension liabilities: i. the extent to which the scheme’s liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made; and iv. the percentage contributed by employee or employer. c. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</td>
<td>Annual Securities Report and Internal Controls Report for the 89th Period P73 [Notes to Consolidated Financial Statements] (Japanese version only)</td>
</tr>
<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.</td>
<td>Annual Securities Report and Internal Controls Report for the 89th Period P34 [Corporate Information] (Japanese version only)</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
<td>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization’s activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for “significant locations of operation”.</td>
<td>Human Rights Policy Appendix</td>
</tr>
<tr>
<td>202:Market Presence2016</td>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage</td>
<td></td>
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<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for “senior management”. c. The organization’s geographical definition of ‘local’. d. The definition used for “significant locations of operation”.</td>
<td></td>
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<tr>
<td>203:Indirect Economic Impacts2016</td>
<td>Infrastructure investments and services supported</td>
<td>a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</td>
<td>—</td>
</tr>
<tr>
<td>203-2 Significant indirect economic impacts</td>
<td>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>204:Procurement Practices2016</td>
<td>Proportion of spending on local suppliers</td>
<td>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization’s geographical definition of ‘local’. c. The definition used for ‘significant locations of operation’</td>
<td>—</td>
</tr>
<tr>
<td>205:Anti-corruption2016</td>
<td>Operations assessed for risks related to corruption</td>
<td>a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.</td>
<td>→ Bribery Prevention</td>
</tr>
<tr>
<td>205-2 Communication and training about anti-corruption policies and procedures</td>
<td>a. Total number and percentage of governance body members that the organization’s anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization’s anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</td>
<td>→ Supplier CSR Guidelines → Compliance&gt;Initiatives&gt;Training</td>
<td></td>
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<tr>
<td>205-3 Confirmed incidents of corruption and actions taken</td>
<td>a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>206:Anti-competitive Behavior2016</td>
<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments.</td>
<td>N/A</td>
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<tr>
<td>GRI 300:Environmental</td>
<td>Materials2016</td>
<td>a. Total weight or volume of materials that are used to produce and package the organization’s primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.</td>
<td>→ Material Flow Concerning Automobiles</td>
</tr>
<tr>
<td>301-2 Recycled input materials used</td>
<td>a. Percentage of recycled input materials used to manufacture the organization’s primary products and services.</td>
<td>→ Resource Recycling</td>
<td></td>
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<tr>
<td>301-3 Reclaimed products and their packaging materials</td>
<td>a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.</td>
<td>→ Resource Recycling&gt;Achievements and Initiatives&gt;Logistics/Sales</td>
<td></td>
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| 302:Energy2016 | | a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.  
  b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.  
  c. In joules, watt-hours or multiples, the total:  
    i. electricity consumption  
    ii. heating consumption  
    iii. cooling consumption  
    iv. steam consumption  
  d. In joules, watt-hours or multiples, the total:  
    i. electricity sold  
    ii. heating sold  
    iii. cooling sold  
    iv. steam sold  
  e. Total energy consumption within the organization, in joules or multiples.  
  f. Standards, methodologies, assumptions, and/or calculation tools used.  
  g. Source of the conversion factors used. | → Material Flow Concerning Automobiles |
| 302-1 | Energy consumption within the organization | d. | |
| 302-2 | Energy consumption outside of the organization | a. Energy consumption outside of the organization, in joules or multiples.  
  b. Standards, methodologies, assumptions, and/or calculation tools used.  
  c. Source of the conversion factors used. | — |
| 302-3 | Energy intensity | a. Energy intensity ratio for the organization.  
  b. Organization-specific metric (the denominator) chosen to calculate the ratio.  
  c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, or steam, or all.  
  d. Whether the ratio uses energy consumption within the organization, outside of it, or both. | — |
| 302-4 | Reduction of energy consumption | a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.  
  b. Types of energy included in the reductions, whether fuel, electricity, heating, cooling, or steam, or all.  
  c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.  
  d. Standards, methodologies, assumptions, and/or calculation tools used. | → Climate Change |
| 302-5 | Reductions in energy requirements of products and services | a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.  
  b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.  
  c. Standards, methodologies, assumptions, and/or calculation tools used. | → Environmentally Friendly Automobiles initiatives |
| 303:Water and Effluents2018 | | a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff);  
  b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.  
  c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.  
  d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress. | → Water Resources |
| 303-1 | Interactions with water as a shared resource | | → Water Risk Assessment |
| 303-2 | Management of water discharge-related impacts | a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:  
  i. how standards for facilities operating in locations with no local discharge requirements were determined;  
  ii. any internally developed water quality standards or guidelines;  
  iii. any sector-specific standards considered;  
  iv. whether the profile of the receiving waterbody was considered. | → Water Risk Assessment |
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<td>303-3</td>
<td>Water withdrawal</td>
<td>a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. The total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (&lt;1,000 mg/L Total Dissolved Solids); ii. Other water (&gt;1,000 mg/L Total Dissolved Solids). Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</td>
<td>→ Breakdown of water consumption by water source at major production bases</td>
</tr>
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<td>303-4</td>
<td>Water discharge</td>
<td>a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (&lt;1,000 mg/L Total Dissolved Solids); ii. Other water (&gt;1,000 mg/L Total Dissolved Solids). Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (&lt;1,000 mg/L Total Dissolved Solids); ii. Other water (&gt;1,000 mg/L Total Dissolved Solids). Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</td>
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<tr>
<td>303-5</td>
<td>Water consumption</td>
<td>a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</td>
<td>→ Water Resources</td>
</tr>
<tr>
<td>304:Biodiversity2016</td>
<td>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
<td>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</td>
<td>N/A</td>
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| 304-2 | Significant impacts of activities, products, and services on biodiversity | a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:  
  i. Construction or use of manufacturing plants, mines, and transport infrastructure;  
  ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);  
  iii. Introduction of invasive species, pests, and pathogens;  
  iv. Reduction of species;  
  v. Habitat conversion;  
  vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). |  |
| 304-3 | Habitats protected or restored | a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.  
  b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.  
  c. Status of each area based on its condition at the close of the reporting period.  
  d. Standards, methodologies, and assumptions used. | Biodiversity>Initiatives>Overseas |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:  
  i. Critically endangered  
  ii. Endangered  
  iii. Vulnerable  
  iv. Near threatened  
  v. Least concern | N/A |
| 305:Emissions2016 | Direct (Scope 1) GHG emissions | a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.  
  b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.  
  c. Biogenic CO2 emissions in metric tons of CO2 equivalent.  
  d. Base year for the calculation, if applicable, including:  
  i. the rationale for choosing it;  
  ii. emissions in the base year;  
  iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.  
  e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.  
  f. Consolidation approach for emissions; whether equity share, financial control, or operational control.  
  g. Standards, methodologies, assumptions, and/or calculation tools used. | Climate Change |
| 305-2 | Energy indirect (Scope 2) GHG emissions | a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.  
  b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.  
  c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.  
  d. Base year for the calculation, if applicable, including:  
  i. the rationale for choosing it;  
  ii. emissions in the base year;  
  iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.  
  e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.  
  f. Consolidation approach for emissions; whether equity share, financial control, or operational control.  
  g. Standards, methodologies, assumptions, and/or calculation tools used. | Climate Change |
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| 305-3 Other indirect (Scope 3) GHG emissions | a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.  
b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.  
c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.  
d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.  
e. Base year for the calculation, if applicable, including:  
i. the rationale for choosing it;  
ii. emissions in the base year;  
iii. the context for any significant changes in emissions that triggered recalculation of base year emissions.  
f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.  
g. Standards, methodologies, assumptions, and/or calculation tools used. | → Climate Change |
| 305-4 GHG emissions intensity | a. GHG emissions intensity ratio for the organization.  
b. Organization-specific metric (the denominator) chosen to calculate the ratio.  
c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).  
d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. | → Climate Change |
| 305-5 Reduction of GHG emissions | a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.  
b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.  
c. Base year or baseline, including the rationale for choosing it.  
d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).  
e. Standards, methodologies, assumptions, and/or calculation tools used. | → Climate Change |
| 305-6 Emissions of ozone-depleting substances (ODS) | a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.  
b. Substances included in the calculation.  
c. Source of the emission factors used.  
d. Standards, methodologies, assumptions, and/or calculation tools used.  
e. Source of the emission factors used.  
f. Standards, methodologies, assumptions, and/or calculation tools used. | → Prevention of Pollution>Achievements and Initiatives |
| 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | a. Significant air emissions, in kilograms or multiples, for each of the following:  
i. NOX  
ii. SOX  
iii. Persistent organic pollutants (POP)  
iv. Volatile organic compounds (VOC)  
v. Hazardous air pollutants (HAP)  
vi. Particulate matter (PM)  
vii. Other standard categories of air emissions identified in relevant regulations  
b. Source of the emission factors used.  
c. Standards, methodologies, assumptions, and/or calculation tools used. | → Prevention of Pollution>Achievements and Initiatives |

306:Effluents and Waste2016

| 306-1 Water discharge by quality and destination | a. Total volume of planned and unplanned water discharges by:  
i. destination;  
ii. quality of the water, including treatment method;  
iii. whether the water was reused by another organization.  
b. Standards, methodologies, and assumptions used. | → Water Resources |
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<td>306-2</td>
<td>Waste by type and disposal method</td>
<td>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) c. How the waste disposal method has been determined: i. Disposed of directly by the organization, or otherwise directly confirmed ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor</td>
<td>→ Resource Recycling&gt;Achievements and Initiatives&gt;Production</td>
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<tr>
<td>306-3</td>
<td>Significant spills</td>
<td>a. Total number and total volume of recorded significant spills. b. The following additional information for each spill that was reported in the organization’s financial statements: i. Location of spill ii. Volume of spill iii. Material of spill, categorized by: oil spills (oil or water surfaces), fuel spills (oil or water surfaces), spills of wastes (oil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). c. Impacts of significant spills.</td>
<td>→ Hazardous waste</td>
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<tr>
<td>306-5</td>
<td>Water bodies affected by water discharges and/or runoff</td>
<td>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on: i. the size of the water body and related habitat; ii. whether the water body and related habitat is designated as a nationally or internationally protected area; iii. the biodiversity value, such as total number of protected species.</td>
<td>→ Crisis-level risks</td>
</tr>
<tr>
<td>307:Environmental Compliance2016</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</td>
<td>→ Environmental Compliance</td>
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<td>308:Supplier Environmental Assessment2016</td>
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<td>a. Percentage of new suppliers that were screened using environmental criteria.</td>
<td>→ Green Procurement Guidelines</td>
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<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>a. Number of suppliers assessed for environmental impacts.</td>
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<td>b. Number of suppliers identified as having significant actual and potential negative environmental impacts.</td>
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<td>c. Significant actual and potential negative environmental impacts identified in the supply chain.</td>
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<td>d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</td>
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<td>e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</td>
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<tr>
<td>308-2</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>a. Number of suppliers assessed for environmental impacts.</td>
<td>→ Management and Reduction of Environmentally Hazardous Substances Contained In Parts</td>
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<td>b. Number of suppliers identified as having significant actual and potential negative environmental impacts.</td>
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<td>c. Significant actual and potential negative environmental impacts identified in the supply chain.</td>
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<td>d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</td>
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<td>e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</td>
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<td>GRI 400:Social</td>
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<tr>
<td>401:Employment2016</td>
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<td>a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.</td>
<td>→ Employee Data</td>
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<tr>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.</td>
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<td>a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others.</td>
<td>→ Employee Data</td>
</tr>
<tr>
<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>b. The definition used for ‘significant locations of operation’.</td>
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<td>a. Total number of employees that were entitled to parental leave, by gender.</td>
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<td>401-3</td>
<td>Parental leave</td>
<td>b. Total number of employees that took parental leave, by gender.</td>
<td>→ Childcare leave system</td>
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<td></td>
<td>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</td>
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<td>d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</td>
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<td></td>
<td>e. Return to work and retention rates of employees that took parental leave, by gender.</td>
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<tr>
<td>402:Labor/Management Relations2016</td>
<td></td>
<td>a. Minimum number of weeks’ notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.</td>
<td>→ Employee Data</td>
</tr>
<tr>
<td>402-1</td>
<td>Minimum notice periods regarding operational changes</td>
<td>b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</td>
<td></td>
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<tr>
<td>403:Occupational Health and Safety2018</td>
<td></td>
<td>a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.</td>
<td>→ Occupational Health and Safety-Our Approach/Management System</td>
</tr>
<tr>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.</td>
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| 403-2       | Hazard identification, risk assessment, and incident investigation | a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:  
   i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;  
   ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system;  
   b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals;  
   c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals;  
   d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system. | |
| 403-3       | Occupational health services | a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them. | → Occupational Health and Safety> Initiatives |
| 403-4       | Worker participation, consultation, and communication on occupational health and safety | a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.  
   b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees. | → Labor-Management Communication  
   → Occupational Health and Safety>Management System |
| 403-5       | Worker training on occupational health and safety | a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations. | |
| 403-6       | Promotion of worker health | a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.  
   b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers’ access to these services and programs. | → Occupational Health and Safety>Initiatives>Health Promotion |
| 403-7       | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks. | |
| 403-8       | Workers covered by an occupational health and safety management system | a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:  
   i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;  
   ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;  
   iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.  
   b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.  
   c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. | → Occupational Health and Safety>Management System |
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| 403-9       | Work-related injuries               | **a.** For all employees:  
  i. The number and rate of fatalities as a result of work-related injury;  
  ii. The number and rate of high-consequence work-related injuries (excluding fatalities);  
  iii. The number and rate of recordable work-related injuries;  
  iv. The main types of work-related injury;  
  v. The number of hours worked.  
  b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:  
  i. The number and rate of fatalities as a result of work-related injury;  
  ii. The number and rate of high-consequence work-related injuries (excluding fatalities);  
  iii. The number and rate of recordable work-related injuries;  
  iv. The main types of work-related injury;  
  v. The number of hours worked.  
  c. The work-related hazards that pose a risk of high-consequence injury, including:  
    i. how these hazards have been determined;  
    ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;  
    iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.  
  d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.  
  e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.  
  f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.  
  g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | → Occurrence of Work Related Accidents and Accident Frequency Rate |
| 403-10      | Work-related ill health             | **a.** For all employees:  
  i. The number of fatalities as a result of work-related ill health;  
  ii. The number of cases of recordable work-related ill health;  
  iii. The main types of work-related ill health.  
  b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:  
  i. The number of fatalities as a result of work-related ill health;  
  ii. The number of cases of recordable work-related ill health;  
  iii. The main types of work-related ill health.  
  c. The work-related hazards that pose a risk of ill health, including:  
    i. how these hazards have been determined;  
    ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;  
    iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.  
  d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.  
  e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | —                     |

### 404: Training and Education 2016

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| 404-1       | Average hours of training per year per employee                           | a. Average hours of training that the organization’s employees have undertaken during the reporting period, by:  
  i. gender;  
  ii. employee category.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | —                     |
| 404-2       | Programs for upgrading employee skills and transition assistance programs | a. Type and scope of programs implemented and assistance provided to upgrade employee skills.  
  b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | → Programs for Upgrading Skills |
<p>| 404-3       | Percentage of employees receiving regular performance and career development reviews | a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | → Regular Reviews and Career Development |</p>
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<td>405: Diversity and Equal Opportunity 2016</td>
<td>Diversity of governance bodies and employees</td>
<td>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</td>
<td>→ Directors, Auditors, and Executive Officers → Employee Data</td>
</tr>
<tr>
<td>405-1</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.</td>
<td>→ Training and Education</td>
</tr>
<tr>
<td>406: Non-discrimination 2016</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.</td>
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<tr>
<td>406-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</td>
<td></td>
</tr>
<tr>
<td>407: Freedom of Association and Collective Bargaining 2016</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td>a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</td>
<td>N/A</td>
</tr>
<tr>
<td>408: Child Labor 2016</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</td>
<td>N/A</td>
</tr>
<tr>
<td>410: Security Practices 2016</td>
<td>Security personnel trained in human rights policies or procedures</td>
<td>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Whether training requirements also apply to third-party organizations providing security personnel.</td>
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<td>411:Rights of Indigenous Peoples</td>
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<td>411-1</td>
<td>Incidents of violations involving rights of indigenous peoples</td>
<td>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.</td>
<td>N/A</td>
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<td>412:Human Rights Assessment</td>
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<tr>
<td>412-1</td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
<td>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</td>
<td></td>
</tr>
<tr>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</td>
<td>→ Respect for Human Rights Management System</td>
</tr>
<tr>
<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for “significant investment agreements”.</td>
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<td>413:Local Communities</td>
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<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities’ needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.</td>
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<tr>
<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
<td>a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.</td>
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<td>414:Supplier Social Assessment</td>
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<tr>
<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
<td>a. Percentage of new suppliers that were screened using social criteria.</td>
<td>→ Supplier CSR Guidelines</td>
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<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</td>
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<td>415:Public Policy</td>
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<td>415-1</td>
<td>Political contributions</td>
<td>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.</td>
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<td>416:Customer Health and Safety 2016</td>
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<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</td>
<td>→ Making Safe Vehicles&gt;Initiatives</td>
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<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. Incidents of non-compliance with regulations resulting in a fine or penalty; ii. Incidents of non-compliance with regulations resulting in a warning; iii. Incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</td>
<td>N/A</td>
</tr>
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<td>417:Marketing and Labeling 2016</td>
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<tr>
<td>417-1</td>
<td>Requirements for product and service information and labeling</td>
<td>a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain); b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</td>
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</tr>
<tr>
<td>417-2</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. Incidents of non-compliance with regulations resulting in a fine or penalty; ii. Incidents of non-compliance with regulations resulting in a warning; iii. Incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</td>
<td>→ Quality: Automotive Business → Quality: Aerospace Business</td>
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<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. Incidents of non-compliance with regulations resulting in a fine or penalty; ii. Incidents of non-compliance with regulations resulting in a warning; iii. Incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</td>
<td>N/A</td>
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<td>418:Customer Privacy 2016</td>
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<tr>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. Complaints received from outside parties and substantiated by the organization; ii. Complaints from regulatory bodies; b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</td>
<td>N/A</td>
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<td>419:Socioeconomic Compliance 2016</td>
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<tr>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. Total monetary value of significant fines; ii. Total number of non-monetary sanctions; iii. Cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.</td>
<td>N/A</td>
</tr>
</tbody>
</table>