



CSR Report

2020

SUBARU CORPORATION
Corporate Social Responsibility Report



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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 principle, 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.

Message from the President

**Change mindset, change actions,
change the company,
and contribute to
a sustainable society**

Tomomi Nakamura

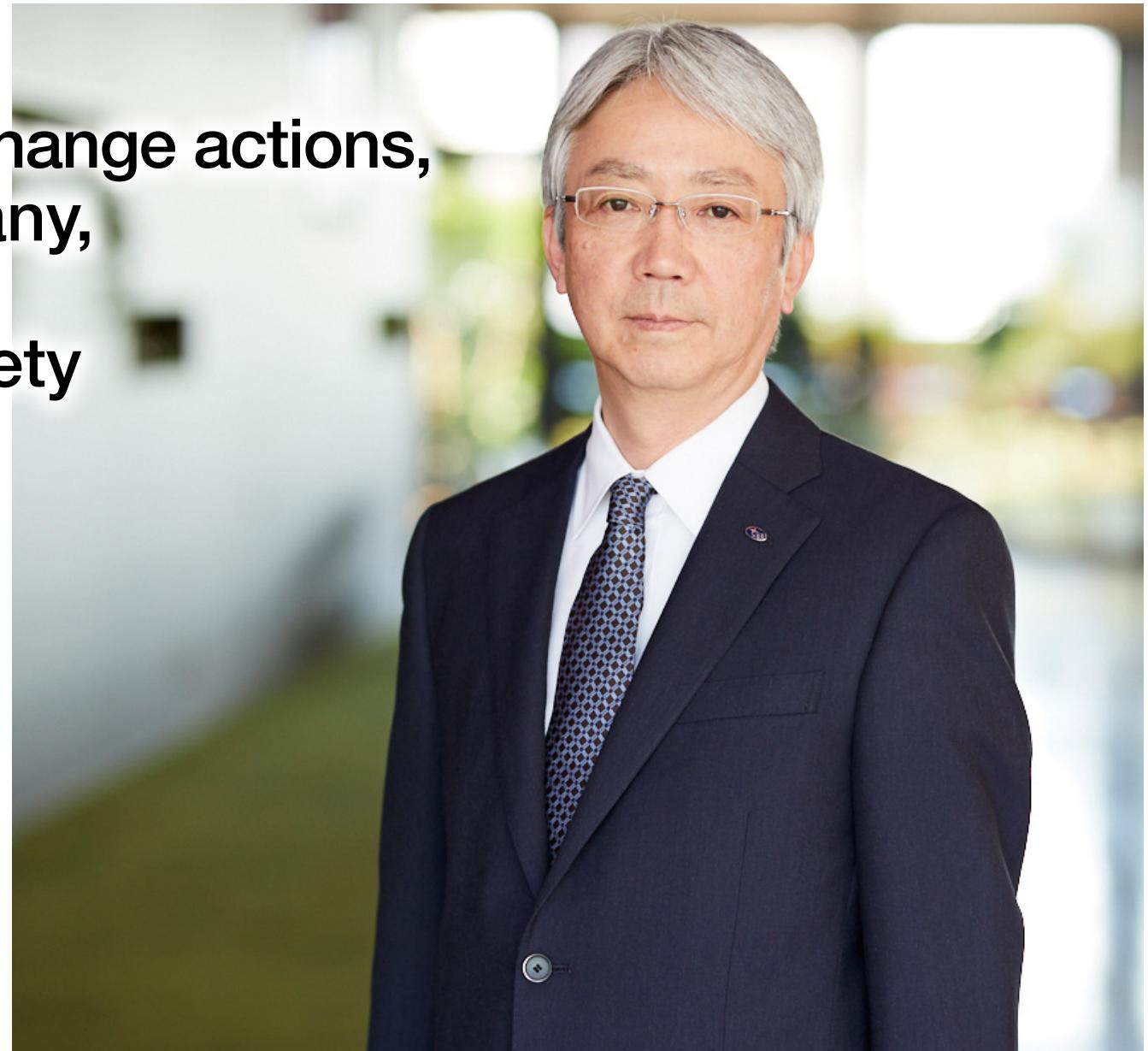
Representative Director of the Board,
President and CEO

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^{*2}. 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.

^{*1}. The six areas of People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, Diversity, Environment, Compliance

^{*2}. 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

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 sufficient 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.

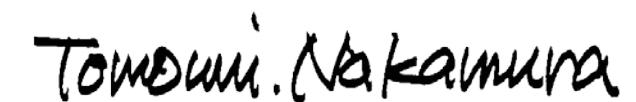
To Achieve Our Initiative "From a Company Making Things, to a Company Making People Smile."

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.

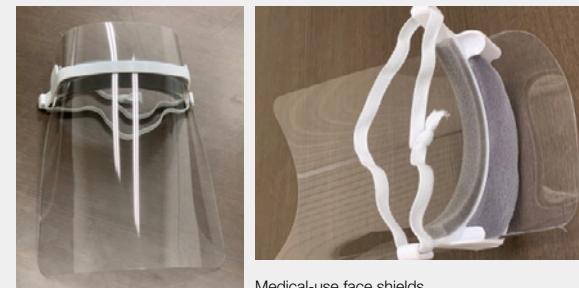
The Subaru Group incurred a large impact on our business activities. We faced unavoidable adjustments to production, including temporary suspension of operations, and dealt with various limitations at many dealerships. Amidst these circumstances, we established the Coronavirus Countermeasure Headquarters 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.



Medical-use face shields

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.

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.

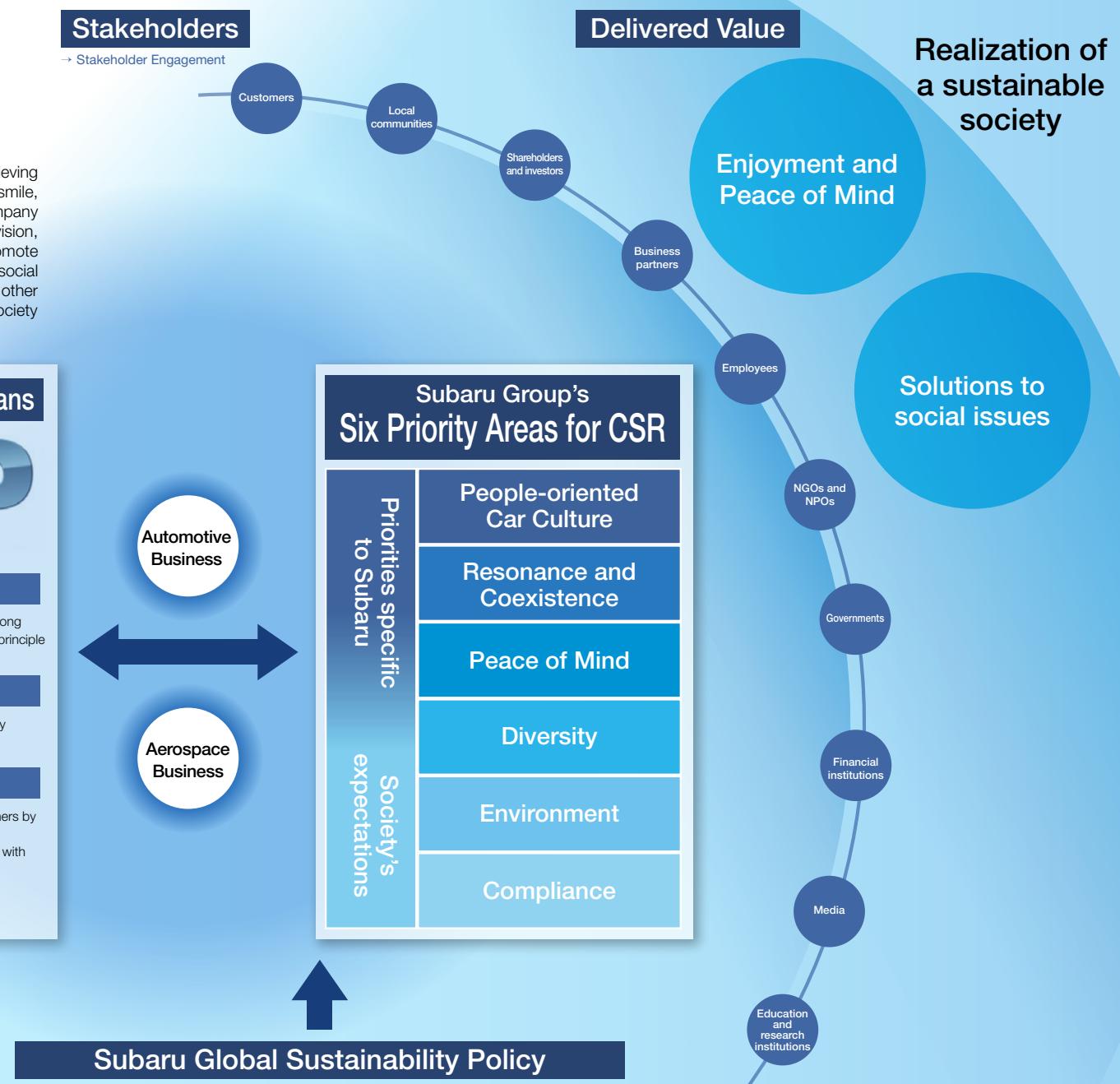
In line with the Declaration, Subaru will make its intellectual property held in and outside of Japan available completely on a royalty-free basis, solely for the purpose of accelerating efforts to develop, manufacture, and distribute therapeutic drugs, vaccines, medical devices, infection control instruments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

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.



- Management**
- Corporate governance
 - Compliance
 - Risk management

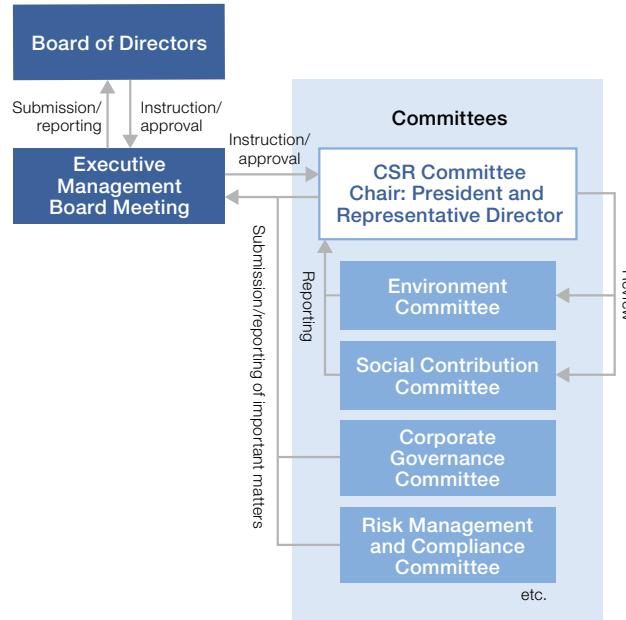


CSR Promotion System

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.

◆ CSR Promotion System



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

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



Study Group session 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)

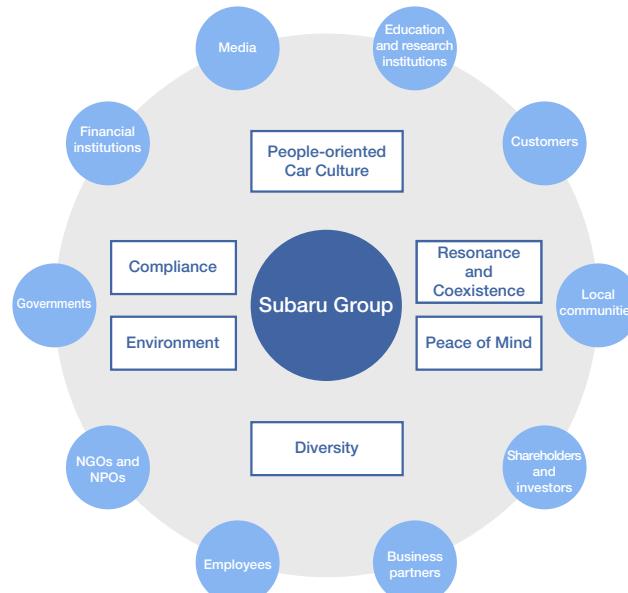
Study Group on SDGs

- 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.

Subaru Group's Stakeholders and Their Relationship with Six Priority Areas



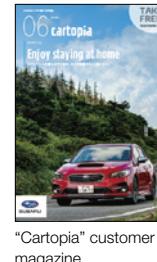
Methods to Communicate with Stakeholders at the Subaru Group

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

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.



"Cartopia" customer magazine

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.



Gunma Plant: Subaru Appreciation Festival



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.

→ Social Contribution

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.



Plant tour for shareholders (Gunma Plant)



Q&A session (Gunma Plant)



Plant tour for shareholders (Handa Plant, Aerospace Company)

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.



Dealer newsletter "SPICE magazine"

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.



"Shoho" in-house magazine

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

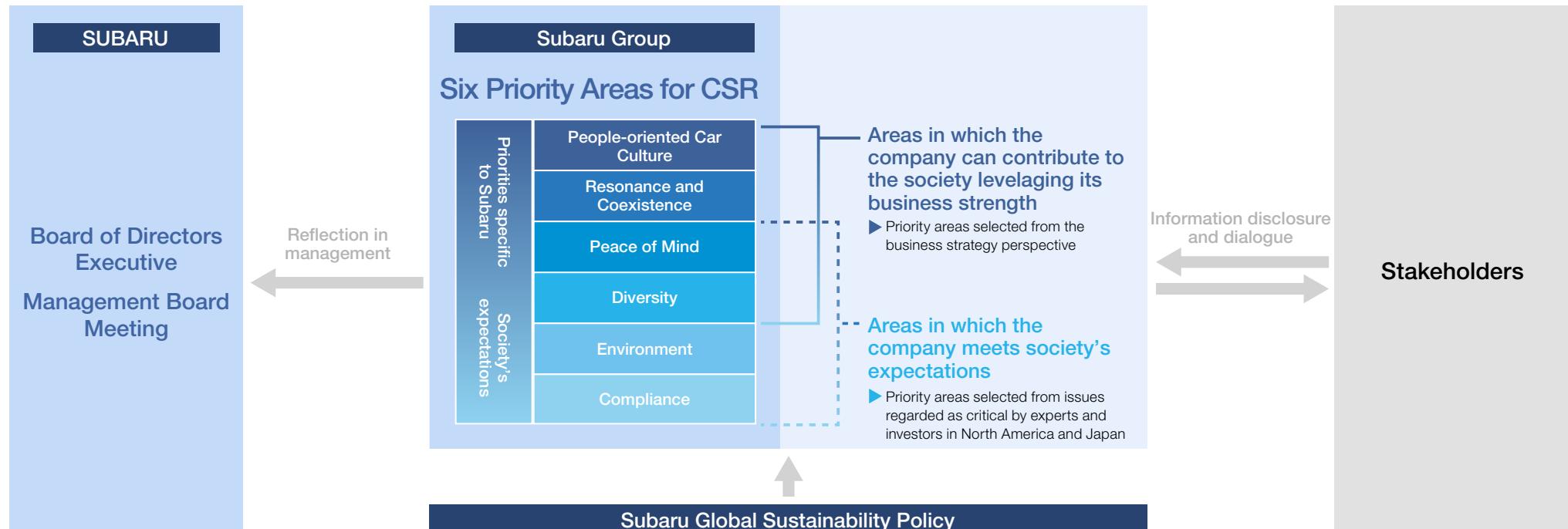
two perspectives: areas in which we can contribute to society by leveraging our business strengths, and areas related to the demands of society. As a result, the Subaru Group selected People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, and Diversity as the four areas where Subaru could 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



Six Priority Areas for CSR Basic Concepts and Vision for 2025

Six Priority Areas for CSR	Basic Concepts	Visions for 2025	Initiatives and SDGs	TOPICS
People-oriented Car Culture	<p>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.</p>	Become a company that enriches people's lives and minds as a partner.	→ p. 014	→ p. 019
Resonance and Coexistence	<p>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.</p>	Become a company that is widely trusted by, resonates and coexists with society.	→ p. 015	→ p. 021
Peace of Mind	<p>Subaru will become a company that provides all stakeholders with the utmost peace of mind.</p>	Become a company that provides the utmost peace of mind to all stakeholders.	→ p. 016	→ p. 023
Diversity	<p>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.</p>	Promote businesses that create diverse forms of market values while respecting the diverse values of all people.	→ p. 017	→ p. 025
Environment	<p>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.</p>	Cherish and protect the global environment—The earth, the sky and nature—through Group-wide activities.	→ p. 017	→ p. 027
Compliance	<p>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.</p>	Act in good faith and become a company that is trusted by and resonates with society.	→ p. 018	→ p. 029

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

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

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FY2026-FYE2031)	Relevant SDGs		
			FYE2020	FYE2021	FYE2022-FYE2026				
People-oriented Car Culture	Customers	Enjoyment of driving a car	Evolution of Subaru Global Platform and Integration with Intelligent Technology (Achieving a safe and enjoyable driving with peace of mind like a skilled driver)						
		Providing enjoyment of customization	Development of high-quality accessories matched with new models						
		Enhancing the brand image	Expansion of the lineup of high-performance, value-added items						
			Promotion of the brand strategy (Subaru, the Beloved Brand: More than a Car Company)						
			Promotion of marketing activities that match the characteristics of each market						
			Promotion of motorsports and continuation of awareness-raising activities						
			Advancement of Subaru's "Dynamic x Solid" design identity to "bolder" expression						
	Local communities	Proposing new forms of mobility	Development of technologies in cooperation with relevant ministries and agencies		Investigation of future mobility				
		Disseminating car culture	Dissemination of Subaru's manufacturing practice and its endeavors for "Enjoyment and Peace of Mind"						

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FYE2026–FYE2031)	Relevant SDGs						
			FYE2020	FYE2021	FYE2022–FYE2026								
Resonance and Coexistence	Customers	Strengthening relationship with customers	Investment in dealers' stores (in Japan)	Enhancement of new ways of connecting with customers through IoT			<p>Become a company that is widely trusted by, resonates and coexists with society.</p> <p>► KPI:</p> <ul style="list-style-type: none"> • Continue satisfaction surveys. (Improve customer satisfaction.) • Enhance connection with customers through IoT (MySubaru, the next-generation system, telematics)  11.2						
				Enhancement of customer loyalty									
				Continuation of customer interaction programs									
				Provision of products that benefit people's lives									
	Business partners	Establishing a new maintenance system	Development of a maintenance system for marketing BEVs										
		Coexistence and mutual prosperity with business partners	CSR surveys and awareness programs at business partners	Building of relationships with business partners from the perspective of CSR									
	Employees	Creating a safe working environment	Reinforcement of efforts for occupational health and safety, improvement of plant environments										
			Creation of a safe and rewarding workplace environment, building of a brand that is loved by employees										
			Continuation of production operations and maintenance of employment at each site										
			Utilization of athletic teams, boosting of employee morale										
	Local communities	Revitalizing relationships with local communities	Reinforcement of community exchange and partnership activities										
			Contribution and relationship-building through sporting activities										

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FYE2026–FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022–FYE2026		
Peace of Mind	Customers	Improving safety functions	Advancement of Advanced Driver Assistance System (ADAS)				
			Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions				
			Continuous enhancement of crash safety				
		Contributing to safe driving	Development of autonomous flight control systems (collision avoidance technology)				
			Implementation of safe driving seminars for senior citizens on a continuous basis				
	Employees	Securing and improving quality	Establishment of a timely and efficient supply system of spare parts and accessories				
			Enhancement of product supply capacity				
			Promotion of accurate, high-quality inspection and maintenance				
			Revision of the quality policy	Promotion of initiatives to produce vehicles of choice in terms also of quality			
			Improvement of the quality of operations in all processes, from product planning to production, sales, and service				
	Local communities	Creating a safe workplace	Placing of the highest priority on quality by implementing quality caravans and providing education for fostering quality awareness				
			Optimization of the span of management in manufacturing departments				
			Continuation and reinforcement of activities of the health and safety committees				
			Maintenance and enhancement of workplace health and safety, and promote a more comfortable workplace environment				
			Formulation and implementation of plans for health promotion initiatives	Reinforcement of health promotion efforts			
	Governments	Contributing to safe lives of people	Secure and create employment				
			Promotion of plant environment improvement	Promotion of a sense of trust regarding stable operations			
			Reduction of environmental impact and prevention of pollution				
			Contribution to the creation of a society in which people's lives and property are protected and people can enjoy peace of mind				

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

► 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



3.6

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FY2026–FYE2031)	Relevant SDGs						
			FYE2020	FYE2021	FYE2022–FY2026								
Diversity	Employees	Promoting active roles for female employees	Appointment of more female managers: FYE2021 (to five times the number in 2014), FYE2026 (to over 12 times the number in 2014) Childcare support for female employees in direct departments										
		Utilizing diverse human resources	Review of the human resources system for senior employees	Operation of the human resources system for senior employees			Promote businesses that create diverse forms of market values while respecting the diverse values of all people. ► KPI: <ul style="list-style-type: none">Increase female managers. (To five times the number in 2014 by 2020, to over 12 times by 2025)The number of participants in career development trainingAchieve the legally prescribed employment rate.100% of those applying for reemployment						
		Promote diverse work styles	Promotion of active roles for non-Japanese human resources Examination and promotion of a workplace environment that pays due consideration to minorities in society										
		Securing human resources at group companies	Compliance with the legally prescribed employment rate for persons with disabilities: 2.3% in and after FYE2021										
		Efforts in cooperation with business partners	Diverse work styles: Support for labor management by introducing a new attendance management system and expansion of teleworking	Maintenance and expansion of diverse forms of employment			 5.5 5.5.2						
	Business partners	Providing a wide range of products	CSR surveys and awareness programs at business partners	Reinforcement of efforts for CSR throughout the supply chain									
		Customers	Enhancement of the understanding of employees, promotion of cooperation with the National Association of Minority Automobile Dealers (NAMAD)										
		Providing a wide range of products	Incorporation of feedback on diverse market needs										
		Customers	Design parts that can be used in multiple vehicle models										
		Popularizing vehicles that reduce environmental impact	Expansion of the sale of electric vehicles (HEVs and PHEVs) Development and marketing of electric vehicles (BEVs and SHEVs)										
Environment	Governments	Environmental protection in cooperation with customers	Planning of activities to protect outdoor fields	Implementation of activities to protect outdoor fields on a continuous basis			Cherish and protect the global environment—The earth, the sky and nature—through Group-wide activities. ► KPI: <ul style="list-style-type: none">Reduce direct emissions by 30% from FYE2017 levels by 2030 (aggregate amount basis).Make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs) by 2030.Apply electrification technologies to all Subaru vehicles produced and sold worldwide by the first half of the 2030s.Formulate a resource circulation strategy including secondary batteries.Enhance recycling rates.						
		Business activities to help reduce environmental impact	Introduction of solar power generation for self-consumption Introduction of TEPCO's Aqua Premium										
		Business partners	Renewable Energy Certificate, etc.	Energy conservation investment and effective utilization of facilities									
		Environmental efforts in cooperation with business partners	Continuation of conservation efforts in cooperation with governments										
		Business partners	Establishment and maintenance of an environmental management system										
		Business partners	Selection of business partner while considering transportation for overseas sites										
		Business partners	Efficient parts storage and transportation, and reduction of transportation volume										
		Business partners	Promotion of retailers' continuous efforts for energy saving, water quality conservation, and recycling										
		Business partners	Optimization of logistics and CKD costs										

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FYE2026–FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022–FY2026		
Compliance	Governments	Ensuring comprehensive export control	Reinforcement of security and export control initiatives				
		In-house education and dissemination	Continuation of compliance training and executive lectures				
			Promotion of compliance from the perspective of the Subaru Group				
	Employees	Ensuring comprehensive export control	Establishment and dissemination of internal rules and manuals on laws and regulations				
		In-house education and dissemination	Prevention of harassment				
		Protecting human rights of workers	Maintenance and improvement of the workplace environment by promoting work style reform and complying with the Labor Standards Act				
	Business partners	Ensuring comprehensive export control	Formulation of the Human Rights Policy	Establishment and dissemination of the Human Rights Policy	Promotion of initiatives to respect human rights of workers		
		Maintaining fair relationships	CSR surveys and awareness programs at business partners	Reinforcement of efforts for CSR throughout the supply chain			
			Promotion of fair trade on a continuous basis				

Development of products (vehicles) is based on a premise that they are equipped with the latest technologies yet affordably priced at the same time.

Act in good faith and become a company that is trusted by and resonates with society.

► **KPI:**

- Promote initiatives to respect human rights based on the Human Rights Policy; Communicate the policy throughout the entire supply chain.
- Strengthen CSR procurement management.
- Provide compliance and legal trainings.



8.7
8.8



16.5
16.5.2



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.



Next generation EyeSight



Driver monitoring system

Stereo cameras at its core. Strengthened ability to handle a variety of situations through improved recognition distinction and expanded integrated controls. Now evolving toward the installation of an auto parking system and use of connected service.

Detects sleepiness or carelessness by the driver's expression and direction of face, and alerts them with an alarm or warning indication. Going forward, we are considering further increasing its cooperative functionality with EyeSight.



SUBARU STARLINK

Connected service introduced in the United States. Going forward, it is planned for release in Japan. Domestically, we are developing AACN, which automatically alerts a call center at the time of an accident. In this way, we strive to save more lives from traffic accidents.

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.

Subaru Global Platform: supporting enjoyment and peace of mind

Package

Increased interior width and height



Passive safety performance Maintains top-level

Dynamic Quality

1. Driving Quality

High levels of comfort and maneuverability

2. Quietness

Quietness and dynamic rigidity comparable to those of European vehicles (1.8 times greater than conventional SUBARU cars)

3. Stiffness and Stability

Top-class stability

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.



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.



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



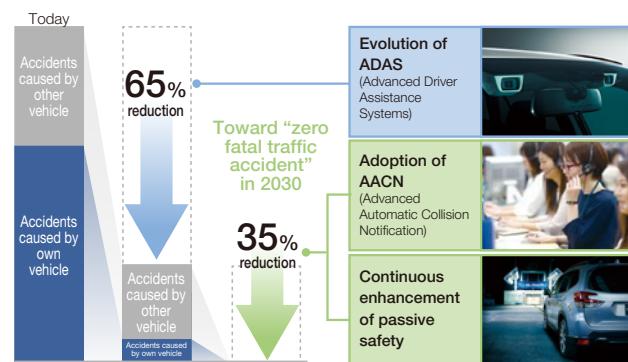
Subaru quality and safety technology that provides the utmost peace of mind

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.

Scenario toward zero fatal traffic accidents

Fatal traffic accidents of SUBARU cars (estimated from US FARS data)

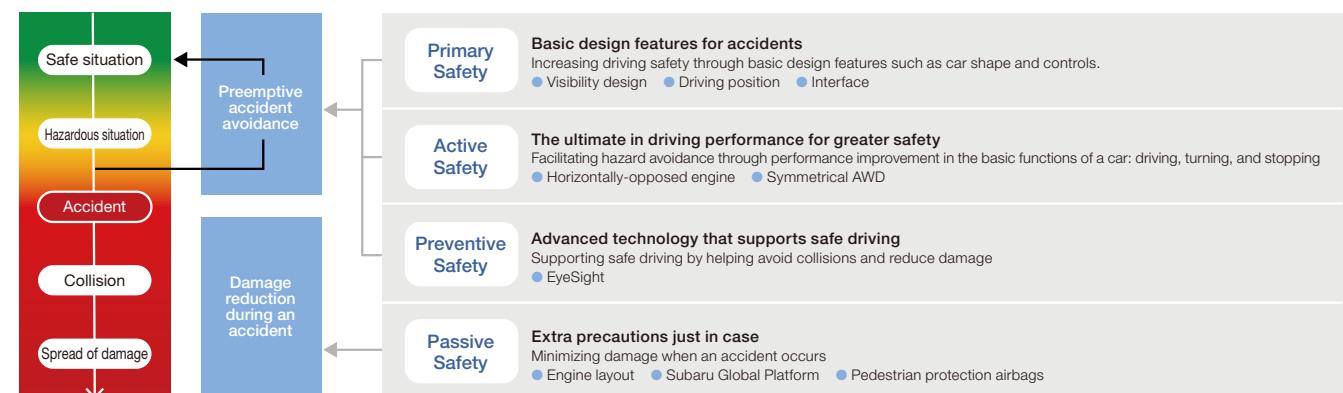


In April 2019, seeking to align employees' vectors regarding quality reforms, we made the first revision in 25 years to the Quality Policy, which articulates the vision of quality that SUBARU aspires to realize. Further, in an effort to instill awareness toward quality, we held a “Quality Caravan” at 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.

Overall safety philosophy



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

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. Starting with providing useful health information, the group supports and encourages employee self-improvement.



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 as 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



The basis of Outback



Forester

Crossover vehicles with superior on-road driving performance and rough-road capability

→ The basis of modern SUVs

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 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 to 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.

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

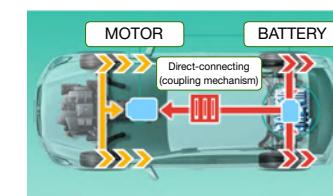
Category	Time frame	Target
	FYE2051	Achieve carbon neutrality
Scope 1, 2	FYE2031	Reduce CO ₂ emissions by 30% compared with FYE2017 (total volume basis)
	2050	Reduce average well-to-wheel CO ₂ emissions from new vehicles (in operation) by 90% or more compared to 2010 levels
Scope 3	First half of the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

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.”

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.

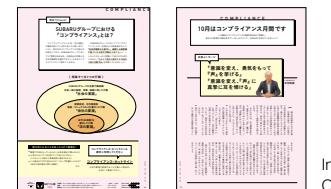
In addition to actions that come from the existing compliance mindset of obeying laws and regulations, we are striving to instill sincere conduct based on social norms and ethics and making assertive, voluntary actions that come from an integrity mindset in executives and employees through education.

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.



In-house magazine "Shuho"
October 2019 edition special feature page

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.”



Compliance Lecture

Voice

Comments by Participants

- Because the lecture was easy to understand with the speaker's own experiences and examples that were familiar to us, I was motivated to reflect on myself.
- I was reminded that communication is important to become a company that is more open to new ideas and where people can say what they want. I want to help build mutual respect and make it easy for superiors and workers to talk with each other.
- There have been times when I was troubled, wondering, “should I consult with someone?” or “what should I say?” In the lecture, I learned to change my approach from strictly “reporting, contacting, and consulting” to “having a rough consultation (primary consultation).” It's going to make it much easier for me to share information with my superiors, and I want to get started right away.

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.

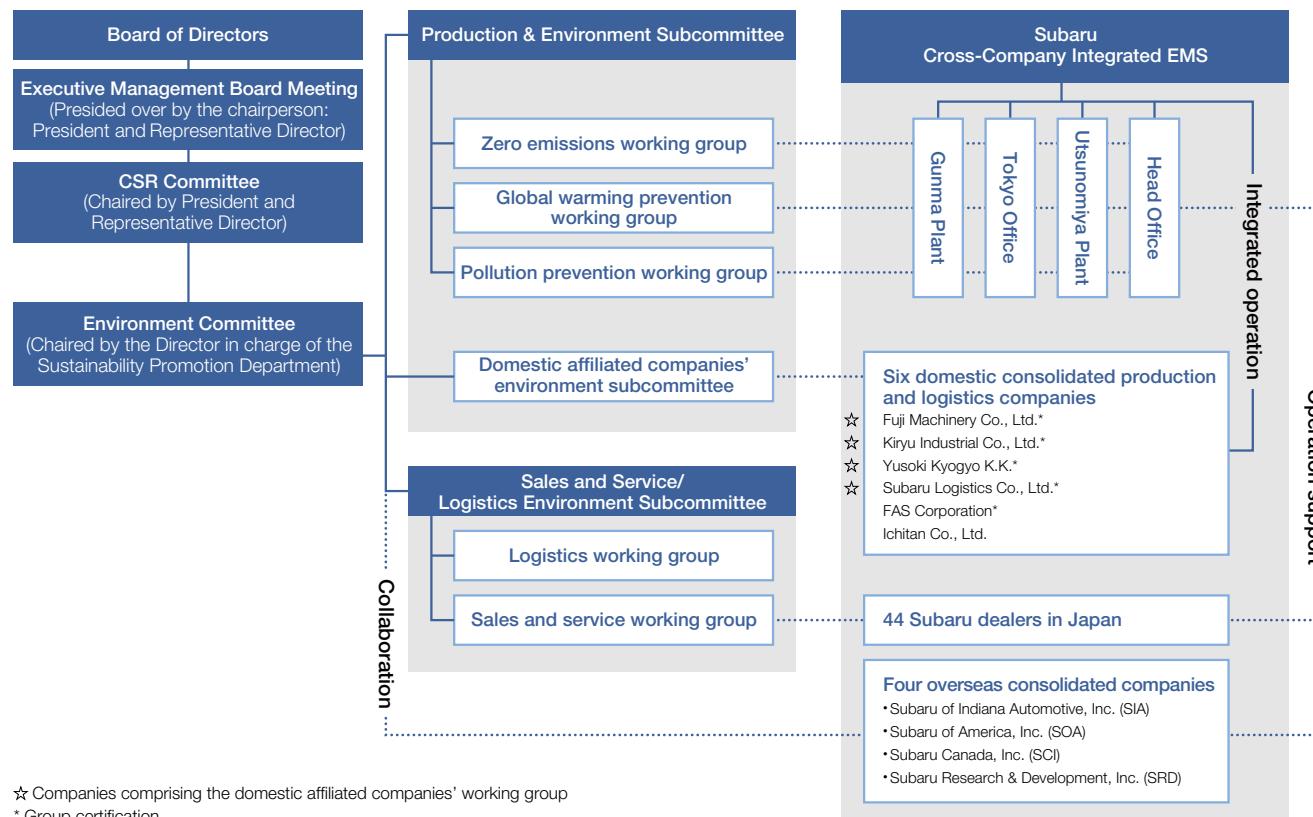
Management System

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).

The director in charge of environmental issues oversees the integrated EMS and chairs the Environment Committee. In principle, the related issues are reviewed regularly, at least once a year, and details of discussions held by the Environment Committee are reported to the CSR Committee. Moreover, important issues are discussed and reported at the Executive Management Board Meeting and Board of Directors meetings.

Subaru Group's Environmental Management Organization



Environmental Risk Management System

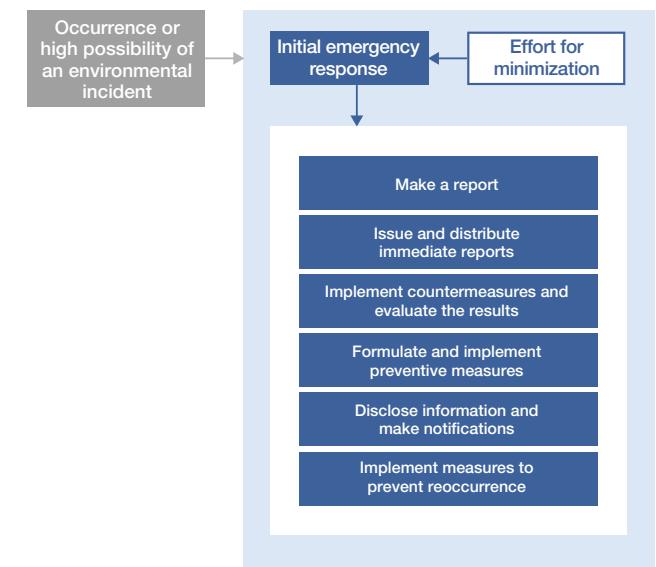
Subaru regularly identifies the environmental risks involved in its business activities (environmental accidents, pollution, noncompliance with laws and regulations, etc.) and fosters the management of the identified risks to prevent and minimize their materialization.

We also standardize the procedures to be followed when detecting an environmental risk and conduct drills in ordinary times so that we can promptly implement response measures in case of emergency and then take measures to prevent the reoccurrence of similar accidents, while preventing secondary risks from causing the spread of environmental pollution.

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^{*1}

In 2011, 44 Subaru dealers obtained Eco Action 21^{*1} 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 (IPSS)^{*2}, 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^{*3}

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^{*4}

Subaru Logistics Co., Ltd. obtained certification for ISO 39001^{*4}, the international standard for road traffic safety management systems, in 2015 and for ISO 9001^{*5}, the standard for quality management systems, in 2016.

^{*1} 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

Establishment of EMSs and EnMSs by the Subaru Group

Plants and offices				Distributors		
Category	Subaru Corporation	Suppliers	Domestic consolidated production and logistics companies	Overseas consolidated production companies	Domestic consolidated automobile sales companies	Overseas consolidated automobile sales companies
Certification obtained for EMSs/EnMSs	ISO 14001	ISO 14001, Eco Action 21 or self-certification	ISO 14001	ISO 14001 ISO 50001	Eco Action 21	ISO 140001
Target	Gunma Plant Tokyo Office Utsunomiya Plant Head Office	Green procurement Suppliers of materials	Fuji Machinery Co., Ltd.* Kiryu Industrial Co., Ltd.* Yusoki Kyogyo K.K.* Subaru Logistics Co., Ltd.* FAS Corporation* Ichitan Co., Ltd. Six companies in total	SIA	All Subaru dealers 44 companies in total	Subaru of America, Inc. Subaru Canada, Inc. Two companies in total

* 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.



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 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 regulation^{*1}, ELV Directive^{*2}, and the Chemical Substance Control Law^{*3}, 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 IMDS^{*4} 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.

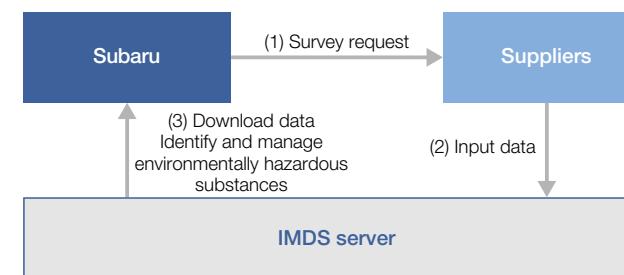
^{*3} The Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law) is a law whose purpose is to prevent environmental pollution caused by chemical substances that could harm human health or interfere with the habitat or growth of flora and fauna.

^{*4} IMDS: International Material Data System, an international materials database for the automobile industry.

→ [Prevention of Pollution](#)

□ [International Material Data System](#)

Management of Environmentally Hazardous Substances through IMDS



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 (FY2018 to FYE2021) Global Warming Measures

Field	Item	Up to FYE2021 Target/Initiative	FYE2020		FYE2021 Target/Initiative
			Target	Results	
Products	Fuel economy improvement	<ul style="list-style-type: none"> ◆ Continue to improve fuel economy through full model changes and annual improvements. 	<ul style="list-style-type: none"> ◊ Innovate to an environmental engine, and realize category top level fuel efficiency. ◊ Introduce horizontally opposed direct-injection downsized turbo engines to the market. 	<ul style="list-style-type: none"> • Expand global rollout of the new Forester, SUBARU XV and Impreza-wagon fitted with the new e-Boxer power unit. • Complete the development phase for mass production of the downsized turbo engine and move to production readiness. 	<ul style="list-style-type: none"> • Rolled 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.
	Clean energy use	<ul style="list-style-type: none"> ◆ Promote introduction of electric vehicles. 	<ul style="list-style-type: none"> ◊ Introduce plug-in hybrid vehicles into the main markets in 2018. ◊ Promote research for introducing electric vehicles into the market. 	Move forward with efforts to have good prospects for basic advanced development for the next-generation electric vehicle designed with mass production in mind	<ul style="list-style-type: none"> • 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.
	Road traffic improvement - IT technology (Automate driving technology and preventive safety technology)	<ul style="list-style-type: none"> ◆ 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. 	<ul style="list-style-type: none"> ◊ 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. ◊ Introduce the traffic jam assist feature that keeps a car in the same lane on expressways to the market in 2017. ◊ Introduce the highway automatic driving feature including lane changes to the market in 2020. 	<ul style="list-style-type: none"> • Promote development that aims zero fatal traffic accidents by 2030. Continue to promote development of advanced driving assist system technology, focusing mainly on expanded deployment of EyeSight Touring Assist and popularization and dissemination of accident damage reduction technology using assessment. • Continue to promote activities based on promotion plans of industry/government/academia such as SLP/ASV. 	<ul style="list-style-type: none"> • Expanded deployment of EyeSight Touring Assist to Legacy, Outback launched in North America in the fall of 2019 following its full model change, and Impreza in Japan. • Impreza was awarded ASV+++, the highest rating in the JNCAP preventive safety performance assessment for FYE2019. • Moved forward with the development of technology to facilitate automatic driving on expressways, aiming at market rollout of this function in 2020.
	Production facilities	<ul style="list-style-type: none"> ◆ Reduce CO₂ emissions per unit of production at domestic production facilities. ◆ Promote activities to reduce CO₂ emissions at overseas production facilities*. 	<ul style="list-style-type: none"> ◊ Reduce CO₂ emissions per unit of production by 14% from FYE2007 level by FYE2021 at domestic production facilities. ◊ For overseas production facilities, set medium term CO₂ emissions reduction targets and continue to promote activities to attain them. 	<ul style="list-style-type: none"> Reduce CO₂ Emission per unit of production at domestic production facilities by 13% from FYE2007 level. Reduce CO₂ emissions to the extent possible, considering measures to achieve a significant reduction under the next action plan. 	<ul style="list-style-type: none"> Reduced CO₂ emissions per unit of production at domestic production facilities by 38% from the FYE2007 level. 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. Continue to consider introducing energy saving facilities and renewable energy power systems while studying approaches in this context to address inevitable increases in energy use required to increase production.
Distribution/Sales	Distribution	<ul style="list-style-type: none"> ◆ Promote CO₂ emissions reduction activities synchronized with the Energy Saving Law. 	<ul style="list-style-type: none"> ◊ Use FYE2007 per unit of CO₂ emission as a benchmark, and reduce emission by 1% every year. 	Continue activities synchronized with the Energy Saving Law, and aim for 1% emission reduction every fiscal year with FYE2007 result as a benchmark.	<ul style="list-style-type: none"> Continued to achieve the yearly 1% emissions reduction target. Posted 27.05 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). Aim for 1% emissions reduction every fiscal year with the FYE2007 result as a benchmark.

*1 Subaru of Indiana Automotive, Inc.

The 6th Voluntary Plan for the Environment (FY2018 to FYE2021) Resource Recycling

Field	Item	Up to FYE2021 Target/Initiative	FYE2020		FYE2021 Target/Initiative
			Target	Results	
Products	Recyclability improvement	<ul style="list-style-type: none"> ◆ Continue to implement measures to comply with the Automobile Recycling Law. ◆ Continue to implement measures to make parts and materials more detachable, separable, and sortable. <p>◊ Promote new model design for recycle, and contribute to actual recycling rate of 95% by FYE2021.</p>	<ul style="list-style-type: none"> • Continue to promote design for recycle, including large Li-ion batteries for PHEVs, etc. • Continue to promote the development of models designed with consideration for ease of dismantling. • Maintain an understanding of trends in the social environment and in laws and regulations, and promote the use of recycled materials in plastic parts. 	<ul style="list-style-type: none"> Continued to achieve an actual recycling rate of 95% or better (99.4%). Added/revised approaches toward recycling design concerning CFRP parts in the recycling design guidelines in response to increased adoption of CFRP parts for the purpose of weight-saving. Promoted technology development that incorporates design for recycling. 	<ul style="list-style-type: none"> Build collection schemes as necessary in relevant locations for used EV/HV batteries for large vehicles in time with the launch of MHEV/PHEV. Continue to promote the development of designed models that consider easy dismantling. 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.
	Promotion of life-cycle assessment	<ul style="list-style-type: none"> ◆ Make efforts for CFRP recycling technology. <p>◊ Promote technological development regarding easy dismantling of CFRP products.</p>	Continue to promote technological development considering easy dismantling.	For advanced development of CFRP parts, started to promote development and design that considers easy dismantling.	Continue to promote technology development that considers easy dismantling.
	Domestic dealerships and dismantlers	<ul style="list-style-type: none"> ◆ Promote disclosure of life-cycle assessment (LCA) data. <p>◊ Promote release of LCA data from full model change vehicles.</p>	No targeted vehicle to be released in FYE2020.	No targeted vehicle to be released in FYE2020.	Only the new Levorg, to be released in 2020, will be subject to LCA data disclosure.
Production	Domestic dealerships and dismantlers	<ul style="list-style-type: none"> ◆ Establish processing schemes for difficult material to process, etc. <p>◊ Improve recycling and proper treatment.</p>	Continue to promote high-level treatment and recycling, and demonstration experiment.	Conducted demonstration experiments on the recycling of used EV/HV lithium ion batteries and a test treatment before starting domestic operations.	<ul style="list-style-type: none"> Japan: Start to apply the used EV/HV lithium ion batteries disposal scheme. Expand the acquisition and utilization of approval for waste disposal practice, as set forth in the Waste Management and Public Cleansing Act.
	Production facilities	<ul style="list-style-type: none"> ◆ Continue the appropriate disposal of waste and reducing waste generation. <p>◊ Appropriately manage waste, and continue the waste reduction maintenance/management by improving yield and packaging.</p>	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.	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.	Continue to appropriately dispose of waste and reduce waste generation through sorting.
	Production facilities	<ul style="list-style-type: none"> ◆ Continue zero landfill (zero landfill waste either directly or indirectly) at both domestic and overseas production facilities. <p>◊ Continue zero landfill at both domestic and overseas production facilities.</p>	Continue to achieve zero landfill at both domestic and overseas production facilities.	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.	Continue to achieve zero landfill.
		<ul style="list-style-type: none"> ◆ Manage volume of water used at both domestic and overseas production facilities. <p>◊ Manage volume of water used at production facilities across Group companies in and outside Japan.</p>	Properly manage volume of water use at production facilities in and outside Japan.	Conducted proper management.	Properly manage water use at production facilities in and outside Japan.

The 6th Voluntary Plan for the Environment (FY2018 to FYE2021) Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Item	Up to FYE2021 Target/Initiative	FYE2020		FYE2021 Target/Initiative
			Target	Results	
Products	Reduction in emissions	<ul style="list-style-type: none"> ◆ Promote the introduction of low-emission vehicles to improve air quality. 	<ul style="list-style-type: none"> ◇ Japan: Increase the number of low emission standard certified models by WLTP (produced by Subaru). ◇ Overseas: Promote the introduction of low-emission vehicles to improve air quality in each country and region. 	<ul style="list-style-type: none"> • Bring vehicles with gasoline particulate filters (GPFs), which curb emission of fine particulate matter, to market. • Undertake advanced development aimed at expanding the rollout of SULEV-compliant vehicles in North America. 	<ul style="list-style-type: none"> • Launched in Europe GPF-equipped vehicles of the new Forester and SUBARU XV fitted with the new e-Boxer power unit. • Promoted advanced development of SUL EVs for rollout in North America as planned.
	Reduction in the use of environmentally hazardous substances	<ul style="list-style-type: none"> ◆ Promote the management and reduction in the use of environmentally hazardous substances. 	<ul style="list-style-type: none"> ◇ Improve management of chemical substances contained in products. ◇ Promote switching to substances with lower environmental impact. 	<ul style="list-style-type: none"> • Chemical substance management Continue to enhance chemical substance management using IMDS. • Promote alternatives to Substances of Concern Promote alternatives in line with policies on alternatives to phthalates and other regulated substances. 	<ul style="list-style-type: none"> • Built an IMDS system enabling chemical components management for the complete range of parts in order to strengthen existing IMDS management, and started to use it in FYE2020. • Formulated policies on alternatives to phthalates (required by July 2024) and promoted switching according to the policies.
Production	Automobiles	<ul style="list-style-type: none"> ◆ Further reduce per unit of VOC emissions (g/m²) at production lines. 	<ul style="list-style-type: none"> ◇ Reduce per unit of VOC emissions. 	FYE2020 target: 44.2 g/m ²	FYE2021 target: 44.7 g/m ²
	Management and emission reduction of environmentally hazardous substances at production facilities	<ul style="list-style-type: none"> ◆ Continue to reduce emissions of PRTR substances into the environment. ◆ Promote activities targeting the elimination of occurrences of hazardous substances leaking off site, complaints, and exceeding legal standards. 	<ul style="list-style-type: none"> ◇ Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances. ◇ Promote activities targeting the zero occurrence of environmental accidents, complaints, and cases exceeding legal standards through environmental risk reduction activities. ◇ Set stricter voluntary standards and conduct small-risk elimination activities. 	<p>Continue aggregation management and control of chemical substances regulated by the PRTR law.</p> <p>Continue to implement environmental risk reduction activities (enlightenment, 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.</p>	<p>Reported emissions amounts of PRTR substances to the government in June 2019 in compliance with the law.</p> <p>Exceeding legal regulation standards: 5 cases (3 in Gunma: effluent BOD, coliform contamination, nighttime noise; 1 in Utsunomiya: BOD [Handa Plant]; 1 in the Head Office: noise from the parts center)</p> <p>Complaints: 2 cases (Gunma Yajima Plant: odor; Ota North Plant: noise (inadequate building repair))</p> <p>Accidents (leakage): 2 cases (Gunma: oil leakage)</p>

The 6th Voluntary Plan for the Environment (FYE2018 to FYE2021) Environmental Management

Field	Item	Up to FYE2021 Target/Initiative	FYE2020	FYE2021 Target/Initiative
			Target	Results
Procurement	Green procurement activities	◆ Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems (EMS).	<p>◊ Continue to establish and maintain the EMS including new suppliers.</p> <p>◊ Request that the entire supply chain improve environmental management throughout the product life cycle.</p>	<p>Continue to maintain the structure to establish EMS including new suppliers.</p> <p>As necessary, publish the revised guidelines, and deploy and disseminate them to suppliers.</p>
		◆ Reduce environmentally hazardous substances.	<p>◊ Encourage suppliers to further improve management of and reduce the use of environmentally hazardous substances contained in parts and materials.</p>	<p>Continue to investigate content of environmentally hazardous substances, and promote to reduce environmentally hazardous substances by using alternatives.</p>
		◆ Apply the supplier CSR guidelines and green procurement guidelines.	<p>◊ Revise the guidelines according to changes in the social environment and corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines.</p>	<p>Conducted supplier surveys related to REACH-restricted phthalates.</p> <p>As necessary, publish the revised guidelines, and deploy and disseminate them to suppliers.</p>
Distribution/Sales	Promotion of environmental conservation activities among dealerships	Automobiles	<p>◆ Provide support to Subaru dealerships' environmental activities.</p>	<p>Revised and issued the CSR guidelines and distributed the new version of the guidelines to suppliers.</p> <ul style="list-style-type: none"> 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.
				<ul style="list-style-type: none"> 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.

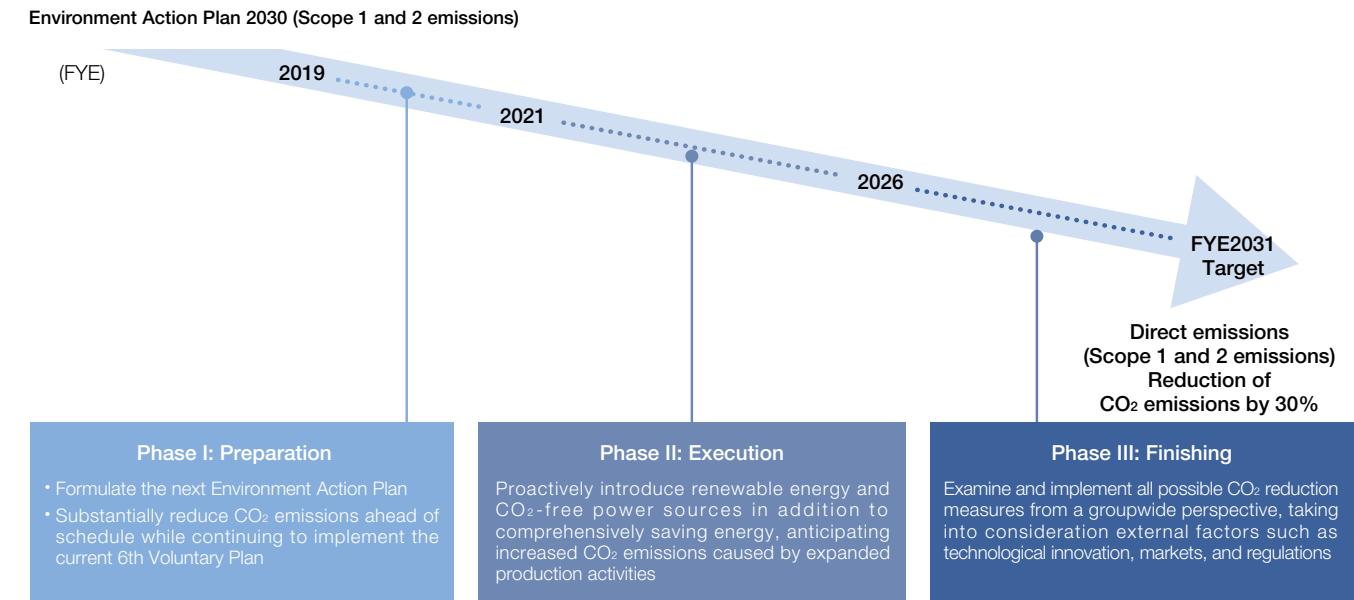
The 6th Voluntary Plan for the Environment (FY2018 to FYE2021) Environmental Management

Field	Item	Up to FYE2021 Target/Initiative	FYE2020	FYE2021 Target/Initiative	
			Target	Results	
Management	Promotion of environmental conservation activities, including biodiversity conservation, in cooperation with local communities	<ul style="list-style-type: none"> ◆ Continue to participate in environmental events, and make friendly exchanges with and support factory tours of residents near factories. ◆ Continue to conduct cleanup and greening activities, including biodiversity conservation efforts, near factories. ◆ Support activities of and work with environmental organizations. 	<ul style="list-style-type: none"> ◊ Continue to give factory tours, hold on-site events, and carry out environmental exchange classes. ◊ Continue cleanup activities around factories and offices. ◊ Promote greening activities taking biodiversity into consideration. 	<ul style="list-style-type: none"> • Continue to provide school visits to lecture on the environment and invite visitors to the Gunma Visitor Center. • Continue to carry out community cleaning activities. • Continue to carry out concrete forest conservation projects in Gunma, Utsunomiya and Bifuka, where Subaru has close ties with communities. 	<ul style="list-style-type: none"> • Visited schools to provide environmental classes (33 times), and provided factory tours. • Continued to carry out cleanup activities around factories and offices. • In Bifuka, carried out activities related to artificial afforestation, tree-planting ceremonies, thinning to promote forest growth, sampling forest surveys, and J-Credit certification. • Hosted workshops to create public use items using thinned wood in Utsunomiya.
	Disclosure of environmental information	<ul style="list-style-type: none"> ◆ Disclose environmental information through regular publication of environmental reports and other documents in a timely manner. 	<ul style="list-style-type: none"> ◊ Provide environmental report. Provide updated information on the website. 	<ul style="list-style-type: none"> • Aim to publish the 2019 CSR Report in August 2019. Carry out timely information disclosure by means of press releases, etc. 	<ul style="list-style-type: none"> • Published the 2019 CSR Report in August 2019. • Issued a number of press releases to announce 2030/2050 climate change goals and related plans. • Included descriptions of climate change issues in the "risks associated with business, etc." section of the financial report for the year ended March 2020.
	Promotion of environmental education and awareness activities	<ul style="list-style-type: none"> ◆ Improve and enhance the contents of Environmental Report (to be in compliance with Environmental Reporting Guidelines, and inclusion of Group companies in the scope of reporting). ◆ Participate in environmental events and publicize corporate environmental activities. 	<ul style="list-style-type: none"> ◊ Improve compliance of Environmental Report to Environmental Reporting Guidelines of the Ministry of the Environment, and improve the contents of environmental reporting. ◊ Participate in Eco-Products Exhibitions, etc. to widely publicize the company's eco-friendly activities. 	<p>Using the GRI Standards and the Environmental Reporting Guidelines as a reference, transition from using the 2012 edition of the Environmental Reporting Guidelines to the 2018 edition.</p> <p>Consider methods of gaining understanding of Subaru's environmental initiatives among a wider audience and put them into practice.</p>	<p>Promoted disclosure of information regarding environmental initiatives in reference to the GRI Standards and the Environmental Reporting Guidelines.</p> <p>Showcased Subaru's environmental commitment through social contribution activities.</p>
	Establishment of an Environmental Management System	<ul style="list-style-type: none"> ◆ Each and every Subaru site to maintain ISO14001 integrated certification. ◆ Make continuous improvements to the Environmental Management System. ◆ Increase cooperation with subsidiaries and suppliers, and maintain and improve the establishment of consolidated environmental management system. 	<ul style="list-style-type: none"> ◊ Hold more environmental education, enlightenment and presentation events. ◊ Promote sharing the internal auditing and environmental education systems for more practical EMS activities. ◊ Promote acquiring the ISO14001 integrated certification, including three subsidiaries (Subaru Logistics Co., Ltd., Kiryu Industrial Co., Ltd., and Fuji Machinery Co., Ltd.), in order to further improve the system. ◊ Deploy the EA21 value chain to subsidiaries and suppliers. 	<ul style="list-style-type: none"> • Continue to use e-learning and other methods to deliver environmental education and aim to further enhance the education provided. • Implement initiatives aimed at increasing understanding of the Waste Management and Public Cleansing Act. <p>Maintain eligibility for certification. Progressively revise methods of deploying the EA21 Value Chain and deepen the understanding of participation by such means as holding briefing sessions.</p>	<ul style="list-style-type: none"> • Updated environmental education materials, and offered e-learning (online) programs and in-person study meetings in July. • Provided education on the Waste Management and Public Cleansing Act in September to responsible persons from Subaru Group companies.
<p>* 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.</p>					

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)



Main Initiatives Aimed at Cutting 20,000 t-CO₂ by FYE2021

Installation of solar power generation facilities



Japan's largest-scale solar power system
(Gunma Oizumi Plant)



Installed at Subaru Accessory Center and others

Purchase of electricity generated by hydropower



Utsunomiya South Plant and 2nd South Plant



Utilization of certificates



Head Office and Subaru Training Center



Tokyo Office



Gunma Main Plant

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.

Name of the site	Number of cases
Gunma Plant	3
Utsunomiya Plant	1
Head Office	1

→ FYE2020 Environmental Performance Data for Plants and Offices

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.



New Employee Environmental Education



ISO14001 New Internal Auditors Training Seminar

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.

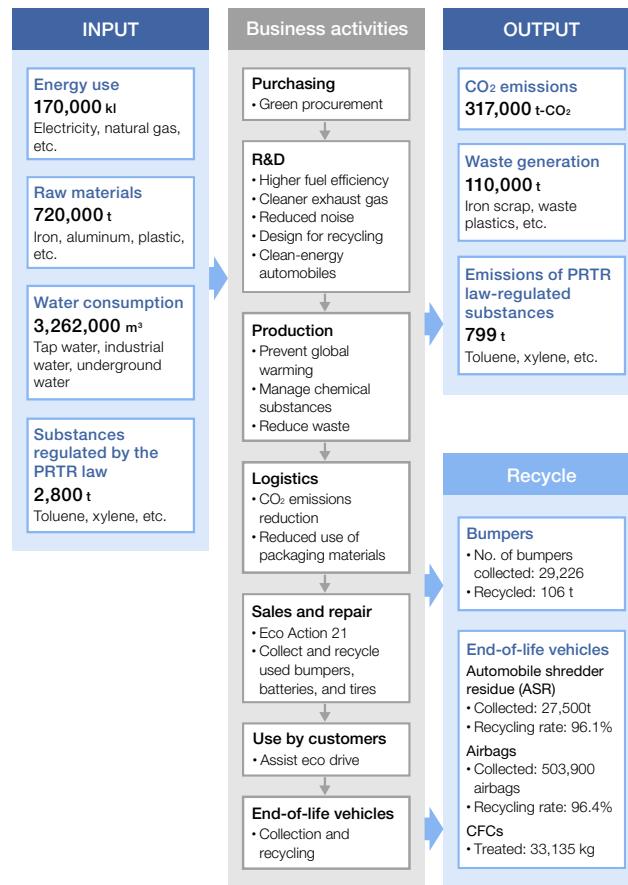
Name of the site	Number of cases
Gunma Plant	7
Utsunomiya Plant	2

Environmental Complaints

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

Name of the site	Number of cases
Gunma Plant	2

Material Flow Concerning Automobiles



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 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

Item	Category	Subaru Corporation (non-consolidated)		Consolidated	
		FYE2019	FYE2020	FYE2019	FYE2020
	(i) Pollution prevention cost	189	135	189	137
(1) Cost in the business area	(ii) Global environment conservation cost	176	219	314	223
	(iii) Resource recycling cost	0	1	4	1
(2) R&D cost	R&D cost to reduce environmental impact	2,277	2,480	2,292	2,502
Grand total		2,642	2,835	2,799	2,863

(Unit: million yen)

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

Consolidated companies

Five domestic affiliated companies: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Calculation Results

For FY2020, 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).

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.

Year 2030

By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars to at least up to 40% of the gross number of vehicles sold globally.
In the early 2030's, all commercial SUBARU cars will be equipped with electric powertrain technology.

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.

- 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.
- In the early 2030's, all commercial SUBARU cars will be equipped with electric powertrain technology.
- By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars to at least up to 40% of the gross number of vehicles sold globally.

*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.

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.



New 2.5-liter direct injection engine

Electric Vehicles—HVs, Plug-in Hybrid Vehicles (PHVs), Strong Hybrid Electric Vehicles (SHEVs), and Other Electromotive Vehicles (xEVs)

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.

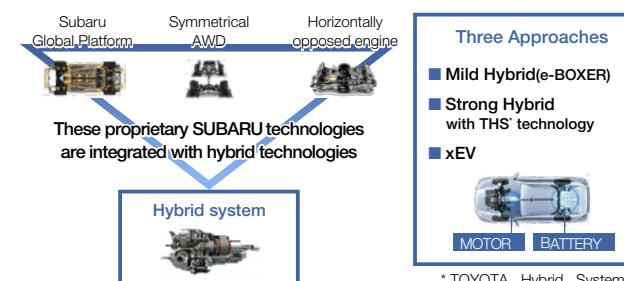
* Generic term used for "horizontally opposed engine + electrification technology," which offers the unique driving pleasure of Subaru while being environmentally friendly.



PHV Crosstrek Hybrid



Forester Advance equipped with the e-BOXER power unit



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

	2020	2025	2030	2035
■ EV		202X	Launch Compact SUV model first	
■ Hybrid Vehicle	2012 e-BOXER	2012 Mild Hybrid (e-BOXER)	2018 Plug-in Hybrid	202X Strong Hybrid
■ Engine Vehicle	2020 Newly-designed 1.8L lean-burn turbo engines			203X All are xEVs ²
				Apply electrification technologies to all Subaru vehicles sold worldwide by the first half of the 2030s

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.

[□ Life Cycle Assessment \(Japanese version only\)](#)

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^{*1} 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)^{*1}.

For the Legacy, Levorg, Impreza, Forester, and SUBARU BRZ, we achieved the voluntary target set by the JAMA^{*2} 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.

^{*1} Organic compounds that easily volatilize at room temperature, such as formaldehyde and toluene, which are said to cause nose and throat irritation.

^{*2} Voluntary target set by the JAMA in its "Voluntary Approach in Reducing Cabin VOC Concentration Levels," which was announced with the intention of reducing the in-vehicle concentrations of the 13 substances designated by the Ministry of Health, Labour and Welfare to levels equivalent to or lower than the values set in the guidelines, for new models produced and sold in Japan in and after FYE2008.

[□ JAMA's "Voluntary Approach in Reducing Cabin VOC Concentration Levels" \(Japanese version only\)](#)

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 wielding 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).

Category	Target year	Goal
Products (Scope 3)	2050	Reduce average well-to-wheel CO ₂ 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)	FYE2051	Achieve carbon neutrality
	FYE2031	Reduce CO ₂ 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.

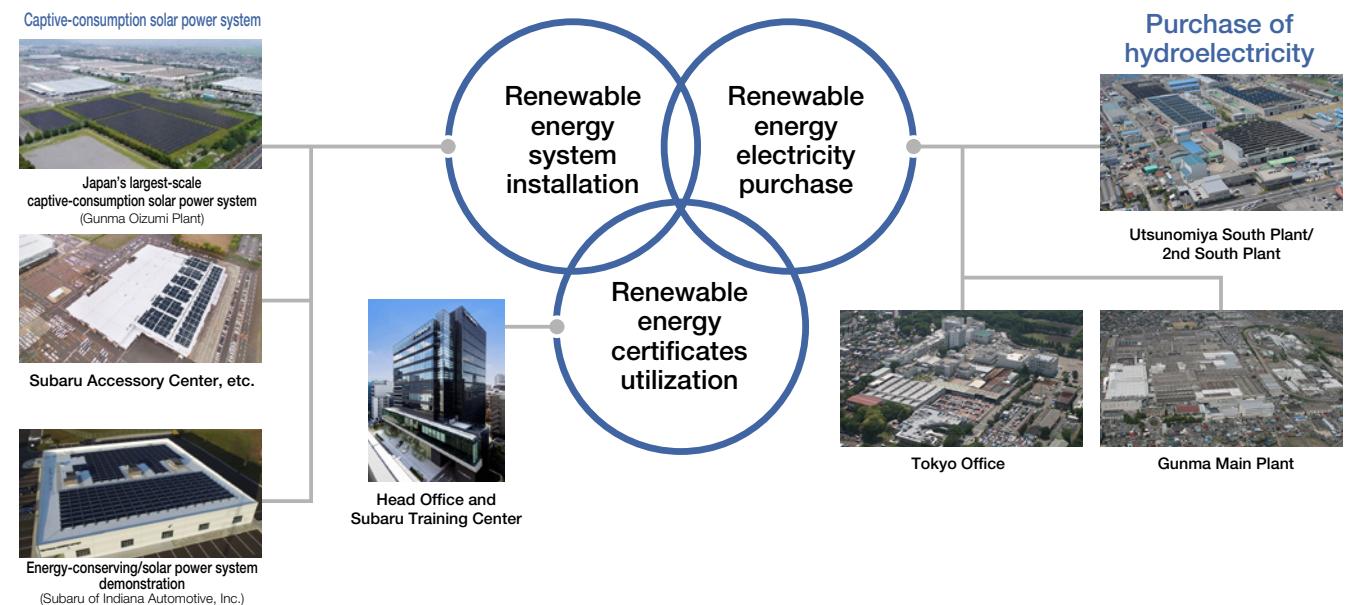
In FYE2020 our efforts effected a reduction of 18,000 t-CO₂. In FYE2021, we will seek to achieve a 23,000 t-CO₂ reduction, exceeding the target for the milestone year.

FYE2020 Main Initiatives and CO₂ Reduction Equivalents

Main initiatives	FYE2020 Results	FYE2021 Estimates
Captive-consumption solar power system installed at Gunma Oizumi Plant ¹	—	3,700 t-CO ₂
Zero-carbon electricity (Aqua Premium) introduced at Gunma Main Plant	6,032 t-CO ₂	6,000 t-CO ₂
Captive-consumption solar power system installed at Subaru Accessory Center and Kanto PDI Center ²	—	330 t-CO ₂
Zero-carbon electricity (Tochigi Furusato Denki) introduced at Utsunomiya South Plant and 2nd South Plant	4,771 t-CO ₂	4,700 t-CO ₂
Zero-carbon electricity (Aqua Premium) introduced and Green Power certificates utilized at Tokyo Office	3,891 t-CO ₂	3,883 t-CO ₂
Solar power system installed at SIA Technical Training Center ³	41 t-CO ₂	120 t-CO ₂
Green Power and Green Heat certificates ⁴ utilized at Head Office (Ebisu Subaru Building) and Subaru Training Center	1,029 t-CO ₂ ⁴	1,000 t-CO ₂
Switching to LED lighting (total from FYE2019 to 2021) ⁵	1,868 t-CO ₂	3,358 t-CO ₂
Total	17,632 t-CO ₂	23,091 t-CO ₂

*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



Achievements

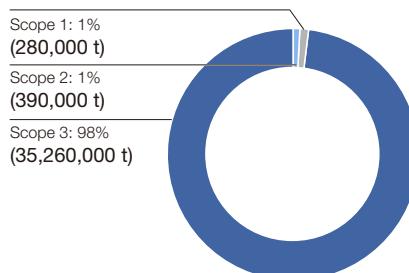
For FYE2020, Subaru has reported a total of 35.93 million t-CO₂ of supply chain greenhouse gas emissions (Scopes 1, 2, and 3). Out of the total amount, 98% is related to Scope 3, the majority of which stems from the use of sold products.

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.

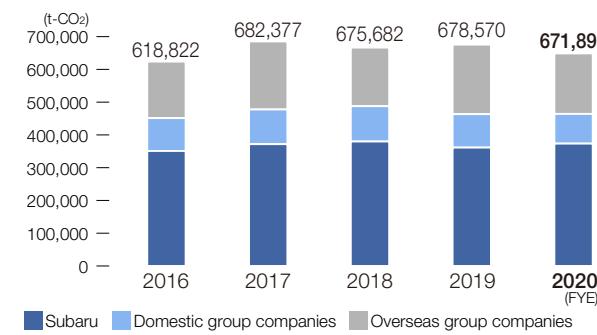
Scope 1: Direct emissions of greenhouse gases from a company's own facilities.

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.

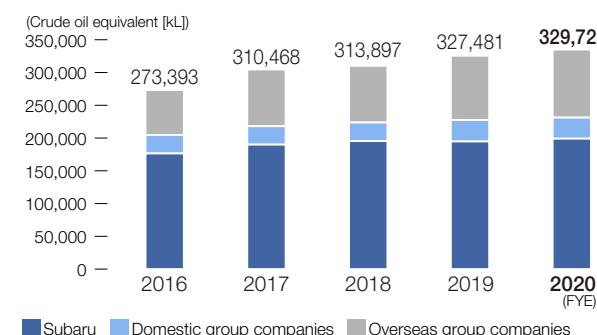


CO₂ Emissions (Scope 1, Scope 2)



Change in emissions factor: This year, Subaru has changed the basis for CO₂ emissions calculations from "non-adjusted greenhouse gas emissions" to "adjusted greenhouse gas emissions," based on the Act on Promotion of Global Warming Countermeasures. In accordance with this change, we recalculated and revised the figures to as far back as to FYE2016.

Energy Consumption



Data for Subaru Corporation is calculated based on the notification required by the Act on the Rational Use of Energy.

CO₂ Emissions (Scopes 1, 2, 3) / Energy Consumption

Scope of target: Subaru Corporation

Domestic group companies: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd., Subaru dealerships

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru of Canada, Inc., Subaru Research & Development, Inc.

CO₂ Emissions (Scope 3)

Category

Category	FYE2019	FYE2020
1 Purchased goods and services	1,703,682	1,992,046
2 Capital goods	372,211	413,287
3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	78,815	105,323
4 Transport and delivery (upstream)	658,268	737,817
5 Waste generated in operations	31,984	32,095
6 Business travel	4,446	4,554
7 Employee commuting	13,506	13,835
8 Leased assets (upstream)	N/A	N/A
9 Transportation and delivery (downstream)	N/A	N/A
10 Processing of sold products	N/A	N/A
11 Use of sold products	30,068,816	31,390,639
12 End-of-life treatment of sold products	556,139	575,107
13 Leased assets (downstream)	N/A	N/A
14 Franchises	N/A	N/A
15 Investments	N/A	N/A

* 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

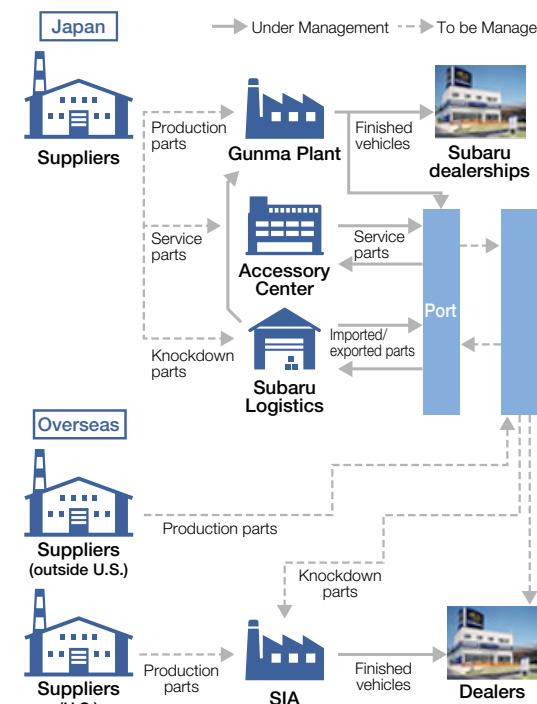
At the Gunma Plant, a new cogeneration system was installed to replace the plant's first such system, which had served 15 years. To select a replacement model, we sought out high energy-saving functions to be performed under recent energy mix conditions. The new facilities came into operation in 2019. 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 rolling out various measures, including: establishing optimal standard routes; ensuring flexibility to accommodate shipping of a wide range of vehicle types and sizes (particularly large cars); improving loading efficiency; installing digital tachographs¹ to help energy conservation; and promoting modal shift².

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 system¹, 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 depots².

	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.



Subaru Research and Experiment Center



Fuji Machinery Oizumi Plant

■ 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 FY2020, 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 air-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 FY2020, the Gunma Main Plant and the Yajima Plant were commended by the Energy Conservation Center, Japan for their efforts to promote energy conservation.



Awards ceremony

■ 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.



SIA Technical Training Center

■ Subaru of America, Inc.

New buildings of Subaru of America, Inc. to house its head office and training center, completed in New Jersey in April 2018, were designed with an eye to obtaining LEED certification, which is awarded to building projects that consider global environmental conservation through incorporating effective functions for cost and resource saving, health considerations, and renewable, clean energy use. The head office building and the training center received a Silver certificate, awarded to higher- than-standard scorers, in October 2018 and July 2019, respectively. In March 2019, the project was also commended by the U.S. Green Building Council New Jersey Branch as an innovative green project. Additionally, a number of energy-conserving features were introduced to the renovated office in Pennsauken, New Jersey, specifically adopting LED and motion sensor-fitted lighting and white roof coating to replace the previous black coating, a countermeasure against the heat-island effect.

* 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.

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.

■ 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.

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

■ Raw Materials

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 reusable 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

① Aluminum ingots



② Die casting



③ Engine cylinder block machining



④ Chips



⑤ Melting



⑥ Reused as materials for products

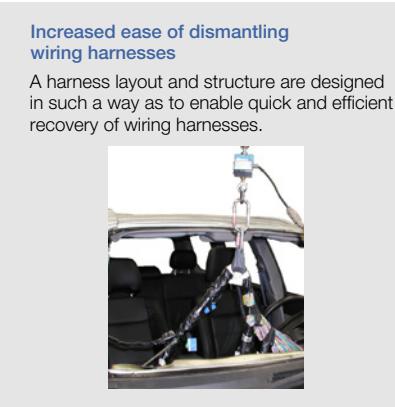
Raw materials used in automobiles in FYE2020

Recycling method

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.

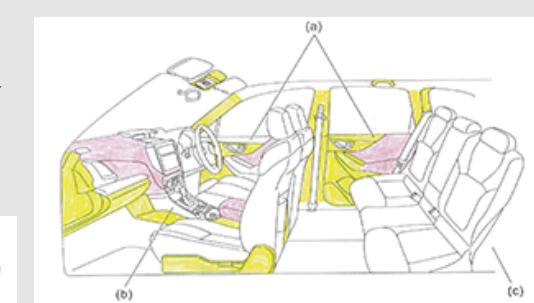


Increased ease of dismantling wiring harnesses

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.

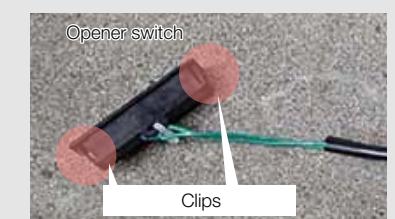


Improved material identification

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

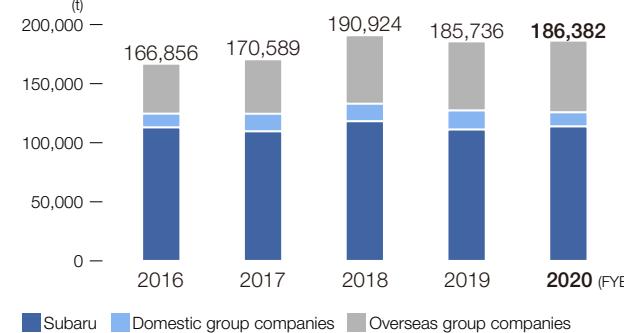
Our waste generation in FYE2020 increased by 664 tons due to increased automobile production and treatment of waste liquid. This is attributable mainly to reduced automobile production. However, as waste is also an important resource, we have maintained zero emissions^{*} of waste since FYE2015 through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

Primary waste product	Primary recycled product
Wastewater treatment plant sludge	Raw material for cement
Paint sludge	Iron-making reducer
Waste plastics	Refuse paper and plastic fuel (RPF) (solid fuels, etc.)
Paper waste	Recycled paper, RPF, etc.

Waste generation



Scope:

Subaru: Gunma Plant, Tokyo Office, Utsunomiya Plant
 Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.
 Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

* The waste generation amount includes metal scrap that is sold.

* We do not export or import waste deemed hazardous under the terms of Annex I, II, III, and IV of the Basel Convention 2.

Amount of waste generated and processed



Based on aggregation of data from Gunma Plant, Tokyo Office, Utsunomiya Plant

* 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.

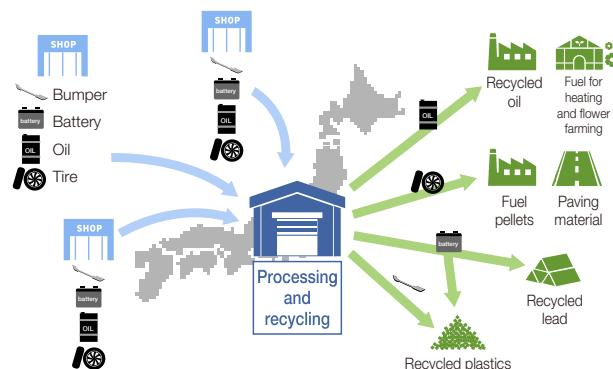
The amount of packaging materials reused in FYE2020 was 1,020 tons, up 32% from the previous year. This was due to the standardization of packaging materials reused for a new Legacy model that began to be produced in a US plant in July 2019, expanded adoption of reused packaging materials to new parts, and an increase in the number of CKD parts.

	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Amount reused (t)	550	652	699	776	1,020
Intensity (kg/vehicle)	2.3	1.9	2.0	2.1	2.8

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 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.



■ 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.

■ 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,

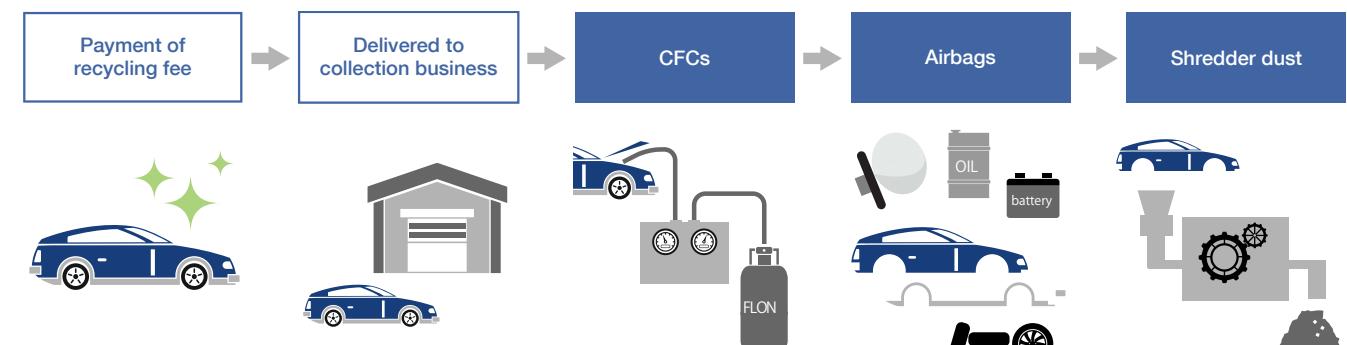
airbags, and CFCs.

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, a waste product that is classified as one of the Parts Specified for Recycling as defined by the Act on Recycling, etc. of End-of-Life Vehicles and required to be recycled under the law.

Act on Recycling, etc. of End-of-Life Vehicles (Japanese version only)
 Automobile shredder residue Recycling promotion Team (ART) (Japanese version only)

Automobile recycling process



The user pays a recycling fee when purchasing a car.

A car that is no longer used is delivered to a collection business*.

* A new or used car dealer, maintenance business, etc. registered with the local authorities

CFCs are recovered and made harmless through proper processing.

Airbags are removed, safely processed, and recycled.
Other parts are also processed (reused or recycled) properly.

The dismantled car is crushed. The shredder dust is recycled.

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.



Subaru's booth recreates the National Parks

■ 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 appropriate services. A palletful of used electronics were collected during the campaign period.

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

(1) WRI Aqueduct water risk atlas, WWF-DEG Water Risk Filter, PREVIEW Global Risk Data Platform, Climate Change Knowledge Portal, Integrated Biodiversity Assessment Tool, NCD-VfU-GIZ Water Scarcity Valuation Tool (Version 1.0), Costing Nature/Water World, National Land Numerical Information: Possible Inundation Area Data and Sediment Disaster Hazard Area Data (Only for Gunma Plant and Utsunomiya Plant)

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)



Scope:

Subaru: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant
Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

Breakdown of water consumption by water source at major production bases
(Unit: 1,000 m³)

Region	Industrial water	Tap water	Groundwater	Source of water intake
Japan	2,967	311	577	Tone River, Watarase River
North America	0	944	0	Groundwater from the Teays Valley aquifer
Total	2,967	1,254	577	

Scope:

Japan: Gunma Plant, Tokyo Office, Utsunomiya Plant, Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

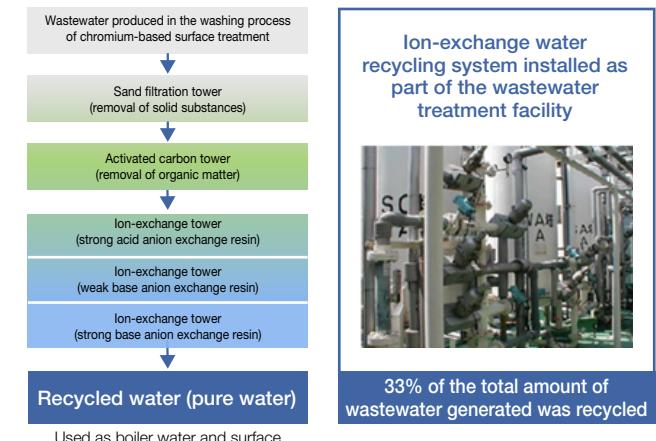
North America: Subaru of Indiana Automotive, Inc.

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.

Processing and recycling of surface treatment wastewater (image)



■ 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.

Established in April 2019

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

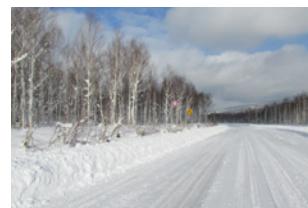
Japan

■ 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.



Subaru Test & Development Center Bifuka Proving Ground and its surrounding forests



Ezo red foxes are often spotted on the premises

• 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.



About 90 people participated in the tree-planting

• 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.

* 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.



A beautiful Matsuyama Marsh landscape



A renewed signpost

• 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.

• 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.



A bike rack made of thinned wood



A bench made of 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.



A cherry tree at Saitama Logistics Center (Right and left)



• 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.



Bamboo-leaf oak



East Asian beautyberry

• 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



Noshime-tombo dragonfly
(*Sympetrum infuscatum*)



Migratory locust
(*Locusta migratoria*)



Asian swallowtail
(*Papilio xuthus*)



Asian lady beetle
(*Harmonia axyridis*)

• 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

[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 FYE2020. 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)

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.

Activity	Timing	Outline
Firefly watching	June 2019 (cancelled during bad weather)	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.
Used oil candle making	June 2019	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.
Participation in Ota City Environmental Fair	November 2019	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.
Volunteer cleanup event in the lower Amanuma area to remove non-native parrotfeather	February 2020	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.



Used oil candle making (Right and left)



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 commanding 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.



Award ceremony

■ 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.



Wild Canadian geese



SIA is surrounded by a wealth of nature

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.

■ 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

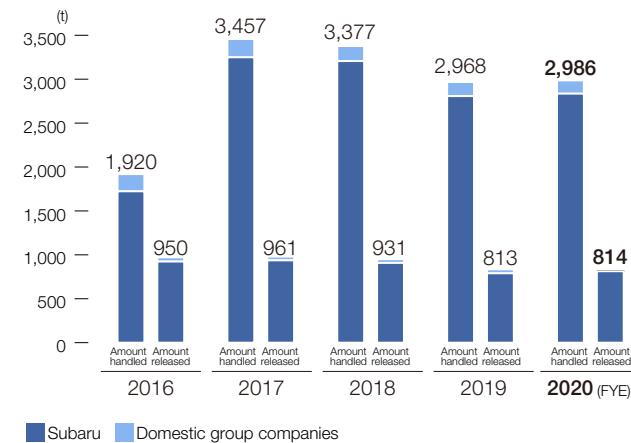
Prevention of Pollution

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.

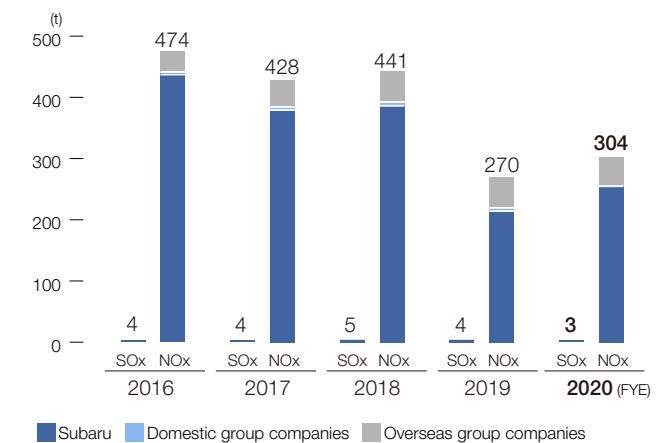
Achievements and Initiatives

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



Scope: Subaru—Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant
 Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd.,
 Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

NOx,SOx



Scope: Subaru—Gunma Plant, Tokyo Office, Utsunomiya Plant
 Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd.,
 Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.
 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

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

■ Yajima Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	Paint drying oven	ppm	230	184	68	38
Particulate matter	Paint drying oven	g/m³N	0.2	0.16	0.005	0.002
VOC	Paint booth, etc.	ppm-C	700	—	299	73
VOC	Paint booth, etc.	ppm-C	400	—	215	166

■ Oizumi Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	Aluminum melting furnace	ppm	180	144	46	39
Particulate matter	Aluminum melting furnace	g/m³N	0.3	0.24	0.033	0.009

■ Ota North Plant

No applicable equipment/facility

Tokyo Office

No applicable equipment/facility

Aerospace Company

Utsunomiya Plant

■ Main Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	Cogeneration	ppm	600	480	180	180
NOx	Drying oven	g/m³N	180	144	47	45
NOx	Quenching furnace	g/m³N	170	136	<100	<100
Particulate matter	Drying oven	g/m³N	0.3	0.24	<0.001	<0.001
Particulate matter	Quenching furnace	g/m³N	0.2	0.16	<0.010	<0.010

■ South Plant and 2nd South Plant

No applicable equipment/facility

Handa Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
SOx	2-ton boiler	ppm	1.5	1.2	<0.02	<0.02
NOx	2-ton boiler	ppm	180	144	32	29
Particulate matter	2-ton boiler	g/m³N	0.1	0.08	<0.002	<0.002

Handa West Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
SOx	2-ton boiler	ppm	1.5	1.2	0.03	0.023
NOx	2-ton boiler	ppm	180	144	32	28.3
Particulate matter	2-ton boiler	g/m³N	0.1	0.08	<0.002	<0.002

Water Quality (Water Pollution Prevention Act, Sewerage Act, Prefectural/Municipal Regulations)**Automotive Business****Gunma Plant****■ Main Plant**

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.1–8.3	7.7	7.1	7.4
Biochemical oxygen demand (BOD)	mg/L	25	20	14.1	<1.0	5.1
Suspended solids (SS)	mg/L	50	40	8.8	<1.0	3.1
n-Hexane extract content (Mineral oil content)	mg/L	5	4	<1.0	<1.0	<1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	<1.0	<1.0	<1.0
Zinc content	mg/L	2	1.6	0.300	0.021	0.153
Soluble iron content	mg/L	10	8	0.2	<0.1	0.1
Soluble manganese content	mg/L	10	8	0.3	<0.1	0.1
Nitrogen content	mg/L	60	48	21.8	2.4	10.2
Phosphorus content	mg/L	8	6.4	1.9	<0.1	1.2
Fluorine and its compounds	mg/L	8	6.4	1.8	<0.2	0.6

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

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.1–8.3	7.3	7.1	7.2
Biochemical oxygen demand (BOD)	mg/L	25	20	77.7	1.3	19.7
Suspended solids (SS)	mg/L	50	40	5.6	2.0	3.5
n-Hexane extract content (Mineral oil content)	mg/L	5	4	<1.0	<1.0	<1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	<1.0	<1.0	<1.0
Zinc content	mg/L	2	1.6	0.40	0.400	0.40
Soluble iron content	mg/L	10	8	0.4	<0.1	0.2
Soluble manganese content	mg/L	10	8	0.2	<0.1	0.1
Nitrogen content	mg/L	60	48	8.9	4.8	6.5
Phosphorus content	mg/L	8	6.4	1.1	0.3	0.5
Fluorine and its compounds	mg/L	8	6.4	1.9	0.9	1.4

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 drainage paths and treatment processes so that the BOD values are now maintained within the standard value.

■ Ota North Plant

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.1–8.3	7.8	7.7	7.8
Biochemical oxygen demand (BOD)	mg/L	25	20	2.7	1.3	2.0
Suspended solids (SS)	mg/L	50	40	2.4	<1.0	1.7
n-Hexane extract content (Mineral oil content)	mg/L	5	4	<1.0	<1.0	<1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	<1.0	<1.0	<1.0
Zinc content	mg/L	2	1.6	0.07	0.046	0.058
Soluble iron content	mg/L	10	8	0.1	<0.1	0.1
Soluble manganese content	mg/L	10	8	0.2	<0.1	0.2
Nitrogen content	mg/L	60	48	1.2	1.1	1.2
Phosphorus content	mg/L	8	6.4	<0.1	<0.1	<0.1
Fluorine and its compounds	mg/L	8	6.4	<0.2	<0.2	<0.2

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

■ Oizumi Plant

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.1–8.3	7.7	7.1	7.4
Biochemical oxygen demand (BOD)	mg/L	10	8	7.3	1.4	3.9
Suspended solids (SS)	mg/L	10	8	5.6	<1.0	2.5
n-Hexane extract content (Mineral oil content)	mg/L	3	2.4	1.0	<1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	<1.0	<1.0	<1.0
Zinc content	mg/L	2	1.6	0.234	0.083	0.166
Soluble iron content	mg/L	5	4	0.2	<0.1	0.1
Soluble manganese content	mg/L	5	4	0.1	<0.1	0.1
Nitrogen content	mg/L	60	48	13.9	6.3	10.3
Phosphorus content	mg/L	8	6.4	<0.1	<0.1	<0.1
Fluorine and its compounds	mg/L	8	6.4	<0.2	<0.2	<0.2

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

■ Tokyo Office

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

Effluent is discharged into public sewer.

* Water Pollution Prevention Act, Mitaka City Sewer Regulation

Aerospace Company

Utsunomiya Plant

Main Plant

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5–9	5.4–8.6	8.6	6.5	7.0
Suspended solids (SS)	mg/L	600	480	357	1.0	6.0
Biochemical oxygen demand (BOD)	mg/L	600	480	476	0.7	8.0
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	20.8	1.0	7.0
Fluorine compounds	mg/L	8	6.4	0.7	0.2	0.0
Cyanogen	mg/L	1	0.8	0.1	0.1	0.0
Cadmium	mg/L	0.03	0.024	0.01	0.003	0.000
Total chromium	mg/L	2	1.6	0.18	0.01	0.00
Hexavalent chromium	mg/L	0.1	0.08	0.03	0.02	0.00

Discharged into public rivers

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.0–8.3	8.0	7.0	7.0
Suspended solids (SS)	mg/L	50	40	2.4	1.0	1.0
Biochemical oxygen demand (BOD)	mg/L	30	24	9.1	0.5	1.0
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	1.0	1.0	1.0
Fluorine compounds	mg/L	8	6.4	0.2	0.2	0.0
Cyanogen	mg/L	1	0.8	0.1	0.1	0.0
Cadmium	mg/L	0.03	0.024	0.013	0.003	0.00
Total chromium	mg/L	2	1.6	0.01	0.01	0.00
Hexavalent chromium	mg/L	0.5	0.4	0.02	0.02	0.00

Effluent is discharged into public rivers

■ South Plant

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5–9	5.4–8.6	8.4	6.9	7.4
Suspended solids (SS)	mg/L	600	480	134	1.2	52
Biochemical oxygen demand (BOD)	mg/L	600	480	312	2.6	111
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	17	1.0	3.9
Fluorine compounds	mg/L	8	6.4	0.2	0.2	0.2
Total chromium	mg/L	2	1.6	0.02	0.01	0.01
Hexavalent chromium	mg/L	0.1	0.08	0.02	0.02	0.02
Discharged into public rivers						

Discharged into public rivers

Item	Unit	Regulation (Prefectural regulation)	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.0–8.3	7.7	6.8	7.3
Suspended solids (SS)	mg/L	50	40	4.4	2.0	3.3
Biochemical oxygen demand (BOD)	mg/L	30	24	15	0.5	2.6
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
Cyanogen	mg/L	30	24	1.0	1.0	1.0
Cadmium	mg/L	8	6.4	0.2	0.2	0.2
Total chromium	mg/L	2	1.6	0.01	0.01	0.01
Hexavalent chromium	mg/L	0.5	0.4	0.02	0.02	0.02

■ 2nd South Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5–9	5.4–8.6	8.6	6.9	7.6
Suspended solids (SS)	mg/L	600	480	197	1.0	42
Biochemical oxygen demand (BOD)	mg/L	600	480	416	1.0	54
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	14	1.0	2.8
Fluorine compounds	mg/L	8	6.4	1.2	0.2	0.3
Total chromium	mg/L	2	1.6	0.56	0.01	0.2
Hexavalent chromium	mg/L	0.1	0.08	0.02	0.02	0.02
Total nitrogen	mg/L	240	192	56	2.8	45
Total phosphorus	mg/L	32	26	2.9	0.05	1.3

Discharged into public rivers

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8–8.6	6.0–8.3	7.6	6.7	7.0
Suspended solids (SS)	mg/L	50	40	2.0	1.0	1.5
Biochemical oxygen demand (BOD)	mg/L	30	24	6.0	0.5	1.8
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	1.0	1.0	1.0
Fluorine compounds	mg/L	8	6.4	0.2	0.2	0.2
Total chromium	mg/L	2	1.6	0.02	0.01	0.02
Hexavalent chromium	mg/L	0.5	0.4	0.02	0.02	0.02

Effluent is discharged into public rivers.

Handa Plant

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

Effluent is discharged into public rivers.

Handa West Plant

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

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

Gunma Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Main Plant	dB(A)	55	54	8	53
Yajima Plant	dB(A)	55	54	10	55
Oizumi Plant	dB(A)	55 (50)	49	8	54

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

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

Aerospace Company

Utsunomiya Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Main Plant	dB(A)	60	58	8	56
South Plant	dB(A)	50	48	3	42
2nd South Plant	dB(A)	50	48	3	47

Handa Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Handa Plant	dB(A)	65	63	3	52

Handa West Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Handa West Plant	dB(A)	65	63	6	59

Kisarazu Office

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Kisarazu Office	dB(A)	50	48	2	30

Vibration (Vibration Regulation Act, Prefectural Regulations, Agreements)

Automotive Business

Gunma Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Main Plant	dB(A)	65	64	8	46
Yajima Plant	dB(A)	65	64	10	42
Oizumi Plant	dB(A)	60	59	8	40

Aerospace Company

Utsunomiya Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Main Plant	dB(Z)	65	63	8	38
South Plant	dB(Z)	60	58	2	<30
2nd South Plant	dB(Z)	60	58	3	<30

Handa Plant and Handa West Plant

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Handa Plant	dB(Z)	70	68	3	<30
Handa West Plant	dB(Z)	70	68	5	<30

Kisarazu Office

Measurement location	Unit	Regulation* (Night)	Voluntary standard	Number of measurement sites	Measured value
Kisarazu Office	dB(Z)	55	53	2	<30

Odor (Offensive Odor Control Act)

Automotive Business

Gunma Plant

Measurement location	Regulation	Voluntary standard	Number of measurement sites	Measured value [Odor index]
Main Plant	21	20	6	<10
Yajima Plant	21	20	8	<10
Oizumi Plant	21	20	6	15

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)]

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount transferred (Sewer)	Amount transferred	Amount consumed	Amount removed through processing	Amount recycled
Water-soluble zinc compounds	61,935	0	848	0	0	61,086	0	0
Ethylbenzene	460,654	246,328	0	0	0	45,921	48,723	119,682
Xylene	636,938	261,630	0	0	0	192,167	106,454	76,687
1,2,4-Trimethylbenzene	238,135	1,174	0	0	0	236,961	0	0
1,3,5-Trimethylbenzene	36,289	23,342	0	0	0	2,034	4,554	6,359
Toluene	759,519	234,628	0	0	0	389,381	66,452	69,059
Naphthalene	11,267	7,381	0	0	0	0	2,048	1,837
Nickel compounds	3,797	0	103	0	1,796	1,898	0	0
Bis(2-ethylhexyl) phthalate	7,610	0	0	0	152	7,457	0	0
Hydrogen fluoride and its water-soluble salts	4,180	0	3,804	0	0	376	0	0
n-Hexane	135,138	442	0	0	0	134,696	0	0
Benzene	23,968	78	0	0	0	23,889	0	0
Formaldehyde	14,494	6,907	0	0	1,689	0	4,208	1,689
Manganese and its compounds	5,671	0	148	0	2,613	2,909	0	0
Dioxins	—	0.00011	—	—	0.00339	—	—	—
Unit: mg-TEQ/year	11,491	6,773	0	0	0	0	2,851	1,866
Cumene	14,390	72	0	0	0	14,318	0	0
Methylnaphthalene	2,425,474	788,756	4,903	0	6,251	1,113,094	235,291	277,180
Total								

Tokyo Office

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount transferred (Sewer)	Amount transferred	Amount consumed	Amount removed through processing	Amount recycled
Ethylbenzene	12,707	0.13	0	0	0	12,707	0	0
Ethylene glycol	2,366	0.00	0	0	0	2,366	0	0
Xylene	56,094	0.53	0	0	0	56,094	0	0
1,3,5-Trimethylbenzene	11,911	0.02	0	0	0	11,911	0	0
Toluene	220,022	6.83	0	0	0	220,022	0	0
1,2,4-Trimethylbenzene	42,943	0.15	0	0	0	42,943	0	0
Benzene	7,009	0.82	0	0	0	7,009	0	0
n-Hexane	21,444	5.67	0	0	0	21,444	0	0
Total	374,496	14.15	0	0	0	374,496	0	0

Aerospace Company

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount transferred (Sewer)	Amount transferred	Amount consumed	Amount removed through processing	Amount recycled
Bisphenol A	31,518	12,741	0	0	3,584	15,193	1,024	0
Xylene	2,336	1,226	0	0	411	699	0	0
Hexavalent chromium	1,216	0	0	0	547	372	297	0
Total	35,070	13,967	0	0	4,542	16,264	1,321	0

Social

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Respect for Human Rights

Our Approach

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 was formulated in full considerations of stakeholders' views and expectations, incorporating outside experts' insights and discussion contents with overseas business sites. This policy is run globally and appropriately, being ready to address future environmental changes.

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-humanistic 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.

[→ Compliance Hotline](#)

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 Management System

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

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

- We will deliver long lasting products that our customers can use with peace of mind.
- We will continually improve our products and services by always listening closely to our customer's voice.
- 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 Cycle



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

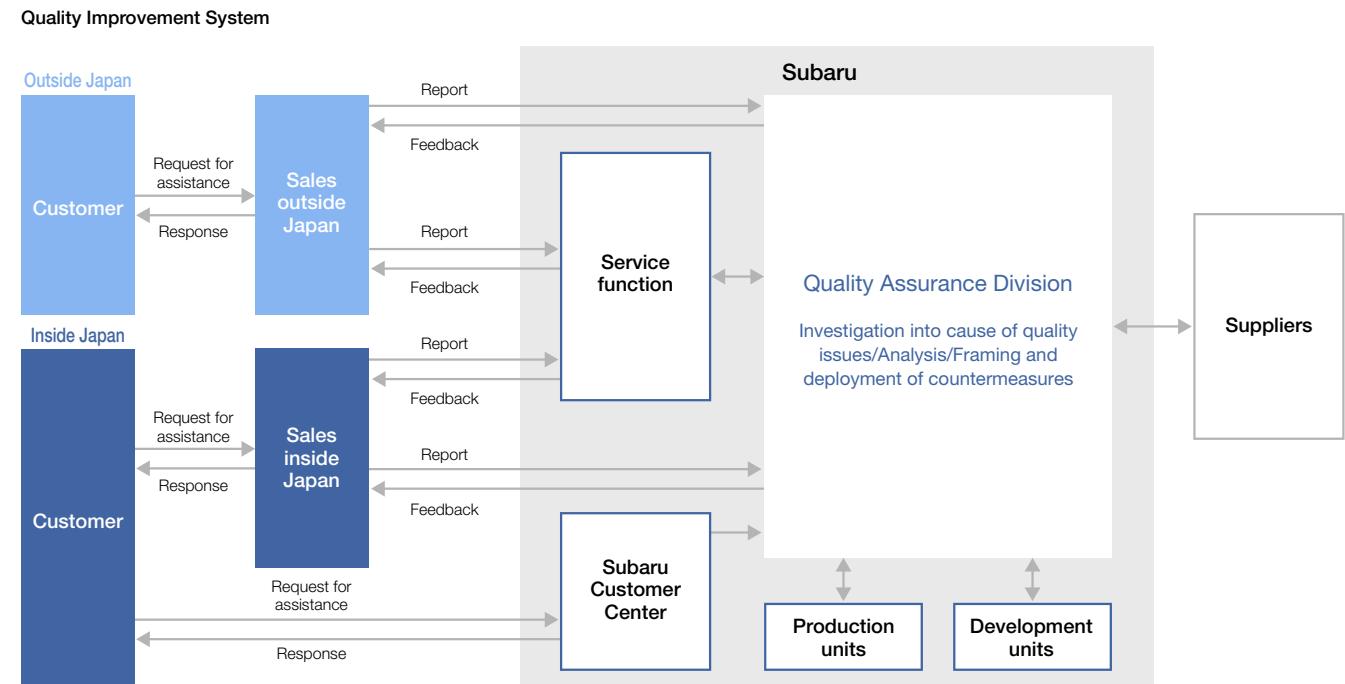
Subaru has established a quality improvement system with Quality Assurance Division at the heart of efforts in order to analyze after-sales quality defects and customer requests to realize higher-quality development and production. Based on customers' opinions collected from around the world, Subaru 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.

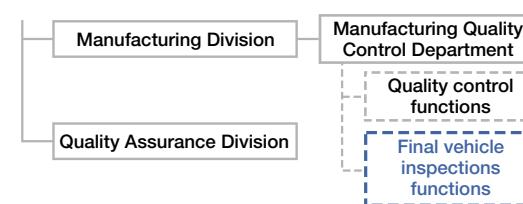
Furthermore, we will ensure that all external stakeholders understand Subaru's initiatives, by such means as holding tours of our car manufacturing plants for shareholders and investors.

* Conformity of Production

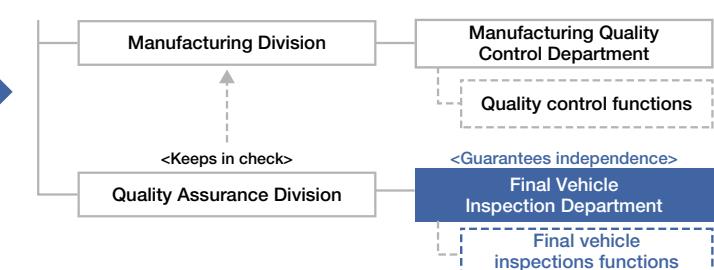


Revision of the Final Vehicle Inspection System

• System before FYE2018



• System since FYE2019



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

* QC: Quality control

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.



At the Global Quality Meeting



At the Quality Caravan

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.

[Recalls of Subaru Cars \(Japanese version only\)](#)

Number of Recalls and Improvements (Japan)

Number of Cases in Japan	FYE2017	FYE2018	FYE2019	FYE2020
Recalls ¹	10 ⁴	9 ⁴	11	13 ⁴
Corrective Action ²	2	1	1	1
Service Campaigns ³	3	3	6	3
Total	15	13	18	17

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

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.

Quality Management Cycle



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

Course Topic	Target	Frequency
Quality Education	Basic manners training for inspectors	Inspectors Once a year
	Quality refresher training	Mainly manufacturing employees Twice a year
	Human factor training	Mainly employees in Civil Aeronautics Act certified workplaces Once a year
	Aeronautical safety training	Mainly employees in Civil Aeronautics Act certified workplaces Once a year
	Education for employees in certified workplaces	Mainly employees in Civil Aeronautics Act certified workplaces Once a year
	QMS consolidation training	All employees Twice a year
Basic Training for Inspectors	New accreditation/periodic renewal training	Inspectors Upon accreditation/every 3 years
	Skills enhancement training for inspectors	Inspectors Once a month
Skills Training for Inspectors	Techno-school	Inspectors Ten times a year

■ 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.



Quality Month Lecture

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 four areas of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, plus Connected Safety, based on Subaru's overall safety philosophy, which focuses on delivering the world's highest standard of safety and peace of mind for all passengers. 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.

* 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

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 braking, 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.

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 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.

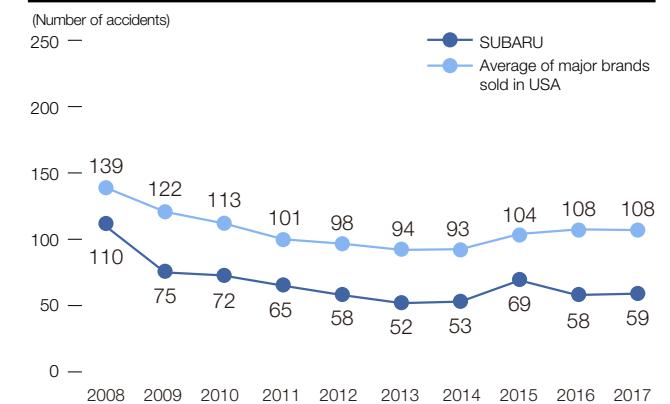
Achieving a Low Rate of Fatal Traffic Accidents in the United States and Japan

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.

[EyeSight for 2030 \(Japanese version only\)](#)

Facts about fatal traffic accidents in the United States

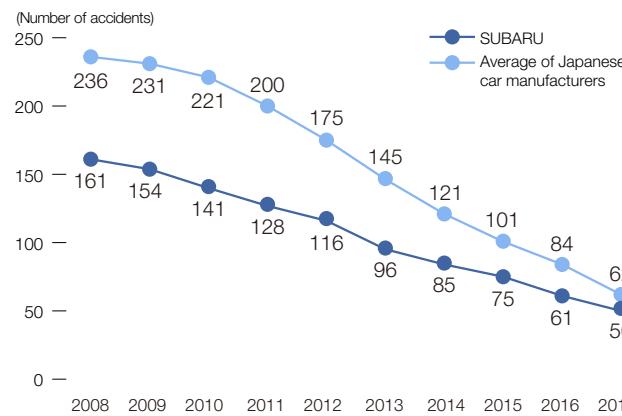


Calculated by SUBARU based on FARS data

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)

Facts about fatal traffic accidents in Japan



Calculated by SUBARU based on ITARDA data (including severe injuries)

Fatal accident numbers per one million vehicles in last five years.

Average of 8 Japanese car manufacturers, including SUBARU (including light vehicles but not trucks)

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.

□ Technology: Primary Safety (Japanese version only)

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.

 Technology: Active Safety (Japanese version only)

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.

■ Support for Safe Driving

"Subaru Rear Vehicle Detection" uses sensors placed on the rear of the car frame to alert the driver to vehicles approaching from behind. Adaptive Driving Beam controls the range illuminated by high beam headlights, and High Beam Assist increases visibility and safety when driving at night by toggling high beams on and off automatically, depending on driving conditions. Through these features, Subaru supports safe driving.

■ Improving Visibility

Smart Rear-View Mirror supports safely checking behind the car, and Front and Side-View Monitor reduces blind spots. These reduce the diver's blind spots, and assist with safe driving.

 Technology: Preventive Safety (Japanese version only)

Passive Safety

Since the time of "Subaru 360" when we launched mass production, Subaru has positioned safety as one basic function that cars should have. Also, we have been performing our own original damage mitigation tests that include protecting pedestrians since the 1960s—a time before thinking regarding damage mitigation had yet to be fully instilled. Subaru's damage mitigation functions take into consideration not only the driver and passengers, but also pedestrians. They have received high evaluations both in Japan and around the world.

■ 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.



■ 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.

Technology: Passive safety (Japanese version only)

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.

Car Assessments

Subaru undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP in Japan, IIHS¹ in the U.S., EuroNCAP² in Europe, and ANCAP³ 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.

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.

FYE2020 Commendations

Assessed automobiles	Assessment organization	Assessment
Forester	 JNCAP, Japan	Preventive Safety Performance Assessment: ASV+++
2020 models of the Outback (built after October 2019), Legacy, Forester and Crosstrek Hybrid. ¹		2020 TSP+ award ²
2020 models of the Ascent (with specific headlights), Crosstrek, Impreza (sedan and 5-door) and WRX (all with optional EyeSight and specific headlights). ¹		2020 TSP+ award ²
Forester		Five-star Evaluation in 2019
		Best in Class Award, Small Off-Road/MPV class

¹ 1 U.S. models only.

² In the IIHS's publication of vehicle safety information, TOP SAFETY PICK (TSP) award is given to vehicles that earned the rating of "Good" in all test results including the Offset Frontal Test, the Driver-side Small Overlap Front Test, the Passenger-side Small Overlap Front Test, the Side Crash Test, the Rear Impact Test and the Rollover Test the rating of "Acceptable" or higher in and the Headlight Evaluation, as well as the rating of "Advanced" or higher in the Front Crash Prevention Test. In addition to these ratings, vehicles which have been installed the headlights which earned the rating of "Acceptable" or higher in the Headlight Evaluation as a standard equipment are awarded the TOP SAFETY PICK+ (TSP+).

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.



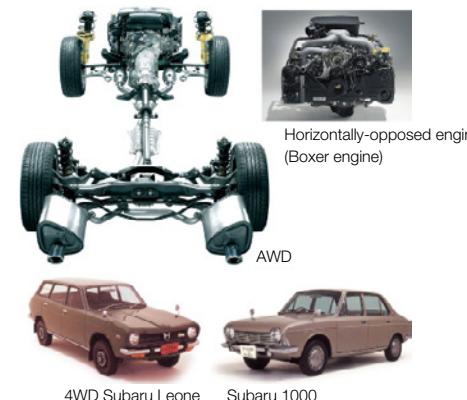
Subaru 360

SINCE 1970

Ensuring Safe Driving, Turning, and Braking

■ Developing Proprietary Technologies for Enhanced Driving Safety

Fundamental automobile performance in terms of driving, turning, and braking differs significantly depending on the location of the center of gravity and the type of drive train. A low center of gravity and a drive train that delivers power to all of the wheels give constant stability when driving. In 1966, we launched the Subaru 1000—a FWD vehicle with a horizontally-opposed engine—and, in 1972, the 4WD Subaru Leone. Since that time, Subaru has continued to pursue safe and stable driving performance with our proprietary technologies.



Horizontally-opposed engine
(Boxer engine)

AWD

4WD Subaru Leone

Subaru 1000

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,



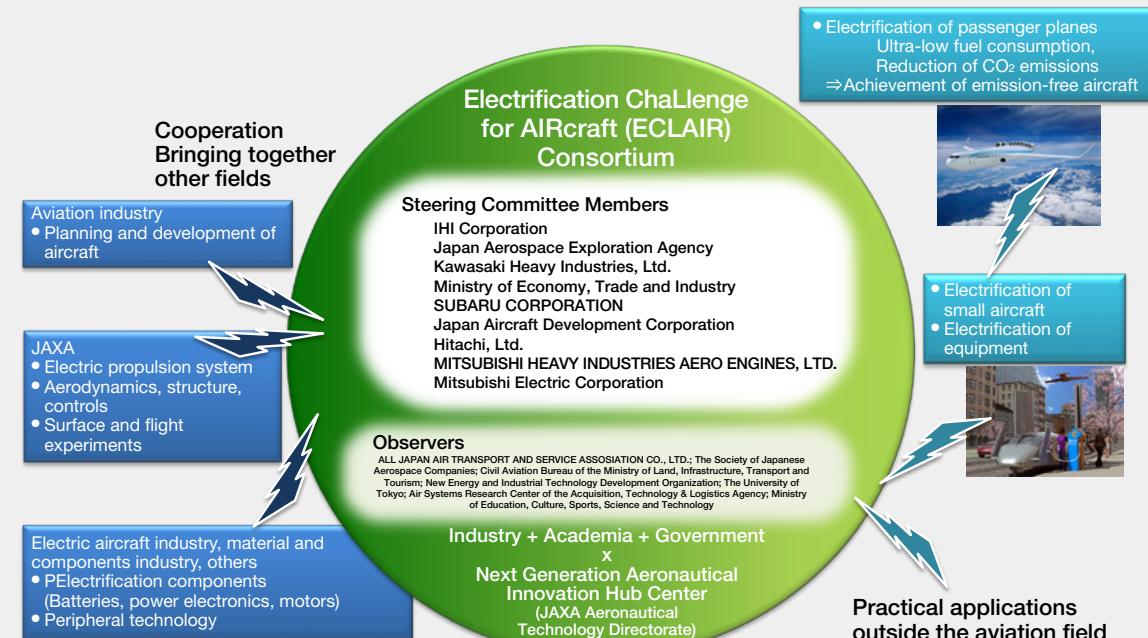
Flight demonstration for unmanned aircraft

Test of technology that allows unmanned aircraft to automatically avoid danger (Japanese version only)

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 creation 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.

Education and Training System Chart

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

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.

■ 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. 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

Voice

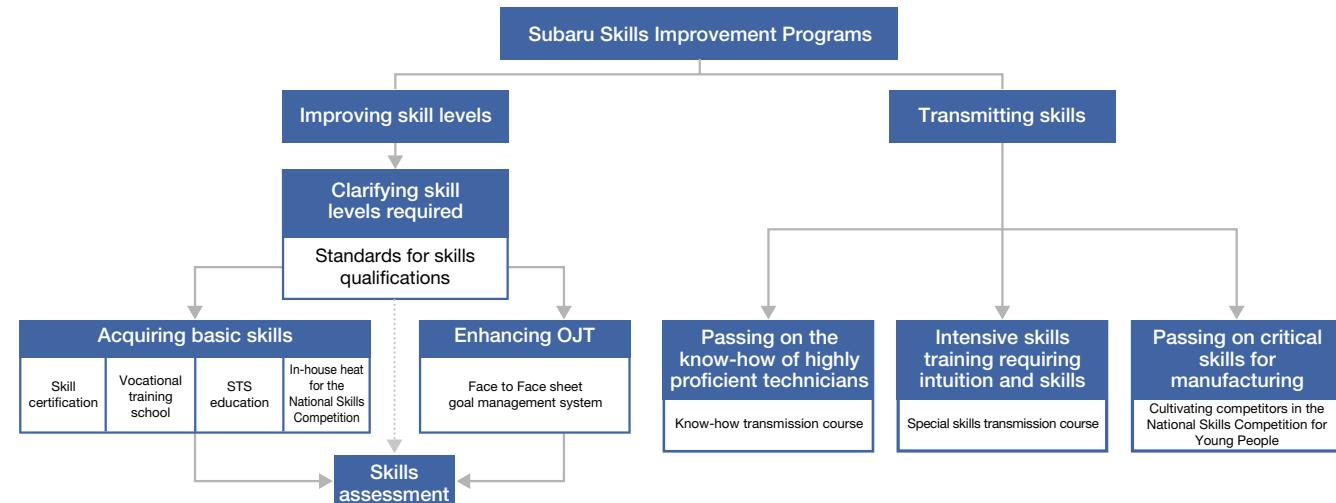
Comment from a Trainee at STS

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

Overview of Skills Training Programs



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 itself the 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. Subaru is further strengthening its efforts aimed at developing female managers by setting a new target to increase the number of female managers to 12 times or more the 2014 level by 2025.

To support career development, Subaru has conducted a wide range of initiatives, including the mentor system and the career development training for female team leaders. We believe

that sharing development plans with supervisors of female employees is indispensable for the career development of female employees, and each year we provide opportunities for the supervisors to discuss such plans with the Human Resources Department. 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)

Status of Female Employees (Subaru non-consolidated)

	FYE2020
Proportion of female employees	7.1%
Proportion of female managers	1.9%
(Breakdown)	
General managers and equivalent positions	1.3%
Managers and equivalent positions	2.0%

→ Supporting Balance between Work and Childcare

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.

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%¹.

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

Employment of People with Disabilities

	April 2016	April 2017	April 2018	April 2019	April 2020
Number of employees with disabilities (person) ²	247	261	269	280	291
Employment rate of people with disabilities (%)	2.13	2.17	2.28	2.30	2.30

¹ Including the number of employees with disabilities at Subaru's specified subsidiary company.

² According to the method of calculation specified in Act on Employment Promotion etc. of Persons with Disabilities, one person with severe disabilities is counted as two persons with disabilities.

■ Universal Design Initiatives

In order to ensure compliance with the Guidelines for the Creation of Comfortable Working Environment*, 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.

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



Entry/exit gates through which people in wheelchairs can also pass
(West Main Building, Gunma Plant)



Parking for wheelchair users
(West Main Building, Gunma Plant)

■ 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 schools. SBC will continue to expand its network for the employment of people with disabilities while working to stabilize the management of the company and improve its operational

quality. As a company that helps individual employees to "bloom like flowers," SBC will strive for the stability of management, foster employment, and make local contributions.



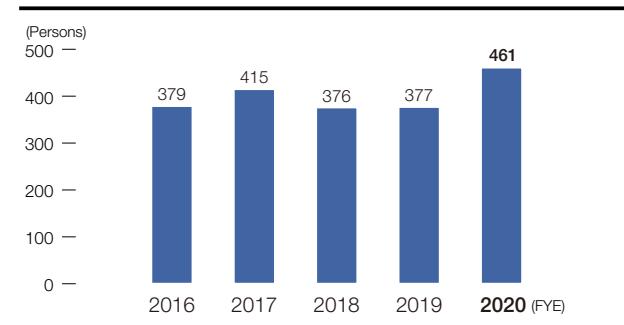
Certificate of Supporter Company for Employment of People with Disabilities issued by Gunma Prefecture

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.

Number of Employees Aged 60 and Older



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

FYE	Retirees (Persons)	Applicants for reemployment (Persons)	Reemployed (Persons)	Reemployment rate
2017	114	98	98 (of whom 29 were reemployed by Group companies)	100
2018	108	83	83 (of whom 21 were employed by Group companies)	100
2019	107	86	86 (of whom 27 were employed by Group companies)	100
2020	164	130	130 (of whom 40 were employed by Group companies)	100

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 our 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.

Number of temporary workers who became regular employees

FYE	Number of those who became regular employees (persons)
2012	81
2013	164
2014	118
2015	137
2016	181
2017	112
2018	113
2019	205
2020	223

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.



Yajima Plant, Gunma Plant



Health and Safety Philosophy

Subaru makes health and safety the first priority in all of our work.

In line with the Corporate Philosophy, we consider occupational health and safety to be a critical management issue. Our Health and Safety Philosophy is "Subaru makes health and safety the first priority in all of our work."

Based on this philosophy, all managers and employees work to ensure health and safety in their workplaces while continuously striving to make working environments more pleasant and comfortable for all.

Health and Safety Philosophy

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

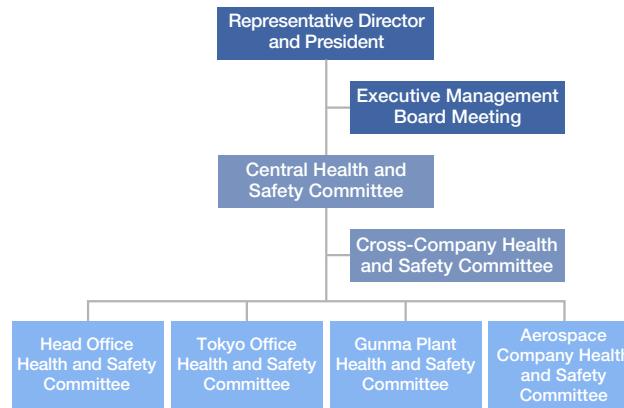
Management System

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.

Health and Safety Organization Chart



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, "I always check for safety before performing any action."



Safety declaration badge

• Promoting the practice of pointing and calling

For the prevention of 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.

■ Road Safety

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.

■ 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

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.



Healthy dishes prepared under the supervision of registered dietitians

• 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.

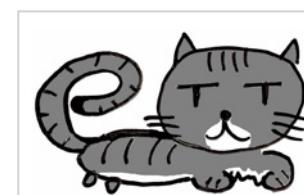
(2) Line care

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.



"Ii-neko (good cat)," which won the grand prize in the employees' competition for a health promotion mascot character held as part of the workplace improvement activity



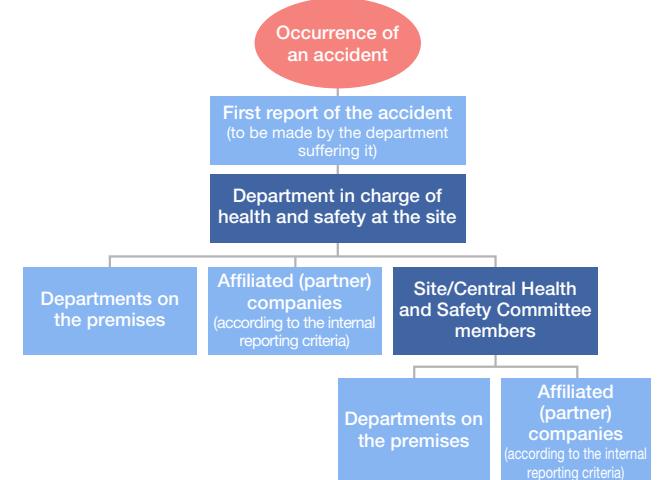
Health seminar

■ Industrial Accidents

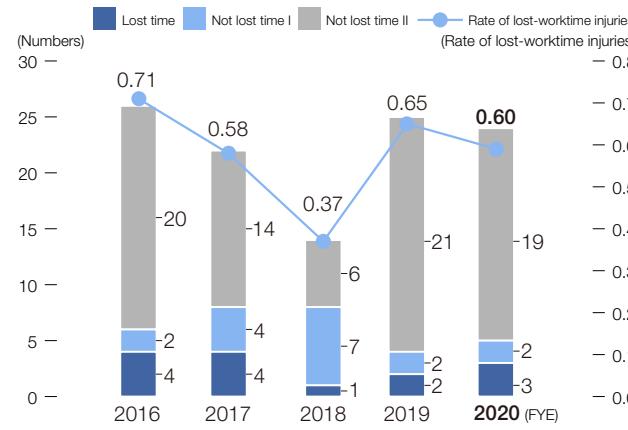
As for industrial accidents and close calls that happened at our sites and affiliated companies, we comply with the following rule for the prevention of similar incidents at the sites: the department that has faced the incident shall disclose related information to other departments on the premises and 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.

Reporting line for industrial accidents



Occurrence of Work Related Accidents and Accident Frequency Rate (non-consolidated)



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*

Item	Details
Accurate calculation of employees' working hours	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.
Encouraging employees to take at least five paid days off per year	In FYE2020, 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.
Imposing an upper limit on overtime working hours	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.
Raising the premium pay rate for overtime work exceeding 60 hours per month	Has been implementing necessary measures since FYE2011.
Equal pay for equal work	Began reviewing the amount of allowances granted to non-regular employees in FYE2021.

* 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)

	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Encourage employees to take the leave at each site every month	Proportion of paid days off taken by employees (%)	84.2	84.4	86.2	85.7

* Percentage of the number of days off taken by employees of the total number of annual paid days off granted to them. For members of the labor union, it was 90.7% in FYE2020

■ 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)

	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
System for employees to take leave to take care of the family member in need of long-term care	Number of employees who took this leave (persons)	9	4	5	9

■ Support for the Maintenance of Balance between Work and Childcare

It is also important to provide employees with an environment that allows them to continue developing their careers while raising their children. Accordingly, we formulated a voluntary action plan in line with the Act on Advancement of Measures to Support Raising Next-Generation Children* and as a result of achieving the plan, received "Kurumin" certification from the Japanese Minister of Health, Labour and Welfare.



"Kurumin" mark

* 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. Then in FYE2020 we introduced these measures on a full scale. Moreover, we detailed the support systems in the level-specific training for employees and made the Maternity Leave and Childcare Support Handbook available on the intranet. We are thus raising employees' awareness and their use of the systems.

• 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)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Those who took the leave (persons)	Male	6	8	10	21	42
	Female	101	88	88	80	80
	Total	107	96	98	101	122
System for employees to take leave to work for childcare	Male	100	100	100	100	100
	Female	98	100	100	97.5	95
Rate of Employees who belong to the company one year after returning to work (%)	Male	100	87.5	83.3	100	85
	Female	95	100	97.2	90	95

• 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 (for Subaru on a non-consolidated basis)

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%

• Short working hours system for childcare

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

Question	FYE2019	FYE2020
Communication and openness	53	56
Work-life balance	57	59
Sympathy with the corporate philosophy	64	70
Work satisfaction	51	56
Pride in the company	62	63

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

Number of employees

	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Number of employees (Consolidated) (Persons)	Total	31,151	32,599	33,544	34,200
					35,034
Number of employees (Non-consolidated) (Persons)	Total	14,787	15,217	15,530	15,885
					16,318
Excluding directors and advisors but including those seconded to other companies	Male ¹	13,858	14,229	14,477	14,774
					14,823
	Female ¹	929	988	1,053	1,111
					1,139
	Part-time ²	—	—	—	—
					356
Number of temporary employees (Non-consolidated) ² (Persons)		—	—	—	—
					6,328

*1 Regular employees

*2 Has been disclosed since FYE2020

Composition of employees (Non-consolidated)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Male to female ratio (%)	Male	94	94	93	93	93
	Female	6	6	7	7	7
Average age		38.5	38.5	38.6	38.5	37.4
Average length of service (Years)		16.0	15.8	15.9	15.8	15.8
Number of managers (Persons)	Male	1,032	1,028	1,020	1,030	1,051
	Female	7	11	13	14	20
Number of new graduate hires (Persons)	Male	483	479	494	473	498
	Female	36	69	80	74	68
Number of mid-career hires (Persons)	Male	267	397	221	317	161
	Female	23	23	15	15	24
Number of employees who quit the company (Persons)		189	258	249	339	329

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

Age	Male	Female	Total
Younger than 30	4,381	437	4,818
30 to 39	3,915	249	4,164
40 to 49	3,893	347	4,240
50 to 59	2,634	106	2,740

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

Category	Male	Female	Total
Career-track employee (in technological fields)	154	23	177
Career-track employee (in other fields)	28	10	38
Clerk	78	14	92
Skilled worker	238	21	259

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

Age	Male	Female	Total
Younger than 30	66	10	76
30 to 39	75	9	84
40 to 49	17	3	20
50 and older	3	2	5

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

Fixed wages Male: Female

Managers: 1:0.88

General employees: 1:0.93

* 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

Subaru Call

 **0120-052215**

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

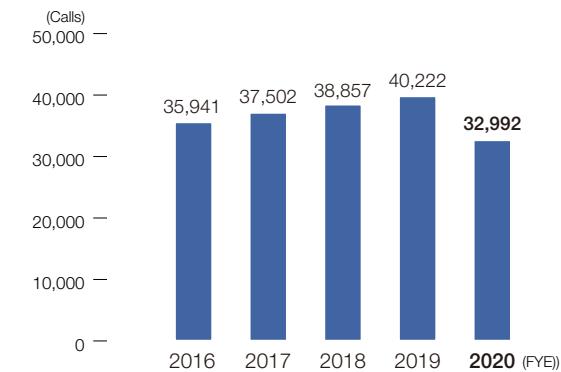
The Subaru Customer Center will ask you for the following information:

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

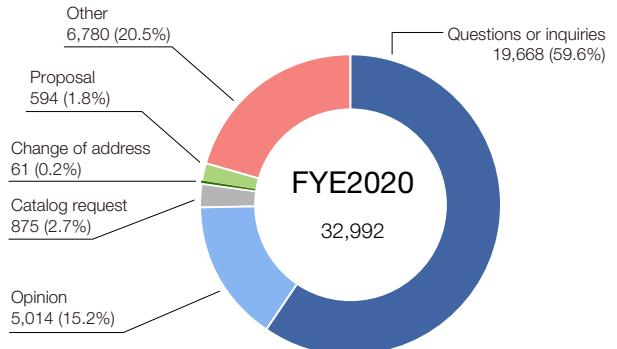
Hours of operation: 9:00 a.m. to 5:00 p.m. (Weekdays)
 9:00 a.m. to noon, 1:00 p.m. to 5:00 p.m.
 (Saturdays, Sundays and holidays)

* 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

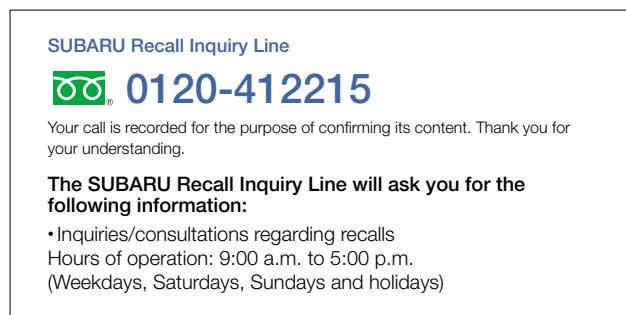


Breakdown by type of consultation



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.



•Annual number of customer inquiries
 23,038 (April 2019 to March 2020)

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.

Number of valid responses

	FYE2017	FYE2018	FYE2019	FYE2020
No. of responses	98,127	107,350	102,571	74,148

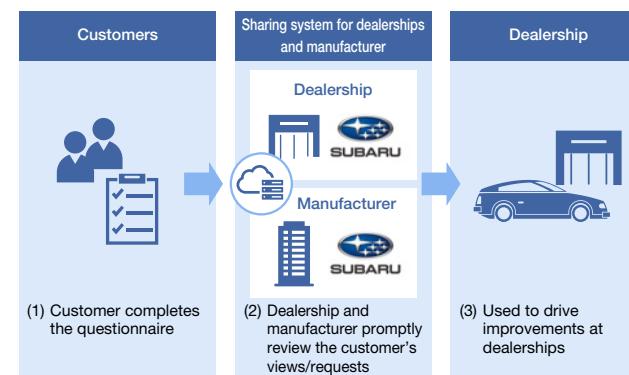
Evaluation of Achievements in FYE2020

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.

Customer Satisfaction Survey



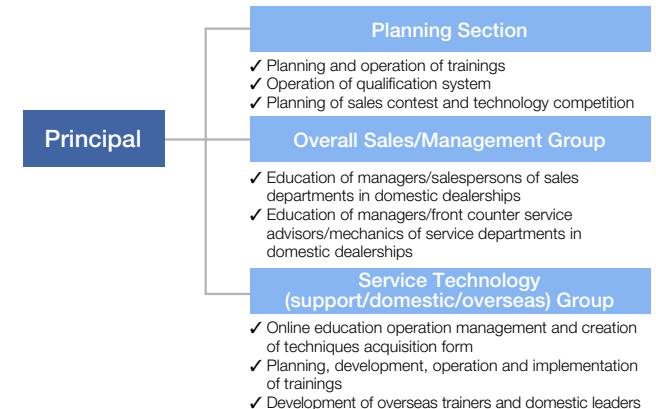
* We started use of the sharing system in FYE2018

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



The Subaru Training Center

Number of trainees (including training trips)

	FYE2020
Managers, sales staff, service staff	3,774

■ STARS Sales Professional Certification Program

To demonstrate that staff have the ability to propose Enjoyment and Peace of Mind to customers and support them, Subaru has established the STARS,* a sales professional certification program.

* Subaru Staff's Training and Rating System, which helps salespersons develop themselves through repeated Off-JT (study), OJT (practice) and qualification tests (challenge).

Sales STARS (as of March 2020)

To determine salespersons' certification levels, Subaru runs tests covering areas such as knowledge, techniques, and customer service skills based on their performance on sales.

Level 1 – 51 salespeople, Level 2 – 718 salespeople, Level 3 – 1,164 salespeople

Service STARS (as of April 2020)

For the service staff, the certification levels are determined based on the tests on service operation knowledge, customer service skills, and technical capabilities.

Mechanical levels: Level S – 23 mechanics, Level 1 – 1,011 mechanics, Level 2 – 1,224 mechanics, Level 3 – 1,079 mechanics, Level 4 – 469 mechanics

Front counter service levels: Level S – 19 persons, Level A – 415 persons, Level B – 423 persons, Level C – 155 persons



STARS training textbooks

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 these levels. The three levels, from the beginner qualification, are Subaru Technician, Subaru Senior Technician, and Subaru Master Technician.



ATT

■ 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.



Conference for overseas distributors from eight leading countries

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.

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.

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 (QCDDMES).

Revised in April 2020

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

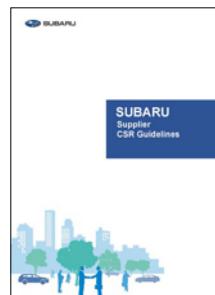
To promote Subaru CSR procurement and help our suppliers conduct CSR activities, we created, and in FYE2012 began application of, the SUBARU Supplier CSR Guidelines. They are based on the CSR Guidelines for Suppliers of the Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our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

[SUBARU Supplier CSR Guidelines](#)



SUBARU Supplier CSR Guidelines

■ 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 ISO14001¹¹ third-party certification at its base. Currently, all of our Tier1² 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 21³.

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

*1 International standard for environmental management systems (EMS) established by the International Organization for Standardization (ISO). It is a management system standard to certify that an organization considers the environment and has built a system for continuously reducing environmental impact.

*2 Companies that directly supply parts to car manufacturers. They are primary business partners. Tier2 business partners are companies that supply Tier1 with those parts that make up the Tier1 company parts.

*3 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.

[Subaru Green Procurement Guidelines⁴](#)

[Green Procurement Guidelines Aerospace Company Edition⁴](#)

*4 The Subaru Green Procurement Guidelines and the Green Procurement Guidelines Aerospace Company Edition are concrete forms of the item "(3) Environment" in the SUBARU Supplier CSR Guidelines.

Management and Reduction of Environmentally Hazardous Substances Contained in Parts

Subaru complies with laws and regulations concerning substances of concern in each country, including the REACH regulation¹¹ and ELV Directive¹². 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.



"General Cooperation Meeting" for the Automotive Business suppliers



"General Cooperation Meeting" for the Aerospace Company suppliers

Social Contribution

Our Approach

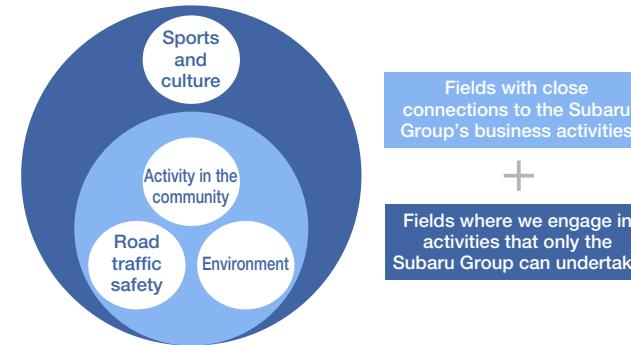
The Subaru Group has developed its social contribution policy in the hope of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice. In accordance with the policy, we promote social contribution activities in the four fields—activity in 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.

The Four Fields of Social Contribution initiatives



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



Social Contribution Committee meeting

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.



Factory tour leaflet



Subaru Visitor Center (exterior)



Subaru Visitor Center (interior)

■ 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



Certificate of gratitude offered by
Shibuya Ward



Employees engaged in cleanup activities
(Kisarazu)

■ 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



Woodwork workshop



Stargazing session

■ 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

- Oizumi Plant Friendship Festival (May)
- Ota Summer Festival (participation, July)
- Yajima Plant Subaru Festival (November)

• Tokyo Office

- Summer Festival (July)

• Utsunomiya Plant

- Subaru Bon Dance Festival (August)
- Subaru Friendship Festival (October)
- Subaru Handa Friendship Festival (October)

■ Monozukuri Classes (Tokyo Office)

In July 2019, Subaru held Subaru Kids' Monozukuri Classes, in collaboration with Subaru Techno Corporation. A total of 33 participating children made model cars, put them on a model test track, and had fun competing with each other.

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.



Learning about the difference between two- and four-wheel drive vehicles

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.



Children participating in a factory tour



■ 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.



Supporting the homeless



Tree planting

■ 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.



Earth Day cleanup event



SCI employees participating in cleanup activities

■ 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 Hukuroku area, as well as for activities to raise awareness of beautification.



Presentation of the list of donations during the departure ceremony



Cleanup activity around Mr. Fuji's fifth station

■ 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 Hanya Districts over years, this project has become an essential local community activity.



Teaching a school class



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.

2019 Clean Trail Run (results)

Event	Month	No. of participants
Subaru Ome Citizen Trail Run	June	128
Subaru Akagi Forest Trail Run	August	970
Subaru Tamagawa Genryu Trail Run	September	931
Subaru Mt. Mitake Trail Run	December	1,046



Subaru Ome Citizen Trail Run



Subaru Akagi Forest Trail Run



Workshop held in conjunction with Subaru Tamagawa Genryu Trail Run

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.



Certificates of gratitude offered by the Head of the Utsunomiya Minami Police Department



Association of Driving Safety Supervisors in session

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.



Traffic safety guidance

■ 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.



Safe driving campaign

■ 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.

■ 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.



Slow Aging driving lesson



Driving lessons at Subaru Research and Experiment Center

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.



Baseball clinic



Running clinic

■ Friendship Concert (Gunma Plant)

Subaru Community Exchange Association* held a Friendship Concert in Ota City Nitta Culture Hall in August 2019 and January 2020, attracting a combined total of 750 people of all age groups. At the event, the Association runs a donation drive to collect unused household items, like towels and soap, as

well as monetary donations from the audience. The contributed money and items are donated to various welfare facilities in the region through a local social welfare council to assist with regional development.

* 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.



Friendship Concert

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.



SIA cyclist team



Cyclists on the track

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.



Award ceremony



Award ceremony

■ 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.



Employees making a blood donation

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

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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.

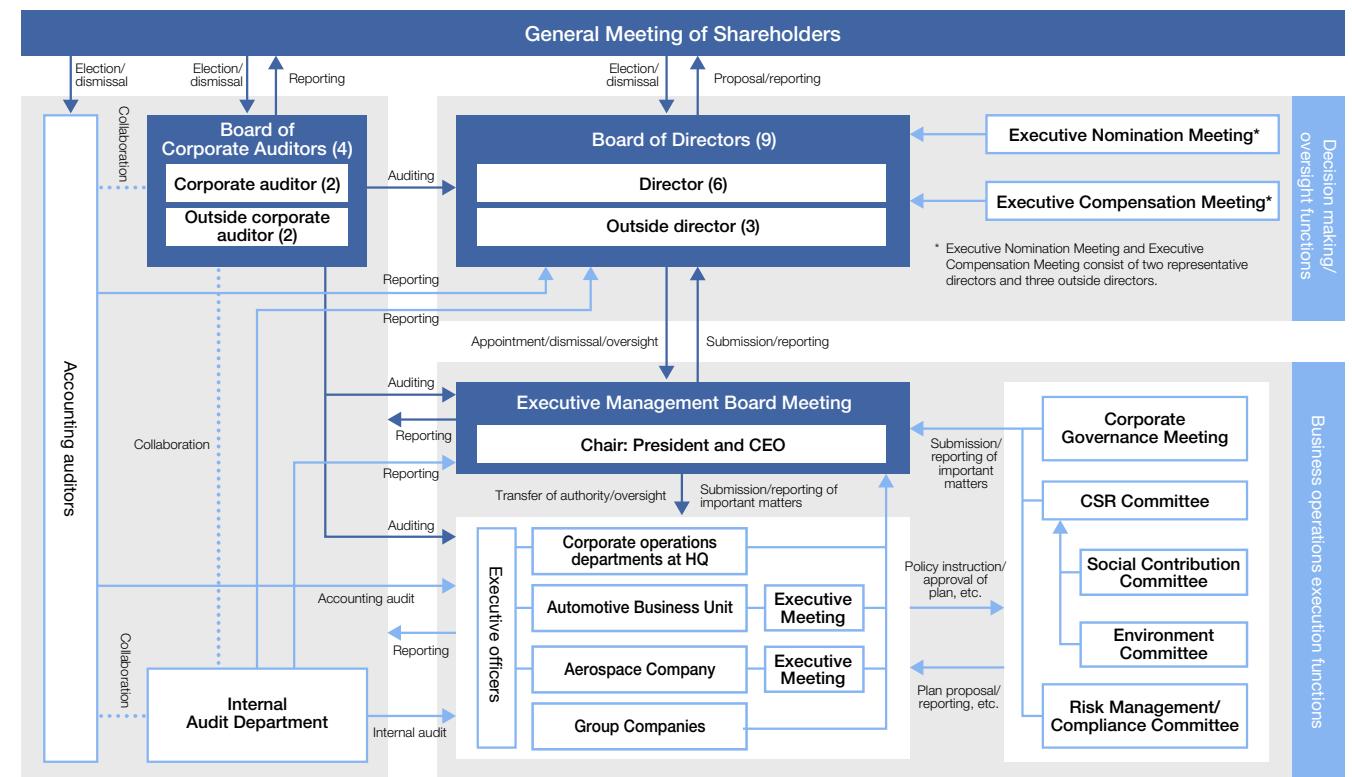
[□ Corporate Governance Guidelines/Corporate Governance Reports](#)

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 consist 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, engages in due deliberation on candidates proposed by the Board of Directors. The Meeting then submits the approved nomination proposals for directors and corporate auditors, as well as approved proposals for appointment and removal of executive officers, including the chief executive officer (CEO), to the Board of Directors, which then discusses the proposals and decides on them by resolution. For nominating candidates for corporate auditors, the Meeting seeks to obtain approval from the Board of Corporate Auditors. 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

	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Number of meetings	15	15	17	16	13
Attendance rate	96.3%	96.3%	99.0%	98.4%	100%

* 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.

The following is the membership list of the Board of Directors, Board of Corporate Auditors, Executive Nomination Meeting and Executive Compensation Meeting.

Board/Meeting Membership (As of June 24, 2020)

Title	Name	Board of Directors	Board of Corporate Auditors	Executive Nomination Meeting	Executive Compensation Meeting
Director	Yasuyuki Yoshinaga	◎			
Representative Director	Tomomi Nakamura	○		◎	◎
Representative Director	Kazuo Hosoya	○		○	○
Director	Toshiaki Okada	○			
Director	Yoichi Kato	○			
Director	Tetsuo Onuki	○			
Outside Director	Yasuyuki Abe	○		○	○
Outside Director	Natsunosuke Yago	○		○	○
Outside Director	Miwako Doi	○		○	○
Standing Corporate Auditor	Akira Mabuchi	○	◎		
Standing Corporate Auditor	Hiromi Tsutsumi	○	○		
Outside Corporate Auditor	Shigeru Nosaka	○	○		
Outside Corporate Auditor	Kyoko Okada	○	○		

◎: Chair; ○: Member

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)

Directors of the Board

Directors, Auditors, and Executive Officers (as of June 24, 2020)

Directors of the Board



Yasuyuki Yoshinaga
Director, Chairman
Year of Birth: 1954 (male)

Apr 1977 Joined the Company
 Oct 1999 General Manager of Sales Planning Department, Domestic Sales Division
 Apr 2005 Vice President, Senior General Manager of Strategy Development Division and General Manager of Corporate Planning Department
 Jun 2006 Vice President, Chief General Manager of Strategy Development Division
 Apr 2007 Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division and General Manager of Sales Promotion Department
 Jun 2007 Senior Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division
 Jun 2009 Director, Executive Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division
 Jun 2011 Representative Director, President
 Jun 2018 Director, Chairman (to the present)



Kazuo Hosoya
Representative Director, Deputy President
Year of Birth: 1957 (male)

Apr 1982 Joined the Company
 May 2006 General Manager of Corporate Planning Department
 Jan 2009 Senior General Manager of Subaru Japan Sales & Marketing Division
 Jun 2010 President, Tokyo Subaru Inc.
 Apr 2012 Vice President, General Manager of Human Resources Department
 Apr 2014 Senior Vice President, General Manager of Human Resources Department and Career Support Office, and President of Subaru Bloom Co., Ltd
 Apr 2015 Senior Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division
 Apr 2016 Executive Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division
 Mar 2018 Retired as Executive Vice President
 Apr 2018 President, Tokyo Subaru Inc.
 Dec 2018 Retired as President of Tokyo Subaru Inc.
 Jan 2019 Deputy President, Chief General Manager of Subaru Manufacturing Division and Gunma Plant
 Jun 2019 Representative Director, Deputy President, Chief General Manager of Subaru Manufacturing Division and Gunma Plant
 Apr 2020 Representative Director, Deputy President, Chief General Manager of Subaru Manufacturing Division (to the present)



Yoichi Kato
Director, Executive Vice President
CRMO (Chief Risk Management Officer)
Year of Birth: 1959 (male)

Apr 1983 Joined the Ministry of International Trade and Industry (MITI), Japanese government (present-day Ministry of Economy, Trade and Industry)
 Jul 2010 Director-General, Chubu Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry
 Aug 2011 Director-General, Business Environment Department, Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry
 Sep 2012 Councillor, Cabinet Secretariat (National Strategy Office)
 Dec 2012 Deputy Director-General for Policy Evaluation, Minister's Secretariat, Ministry of Economy, Trade and Industry
 Jun 2013 Director-General for Regional Economic and Industrial Policy, Ministry of Economy, Trade and Industry
 Oct 2014 Joined the Company as a Vice President
 Apr 2015 Vice President, General Manager of External Relations Department
 Apr 2016 Senior Vice President, General Manager of External Relations Department
 Apr 2017 Senior Vice President, General Manager of External Relations Department, Chief General Manager of Corporate Administration Division
 Jun 2017 Director, Senior Vice President, General Manager of External Relations Department, Chief General Manager of Corporate Administration Division
 Apr 2018 Director, Executive Vice President, General Manager of Legal Department
 Oct 2018 Director, Executive Vice President (to the present)



Tomomi Nakamura
Representative Director of the Board, President, CEO (Chief Executive Officer)
Year of Birth: 1959 (male)

Apr 1982 Joined the Company
 Jun 2004 General Manager of Marketing Planning Department, Subaru Japan Sales & Marketing Division
 Apr 2011 Vice President, Senior General Manager of Strategy Development Division and General Manager of Corporate Planning Department
 Jun 2011 Vice President, Chief General Manager of Strategy Development Division and General Manager of Corporate Planning Department
 Apr 2013 Vice President, Senior General Manager of Subaru Global Marketing Division, Subaru Overseas Sales & Marketing Division 1 and Overseas Sales & Marketing Division 2
 Apr 2014 Senior Vice President, Chairman, Subaru of America, Inc., and Chief General Manager of Subaru Overseas Sales & Marketing Division 1
 Apr 2016 Executive Vice President, Chairman, Subaru of America, Inc., and Chief General Manager of Subaru Overseas Sales & Marketing Division 1
 Apr 2018 Executive Vice President
 Jun 2018 Representative Director, President and Chief Executive Officer (CEO) (to the present)



Toshiaki Okada
Director, Executive Vice President
CFO (Chief Financial Officer)
Year of Birth: 1960 (male)

Apr 1984 Joined the Company
 Oct 2004 General Manager of Sales Planning Department and Manager of 1st Sales Promotion Section, Subaru Marketing Division
 Apr 2013 Vice President, General Manager of Corporate Planning Department
 Apr 2015 Senior Vice President, General Manager of Corporate Planning Department
 Apr 2017 Executive Vice President
 Jun 2017 Director and Executive Vice President (to the present)



Tetsuo Onuki
Director, Executive Vice President
Year of Birth: 1960 (male)

Apr 1984 Joined the Company
 Apr 2006 General Manager of Design Department, Subaru Product & Portfolio Planning Division
 Sep 2008 General Manager of Body Design Department, Subaru Engineering Division
 Apr 2014 Vice President, Senior General Manager of Subaru Engineering Division and General Manager of Body Design Department, Subaru Engineering Division
 Apr 2016 Senior Vice President, Chief General Manager of Subaru Engineering Division 1, Chief General Manager of Subaru Technical Research Center
 Apr 2018 Executive Vice President, Chief General Manager of Engineering Management Division and Engineering Division 1
 Jun 2018 Director, Executive Vice President, Chief General Manager of Engineering Management Division
 Apr 2019 Director, Executive Vice President
 Apr 2020 Director, Executive Vice President, Chief General Manager of Purchasing Division (to the present)



Yasuyuki Abe
Director
Year of Birth: 1952 (male)

Apr 1977 Joined Sumitomo Corporation
 Jun 2002 President & Representative Director of Sumisho Electronics Co., Ltd. (present-day SCSK Corporation)
 Apr 2005 President & Representative Director of Sumisho Computer Systems Corporation (present-day SCSK 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)



Miwako Doi
Director
Year of Birth: 1954 (female)

Apr 1979 Joined the Integrated Research Institute (present-day Corporate Research & Development Center), Tokyo Shibaura Electric Corporation (present-day Toshiba Corporation)
 Jul 2005 Senior Fellow, Human Centric Laboratory, Corporate Research & Development Center
 Jul 2006 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)



Shigeru Nosaka
Corporate Auditor
Year of Birth: 1953 (male)

Apr 1976 Joined Marubeni Corporation
 Dec 1989 Joined Apple Computer Japan
 Mar 1996 Joined Allergan 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/Application 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



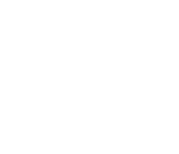
Natsunosuke Yago
Director
Year of Birth: 1951 (male)

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, Shanghai Ebara Precision Machinery Co., Ltd.
 Jun 2004 Director, Ebara Corporation
 Apr 2005 Director, Ebara Corporation, Chairman, Ebara-Densan Taiwan Manufacturing Co., Ltd.
 Jun 2005 Director, President of Precision Machinery Company and Director of Fujisawa 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)



Akira Mabuchi
Standing Corporate Auditor
Year of Birth: 1953 (male)

Apr 1979 Joined the Company
 Jul 2000 General Manager of Chassis Design Department, 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 Office
 Apr 2015 Director, Executive Vice President
 Jun 2015 Standing Corporate Auditor (to the present)



Kyoko Okada
Corporate Auditor
Year of Birth: 1959 (female)

Apr 1982 Joined Shiseido 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)



Hiromi Tsutsumi
Standing Corporate Auditor
Year of Birth: 1957 (female)

Apr 1980 Joined the Company
 Jun 2002 General Manager of Corporate Communications Department
 Jun 2006 General Manager of Subaru Product Planning Department, 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)

Executive Officers

Chairman	Yasuyuki Yoshinaga
President	Tomomi Nakamura CEO (Chief Executive Officer)
Deputy President	Kazuo Hosoya Chief General Manager of Manufacturing Div.
Executive Vice President	Toshiaki Okada CFO (Chief Financial Officer)
Executive Vice President	Yoichi Kato CRMO (Chief Risk Management Officer)
Executive Vice President	Katsuyuki Mizuma Chief General Manager of Overseas Sales & Marketing Div. 2
Executive Vice President	Tetsuo Onuki Chief General Manager of Purchasing Div.
Executive Vice President	Atsushi Osaki CQO (Chief Quality Officer), Chief General Manager of Quality Assurance Div. and General Manager of Quality Assurance Management Office
Executive Vice President	Fumiaki Hayata Chief General Manager of Overseas Sales & Marketing Div. 1, Chairman of Subaru Indiana Automotive, Inc.
Senior Vice President	Shoichiro Tozuka Company President of Aerospace Company
Senior Vice President	Takuji Dai CIO (Chief Information Officer), Chief General Manager of IT Strategy and Senior General Manager of Corporate Planning Div.
Senior Vice President	Tatsuro Kobayashi General Manager of Human Resources Dept.
Senior Vice President	Eiji Ogino Senior General Manager of Manufacturing Div., Chief General Manager of Gunma Plant
Senior Vice President.	Jinya Shoji Senior General Manager of Overseas Sales & Marketing Div. 1, Executive Vice President of Subaru of America (SOA), Inc.
Senior Vice President	Yoichi Sato Chief General Manager of Japan Sales & Marketing Div.
Vice President	Yasushi Nagae General Manager of Investor Relations Dept. and General Administration Dept.
Vice President	Takeshi Seiyama Chief General Manager of Parts & Accessories Div.
Vice President	Osamu Eriguchi Chief General Manager of Engineering Div. 2, Senior General Manager of Engineering Management Div.
Vice President	Tomoaki Emori Chief General Manager of Corporate Planning Div.
Vice President	Tatsuya Okuno Chief General Manager of Engineering Div. 1, Senior General Manager of Engineering Management Div.
Vice President	Tamotsu Inui Chief General Manager of Cost Planning & Management Div., Senior General Manager of Corporate Planning Div.
Vice President	Tetsuo Fujinuki CTO (Chief Technology Officer), Chief General Manager of Engineering Management Div. and Technical Research Center
Vice President	Hiroshi Wakai Company Vice President of Aerospace Company, Senior General Manager of Engineering & Development Center
Vice President	Kazuhiro Abe Chief General Manager of Product & Portfolio Planning Div.
Vice President	Hiroshi Watahiki Senior General Manager of Engineering Management Div.
Vice President	Tadashi Yoshida Chief General Manager of Customer Service Div.
Vice President	Ryota Fukumizu President of Subaru Indiana Automotive (SIA), Inc.

Reasons for Appointing the Outside Officers and Major Activities (as of June 2020)

Independent Officer Status ¹	Reasons for Appointing the Outside Officers and Major Activities	Meeting Attendance (FYE2020)			Significant Concurrent Positions ²
		Board of Directors	Board of Corporate Auditors		
Outside Directors					
Yasuyuki Abe	O	As representative director and senior managing executive officer of Sumitomo Corporation, Mr. Yasuyuki 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.	Attended 10 of 10 meetings	Attended 2 of 2 meetings	Director (External), JVC KENWOOD Corporation Advisor, ORANGE AND PARTNERS CO., LTD.
Natsunosuke Yago	O	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.	Attended 10 of 10 meetings	—	President, Ebara Hatakeyama Memorial Foundation Outside director, J. FRONT RETAILING Co., Ltd.
Miwako Doi	O	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.	—	—	Auditor, National Institute of Information and Communications Technology (NICT) Executive Director, Nara Institute of Science and Technology Executive Vice President, Tohoku University Outside Director, Isetan Mitsukoshi Holdings Ltd. Outside Director, NGK Spark Plug Co., Ltd.
Outside Corporate Auditors					
Shigeru Nosaka	O	Mr. Shigeru Nosaka has been involved in management in both a supervisory and executional capacity as a director, executive deputy president and deputy chairman and CFO at Oracle Corporation Japan and possesses extensive experience and knowledge in business management. In June 2019, Mr. Nosaka was appointed to the position of independent outside corporate auditor and has been providing beneficial advice to the Company's management based on his wide range of insights into finance and accounting in corporate activities. In light of this, the Company has once again appointed Mr. Nosaka with the expectation that he will appropriately perform the duties when he assumes office as of an outside corporate auditor of the Company.	Attended 10 of 10 meetings	Attended 10 of 10 meetings	
Kyoko Okada	O	Ms. Kyoko Okada has accumulated extensive experience and knowledge in areas such as CSR and corporate culture at Shiseido Co., Ltd. and has a career in management auditing as a corporate auditor at Shiseido. In June 2019, Ms. Okada was appointed to the position of independent outside corporate auditor and has been providing beneficial advice to the Company's management based on her wide range of insights into CSR and corporate culture in corporate activities. In light of this, the Company has once again appointed Ms. Okada with the expectation that she will appropriately perform the duties when she assumes office as an outside corporate auditor of the Company.	Attended 10 of 10 meetings	Attended 10 of 10 meetings	Japan Cancer Society, Director Outside Audit & Supervisory Board Member, NS Solutions Corporation Outside Audit & Supervisory Board Member, Daio Paper Corporation

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. Yasuyuki 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 reoccurrence 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 methods used at properties were not in compliance with the Building Standards Law. This was mainly at Ebara's affiliates. This issue was discovered when construction was carried out to replace existing drainage pipes for an apartment complex. Mr. Yago 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 reoccurrence and also provided various suggestions. In addition, he also fulfilled his responsibilities in part by implementing improvement measures in response to guidance provided by the Ministry of Land, Infrastructure and Transport and the designated administrative agency. On June 17, 2019, Ms. Miwako Doi was appointed to the position of outside director at Isetan Mitsukoshi Holdings Ltd. MICARD Co. LTD., a subsidiary of Isetan Mitsukoshi Holdings, was issued an order for action by the Consumer Affairs Agency on July 8, 2019. The administrative order was issued due to misleading representation of services related to the MICARD+ GOLD card in accordance with Article 5-1 and 5-2 of the Act against Unjustifiable Premiums and Misleading Representations. An order for payment of a surcharge was issued on March 24, 2020. Ms. Doi had no beforehand knowledge of said facts. After this matter was identified, Ms. Doi has been fulfilling her responsibilities in part by pouring energies into the establishment of measures through deliberation by its Board of Directors to prevent reoccurrence of such incidents in the Isetan Mitsukoshi Holdings Group, which includes MICARD and its subsidiaries, and to make these facts common knowledge among all employees and to strengthen employee training.

*1 Outside directors and outside auditors with no risk of a conflict of interest with general shareholders as stipulated by the stock exchange. *2 Current as of June 30, 2020

□ Refer to the SUBARU corporate website corporate governance page for the Corporate Governance Guidelines (attached materials: Criteria for Independence of Outside Officers)

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

(1) Basic compensation

Fixed portion amount based on position held and taking into consideration the business environment, etc.

(2) Short-term performance-linked compensation

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.

(3) Restricted stock compensation

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.

* 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.

* As the Group has voluntarily adopted the International Financial Reporting Standards (IFRS) from FYE2020, the consolidated ordinary income is reclassified under the Japanese GAAP.

Total compensation for auditors was resolved to be no more than 100 million yen per year at the 75th Ordinary General Meeting of Shareholders held in June 2006. Within this amount, the basic compensation to be paid is determined based on the rank with consideration to business environment, etc.

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

	85th Term FYE2016	86th Term FYE2017	87th Term FYE2018	88th Term FYE2019	89th Term FYE2020
Number of Issues (Securities)	Listed 32	30	18	10	4
	Unlisted 31	32	31	31	32
Total	63	62	49	41	36
Value Listed on Balance Sheet (million yen)	Listed 28,238	12,795	8,836	3,138	1,922
	Unlisted 526	544	535	535	581
Total	28,764	13,339	9,371	3,673	2,503

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.

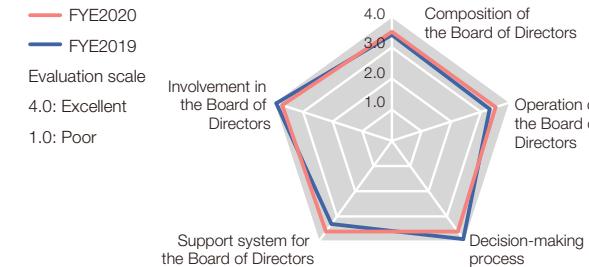
Future Initiatives

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.

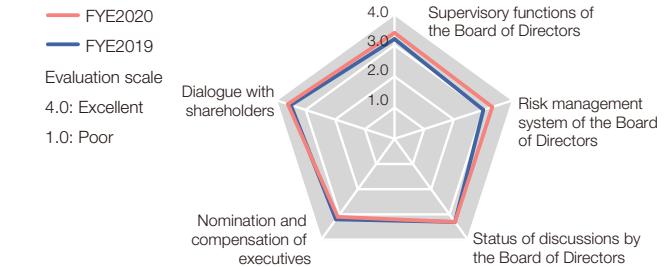
Furthermore, the Board of Directors continues to deepen discussions on medium- to long-term management strategies and has begun active discussions on information security systems and sustainability, with the aim of enhancing corporate value and achieving sustainable growth in the medium to long term. We will continue to strive to maintain and improve the effectiveness of the Board of Directors.

Results of the Questionnaire

Operational Structure of the Board of Directors



Supervisory Function of the Board of Directors and Dialogue with Shareholders



Questionnaire Items

Category

Diagnostic Item

I. Operational structure of the Board of Directors

(1) Composition of the Board of Directors	Size of the Board of Directors	Composition of the Board of Directors (ratio of inside to outside directors)	Composition of the Board of Directors (diversity and expertise)
(2) Operation of the Board of Directors	Frequency, length, and time allocation of meetings	Relevance of agenda items	Quality and quantity of documents
(3) Decision-making process	Timing of document distribution	Prior explanation	Content of explanations and reports
(4) Support system for the Board of Directors	Leadership by the Chair	Adequate discussion	—
(5) Involvement in the Board of Directors	Environment and systems for the provision of information	Provision of information to outside directors	Training of outside directors
	Training of inside directors	—	—
	Attitude to initiatives	Company-wide perspective	Mutual respect
	Diverse values	Stakeholder perspectives	—

II. Supervisory functions of the Board of Directors

(1) Supervisory functions of the Board of Directors	Reporting system	Supervision of corporate management	—
(2) Risk management system of the Board of Directors	Risk management system	Subsidiary management system	Provision of information and measures to combat risk
	System for managing progress of response measures	Penetration of compliance awareness	—
(3) Status of discussions by the Board of Directors	Discussion of management strategy	Discussion of capital policy	Discussion of cross-shareholding for policy purpose
	Discussion of strengthening governance	Response to social and environmental problems	—
(4) Nomination and compensation of executives	Composition of the Executive Appointment Committee and Executive Compensation Committee	Cultivating successors	Incentive compensation

III. Dialogue with shareholders

Dialogue with shareholders	Sharing the views of shareholders and investors	Enhancing dialogue with shareholders and investors	—
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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)

Compliance

Our Approach

At Subaru, compliance is positioned as one of our most important management issues in our Corporate Governance Guidelines. We instill in each employee a strong awareness that thorough group-wide compliance forms the foundation of Subaru's management, that we must observe all laws and internal regulations relevant to our business activities, that our corporate activities must be executed in manner that is fair and just and in conformance with general social ethics, common sense and standards, and that these principles should be reflected in their actions, create and operate a compliance system/organization, and carry out activities such as providing all kinds of training for these purposes.

 [Corporate Governance Guidelines](#)

Corporate Code of Conduct and Conduct Guidelines

At Subaru, we have set forth the Corporate Code of Conduct and Conduct Guidelines as compliance criteria for the purpose of putting our view of compliance as important into practice in our corporate activities.

Its contents are detailed in the Compliance Manual that every Subaru Group employee owns, while the Compliance Manual: Essential Version provides a concise summary, promoting thorough enforcement in every day action.

■ 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.

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.



Compliance Manual



Compliance Manual:
Essential Version

■ 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.

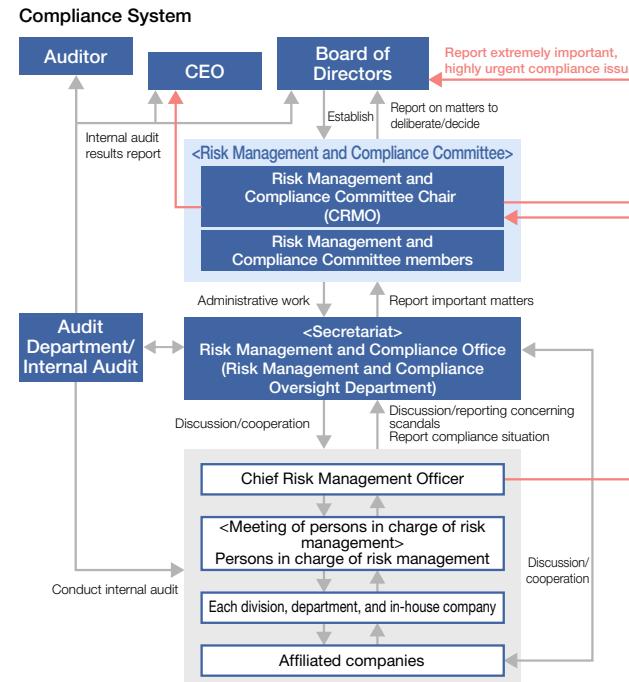
■ Rules for Compliance

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

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

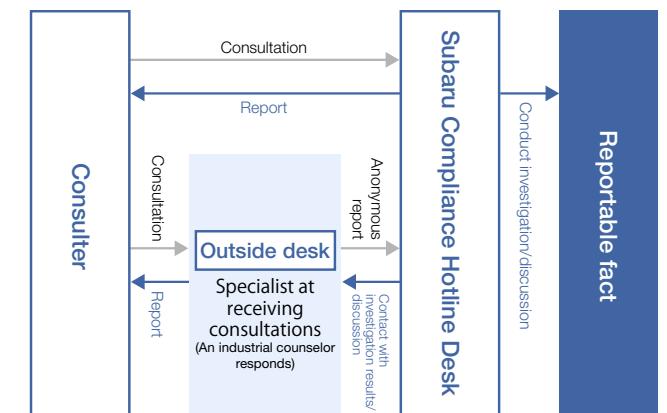
When regular and temporary employees of the Subaru Group detect a problem related to compliance in the group, they can consult with the Hotline Desk by using the Compliance Hotline. Based on the relevant regulations, the Hotline Desk is where employees affiliated with the appointed Risk Management and 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.

Itemization of the contents of consultations with the Compliance Hotline

Item	Number
Workplace environment	14
Labor related	68
Personal relationships, suspicion of harassment	84
Other compliance-related issues (Work violations, suspicion of wrongdoing, etc.)	50
Total	216

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.



Compliance training (Gunma Plant)



Compliance Hotline card

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 fulfills 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.

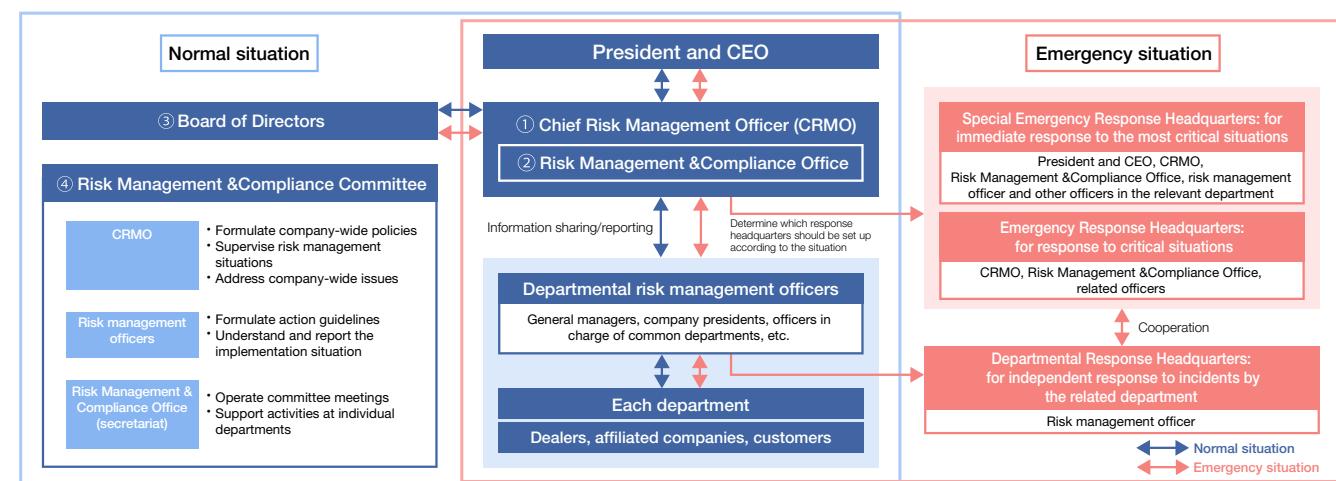
The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. Subaru, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure by ensuring the sustainability of its businesses by quickly tackling recent changes 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 fortify 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.

Risk Management System



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

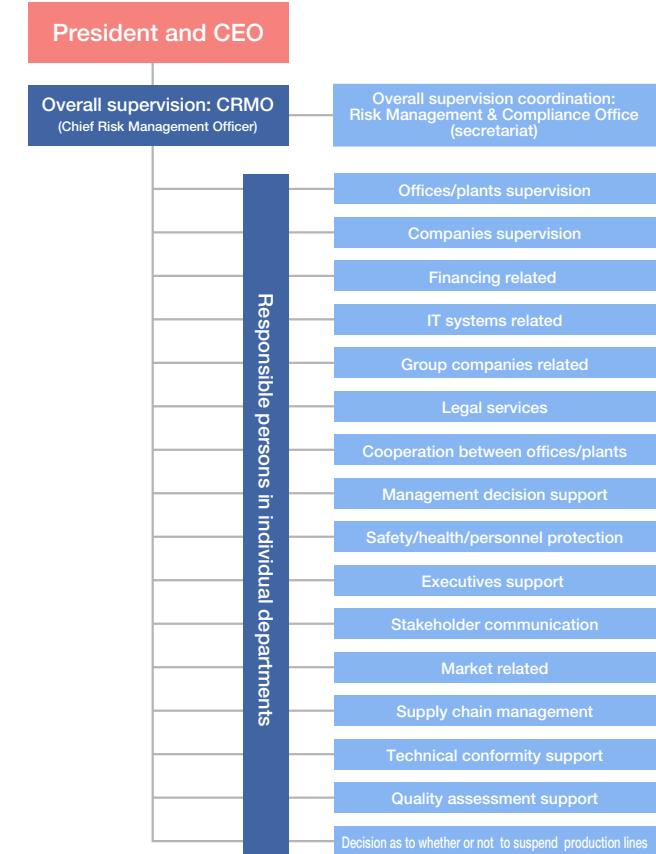
At Subaru, the Risk Management & Compliance Office plays a pivotal role in establishing regulations related to BCPs*. During emergencies, the Office centrally grasps group-wide information, establishing a system to manage company-wide response. In FYE 2020, a BCP was launched to deal with the spread 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.

Emergency Response Policy

1. Give first priority to people's survival and physical safety.
2. Minimize loss of stakeholder interests and corporate value.
3. Act always with honesty, fairness, and transparency, even in an emergency.

Coronavirus Countermeasure Headquarters



■ 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.



Car park with a flood prevention measure
(Gunma Plant)



Flood prevention measure (drainage grid)
(Utsunomiya Plant)

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.



Helping with restoration after the heavy rains in Saga Prefecture



Providing support for restoration after Typhoon Hagibis

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.



Information Security Handbook

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.

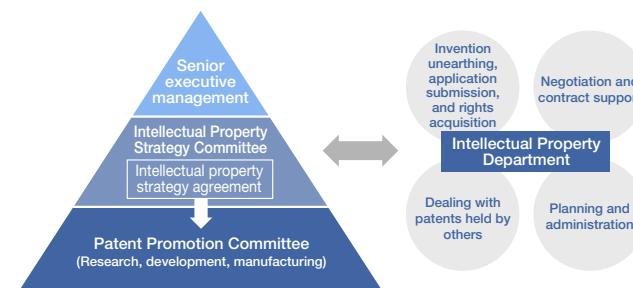
Basic Intellectual Property Policy

- Function as a compass for business and R&D strategies using the IP landscape*
- 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.
- 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.

- Support the proposal of strategies using the IP landscape
- Acquire rights for intellectual properties, including technologies, trademarks, naming and design, and adequately manage the IP portfolio
- 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
- Crack down on counterfeit goods, including protection measures at borders for oversight and taxation of online sales
- 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.

- Implementing rank-specific training for employees involved in development, tailored to their year of entry into the company and their position
- 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
- 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
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Corporate Overview

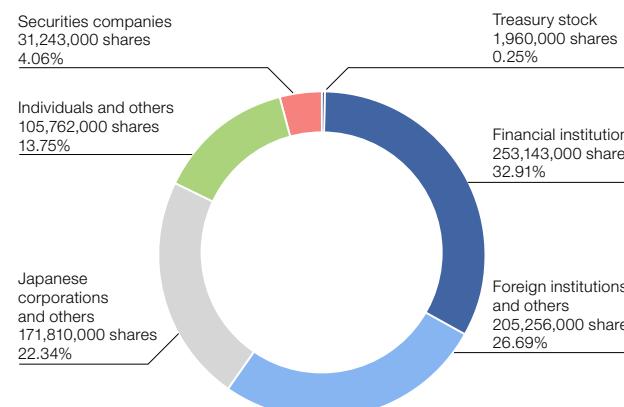
Corporate Overview (As of March 31, 2020)

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) (excluding executive officers, advisors and dispatches)
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. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo 103-8670, Japan

Breakdown of Shareholders



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

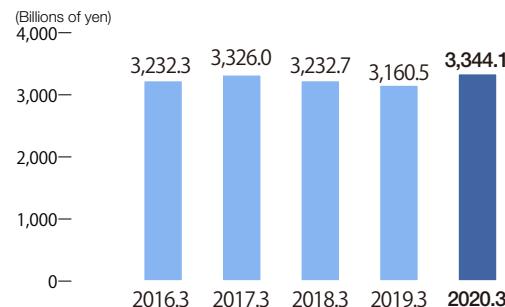
Name	Number of Shares Held (in thousands)	Percentage of Total Shares Held
Toyota Motor Corporation	153,600	20.02
The Master Trust Bank of Japan, Ltd. (trust account)	68,332	8.91
Japan Trustee Services Bank, Ltd. (trust account)	42,671	5.56
BNYM TREATY DTT 15	18,729	2.44
GIC PRIVATE LIMITED-C	13,917	1.81
Japan Trustee Services Bank, Ltd. (trust account 9)	12,924	1.68
Japan Trustee Services Bank, Ltd. (trust account 5)	12,646	1.65
JP MORGAN CHASE BANK 385151	10,721	1.40
MIZUHO SECURITIES ASIA LIMITED-CLIENT A/C	10,112	1.32
Mizuho Bank, Ltd.	10,078	1.31

* 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.

Financial Highlights

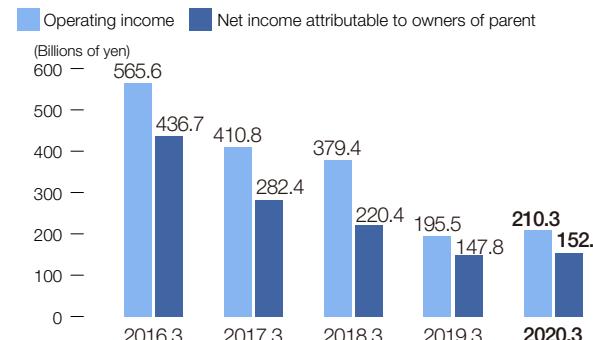
Net Sales



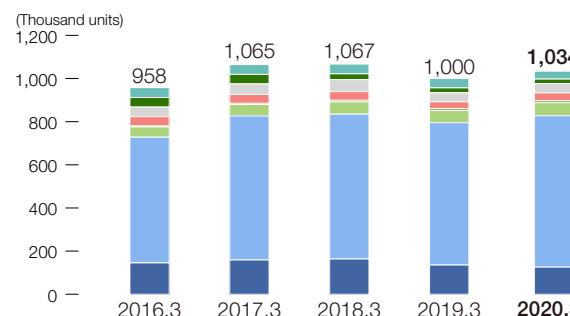
* The SUBARU Group has voluntarily adopted the IFRS from the first quarter of the fiscal year ended March 2020.

Change of accounting policy effective from FYE March 2019 (deduction of sales incentives from net sales); Retroactively applied to the figures for FYE March 2018.

Operating Income and Net Income Attributable to Owners of Parent

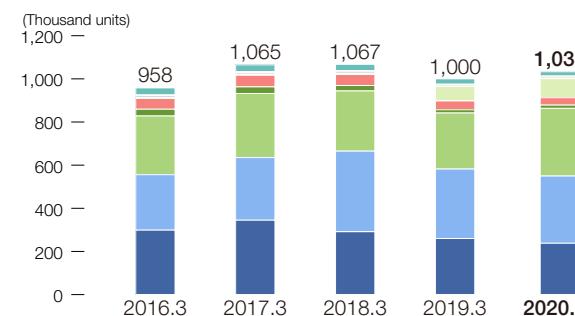


Consolidated Automobile Sales by Region



* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

Consolidated Automobile Sales by Model



* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

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

Global Network



Domestic Business Sites

Main Domestic Business Sites

Automotive Business Unit

Gunma Plant

Plant	Production Models
Main Plant	Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ
Yajima Plant	Legacy, Outback, Impreza, SUBARU XV, and Forester
Oizumi Plant	Automobile engines and transmissions

Aerospace Company

Handa Plant Handa West Plant



Domestic Facilities

Name	Location	Land Area (Thousand m ²)	Building Area (Thousand m ²)	Number of Employees (Persons)	Main Products
Head Office	Head Office (Ebisu)	Tokyo	4	14	681 —
	SUBARU Training Facility (SUBARU Academy)	Tokyo	10	13	42 —
	Other Parts Distribution Center, Pre Delivery Inspection Center, parking lots, Vicinity of Oizumi Plant, etc.	Gunma	573 [12]	247	171 —
Automotive Business Unit	Tokyo Office	Tokyo	158	79	1,688 —
	Gunma Main Plant	Gunma	585 [14]	330	4,735 Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ
	Gunma Yajima Plant	Gunma	550	319	3,271 Legacy, Outback, Impreza, SUBARU XV, and Forester
	Gunma Oizumi Plant	Gunma	304	238	2,872 Automobile engines and transmissions
	Gunma Ota North Plant	Gunma	44	25	0 —
	SUBARU R&E Center (Sano)	Tochigi	1,081	25	162 —
	SUBARU R&E Center (Bifuka)	Hokkaido	3,614	0	0 —
Aerospace Company	Utsunomiya Plant	Tochigi	572	228	1,847 Aircraft
	Handa Plant	Aichi	59	31	293 Aircraft
	Handa West Plant	Aichi	51	13	44 Aircraft
Subtotal (1)		7,605	1,562	15,806	
Other	The site of airport	Gunma	622	0	
	Utsunomiya airstrip	Tochigi	105	0	
	Welfare facilities	—	215	96	
	Lease to affiliates	Aichi	37	8	
	Isesaki business office	Gunma	157	60	
	Eco Utsunomiya Factory	Tochigi	6	1	
	Saitama Plant	Saitama	143	72	
	Subtotal (2)		1,285	237	
Total (1)+(2)		8,890	1,799		

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.

Main Subsidiaries (Domestic)

(As of April 1, 2020)
(Number of employees: as of March 31, 2020)

Name	Established	Location	Representative	Capital (Millions of yen)	Equity Interest (%)	Number of Employees (Persons)	FYE March 2020 Net Sales (Millions of yen)	Operations
Fuji Machinery Co., Ltd.	1950. 7. 18	Gunma	Tamaki Kamogawa	480	100.0	483	44,077	Manufacture and sales of automobile parts, industrial product parts and agricultural transmissions
Ichitan Co., Ltd.	1951. 2. 2	Gunma	Satoshi Maeda	480	100.0	231	20,060	Manufacture and sales of forging parts of automobile and industrial machinery
KIRYU INDUSTRY Co., Ltd.	1960. 12. 23	Gunma	Toshiaki Tamegai	400	100.0	309	11,705	Manufacture of specially-equipped SUBARU automobiles, engines, sheet metal repair parts and remanufacture of transmissions
Subaru Technica International Inc.	1988. 4. 2	Tokyo	Yasuo Hiraoka	250	100.0	112	4,828	Management of motor sports activities, sales of motor sports parts and merchandise, technical development, R&D support, and automobile maintenance
Subaru Used cars Sales & Marketing Co., Ltd.	1988. 4. 2	Kanagawa	Masahiro Maeda	100	100.0	20	2,659	Tack-related operation of used cars, head office of SUAA Kanto, sales of supplies
Subaru Auto Accessories Ltd.	1987. 3. 9	Saitama	Toshio Masuda	70	100.0	74	14,011	Sales, research & development, licensing of technology and import-export business of automobile accessories, parts and service materials
Subaru Logistics Co., Ltd.	1986. 3. 27	Gunma	Masaki Okawara	96	100.0	360	23,515	Shipping, land freight, warehousing, maintenance and insurance for automobiles and their components
H. B. C. Co., Ltd.	1983. 8. 29	Kanagawa	Junichi Tsukamoto	490	68.0	8	817	Storing and shipping of automobiles for international sales
Subaru Finance Co., Ltd.	1988. 7. 1	Tokyo	Mitsuru Takahashi	2,000	100.0	222	24,856	Leasing and rental of SUBARU automobiles, credit, financing and sales of auto insurance
SUBARU TECHNO CORPORATION	1985. 3. 2	Tokyo	Hiromi Tamou	70	100.0	970	9,164	Design, plan, research, experiment, examination and compile technical material of automobile, aircraft, general-purpose engine and environmental tool
Subaru Intelligent Service Ltd.	2005. 3. 1	Tokyo	Yoshinori Saito	40	75.0	58	2,555	Development of technical service documents including service manuals and owner's manuals
Yusoki Kogyo K. K.	1950. 7. 15	Aichi	Eiji Tanikawa	100	100.0	135	2,142	Manufacture and sales of aircraft parts
Fuji Aircraft Maintenance Co., Ltd.	1988. 10. 31	Tokyo	Takayuki Kobayashi	30	100.0	190	1,450	Inspection, service and maintenance of aircraft and onboard equipment
Fuji Aerospace Corporation	1991. 6. 14	Tochigi	Yasuhiro Hamanaka	30	100.0	175	1,645	Processing and assembly of aircraft parts
Fuji Aerospace Technology Co., Ltd.	1994. 4. 1	Tochigi	Yoshihiro Saito	20	100.0	94	2,732	Contract design, drafting, translation, calculation, analytical testing and software development for aircraft
Subaru Kohsan Co., Ltd.	1977. 2. 2	Tokyo	Masami Iida	675	100.0	85	7,058	Deal/rental of real estate, administrative operation of rental hall and conference room, administrative operation/rental of parking ground, travel agency
SUBARU IT CREATIONS CORPORATION	1993. 4. 1	Saitama	Nozomu Oyama	100	100.0	294	21,983	Development, maintenance and operation of information systems and related consulting services; sales and leasing of information equipment
Subaru Living Service Co., Ltd.	1988. 4. 2	Tokyo	Katsuo Saito	20	100.0	307	19,033	Sales of office supplies and daily commodities, real estate services, and personal import services

* Shareholdings on a consolidated basis

Main Subsidiaries (Overseas)

(As of April 1, 2020)
(Number of employees: as of March 31, 2020)

Region	Name	Established	Address	Representative	Equity Interest* (%)	Number of Employees (Persons)	Operations
North America	Subaru of America, Inc.	1968.2	One Subaru Drive, Camden, NJ 08103, U.S.A.	Thomas J. Doll	100	1,286	Sales of SUBARU vehicles and supplies
	Subaru of Indiana Automotive, Inc.	1987.3	5500 State Road 38 East, Lafayette, IN 47905, U.S.A.	Fumiaki Hayata	100	6,322	Manufacture of SUBARU vehicles, purchasing of parts, sales for Subaru of America, Inc., etc.
	North American Subaru, Inc.	1985.9	C/O Subaru of America, Inc. One Subaru Drive, Camden, NJ 08103, U.S.A.	Makoto Ikemura	100	84	Technical research on SUBARU vehicles in North American market, government relations
	Subaru Research & Development, Inc.	1986.6	50255 Michigan Avenue, Van Buren Township, MI 48111, U.S.A. 6431 Global Drive Cypress, CA 90630, U.S.A. 14382 Chambers Road, Tustin, CA 92780, U.S.A. 46718 Fremont Blvd, Fremont, CA 94538, U.S.A. C/O Subaru of Indiana Automotive, Inc. 5500 State Road 38 East, Lafayette, IN 47905, U.S.A.	Tetsuo Fujinuki	100	76	Compiling of technical information about automobile market of North America, research and development of SUBARU vehicles
	Subaru Canada, Inc.	1989.1	560 Suffolk Court Mississauga, Ontario, L5R 4J7, Canada	Yasushi Enami	100	169	Sales of SUBARU vehicles and supplies
	Subaru Europe N.V./S.A.	2002.3	Leuvensesteenweg 555 B/8, 1930 Zaventem, Belgium	Takeshi Kubota	100	41	Sales of SUBARU vehicles and supplies
Europe	Subaru Italia S.p.A.	1985.7	Via Montefeltro, 6 / A, 20156 Milano, Italy	Kunichika Koshimizu	100	53	Sales of SUBARU vehicles and supplies
	N.V. Subaru Benelux	1974.3	Leuvensesteenweg 555 B/1, 1930 Zaventem, Belgium	Shunsuke Sawada	100	35	Sales of SUBARU vehicles and supplies
	Subaru Vehicle Distribution B.V.	2001.5	Merseyweg 40, 3197 KG Botlek, Netherlands	Shunsuke Sawada	50	0	Contract of discharging and transporting inland for dealers in Middle Europe, PDI operation
Asia	Subaru of China Ltd.	2006.3	Room 405, Building D2, Liangmaqiao Diplomatic Office Building, No.19 Dongfangdonglu, Chaoyang District, Beijing 100600, China	Hiroaki Takahashi	60	181	Sales of SUBARU vehicles and supplies
	Subaru Technology Beijing, Co., Ltd.	2013.6	Room 401A, Building D2, Liangmaqiao Diplomatic Office Building, No.19 Dongfangdonglu, Chaoyang District, Beijing 100600, China	Hisato Imamura	100	42	Authentication, research and development of SUBARU vehicles in the Chinese market

* Shareholdings on a consolidated basis

Sales Agents (Domestic)

(As of April 1, 2020)

Area	Group	Head	Agent	Consolidated subsidiary	Location	President	New Car Base
Hokkaido Tohoku area (9)	Tohoku region		Kushiro Subaru Inc.	Hokkaido	Hiroshi Uehara	1	
			Obihiro Subaru Inc.	Hokkaido	Takashi Ishihara	1	
		○	Hokkaido Subaru Inc.	Hokkaido	Tomoo Takenaka	19	
		○	Miyagi Subaru Inc.	Miyagi	Kazuto Sakamoto	11	
		○	Aomori Subaru Inc.	Aomori	Nobuhiro Mori	6	
			Iwate Subaru Inc.	Iwate	Yasuo Watanabe	9	
			Akita Subaru Inc.	Akita	Takaharu Mitsui	6	
			Yamagata Subaru Inc.	Yamagata	Shinsuke Ito	5	
		○	Fukushima Subaru Inc.	Fukushima	Ryoichi Uchida	11	
	Hokushinetsu region	○	Niigata Subaru Inc.	Niigata	Shiro Ohta	11	
			Subaru Shinshu Inc.	Nagano	Masao Kawada	10	
			Hokuriku Subaru Inc.	Ishikawa	Osamu Ueno	12	
			Nanshin Subaru Inc.	Nagano	Hirotada Shibata	1	
			Fuji Subaru Inc.	Gunma	Wataru Miyata	17	
			Tochigi Subaru Inc.	Tochigi	Kazumasa Kodaira	12	
			Ibaraki Subaru Inc.	Ibaraki	Naoki Otsuki	10	
			Saitama Subaru Inc.	Saitama	Hiroshi Yoshizawa	16	
		○	Kanagawa Subaru Inc.	Kanagawa	Taisuke Suzuki	26	
Kanto Hokushinetsu area (12)	Tokyo/Yamanashi	○	Chiba Subaru Inc.	Chiba	Tsuguto Nakamura	20	
		○	Tokyo Subaru Inc.	Tokyo	Hiroki Kurihara	32	
		○	Yamanashi Subaru Inc.	Yamanashi	Hirohiko Kumada	3	

Area	Group	Head	Agent	Consolidated subsidiary	Location	President	New Car Base
Chubu Kinki area (11)	Tokai region		Shizuoka Subaru Inc.	Shizuoka	Shinichi Ishida	12	
		○	Nagoya Subaru Inc.	Aichi	Takumi Ogasawara	21	
			Gifu Subaru Inc.	Gifu	Koichi Numa	8	
			Mie Subaru Inc.	Mie	Masato Yachida	7	
			Subaru Higashi Aichi Inc.	Aichi	Yasuo Nishikawa	3	
	Kinki region		Fukui Minami Subaru Inc.	Fukui	Satoshi Okada	1	
			Nara Subaru Inc.	Nara	Shinichi Takagi	5	
		○	Osaka Subaru Inc.	Osaka	Motoya Yamamoto	25	
			Kyoto Subaru Inc.	Kyoto	Kinya Abe	7	
			Shiga Subaru Inc.	Shiga	Tetsuo Inoue	7	
Chugoku/Shikoku/Kyushu area (12)	Chugoku/Shikoku region		Hyogo Subaru Inc.	Hyogo	Masamichi Kudo	18	
		○	Hiroshima Subaru Inc.	Hiroshima	Atsushi Ishikawa	9	
			Sanin Subaru Inc.	Tottori	Wataru Ishihara	6	
			Okayama Subaru Inc.	Okayama	Sadayuki Hata	7	
			Yamaguchi Subaru Inc.	Yamaguchi	Kenichi Kobayashi	6	
			Higashi Shikoku Subaru Inc.	Kagawa	Hiromi Fujita	7	
	Kyushu region		Shikoku Subaru Inc.	Ehime	Tsukasa Morita	7	
		○	Fukuoka Subaru Inc.	Fukuoka	Tatsuya Yamano	16	
			Nishi Kyushu Subaru Inc.	Nagasaki	Kenichi Fujii	6	
			Kumamoto Subaru Inc.	Kumamoto	Tetsuya Matsumoto	8	
			Oita Subaru Inc.	Oita	Toshiaki Sugihara	5	
			Minami Kyushu Subaru Inc.	Kagoshima	Kenichi Hasegawa	10	
			Okinawa Subaru Inc.	Okinawa	Koichi Okazaki	3	
Total		6	44	33	—	—	443

Distributors (Overseas)

(As of April 1 2020)
(Number of dealers: as of December 31, 2019)

Region	Market	Company	Location	Number of dealers	SUBARU Ownership
North America	U.S.	Subaru of America, Inc.	Camden, NJ, U.S.A.	633	100%
	Canada	Subaru Canada, Inc.	Mississauga, Ontario, Canada	94	100%
Total	2 countries			—	—
Europe	Germany	SUBARU DEUTSCHLAND GMBH	Friedberg, Germany	150	29%
	Switzerland	SUBARU SCHWEIZ AG	Safenwil, Switzerland	137	0%
	Sweden	Subaru Nordic AB	Arlöv, Sweden	126	0%
Total	30 countries			—	—
CIS, the Middle East, and Africa	Israel	Japanauto-Israel Auto Corporation Ltd.	Petah Tikva, Israel	12	0%
	Russia	SUBARU MOTOR (RUSSIA) LLC	Moscow, Russia	48	33%
Total	16 countries			—	—
Oceania	Australia	Subaru (Aust) Pty Ltd.	Sydney, Australia	123	8%
	New Zealand	Subaru of New Zealand	Auckland, New Zealand	16	0%
Total	8 countries			—	—
Latin America	Chile	Inchcape Automotriz Chile S.A.	Santiago, Chile	31	0%
	Peru	Inchcape Latam Perù S.A.	Lima, Peru	11	0%
Total	22 countries			—	—
Asia	Taiwan	Subaru of Taiwan Co., Ltd.	Taoyuan City, Taiwan	22	35%
	Thailand	TC Subaru (Thailand) Co., Ltd.	Bangkok, Thailand	33	0%
	Malaysia	TC Subaru Sdn Bhd	Selangor, Malaysia	31	0%
Total	10 countries			—	—
	China	Subaru of China Ltd.	Beijing, China	160	60%
Total	1 country			—	—

* SUBARU ownership on a consolidated basis

Product Lineup

Legacy series

LEGACY



Photo: Special edition for North America

OUTBACK



Photo: Special edition for North America

Consolidated unit sales: 238,000
Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

Impreza series

IMPREZA



SUBARU XV

(Known as CROSSTREK in North America)



Photo: Special edition for North America

Consolidated unit sales: 312,000

Sales area: Japan, North America, Russia, Europe, Australia, China, and other regions

FORESTER



Consolidated unit sales: 314,000
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



Photo: Prototype

Consolidated unit sales: 15,000
Sales area: Japan, Europe, Australia, and other regions

SUBARU BRZ



Consolidated unit sales: 5,000
Sales area: Japan, North America, Europe, Australia, China, and other regions

ASCENT

(Sold only in North America)



Consolidated unit sales: 89,000
Sales area: North America

OEM models

JUSTY



CHIFFON



STELLA



PLEO⁺_{PLUS}



SAMBAR



SAMBAR TRUCK



Consolidated unit sales: 27,000
Sales area: Japan (supplied by DAIHATSU MOTOR CO., LTD. under an OEM agreement)

Aircraft



SUBARU BELL 412EPX (left)
 New Utility Helicopter for JGSDF (right)



Center Wing Section of Boeing777X



IR-Sensor system integration with Optionally Piloted Vehicle

* 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.

 [Subaru Concludes Positive Impact Finance Loan Agreement](#)

*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. He co-authored "Renewable Energy and New Growth Strategy" (Energy Forum 2015), "How to Tackle Climate Change Risk" (in Japanese, coauthored with the Kinzai Institute for Financial Affairs, Inc., 2014) and others.

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 brought 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.

Tomomi Nakamura
Representative Director of the Board, President and CEO
Subaru Corporation

GRI Content Index

156 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

Item number	Disclosure	Reporting requirements	Corresponding sections
GRI 102:General Disclosures2016			
1. Organizational profile			
102-1	Name of the organization	a. Name of the organization.	→ Corporate Overview
102-2	Activities, brands, products, and services	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.	→ Product lineup
102-3	Location of headquarters	a. Location of the organization's headquarters.	→ Corporate Overview
102-4	Location of operations	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.	→ Global Network
102-5	Ownership and legal form	a. Nature of ownership and legal form.	→ Corporate Overview
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	→ Global Network
102-7	Scale of the organization	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.	→ Employee Data → Corporate Overview → Financial Highlights
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	→ Employee Data
102-9	Supply chain	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.	—
102-10	Significant changes to the organization and its supply chain	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.	N/A

Item number	Disclosure	Reporting requirements	Corresponding sections
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.	
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	
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.	
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	→ Subaru Group's Six Priority Areas for CSR
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 Risk Management System
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.	→ Environmental Management
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 Report P5 II Status of corporate governance system including organization of management pertaining to management decision-making, business execution, and oversight (Japanese version only)

Item number	Disclosure	Reporting requirements	Corresponding sections
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	□ Annual Securities Report and Internal Controls Report for the 89th Period P.54 [Compensation for Directors] (Japanese version only)
102-25	Conflicts of interest	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures. 	→ Preventing Conflicts of Interest
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. 	→ CSR Promotion System
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics. 	→ Executive Training → Compliance>Initiatives>Training
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> 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. 	→ Effectiveness Evaluation of the Board of Directors
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> 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. 	—
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics. 	→ Risk Management>Management System
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities. 	→ Environmental Management System
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered. 	—
102-33	Communicating critical concerns	<ul style="list-style-type: none"> a. Process for communicating critical concerns to the highest governance body. 	—
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> 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. 	N/A
102-35	Remuneration policies	<ul style="list-style-type: none"> a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> 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. 	→ Executive Compensation
102-36	Process for determining remuneration	<ul style="list-style-type: none"> 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. 	→ Executive Compensation

Item number	Disclosure	Reporting requirements	Corresponding sections
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.	<input checked="" type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P54 [Compensation for Directors] (Japanese version only)
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.	→ Stakeholder Engagement
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	→ Labor-Management Communication
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	→ Stakeholder Engagement
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.	→ Stakeholder Engagement
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.	→ Global Network
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.	→ Process of Identifying Six Priority Areas for CSR
102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	→ Subaru Group's Six Priority Areas for CSR
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.	→ Period Covered
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	→ Period Issued
102-52	Reporting cycle	a. Reporting cycle.	→ Period Issued
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	→ Contact Us
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'. a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.	—
102-55	GRI content index	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.	→ GRI Content Index

Item number	Disclosure	Reporting requirements	Corresponding sections
102-56	External assurance	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 Approach2016			
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> 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

Item number	Disclosure	Reporting requirements	Corresponding sections
GRI 200:Economic			
201:Economic Performance2016			
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&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:</p> <ul style="list-style-type: none"> 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; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance. 	<input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P60-66 [Consolidated Financial Statements] (Japanese version only) <input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P19 [Analysis of Financial Position, Business Performance, and Cash Flows by Top Management] (Japanese version only)
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> 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; v. the costs of actions taken to manage the risk or opportunity. 	→ Climate Change
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> 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. <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P73 [Notes to Consolidated Financial Statements] (Japanese version only)
201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> 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. <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	<input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P34 [Corporate Information] (Japanese version only) <input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 89th Period P06 [Consolidated Financial Statements] (Japanese version only)
202:Market Presence2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>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.</p> <p>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.</p> <p>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.</p> <p>d. The definition used for 'significant locations of operation'.</p>	→ Human Rights Policy Appendix
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	—

Item number	Disclosure	Reporting requirements	Corresponding sections
203:Indirect Economic Impacts2016			
203-1	Infrastructure investments and services supported	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.	—
203-2	Significant indirect economic impacts	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.	N/A
204:Procurement Practices2016			
204-1	Proportion of spending on local suppliers	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'.	—
205:Anti-corruption2016			
205-1	Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	→ Bribery Prevention
205-2	Communication and training about anti-corruption policies and procedures	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.	→ Supplier CSR Guidelines → Compliance>Initiatives>Training
205-3	Confirmed incidents of corruption and actions taken	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.	N/A
206:Anti-competitive Behavior2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	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.	N/A
GRI 300:Environmental			
301:Materials2016			
301-1	Materials used by weight or volume	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.	→ Material Flow Concerning Automobiles
301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	→ Resource Recycling
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	→ Resource Recycling>Achievements and Initiatives>Logistics/Sales

Item number	Disclosure	Reporting requirements	Corresponding sections
302:Energy2016			
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> 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
302-2	Energy consumption outside of the organization	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	—
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> 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, 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	<ul style="list-style-type: none"> 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			
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> 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
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: <ul style="list-style-type: none"> 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

Item number	Disclosure	Reporting requirements	Corresponding sections
303-3	Water withdrawal	<p>a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:</p> <ul style="list-style-type: none"> i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. <p>b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:</p> <ul style="list-style-type: none"> 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. <p>c. 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:</p> <ul style="list-style-type: none"> i. Freshwater ($\leq 1,000 \text{ mg/L}$ Total Dissolved Solids); ii. Other water ($> 1,000 \text{ mg/L}$ Total Dissolved Solids). <p>d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	→ Breakdown of water consumption by water source at major production bases
303-4	Water discharge	<p>a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:</p> <ul style="list-style-type: none"> 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. <p>b. A breakdown of total water discharge to all areas in megaliters by the following categories:</p> <ul style="list-style-type: none"> i. Freshwater ($\leq 1,000 \text{ mg/L}$ Total Dissolved Solids); ii. Other water ($> 1,000 \text{ mg/L}$ Total Dissolved Solids). <p>c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:</p> <ul style="list-style-type: none"> i. Freshwater ($\leq 1,000 \text{ mg/L}$ Total Dissolved Solids); ii. Other water ($> 1,000 \text{ mg/L}$ Total Dissolved Solids). <p>d. Priority substances of concern for which discharges are treated, including:</p> <ul style="list-style-type: none"> 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. <p>e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	—
303-5	Water consumption	<p>a. Total water consumption from all areas in megaliters.</p> <p>b. Total water consumption from all areas with water stress in megaliters.</p> <p>c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.</p> <p>d. 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.</p>	→ Water Resources
304:Biodiversity2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>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:</p> <ul style="list-style-type: none"> 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). 	N/A

Item number	Disclosure	Reporting requirements	Corresponding sections
304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: <ul style="list-style-type: none"> 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). b. Significant direct and indirect positive and negative impacts with reference to the following: <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	—
304-3	Habitats protected or restored	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	N/A
305:Emissions2016			
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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

Item number	Disclosure	Reporting requirements	Corresponding sections
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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. 	—
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<ul style="list-style-type: none"> a. Significant air emissions, in kilograms or multiples, for each of the following: <ul style="list-style-type: none"> i. NO_x ii. SO_x 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 Waste 2016			
306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> a. Total volume of planned and unplanned water discharges by: <ul style="list-style-type: none"> 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

Item number	Disclosure	Reporting requirements	Corresponding sections
306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> 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) <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> 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) <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> 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 	→ Resource Recycling>Achievements and Initiatives>Production
306-3	Significant spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <ul style="list-style-type: none"> i. Location of spill; ii. Volume of spill; iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). <p>c. Impacts of significant spills.</p>	→ Hazardous waste
306-4	Transport of hazardous waste	<p>a. Total weight for each of the following:</p> <ul style="list-style-type: none"> i. Hazardous waste transported ii. Hazardous waste imported iii. Hazardous waste exported iv. Hazardous waste treated <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>	→ Chemical substances regulated by Pollutant Release and Transfer Register (PRTR) law of Japan
306-5	Water bodies affected by water discharges and/or runoff	<p>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <ul style="list-style-type: none"> 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. 	→ Crisis-level risks
307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	→ Environmental Compliance

Item number	Disclosure	Reporting requirements	Corresponding sections
308:Supplier Environmental Assessment2016			
308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> a. Percentage of new suppliers that were screened using environmental criteria. a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. 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. 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. 	→ Green Procurement Guidelines
308-2	Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region. 	→ Management and Reduction of Environmentally Hazardous Substances Contained in Parts
GRI 400:Social			
401:Employment2016			
401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii.others. b. The definition used for 'significant locations of operation'. 	→ Employee Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. 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. e. Return to work and retention rates of employees that took parental leave, by gender. 	→ Childcare leave system
401-3	Parental leave		
402:Labor/Management Relations2016			
402-1	Minimum notice periods regarding operational changes	<ul style="list-style-type: none"> 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. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements. 	—
403:Occupational Health and Safety2018			
403-1	Occupational health and safety management system	<ul style="list-style-type: none"> a. A statement of whether an occupational health and safety management system has been implemented, including whether: <ul style="list-style-type: none"> 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. 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. 	→ Occupational Health and Safety>Our Approach/Management System

Item number	Disclosure	Reporting requirements	Corresponding sections
403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: <ul style="list-style-type: none"> 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

Item number	Disclosure	Reporting requirements	Corresponding sections
403-9	Work-related injuries	<p>a. For all employees:</p> <ul style="list-style-type: none"> 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. <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> 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. <p>c. The work-related hazards that pose a risk of high-consequence injury, including:</p> <ul style="list-style-type: none"> 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. <p>d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	→ Occurrence of Work Related Accidents and Accident Frequency Rate
403-10	Work-related ill health	<p>a. For all employees:</p> <ul style="list-style-type: none"> 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. <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> 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. <p>c. The work-related hazards that pose a risk of ill health, including:</p> <ul style="list-style-type: none"> 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. <p>d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	—
404:Training and Education2016			
404-1	Average hours of training per year per employee	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> i. gender; ii. employee category. 	—
404-2	Programs for upgrading employee skills and transition assistance programs	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	→ Programs for Upgrading Skills
404-3	Percentage of employees receiving regular performance and career development reviews	<p>a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	→ Regular Reviews and Career Development

Item number	Disclosure	Reporting requirements	Corresponding sections
405:Diversity and Equal Opportunity2016			
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> → Directors, Auditors, and Executive Officers → Employee Data
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> 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'. 	→ Training and Education
406:Non-discrimination2016			
406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: <ul style="list-style-type: none"> 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. 	—
407:Freedom of Association and Collective Bargaining2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	—
408:Child Labor2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> a. Operations and suppliers considered to have significant risk for incidents of: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	N/A
409:Forced or Compulsory Labor2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: <ul style="list-style-type: none"> 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. 	N/A
410:Security Practices2016			
410-1	Security personnel trained in human rights policies or procedures	<ul style="list-style-type: none"> 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. 	—

Item number	Disclosure	Reporting requirements	Corresponding sections
411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	N/A
412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 	—
412-2	Employee training on human rights policies or procedures	<ul style="list-style-type: none"> 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. 	→ Respect for Human Rights> Management System
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<ul style="list-style-type: none"> 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'. 	—
413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: <ul style="list-style-type: none"> 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. 	—
413-2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> a. Operations with significant actual and potential negative impacts on local communities, including: <ul style="list-style-type: none"> i. the location of the operations; ii. the significant actual and potential negative impacts of operations. 	—
414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> a. Percentage of new suppliers that were screened using social criteria. 	→ Supplier CSR Guidelines
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> 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. 	
415: Public Policy 2016			
415-1	Political contributions	<ul style="list-style-type: none"> 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. 	—

Item number	Disclosure	Reporting requirements	Corresponding sections
416:Customer Health and Safety2016			
416-1	Assessment of the health and safety impacts of product and service categories	<p>a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>	→ Making Safe Vehicles>Initiatives
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>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:</p> <ul style="list-style-type: none"> 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. <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	N/A
417:Marketing and Labeling2016			
417-1	Requirements for product and service information and labeling	<p>a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:</p> <ul style="list-style-type: none"> 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). <p>b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>	—
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <ul style="list-style-type: none"> 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. <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	→ Quality: Automotive Business → Quality: Aerospace Business
417-3	Incidents of non-compliance concerning marketing communications	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <ul style="list-style-type: none"> 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. <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	N/A
418:Customer Privacy2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	N/A
419:Socioeconomic Compliance2016			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	N/A