



# Sustainability Website 2024

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## Message on Sustainability from the CEO



Message on Sustainability from the CEO

**Delivering happiness by contributing to solving local issues together with our communities**

Atsushi Osaki

**Representative Director, President and CEO**

### Achieving sustainability for the SUBARU Group and society by leveraging our strengths and values

In FYE March 2024, the global economic outlook remained uncertain due to the prolonged Russia-Ukraine conflict and the outbreak of hostilities in the Middle East, as well as interest rate hikes in response to rising prices. On the other hand, in Japan, both demand and supply were on a recovery trend due to the easing of various restrictions brought about by the reclassification of COVID-19 as a Class 5 infectious disease.

To achieve our vision of becoming a company "delivering happiness to all" amid this business environment, we aim to deliver our value of "Enjoyment and Peace of Mind" and to be a compelling company with a strong market presence built upon our customer-first principle. Under the New Management Policies announced in August 2023, we will powerfully drive each initiative forward to become the world's leading company in "Monozukuri Innovation" and "Value Creation", in the aim to achieve our vision, keeping in mind the perspective of "flexibility and expandability" even under non-linear changes at an unprecedented pace.

Also, our three future directives expressed in the previous Mid-term Management Vision "STEP" are unchanged: become a brand that is "different" from others by enhancing distinctiveness; engage in business activities that resonate with customers by putting them center-stage, and; fulfill corporate social responsibilities by contributing to diversifying social needs. Going forward, SUBARU will not only fulfill its corporate social responsibility, but also meet society's expectations in a manner that leverages its strengths and values, in pursuit of the sustainability of the SUBARU Group and of society.

### Strengthening management and addressing human rights risks to become a company "delivering happiness to all"

We must take a long, hard look at whether we, as the SUBARU Group, are performing well in our businesses aimed at enhancing sustainability and achieving a sustainable society. To this end, the Sustainability Committee, which is chaired by the President and Representative Director and includes all executive officers as members, discusses sustainability strategies, policies, and initiatives, and submits reports on these discussions to the Board of Directors. The committee also considers specific initiatives in light of investor feedback and points raised by ESG evaluation organizations, and each business is carried out under the management purview of the Executive Meeting and the Board of Directors.

Also, based on the belief that respect for the rights and characteristics of individuals is an important management issue, we at the SUBARU Group established our Human Rights Policy in April 2020, and have been advancing initiatives accordingly for the respect of human rights. Based on this policy, from FYE March 2021 to FYE March 2022, we carried out human rights due diligence in the domains of human resources and procurement to identify business-related human rights risks and formulate measures to address them. Since FYE March 2023, we have transitioned into a phase of ensuring the implementation of our response measures, not only within SUBARU but also collaborating with our business partners to address various challenges. We will continue to carry out efforts to respect human rights together with our business partners and other stakeholders, including those in our supply chain, to create happiness for these various stakeholders.

## Evolution into the Six Priority Areas for Sustainability to further contribute to the sustainability of the SUBARU Group and society

Until recently, the SUBARU Group has been promoting various initiatives under the Six Priority Areas for CSR. Now, we are evolving these Six Priority Areas for CSR into the Six Priority Areas for Sustainability in response to the changing social environment and shifting mindsets toward sustainability. With these new areas, we will further contribute to the sustainability of the SUBARU Group and society by going beyond CSR perspectives to further leverage SUBARU's values and strengths. This evolution also updates our People-oriented Car Culture to a People-oriented Mobility Culture, while Diversity is updated to Diversity, Equity & Inclusion (DE&I). We are continuing discussions to further deepen our efforts and management in each area, with the aim of creating further social and economic value by taking a more appropriate approach that also incorporates a long-term perspective.

In terms of Peace of Mind among the initiatives for FYE March 2024, we are continuing our efforts by positioning quality enhancements as fundamental to SUBARU's sustainable growth. Another point regarding Peace of Mind is that we will also be strengthening our collaboration with business partners in order to increase safety in more complex and unpredictable situations found in the real world. For example, in our safety functions provided through EyeSight, we are working with U.S.-based AMD to optimize a SoC\* that can output optimal judgments in an emergency by combining stereo camera recognition processing and AI inference processing. In this way, we will continue to provide products that customers can use with more Peace of Mind and accelerate our efforts to achieve zero fatal traffic accidents in 2030.

To make these products that customers can use with Peace of Mind, we are firmly aware of the essential nature of acting to ensure health and safety, both physical and mental, so that our employees, their families, and everyone else involved with the SUBARU Group can act with that same Peace of Mind. Looking ahead, we will continue our efforts to build a better workplace environment.

\* SoC: System on a Chip. Refers to a single semiconductor chip featuring a number of functions.

Since assuming the position of CEO in 2023, I have consistently said that human capital is the foundation of everything. Within this concept, we consider DE&I to be particularly important for generating innovation in the SUBARU Group, and as part of this effort, we have been working very hard over the past year toward the empowerment of female employees in particular. Toward the goal of more than doubling the 2021 number of female managers by 2025, we conducted various training programs for female employees aspiring to become managers, dialogue sessions with female executives, and messages to employees regarding the empowerment of women. As a result, the number of female managers as of April 2024 has increased 1.8 times compared to 2021. In the future, we will create an environment that empowers not only female employees but also a variety of employees, including foreign nationals and employees with disabilities. Moreover, since change is unlikely to occur in a homogenized organization, we will leverage the individuality and strengths of each employee to drive further innovation. This will result in our continuous provision of products that are "different" and deliver happiness to our customers.

For the Environment, we regard the protection of SUBARU's fields of business—the global environment comprising the earth, the sky, and nature—as a crucial theme. In order to contribute to a decarbonized society, in 2023, we raised our medium-term goals for products (Scope 3) to aiming to make BEVs 50% of all automobiles sold in 2030, and for plants and offices (Scope 1 and 2) to reducing CO<sub>2</sub> emissions by 60% in FYE March 2036 versus FYE March 2017.

In addition, in order to mitigate risk and ensure flexibility for development and production in an era of future uncertainty, we will strengthen our alliance with Toyota Motor Corporation (hereinafter, "Toyota") through joint development, mutual production, and mutual supply of BEVs. Specifically, we are jointly developing the four BEV models to be added to our lineup by the end of 2026 with Toyota bringing together the knowledge and expertise of both companies. In addition, we are planning to start mixed production of ICE vehicles and BEVs at the Yajima Plant, and BEVs produced here will be supplied to Toyota, and BEVs produced at Toyota's U.S. plant will be supplied to SUBARU. Other actions regarding vehicle production include plans to install a new dedicated BEV production line at the Oizumi Plant to launch in 2027 or later.

We will continue to make preparations to flexibly adapt to the varying pace of the spread of BEVs and to market trends, thereby contributing to a decarbonized society.

## Creating a chain of happiness from resonance by our communities

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Though SUBARU is not large by any means as an automaker, it has strengths in its ability to create strong connections with customers and communities based on products that are "different" from others and not available from our industry peers. We aim to leverage these strengths and work together with our customers and dealerships to create even more resonance in our communities and help solve their local issues. I can see the momentum to achieve this within SUBARU, and I would like to take a leading role in building this momentum into a powerful wave. We want to be there for our customers at every milestone in their lives and bring them happiness. So, too do we want to bring happiness to our employees who make these products, and furthermore build an entire chain of happiness extending to the communities and business partners who resonate with SUBARU's commitment as well.

In the past year since I assumed the role as President, I have been keenly reminded that all answers lie in the field. For me, the field is where we engage not only with employees at our plants and dealerships, but also engage in dialogue with investors and other stakeholders. We will continue to engage in close communication, aiming to become a SUBARU, which is even more attentive to all of its stakeholders.

Representative Director, President and CEO





# The SUBARU Group's Sustainability

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## SUBARU's Vision/policy

### SUBARU's Vision – Delivering happiness to all –

In May 2021, SUBARU consolidated the multiple corporate principles into three key pillars.



Our corporate statement is “We aim to be a compelling company with a strong market presence built upon our customer-first principle.” The value we deliver to our customers is “Enjoyment and Peace of Mind.” This was established at the same time as the said corporate statement. We recognize that this is a value we must deliver to our customers to deepen our SUBARU Difference, not influenced by changes in the times or external environment, and further enhance our brand. Our vision is “delivering happiness to all.” We established this vision when we changed our company name to SUBARU CORPORATION in 2017. This vision came to us from watching what our customers do: We learned what SUBARU should do from our customers. Based on these concepts, we aim to sustainably grow SUBARU into an appealing global group in both the Automotive Business and Aerospace Business, fostering empathy for our business activities among all stakeholders. Through this approach, we strive to achieve the sustainable growth of the SUBARU Group and create an enjoyable and sustainable society.

## SUBARU Global Sustainability Policy

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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

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We, the 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.



# About the SUBARU Group's Sustainability

## About the SUBARU Group's Sustainability

We envision becoming a company “delivering happiness to all.” To achieve this, we are promoting sustainability based on the SUBARU Global Sustainability Policy by incorporating the concepts of the Six Priority Areas for Sustainability and sharing our commitment across the Group and globally. To empower each employee as a driving force for growth, we invest in our talent, linking the growth of the individual to the growth of the organization. This enables us to further evolve our value proposition of enjoyment and peace of mind while deepening our relationships with customers. In addition, we will aim to achieve both the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.



- > [SUBARU Difference](#)
- > [New Management Policy](#)
- > [Six Priority Areas for Sustainability](#)
- > [Social>Human Resources>Approach to Human Capital](#)

# Sustainability Promotion System

## Sustainability Promotion System

The Sustainability Committee, established as a forum for discussing all kinds of sustainability initiatives by the SUBARU Group, meets twice a year. The Sustainability Committee is headed by the President and Representative Director, and all of our executive officers are members. The committee considers business issues from a social perspective and works to strengthen sustainability efforts.

We comprehensively promote initiatives as a unified SUBARU Group to realize our sustainability in cooperation with bases in Japan and overseas, and monitor the PDCA status of related committees and departments. Details of the initiatives are deliberated and reported on at Board of Directors' meetings. Moreover, in coordination with Group companies and dealerships in Japan, we share information with sustainability managers and relevant departments at each company. The various activities we conduct in the Group are communicated and disclosed appropriately through channels such as the Sustainability section of our website, our Integrated Report, and our digital in-house magazine, leading to further enhancement of the SUBARU Group's sustainability initiatives.

### Organizations related to the Sustainability Committee

#### Environment Committee

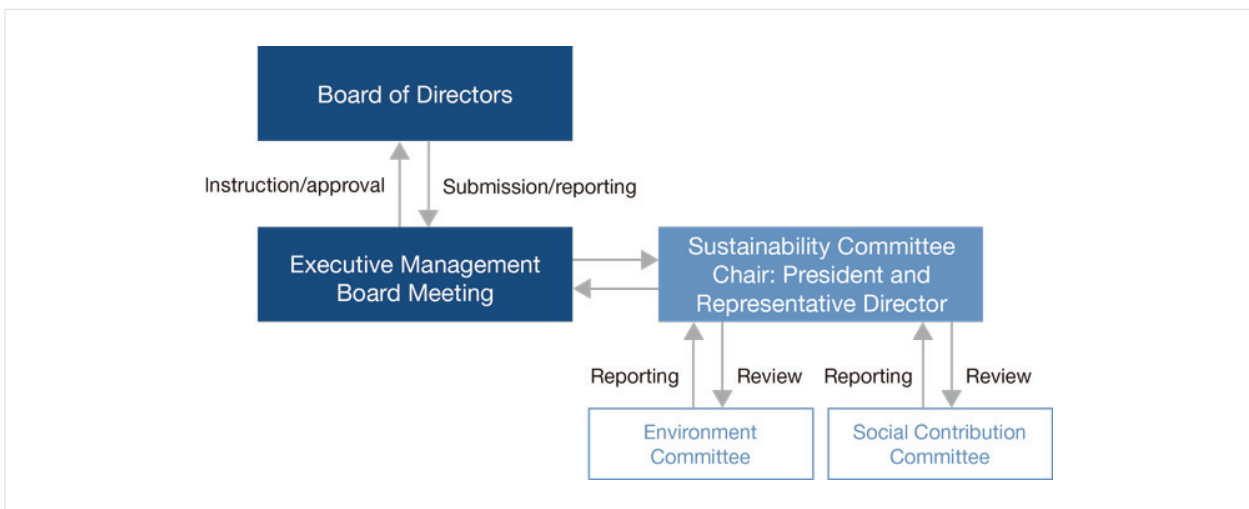
The Environment Committee was established to formulate the environmental strategy and policies of the SUBARU Group, as well as to evaluate and discuss efforts aimed at achieving environmental targets. In principle, the committee conducts regular reviews at least once a year. The content of discussions held by the committee are reported to the Sustainability Committee, and important issues are discussed and reported at the Executive Management Board Meeting and the Board of Directors.

> [Environment](#)>[Environmental Management](#)>[Management System](#)

#### Social Contribution Committee

SUBARU established the Social Contribution Committee to advance community engagement activities with the aim of making these activities an integral part of the SUBARU Group's corporate culture and becoming a company that is trusted by stakeholders. The committee meets twice a year. The content of discussions held by the committee are reported to the Sustainability Committee, and important issues are discussed and reported at the Executive Management Board Meeting and the Board of Directors.

> [Social](#)>[Community Engagement](#)>[Management System](#)



## Initiatives to Embed Sustainability

### Promoting Group-wide Understanding and Permeation

In the SUBARU Group, we are taking various steps for each employee to gain a deeper understanding of sustainability in order to promote initiatives in this area. We not only provide educational opportunities to SUBARU executives but also conduct rank-specific training for new managers, new associate managers, and new recruits. Since FYE March 2021, we have been expanding the scope of measures to enhance understanding to Group companies worldwide by sharing SUBARU's perspectives through meetings and other means. In FYE March 2024, we shared our unique tools for promoting understanding with Group companies and dealerships in Japan to further facilitate awareness.

#### Initiatives in FYE March 2024

Target	Description
SUBARU	<ul style="list-style-type: none"> <li>Conducted study sessions for executives on the integrated management approach and sustainability-related trends, as well as briefings on sustainability-related initiatives</li> <li>Held rank-specific training for new recruits, new associate managers, and new managers.</li> <li>Utilized tools for promoting understanding of SUBARU Group's sustainability, such as e-learning, for all managers and Head Office employees</li> </ul>
Group companies in Japan	<ul style="list-style-type: none"> <li>Utilized tools for promoting understanding, such as materials for e-learning implemented at SUBARU</li> </ul>
Dealerships in Japan	<ul style="list-style-type: none"> <li>Utilized e-learning conducted at SUBARU</li> </ul>
Overseas Group companies	<ul style="list-style-type: none"> <li>Promoted sustainability initiatives based on the circumstances of each company</li> </ul>

#### VOICE

##### Feedback from employees after sustainability-related e-learning

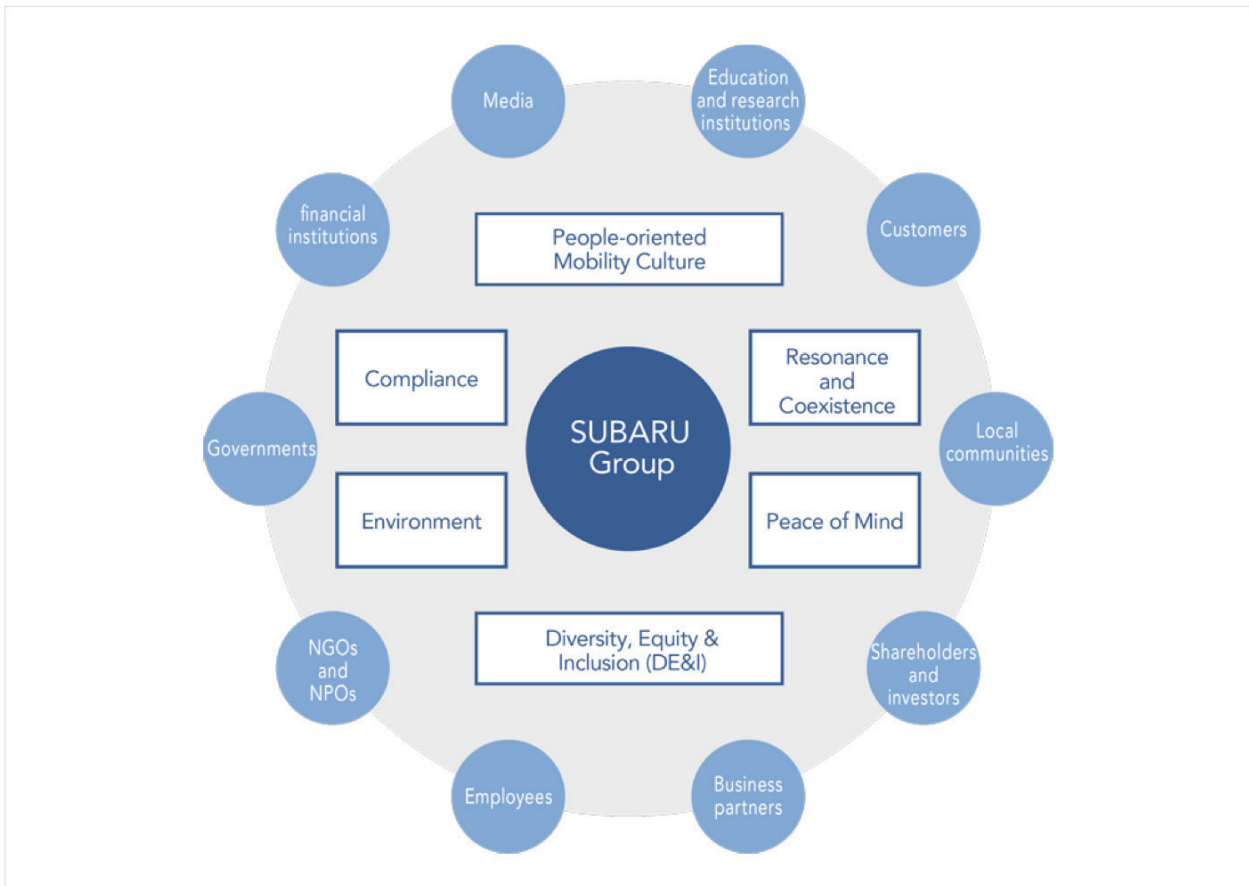
- In a context where both companies and individuals are striving to advance the SDGs, we must incorporate this mindset into our work to make progress.
- I believe that by being mindful of initiatives and ideas related to carbon neutrality and environmental issues in my work, I can contribute to the SDGs. Also, in our department's facility planning, we are considering gender-neutral restrooms, and I want to move forward with this implementation.
- I felt that for the sustainable growth of our Automotive Business Unit, a people-oriented car culture as well as resonance and coexistence with stakeholders are essential.
- While I understood the concepts of a people-oriented car culture and resonance and coexistence, I struggled to visualize how to put them into practice myself.
- I reaffirmed the importance of focusing on quality during development to ensure safety and peace of mind for our customers.
- Although I understood the explanation regarding peace of mind, I feel that, in practice, the actions related to employees' peace of mind, particularly among management, still have room for improvement.
- I want to consciously engage in sustainable activities for the environment and conservation with confidence, while humbly addressing areas that need improvement.
- I have come to understand that being aware that each individual represents the company and conducting corporate activities with integrity is essential to compliance.

# Stakeholder Engagement

## 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 their opinions and requests in the management of the business are all important. In order to realize its vision of becoming "a compelling company with a strong market presence" as stated in the management philosophy, the SUBARU Group will continue to make efforts to gain trust from its stakeholders, and to provide meaningful community engagement while at the same time increasing its corporate value.

### SUBARU Group's Stakeholders and Their Relationship with the Six Priority Areas for Sustainability



**Methods to Communicate with Stakeholders at the SUBARU Group**

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

Note: Some activities were not held in FYE March 2024.

# Stakeholder Engagement Activities

## Stakeholder Engagement Activities

### Customers

The SUBARU Group strives to put the customer first in all business activities. SUBARU is promoting activities to reflect customer feedback in our products and services, so that customers continue to choose our brand for "Enjoyment and Peace of Mind."



"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. We also host exchange meetings and events in regions where SUBARU has business and manufacturing sites.

Going forward, we will continue to focus on the four fields of community engagement initiatives and conduct further community-based activities in line with evolving needs.



SUBARU Mono-zukuri Classes  
(Tokyo Office)

### Shareholders

SUBARU strives to build long-term relationships of trust with our shareholders and investors through constructive dialogue in order to contribute to sustainable growth and medium- to long-term enhancement of corporate value. We will deepen mutual understanding through proactive dialogue, such as financial results briefings by the CEO and/or Chief Financial Officer (CFO) and overseas presentation events, as well as business and technology briefings by management, and regularly report the content of dialogue with shareholders and investors and issues raised to the Board of Directors and relevant departments for further disclosure and enhanced dialogue.

In FYE March 2024, SUBARU conducted plant tours for individual shareholders to provide them with a deeper understanding of our policies, business, and production activities. These tours include opportunities to observe the production floor, along with question-and-answer sessions with Company executives. Opinions and comments received here are shared with the relevant internal stakeholders, including the management team, and utilized in our business and investor relations (IR) activities.

## Dealerships

With the aim of unified support of the SUBARU brand alongside dealerships, a variety of initiatives are ongoing for dealerships both inside and outside Japan. In particular, in order to steadily implement our quality-first philosophy, the SUBARU Group places great importance on dialogue with our dealerships around the world, who are in direct contact with our customers on a daily basis. Through technical liaison meetings held twice a year for the Japanese market, main dealerships service meetings held once or twice a year in overseas markets, and block conferences held in the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America, we make decisions on matters such as optimum means of addressing quality problems that inconvenience our customers, while incorporating the views of dealerships. In addition, SUBARU is involved in the Cherishing Every Life Project together with dealerships as an activity to expand the circle of Resonance and Coexistence through contributions to society. In this project, with its DNA as an aircraft manufacturer, SUBARU continues to practice a human-oriented approach to monozukuri, where it places top priority on safety. Based on its longstanding core value of the protection of life, we are expanding our initiatives alongside customers and local communities.

> [Cherishing Every Life Project](#) (Japanese version only)



Meetings with SUBARU dealerships

## Employees

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. In FYE March 2023, we transitioned to the digital in-house magazine, SUBAROOM, to enhance real-time information dissemination and enrich content with features such as videos. As it is accessible from employees' personal computers and smartphones, individuals can conveniently read the up-to-date content at their leisure. Moreover, along with the executive speech relay that has been ongoing since FYE March 2020, we have introduced the general manager relay essay for mid-career employees, both of which are featured in SUBAROOM. Furthermore, we have launched the SUBARU Communication Park on our company network, offering a forum where employees of many different positions can communicate with each other. In January 2023, we published the first issue of SUBAROOM MAGAZINE with the aim of broadly communicating SUBARU's policy to employees of Group companies, as well as dealerships in Japan.



Digital in-house magazine, SUBAROOM

# Six Priority Areas for Sustainability

## Six Priority Areas for Sustainability

### Identification Process for the Six Priority Areas for Sustainability

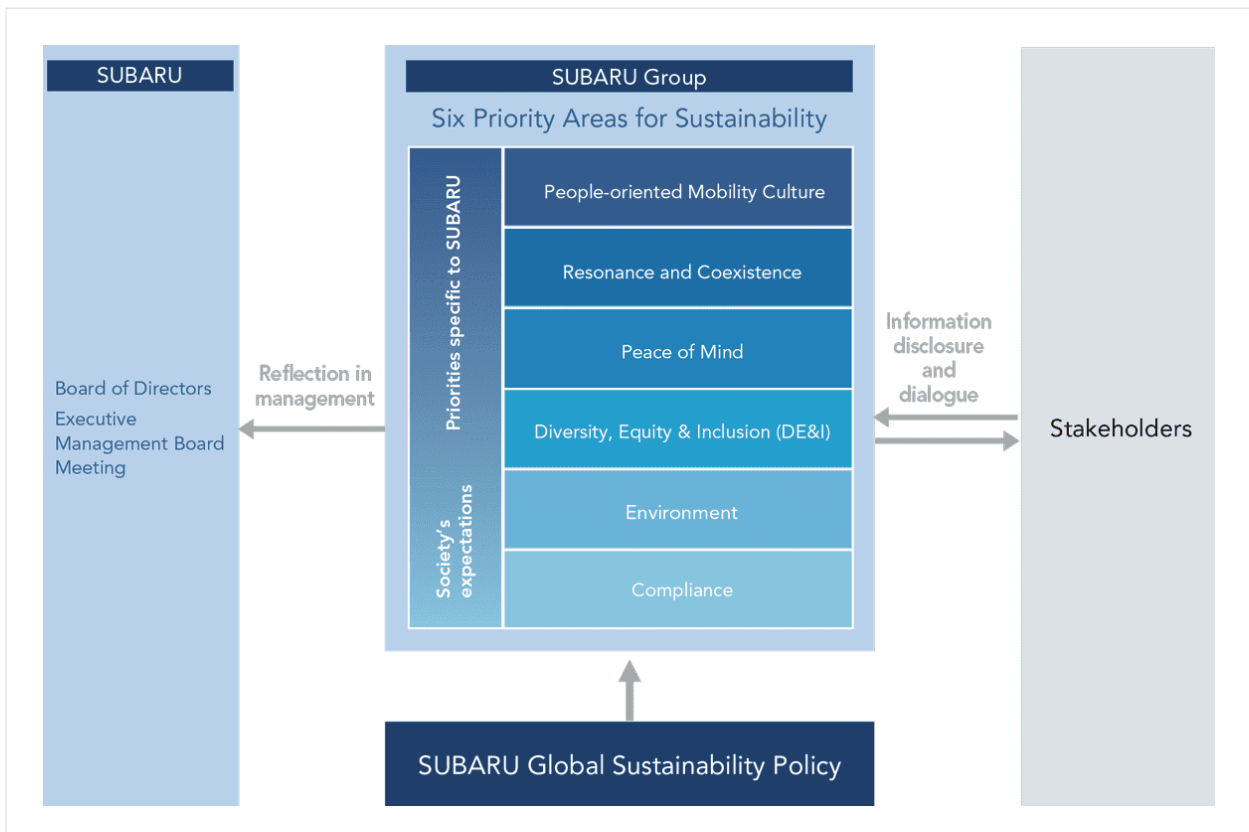
Previously, the SUBARU Group had promoted initiatives in the Six Priority Areas for CSR: People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, Diversity, Environment, and Compliance. To select the priority areas, the SUBARU Group first identified 41 priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. The responses and opinions we received were used in an assessment and exploration of these areas from two perspectives: areas in which we can engage the community 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 engage our communities 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.

Now, we have evolved these Six Priority Areas for CSR into the Six Priority Areas for Sustainability in response to the changing social environment and shifting mindsets toward sustainability. To contribute to the sustainability of the SUBARU Group and society, we will go beyond CSR perspectives to further leverage SUBARU's values and strengths. This evolution also updates our People-oriented Car Culture to a People-oriented Mobility Culture, while Diversity is updated to Diversity, Equity & Inclusion (DE&I). In our People-oriented Mobility Culture, we aim to become a company whose presence and appeal differentiate from its competitors by expressing the diversity of products as the SUBARU Group, including the aerospace business. Also, we will provide a means of transportation based on SUBARU's DNA in response to the changing times. In terms of Diversity, Equity & Inclusion (DE&I), we will develop our organization to maximize the diverse individuality of our workforce and create comfortable workplace environments. These efforts to create an environment of equity where everyone can access fair opportunities will lead to innovation, allowing diverse individuals to collaborate to create SUBARU's unique sustainable value.

Currently, we are deepening discussions within the Company to enhance our efforts and management, aiming to create further social and economic value through a more appropriate approach that incorporates a long-term perspective.

The SUBARU Group will share its commitment to sustainability with all employees in the Group and globally based on the SUBARU Global Sustainability Policy. We will pursue value creation for "delivering happiness to all" through initiatives based on the Six Priority Areas for Sustainability.

### Reflecting the SUBARU Group's Six Priority Areas for Sustainability in Management







## Activities in the Six Priority Areas for Sustainability in Relation to the SDGs


The SUBARU Group seeks to become an organization that is trusted by society by fulfilling its social responsibility as a corporate group, aiming for sustainable growth and contributing to the creation of an enjoyable and sustainable society. The Sustainable Development Goals (SDGs) for 2030 are development goals for achieving a sustainable future. By clarifying the Vision for 2025 regarding the Group's Six Priority Areas for Sustainability, including areas in which we can engage the community by leveraging our business strengths, and areas related to the demands of society, SUBARU will reinforce its efforts in each area and make positive contributions toward achieving the SDGs.



Specifically, we believe 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." The SUBARU Group will continue to contribute to the achievement of the SDGs by leveraging its business strengths and responding to the demands of society while pursuing value creation unique to the SUBARU Group.


\* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.



Six Priority Areas	Main Scope Stakeholders	Themes	Initiatives					Vision/KPIs (FYE March 2026-FYE March 2031) Six Priority Areas for Sustainability	Relevant SDGs		
			FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025			FYE March 2026	
People-oriented Mobility Culture	Customers	Enjoyment of driving a car	Evolution of SUBARU Global Platform and Integration with Intelligent Technology (Achieving safe and enjoyable driving with peace of mind like a skilled driver)					Become a company that enriches people's lives and minds as a partner.  ▶ KPI • Continue customer satisfaction surveys. (Improve customer evaluation results.)	 9.1   11.2		
		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								
		Proposing new forms of mobility	Promotion of motorsports and continuation of awareness-raising activities		Advancement of Subaru's "Dynamic x Solid" design identity to "bolder" expression					"Designing experiences" with a focus on resonance with customers under the vision of "Earth-tainment: Enjoying the Earth Together"	
			Technology development toward realization		Proposing new forms of mobility and researching technology unique to SUBARU					Incorporation of feedback on diverse market needs	
		Providing a wide range of products	Design parts that can be used in multiple vehicle models								
		Local communities	Disseminating car culture	Dissemination of SUBARU's manufacturing practice and its endeavors for "Enjoyment and Peace of Mind"							

Resonance and Coexistence	Customers	Strengthening relationships with customers	Utilizing digital technologies to strengthen relationships with customers					Become a company that is widely trusted by, resonates and coexists with society.  ▶ KPI • Continue satisfaction surveys. (Improve customer satisfaction.) • Enhance connection with customers through the Internet of Things (IoT). (MySubaru, the next-generation system, telematics)	 11.2   17.16
			Enhancement of customer loyalty						
		Providing products and services contributing to prosperous lifestyles							
	Business partners	Establishing a new maintenance system	Development of a maintenance system		Enhancing the maintenance system for promoting EVs				
			Efficient vehicle maintenance by utilizing IT and digital transformation (DX)						
	Employees	Creating a safe working environment	Building of relationships with business partners with CSR surveys, awareness-raising, and from CSR perspectives						
			Enhancing and strengthening the SUBARU Group's telecommuting environment						
			Reinforcement of efforts for occupational health and safety, improvement of plant environments by employees						
			Creation of a safe and rewarding workplace environment, building of a brand that is loved by employees						
	Local communities	Revitalizing relationships with local communities	Continuation of production operations and maintenance of employment at each site						
Utilization of athletic teams, boosting of employee morale									
Reinforcement of community exchange and partnership activities									
Contribution and relationship-building through sporting activities									
Contribution to local communities through stronger cooperation with NGOs and NPOs									
Community support activities during disasters and pandemics									

Peace of Mind	Customers	Improving safety functions	Advancement of Advanced Driver Assistance System (ADAS)	Expanding enhanced safety functions since FYE March 2021	<p><b>Be come a company that provides the utmost peace of mind to all stakeholders.</b></p> <p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Achieve a goal of zero fatal traffic accidents* in 2030.</li> <li>* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.</li> <li>• Improve impact energy absorption ability to 1.4 times.</li> </ul>	 <p>3.6</p>	
			Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions				
			Continuous enhancement of crash safety				
		Contributing to safe driving	Developing autonomous flight control systems (collision avoidance technology, fault-tolerant system improvements)	Implementing and sustaining EyeSight test rides (awareness-raising for advanced safety technology), etc.			
			Establishing and strengthening a reliable product supply system				Establishment of a timely and efficient supply system of spare parts and accessories
							Strengthening product supply capacity (parts center capacity increase plans/parts supply system improvements)
	Improving inspection and maintenance quality	Promotion of accurate, high-quality inspection and maintenance	Global penetration of maintenance system with high and consistent quality				
		Securing and improving quality		Promotion of initiatives to produce vehicles of choice in terms of quality as well			
	Employees	Creating a safe workplace	Improvement of quality in all processes, from product planning to production, sales, and service	<p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Achieve a goal of zero fatal traffic accidents* in 2030.</li> <li>* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.</li> <li>• Improve impact energy absorption ability to 1.4 times.</li> </ul>			
			Placing of the highest priority on quality by implementing quality caravans and providing education for fostering quality awareness				
			Collaboration with business partners				
	Local communities	Contributing to safety of local communities	Optimization of the span of management in manufacturing departments	<p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Achieve a goal of zero fatal traffic accidents* in 2030.</li> <li>* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.</li> <li>• Improve impact energy absorption ability to 1.4 times.</li> </ul>			
			Continuation and reinforcement of activities of the health and safety committees				
			Maintenance and enhancement of workplace health and safety, and promotion of a more comfortable workplace environment				
	Governments	Contributing to safe lives of people	Formulation and implementation of plans for health promotion initiatives	<p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Achieve a goal of zero fatal traffic accidents* in 2030.</li> <li>* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.</li> <li>• Improve impact energy absorption ability to 1.4 times.</li> </ul>			
Secure and create employment							

Diversity, Equity & Inclusion (DE&I)	Employees	Promoting active roles for female employees	Expanding the number of female managers	<p><b>Promote businesses that create diverse forms of market value while respecting the diverse values of all people.</b></p> <p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Increase female managers (at least two times 2021 levels by 2025)</li> <li>• The number of participants in career development training</li> <li>• Achieve the legally prescribed employment rate for persons with disabilities.</li> <li>• Achieve 100% in the reemployment rate of senior citizens wanting to work.</li> </ul>	 <p>5.5 5.5.2</p>	
			Childcare support for female employees in direct departments			Creating workplaces where female employees in direct departments can thrive and play an active role
			Review of the human resources system for senior employees			Operation of the human resources system for senior employees
		Utilizing diverse human resources	Operation of the human resources system for senior employees			Promotion of active roles for non-Japanese human resources
			Examination and promotion of a workplace environment that pays due consideration to minorities in society			Compliance with the legally prescribed employment rate for persons with disabilities
	Promote diverse work styles	Acquiring new knowledge through proactively recruiting external human resources	<p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Achieve 100% in the reemployment rate of senior citizens wanting to work.</li> </ul>	 <p>8.5</p>		
		Diverse work styles: Labor management to back up work-life balance and support for hybrid work leading to improved productivity				

Environment	Customers	Popularizing vehicles that reduce environmental impact	Expansion of the sale of EVs (including models with e-BOXER)	<p><b>Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.</b></p> <p>▶ KPI</p> <ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub> emissions by 60% regarding plants and offices (Scope 1 and 2) from FYE March 2017 levels by FYE March 2036 (total volume basis).</li> <li>• In 2030, aim for 50% of SUBARU global sales to be BEVs.</li> <li>• Apply electrification technologies to all SUBARU vehicles produced and sold worldwide by the first half of the 2030s.</li> <li>• Formulate a resource circulation strategy including secondary batteries.</li> <li>• Enhance recycling rates.</li> </ul>	 <p>13.1 13.2</p>  <p>12.2 12.5</p>
			Development and sale of EVs (BEVs and SHEVs)		
			BEV development		
	Governments	Business to help reduce environmental impact	Establishing appropriate disposal schemes for EV batteries		
			Introduction of solar power generation for self-consumption		
			Introduction of hydroelectricity and green electricity		
	Business partners	Environmental activities in cooperation with business partners	Energy conservation investment and effective utilization of facilities		
			Continuation of conservation efforts in cooperation with governments		
			Promotion of lighter, electric, and biofuel aircraft		
			Establishment and maintenance of an environmental management system		

Compliance	Governments	Ensuring comprehensive export control	Reinforcement of security and export control initiatives	<p><b>Act in good faith and become a company that is trusted by and resonates with society.</b></p> <p>▶ KPI</p> <ul style="list-style-type: none"> <li>Promote initiatives to respect human rights based on the Human Rights Policy; Communicate the policy throughout the entire supply chain.</li> <li>Strengthen CSR procurement management.</li> <li>Provide compliance and legal trainings.</li> </ul>	 <p>8.7 8.8</p>
			Compliance training		
		In-house education and dissemination	Promotion of compliance from the perspective of the SUBARU Group		
			Establishment, dissemination, and management of internal rules and manuals on laws and regulations		
	Employees / Local communities	Protecting human rights of workers	Prevention of harassment		
			Maintenance and improvement of the workplace environment by promoting work style reforms and complying with the Labor Standards Act		
		Maintaining fair relationships	Implementing conflict mineral surveys		
			Establishment and dissemination of our Human Rights Policy; implementation of due diligence		
	Business partners	Maintaining fair relationships	Promoting initiatives to respect human rights		 <p>16.5 16.5.2</p>
			CSR surveys, awareness-raising, and stronger CSR initiatives in the supply chain with business partners		
Promotion of fair trade on a continuous basis					
Appropriate management of software license					



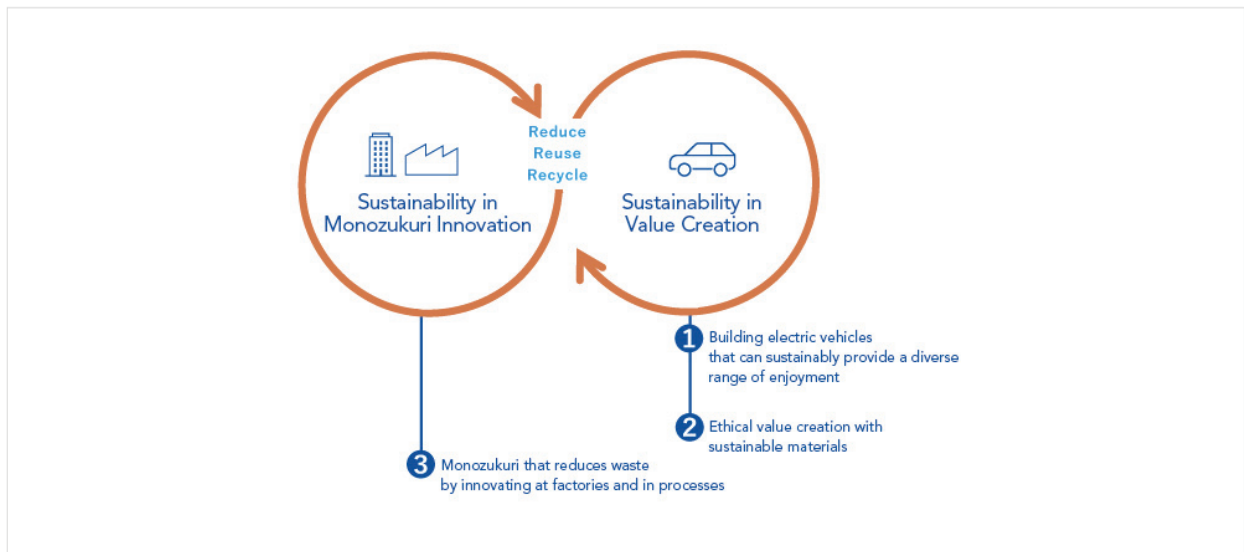
21	Environmental Management
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# Environmental Management

## Our Approach

In its Environmental Policies, SUBARU states that our fields of business are “the earth, the sky and nature” and focuses on efforts aimed at coexistence with nature. The SUBARU Group will develop products that contribute to the environment through advanced technologies, and engage in environmental activities aimed at coexistence with nature. Furthermore, the Group has defined the Environment as one of our Six Priority Areas for Sustainability, and considers activities for the environment as key to the continuation of our business.

Within this area of the Environment, SUBARU has identified three issues to be prioritized: controlling climate change, realizing a circular economy, and coexistence with nature. By addressing these environmental issues, we aim to ultimately reduce the environmental impact on the natural world to virtually zero, and to go even further to make a positive impact. In addition to the value of "Enjoyment and Peace of Mind" that we have provided so far, SUBARU is considering the use of sustainable materials to create new appeal, while promoting manufacturing reforms to reduce waste and engaging in sustainable "Monozukuri Innovation" and "Value Creation".



## SUBARU Environmental Policies

### SUBARU Environmental Philosophy

**“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 SUBARU. We align our business strategy to enhance these global goals in all of our operations.

**1. We develop and deliver products to meet social 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 CO<sub>2</sub> 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 life cycle 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 social needs and by publicizing our activities as Team Subaru.

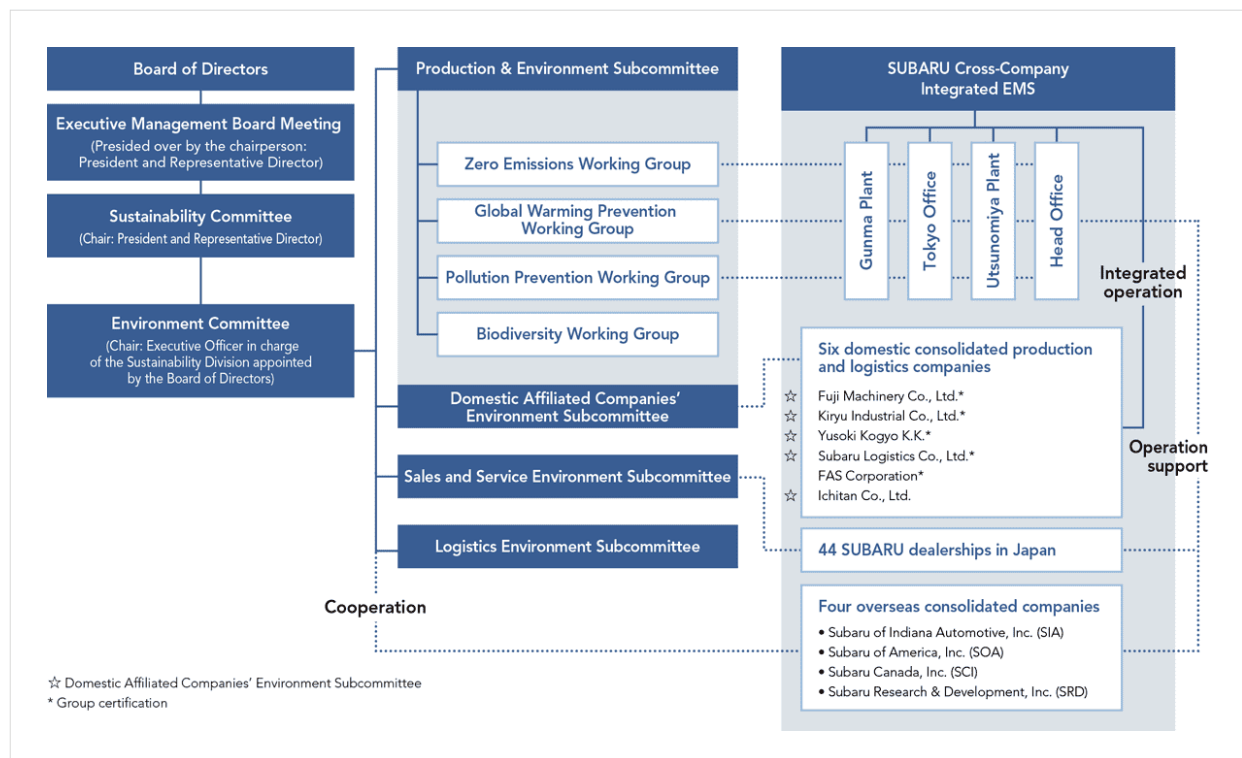
## Management System

### 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). Leveraging this structure, we promote various environmental management activities across the entire SUBARU Group, including formulating and achieving medium- to long-term environmental targets, ensuring compliance with environmental laws and regulations, managing chemical substances, and aggregating environmental performance data.

The Executive Officer in charge of the Sustainability Division appointed by the Board of Directors 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 Sustainability Committee. Important issues are discussed and reported at the Executive Management Board Meeting and by the Board of Directors.

In addition, four subcommittees have been created under the Environment Committee, with participation from major Group companies and comprising the SUBARU Group's environmental management organization.



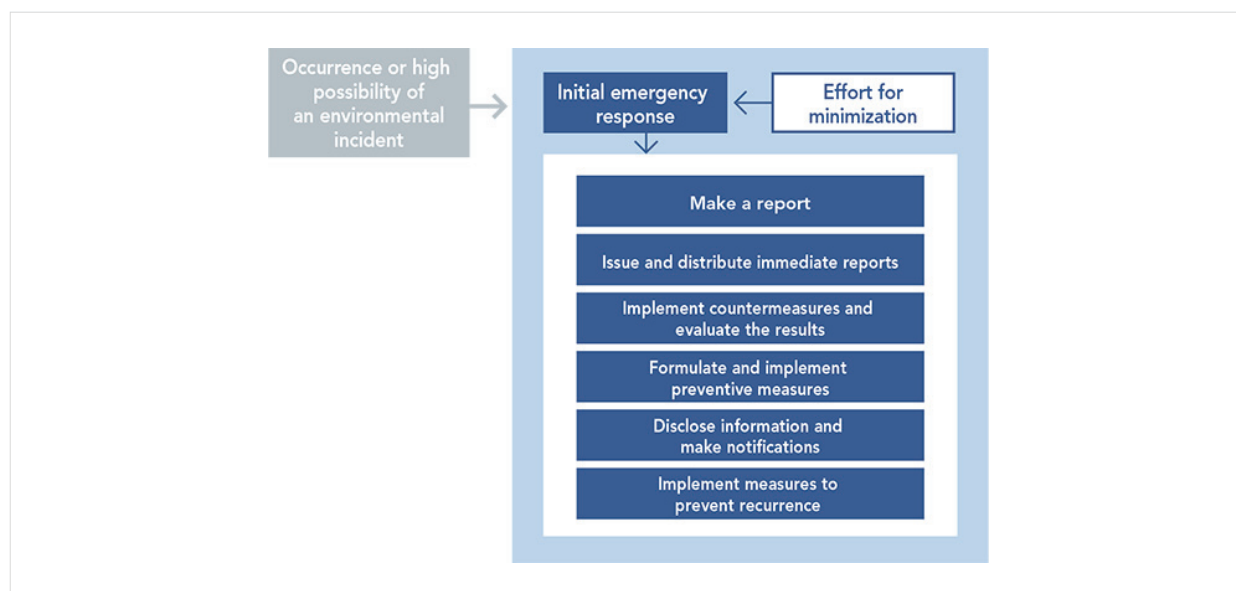
## Environmental Risk Management System

SUBARU, in cooperation with relevant departments and staff involved with environmental laws and regulations at domestic Group companies, 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 recurrence of similar accidents, while preventing the spread of environmental pollution.

### Implementation of Environmental Audits

1. Regular auditing based on the ISO 14001 environmental management system
2. On-site contractors audits to ensure proper collection, transportation, and disposal of industrial waste
3. On-site audits of compliance with environmental laws, regulations, and ordinances

### Procedures to Be Followed in Case of an Environmental Accident



## Acquisition of External Certification for EMS

SUBARU has been working to build an EMS, and its sites, suppliers, domestic and overseas consolidated production companies, and dealerships have had their EMS 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 EMS. With the start of operation of the Kitamoto Plant, this site has been added to the organizational scope as a site within the Gunma Plant.

#### ISO 50001\*1

In 2012, Subaru of Indiana Automotive, Inc., which is our production base in North America, acquired certification for ISO 50001, which is the international standard for energy management systems (EnMS).

\*1 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.

## Establishment of EMSs and EnMSs by the SUBARU Group

Category	Plants and offices			Dealerships		Business Partners
	SUBARU CORPORATION	Domestic Consolidated Production and Logistics Companies	Overseas Consolidated Production Companies	Japan	Overseas	
Certification obtained for EMSs/EnMSs	ISO 14001	ISO 14001	ISO14001 ISO 50001	Eco Action 21* <sup>1</sup>	ISO14001	ISO 14001, Eco Action 21 or self-certification
Target	Gunma Plant Tokyo Office Utsunomiya Plant Head Office	Fuji Machinery Co., Ltd.* <sup>2</sup> Kiryu Industrial Co., Ltd.* <sup>2</sup> Yusoki Kogyo K.K.* <sup>2</sup> Subaru Logistics Co., Ltd.* <sup>2</sup> FAS Corporation* <sup>2</sup> Ichitan Co., Ltd.  Six companies in total	Subaru of Indiana Automotive, Inc.	SUBARU Dealerships  33 companies in total	Subaru of America, Inc. Subaru Canada, Inc.  Two companies in total	Green procurement Suppliers of materials

\*1 Environmental conservation activity promotion program formulated by Japan's Ministry of the Environment in which SMEs work on three themes: EMS, environmental measures, and environmental reporting.

\*2 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.

### EMS Established by Dealerships in Japan

All 33 consolidated dealerships and 10 non-consolidated dealerships in Japan have acquired Eco Action 21 certification. Under the certification system, they promote their EMS and carry out environmental audits on a regular basis for environmental conservation and compliance with environmental laws and regulations.

Moreover, we collect data on domestic dealerships' energy use, CO<sub>2</sub> emissions, waste generation, and water use through the SUBARU Group's unique data system for environmental reporting. We use this data to reduce our environmental impact at these dealerships.

### EMS Established by Retailers in the U.S. (Subaru of America, Inc.)

Subaru of America, Inc. (SOA) promotes the Eco-Friendly Retailer Program that encourages SUBARU retailers in the U.S. to reduce energy consumption, water usage, waste and other environmental impacts. To be certified under the Eco-Friendly Retailer Program, a company must meet the established standards in areas such as energy efficiency and recycling. As of 2023, 255 retailers, or 40%, are participating in the program.



## Management of Chemical Substances

In order to minimize the impact of chemical substances used in automobiles on people and to help preserve the environment through reduced impact, there is a growing international movement to require the identification, appropriate management and handling, and information disclosure of chemical substances contained in products.

SUBARU uses IMDS\*1 as a method to manage its entire supply chain 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. Furthermore, we use SUBARU's proprietary CSMS\*2 to substitute and/or manage elimination of substances prohibited under laws and regulations such as the REACH regulation\*3, the ELV Directive\*4, the U.S. Toxic Substances Control Act, and Japan's Chemical Substance Control Law, and to appropriately disclose information on controlled substances required by the Waste Framework Directive (WFD\*5) and other regulations.

This work to manage chemical substances also aids in the SUBARU Group's work toward resource and other recycling.

\*1 IMDS: International Material Data System, an international materials database for the automobile industry

\*2 CSMS: Chemical Substance Management System

\*3 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation: A European regulation requiring all chemical substances to be subject to management or restriction measures commensurate to the risk that they pose to humans and the environment.

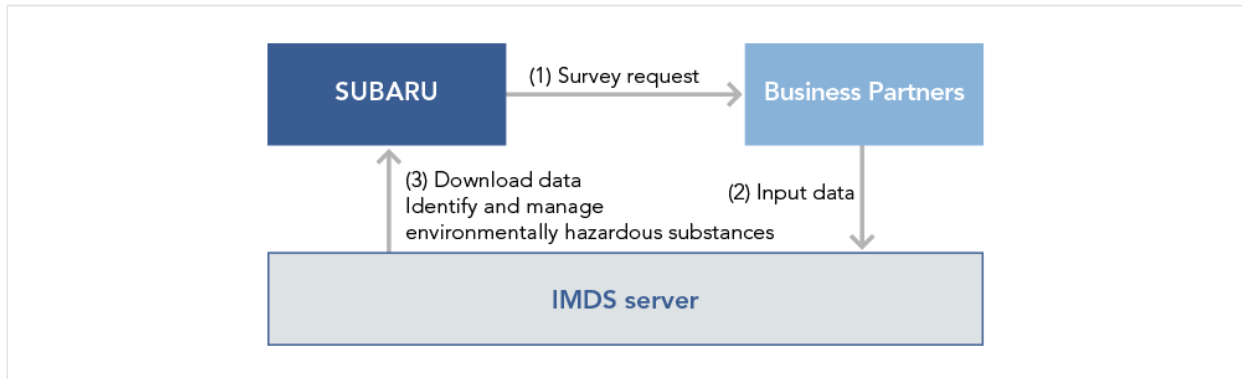
\*4 ELV (End-of-Life Vehicles) Directive: A European automotive disposal directive requiring reduction of environmental impact from vehicles that are no longer used.

\*5 WFD (Waste Framework Directive): Requires waste control and management.

> [Prevention of Pollution](#)

## International Material Data System

### Management of Chemical Substances through the IMDS



## Targets and Results

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### Environment Action Plan 2030 and Other Key Environmental Initiatives

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SUBARU has established its medium-term environmental plan, divided between the Environment Action Plan 2030 and other key environmental initiatives, depending on the characteristics of each environmental issue. Within our environmental plans, 2050 is considered to be the long term horizon, while 2030 is the medium term horizon.

#### Environment Action Plan 2030:

This is a Group-wide plan with a medium- to long-term perspective and initiatives that spiral upward to address future expectations.

#### Other key environmental initiatives:

These granular initiatives are from a short- to medium-term perspective and are designed to meet current expectations.

The two main features of Environment Action Plan 2030 are milestone goals to achieve by 2050 and moving targets that change according to the expectations of society.

Through initiatives based on the new environmental plan, SUBARU will sincerely address the expectations of current and future generations and further contribute to the realization of a sustainable society.

## Key Initiatives of Environment Action Plan 2030

### Climate Change

#### I. Key Initiatives of Environment Action Plan 2030

Field	Long-Term Vision	Environment Action Plan 2030					Major Results in FYE March 2024
		Medium-Term Goals (Primary Category)			Short-Term Initiatives (1-3 Years)		
			Bases	Goals by Base	Components of Primary Initiatives		
Scope 1 and 2 (plants and offices)	Target carbon neutrality by FYE March 2051.	Reduce CO <sub>2</sub> emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)		Reduce CO <sub>2</sub> emissions from plants in Japan.		<ul style="list-style-type: none"> <li>Upgrade cogeneration equipment.</li> <li>Switch to LED lighting.</li> <li>Expand solar power generation facilities.</li> <li>Upgrade equipment.</li> <li>Consolidate production lines.</li> <li>Improve the energy efficiency of existing facilities.</li> <li>Reduce standby power.</li> <li>Purchase CO<sub>2</sub>-free electricity.</li> </ul>	<ul style="list-style-type: none"> <li>Switch to LED lighting.</li> <li>Expand solar power generation facilities. (No. 3 Final Vehicle Inspection Wing of Yajima Plant, New Administration Building for Aviation)</li> <li>Upgrade equipment.</li> <li>Improve the energy efficiency of existing facilities. (Reduction via utilizing air leak detectors and lowering temperature at molded painting booths at the Yajima Plant)</li> <li>Reduce standby power.</li> <li>Purchase CO<sub>2</sub>-free electricity.</li> </ul>
						Plants	Reduce CO <sub>2</sub> emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)

Scope 1 and 2 (plants and offices)	Target carbon neutrality by FYE March 2051.	Reduce CO <sub>2</sub> emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)	Plants	Reduce CO <sub>2</sub> emissions from plants overseas.		<ul style="list-style-type: none"> <li>Switch to LED lighting.</li> <li>Expand solar power generation facilities.</li> <li>Improve the energy efficiency of existing facilities.</li> <li>Initiate additional reduction strategy studies.</li> </ul>	<ul style="list-style-type: none"> <li>Through a consultant, select a supplier of CO<sub>2</sub>-free electricity and negotiate contract details.</li> <li>Optimize energy use through the introduction of control valves in cooling water circulators and automatic control of water volume.</li> <li>Improve energy efficiency and reduce costs by replacing aging air treatment equipment.</li> </ul>
			Head Office	Reduce CO <sub>2</sub> emissions from the Head Office building*3.	Reduce CO <sub>2</sub> emissions to zero.	<ul style="list-style-type: none"> <li>Continue energy-saving activities.</li> <li>Purchase CO<sub>2</sub>-free electricity.</li> <li>Utilize power and heat certificates.</li> </ul>	<ul style="list-style-type: none"> <li>Zero CO<sub>2</sub> emissions at the entire Subaru Building housing the Head Office.</li> <li>Convert all power at SUBARU Training Center to CO<sub>2</sub>-free electricity through use of certificates.</li> </ul>
			Dealership	Reduce CO <sub>2</sub> emissions from dealerships in Japan.	Aggregate information and upgrade systems to reduce CO <sub>2</sub> emissions.	<ul style="list-style-type: none"> <li>Continue energy-saving activities.</li> <li>Share best practices.</li> <li>Initiate reduction strategy studies.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the status of CO<sub>2</sub>-free electricity introduction.</li> <li>Carry out energy-saving checkups and share information with dealerships.</li> </ul>
Scope 3 (products)	On a well-to-wheel*5 basis, we will pursue our goal of reducing the average CO <sub>2</sub> emissions from new vehicles (in operation) sold worldwide by at least 90% by 2050, compared with 2010*6.	<ul style="list-style-type: none"> <li>Aim for 50% of total vehicle sales to be BEVs in 2030</li> <li>Apply electrification technologies*7 to all SUBARU vehicles*8 produced and sold by the early 2030s</li> </ul>		Improve fuel economy and equip vehicles with electrification technology.	<ul style="list-style-type: none"> <li>Begin marketing strong hybrid electric vehicles (SHEVs).</li> <li>Increase models equipped with electrification technology.</li> <li>Improve the fuel efficiency of internal combustion engines.</li> </ul>	<ul style="list-style-type: none"> <li>Mass production of SHEVs.</li> <li>Conduct research to add EVs to lineup.</li> <li>Equip more vehicles with environmentally responsible engines.</li> </ul>	<ul style="list-style-type: none"> <li>Complete development of next-generation e-BOXER.</li> </ul>

Scope 3 (products)	On a well-to-wheel <sup>*5</sup> basis, we will pursue our goal of reducing the average CO <sub>2</sub> emissions from new vehicles (in operation) sold worldwide by at least 90% by 2050, compared with 2010 <sup>*6</sup> .	<ul style="list-style-type: none"> <li>· Aim for 50% of total vehicle sales to be BEVs in 2030</li> <li>· Apply electrification technologies<sup>*7</sup> to all SUBARU vehicles<sup>*8</sup> produced and sold by the early 2030s</li> </ul>	Automobiles	Clean energy use.	<ul style="list-style-type: none"> <li>· Conduct research and development to launch BEVs.</li> <li>· Begin marketing BEVs.</li> </ul>	<ul style="list-style-type: none"> <li>· Mass production and marketing of BEVs.</li> <li>· Research BEVs.</li> </ul>	<ul style="list-style-type: none"> <li>· Shift in-house BEV production to mass production.</li> <li>· Sign a basic cooperative agreement with Panasonic Energy Co., Ltd. regarding the supply of cylindrical automotive lithium-ion batteries in preparation for the development of next-generation BEVs. In addition, reach agreement regarding joint development and production sharing of eAxle with AISIN CORPORATION.</li> </ul>
			Road traffic improvement – IT technology (Self-driving technology and preventive safety technology).	Develop driving assistance technology and preventive safety technology centered on the EyeSight Advanced Driver Assistance System and expand into more markets.	<ul style="list-style-type: none"> <li>· Enhance recognition performance of next-generation EyeSight to alleviate traffic congestion and improve traffic flow. Begin marketing and expand use of highly functional driver assist controls.</li> </ul>	<ul style="list-style-type: none"> <li>· Expand deployment of next-generation EyeSight with enhanced recognition performance and driver assist control to the new Impreza, Legacy Outback, WRX S4, and new Levorg Layback.</li> </ul>	

\*1 Gunma Plant, Tokyo Office, Utsunomiya Plant/dd>  
 \*2 Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K.  
 \*3 Subaru of Indiana Automotive, Inc.  
 \*4 Head Office floors of the Ebisu Subaru Building (Shibuya-ku, Tokyo)  
 \*5 Well-to-Wheel: Approach to calculating CO<sub>2</sub> emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles.  
 \*6 Reduce total CO<sub>2</sub> 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.  
 \*7 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.  
 \*8 Excluding models that receive OEM supply from other companies.

**II. Other key environmental initiatives**

Field	Item	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
Logistics	Implement measures to reduce CO <sub>2</sub> in line with the Energy Saving Law.	Reduce CO <sub>2</sub> emission intensity by 1% every year, using FYE March 2007 as a benchmark.	<ul style="list-style-type: none"> <li>· Continuously promote improvement activities, such as higher loading rates, review of transportation routes, and joint transportation.</li> <li>· CO<sub>2</sub> emissions for finished vehicles per unit for FYE March 2024 were 25.07 kg/unit, achieving the target of 28.83 kg/per unit (1% reduction every fiscal year from the FYE March 2007 benchmark).</li> </ul>

## Resource Recycling

### I. Key Initiatives of Environment Action Plan 2030

Field	Long-Term Vision	Environment Action Plan 2030		
		Medium-Term Goals	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
			Components of Primary Initiatives	
Products (Automobiles)	Contribute to resource recycling and carbon neutrality.	<ul style="list-style-type: none"> <li>Target the use of recycled materials*1 for more than 25% of the plastic used in new models sold worldwide*2 by 2030.</li> <li>Adopt carbon-free materials such as biomass plastic.</li> <li>Proactively adopt plastic materials*3 that have less environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Establish milestones for SUBARU's 2030 goals, and determine outlook for achieving initial milestones. Further support achievement of goals with ongoing studies to expand scope of encompassed parts.</li> </ul>	<ul style="list-style-type: none"> <li>On track to achieve initial milestones (through 2025), with progress proceeding as planned.</li> <li>New internal structure established to address technology and procurement issues for the medium-term milestones (through 2028)</li> </ul>
Production	Help create a recycling-oriented society with clean production plants.	Achieve zero emissions at production plants*4 in Japan and overseas (zero landfill waste either directly or indirectly).	Maintain zero emissions at production plants in Japan and overseas (zero landfill waste either directly or indirectly).	<p>Maintain zero emissions at production plants in Japan and overseas. As part of a recycling initiative for waste plastic, improved the thermal recycling rate by separating and discharging raw materials for alternative fuel (refuse paper and plastic fuel, or RPF) from simple incineration waste.</p> <ul style="list-style-type: none"> <li>Obtain zero-landfill-waste certification from a third-party certification organization for waste management.</li> <li>Continue to encourage our business partners to take part in zero-emissions activities.</li> <li>Reduce hazardous waste in collaboration with manufacturing departments.</li> </ul>
		Appropriately manage water use at both domestic and overseas production plants*4.	Maintain zero emissions at production plants in Japan and overseas (zero landfill waste either directly or indirectly).	<p>Manage actual amount of water, report and verify at biannual meetings, and implement necessary measures as appropriate.</p> <p>Improve the wastewater treatment process through the updating of chemical management pumps and chemical dosing program.</p>

\*1 Including material and chemical recycling.

\*2 Excluding models supplied by OEMs.

\*3 Materials and suppliers with lower CO<sub>2</sub> emissions and environmental pollution at the manufacturing stage.

\*4 Parent company: Gunma Plant, Tokyo Office, Utsunomiya Plant; Subsidiaries: Fuji Machinery Co., Ltd., Kiryu Industrial Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc.

## II. Other key environmental initiatives

Field	Item	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
Products (Automobiles)	Recyclability improvement	<ul style="list-style-type: none"> <li>Continue to implement measures to comply with the Automobile Recycling Law.</li> <li>Continue to implement measures to make parts and materials more detachable, separable, and sortable.</li> <li>Contribute to a 95% recycling implementation rate.</li> <li>Make efforts for CFRP recycling technology.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to educate employees to raise awareness of design for recycling.</li> <li>Based on internal Design for Recycling Guidelines, continue initiatives to improve the recycling rate by making it easier to remove parts and sort materials.</li> <li>Continue to achieve a recycling implementation rate of more than 95%.</li> </ul>
	Promotion of life-cycle assessment	Promote disclosure of life-cycle assessment (LCA) data.	<ul style="list-style-type: none"> <li>Disclose LCA for the Levorg Layback.</li> </ul>
Production	Waste control and proper disposal	Continue to control waste generation through means such as improving yield and packing style, and properly dispose of waste.	<ul style="list-style-type: none"> <li>Organizing goal-setting approach to creating a vision for 2050. Provide training to ensure ongoing proper disposal of waste.</li> </ul>

## Pollution Prevention and Reduction of Hazardous Chemical Use

### I. Key Initiatives of Environment Action Plan 2030

Field	Long-Term Vision	Environment Action Plan 2030		
		Medium-Term Goals	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
			Components of Primary Initiatives	
Production	Coexist with communities with production plants that are socially and environmentally responsible.	Target zero serious environmental accidents*.	<ul style="list-style-type: none"> <li>Zero environmental accidents, complaints, or violations of statutory standards.</li> <li>Set voluntary standards above statutory levels.</li> </ul>	<ul style="list-style-type: none"> <li>Change voluntary standards in accordance with legal revisions.</li> <li>Add equipment subject to internal regulations for activities to prevent environmental accidents.</li> </ul>

\* Zero emissions into the environment, accidents, complaints, or violations of statutory standards.

## II. Other key environmental initiatives

Field	Item	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
		Components of Primary Initiatives	
Products (Automobiles)	Promote the introduction of low-emission vehicles to improve air quality.	<ul style="list-style-type: none"> <li>Japan: Increase the number of WLTP low-emission standard certified models (vehicles produced by SUBARU).</li> </ul>	Develop vehicles compliant with particle number (PN) regulations.
		<ul style="list-style-type: none"> <li>Overseas: Introduce low-emission vehicles to improve air quality in countries and regions.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain certification for vehicles compliant with the LEV4 regulation in the U.S.</li> <li>Have development address tighter regulations in countries outside our major markets.</li> </ul>
	Promote the management and reduction in the use of environmentally hazardous substances.	<ul style="list-style-type: none"> <li>Improve management of chemical substances contained in products.</li> </ul>	<ul style="list-style-type: none"> <li>Industry Standards Tool for Management of Chemical Substances Contained in Products by Japan Automobile Manufacturers Association, Inc. (JAMA) has been completed, and adopted is underway at SUBARU.</li> </ul>
		<ul style="list-style-type: none"> <li>Promote switching to substances with lower environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Currently switching away from UV absorber UV-328, which is newly regulated under Japan's Chemical Substances Control Law Organic Pollutants due to concerns regarding its environmental persistence.</li> </ul>
Production	Further reduce per unit of volatile organic compound (VOC) emissions (g/m <sup>2</sup> ) at production lines.	<ul style="list-style-type: none"> <li>Reduce unit VOC emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Actual performance of 49.2 g/m<sup>2</sup>, achieving our target of 50.2 g/m<sup>2</sup>.</li> </ul>
	Continue to reduce emissions of Pollutant Release and Transfer Register (PRTR) substances into the environment.	<ul style="list-style-type: none"> <li>Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances.</li> </ul>	<ul style="list-style-type: none"> <li>Performance aggregating and reporting only.</li> </ul>

## Disclosure and Discussion of Coexistence with Communities and Environmental Information

### Key Initiatives of Environment Action Plan 2030

Field	Medium-Term Goals	Contact point	Environment Action Plan 2030	
			Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
			Components of Primary Initiatives	
Management	Earn greater trust from society through environmental information disclosure and dialogue.	Investor Relations Department	<ul style="list-style-type: none"> <li>Continuously improve disclosure information.</li> <li>Collaborate with external evaluation organizations.</li> <li>Promote constructive dialogue with investors, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Disclose environmental targets in integrated reports, notices of convocation, securities reports, etc.</li> <li>Hold dialogues and briefings with analysts and institutional investors (SR investor engagements with 11 companies).</li> </ul>



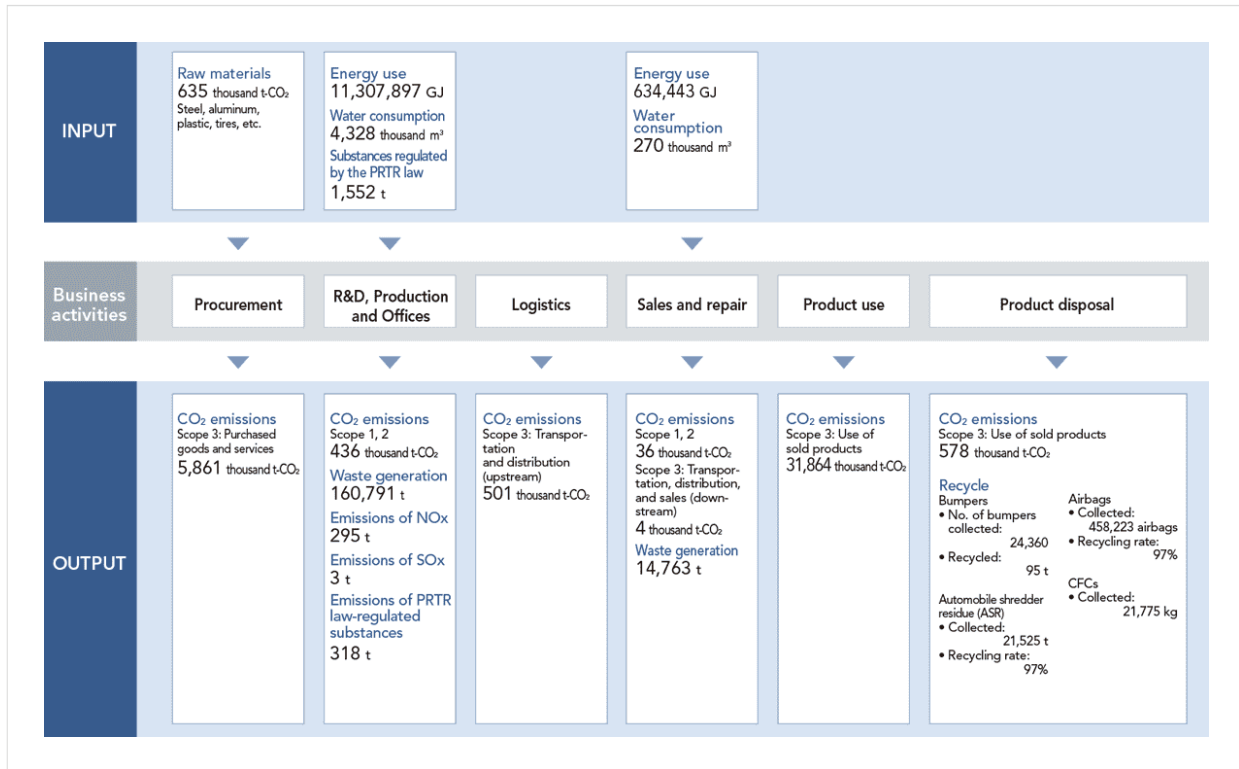
## Collaborate with Customers and Promote Environmental Management

### Other key environmental initiatives:

Field	Item	Contact point	Short-Term Initiatives (1-3 Years)	Major Results in FYE March 2024
Procurement	Request suppliers in Japan and overseas to build, maintain, and strengthen an EMS.	Purchasing Committee	<ul style="list-style-type: none"> <li>Continue to establish and maintain the EMS including with new suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Confirm maintenance of EMS establishment by 353 mass production suppliers.</li> </ul>
	Reduce environmentally hazardous substances.		<ul style="list-style-type: none"> <li>Request that the entire supply chain improve environmental management throughout the product life cycle.</li> </ul>	<ul style="list-style-type: none"> <li>In response to JAMA activities, conduct discussions with major recyclers about use of recycled resin materials.</li> <li>While continuing to conduct surveys of the total CO<sub>2</sub> emissions of our business partners, visited local business partners and interviewed them about their initiatives and issues.</li> </ul>
	Apply the SUBARU Supplier CSR Guidelines and Green Procurement Guidelines.		<ul style="list-style-type: none"> <li>Expand management and promote the reduction of environmentally hazardous substances, including their prohibition, contained in parts and raw materials at suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to request that suppliers register with the IMDS.</li> <li>Conduct a survey on the inclusion of Declorane Plus and UV-328 in line with stricter regulations.</li> </ul>
Sales (Automobiles)	Provide support to SUBARU dealerships' environmental activities.	Sales and Service Environment Subcommittee	<ul style="list-style-type: none"> <li>Support all dealerships for maintaining Eco Action 21* certification.</li> </ul>	<ul style="list-style-type: none"> <li>Check certification renewal status and continue D-SPECS system maintenance.</li> </ul>
			<ul style="list-style-type: none"> <li>Support maintenance of voluntary environmental initiatives such as energy saving and waste reduction utilizing Eco Action 21.</li> </ul>	<ul style="list-style-type: none"> <li>With the update of D-SPECS, launch studies on how to accurately grasp environmental performance and utilize data.</li> <li>Conduct a workshop to help dealerships acquire waste management licensing (introductory level).</li> </ul>
Management	Operate and upgrade EMS.	Sustainability Promotion Department	<ul style="list-style-type: none"> <li>Maintain ISO 14001 integrated certification for all Company sites.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain ISO 14001 integrated certification at all bases.</li> </ul>
			<ul style="list-style-type: none"> <li>Make continuous improvements to the EMS.</li> </ul>	<ul style="list-style-type: none"> <li>Make continuous improvements to the EMS.</li> </ul>

\* Environmental conservation activity promotion program formulated by Japan's Ministry of the Environment in which SMEs work on three themes: EMS, environmental measures, and environmental reporting.

## SUBARU Group Material Flow



### Scope

[Procurement]SUBARU: Gunma Plant, Utsunomiya Plant, Handa Plant, Handa West Plant

[R&D and production]SUBARU: Gunma Plant, Utsunomiya Plant, Handa Plant, Handa West Plant, Tokyo Office, Ebisu Subaru Building, Accessory Center, Subaru Research and Experiment Center, Subaru Test & Development Center Bifuka Proving Ground, SUBARU Training Center, Omiya Subaru Building  
 Domestic Group companies: 19 domestic consolidated subsidiaries  
 Overseas Group companies: Subaru of Indiana Automotive, Inc., North American Subaru, Inc., Subaru Research & Development, Inc.

[Logistics]Land transport (in Japan) and marine transport

[Sales and repair]33 dealerships that are consolidated subsidiaries, Subaru of America, Inc. and Subaru Canada, Inc.

[Product use and disposal]Sold SUBARU vehicles

## Environmental Investment

### Calculation Method

SUBARU has its own guidelines for calculating and tabulating the amount of environmental investments made by the Company. These guidelines are aligned with SUBARU's environmental conservation organization.

### Calculation Results

Environmental investment in FYE March 2024 decreased 430 million yen year on year to 2,541 million yen.

## SUBARU Group Environmental Investment

(Millions of yen)

Item	Category	Consolidated		
		FYE March 2022	FYE March 2023	FYE March 2024
(1) Cost in the business area	(i) Pollution prevention cost	259	797	999
	(ii) Global environment conservation cost	155	648	455
	(iii) Resource recycling cost	7	0	5
(2) R&D cost	R&D cost to reduce environmental impact	2,849	1,526	1,082
(3) Environmental remediation costs	Costs for remediating soil and groundwater pollution	0	0	0
<b>Grand total</b>		<b>3,271</b>	<b>2,970</b>	<b>2,541</b>

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

Scope

SUBARU: SUBARU CORPORATION

Domestic Group companies: 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.

## 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 Training

This program covered topics such as the SUBARU Group's Six Priority Areas for Sustainability to become a sustainable company and the SUBARU Global Sustainability Policy.

### Training on Environmental Laws and Regulations

SUBARU provides training on environmental laws and regulations as necessary to ensure compliance with such laws and regulations. Based on the results of a questionnaire conducted after the training in FYE March 2023, we did not conduct training on environmental laws and regulations in FYE March 2024, but held training on measures to reduce Scope 1 and 2 emissions. In FYE March 2025, we intend to hold training sessions on the topic of waste management. We will continue to reference questionnaires and issues related to environmental laws and regulations as we strive to provide training in accordance with internal needs.

### ISO 14001 New Internal Auditors Training Seminar

We also held the ISO 14001 New Internal Auditors Training Seminar, taught by external lecturers in an online format, to enhance the internal auditing system for our ISO 14001-certified EMS and to strengthen environmental conservation activities conducted at our workplaces. In FYE March 2024, the 166 participants worked hard to gain the knowledge required of internal auditors.

## Dealerships in Japan

In FYE March 2024, a total of 605 people participated in training on environmental laws and regulations, targeting dealership head office managers and personnel, and workshops to help dealerships acquire industrial waste management licensing for practical personnel at dealership head offices and locations. In addition, we are developing materials as necessary regarding amendments made to laws and regulations. Through these efforts, we are deepening understanding of environmental laws and regulations at our dealerships in Japan.

## Subaru Logistics Co., Ltd.

Subaru Logistics Co., Ltd. conducts in-house training on environmental laws and regulations in order to ensure compliance with environmental laws and regulations. In FYE March 2024, we held web-based training for all employees on our environmental initiatives in conjunction with Environment Month (June 2023) as designated by the Japanese government. This training is part of our efforts to raise awareness among employees about our environmental initiatives.



Training session

# Mitigating Climate Change

## Our Approach

SUBARU recognizes that climate change is one of the most pressing global issues. Toward its target of achieving carbon neutrality by 2050, SUBARU will reduce CO<sub>2</sub> emissions from its products, factories, and offices to help decarbonize society. Accordingly, it has set long-term goals, and is working to achieve them with medium-term goals as intermediate milestones.

In addition, we believe that battery electric vehicles (BEVs) will eventually become a mainstay driver of carbon neutrality from a medium- to long-term perspective. As the environment surrounding electrification continues to change drastically, and with difficulties foreseeing the future, SUBARU will continue to focus on the development of BEVs from 2025 to 2026, which is positioned as the early stage of the transition to BEVs, while keeping a close eye on the trends in regulations and the market. We are taking various actions based on the recognition that it is extremely important to ensure flexibility and expandability, using this concept to adapt to such changes flexibly and to scale at once when the direction of the shift becomes clear.

## Management System

Recently, the business environment has been experiencing disruptive and non-linear changes at an unprecedented pace. In response to these major changes in the external environment, under our new organizational and officer system, we aim to accelerate "Monozukuri Innovation" and "Value Creation" as stated in the New Management Policies. Furthermore, by strengthening Company-wide cross-organizational functions, clarifying executive responsibility, and establishing a system to bring our policies to fruition, we aim to accelerate our efforts to address the core priority themes and achieve overall optimization.

### Established Five New CXO (Chief X Officer) Positions in the Automotive Business Unit

SUBARU has newly established five Chief Officers (CXOs) who will be responsible for its five core priority themes: "Monozukuri Innovation," "battery business," "digital car," "connected business," and "cost innovation." These officers are engaged in cross-departmental action to break down departmental barriers, restructure the organization, and accelerate our "Monozukuri Innovation" and "Value Creation."

CXO (Chief X Officer)	Mission
CMZO: Chief Monozukuri Officer	Lead efforts to halve the development process and lead time, halve the configuration and number of parts, and halve the production process and lead time. Drive initiatives to achieve world-leading "Monozukuri Innovation"
CBBO: Chief Battery Business Officer	Lead the overall advancement of the battery business, including ensuring stable procurement, competitiveness, and business viability
CDCO: Chief Digital Car Officer	Drive initiatives to achieve world-leading "Value Creation" through the digitalization of automobiles
CCBO: Chief Connected Business Officer	Drive initiatives to achieve world-leading "Value Creation," primarily in the "out-car" domain
CCIO: Chief Cost Innovation Officer	Lead and oversee Company-wide efforts to achieve cost competitiveness

## Reorganizing and strengthening the organization and functions related to "Monozukuri Innovation" and "Value Creation"

In order to reorganize and strengthen the organization and functions related to "Monozukuri Innovation" and "Value Creation," SUBARU has established the Value Strategy Office within the Corporate Planning Division to enhance the product portfolio strategy function. Furthermore, we have renamed the Product & Portfolio Planning Division to the Product Business Division to engage in ICE\*1-specialized (including hybrids) planning and development to maintain and improve product competitiveness, as well as to improve after-sales product competitiveness and promote planning for "Retaining Value" initiatives, etc.

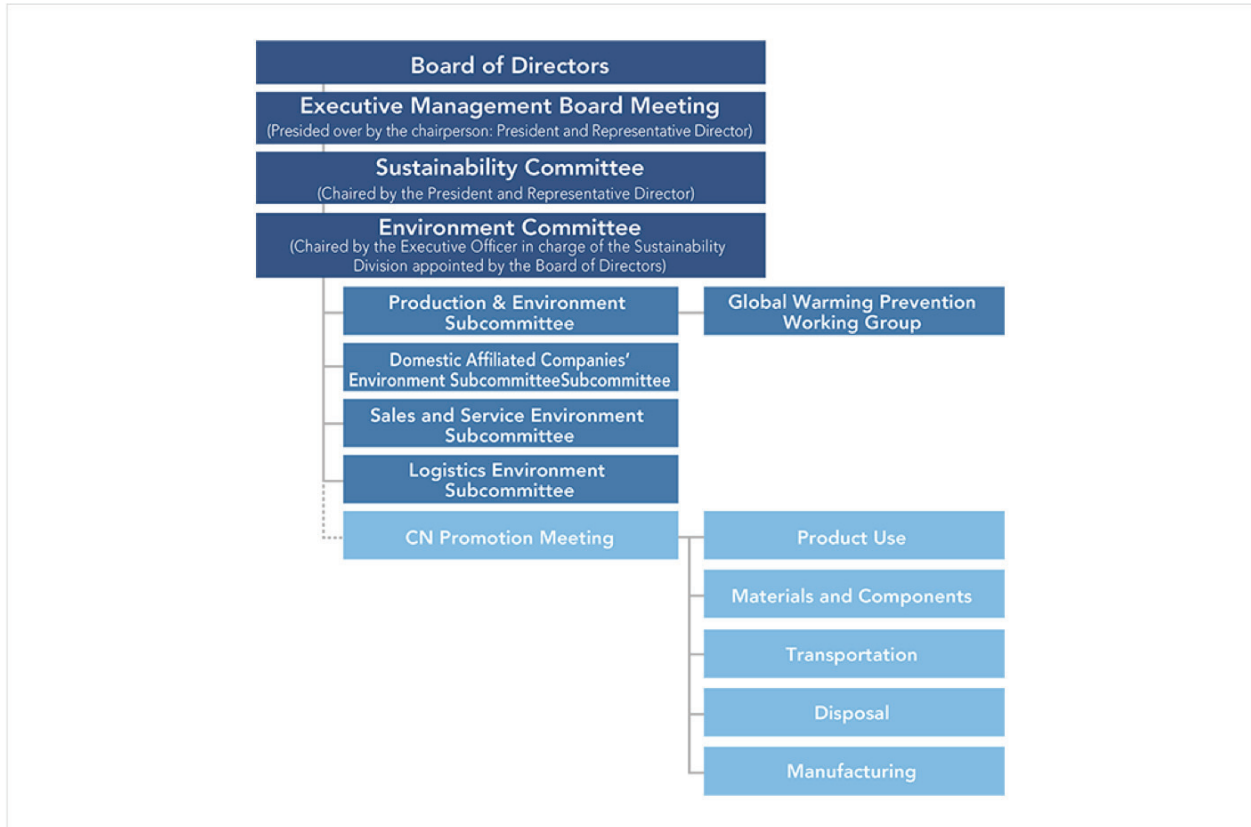
\*1 : Internal combustion (e.g., gasoline) engines

## Climate Change-related Governance Harnessing our Environmental 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 Executive Officer in charge of the Sustainability Division appointed by the Board of Directors. Details of discussions by the Environment Committee are reported to the Sustainability 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. Then, particularly critical proposals are deliberated and decided at the Board of Directors. Each of the five bodies within the structure—Production & Environment Subcommittee, Environment Subcommittee, Global Warming Prevention Working Group, Domestic Affiliated Companies' Environment Subcommittee, Sales and Service Environment Subcommittee, and Logistics Environment Subcommittee—meet twice a year for the purpose of monitoring.

### Governance Structure for Climate Change



## Climate Change Governance in the Entire Life Cycle

In order to contribute to the realization of a decarbonized society through the reduction of CO<sub>2</sub> emissions throughout the life cycle of our business activities, SUBARU holds monthly CN Promotion Meetings, bringing together departments representing the five areas of "product use," "materials and components," "transportation," "disposal," and "manufacturing." In these CN Promotion Meetings, members from each area worked together and shared information, formulated a master plan from a medium- to long-term perspective, and took actions to visualize and mitigate emissions in each area in the interest of achieving carbon neutrality by 2050. SUBARU operates cross-company forums whose aim is CO<sub>2</sub> reduction over the entire life cycle and whose activities are subject to the overall supervision of the Environment Committee as part of carbon neutrality initiatives.

## Risks and Opportunities Identified

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SUBARU defines and identifies risks and opportunities associated with climate change to achieve sustainable business activities.

We have identified a number of risks associated with climate change. Initiatives to address climate change may be inadequate or abnormal weather may cause delays in procurement, production, and distribution. In addition, transition risks and physical risks may have impacts and outcomes that are currently extremely difficult to predict. Increased R&D expenses, lost sales opportunities due to reduced customer satisfaction and brand image, and delays in procurement, production, and distribution due to abnormal weather are among the potential impacts of these risks. These risks could have a material impact on the operating results and financial position of the SUBARU Group.

On the other hand, effective initiatives to address climate change could lead to opportunities to create new markets and employment and also use capital and energy more efficiently.

### Main Risks Identified

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#### Business Management in General

##### Reputational risk

(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.

##### Regulatory risk

(2) There is an argument that nationally determined contributions (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.

##### Acute physical risk

(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.

#### Products

##### Regulatory risk

(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.

#### Market risk

- (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) SUBARU views electrification as a steady medium- to long-term 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.

#### Technology risk

- (4) 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.

#### Chronic physical risk

- (5) There is a possibility that SUBARU might suffer from shortages of natural resources used for tires and metal resources, such as materials for automotive batteries, for electrification technologies.

### Production Phase

#### Regulatory risk

- (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.

#### Technology risk

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

### Main Opportunities Identified

#### Market opportunity

- (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 while at the same time potentially expanding in markets receptive to its offer of "Enjoyment and Peace of Mind."
- (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.

#### Energy-related opportunity

- (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.

Note: 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.

### Examples of scenarios and their risks/measures

As an example measure, SUBARU has developed an electrification strategy that considers multiple scenarios, including one in which the percentage of EVs sold in the market increases significantly, as well as one in which the market penetration of EVs increases modestly. We are also advancing BCP\* measures against water-related disaster risk for our business partners and against flooding during torrential rainfall. This action is in consideration of the risk of increasingly severe natural disasters due to a lack of progress in addressing climate change.

\* BCP: Business continuity plan



Scenario	Example scenario risks of particular importance		Measures
Penetration of BEVs	Products	Risk of limited product sales opportunities due to failure to meet certain fuel economy standards	<ul style="list-style-type: none"> <li>Building a production system that can dynamically adapt the production ratio between BEVs, hybrids, and ICE vehicles, keeping a close eye on environmental regulations and market trends</li> <li>Establishing an eight-model BEV lineup by the end of 2028 with 400,000 BEVs sold in the U.S.</li> </ul>
		Risk of market need diverging from electrification technology	
Increasing severity of natural disasters	Business management	Risk of operations being affected by disrupted supply of raw materials and submerged factories as a result of frequent flooding in various locations from extreme torrential rain	Taking measures against flooding by installing rainwater collection tanks and strengthening drainage capacity Organizing a system for restoration support activities in the event of a contingency at business partners and assessing the risk of water-related disasters

> Risk Management: BCP

> Water Resources

## Strategy

At this stage, it is difficult to foresee the future direction of electrification. Therefore, while keeping a close eye on the trends in regulations and the market, SUBARU is taking various actions based on the recognition that it is extremely important to ensure flexibility and expandability, using this concept to adapt to such changes flexibly and to expand at once when the direction of the shift becomes clear.

From a medium- to long-term perspective, we believe that BEVs will eventually become a core driver toward achieving carbon neutrality, but from 2025 to 2026, when the transition to BEVs is in its early stages, we will ensure flexibility in adapting to environmental changes through initiatives in each of the areas of development, products, and production.

Furthermore, for the upcoming diffusion (or expansion) phase for BEVs, we will need to harness the fruits of our work in "Monozukuri Innovation" and "Value Creation". At the Innovation Hub, which launched in January 2024, employees and business partners can gather and engage with each other without traditional boundaries to talk about various aspects of development and production (Obeya activities), and through collaboration with other companies, we are promoting activities to realize the aforementioned "Monozukuri Innovation" and "Value Creation."

Through these efforts, we will promote the "One SUBARU" approach, in which we develop highly dense connections between development, manufacturing, and the supply chain, as we aim for in-house development of BEVs that we expect to launch by the end of 2028 through leveraging the insights of our alliance. In addition, various knowledge gained in the process of promoting "Monozukuri Innovation" and "Value Creation" will be utilized to strengthen ICE products.




### Battery EV Development

After consideration various options for the development of BEVs, including solely SUBARU-made BEVs and those developed through our alliance, we decided to jointly develop the four BEV models to be added to our lineup by the end of 2026 with Toyota Motor Corporation (hereinafter, "Toyota") bringing together the knowledge and expertise of both companies.

**4 SUVs to be in BEV lineup by the end of 2026 (Joint development)**

- BEV SUV manufactured at Subaru's Yajima Plant will also be supplied to Toyota Motor Corporation (TMC).
- BEV SUV manufactured at TMC's U.S. Plant will also be supplied to Subaru.



Images are for illustration purposes only.

### Battery EV Production

Our jointly-developed BEVs produced at the Yajima Plant will also be supplied to Toyota. Meanwhile, BEVs produced at Toyota's U.S. plant will be supplied to SUBARU, giving SUBARU a lineup of BEVs produced in the U.S. Through joint development, mutual production, and mutual supply alongside Toyota, we will mitigate risks and ensure flexibility in development and production areas in these times when it is difficult to foresee the future.

### HEV Products and Production

In addition to the Forester, we will expand the rollout of the Next-generation e-BOXER, SUBARU's unique hybrid electric vehicle (HEV) with a horizontally-opposed engine based on the TOYOTA Hybrid System, to the Crosstrek as well. In the early stage of the shift to BEVs, HEVs will be extremely important, and strengthening HEV products will ensure product flexibility and expand customer choices. For the next Forester models, both the gasoline model and the next-generation e-BOXER model will not only be produced at our plants in Japan, but will also be produced at Subaru of Indiana Automotive, Inc., so that we can ensure flexibility within production in both Japan and the U.S.



**Forester (ICE / Next-gen.HEV) to be produced both in Japan and U.S. (SIA)**

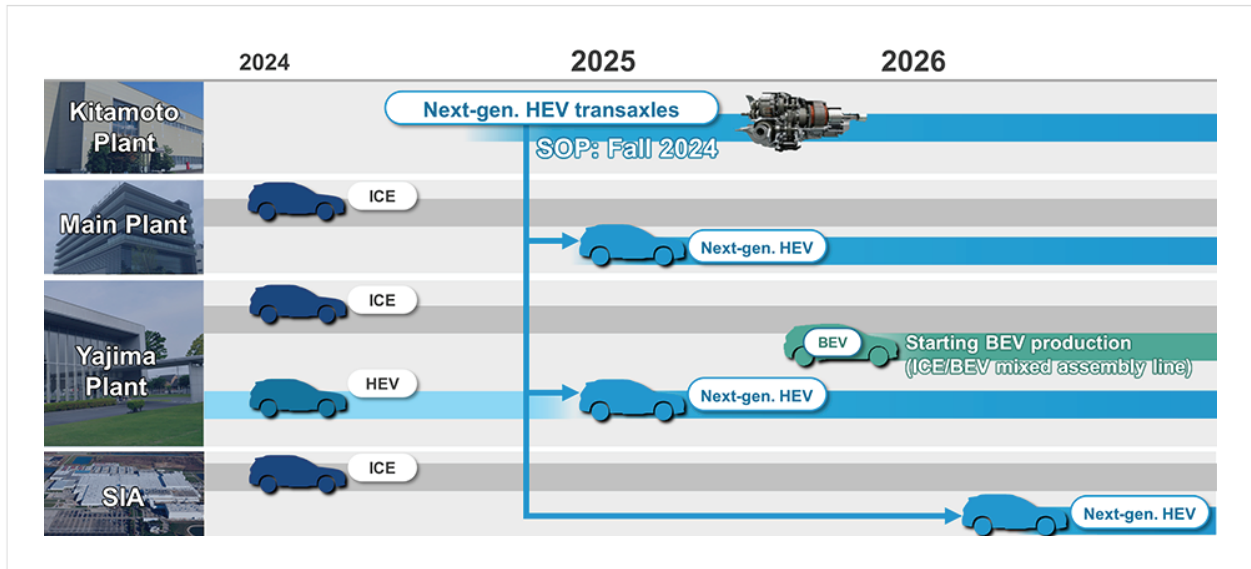
**In addition to the Forester, a next-gen. hybrid version to be also introduced to the Crosstrek**

Images are for reference only.

### Model Production Plan per Plant from 2025 to 2026

Production of transaxles, which will be a core unit of the next-generation e-BOXER, will begin at SUBARU's upgraded Kitamoto Plant in the fall of 2024.

The next-generation e-BOXER will initially be installed in vehicles manufactured at our plants in Japan, with plans to eventually install it in vehicles manufactured in the U.S. as well. In addition, the BEVs produced at the Yajima Plant will be supplied to Toyota Motor Corporation, ensuring production flexibility adapted to demand.



### Aim to Halve Development Days, Production Processes, and Number of Parts while Implementing Planned CO2 Emission Reduction Measures in Plants and Offices

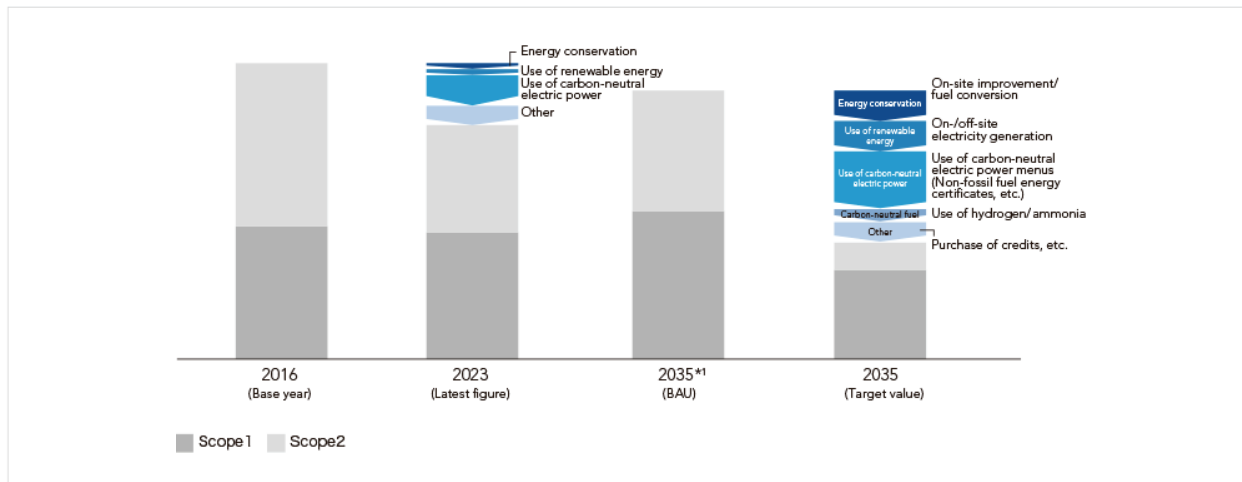
SUBARU will strive to achieve world-leading monozukuri by cutting the development lead time in half, the configuration and number of parts in half, and the production process in half. In our current operations, each segmented function, such as product planning, design, and production, waits for the previous process to complete its work, and then passes the work on to the next process like a relay. Through our "Monozukuri Innovation" initiatives, we will make the process agile, which will lead to a 50% reduction in monozukuri time.

At the same time, by continuously advancing these initiatives, we will reduce the process and lead time for product development and production in existing domains and strengthen our ability to respond to domains experiencing non-linear transformation in this age of uncertainty.

SUBARU aims to halve development lead times, the production process, and the configuration and number of parts, while also aiming to reduce CO2 emissions from plants and offices (Scope 1 and 2 emissions) by 60% in 2035 versus FYE March 2017 levels on a total volume basis. SUBARU will take actions toward energy self-sufficiency and efficiency and therefore accelerate the reduction of CO2 emissions through streamlining in a dual approach for both the manufacturing process and product structure.

The SUBARU Group will systematically implement measures to reduce Scope 1 and Scope 2 emissions by 2035, including energy-saving measures, the introduction of carbon-neutral fuel such as hydrogen and ammonia, and the use of in-house and purchased carbon-neutral power generation, with the aim of achieving its targets.

### Illustration of Scope 1 and 2 Emission Reduction Measures and Impact up to 2035



\*1 Assuming the electricity emission coefficient in Japan decreases to 0.25 t-CO<sub>2</sub> per thousand kWh

### FYE March 2024 Reduction Measures and Impact

Measure	CO <sub>2</sub> reduction impact (t-CO <sub>2</sub> )
Generation of renewable energy (solar power generation)	4,445
Purchase of carbon-neutral electricity	51,388
Introduction of high-efficiency air-conditioning systems	2,000
Replacement of Cogeneration Facilities	3,712
Energy conservation through information and communications technology (ICT)/IoT	500
Use of Green Power and Green Heat Certificates	4,064
<b>Total</b>	<b>66,109</b>

## Risk Management

The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure by ensuring the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group 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. As the environment surrounding the SUBARU Group continues to experience disruptive and non-linear changes at an unprecedented pace, we are working to further strengthen our risk management, including the use of a new Risk Map formulated through management-level discussions that take into account external changes and the current environment, in addition to the important risks of each division, in order to more reliably achieve the New Management Policies.

To address climate change-related transition risks in policy and regulation, technology, markets, and other items, dedicated departments at SUBARU gather information from a wide range of sources and work to identify uncertain climate change-related risks from future projections. These transition risks are proposed and discussed during the Executive Meeting, and particularly significant matters are subject to deliberation within the Board of Directors before decisions are made.

The physical risks associated with climate change include flooding and other natural disasters. The Risk Management and Compliance Office plays a pivotal role in establishing regulations in response to these operational risks as part of the BCP system. During emergencies, the office centrally grasps Group-wide information, establishing a system to manage company-wide response.

## Medium- to Long-term Goals (Long-term Vision and Milestones)

In order to contribute to a decarbonized society, SUBARU has set long-term goals (long-term vision) for 2050 and medium-term goals (milestones) regarding products (Scope 3) and plants and offices (Scope 1 and 2). These medium-term goals are reviewed as necessary according to the business environment, which is experiencing rapid, disruptive changes. In 2023, the medium-term goal for plants and offices (Scope 1 and 2) has been set as reducing CO<sub>2</sub> emissions by 60% in FYE March 2036 versus FYE March 2017. The medium-term goal for products (Scope 3) has been re-established as aiming to make BEVs 50% of all automobiles sold in 2030.

SUBARU is investigating compliance with relevant policies including the fuel efficiency regulations of the countries it serves. We formulate our own scenarios and plans for achieving our medium- to long-term goals based on policy trends and scenario-specific information published by the International Energy Agency and others.

Category	Target Year	Goal
Products (Scope 3)	2050	Reduce average well-to-wheel CO <sub>2</sub> 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
	2030	Aim for 50% of global sales to be BEVs
Plants and offices (Scope 1 and 2)	FYE March 2051	Achieve carbon neutrality
	FYE March 2026	Reduce CO <sub>2</sub> emissions by 60% compared with FYE March 2017 (total volume basis)

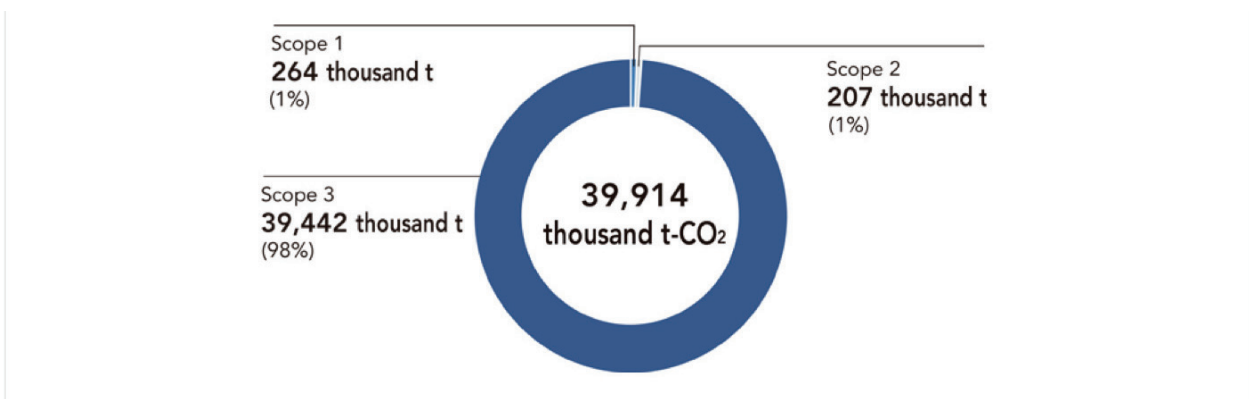
## Initiatives

For FYE March 2024, SUBARU has reported a total of 39,914 thousand t-CO<sub>2</sub> of supply chain greenhouse gas emissions (Scope 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 the Group's direct CO<sub>2</sub> emissions (Scope 1 and 2) constitute only a marginal portion of the total (including Scope 3), 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.

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.



## CO<sub>2</sub> Emissions (Scope 3)

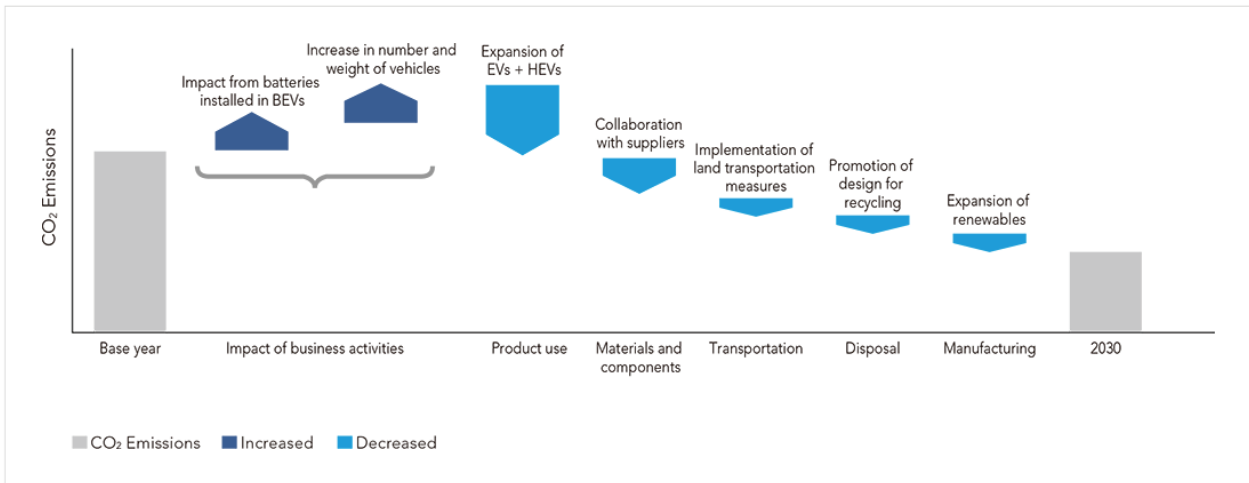
Category	Greenhouse Gas Emissions (t-CO <sub>2</sub> )					
	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	
1	Purchased goods and services	6,181,341	5,136,697	4,339,656	5,018,874	5,861,321
2	Capital goods	413,287	282,713	260,566	402,915	549,384
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	103,772	91,851	89,627	95,352	54,958
4	Transport and delivery (upstream)	737,817	601,167	506,604	426,929	500,914
5	Waste generated in operations	32,095	26,446	24,888	28,733	8,608
6	Business travel	4,554	4,689	4,798	4,878	4,900
7	Employee commuting	13,835	14,245	14,576	14,818	14,885
8	Leased assets (upstream)	N/A	N/A	N/A	N/A	N/A
9	Transportation, distribution, and sales (downstream)	6,049	3,893	4,750	4,043	3,521
10	Processing of sold products	N/A	N/A	N/A	N/A	N/A
11	Use of sold products	34,029,045	27,455,302	23,102,609	27,453,385	31,864,033
12	End-of-life treatment of sold products	582,263	484,440	413,368	485,555	577,694
13	Leased assets (downstream)	2,463	1,998	2,065	1,984	1,562
14	Franchises	N/A	N/A	N/A	N/A	N/A
15	Investments	N/A	N/A	N/A	N/A	N/A

Source: The calculation method for SUBARU 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 the Ministry of Economy, Trade and Industry; the Emissions Unit Value Database Ver. 3.0 by the Ministry of the Environment Database of emissions unit values; and SUBARU's life-cycle assessment (LCA) calculation standards. Retroactive correction has been made to data from previous years due to revisions to the calculation method for "1 Purchased goods and services" and "12 End-of-life treatment of sold products."

## Life-cycle Assessment

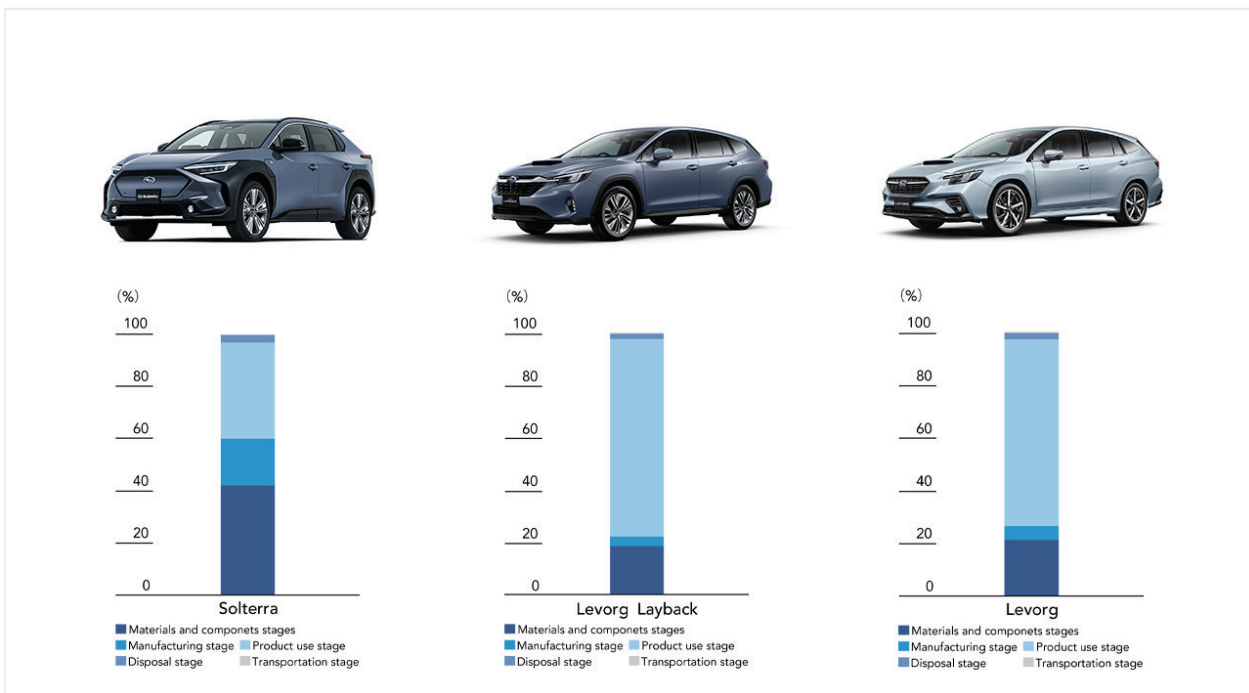
In order to contribute to the realization of a decarbonized society through the reduction of CO<sub>2</sub> emissions throughout the life cycle of our business activities, SUBARU has designated departments in charge of the five areas of "product use," "materials and components," "transportation," "disposal," and "manufacturing." We now also hold monthly CN Promotion Meetings, bringing together representatives from the relevant departments in each area. In these CN Promotion Meetings, members share information from each area, formulate a master plan from a medium- to long-term perspective, and visualize the transition of emissions in each area in the interest of achieving carbon neutrality by 2050.

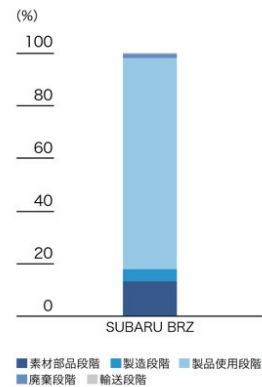
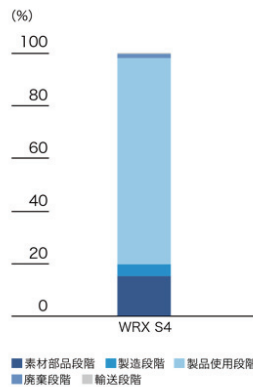
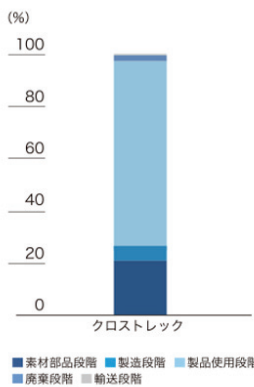
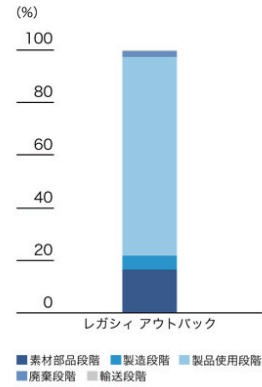
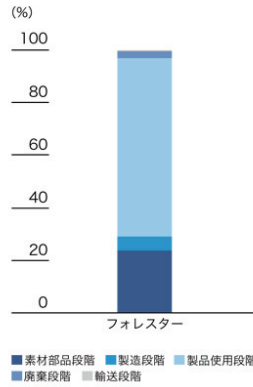
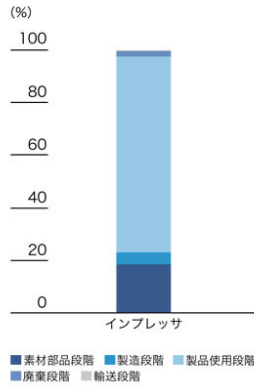
### Approach to CO<sub>2</sub> emissions reduction from an LCA perspective



SUBARU conducts LCA\* to evaluate CO<sub>2</sub> emissions during the entire life cycle of automobiles. We will quantify the environmental impact of automobiles and proactively develop automobiles taking into account the need for decarbonization from the design stage. When compared to the previous models, the current Impreza achieved a 2.4% reduction in CO<sub>2</sub> emissions, and the current Forester achieved an 8.7% reduction.

\* Life-cycle assessment (LCA) is an environmental impact assessment method that comprehensively evaluates environmental load at every stage of the life cycle of products and services from raw material procurement to production, use, disposal, and recycling. For SUBARU, assessments are for cars built for the Japanese market.





## Product Initiatives

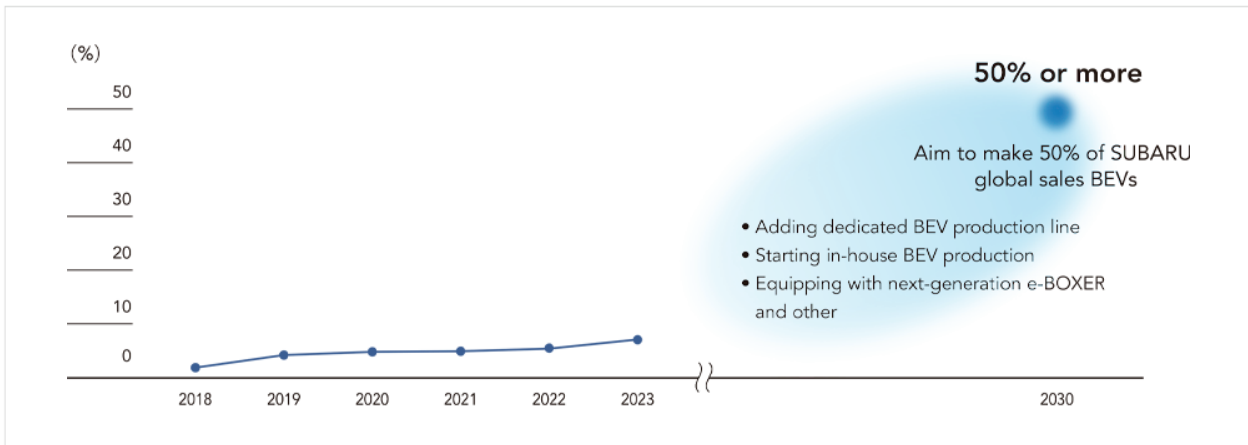
The percentage of SUBARU's EVs as a share of global sales (retail sales basis) in FYE March 2024 was 7.8%, and the percentage of BEVs was 1.5%. We will grow our earnings base in the BEV era by strengthening our supply capacity for EVs, including the start of in-house BEV production in the mid-2020s in conjunction with the reorganization of our domestic production system, the launch of the next-generation e-BOXER, and the addition of dedicated BEV production lines in the late 2020s. As we do this, we will work to ensure a high level of financial soundness, taking actions in a sustainable structure toward our stated goal of aiming for 50% of SUBARU global sales to be BEVs in 2030.

As an aircraft manufacturer, SUBARU has been developing technologies for decarbonization to realize a sustainable society, and in March 2024, SUBARU successfully conducted test flights using sustainable aviation fuel (SAF\*) in a helicopter.

\* Sustainable aviation fuel is produced from resources such as plants and waste oil. Plants, which are the main raw material, absorb carbon dioxide from the atmosphere during photosynthesis, thus achieving a balance between absorption and emission, offering reduction in greenhouse gas emissions compared to conventional fossil fuel-based aviation fuels.



**Results and future plan of percentage of EVs sold (retail sales basis)**



**Efforts to Reduce CO<sub>2</sub> Emissions for New Models**

SUBARU is naturally working to improve the fuel efficiency of gasoline-powered vehicles while turning its attention to expanding its lineup of EV models, especially the development and supply of BEVs. We believe it will be especially important to steadily promote the expansion of the above initiatives in order to reduce the amount of CO<sub>2</sub> emitted from automobiles.

**Battery Electric Vehicles (BEVs)**

In May 2022, SUBARU launched the Solterra as another step toward the era of the electric car. Its first global BEV, the Solterra is designed to achieve coexistence with nature. It utilizes the e-SUBARU Global Platform, a dedicated EV platform we jointly developed with Toyota Motor Corporation (“Toyota”), as well as the AWD technology we have developed for many years and Toyota’s outstanding electrification technology, thus bringing together the strengths of both companies and efficiently leveraging our development investments. In addition to the Solterra, we plan to launch three new BEVs to the SUV category by the end of 2026. Of these, one model will be produced at SUBARU’s Yajima Plant and supplied to Toyota Motor Corporation as well. Like with our existing vehicles, we will bring SUVs featuring the unique appeal of SUBARU’s BEVs to Japan, the U.S. and Canada, Europe, China, and other markets, aiming to further strengthen the value we offer with the goal of being a brand that is “different” from others. We are also planning to add four more models to our BEV lineup by the end of 2028. At SUBARU, we will continue to help protect the environment as we consider practical functions and customer preferences in enhancing our lineup in the markets we serve with environmentally friendly vehicles that are unique to SUBARU.

**Hybrid Electric Vehicles (HEVs)**

SUBARU has been increasing the number of vehicles equipped with its mild hybrid e-BOXER engine that combines a horizontally-opposed engine and electrification technology, and to reduce CO<sub>2</sub> emissions has implemented initiatives such as creating its own PHEV using HEV expertise from Toyota. In addition, looking ahead to 2025, we will begin next-generation e-BOXER production that incorporates THS\*1 technology to deliver vehicles that feature the SUBARU Difference while offering high-level environmental performance. For the next-generation e-BOXER, we have evolved the model from a parallel system for transmitting engine and motor power in parallel to a more efficient series-parallel system. In addition, the power control unit is mounted on top of the engine to ensure a large fuel tank capacity and a competitive cruising range. This next-generation e-BOXER will be installed in the Crosstrek and Forester. By steadily expanding our product lineup of EVs, we will help reduce CO<sub>2</sub> emissions for new models.

\*1 THS: TOYOTA Hybrid System

## Gasoline-Powered Vehicles

We will continue to meet demand for conventional gasoline-powered vehicles from customers. HEVs, which we are expanding to include more models, are made by combining gasoline engines with electrification technology, and engines need further technological improvements to boost fuel efficiency. The 1.8-liter BOXER DIT\*<sup>2</sup> combines the unique driving pleasure of a SUBARU with outstanding environmental performance. Installed in the Levorg, Forester, Outback, and Layback models, it is a next-generation BOXER engine with a turbo system that generates high torque at low RPM. Its lean combustion technology produces more energy with less fuel. Combined with the expanded Lineartronic shift range, this engine offers even more powerful acceleration off the line and superb fuel efficiency when cruising at high speed. In addition, SUBARU is continuing to pursue the potential offered by engines in the era of carbon neutrality by participating in races with vehicles that use carbon-neutral fuel, as well as participating in the Research Association of Biomass Innovation for Next Generation Automobile Fuels.

\*2 Direct injection turbo

### TOPICS

## Research Association of Biomass Innovation for Next Generation Automobile Fuels

SUBARU, together with ENEOS Corporation, Suzuki Motor Corporation, Daihatsu Motor Co., Ltd., Toyota Motor Corporation, and Toyota Tsusho Corporation, established the Research Association of Biomass Innovation for Next Generation Automobile Fuels to research efficiency improvements in processes to produce fuel. Currently, seven companies, including Mazda Motor Corporation, are participating in this association to advance technological research on the use of biomass and efficient production of bioethanol fuel for automobiles in order to realize a carbon-neutral society.

### TOPICS

## Conducted a Helicopter Test Flight Using Sustainable Aviation Fuel (SAF)

In March 2024, SUBARU successfully conducted a test flight using SAF in a Group-owned helicopter. As an aircraft manufacturer, Subaru will continue to develop decarbonization technologies to contribute to the realization of a sustainable society.



Test flight

## Site Initiatives

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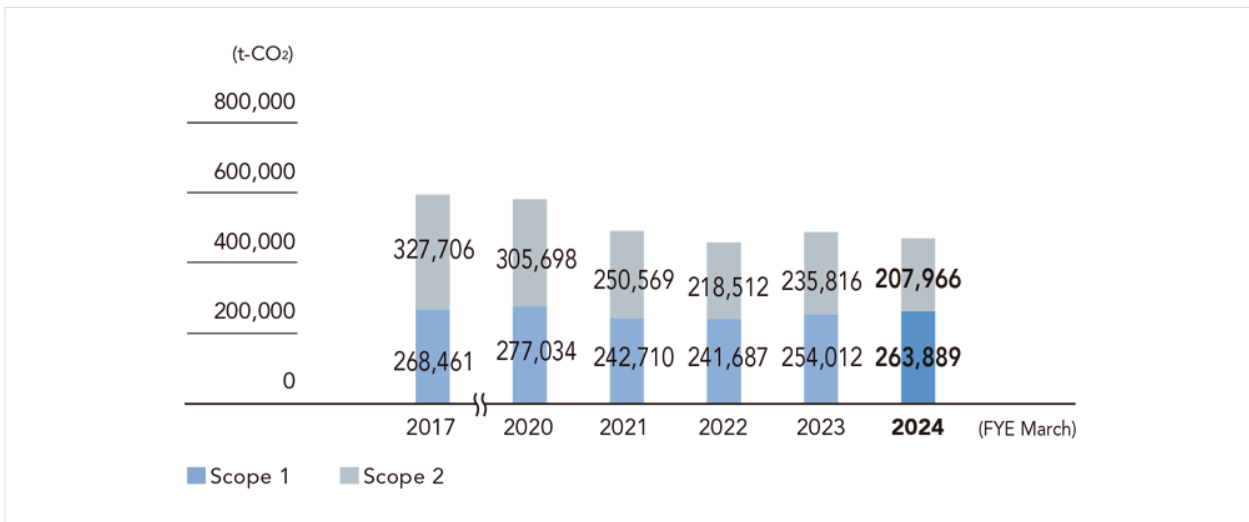
SUBARU is reducing its CO<sub>2</sub> emissions by using renewable energy and upgrading to highly efficient machinery and equipment with the aim of achieving carbon neutrality by 2050. Scope 1 and 2 emissions in FYE March 2024 amounted to 471,854 tons (market-based), representing a decrease of 18,000 tons from the previous year and a 20.9% reduction compared to FYE March 2017 (The location-based Scope 1 and 2 emissions for FYE March 2024 were 545,917 tons.).

Renewable energy in FYE March 2024 accounted for 7.2% of the energy consumption of the entire SUBARU Group and 22.5% of its total electricity consumption. All of the electricity purchased at the Gunma Main Plant, Utsunomiya South Plant and 2nd South Plant, the Ebisu Subaru Building, and the SUBARU Academy is carbon-neutral electric power. In addition, unit CO<sub>2</sub> emissions improved by 24% year on year due to greater energy efficiency. Toward the medium-term goals for FYE March 2036, the SUBARU Group will continue implementing energy-saving measures along with other initiatives, such as in-house generation or purchase of carbon-neutral electric power and introduction of hydrogen, ammonia, and other carbon-neutral fuels, as part of systematic Scope 1 and 2 emissions reduction. In addition, Subaru Kohsan Co., Ltd. sells solar generated from solar power generation facilities in Gunma and Shiga prefectures.

### CO<sub>2</sub> Emissions by Organization



### CO<sub>2</sub> Emissions by Scope



Scope:

SUBARU : SUBARU CORPORATION

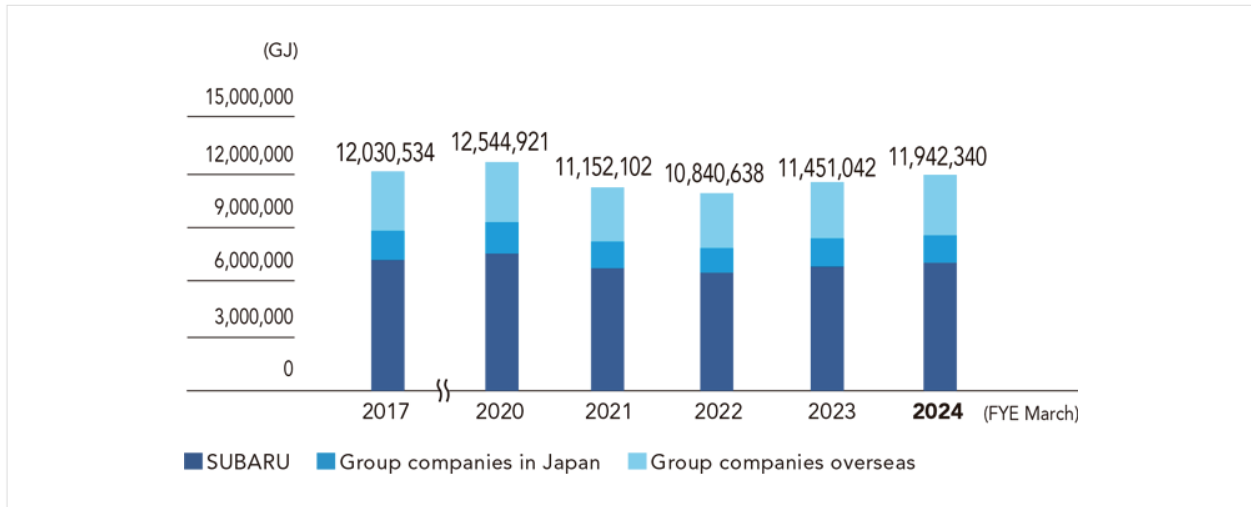
Domestic Group companies: 52 domestic consolidated subsidiaries (including 33 SUBARU domestic dealerships that are consolidated subsidiaries)

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

SUBARU calculates CO<sub>2</sub> emissions based on the Act on Promotion of Global Warming Countermeasures. However, for emissions coefficients for electricity used at Group companies outside Japan, we use the most recent country-specific CO<sub>2</sub> emission intensities for all power sources published annually by the International Energy Agency (IEA).

The scope of data for domestic Group companies is that for consolidated subsidiaries, and the confirmation for Scope 1 and 2 emissions is 99% (based on proportion of workforce). In addition, errors were found in the aggregated data for FYE March 2023, and corrections were made.

## Energy use



Scope:

SUBARU: SUBARU CORPORATION

Domestic Group companies: 52 domestic consolidated subsidiaries (including 33 SUBARU domestic dealerships that are consolidated subsidiaries)

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

SUBARU calculates energy consumption (GJ) based on the Act on the Rational Use of Energy. In addition, errors were found in the aggregated data for FYE March 2023, and corrections were made.

## Gunma Plant

### Purchase of Carbon-Neutral Electricity (Gunma Main Plant, Oizumi Plant)

The Gunma Main Plant had been purchasing a portion of its electricity through the Aqua Premium rate plan specifically for sales of hydropower, but switched to the Power Gunma Hydropower plan in November 2020. All of its electricity is now derived from hydropower, which reduced CO<sub>2</sub> emissions by approximately 24,500 tons in FYE March 2024.

We also reduced CO<sub>2</sub> emissions by 8,394 tons by using non-fossil fuel certificates for 21,524 MWh of electricity at the Oizumi Plant of Gunma Manufacturing Co., Ltd. purchased in FYE March 2024, comprising 16% of purchased electricity.

### Introduction of High-efficiency Air-conditioning Systems (Gunma Yajima Plant)

We replaced the aging cooling water supply system of the 3rd Paint Plant. In April 2022, the plant, which had previously used an absorption chiller with city gas and hot water from the cogeneration facility as the heat source, introduced a centrifugal chiller with an electrically operated heat pump. This has essentially eliminated the use of city gas by updating the heat source of the absorption refrigerator to only hot water from the cogeneration facility.

In 2018, the 5th Paint Plant also introduced a high-efficiency heat source system, centered on heat pumps for cold and hot water supply to reduce CO<sub>2</sub> emissions. SUBARU plans to roll out this system to the new Oizumi Plant, which is scheduled for future construction.

### Replacement of Cogeneration Facilities

At the Gunma Plant, we operate cogeneration facilities at the Main Plant, Oizumi Plant, and Yajima Plant to promote efficient energy use. In FYE March 2024, the Oizumi Plant continues operation after an update in the previous fiscal year of its aging facilities, which were updated after 16 years of operation. For the replacement, we selected equipment with specifications that make a greater contribution to energy savings in light of the most recent energy consumption profile. Compared to the previous facilities, the new facilities offer annual emissions reduction of 3,712 t-CO<sub>2</sub>, according to their specifications.

### Introduction of solar power generation

We have introduced solar power generation facilities at the Gunma Main Plant and Oizumi Plant. These facilities achieved a CO<sub>2</sub> emissions reduction of approximately 2,732 t-CO<sub>2</sub> in FYE March 2024. Solar power generation equipment will be incorporated into new building rooftops from the specification stage, and we are considering expanding this to existing buildings and parking lots over time.

At the Yajima Plant, we also installed solar power generation equipment with an output of 850 kW in the No. 3 final vehicle inspection wing in September 2023, in addition to the installation of similar facilities in 2022, the multistory parking garage and No. 5 final vehicle inspection wing, resulting in an overall reduction of 591 t-CO<sub>2</sub> of emissions at the plant overall.

## Aerospace Company (Utsunomiya Plant and Handa Plant)

### Purchase of carbon-neutral electricity

#### (Tochigi Furusato Denki Program for regional production and consumption)

In FYE March 2019, SUBARU's Aerospace Company adopted the Tochigi Furusato Denki program\*1 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 4,000-plus t-CO<sub>2</sub> 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.

\*1 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 CO<sub>2</sub> from using the electricity, on the grounds of its CO<sub>2</sub>-free generation process.

### Acquisition of Nearly ZEB Certification at the Main Administration Building

The Aerospace Company's Main Administration Building, built at the Utsunomiya Plant and with operations started in September 2023, is the first building in the SUBARU Group to receive Nearly ZEB\*2 certification under the Building-Housing Energy-efficiency Labeling System (BELS) in Japan. In addition, the solar power generation facilities installed on the roof of the Main Administration Building reduces CO<sub>2</sub> emissions by approximately 130 tons per year.

\*2 Nearly ZEB is a building that achieves at least a 75% reduction in primary energy consumption compared to a reference building and is very close to achieving Net Zero Energy Building certification.



The Main Administration Building

### Replacement of Cogeneration Facilities

In addition to reducing CO<sub>2</sub> emissions, since March 2021 the cogeneration system has enhanced community and employee safety with its blackout start function that can initiate power generation if the power grid goes down for an extended period.

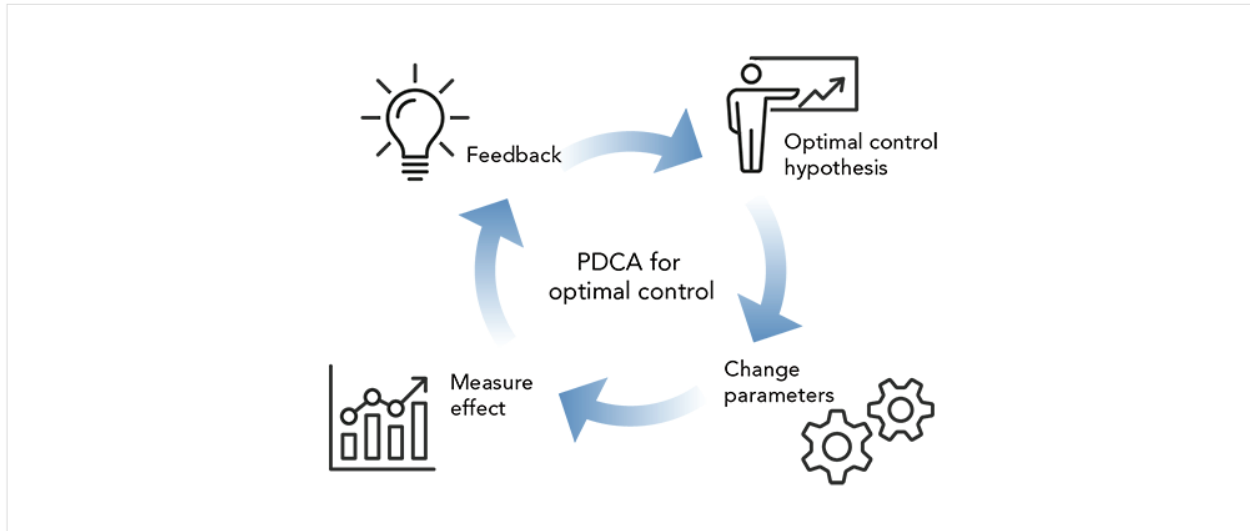
### IoT Enables Stable Supply of Factory Air and Improved Energy Efficiency

SUBARU is moving forward with Digital Transformation (DX) driven by ICT and the IoT beginning the systemization of air factory analysis, data analysis, and the introduction of countermeasures in November 2019. We have implemented three measures: investigating and repairing air leaks, restricting air supply, and improving operating efficiency. We expect energy savings to reduce CO<sub>2</sub> emissions by 500 tons per year.



Air leak investigation

## Improve Compressor Operating Efficiency



## Tokyo Office

The Tokyo Office is in Mitaka City, Tokyo. It is subject to the Tokyo Cap-and-Trade Program for large facilities as per the Tokyo Metropolitan Environmental Security Ordinance. The Tokyo Office is therefore reducing CO<sub>2</sub> emissions with two priority initiatives: promoting energy conservation by improving facilities and by proactively adopting energy-saving equipment.

We are also working to utilize renewable energy, and have installed rooftop solar power generation equipment (total rated output of 140 kW) at our facilities. In FYE March 2024, the facilities generated 199 MWh of electricity for use in-house, achieving a CO<sub>2</sub> emissions reduction of 37 t-CO<sub>2</sub>. In addition, we began to utilize Japan's Green Power Certification System in 2019, and in FYE March 2024 we purchased certificates equivalent to 8,535 MWh of electric power, equivalent to 3,329 t-CO<sub>2</sub> of emissions, during the fiscal year. The Main Building in Tokyo Office, completed in September 2022, is designed to be environmentally friendly, employing energy-saving technologies such as solar power generation, LED lighting throughout the building, shielded and insulated glass, and building materials with heat shielding and high thermal insulation. In addition, creating cold mix asphalt during construction has contributed to a 38.5 t-CO<sub>2</sub> reduction in emissions. We are also progressively converting fixtures in existing buildings to LED lighting.



Tokyo Office

## Offices

### Head Office (Ebisu Subaru Building) and SUBARU Training Center

Since FYE March 2022, we have switched to contract options with zero electricity emission coefficients, and we make use of the Green Heat Certificate system. In FYE March 2024, we achieved net-zero emissions for the office, carbon-neutralizing emissions equivalent to 881 t-CO<sub>2</sub>. In addition, from April 2023, all electricity used in the entire Ebisu Subaru Building has been switched to sources with zero CO<sub>2</sub> emissions.

### SUBARU Accessory Center

In FYE March 2024, the use of 1,153 MWh of electric power generated by solar power facilities installed in March 2020 resulted in a yearly CO<sub>2</sub> emissions reduction of 450 t-CO<sub>2</sub>.

## SUBARU Research and Experiment Center

The SUBARU Research and Experiment Center installed solar power generation equipment in FYE March 2018, and generated 82 MWh in FYE



SUBARU Research and Experiment Center

## Domestic Group companies

### Fuji Machinery Co., Ltd.

In FYE March 2024, we reduced annual CO<sub>2</sub> emissions by approximately 1,016 t-CO<sub>2</sub> by using non-fossil certificates for a total of 2,605 MWh, comprising 20% of purchased electricity at the head office/plant and 100% at the Isesaki Plant.

The Oizumi Plant of Fuji Machinery Co., Ltd. also installed solar power generation equipment in FYE March 2018. In FYE March 2024, this equipment generated 38.5 MWh of electricity, resulting in an annual CO<sub>2</sub> emissions reduction of 15 t-CO<sub>2</sub>.



Fuji Machinery Co., Ltd. Oizumi Plant

### Ichitan Co., Ltd.

Ichitan Co., Ltd. has been achieving annual emissions reductions of 3,400 t-CO<sub>2</sub> by purchasing CO<sub>2</sub>-free electricity. In addition, we introduced solar power generation in September 2023 and began generating our own power. Information on power generation and other data is displayed on a monitor in the lobby of the company entrance, offering utilization status at a glance. In order to promote the transition from gasoline-powered to electric vehicles for company cars, the Kyushu Plant has introduced the Solterra BEV and is working to reduce CO<sub>2</sub> emissions.



After introduction of solar power generation facilities

### Subaru Kohsan Co., Ltd.

Subaru Kohsan Co., Ltd. entered the business of marketing electricity from solar power generation operations. It sells electricity generated from solar power equipment with a rated output of 420 kW (equivalent to 100 detached houses) installed in Kiryu, Gunma Prefecture and equipment with a rated output of 1,470 kW (equivalent to 350 detached houses) installed in Konan, Shiga Prefecture. The company has also promoted the use of renewable energy by installing solar power generation facilities at its Ota 5 Building and the new wing of its Higashi-Nagaoka company dormitory. Subaru Kohsan Co., Ltd. has been certified as an excellent operator with respect to energy conservation (Class S) for five consecutive years since FYE March 2020 in accordance with the Act on the Rational Use of Energy. This evaluation is given to excellent operators that have met the five-year average per-unit emission reduction target of 1% or more in electricity and gas consumption.

## Overseas Group companies

### Subaru of Indiana Automotive, Inc.

Subaru of Indiana Automotive, Inc. is implementing CO<sub>2</sub> reduction initiatives in its production processes and Technical Training Center.

In the production process, we are implementing various measures aimed at reducing energy consumption, which include upgrading to LED lights, and installing control valves in the air conditioning systems of air handling units (AHUs) and makeup air units (MAUs).

In addition, at the Technical Training Center, we took measures such as installing solar power generation equipment while upgrading to LED lighting for all indoor lighting and introducing motion sensors.

## Sales Initiatives

### Dealerships

Dealerships in Japan, like the SUBARU Group, have set the goal of reducing CO<sub>2</sub> emissions by 60% from the FYE March 2017 level by FYE March 2036, and are progressively purchasing carbon-neutral electricity. By FYE March 2024, this conversion has progressed to approximately 50% of electric power consumption, and we intend to further increase the ratio in the future.

### Subaru of America, Inc.

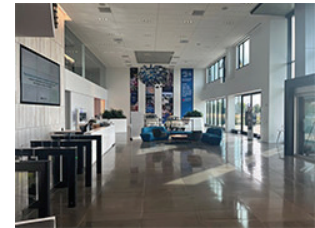
Subaru of America, Inc.'s headquarters and National Service Training Center have acquired silver LEED certification,\*<sup>2</sup> which is higher than standard certification. In 2021, the company enhanced energy efficiency by installing automated equipment and comprehensive air conditioning systems at its headquarters building and National Service Training Center.

In addition, at the headquarters building, the company utilizes 100% renewable energy and has upgraded to LED lighting. In 2021, the headquarters lobby was designed to efficiently incorporate natural light, thereby reducing the electricity consumption for lighting.

\*2 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 in other countries.



Subaru of America, Inc.'s headquarters and training center



Subaru of America, Inc.'s headquarters foyer, which harnesses sunlight with new daylight harvesting technology

### Subaru Canada, Inc.

The building that houses Scott Subaru, a retailer in Canada, is designed for high energy efficiency, which includes eliminating the need for heating and cooling facilities. It has received certification as a "passive house," or energy-efficient building.

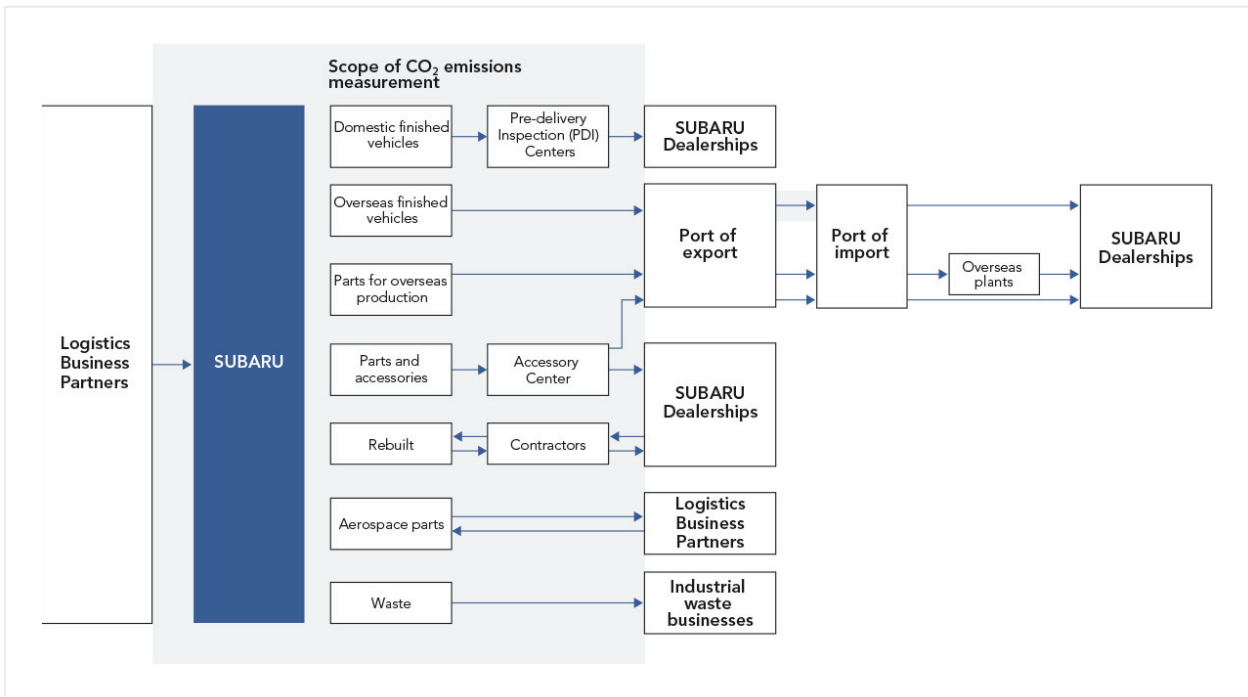
## Logistics Initiatives

SUBARU is collaborating across the entire Group, including with logistics companies, dealerships, as well as with other automotive industry players to reduce CO<sub>2</sub> emissions in logistics operations by an annual 1% through increased transport efficiency for finished vehicles and export parts.

In FYE March 2024, all logistics-related departments within SUBARU gathered together to introduce their reduction activities, creating a forum for horizontally sharing and encouraging best practices. In addition, SUBARU believes that strengthening its supply chain will lead to achieving carbon neutrality by 2050, and we will continue efforts to increase the accuracy of CO<sub>2</sub> emissions calculations and expanding their calculation scope, in addition to our reduction activities.



### SUBARU's logistics system



### Transport of Finished Vehicles

SUBARU is establishing optimal standard routes for finished vehicles, flexibly accommodating shipping of a wide range of vehicle types and sizes (particularly large cars), improving loading efficiency, and promoting modal shift.\*3 We also request that our logistics partners minimize the environmental impact of their transport operations, taking actions such as practicing eco-conscious driving by installing digital tachographs\*4 and dash cams, as well as improving fuel efficiency by fitting aerodynamic panels and other devices.

As a result of expanded efforts for consolidated and standardized transportation routes, per unit CO2 emissions from transportation of SUBARU vehicles in FYE March 2024 declined 25.7% from the FYE March 2007 level, against the target of a 17% reduction from the base year. We will continue with our efforts to pursue further reductions.

\*3 For cargo transportation, switching transportation modes from trucks to those imposing less environmental burden, such as railway and seaborne systems.

\*4 Fitted to a vehicle to automatically record its journey information, including 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.

### Export Parts

In the transport of parts for overseas SUBARU vehicle production, we are making efforts to improve the container fill rate through measures such as utilizing unused upper space in high cube containers, improving packing modes, and employing lighter-weight packaging materials. As a result, we achieved a fill rate of 98% in FYE March 2024. We will continue to actively work toward reducing CO2 emissions through other initiatives such as round use\*5 to streamline container transportation, utilization of inland container depots\*6, and the reuse of import containers used by other companies in the Gunma area.

\*5 Using import containers for export instead of returning them empty to port, thereby reducing the transport of empty containers from ports.

\*6 Depot located inland for consolidation of container cargo.

## Parts and Accessories

- Joint distribution initiative with Toyota Mobility Parts Co., Ltd.

To resolve complexities and inefficiencies in parts of our transport system, we began joint distribution of maintenance parts with Toyota Mobility Parts Co., Ltd. in FYE March 2021. As of the end of FYE March 2024, we had started joint distribution to 12 dealerships (26 locations and sales partners in various regions). We aim to work toward joint distribution in other regions going forward.

By switching to joint distribution, we have in the case of some dealerships achieved a reduction of lead time by one day and a cut in transport costs of approximately 25%.

- Switch to forklift trucks with electric drive option

The Accessory Center in Gunma is making a phased switch from liquefied petroleum gas (LPG)-operated forklift trucks to models that can be operated electrically. We will also equip the electric forklift trucks to make them available for use as storage batteries in the event of a disaster or power outage so that they can be used in times of emergency for instance to maintain telecommunications functions.

## Subaru of America, Inc.

The company is promoting the use of rail to reduce CO<sub>2</sub> emissions in the distribution process. We are also working to reduce emissions from marine transportation to dealerships in Alaska through the use of LNG. These efforts have resulted in a 25% reduction in CO<sub>2</sub>, a 95% reduction in NO<sub>x</sub>, and a 99% reduction in SO<sub>x</sub>. In 2023, we reduced transportation-related emissions by about 50% to 80% depending on the product. In addition, we are working to achieve sustainability in our supply chain by reducing greenhouse gas (GHG) emissions by up to 21% through LNG vessels operated by our shipping partners, and by preparing a system that exceeds the 2030 emissions standards of the International Maritime Organization.

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## Procurement Initiatives

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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. By encouraging business partners to obtain ISO 14001 certification, we are working to prevent environmental accidents and mismanagement events in the supply chain and reduce the risk of infringement of environmental laws and regulations. In addition, we request that business partners cooperate in decarbonization during our procurement policy briefings. We will share our reduction targets for FYE March 2025 with our suppliers and spread awareness of working in unison to achieve these.

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## Other Climate Change Initiatives

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### Carbon Pricing

#### Emissions Trading Systems

As businesses operating in the jurisdictions of the Tokyo metropolitan and Saitama prefectural governments, our Tokyo Office, Kitamoto Plant, and Stellar Town Omiya are covered by the Tokyo Metropolitan Environmental Security Ordinance, which promotes greenhouse gas reduction and emissions trading for large businesses, and the Saitama Prefecture regulation on target-based emissions trading. Our business sites are responding through compliance with the relevant emissions trading systems.

In addition, SUBARU has endorsed the GX League Basic Concept announced by Japan's Ministry of Economy, Trade and Industry. In line with this endorsement, we will participate in the GX League Emissions Trading Scheme (GX-ETS) from 2024.

## Internal Carbon Pricing

SUBARU introduced internal carbon pricing in FYE March 2023. In the internal consultative plan on capital expenditures at business sites, the monetary value of the CO<sub>2</sub> reduction accompanying the introduction of the relevant facilities is set at 6,000 yen/ton. By accounting for CO<sub>2</sub> reduction impact in terms of its cost reduction impact, we ensure its inclusion as a factor in assessing capital expenditures. The introduction of internal carbon pricing, which comes under the category of shadow pricing, is intended not only to raise awareness of CO<sub>2</sub> reduction among facility managers but also to promote investment in facilities with a high CO<sub>2</sub> reduction impact.

## External Partnerships

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

### Alliance with Toyota

SUBARU and Toyota have agreed to jointly develop EV platforms and vehicles applying SUBARU's AWD technologies and Toyota's electrification technologies. This agreement is designed to enable the two automakers to multiply their technical strengths with the goal of creating attractive EV products. As a dedicated BEV platform, they have jointly developed the e-SUBARU Global Platform.

### Industry Groups

SUBARU is a member of the climate change committee of 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 JAMA are reflected in SUBARU's management.

### Declaration of Support for the TCFD Recommendations

SUBARU recognizes that climate change is one of the most pressing global issues, and has been working to disclose information on climate change. Accordingly, we have declared support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For more information on SUBARU's disclosure of the TCFD's recommended items, please see our TCFD Content Index (<https://www.subaru.co.jp/en/csr/tcf/>).



## TOPICS

### A Three-Company Commitment to Develop New Engines for the Electrification Era

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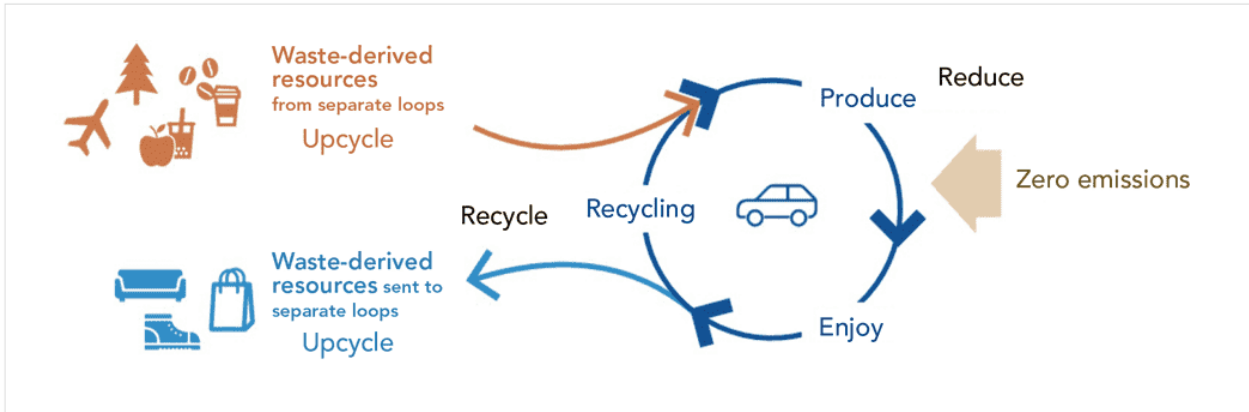
SUBARU, along with Toyota Motor Corporation and Mazda Motor Corporation, have each committed to developing new engines tailored to electrification and the pursuit of carbon neutrality. With these engines, each of the three companies will aim to optimize integration with motors, batteries, and other electric drive units. While transforming vehicle packaging with more compact engines, these efforts will also decarbonize internal combustion engines by making them compatible with various carbon-neutral fuels\*<sup>1</sup>.

\*<sup>1</sup> Fuels with net zero CO<sub>2</sub> emissions into the atmosphere across their lifecycle, from manufacture to use. These include e-fuel, made from hydrogen and carbon dioxide, and biofuels derived from biomass (plants, etc.).

# Achieving a Circular Economy

## 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. The SUBARU Group is working to realize a recycling-oriented society and aims to achieve efficient resource recycling throughout the product life cycle, consistently achieving zero landfill at production sites in Japan and overseas, and taking the 3Rs—reduce, reuse, and recycle—to the next level.



## Management System

### SUBARU's Zero Emission Management Organization



### Medium-Term Goals

Furthermore, we have set the target of proceeding with research and development with the goal of using recycled materials\*5 for more than 25% of the plastics used in new models released worldwide by 2030 to help address the global waste plastic problem. To achieve this target, we are working to establish quality standards for recycled plastics and a raw material recovery scheme. Our production target has also been set as achieving zero emissions at production plants\*4 in Japan and overseas (zero landfill waste either directly or indirectly).

Category	Target Year	Goal
Products	2030	Pursue research and development targeting the use of recycled materials*1 for more than 25% of the plastic used in new models*2 by 2030 ·Adopt CO2-free materials such as biomass plastic. ·Proactively adopt plastic materials*3 that have less environmental impact.
Production		Zero emissions*4 at production plants in Japan and overseas*5

\*1 Including material, chemical, and plastic recycling.

\*2 Excluding models supplied by OEMs.

\*3 Materials and suppliers with lower CO2 emissions and environmental pollution at the manufacturing stage.

\*4 Final landfill rate of 0.5% or less.

\*5 Parent company: Gunma Plant, Tokyo Office, Utsunomiya Plant; Subsidiaries: Fuji Machinery Co., Ltd., Kiryu Industrial Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc.

## Initiatives

SUBARU promotes vehicle manufacturing with recycling in mind to make effective use of limited resources, working on resource efficiency throughout the entire lifecycle of automobiles, from raw material procurement and manufacturing to disposal.

In addition to continuing to promote the use of recycled materials and push for zero landfill at production sites both in Japan and overseas, we are also advancing research on the use of diverse sustainable new materials and developing upcycled products using scrap materials.

## Product Initiatives

### 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. This design minimizes copper (electrical wiring) contamination of scrap from end-of-life vehicles, helping to create an environment for turning scrap into high-quality recycled steel.



### Use of easy-to-recycle materials

Resin with superior recyclability is actively used for interior and exterior parts.



Recyclable resin    Materials that are recyclable resins



### Improved material identification

Material identification is displayed for any resin parts of 100g or more and rubber parts of 200g or more. Displays not only on the inner surface of the bumper but also in an area visible without removing the bumper facilitate material separation

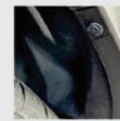


### Adoption of easy-to-dismantle structure

Bumpers are mounted using claws and clips rather than bolts and screws.



Front bumper



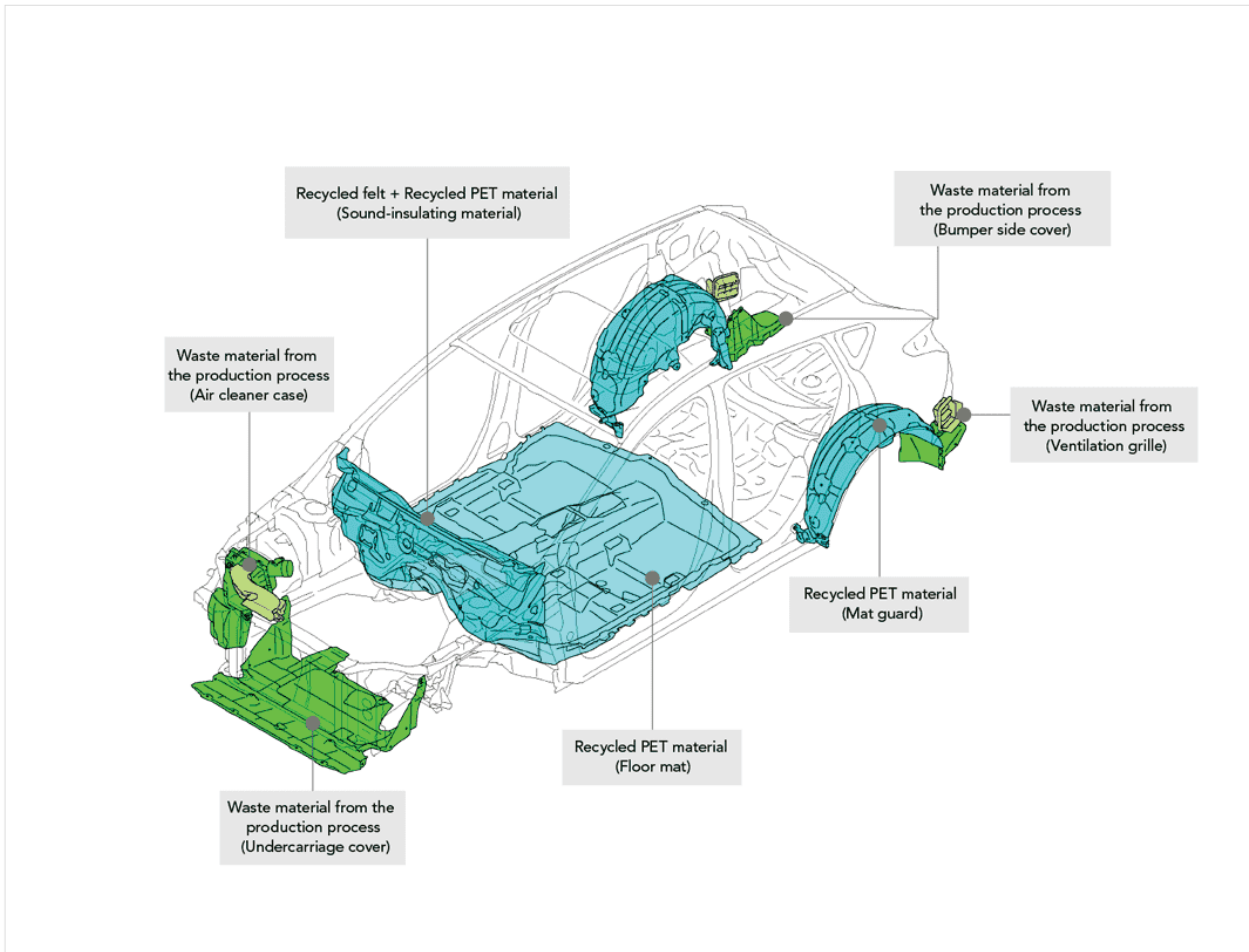
Rear bumper

## Use of Recycled Materials

### Utilizing Recycled Resins

To contribute to realizing a resource-recycling society and a decarbonized society, SUBARU is working to develop technologies to utilize recycled resins and biomass materials in place of the resins currently used in automobiles.

### Examples of recycled resin use in the 2023 Crosstrek and Impreza



### Utilization of recycled materials in floor mats (Subaru of America, Inc.)

Subaru of America, Inc. has developed environmentally friendly accessories, specifically floor mats made from materials recycled from marine debris. Both the surface and backing consist of 100% eco-friendly materials. In 2023, 164,000 units were sold.



Floor mats made from recycled materials

### Recycling of Windshields (Subaru of America, Inc.)

The recycling of the films used in windshields has posed challenges. To address this, SUBARU has partnered with a processor capable of material recycling, leading to the successful recycling of over 7,000 windshields.

## Upcycling Initiatives to Recycle Production Scrap Materials into New Goods

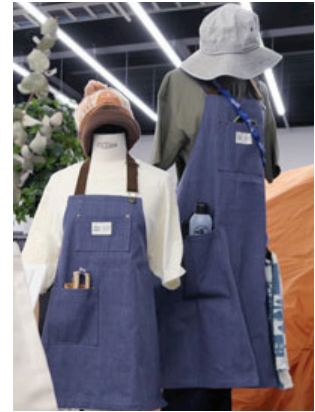
In the concept of upcycling, items that were once disposed of are transformed into products of attractive value. SUBARU is focusing on scrap materials generated in the manufacturing process to collaborate with peer companies and create new value beyond the boundaries of automobiles.

### Aprons made from leftover cloth and cotton waste from factories (Takihyo Co., Ltd.)

SUBARU aims to enrich lifestyles and conserve the global environment through its goods. A direct outcome of connecting this idea to product development is our partnership with Takihyo Co., Ltd. to collect leftover cloth and cotton waste from factories and use the re-spun fabric to make aprons. These are designed with ample thought given to pocket location, combining design and environmental performance.

See the following link for product information:

<https://onlineshop.subaru.jp/subaru/lifestyleitem/FHTK22002000> (in Japanese only)



Aprons produced in collaboration with Takihyo Co., Ltd.

### Eco-Friendly Shopping Bags Made from Leftover Fabric (TOYODA GOSEI Co., Ltd.)

SUBARU has created an eco-friendly bag (product name: Marche Bag) that is essential for everyday life by making use of scrap materials that would have been discarded during the production process of airbag fabric. As part of SUBARU's commitment to safety, Marche Bag uses a patented reflective material that glows in the dark, enhancing safety on roads at night. Furthermore, we have used ergonomic theory to adjust the thickness of the handle so that even when carrying heavy loads, the weight does not put a strain on the arms.



Marche Bag made from leftover fabric

### Key Straps Made from Upcycled Fishing Net Waste (CANVAS CO., LTD.'s PoLER brand)

SUBARU collaborated with CANVAS CO., LTD. to address marine pollution by producing key straps made from discarded fishing nets. Portions of the straps are made from recycled fishing nets processed into a material called reamide.

By using this reamide derived from used fishing nets, SUBARU contributes to resolving the marine debris problem while also reducing CO<sub>2</sub> emissions compared to the use of virgin materials.



Key straps made in collaboration with the POLeR brand made by CANVAS CO., LTD.

## Development of Sustainable Materials

### Research on Plant-derived Materials such as Food Processing Residue

Mixing post-juicing fruit residues and thinned wood into resins allows us to cut down on petroleum-based resin use. We are effectively utilizing plant-derived waste as raw materials for automobile parts, which until now had to be incinerated in food processing and other areas, making it a social issue. Through this utilization, we are not only recycling resources, but also promoting research so that people can enjoy the natural feel and narrative of sustainable materials with peace of mind.



New leather made from fruit residues (Prototype)



New components utilizing thinned wood powder and bamboo powder (Prototype)

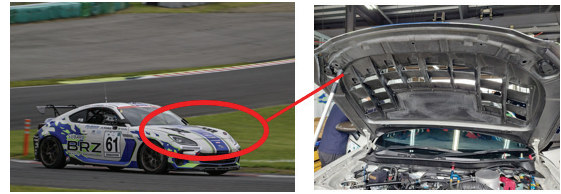


### Research on High-performance Recycled Materials

SUBARU has been studying the reuse of waste generated in the product manufacturing process from various angles. One example comes from a collaboration with SUBARU's Team SDA\*1 Engineering, the team leading our entry in the Super Taikyu Series of races. Here, we have taken a carbon fiber bonnet, made of carbon fiber recycled from composite waste generated in aircraft parts manufacturing, using the bonnet in the SUBARU BRZ used in competition. This has reduced not only the vehicle's weight but also its environmental impact.

In addition, the development of a material using recycled carbon fiber that comes as close as possible to the material properties of the original carbon fiber and the construction of an optimal design method using recycled carbon fiber composite materials became the topic of joint collaboration between SUBARU and other institutions to achieve reuse in aircraft parts, which are subjected to more rigorous conditions. It resulted in a joint proposal, the research on the technology of continuous production of recycled carbon fiber and its application to aircraft, which was adopted as a New Energy and Industrial Technology Development Organization (NEDO) research program.

\*1 Acronym for SUBARU Driving Academy, a human resources development initiative to raise driving and evaluation skills of SUBARU engineers



Lightweight bonnet hood using recycled carbon fiber

## Site Initiatives

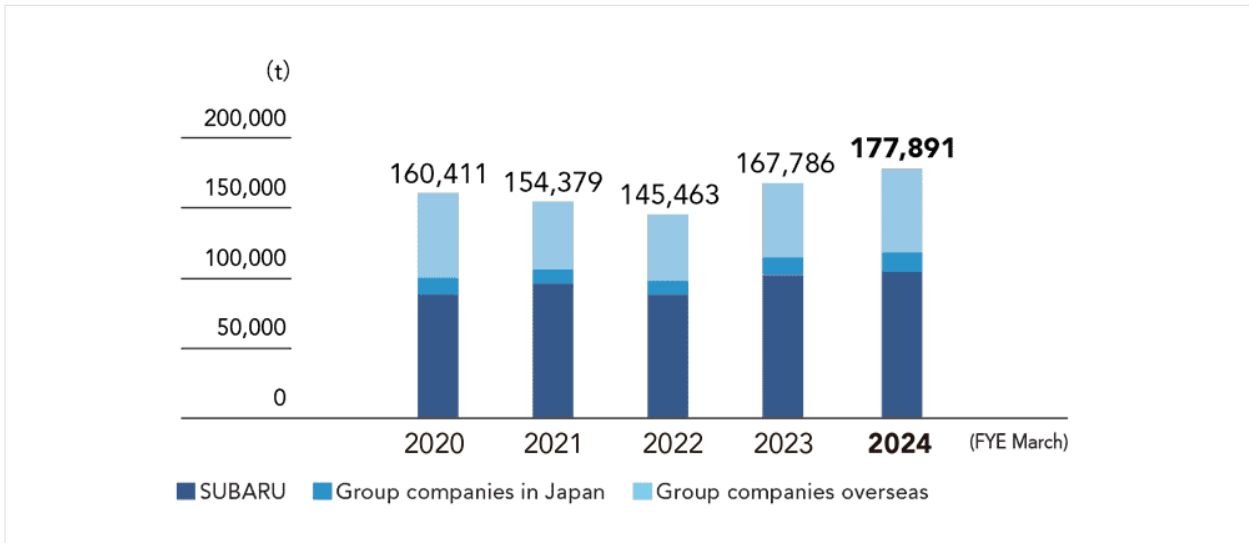
Waste generation in FYE March 2024 increased 10,105 tons year on year due to increased production volume. As waste is also an important resource, we have maintained zero emissions\*2 of waste since FYE March 2015 through maximum recovery and recycling and proper treatment of waste generated. As part of its measures to deal with waste plastic, SUBARU has begun exploring waste plastic material recycling, including the reuse in automotive parts and other applications of reject bumpers from the manufacturing process.

\*2 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 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 (solid fuels, etc.)	Refuse paper and plastic fuel (RPF)
Paper waste	Recycled paper, RPF, etc.

**Waste Generation**



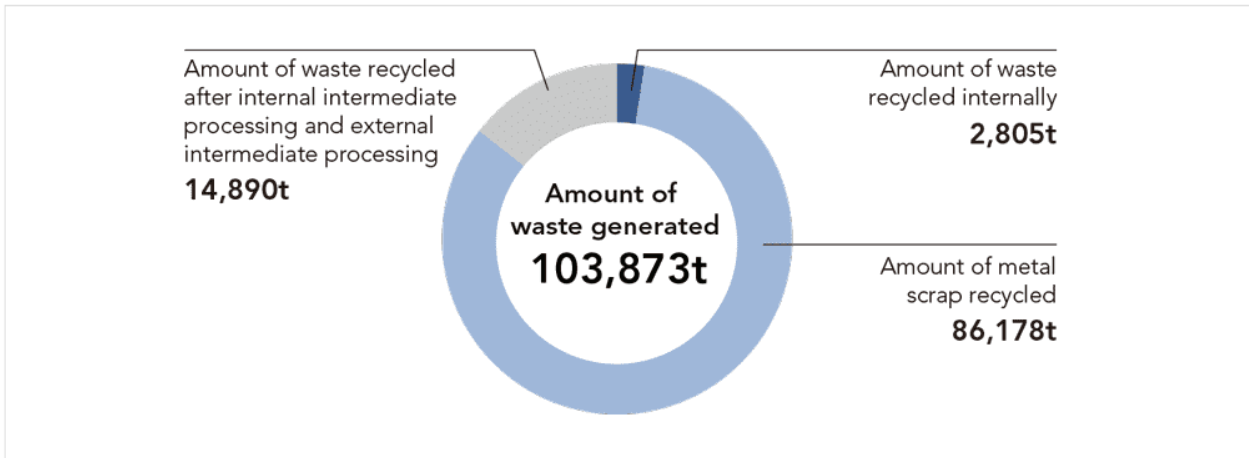
Scope

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant, Ebisu Subaru Building, Accessory Center, SUBARU Training Center

Domestic Group companies: 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.

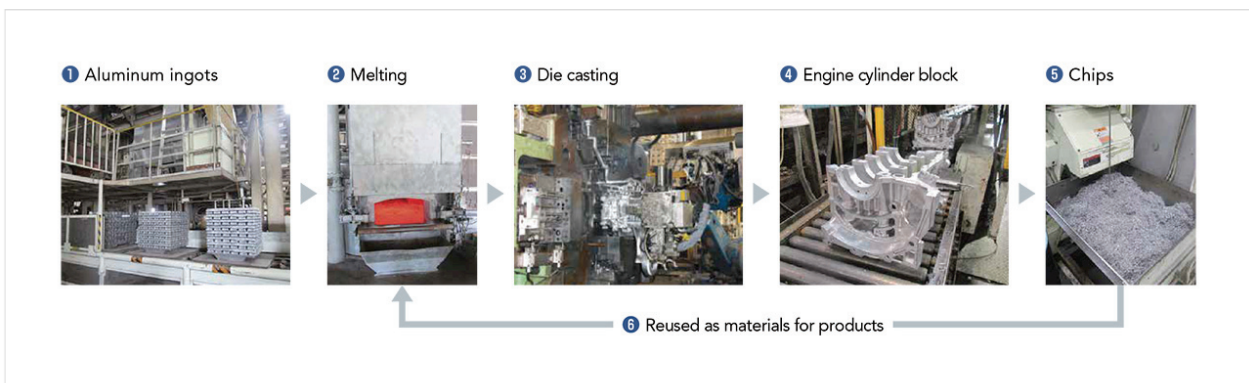
**Amount of Waste Generated and Processed**



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

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

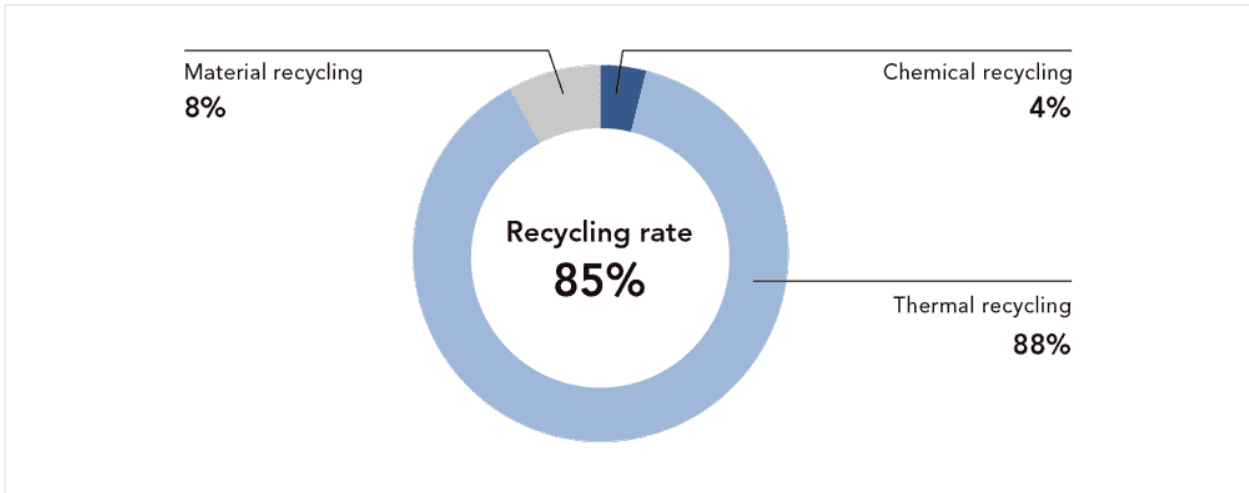
**Recycling of aluminum chips**



### Initiatives and Achievements for Circular Use of Waste Plastic

In FYE March 2024, waste plastic accounted for 2.3% of the SUBARU Group's waste generation. Although the amount of waste plastic generated is a small percentage of total waste generated, SUBARU will work to improve the waste plastic recycling rate and actively pursue circular use of waste plastic, including considering a switch from thermal to material and chemical recycling methods.

#### FYE March 2024 SUBARU waste plastic recycling rate and recycling treatment breakdown



#### Scope of aggregation

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant, Ebisu Subaru Building, Accessory Center, SUBARU Training Center

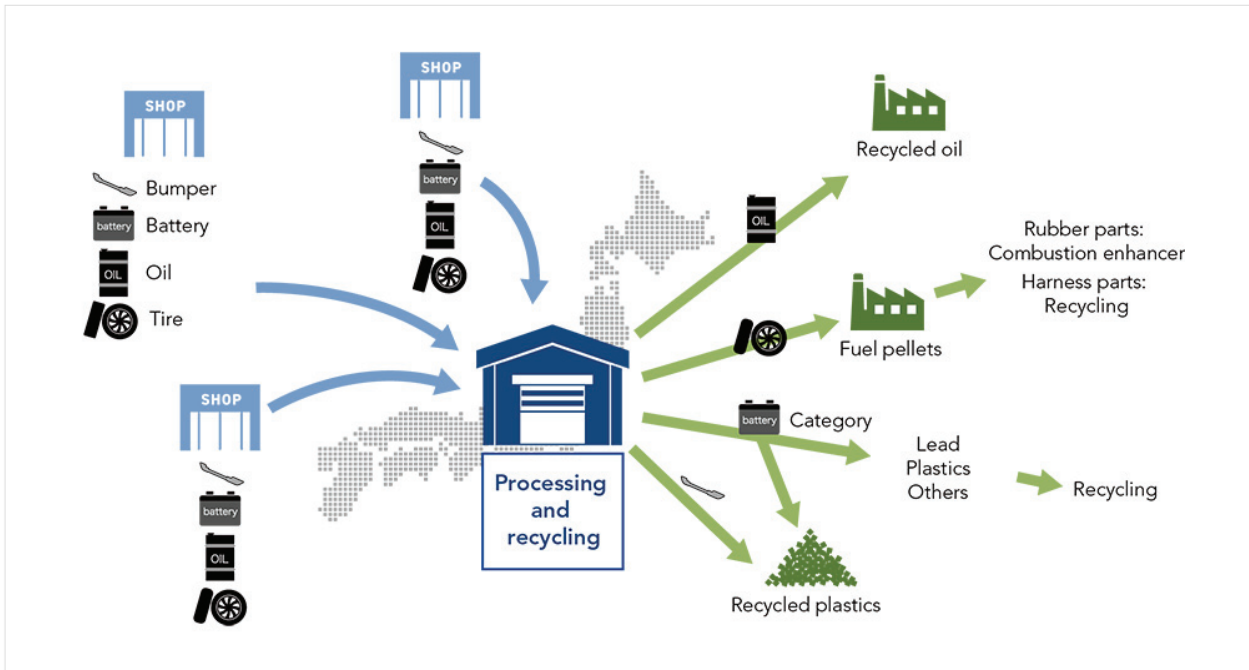
### Employee Participation in Recycling Waste (Subaru of Indiana Automotive, Inc.)

Every year, Subaru of Indiana Automotive, Inc. provides support for employees to bring in waste from their homes for proper recycling and disposal. In 2023, we recycled approximately 31,000 pounds of hazardous waste, from oil and paint to electronic equipment and pharmaceuticals.

## Sales Initiatives

### Zero Emissions of Waste from SUBARU Dealerships in Japan

Dealerships in Japan are committed to the proper management of waste generated from their business activities and to recycling to achieve zero emissions in Japan. In FYE March 2024, these initiatives resulted in the collection of 26,153 used bumpers, 145,347 lead batteries (containing 1,986 tons of lead material), 5,018 kL of oil, and 190,819 tires. Zero emission initiatives led by dealerships, which work most closely with customers, are activities that will contribute more directly to environmental conservation in local communities. The initiatives are expected to help promote proper processing, recycling, and the effective use of resources.



**Recycling of used bumpers**



**Recycling of Waste Oil**

Waste oil generated at SUBARU dealerships 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.

Waste cooking oil discharged by the operator of the employee cafeteria at the Subaru Logistics Co., Ltd. headquarters is recycled under the Fry To Fly Project scheme, which aims to convert the oil into sustainable aviation fuel (SAF). At present, this oil is recycled as biodiesel fuel, with plans to recycle it as SAF starting in 2024.

**Proper Processing of End-of-life Vehicles**

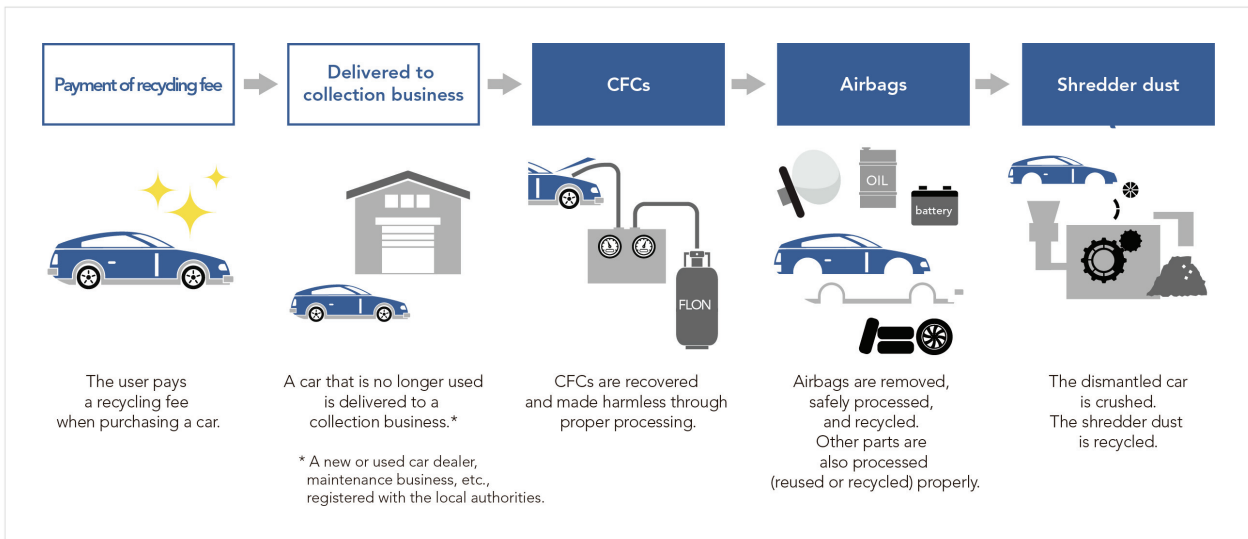
SUBARU is participating and collaborating actively in the building of an automotive recycling system to reduce the environmental impact of end-of-life vehicles. SUBARU is also focusing on promoting the development of easy-to-recycle vehicles, and collaborates with its dealerships nationwide by jointly operating an automotive recycling system aimed at promoting the proper processing and raising the recycling rate of ASR, airbags, and CFCs.

In FYE March 2024, the ASR recycling rate was 96.6%, achieving the legal target of 70% for FYE March 2016 and thereafter. The airbag recycling rate was 96.6%, exceeding the legal target of 85%, and all CFCs recovered were processed properly.

Detailed information on the level of progress with these recycling initiatives and SUBARU's other activities based on the Act on Recycling, etc. of End-of-Life Vehicles is disclosed separately on the web page indicated below.

- > [About the 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



### Act on Recycling, etc. of End-of-Life Vehicles

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 vehicles. SUBARU has been promoting the smooth, proper, and efficient recycling of ASR through the Automobile Shredder Residue Recycling Promotion Team (ART).<sup>\*3</sup> We also ensure proper processing of airbags and CFCs through operations of Japan Auto Recycling Partnership Ltd., established jointly with Japanese automakers and importers.

<sup>\*3</sup> A team to promote the recycling of ASR, organized by 12 domestic automobile manufacturers and importers in 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.

### Use of Rebuilt Items (Subaru of America, Inc.)

In the U.S., to achieve a recycling-oriented society, SUBARU is working on the use of rebuilt items<sup>\*4</sup> for replacing large components such as engines and transmissions. This initiative aims to reduce environmental impact and lower costs for customers by extracting and reusing all available seals and gaskets from replacement parts.

<sup>\*4</sup> Repair parts such as engines, etc., for which consumable parts are replaced and usable parts are reused in accordance with inspection standards.

### Initiatives at the Headquarters Building (Subaru of America, Inc.)

The SOA headquarters building has acquired silver LEED certification, and the company is making efforts to use recycled materials, such as using recycled wood for the lobby and café wall decorations and using recycled materials for some of the employee workstations and carpets. Many recycled materials are used in the construction of the entire building, from the steel frame and metal parts to the precast panels and finishes.

### Eco Friendly Retailers (Subaru of America, Inc.)

SOA has launched the Eco-Friendly Program in collaboration with its retailers across the U.S. to promote the reduction of environmental impacts related to energy, water, and waste. To obtain certification under the program, retailers must meet standards in areas such as energy efficiency and recycling. As of 2023, 255 retailers, representing 40% of the program, have participated. In 2023, as part of the resource circulation initiatives under the program, approximately 20 tons of waste generated by the dealerships was processed for recycling.

### **Zero Landfill Waste Joint Initiative in U.S. National Parks (Subaru of America, Inc.)**

SOA has leveraged its expertise in zero landfill waste at Subaru of Indiana Automotive, Inc. (SIA), collaborating with suppliers, the National Parks Conservation Association, the National Park Service, and others since 2015 to reduce waste from three national parks: Yosemite National Park (California), Denali National Park and Preserve (Alaska), and Grand Teton National Park (Wyoming). To date, over 10,000 tons of waste has been diverted from landfills to recycling and composting. SOA received the Silver Halo Award and the Corporate Stewardship Award in 2020 in recognition of zero landfill initiatives in national parks. In October 2023, the National Parks Conservation Association (NPCA) presented the Centennial Leadership Award to SOA in recognition of its ongoing commitment and support for national parks in the United States.

### **Subaru Park Zero Landfill (Subaru of America, Inc.)**

Subaru Park, a soccer stadium in Chester, Delaware County, Pennsylvania, supported by Subaru of America, Inc, has become the first Major League Soccer Stadium to achieve zero-landfill status since 2021. In 2023, approximately 270 tons of waste generated at Subaru Park was processed for recycling.

### **E-waste (Subaru of America, Inc.)**

One of Subaru of America, Inc.'s initiatives is to appropriately recycle e-waste (waste from electric and electronic devices) from employee homes. In its 2023 Earth Day event, approximately 500kg of e-waste was collected and processed for recycling.

### **Sustainable Subaru Gear (Subaru of America, Inc.)**

Subaru of America, Inc. works with Staples Corporate to provide environmentally friendly SUBARU-branded clothing and products for people and their pets, and helps reduce environmental impact by utilizing 100% recycled plastic bags and recyclable shipping boxes. In 2023, more environmentally friendly products were added, accounting for more than 40% of the total products offered.

In addition, Staples Corporate continued its partnership with EcoVadis, a sustainability rating agency, and maintained its Silver status, ranking in the top 25% of companies and industries evaluated. Staples Corporate also launched a responsible procurement in 2023, which is driving continuous improvement in the supply chain.

### **Zero landfill initiative at Subaru of Mississauga**

In collaboration with the local business U-PAK DISPOSALS, approximately 40,000 tons of waste was collected and processed for recycling for the year through the Energy from Waste program.

### **Food Waste Reduction Activities (Subaru of America, Inc.)**

SOA has partnered with hospitality partner Eurest to strategically place scrap containers throughout the office to collect employees' food waste. In FYE March 2024, approximately 20 tons of food waste was repurposed as animal feed and compost.

### **Initiatives for Environmental Conservation Education (Subaru Canada, Inc.)**

Subaru Canada, Inc. has organized events and activities for e-Waste Week to promote awareness and education about the importance of environmental conservation, including major spring cleaning. For Clean Air Day in Canada, Subaru Canada also held a breakfast meeting and a unique commuting challenge for all employees who walk/run to work or otherwise commute by bicycle, by public transport, or by carpooling.

## Logistics Initiatives

### 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. In FYE March 2024, the amount of packaging materials reused increased 20% year on year to 1,023 tons, a vehicle intensity of 2.8 kg. This was due to a significant increase in the number of packaged units and the full-scale mass production of the new Impreza, which has a high reusable material adoption rate.

Going forward, we will continue to promote the reuse of materials to reduce environmental impact.

(FYE March)

	2019	2020	2021	2022	2023	2024
<b>Amount reused (t)</b>	776	1,020	661	786	852	1,023
<b>Intensity (kg/vehicle)</b>	2.1	2.8	2.4	2.7	2.8	2.8

#### Reduction of Wrapping Materials on Bumpers for U.S. Market

At Subaru of America, Inc., non-colored bumpers imported from Japan are re-wrapped for protection during transport within the U.S. In FYE March 2021, we have launched an initiative to remove the need for re-wrapping in the U.S. by applying high-strength wrapping material with high shape stability before export from Japan.

#### Distribution Centers (Subaru of America, Inc.)

Subaru of America, Inc.'s regional distribution centers use returnable containers to reduce the amount of cardboard and wood used when transporting parts. In 2023, a total of 2,131 pounds of waste was recycled at all locations, including wooden pallets and electronic waste, for a total recycling rate of 85.3%.

#### Promoting Environmentally Friendly Packaging Materials

The company's Parts Distribution Center is progressing with environmentally friendly initiatives on packaging materials and began exploring a range of measures in FYE March 2022, namely switching from cardboard to paper packaging for improved transport efficiency, use of packaging materials with 10% content of biomass plastic material, and switching from resin to cardboard pallets.

The Parts Distribution Center, has successfully eliminated plastic use and improved workability through the use of paper cushioning and packaging materials. After studying the possibility of switching from wood to cardboard as a packaging material for large parts such as bumpers, engines, and transmissions, we adopted cardboard from FYE March 2024. In addition, from FYE March 2024, we are working to eliminate excessive quality in plastic packaging materials (e.g., eliminating, reducing size of, and adjusting thickness of materials) in order to eliminate plastic use. We are also promoting environmentally friendly initiatives in packaging materials.

## Procurement Initiatives

SUBARU reuses remnant materials and scrap generated during the production of automobiles as well as end-of-life products that have been collected and other reusables as resources for materials, such as iron, aluminum, and plastics, which account for a large proportion of materials used in making an automobile. Through these efforts, we are promoting closed-loop recycling\*<sup>1</sup> to reduce natural resource consumption and waste generation.

\*1 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.

Raw Materials Used in Automobiles in FYE March 2024		Recycling Method
Iron	619,057t	Delivered to dealerships in the form of iron scrap for reuse
Aluminum	30,976t	Re-melted at plants and reused almost entirely
Plastics	24,872t	Crushed again at plants and reused partially



# Coexistence with Nature

## Our Approach

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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.

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 (Ministry of the Environment) 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.

In addition, SUBARU is involved in the Cherishing Every Life Project together with SUBARU dealerships as an activity to expand the circle of empathy and living in harmony through contributions to society. In this project, with its DNA as an aircraft manufacturer that places top priority on safety, SUBARU is expanding its initiatives alongside customers and local communities, based on its longstanding core values of Life Protection and Human-Oriented Monozukuri.

### SUBARU Guidelines on Biodiversity

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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.

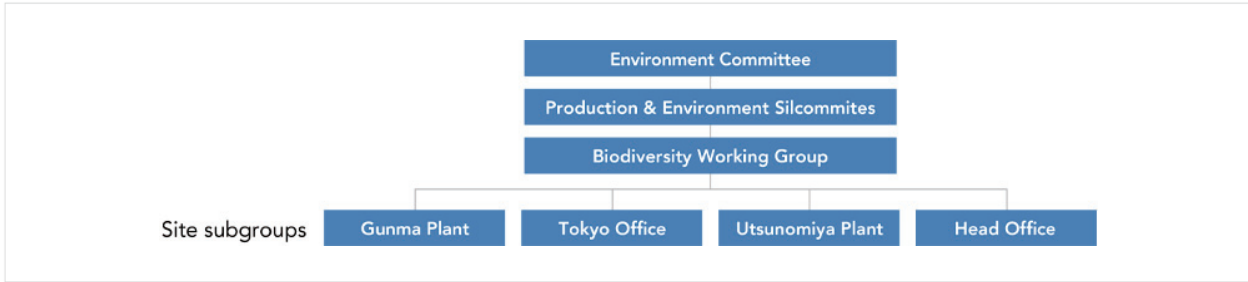
Established in April 2019

## Management System

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SUBARU has established the Biodiversity Working Group as a body to drive biodiversity initiatives subordinate to the Production & Environment Subcommittee. Its role is to regularly update on the goals and issues of SUBARU's biodiversity activities, provide survey findings to support the formulation of plans, and undertake other information-sharing activities. Under the control of the Biodiversity Working Group, we have set up four further site subgroups at the Gunma Plant, Tokyo Office, Utsunomiya Plant, and Head Office. In addition to formulating roadmaps for initiatives at each site and biodiversity initiatives, these subgroups also share biodiversity-related matters with the Procurement Committee and the Cherishing Every Life Project, among other bodies. As with other working groups, the Biodiversity Working Group reports regularly on its initiatives to the Environment Committee, which undertakes overall management of the progress and direction of the initiatives.

## SUBARU's Biodiversity Management Organization



## Initiatives

SUBARU supports the Declaration of Biodiversity by Keidanren (Japan Business Federation) and has established the SUBARU Guidelines on Biodiversity to continue business activities with consideration for biodiversity, including efforts such as the SUBARU Forest conservation initiative.

In addition, we have set two project themes: irreplaceable human life and the natural life of plants and animals in the rich forests we aim to protect. Through these themes, we empathize with and support those who are working daily to protect and sustain life, striving for a future filled with smiles. As part of our “natural life” initiatives, we are collaborating with organizations managing national parks to support efforts to protect natural life. Our partnerships include the Shiretoko Nature Foundation, which works to preserve the natural environment of the Shiretoko World Heritage Site and pass it on to future generations in better condition, and the Natural Parks Foundation, which manages 15 of Japan's 34 national parks.

### Initiatives for Coexistence with Nature

#### SUBARU Forest Project

Since FYE March 2018, 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

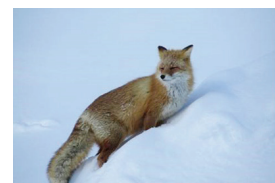
In a forest of approximately 115 hectares located on the premises of SUBARU Test & Development Center Bifuka Proving Ground, SUBARU started forest management and conservation activities in FYE March 2018, including tree-planting, thinning, and nature conservation. We aim to carry out these activities 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, we began purchasing J-Credits in FYE March 2022 as a measure against climate change.

Wood from thinning during forest maintenance projects at SUBARU Forest Bifuka is used as biomass fuel. Meanwhile, wild animals such as Ezo red foxes and brown bears that live in the surrounding area have been spotted on the premises, and we are considering measures aimed at coexistence with these animals in cooperation with local governments.

In addition, as of FYE March 2020, Bifuka Town has acquired the international SGEC-FM forest certification\* for town- and SUBARU-owned forests, in order to achieve effective use of forest resources.



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



Ezo red foxes have been spotted on the premises

\* Forest Management Certification by the Sustainable Green Ecosystem Council (SGEC)

## Sponsorship of a tree-planting ceremony at Bifuka Town

In 2018, Bifuka Town and SUBARU signed an agreement on implementation of forest conservation activities in order to carry out tree planting, forest thinning, nature conservation, and other activities in a forest of about 115 hectares on the SUBARU Test & Development Center Bifuka Proving Ground site as part of SUBARU Forest Project activities, as well as to conduct activities in partnership with local communities. As part of these activities, SUBARU sponsors an annual tree-planting ceremony. At the tree spirit ceremony and tree-planting ceremony held in June 2024, a total of about 60 locals, forestry-related attendees, local forestry association attendees, and administrative staff joined the festivities. With the hope of passing on healthy and abundant forests to the next generation, participants planted 350 Kuril larch trees, a variety chosen for its compatibility with the biodiversity of Bifuka Town.



About 60 people participated in the tree planting



Participants from SUBARU and the mayor of Bifuka Town (center)

## 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 2019. 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 four years starting from FYE March 2020. The donations are used, among others, for boardwalk improvements in Matsuyama Marsh. Four donations have been made to date, with the funds used to replace the old signpost and maintain trails so that the trekking route is properly demarcated to preserve valuable vegetation and ensure the safety of visitors.



A beautiful Matsuyama Marsh landscape



Repaired walking paths around Matsuyama Marsh

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

## SUBARU 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's name, "SUBARU Friendship Forest Akagi," was used for the five years through 2023, during which SUBARU supported the conservation and maintenance of the prefectural forest. In March 2022, we also donated 10 bike racks made from thinned wood to the forest park. Since FYE March 2021, we have carried out four donation drives in total, part of the 9.8 million yen we will donate over the five-year period to the prefectural government to support forest park conservation and management.



SUBARU Friendship Forest Akagi

## Natural Life

With its DNA as an aircraft manufacturer, SUBARU continues to practice a human-oriented approach to monozukuri, where it places top priority on safety. Based on its longstanding core value of the protection of life, we are expanding our initiatives alongside customers and local communities. Under the two project themes of human life, which is irreplaceable, and natural life, which is rich forests and plant and animal life, SUBARU is working to support people who, like us, have a strong belief in the protection of life and are working day by day to protect and connect life to a future full of happiness. With regard to natural life, we are promoting partnerships with management organizations that manage national parks. For instance, we have formed partnerships with the Shiretoko Nature Foundation, whose mission is to protect the nature of the Shiretoko World Heritage Site on the Shiretoko Peninsula and pass it on in a better form to future generations, and the Natural Parks Foundation, which practices management at 15 of the 34 national parks across Japan. Through the latter, we are supporting the activities of people who protect natural life in places rich in nature.



Cherishing Every Life Project

## National Park Official Partner

In December 2023, the Ministry of the Environment and several corporations and other organizations worked together to establish the National Park Official Partnership program, which is aimed at raising the number of national park users and visitors, helping people better understand natural environment preservation efforts, and to vitalize communities around these parks. Through the Cherishing Every Life Project, we also contribute to vitalizing national parks and messaging about their appeal.



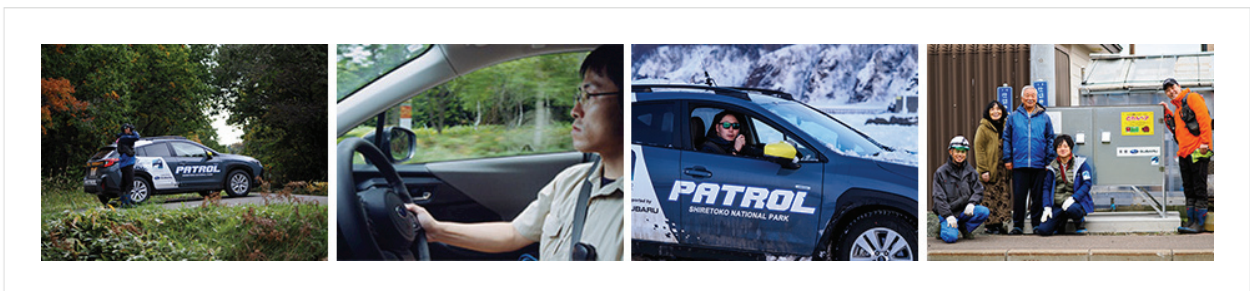
Signing ceremony for the National Park Official Partnership with the Ministry of the Environment

## Support for the Shiretoko Foundation through the Natural Life Side of the Cherishing Every Life Project

As part of our initiatives for natural life, SUBARU has provided two patrol cars to support the activities of the Shiretoko Nature Foundation, whose mission is to protect the nature in and around the Shiretoko World Heritage Site in Shiretoko National Park and pass it on in a better form to future generations. The vehicles are used for management at Shiretoko National Park and patrols ensuring an appropriate distance between wildlife and people, as well as for reforestation activities to restore the rich and diverse forest that once existed on the former Shiretoko settlement site. SUBARU and dealership Hokkaido Subaru Co., Ltd. are participating in the reforestation project by providing employee training and volunteer activities.

In addition, to reduce conflicts between local residents and brown bears, an issue in the Shiretoko area, the Shiretoko Foundation is promoting the installation of sturdy garbage stations to prevent brown bears from feeding on household garbage. By supporting the installation of these dedicated garbage stations, SUBARU contributes to community safety.

## Natural Life | Cherishing Every Life Project | SUBARU



## Support for the Natural Parks Foundation and Nasu Heisei-no-mori Forest through the Natural Life Side of the Cherishing Every Life Project

As part of our initiatives for natural life, SUBARU has entered into a partnership with the Natural Parks Foundation, which manages 15 of the 34 national parks across Japan, to support the operation and management of each park by providing vehicles that meet the objectives of their activities. To support the activities of interpreters affiliated with the Nasu Heisei-no-mori forest in Nikko National Park, we provide them with SUBARU's first global battery EV, the Solterra, via cooperation with Tochigi Subaru Co., Ltd., one of our dealerships. In addition to being used for various activities held at Nasu Heisei-no-mori Forest, the cars will also be used for extracurricular classes and other activities such as exhibits at local events in and around Nasu Town.

In cooperation with Tochigi Subaru Co., Ltd. and Nasu Heisei-no-mori Forest, we are also holding events for customers to enjoy nature at national parks.

\* Experts who conduct interpretive activities such as guided walks, nature experiences, and educational programs.

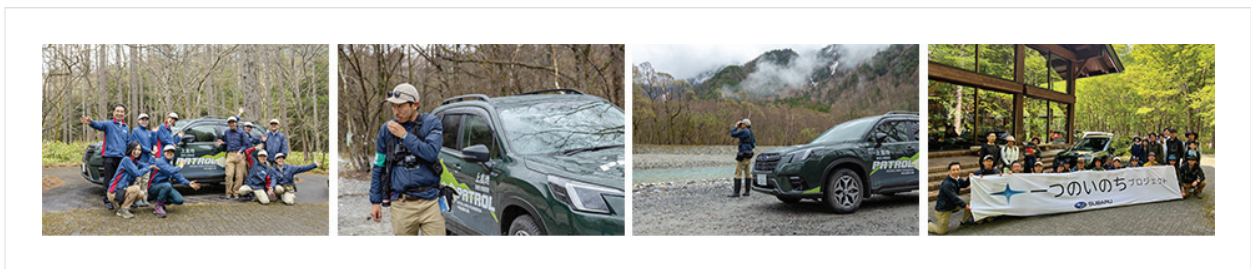
### Activity Report: Enjoying Nature at National Parks | Natural Life | Cherishing Every Life Project | SUBARU



## Support for the Natural Parks Foundation and Kamikochi through the Natural Life Side of the Cherishing Every Life Project

Subaru Shinshu Inc., a SUBARU dealership, provides patrol cars to the Kamikochi area of the Chubusangaku National Park to monitor wildlife to maintain an appropriate distance between people and wildlife, and to inspect park roads to ensure that visitors can safely use the vast park grounds.

In addition, with the cooperation of the Natural Parks Foundation, we held a nature event for employees of Subaru Shinshu Inc. We also conduct activities that allow participants to learn about the depths of nature that cannot be seen with the naked eye and learn what it means to protect natural life.



› [Cherishing Every Life Project \(Japanese version only\)](#) ㊦

## 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.

### Formulation of Landscaping Guidelines

SUBARU has formulated the Landscaping Guidelines, in the belief that in order to establish itself in a community and conduct business activities while being loved by community members, it is necessary to be mindful of the environment, history, and climate of each community and aim to create sites that are well-rooted locally. The Landscaping Guidelines stipulate that in addition to the procedures for formulating planting lists, each site must follow the three principles for the prevention of damage by invasive alien species set forth by the Ministry of the Environment, namely "do not introduce, release, or spread" in order to conduct business activities that do not have a negative impact on biodiversity.

Procedures for Formulating Planting Lists from the Landscaping Guidelines

1. Formulate a planting list from species endemic to the area around the site, referring to plants in facilities that have maintained nature since ancient times, such as shrines, temples, and natural parks in the surrounding area, as well as guidelines and lists issued by each local government for selecting native species as available.
2. If it is difficult to formulate a planting list of species endemic to the area around the site, a planting list should be formulated based on plants other than those listed as invasive alien species as published by the national government and local governments.
3. Formulate a planting list from plants selected in the first two steps. Consider consulting with construction companies when formulating this list.

### Kitamoto Plant, Gunma Plant

The Kitamoto Plant 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. When planting in the vicinity of the plant building's entrance, we selected mixed shrubbery based on the Landscaping Guidelines.



Cherry trees at the Kitamoto Plant



Planting around the plant building entrance

### Oizumi Plant, Gunma Plant

Ecological surveys (birds, mammals, plants, aquatic organisms, and insects) were conducted in a reservoir area and open ditches on the Oizumi Plant site. The survey results showed that the wetland and aquatic environments are maintained throughout the year, and successfully identified several important and desirable species for conservation. Based on the survey results, we will continue to manage the site based on the maintenance and preservation of the existing wetlands and aquatic environment, and aim to register the site as a Nationally Certified Sustainably Managed Natural Site.

### Tokyo Office

At the Tokyo Office, we maintain and manage bamboo-leaf oak, East Asian beautyberry, and other species native to the Musashino area within the office's premises to enhance the landscape and biodiversity. We also participate in activities to protect the natural features of the region and share opinions with industry, government, academia, and the private sector.



Landscape as seen on the premises



Bamboo-leaf oak



East Asian beautyberry

## Utsunomiya Plant

### Planting at the Administration Building

When planting trees during the construction of the administration building, native Japanese species were selected based on the Landscaping Guidelines.

## Initiatives Based on Community Exchange

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With the aim of conducting biodiversity initiatives at each business site, we emphasize communication between SUBARU employees and the local communities and local governments, as they are our closest stakeholders. By participating in and organizing locally based events and by joining with members of the local community in biodiversity initiatives, we want to work together to contribute to global environmental protection and achieve coexistence with nature.

### 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. In FYE March 2024, we distributed seasonal flowers such as petunias and marigolds.

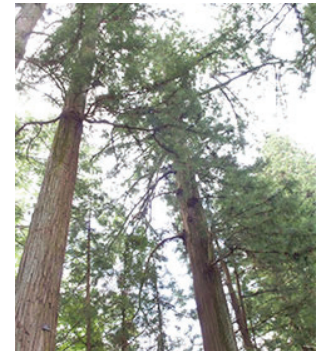
[> SUBARU Community Exchange Association \(Japanese version only\)](#) 

#### Elementary school flowerbed contest

This contest provides children in the community with an opportunity to realize the importance of life through the experience of planting flower seedlings donated by SUBARU and creating flowerbeds. We have been holding this flowerbed contest for elementary schools in Ota City and Oizumi Town since 2015. The event was canceled in FYE March 2021, but resumed in FYE March 2022 with due measures taken to prevent infection.

#### Protecting the Cedar Avenue of Nikko

SUBARU supports the protection of the famous line of cedar trees in the Nikko area, which is both a national special historic site and special natural monument in Tochigi Prefecture. Since 1996, SUBARU has also been the owner of two such cedar trees.



Nikko cedars

## Paperless Initiatives

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We are taking actions to go paperless by fully digitizing payment guides for our business partners to be available online and achieving paperless processing of internal accounting documents related to maintenance parts and vehicle accessories.

## Overseas

### Initiatives Aiming at Coexistence with Nature (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) has developed water retention areas and surrounding green spaces on plant premises with consideration for local wildlife habitats. As a result, wild Canada geese and herons use this area for feeding and resting, and a significant population of deer also resides in and around the plant site, which is surrounded by a rich natural environment. In 2003, the National Wildlife Foundation designated the site as a supportive wildlife habitat, marking the first such designation for an automotive production plant in the U.S.



Wild Canadian geese



SIA's rich natural surroundings

### Support for environmental conservation organizations and initiatives on Earth Day (Subaru of Indiana Automotive, Inc.)

SIA has been supporting environmental conservation organizations such as Wolf Park and NICHES Land Trust since 2020, aimed at protecting the surrounding area's natural environment. In addition, every year, SIA joins with the NPO Tree Lafayette to plant trees at local elementary schools on Earth Day. In 2023, SIA won the Earth Day Dealer Competition.



Tree-planting activity

### Subaru of America, Inc. (SOA)

The SOA headquarters building has acquired silver LEED certification, with environmentally friendly planting incorporated into its environmental protection efforts. Specifically, the site features a Pennsylvania Horticultural Society-designed landscape including native perennials, hardwoods, and grasses to create a drought-resistant location. This well-maintained landscape provides a diverse habitat for wildlife. The company has also introduced stormwater management initiatives, such as raising construction site grades, planting wetland species in areas with poor drainage, and installing a rain garden.

### Participation in the Philadelphia Flower Show (SOA)

In partnership with the Pennsylvania Horticultural Society, SOA participates in the Philadelphia Flower Show. The 2023 event featured workshops on how to plant flowers in pots provided as souvenirs. SUBARU cars, including the new Solterra electric vehicle, were displayed at the venue.



At the Philadelphia Flower Show

### PrintReleaf's Tree-Planting Program (SOA)

Allied Printing is a printing company actively engaged in environmental initiatives, participating in the PrintReleaf reforestation program, which plants trees based on the amount of paper used. SOA joined PrintReleaf through a partnership with Allied Printing, planting trees equivalent to approximately 321,000 sheets of paper consumed in 2023.

### Forest Conservation Through FSC-Certified Paper (SOA)

SOA uses Forest Stewardship Council (FSC) certified paper whenever possible. FSC-certified paper is recognized for its role in promoting activities that protect forests, such as maintaining their stable carbon storage volumes. SOA is also considering using EAGLECELL™\* as a material for large-scale printing jobs.

\*EAGLECELL™: An eco-friendly plastic alternative. This honeycomb graphic board made entirely from paper has a 100% recyclable paper core and surface.



### CoRe Projects (Subaru Canada, Inc.)

In 2023, Subaru Canada, Inc. (SCI) became the first corporate donor to Parks Canada's Conservation and Restoration (CoRe) Program,\* donating \$100,000 to help conserve nature.

\* CoRe projects take place across all national historic sites, national parks and national marine conservation areas managed by Parks Canada. All initiatives, from forest restoration to mitigating the threat of invasive species, share the common goal of conserving and restoring ecosystems, habitats, and species.

### Pollinator Garden (Subaru Research & Development, Inc.)

Subaru Research & Development, Inc. has replaced a grassy plot on its premises with a pollinator garden of approximately 10,117 m<sup>2</sup> in size during FYE March 2024. The goal of the Pollinator Garden is to create a natural planting garden that supports the work of pollinators (insects and other pollen carriers) and enhances their habitat. Additionally, by establishing this natural planting, the need for pesticides is eliminated, and this initiative is expected to save approximately 174 m<sup>3</sup> of water per year.



The on-premises pollinator garden

### Procurement with Consideration for Biodiversity

SUBARU surveys the use of animal and plant-derived materials, including cowhide and natural rubber, to ensure no negative impact on the ecosystem or human rights during procurement of biological resources.

SUBARU also uses copy paper made from 100% recycled paper pulp that is not from new plant resources.

# Water Resources

## Our Approach

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Water is an indispensable resource for the SUBARU Group's business activities. Water is also an important resource for SUBARU customers who love and enjoy coexisting with nature. 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.

## Management System

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The Production & Environment Subcommittee manages the SUBARU Group's water usage at each site, and both the total amount and amount used per unit of sales are maintained at a constant level.

The share of each water source in the total water consumption of the SUBARU Group, which consists exclusively of fresh water, is as follows: industrial water 65%, tap water 30%, and groundwater 6%. As we are well aware of the risks involved in using this valuable resource, 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.

## Risk Management

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The SUBARU Group uses a third-party expert to implement water risk assessments\* to ensure the sustainable use of water. These assessments estimated, 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. Risk assessments utilized the most severe RCP8.5 climate change scenario adopted by the Intergovernmental Panel on Climate Change (IPCC). 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. In FYE March 2024, we conducted an in-house water risk assessment using the World Resources Institute (WRI) Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter, confirming that water risk is generally below moderate, consistent with past surveys.

In addition, the SUBARU Group carries out disaster risk response for its business partners in Japan. When organizing the system for restoration support activities in the event of a contingency at our suppliers, we have also introduced a system to share information on disaster risks to both parties. Furthermore, for business partners near the Gunma Plant, a major plant receiving supplier materials at the SUBARU Group, we assess the risk of water-related disasters at more than 1,200 sites, including Tier 2 sites, and check contingency actions using a sheet for checking BCP initiative status as well as conduct mock drills and confirm subsequent corrective measures.

### Gunma Plant and Subaru of Indiana Automotive, Inc.

According to an assessment in FYE March 2017, 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 medium 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 FYE March 2018, 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: WRI Aqueduct Water Risk Atlas, WWF-DEG Water Risk Filter, PREVIEW Global Risk Data Platform, Climate Change Knowledge Portal, Integrated Biodiversity Assessment Tool, National Land Numerical Information: Possible Inundation Area Data and Sediment Disaster Hazard Area Data (Ministry of Land, Infrastructure, Transport and Tourism), NCD-VfU-GIZ Water Scarcity Valuation Tool (Version 1.0), Costing Nature/Water World, (Only for Gunma Plant and Utsunomiya Plant)

### Business Partners

For business partners near the Gunma Plant, a major plant receiving supplier materials at the SUBARU Group, we assessed the risk of water-related disasters at more than 1,200 sites, including Tier 2 sites. As a result, about 40% of the sites were assessed as being at risk of flood inundation and landslides. The sites were identified as those that were exposed to a life-threatening inundation risk, those that were located in areas where restoration efforts would be extremely difficult, and those that were located in areas where there was a risk of mudslides and other landslides. In addition to sharing the results of these risk assessments, we work with business partners to check contingency actions using a sheet for checking BCP initiative status as well as conduct mock drills and confirm subsequent corrective measures.

Response to Water Risks:

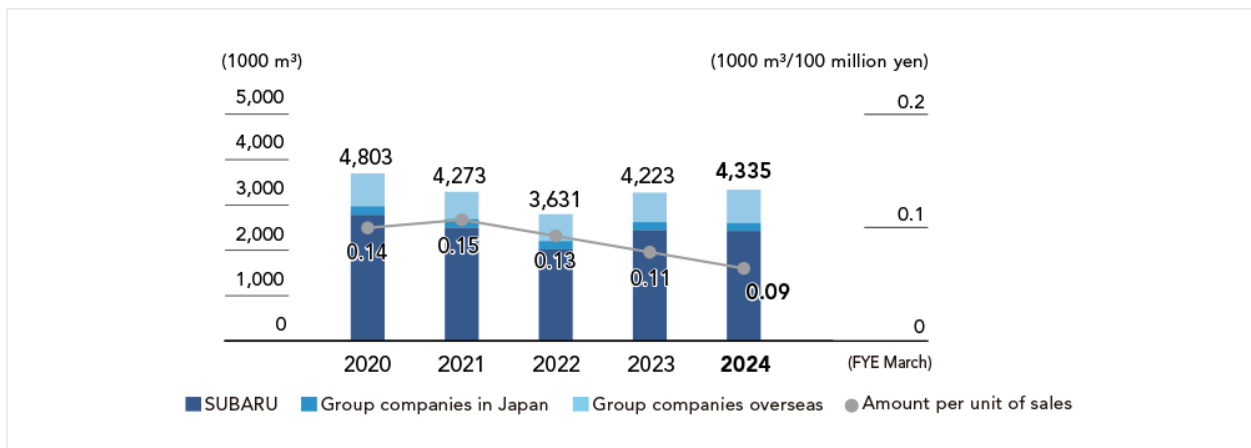
> [Risk Management: BCP](#)

## Initiative

### Site Initiatives

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



Scope

SUBARU:Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant, Ebisu Subaru Building, Accessory Center, SUBARU R&E Center (SKC), SUBARU R&E Center Bifuka Proving Ground, SUBARU Training Center

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

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

### FYE March 2024 Water Consumption by Source (Thousands of m<sup>3</sup>)

Scope	Tap Water	Industrial Water	Groundwater	Source of Water Intake
Japan	317	2,789	253	Tone River, Watarase River
North America	962	0	0	Groundwater from the Teays Valley aquifer
<b>Total</b>	<b>1,279</b>	<b>2,789</b>	<b>253</b>	

#### Scope

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

North America: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

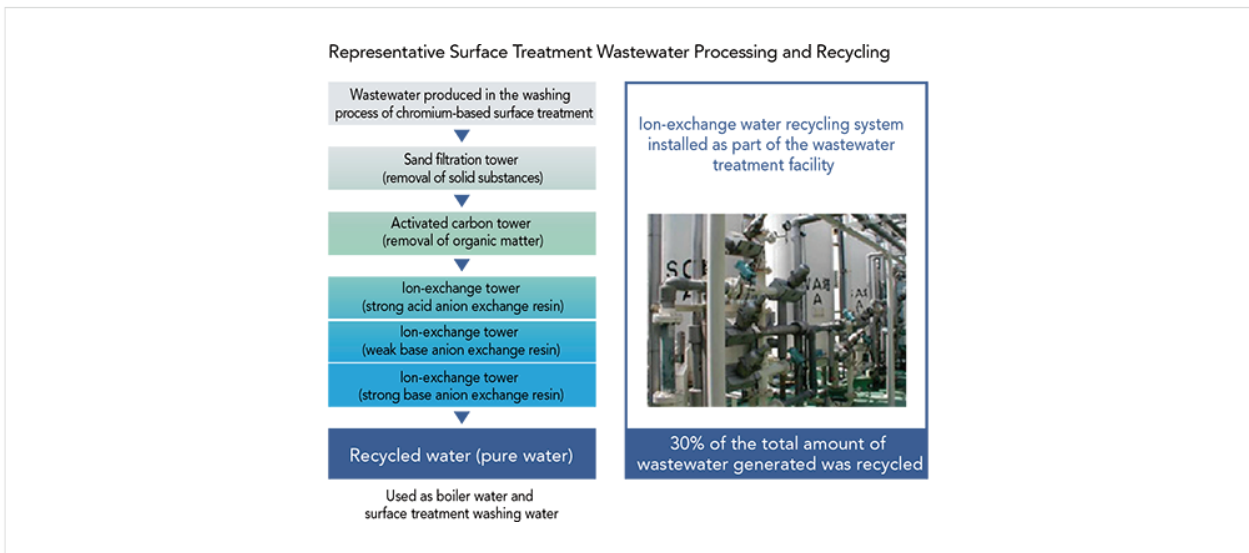
### Gunma Plant

In the Gunma region, wastewater from our plants is treated and then discharged into rivers after passing through an oil-water separation tank, where it eventually merges into the Tone River. Appropriate wastewater treatment is provided to ensure the water from the Tone River is safe during use for agricultural and domestic purposes in the downstream areas.

### Utsunomiya Plant

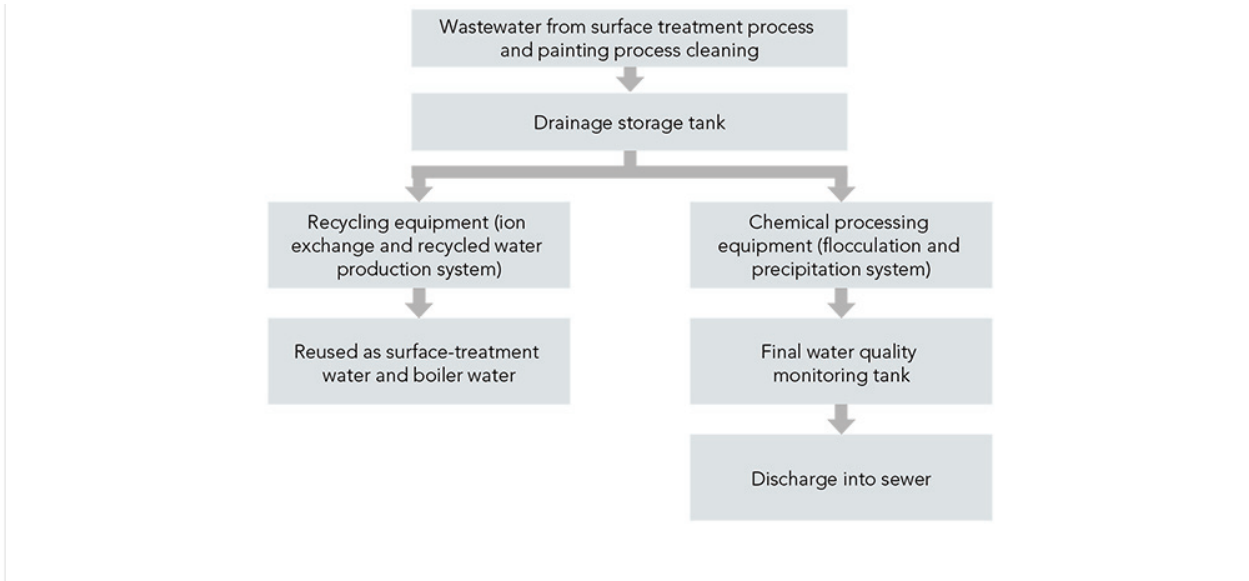
The Utsunomiya Plant has introduced a surface treatment facility equipped with an ion-exchange water recycling system that converts wastewater into pure water. In FYE March 2024, 34,545 m<sup>3</sup> (35.2%) of the total of 98,032 m<sup>3</sup> of water used in the surface treatment facility was recycled and utilized at the plant as washing water for the facility.

### Representative Surface Treatment Wastewater Processing and Recycling



In the Utsunomiya area, after treating wastewater from surface treatment processes we discharge it into the sewer system, and discharge rainwater and cooling water into the river after checking its quality in the final water quality monitoring tank. In addition, we dispose of wastewater from the painting process in the Handa area as industrial waste, and treat domestic wastewater in septic tanks prior to discharging it into Kinuura Port and the Agui River.

### Utsunomiya Area Wastewater Treatment Process



### Initiatives at Overseas Group Companies

#### Stormwater Management (Subaru of America, Inc.)

Subaru of America, Inc. (SOA) is addressing the risk of flooding on its premises by raising existing site grades by up to approximately 1.5 meters and planting wetland vegetation in areas with poor drainage, taking into account the importance of stormwater management. Its Subaru rain garden plays a role in mitigating the risk of flooding in the nearby Cooper River by temporarily storing stormwater.



SUBARU Rain Garden

# Prevention of Pollution

## Our Approach

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To realize an enjoyable and sustainable society as well as sustaining its own business activities, 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.

## Management System

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SUBARU, in cooperation with relevant departments and staff involved with environmental laws and regulations at domestic Group companies, utilizes its environmental management system and works to prevent and minimize their materialization of environmental risks involved in its business activities (environmental accidents, pollution, noncompliance with laws and regulations, etc.).

Among the specific measures taken across the SUBARU Group are enhanced sharing of information on environmental laws and regulations through creation of a network of officers in charge of this area within the SUBARU Group; provision of training in environmental laws and regulations to these officers; and review of the procedures and practice of internal audit relating to compliance with environmental laws and regulations. In implementing these initiatives, we will emulate the PDCA cycle of the environmental management system, identifying issues in each fiscal year as the basis for improvement in the next, thus taking continuous action to ensure comprehensive compliance with environmental laws and regulations.

SUBARU is also collaborating with suppliers from the design and development stages of next-generation vehicles in reducing the use of environmentally hazardous substances in automobiles, including cleaner exhaust gas and reducing volatile organic chemicals (VOCs) in vehicle interiors.

## Reducing Environmentally Hazardous Substances in Products

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SUBARU is actively working to reduce environmentally hazardous substances in its vehicles, working in cooperation with its suppliers from the design and development stages of its next-generation vehicles. We maintain achievement of the environmentally hazardous substance reduction targets for lead, mercury, hexavalent chromium, and cadmium set by Japan Automobile Manufacturers Association, Inc. (JAMA) for all new models released in and after 2008. Furthermore, in order to ensure compliance with the REACH regulation, ELV Directive, the U.S. Toxic Substances Control Act, Japan's Chemical Substance Control Law, and other regulations enforced across the world, we are further reducing the use of lead and replacing hazardous chemical substances in flame retardants, UV absorbers, and other materials with alternatives.

### 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. At the product level, we are expanding our range of models that meet the latest regulations by country, while addressing emerging regulations at the development level.

Japan: 2018 low emissions standards

U.S.: 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 metals.

### 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) in this area.

For the Legacy, Levorg, Impreza, Forester, and SUBARU BRZ, we achieved the voluntary target set by 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 (as revised in January 2019). 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 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 FYE March 2008. We will satisfy the revised indoor concentration guideline values by the Ministry of Health, Labour and Welfare for all new vehicles launched on or after 2022.

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

## Environmental Compliance at SUBARU Sites

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. In FYE March 2024, there were one air-related and two water quality-related violations of statutory standards, and one water quality-related and one noise-related violation of voluntary standards at the Gunma Plant, and one water quality-related violation of statutory standards at the Utsunomiya Plant. At the Tokyo Office, there were two water quality-related violations of statutory standards and four water quality-related violations of voluntary standards. We are conducting a root cause analysis of these issues, including investigating drainage systems and facilities, and will explore and implement measures to rectify the situation.

Name of the Site	Number of Cases
Tokyo Office	6
Gunma Plant	5
Utsunomiya Plant	1

One noise-related violation of voluntary standards occurred at Subaru Logistics Co., Ltd. We intend to identify the cause of this and work to prevent recurrence.

> [FYE March 2024 Environmental Performance Data for Plants and Offices](#)

### Environmental Accidents

We are committed to achieving the goal of zero accidents, both on-site and off-site. In FYE March 2024, there were six incidents of emissions into the environment, and seven incidents of emissions on-site. Five of these on-site emissions occurred at the Gunma Plant, and we are working to identify the cause and take measures to prevent recurrence. With regard to incidents at the Tokyo Office, we are conducting a root cause analysis, including investigating necessary water discharge amounts and water inflow, and will explore and implement measures to rectify the situation.

Name of the Site	Number of Cases
Gunma Plant	On-site incidents 5 Off-site incidents 3
Utsunomiya Plant	On-site incidents 1 Off-site incidents 1
Tokyo Office	Off-site incidents 2
Head Office	Off-site incidents 1

As for Group companies in Japan, there was one off-site incident at Fuji Machinery Co., Ltd. As with our compliance with environmental laws, regulations, and ordinances, we will work to prevent recurrence.

## Environmental Complaints

We are committed to achieving the goal of zero environmental complaints, but in FYE March 2024 we received two. We intend to prevent recurrence by uncovering the causes of the complaints.

Name of the Site	Number of Cases
Gunma Plant	2

## Noise, Vibration, and Offensive Odors

The Gunma Plant conducts daily patrols premised on the fact that people and measuring instruments respond to odors and noise very differently, and we are continuing our efforts to improve production facilities, among others.

## 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.

## PCB Waste

SUBARU is auditing and treating polychlorinated biphenyl (PCB) waste as planned. We are currently conducting a final survey of the status of PCB waste treatment at each SUBARU base and at Group companies and Dealership in Japan, and the SUBARU Group plans to complete the disposal of PCB waste by FYE March 2028.

## 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\*.

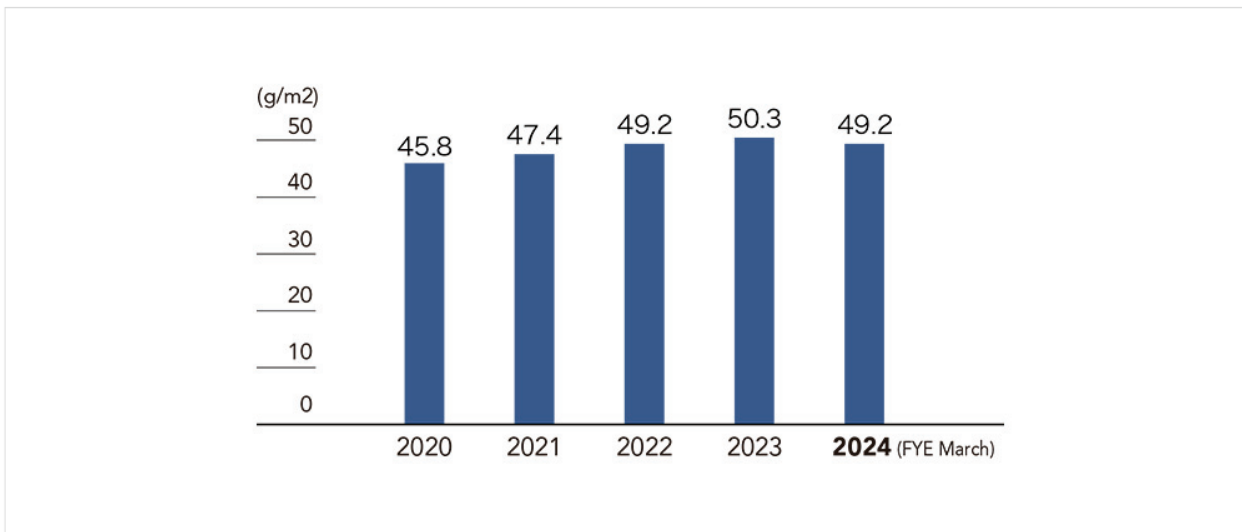
\* International treaty on the control of movements of hazardous wastes between nations and their disposal procedures.

## VOC

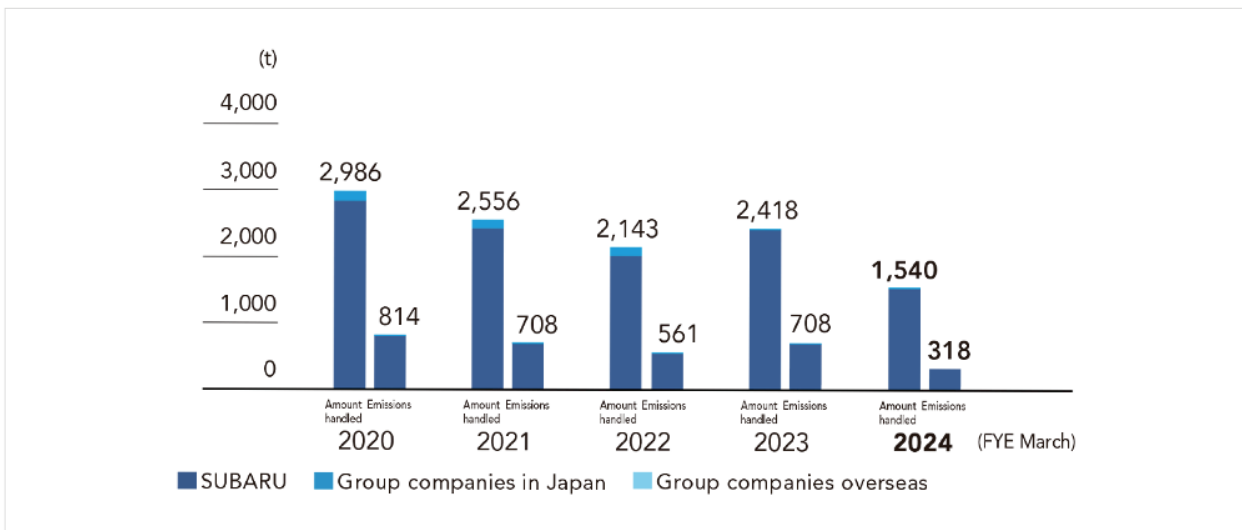
SUBARU manages volatile organic compounds (VOCs) emissions during the automobile painting process using an emissions per unit coating area calculation method. We are reducing the amount of cleaning thinner used in the automobile painting process and increasing recovery to reduce VOC emissions during painting. FYE March 2024 emissions decreased 2.2% compared with the previous fiscal year to 49.2g/m<sup>2</sup>.



### VOC Emissions During the Automobile Painting Process



### Chemical Substances Regulated by Japan's Pollutant Release and Transfer Register (PRTR) Act

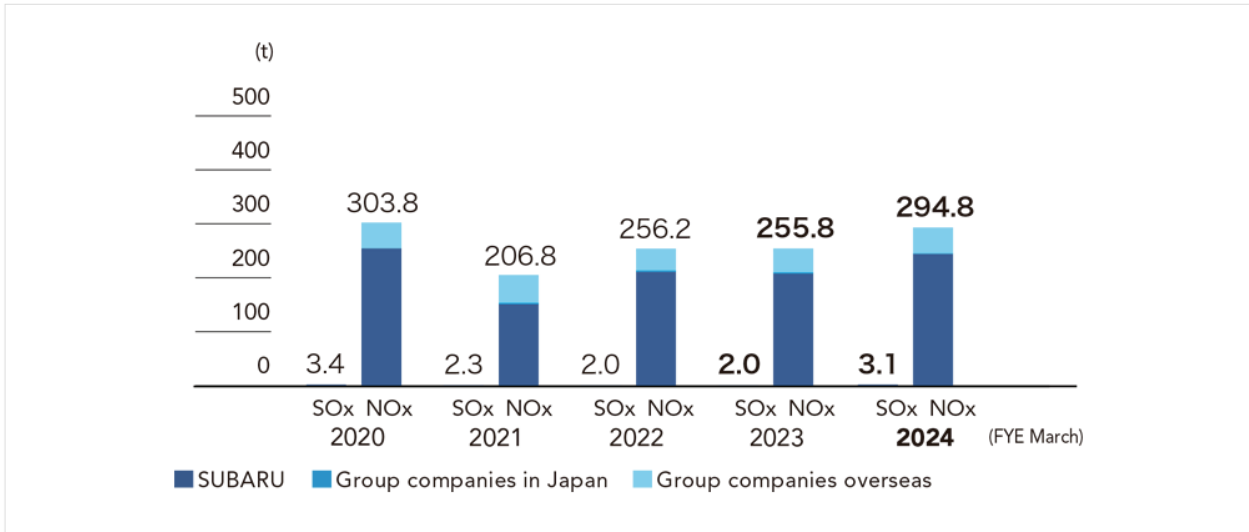


Scope

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant

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

## NOx and SOx Emissions



### Scope

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant

Domestic Group companies: 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.

# FYE March 2024 Environmental Performance Data for Plants and Offices

## 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	60	45
Particulate matter		g/Nm <sup>3</sup>	0.2	0.16	0.004	0.003
VOC	Paint booth, etc.	ppm-C	700	-	645	117

#### Yajima Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Paint drying oven	ppm	230	184	63	44
Particulate matter		g/Nm <sup>3</sup>	0.2	0.16	0.004	0.003
VOC	Paint booth, etc.	ppm-C	700	-	422	60
VOC		ppm-C	400	-	393	96

#### Oizumi Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Aluminum melting furnace	ppm	180	144	104	52
Particulate matter		g/Nm <sup>3</sup>	0.3	0.24	0.036	0.007

#### 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	157	152
NOx	Drying oven	ppm	230.0	184.00	136.000	136.000

## 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		ppm	180	144	37	30
Particulate matter		g/Nm <sup>3</sup>	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	< 0.02	< 0.02
NOx		ppm	180	144	40	28
Particulate matter		g/Nm <sup>3</sup>	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 (Effluent is discharged into public rivers.)

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.1~8.3	7.4	7.1	7.2
Biochemical oxygen demand (BOD)	mg/L	25	20	4.3	< 1.0	2.3
Suspended solids (SS)	mg/L	50	40	7.2	< 1.0	2
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 and its compounds	mg/L	8	6.4	2.7	< 0.2	1.0
Zinc content	mg/L	2	1.6	0.474	0.016	0.140
Soluble iron content	mg/L	10	8	< 0.1	< 0.1	0.1
Soluble manganese content	mg/L	10	8	< 0.1	< 0.1	0.1
Phosphorus content	mg/L	16 (8)	6.4	3.4	0.1	1.2
Nitrogen content	mg/L	120 (60)	48	7.3	1.3	4.9

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 (Effluent is discharged into public rivers.)

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.1~8.3	7.3	7.2	7.2
Biochemical oxygen demand (BOD)	mg/L	25	20	20.0	1.4	10.0
Suspended solids (SS)	mg/L	50	40	5.6	< 1.0	3.7
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
Fluorine and its compounds	mg/L	8	6.4	10.0	0.2	3.0
Zinc content	mg/L	2	1.6	0.773	0.211	0.560
Soluble iron content	mg/L	10	8	< 0.1	< 0.1	0.1
Soluble manganese content	mg/L	10	8	< 0.1	< 0.1	0.1
Phosphorus content	mg/L	16 (8)	6.4	3.1	0.2	1.6
Nitrogen content	mg/L	120 (60)	48	7.1	1.1	5.6

Values for total phosphorus content and total nitrogen content are daily averages.

### Oizumi Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.1~8.3	7.5	6.7	7.1
Biochemical oxygen demand (BOD)	mg/L	25	20	13.5	1.7	5.0
Suspended solids (SS)	mg/L	50	40	5.6	< 1.0	2.1
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
Fluorine and its compounds	mg/L	8	6.4	< 0.2	< 0.2	0.2
Zinc content	mg/L	2	1.6	0.264	0.020	0.120
Soluble iron content	mg/L	10	8	0.2	< 0.1	0.1
Soluble manganese content	mg/L	10	8	< 0.1	< 0.1	0.1
Phosphorus content	mg/L	16 (8)	6.4	0.4	< 0.1	0.3
Nitrogen content	mg/L	120 (60)	48	15.2	2.1	8.6

Values for total phosphorus content and total nitrogen content are daily averages.

### Ota North Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.1~8.3	7.7	7.5	7.6
Biochemical oxygen demand (BOD)	mg/L	25	20	1.9	< 1.0	1.5
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
Fluorine and its compounds	mg/L	8	6.4	< 0.2	< 0.2	0.2
Zinc content	mg/L	2	1.6	0.036	0.019	0.028
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
Phosphorus content	mg/L	16 (8)	6.4	< 0.1	< 0.1	0.1
Nitrogen content	mg/L	120 (60)	48	1.0	0.9	1.0

Values for total phosphorus content and total nitrogen content are daily averages.

### Tokyo Office (Discharged into sewage.)

Item	Unit	Regulation*	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.0~9.0	5.4~8.6	8.7	7.8	8.3
Biochemical oxygen demand (BOD)	mg/L	600	480	390	24	131
Suspended solids (SS)	mg/L	600	480	490	34	147
n-Hexane extract content (Mineral oil content)	mg/L	5	4	0	0	0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	34*	1	7
Total phosphorus	mg/L	16	12.8	6	3	4
Total nitrogen	mg/L	120	96	110	20	52
Soluble manganese	mg/L	10	8	0.02	0.00	0.01
Cyanogen	mg/L	1	0.8	0	0	0

[Effluent is discharged into public sewers]

\* Our regular water quality analysis revealed n-Hexane extract content (animal and plant oil and fat content) and total nitrogen levels that exceeded the exclusion criteria of the city's sewage ordinance, as well as the voluntary criteria for pH. We are conducting a root cause analysis of the issue, including investigating necessary water discharge amounts and water inflow, and will explore and implement measures to rectify the situation.

## Aerospace Company

### Utsunomiya Plant

#### Main Plant (Discharged into sewage.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5~9	5.4~8.6	8.4	6.8	7.6
Suspended solids (SS)	mg/L	600	480	433	1.0	56
Biochemical oxygen demand (BOD)	mg/L	600	480	436	0.5	71
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	15.6	1.0	6.1
Fluorine compounds	mg/L	8	6.4	0.9	0.2	0.6
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.005	0.003	0.003
Total chromium	mg/L	2	1.6	0.08	0.01	0.02
Hexavalent chromium	mg/L	0.1	0.08	0.02	0.00	0.01

#### Main Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.0~8.3	8.1	6.7	7.4
Suspended solids (SS)	mg/L	50	40	1.2	1.0	1.1
Biochemical oxygen demand (BOD)	mg/L	30	24	10.7	0.6	2.2
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
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.003	0.003	0.003
Total chromium	mg/L	2	1.6	0.01	0.01	0.01
Hexavalent chromium	mg/L	0.5	0.4	0.0	0.0	0.0

### South Plant (Discharged into sewage.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5~9	5.4~8.6	8.6	7	7.5
Suspended solids (SS)	mg/L	600	480	317	1	64
Biochemical oxygen demand (BOD)	mg/L	600	480	386	1.7	96
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	5.1	1.0	2.1
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.003	0.003	0.003
Total chromium	mg/L	2	1.6	0.01	0.01	0.01
Hexavalent chromium	mg/L	0.1	0.08	0.02	0.02	0.02

### South Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.0~8.3	7.8	6.8	7.2
Suspended solids (SS)	mg/L	50	40	3.2	1.6	2.4
Biochemical oxygen demand (BOD)	mg/L	30	24	13	0.8	2.5
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.003	0.003	0.003
Total chromium	mg/L	2	1.6	0.01	0.01	0.01
Hexavalent chromium	mg/L	0.5	0.4	0.0	0.0	0.0

### 2nd South Plant (Discharged into sewage.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5~9	5.4~8.6	8.6	7.2	7.8
Suspended solids (SS)	mg/L	600	480	388	2	48
Biochemical oxygen demand (BOD)	mg/L	600	480	256	2.4	56
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	0.1	1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	7.8	1.0	3.8
Fluorine compounds	mg/L	8	6.4	0.7	0.2	0.3
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.003	0.003	0.003
Total chromium	mg/L	2	1.6	0.31	0.01	0.10
Hexavalent chromium	mg/L	0.1	0.08	0.02	0.02	0.02



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

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.0~8.3	7.8	6.3	6.9
Suspended solids (SS)	mg/L	50	40	1.2	1.0	1.1
Biochemical oxygen demand (BOD)	mg/L	30	24	6.2	1	3.6
n-Hexane extract content (Mineral oil content)	mg/L	5	4	1.0	1.0	1.0
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
Cadmium	mg/L	0.03	0.024	0.003	0.003	0.003
Total chromium	mg/L	2	1.6	0.01	0.01	0.01
Hexavalent chromium	mg/L	0.5	0.4	0.0	0.0	0.0

## Handa Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5~9	5.8~8.3	8.0	6.2	6.9
Suspended solids (SS)	mg/L	30	24	8.0	1.0	1.6
Biochemical oxygen demand (BOD)	mg/L	25	20	8.0	0.5	2.9
Chemical oxygen demand (COD)	mg/L	25	20	11.0	1.0	4.5
n-Hexane extract content (Mineral oil content)	mg/L	2	1.6	0.5	0.5	0.5
Cyanogen	mg/L	1	0.8	0.1	0.1	0.1
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

[Discharged into public rivers.]

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

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	-	5.8~8.6	6.0~8.3	7.5	6.2	7.2
Suspended solids (SS)	mg/L	30	24	9.0	1.0	3.8
Biochemical oxygen demand (BOD)	mg/L	25	20	9.3	2.1	3.9
Chemical oxygen demand (COD)	mg/L	25	20	9.3	2.4	4.8
n-Hexane extract content (Mineral oil content)	mg/L	2	1.6	0.5	0.5	0.5
Cyanogen	mg/L	0.5	0.5	0.1	0.1	0.1
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	0.3	0.3	0.04	0.04	0.04

[Discharged into public rivers.]

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

### Automotive Business

#### Gunma Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	55	54	18	50
Yajima Plant	dB(A)	55	54	20	55
Oizumi Plant	dB(A)	50	49	20	48

\* The Oizumi Plant exceeded regulatory levels due to intermittent noise. We have confirmed that this intermittent noise is no longer occurring.

### Aerospace Company

#### Utsunomiya Plant

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	60	58	8	49
South Plant	dB(A)	50	48	3	40
2nd South Plant	dB(A)	50	48	3	45

#### Handa Plant

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Handa Plant	dB(A)	65	63	3	49

#### Handa West Plant

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Handa West Plant	dB(A)	65	63	6	52

#### Kisarazu Office

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Kisarazu Office	dB(Z)	50	48	2	- *

\* Excluded from calculations: spraying booths (due to not being in operation)

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

### Automotive Business

#### Gunma Plant

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	65	64	18	44
Yajima Plant	dB(A)	65	64	21	47
Oizumi Plant	dB(A)	60	59	20	39

### Aerospace Company

#### Utsunomiya Plant

Measurement Location	Unit	Regulation (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(Z)	65	63	8	32
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	Maximum
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	Maximum
Kisarazu Office	dB(Z)	55	53	2	- *

\* Excluded from calculations: spraying booths (due to not being in operation)

## Odor (Offensive Odor Control Act)

### Automotive Business

#### Gunma Plant

Measurement Location	Regulation	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	21	20	7	< 10
Yajima Plant	21	20	8	< 10
Oizumi Plant	21	20	6	< 10

[Odor index]

## Chemical Substances Subject to Japan's Pollutant Release and Transfer Register (PRTR) System: Amount Handled and Emissions

### Automotive Business

#### Gunma Plant (Main Plant, Yajima Plant, Oizumi Plant, Subaru Test & Development Center (SKC))

Chemical Substance	Amount Handled	Emissions		Amount Transferred		Amount Consumed	Amount Removed through Processing	Amount Recycled
		Atmosphere	Water	Sewer	Waste			
Water-soluble zinc compounds	11,526	0	127	0	0	9,221	0	0
Ethylbenzene	125,773	70,463	0	0	0	0	23,640	31,669
Xylene	162,262	62,155	0	0	0	51,666	21,096	27,345
Trimethylbenzene	340,239	94,752	0	0	0	181,568	18,997	44,923
Toluene	410,501	65,335	0	0	415	302,961	19,870	21,920
Naphthalene	2,194	1,382	0	0	0	0	361	450
Nickel compounds	691	0	19	0	327	345	0	0
Hydrogen fluoride and its water-soluble salts	7,700	0	7,007	0	0	693	0	0
n-Hexane	125,700	425	0	0	0	125,275	0	0
Benzene	21,717	73	0	0	0	21,644	0	0
Formaldehyde	12,432	5,994	0	0	1,363	0	3,413	1,662
Manganese and its compounds	4,567	0	123	0	2,160	2,284	0	0
Dioxins Unit: mg-TEQ/year	0	0	0	0	0	0	0	0
Methylnaphthalene	8,551	43	0	0	0	8,474	0	0
Total	1,233,854	300,624	7,276	0	4,265	704,131	87,377	127,970
		307,900						

[Unit: kg/year, excluding dioxins (mg-TEQ/year)]

## Tokyo Office

Chemical Substance	Amount Handled	Emissions		Amount Transferred		Amount Consumed	Amount Removed through Processing	Amount Recycled
		Atmosphere	Water	Sewer	Waste			
Ethylbenzene	10,511	0.11	0	0	398.9	0	0	0
Xylene	43,738	0.41	0	0	1,659.3	0	0	0
Toluene	134,229	4.14	0	0	5,105.6	0	0	0
Benzene	5,514	0.62	0	0	209	0	0	0
n-Hexane	21,232	5.28	0	0	797.8	0	0	0
Trimethylbenzene	44,122	0.11	0	0	1,675.3	0	0	0
Heptane	6,375	0.38	0	0	478.7	0	0	0
Total	265,721	11.05	0	0	10,325	0	0	0
		11.05						

[Unit: kg/year]

## Aerospace Company

Chemical Substance	Amount Handled	Emissions		Amount Transferred		Amount Consumed	Amount Removed through Processing	Amount Recycled
		Atmosphere	Water	Sewer	Waste			
Toluene	25,915	9,099	0	0	2,587	14,227	0	0
Xylene	2,382	613	0	0	202	1,567	0	0
Total	28,297	9,712	0	0	2,789	15,794	0	0

[Unit: kg/year]



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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 SUBARU, the SUBARU Group established its Human Rights Policy in April 2020. In this policy, the Group respects the human rights stipulated in international norms such as the Universal Declaration of Human Rights (UDHR), International Bill on Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. It also applies to SUBARU CORPORATION and all its subsidiaries, as well as to business partners, and other stakeholders. The policy states that 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.

This policy was formulated with full consideration to stakeholders' expectations, incorporating discussions with outside experts and overseas subsidiaries. It was officially established after agreement by the second meeting of the CSR Committee for FYE March 2020 and reported to the Board of Directors in March 2020. This policy is run globally and appropriately, being ready to address future environmental changes.

\* Renamed in FYE March 2022 from the CSR Committee to the Sustainability Committee.

### 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.

The Group considers respect for the rights and characteristics of individuals as an important management issue for SUBARU. 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 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 the 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 Bill 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 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.

Revised in March 2022

**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 dealerships all over the world. In the mobility society in which we are involved, we provide products and services through our businesses that value the many irreplaceable lives around 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 nonhumane 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, people with disabilities, social minorities, ethnic minorities, indigenous peoples, and other vulnerable groups.

**(Contributions to Respect for Human Rights)**

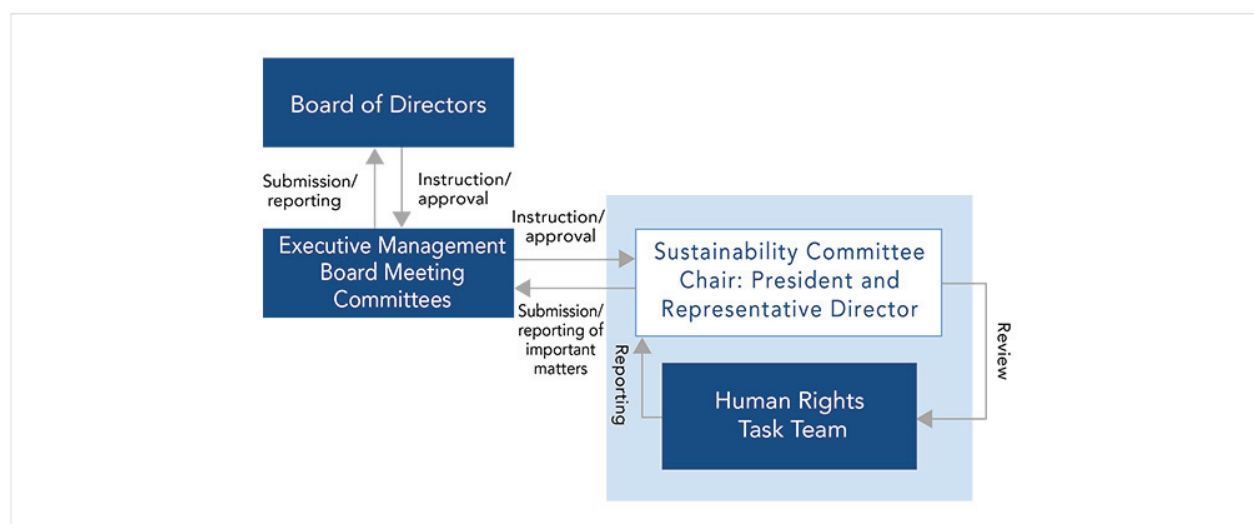
- We will actively contribute to human rights protection worldwide through the SUBARU Group's corporate citizenship activities.

Established in April 2020

[SUBARU Supplier CSR Guidelines](#) 

## Management System

To strengthen and advance its initiatives for human rights, the SUBARU Group has appointed the Representative Director, President and CEO as a director who is responsible for leading the process of developing this policy and assigning resources as needed. Specifically, we formed the Human Rights Task Team comprised of management personnel including the General Managers from the Human Resources Department, IR Department, Sustainability Promotion Department, Risk Management and Compliance Office, Global Purchasing Planning Department, the Gunma Plant General Administration Department, and the Aerospace Company Procurement Department. This team regularly examines human rights issues and their countermeasures and implements the plan-do-check-act (PDCA) cycle. The content of examinations within the team is regularly reported and deliberated upon in the Sustainability Committee, chaired by the Representative Director, President and CEO. The details and outcomes are then submitted and reported to the Board of Directors, where they are monitored for their impact on the SUBARU Group's business and appropriately addressed.



## Reports and discussions related to human rights in the Sustainability Committee and the Board of Directors

FYE March	Description
2019	·Establishment of the Human Rights Policy
2020	·Human rights risks and corresponding measures in the SUBARU Group
2021	·Progress update on measures addressing human rights risks ·Newly identified human rights risks and corresponding measures
2022	·Human rights initiatives in the SUBARU Group ·Progress update on measures addressing human rights risks
2023	·Progress update on measures addressing human rights risks ·Additional measures addressing human rights risks

For specific human rights risks and measures, please see [Initiatives](#).

## Targets and Metrics

The SUBARU Group puts people first and engages in people-oriented manufacturing. SUBARU is working to embody its belief that respect for the rights and characteristics of individuals is an important management issue.

## Risks and Measures in Initiatives for Respect of Human Rights

At the SUBARU Group, we recognize that the area of respect for human rights presents risks related to industries and business activities.

If the SUBARU Group or its business partners or other affiliated parties engage in activities that violate regulations regarding labor environments and occupational health and safety, or activities constituting any kind of harassment, infringement of workers' rights and opportunities, or procurement that violates human rights, we believe that this is not just a violation of relevant laws and regulations. Beyond this, we believe that this could result in a loss of customer trust and confidence, lead to a damaged brand image due to flagging opinions and reputations in society, impede sales, lead to turnover in human resources, make it difficult to procure materials and funds, or other negative outcomes, which could have a significant impact on our business foundation and our business performance and financial position.

The SUBARU Group has formulated the Human Rights Policy, and based on this policy, we carry out human rights due diligence to identify business-related human rights risks and formulate and implement measures to address them. Of these risks, we are steadily implementing measures to address those of particular importance to the SUBARU Group, and we are continuously working to mitigate risks. In addition, we are advancing initiatives for the respect of human rights in encouraging 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.

## Initiatives

### Establishment of the Human Rights Policy

Based on the belief that respect for the rights and characteristics of individuals is an important management issue for SUBARU, the SUBARU Group established its Human Rights Policy in April 2020. This policy was developed through discussions with external experts, consultations with specialists, and deliberations with overseas subsidiaries, taking into full consideration the expectations of stakeholders. 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. This policy is published on our website in Japanese and English for stakeholders in each country and region.

Based on the Human Rights Policy, the SUBARU Group, in order to fulfill its social responsibility in its global business activities, will respect the human rights of all stakeholders associated with the Group and continue managing its operations in line with respect for human rights, working to prevent and mitigate potential negative impacts on human rights.

## Activities to Raise Awareness of Human Rights

SUBARU has held seminars and taken other measures to encourage understanding every year since FYE March 2021 aimed at helping employees obtain knowledge about business and human rights. Specifically, the seminars aim to foster awareness of the importance of respecting human rights in one's own duties and everyday business activities by understanding the changing external landscape and real-life instances of human rights issues, while recognizing the SUBARU Group's stance on respect for human rights through the Human Rights Policy. In the second half of FYE March 2024, we provided all employees with harassment prevention education, and during Human Rights Week in December, we sent out messages on business and human rights and the SUBARU Group's Human Rights Policy via our intranet.

We also raise awareness of human rights initiatives among our suppliers through measures such as procurement policy briefings and business partner CSR briefings.



Materials from FYE March 2021 on seminars on business and human rights

### Seminars on Business and Human Rights/Measures to Encourage Understanding

	Eligible participants	Program period
FYE March 2021	SUBARU human resource departments' manager-class employees	September 2020
	All SUBARU procurement departments' employees	September 2020
FYE March 2022	All SUBARU executives	January 2022
FYE March 2023	SUBARU Gunma Plant's manager-class employees	March 2023
FYE March 2024	All SUBARU employees	September 2023 to March 2024

› [Business Partner CSR Briefing and CSR Survey](#)

## Stakeholder Engagement

In the SUBARU Group, we strive to accurately grasp stakeholder expectations related to human rights. To ensure timely response, we hold discussions with experts and maintain communication with institutional investors and external assessment organizations as required. In FYE March 2024, we once again engaged in discussions with multiple institutional investors, during which we explained the SUBARU Group's perspective and initiatives regarding human rights. Specifically, we discussed issues such as human rights due diligence and grievance mechanisms in the supply chain. Moreover, we actively shared the latest information on our initiatives to external evaluating organizations, and expectations and suggestions raised by each organization are reported to the Sustainability Committee and shared among all executives.

## Human Rights Due Diligence

The SUBARU Group carries out human rights due diligence in accordance with the procedures stipulated in the United Nations Guiding Principles on Business and Human Rights. We will actively work on this initiative together with our suppliers. From FYE March 2021 to FYE March 2022, with cooperation from LRQA Sustainability Co., Ltd. (<https://lrqa-sus.co.jp/>), an organization with specialized knowledge on business and human rights, we identified and conducted impact assessments for human rights risks in the domains of human resources and procurement, identifying particularly key risks for the SUBARU Group. We have also formulated measures to address each of these risks. These are agreed upon by the Sustainability Committee and reported to the Board of Directors.

Beginning in FYE March 2023, we put into action measures to mitigate risks, while concurrently monitoring the progress and challenges through the Human Rights Task Team. This procedure includes presenting reports to the Sustainability Committee and the Board of Directors, thus establishing the PDCA cycle.

#### Identifying human rights risks

In FYE March 2021, we held study groups on business and human rights for SUBARU employees in each of the domains of human resources and procurement as well as workshops with representatives from hands-on teams. Through these workshops, we identified potential human rights issues, and based on these issues, we conducted interviews and factory inspections with stakeholders in each domain, identifying human rights risks. In FYE March 2021, the workshop identified risks encompassing the human resource domain at the Gunma Plant and the procurement domain in the Automotive Business, with the scope expanded in FYE March 2022 to include the human resource domain at the Head Office, Tokyo Office, and Utsunomiya Plant, and the procurement domain in the Aerospace Business.

In FYE March 2024, we re-examined the human rights risks and measures in the human resource domain that we identified in FYE March 2021 from the perspective of automobile manufacturing through a sampling survey, including on-site inspections and interviews with relevant personnel by LRQA Sustainability Co., Ltd. As a result, from the perspective of compliance, there were no issues identified that required improvement or that posed an immediate risk of harm to the people being interviewed. Going forward, we plan to expand and continue our examinations.

#### Conducting impact assessments and identifying particularly key risks

Human rights risks identified in each domain were considered mainly along the axes of magnitude of impact and likelihood of occurrence. Though the results of a detailed analysis of the results of the human rights risk survey revealed no significant risks requiring urgent action or violations of local laws or international norms, particularly key risks for the SUBARU Group were identified.

#### Particularly key human rights risks

<b>Human resources domain</b>	Long working hours, occupational accidents, harassment of workers, forced labor among foreign workers
<b>Procurement domain</b>	Human rights violations among suppliers, responsible mineral procurement (e.g., conflict minerals, cobalt), harassment of suppliers

#### Formulation of measures to address key risks

For each of the human rights risks identified in each domain, we formulated measures to prevent and mitigate potential negative impacts. In addition, we have formulated new measures for further improvement and more thorough preparation in response to risks in the human resource domain that were re-examined from the perspective of automobile manufacturing in FYE March 2024. All of these measures have been reviewed by LRQA Sustainability Co., Ltd.

#### Implementation and monitoring of measures

The departments in charge of each domain are implementing measures for each risk identified, with the Human Rights Task Team monitoring the progress of the measures. In addition, we ensure continuous monitoring by regularly reporting the progress to the Sustainability Committee and the Board of Directors, aiming to mitigate the risks. For measures in the procurement domain, we collaborate with our business partners to advance initiatives based on the SUBARU Supplier CSR Guidelines.

> [SUBARU Supplier CSR Guidelines](#) 

Example measures implemented

	Human rights risks	Example measures implemented	FYE March 2024 results	Issues
Human resources domain	Harassment of workers	<ul style="list-style-type: none"> <li>Conducting harassment prevention workshops for management</li> </ul>	<ul style="list-style-type: none"> <li>Held department study groups during No Workplace Harassment Month to create a pleasant working environment</li> </ul>	<ul style="list-style-type: none"> <li>Preventing harassment and fostering greater awareness among employees</li> </ul>
		<ul style="list-style-type: none"> <li>Operating a harassment consultation service</li> <li>Early detection of risk issues using 360-degree evaluations for managers</li> </ul>	<ul style="list-style-type: none"> <li>Informed employees about and encouraged use of consultation services</li> <li>Identified high-risk individuals from evaluation results and conducted follow-ups with target workplaces</li> </ul>	
	Forced labor among foreign workers	<ul style="list-style-type: none"> <li>Collaborating with supervisory bodies based on memorandums of understanding* regarding foreign trainee workers, and preventing misconduct and unfair treatment through regular audits</li> <li>* SUBARU bears the cost of recruitment expenses (such as travel and training fees).</li> </ul>	<ul style="list-style-type: none"> <li>Maintained daily coordination with supervisory bodies and conducted regular audits every three months and workplace patrols every month</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing collaboration with supervisory bodies and staffing agencies</li> </ul>
Procurement domain	Human rights violations among suppliers	<ul style="list-style-type: none"> <li>Ensuring installation of sanitary boxes in women's bathrooms at factories</li> </ul>	-	-
		<ul style="list-style-type: none"> <li>Carrying out of supply chain human rights due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Continued to carry out business partner CSR briefings and CSR surveys</li> </ul>	<ul style="list-style-type: none"> <li>Improving the accuracy of supply chain and human rights due diligence</li> </ul>
	Responsible mineral procurement	<ul style="list-style-type: none"> <li>Building a supply chain grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Maintained a worker consultation service via JP-MIRAI's collaborative program</li> </ul>	<ul style="list-style-type: none"> <li>Establishing consultation and remediation services</li> </ul>
		<ul style="list-style-type: none"> <li>Human rights measures for conflict minerals (gold, tin, tantalum, and tungsten)</li> </ul>	<ul style="list-style-type: none"> <li>Continued to implement conflict mineral surveys</li> </ul>	<ul style="list-style-type: none"> <li>Gathering information and preparing for compliance with new international laws and regulations</li> </ul>
	<ul style="list-style-type: none"> <li>Human rights measures for non-conflict minerals</li> </ul>	<ul style="list-style-type: none"> <li>Continued to implement cobalt surveys for battery manufacturers</li> </ul>		
	Harassment of suppliers	<ul style="list-style-type: none"> <li>Partnership Formation Oath (Japanese version only)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the provisions of the Oath</li> </ul>	<ul style="list-style-type: none"> <li>Promoting and increasing awareness of fair trade throughout the supply chain</li> </ul>
<ul style="list-style-type: none"> <li>Compliance with the JAMA Voluntary Action Plan</li> </ul>		<ul style="list-style-type: none"> <li>Checked with business partners whether price negotiations are necessary, and conducted explicit consultations</li> </ul>		

## Prevention of harassment

The SUBARU Group has re-identified harassment of workers as a particularly key risk, and in our Human Rights Policy, we clearly state that there is “zero tolerance for discrimination and harassment.” Seeking to prevent all forms of harassment, we prohibit such behavior in our work regulations, and it is also mentioned in the Compliance Manual and spread among all Group companies, not just SUBARU. SUBARU has also formulated the Harassment Explanatory Booklet and is working to create an environment in which harassment does not occur in workplaces overall.

Also, SUBARU has formulated and distributes the Harassment Explanatory Booklet and holds study groups for all managers and supervisors to exchange opinions and discuss cases from both inside and outside the Company, in an effort to create an environment where harassment does not occur in workplaces overall.

Additionally, for instances where harassment or similar issues have been identified, we use training sessions for rectification led by the Risk Management and Compliance Office to prevent any future occurrences.

› [Compliance Hotline](#)

## Contact for opinions and consultation services

The SUBARU Group has established a system for hearing voices from a range of stakeholders.

Diverse inquiries, feedback, and grievances, including those pertaining to human rights, are handled appropriately and confidentially through respective channels, with confidentiality and anonymity assured. There shall be absolutely no retaliation for any kind of complaint that may be made through this system.

### • For employees

We have set up a Compliance Hotline and a Harassment Advice Line internally and externally, creating an environment in which all employees, including those at Group companies, can receive advice. In particular, the Compliance Hotline provides consultation services in four languages (English, Chinese, Portuguese, and Spanish). We also introduced confidential online consultations in October 2022. We encourage open conversations through an easily approachable consultation system and focus on early identification and resolution of issues through internal assessments and discussions with relevant parties and stakeholders.

› [Compliance Hotline](#)

### • For customers

SUBARU Customer Center: SUBARU Call has been established as a system for promptly sharing information on customer opinions and comments with relevant departments and utilizing this information to make improvements.

We respond earnestly to inquiries about products and services as well as various other opinions and concerns. If requested by the individual submitting the inquiry, we treat the matter as confidential.

In addition, we communicate the feedback received from individuals in the regions where SUBARU has its offices with the relevant departments in an effort to resolve matters.

› [SUBARU Call for Japanese customer](#)

### • For business partners (suppliers)

At SUBARU, we are taking actions to promote fair trade based on the Automobile Industry Fair Trade Guidelines. As part of this effort, we have established a consultation service for promoting fair trade for business partners in SUBARU's supply chain, with the aim of early detection, prevention, corrective measures, and preventing recurrence of compliance issues. In FYE March 2023, we endorsed and cooperated with the supply chain human rights initiative, Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI), on the establishment of a consultation service for foreign workers in the supply chain in Japan. As background to this, employees of the Purchasing Division, including the general manager in charge, took part in JP-MIRAI's “Consultation and Relief Pilot Project for Foreign Workers.” We continued our participation with the “Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers,” which marked the full-fledged implementation of the program in FYE March 2024, targeting local business partners.

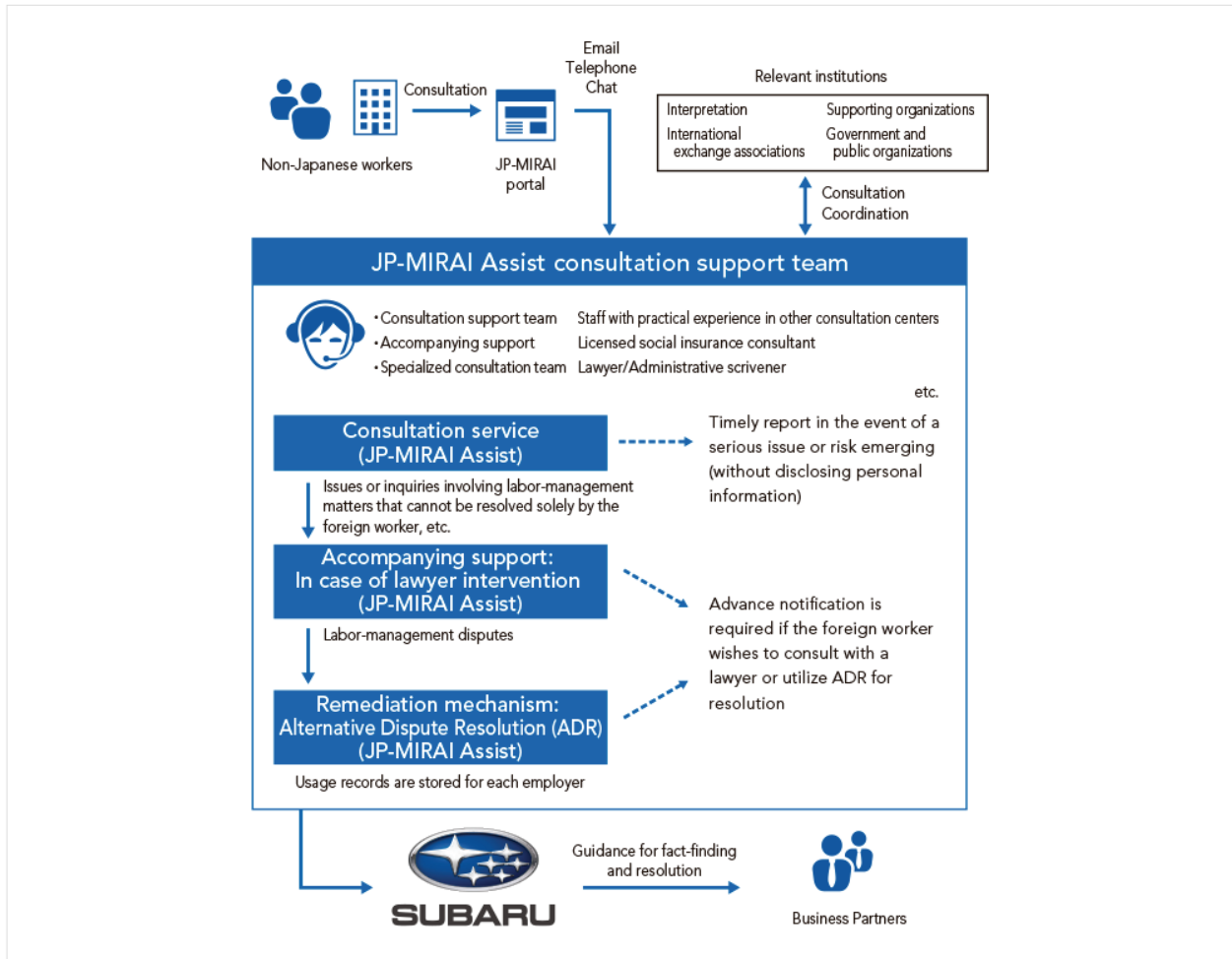
We provide support in 22 languages\*1 for the consultation service, the area of the program that SUBARU is involved in.

This service is available not only for non-Japanese but also Japanese workers employed by business partners. The consultation service covers a wide range of topics, from gathering information about daily life in Japan to addressing concerns related to human rights and labor issues. For matters that cannot be resolved through the consultation service, we provide accompanying support through consultations with specialists such as lawyers, or utilize the Tokyo Bar Association's Alternative Dispute Resolution (ADR) for added assistance. This ensures a fair and transparent approach through third-party involvement. In addition to the consultation service, we offer a portal site that compiles various information for foreign workers, available as a smartphone app, making it accessible to anyone with ease. We promote awareness of the consultation service for workers by distributing flyers with QR codes to business partners and organizing briefings to explain the usage process.

The overall program, including the consultation service, has been developed by taking into account the feedback and input from companies and stakeholders, including suppliers, that participated in the pilot project.

\*1 Easy Japanese, English, Chinese, Korean, Thai, Vietnamese, Indonesian, Malay, Tagalog, Nepali, Myanmar, Khmer, Mongolian, Sinhalese, Hindi, Bengali, Portuguese, Spanish, German, French, Italian, and Russian

**JP-MIRAI consultation service**



> Consultation service for promoting fair trade (Japanese version only)

> JP-MIRAI's "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers"

# Quality: Automotive Business

## Our Approach

We believe that the foundation of SUBARU's "Enjoyment and Peace of Mind" is quality. Under our management philosophy that "the customer comes first" and to ensure that we become a company that resonates with and inspires trust in our customers, with "quality first" as our slogan, we are actively working to provide high-quality products and services that will impress our customers in all processes, from the product planning stage to procurement of parts from business partners, manufacturing and shipping at factories, and after-sales service. In order for SUBARU to continue to be the brand of choice for "Enjoyment and Peace of Mind" in the midst of the once-in-a-century period of major transformation in automotive manufacturing, it is essential to meet the expectations and trust that customers place in SUBARU with regard to the quality of our products.

In addition, our affiliates companies in Japan and overseas also practice quality control in their respective lines of business under a "quality-first" mindset.

### Quality Policy

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

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

## Management System

In order to deliver high quality products to our customers, we believe it is important for each and every employee to work with an awareness of quality. SUBARU has established and is operating a quality management system (QMS) based on our Quality Policy and ISO 9001 standards. In addition, the Chief General Manager of the Quality Assurance Division has been appointed as the Chief Quality Officer (CQO) to oversee quality within SUBARU. Responsible parties at each department discuss quality issues under the CQO and promote quality improvement.

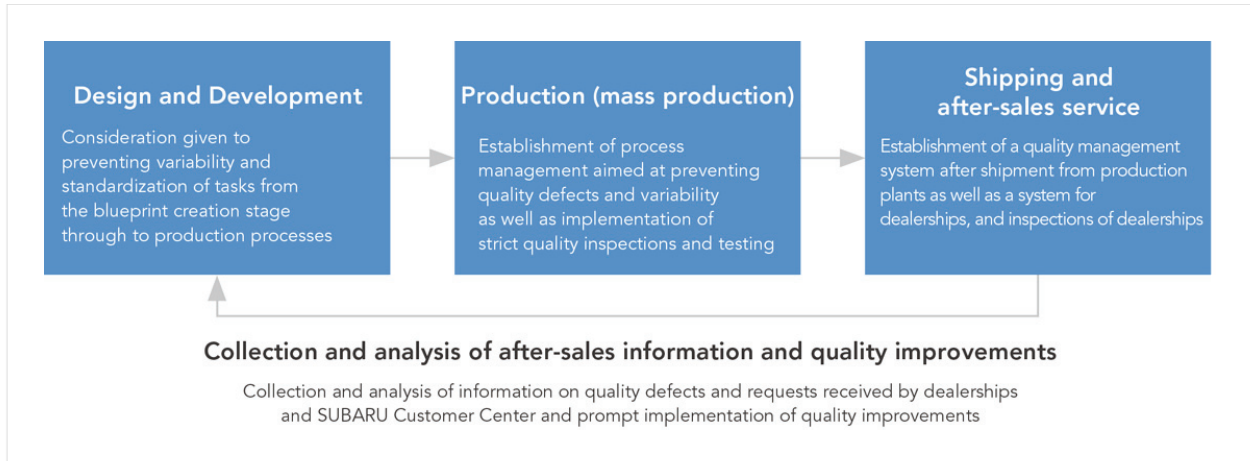
### Quality Management System

SUBARU established the Automotive Business Quality Manual in 1995 as a guideline for quality management, and has established and operates a quality management system (QMS) based on the stipulations of this manual. We aim to improve quality and customer satisfaction by assuring that products will comply with both customer requirements and applicable statutory and regulatory requirements, as well as by improving our operations.

This Automotive Business Quality Manual is based on ISO 9001, a standard we have been consistently certified with since 2006.



## Quality Management Cycle



## Quality Improvement Committee

The Quality Improvement Committee is the highest body for promoting quality improvement and is attended by responsible persons in planning, development, procurement, manufacturing, sales, customer service, quality assurance, and other departments. Chaired by the Chief General Manager of the Quality Assurance Division, who is also the CQO, the committee meets monthly in principle to discuss all quality issues related to all operations in the Automotive Business Unit. In addition to the above-mentioned departments, the North America Quality Improvement Committee meets on a semi-annual basis to discuss issues related to the North American market, and includes representatives from dealerships in the United States and Canada, as well as SUBARU's North America plants.

## Development Quality Assurance System

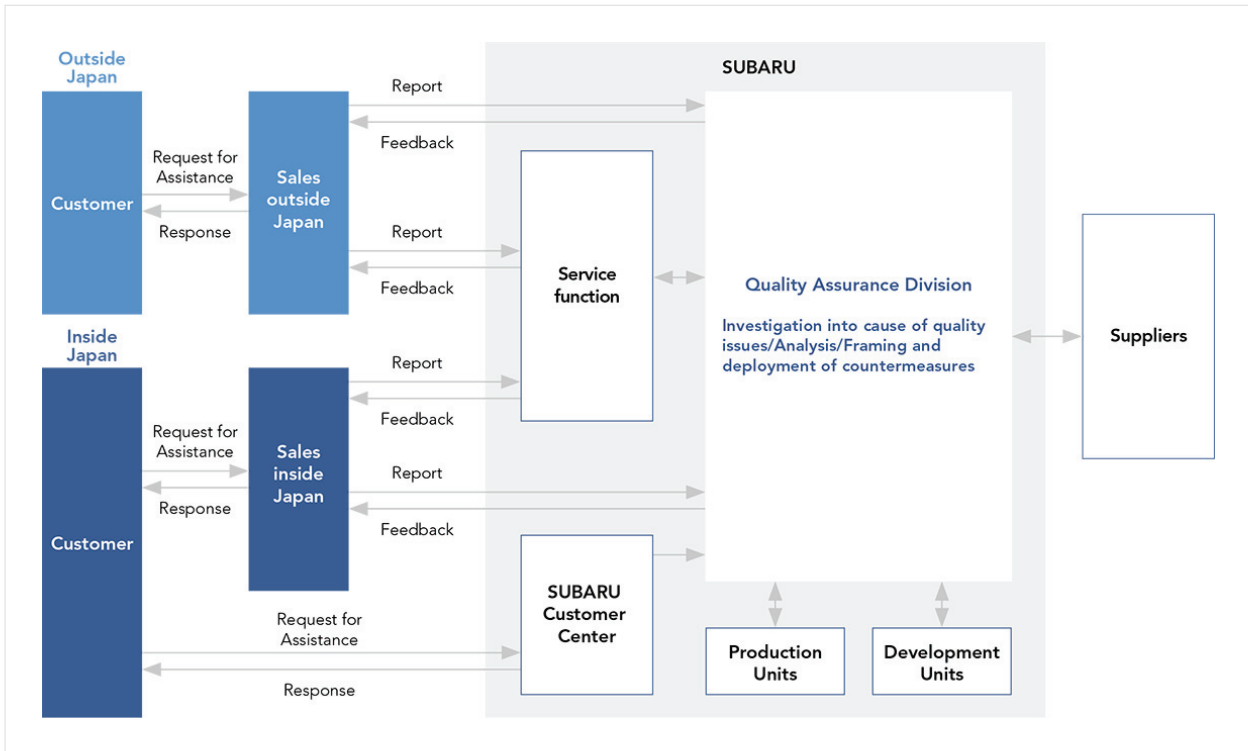
In order to deliver quality products to our customers, it is of utmost importance to improve quality at the point of development. To this end, SUBARU launched its Quality Enhancement in 2018, and has been taking action in three areas: thorough implementation of a "Quality-First" mindset and reinforcement of organizational efforts and structure, Execution Quality enhancement, and Innate Quality enhancement. In particular, we are strengthening our Innate Quality enhancement activities and are working to ensure quality throughout all processes, from the initial planning and conceptualization stages to development, design, production preparation, and distribution. We have compiled a database of defects that have occurred in the market in the past, and we conduct general inspections to ensure that measures to prevent their recurrence are incorporated into the vehicles we develop. We also identify newly adopted parts and changes from vehicles produced in the past to prevent defects before they occur. In addition, the quality responsibilities of persons responsible for new vehicle development have been clarified and their authority has been strengthened. Furthermore, the development process has been changed to prioritize stage gate management of quality targets to enhance Innate Quality.

## Market Quality Improvement System

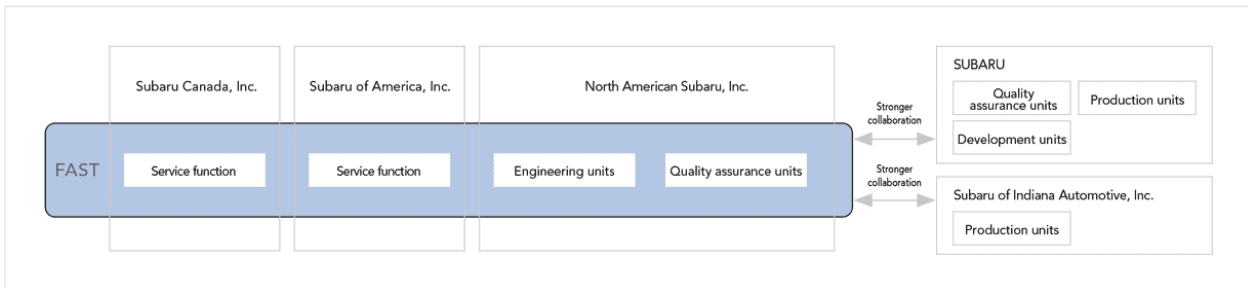
The SUBARU Group has established a quality improvement system with the Quality Assurance Division at the heart of efforts in order to analyze after-sales quality defects and customer requests to rapidly take measures and achieve higher-quality product development and production. Based on customers' opinions 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.

In January 2021, we established FAST (Fast Action & Solution Team), a North American quality improvement team where quality assurance and development units at local affiliated companies in the U.S. work together with service units at dealerships in the U.S. and Canada. By strengthening cooperation between departments, immediate decisions can be made on-site, and market demands can be met more speedily.

### Quality Improvement System



### Structure of the FAST North American Quality Improvement Team



### Collaborative System with Business Partners

In order to maintain and improve the quality of SUBARU vehicles, it is extremely important to ensure the quality of externally purchased parts. Therefore, we are engaged in unified efforts with our business partners to ensure the quality of externally manufactured parts.

We have compiled standards and rules for building and ensuring stable quality into a manual, and by rolling it out to all of our business partners and working to ensure that everyone understands and adheres to it, we are building a foundation on which both sides can work together based on a common understanding. In addition, we hold briefing sessions on our Quality Policy for business partners at the beginning of each fiscal year to share information about quality-related situations. We have set quality targets and key quality indicators, and we present quality improvement measures, key points for enhancing quality, and other information as concretely as possible. Furthermore, by following the Advanced Product Quality Planning (APQP) process, our activities also encourage our business partners to make their own improvements, contributing to overall quality improvement.

In recent years, where the external environment has become extremely uncertain, parts supplies issues have arisen due to large-scale natural disasters and shifting world affairs. Amid this situation, we have also established support systems for our business partners in order to help quickly restore parts supplies in the event of an emergency.

## Approach to Risks in Quality

Quality is an important element directly related to the survival of a company. While providing high-quality products enhances the credibility of the SUBARU brand, defects that reach the market bring us face-to-face with the risk of loss of customer confidence, a risk that can cause tremendous damage to corporate finances and reputation. Therefore, it is essential to continuously maintain and improve quality, and we believe that improving the quality of each employee's work will lead to the improvement of SUBARU's quality.

SUBARU conducts internal training on quality and holds events called Quality Caravans every year. Quality Caravans are conducted with the aim of fostering quality awareness through an accurate understanding of the current state of quality at SUBARU. In addition, internal audits are conducted by qualified employees to check that business is being conducted properly. We then undergo an audit by an external auditing organization to ensure our continued ISO 9001 certification. As for our business partners, we support regular voluntary audits of quality assurance systems and quality management systems and provide advice from a third-party perspective. In addition to regular audits, SUBARU directly observes business partners' manufacturing processes and production sites. Here, we conduct audits and process checkups on an ad-hoc basis, offer proposals for productivity improvement, and otherwise engage collaboratively to further improve quality.

## Initiatives

### Quality Assurance Training

Within the SUBARU Group, quality education is provided to all employees. Quality education is provided on an ongoing and regular basis tailored to employee knowledge and experience levels, including their year of entry into the Company and their position. This instills a customer-centric, quality-first awareness, educating each and every employee so that they put quality first in their actions.

We also recognize cases at our automotive manufacturing business units where a heightened focus on quality has resulted in the prevention of issues with a quality excellence award. Information on award recipients and their achievements is disseminated throughout SUBARU via the intranet and other platforms.

### Global Quality Meeting

In order to steadily implement our quality-first philosophy, the SUBARU Group places great importance on dialogue with our dealerships around the world, who are in direct contact with our customers on a daily basis. Through technical liaison meetings held twice a year for the Japanese market, main dealerships service meetings held once or twice a year in overseas markets, and block conferences held in six regions,\* we make decisions on matters such as optimum means of addressing quality problems that inconvenience our customers, while incorporating the views of dealerships. In FYE March 2025, these meetings are to be held in a combination of on-site and web-based sessions.

In addition, in order to listen to the voice of the market and speed up quality improvement, the Quality Improvement Committee, chaired by the Chief General Manager of the Quality Assurance Division, who is also the Chief Quality Officer (CQO), holds monthly meetings to discuss quality at the executive level in all departments. Furthermore, the North America Quality Improvement Committee, which is comprised of the North America CQO and heads of North American subsidiaries, focuses on quality in the North American market and is held several times a year.



Global Quality Meeting

\* 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' service departments and expatriates working in the region.

## Quality Caravan

Since FYE March 2019, we have been holding an annual 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 all employees 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 FYE March 2024, the caravan was held across a total of 40 days for all employees and Group company employees. We create and present videos that deepen understanding of the usage environment in the important market of North America, and provide straightforward explanations about recent quality concerns. The aim is to encourage each person to internalize the issues that impact our customers as their own, thereby fostering a customer-centric, quality-first mindset. Not only are we engaging more business partners in these events, but Subaru of Indiana Automotive, Inc., SUBARU's production base in the U.S., has also been organizing events to raise global awareness of quality across the entire SUBARU Group. Going forward, we will continue to engage in awareness activities, while enhancing the program and extending the duration, among other improvements.



Quality Caravan

## Pre-shipment Inspection

At SUBARU, rigorous inspections are conducted before shipment to prevent any defects from leaving the facility. In 2018, the operation of vehicle inspections was spun off from the traditional manufacturing organization to form the Vehicle Inspection Department under the Quality Assurance Division in order to ensure thorough inspections from a customer perspective. In addition, we set up two new facilities for final vehicle inspections to establish an environment conducive to accurate inspections through clearly defined processes. The first facility started operations in August 2022, with the second becoming operational in August 2023. We provide environments with standardized lighting facilitating easier detection of anomalies, inspection processes at undercarriage using a lowered floor. With rigorous inspections in these environments, we aim to deliver high-quality products that customers can use with peace of mind.



Pre-shipment Inspection

## Investigation of Defective Parts

SUBARU set up the Quality Assurance (QA) Lab to investigate defective parts for the swift resolution of any issues that arise. In the event of a defect, development and manufacturing departments collaborate to determine causes and implement solutions. In cases where pinpointing the cause is especially difficult, the Quality Assurance Division expedites defect resolution by conducting independent analysis and investigation of defective parts in the QA Lab.



QA Lab

## Response to Recalls

The SUBARU Group takes measures to cope with recalls in order to prevent accidents, in accordance with our highest priority placed on customer safety.

We have established the Recall Committee to determine specific measures to be taken in the event of product defects that can infringe on safety or laws and regulations. This committee is chaired by the Chief General Manager of the Quality Assurance Division, who is the CQO, and was established based on customer suggestions and defect information from around the world and in accordance with internal regulations. Any recalls are promptly reported to the relevant authorities. Affected customers are contacted by direct mail and other methods from our dealerships to encourage them to have their car repaired free of charge, with their safety and peace of mind as our top priority. We monitor the progress of market measures to ensure that improvements can be made quickly.

As of April 2024, SUBARU had no cases of violating laws and in-house regulations in regard to information provision on quality and safety.

At SUBARU, we are advancing “parts traceability” by linking the individual vehicle number with the individual part number to quickly and accurately identify vehicles equipped with defective parts. In the unlikely event of a recall, we are committed to minimizing any inconvenience to our customers through our efforts.

## Recalls of SUBARU Cars

(Thousand units)										
	2019		2020		2021		2022		2023	
	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units
Japan	13	571	8	177	9	311	13	391	13	359
North America	18	2,392	5	217	7	1,380	11	378	11	304
Others	14	589	2	6	6	376	9	266	12	40
Total	45	3,552	15	400	22	2,067	33	1,035	36	703

\*1 Information presented is internal data and may differ from data published by the respective authorities.

\*2 Identical recalls conducted across multiple countries/regions are combined to count as one recall.

\*3 Number of recalls include those for OEM vehicles.

## Takata Airbag Recall Progress

SUBARU's recall progress related to the Takata airbag recall in the U.S. is among the highest in the industry.

### Takata airbag recall progress in the U.S.

No.	Automobile manufacturer	Progress rate
1	U.S. company A	99.3%
2	European company B	98.0%
3	Japanese company C	95.6%
4	Japanese company D	95.2%
5	Japanese company E	95.0%
6	U.S. company F	94.6%
7	Japanese company G	94.6%
8	European company H	93.8%
9	SUBARU	93.3%
10	European company J	93.2%
	...	...
	Industry average	88.1%

\* From National Highway Traffic Safety Administration (NHTSA) data published April 2024

# 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" in order to deliver "Enjoyment and Peace of Mind."

## 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.

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

### Quality Management System

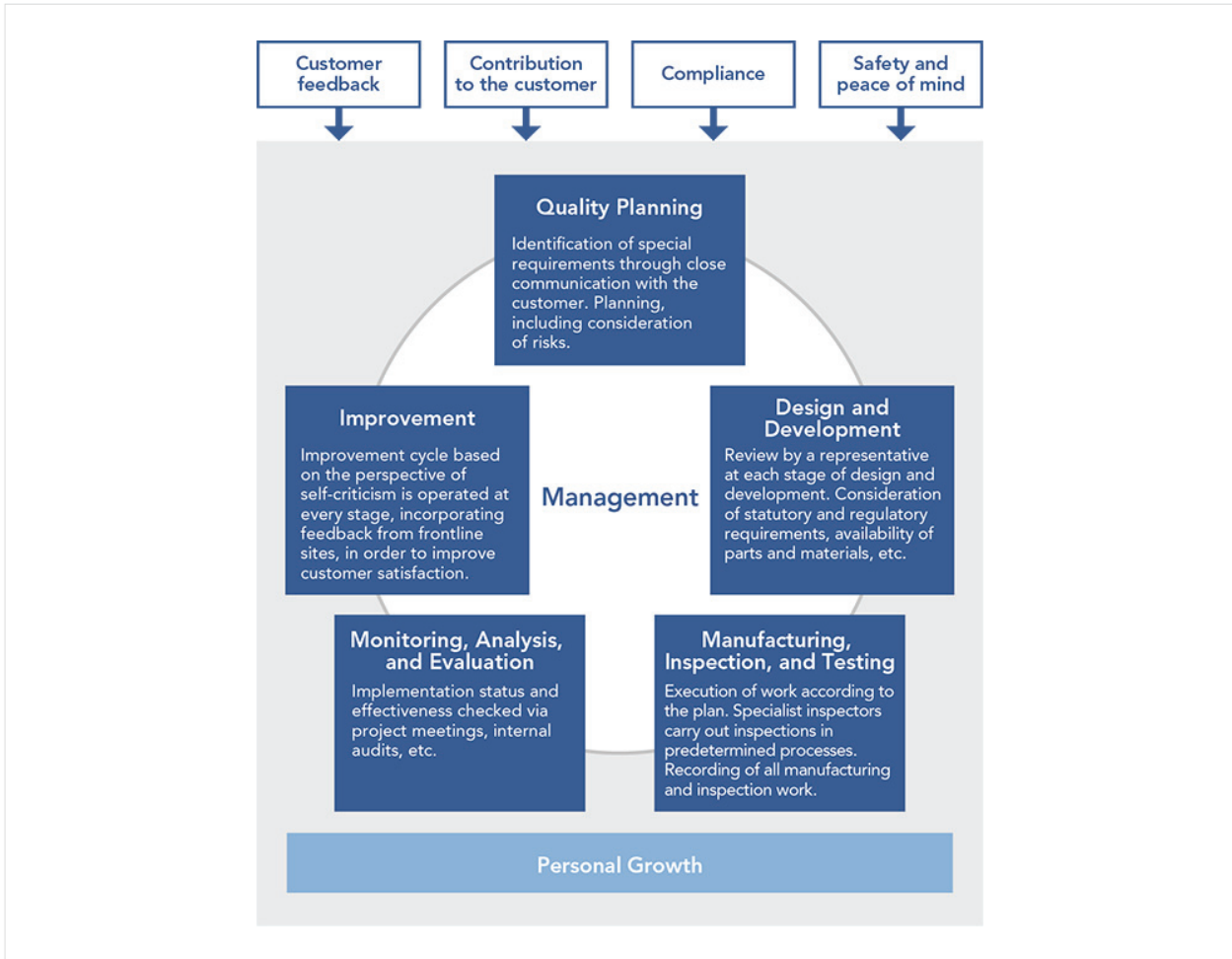
Based on its policy of "Giving Safety and Quality Top Priority," the Aerospace Company has built and acts under the quality management system that conforms to the JIS Q 9100:2016 standards, which takes the JIS Q 9001:2015 standards and adds specific requirements for the aviation, space, and defense sectors.

In addition, it incorporated the Supplements to JIS Q 9100 (SJAC 9068) 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

To realize products that prioritize safety and quality, the Aerospace Company undertakes quality assurance across various processes from specifying requirements in quality plans to tasks such as design, development, manufacturing, inspection, and testing. Regular project meetings are conducted for each process, where monitoring, analysis, and evaluation occur. The aim is to drive improvements that enhance customer satisfaction, and establish and maintain a robust quality management cycle. Additionally, the effectiveness of the quality management cycle is confirmed through regular Quality Meetings.

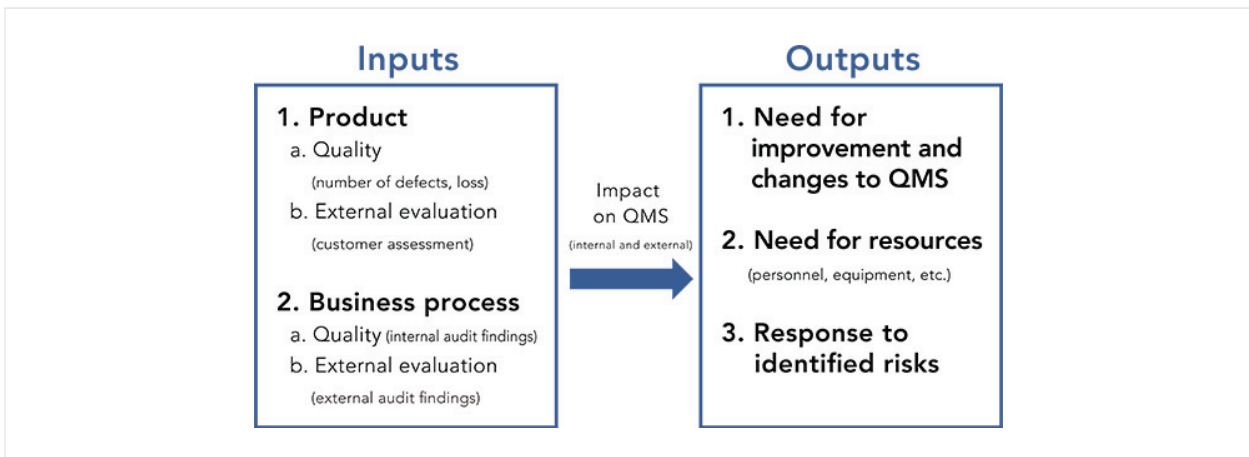
## Quality Management Cycle



## Quality Meetings

The Aerospace Company routinely holds Quality Meetings to verify the adequacy of the quality management cycle. Drawing from analyses regarding product and operational processes from diverse perspectives, encompassing quality and external assessments in such areas as customer satisfaction and external audits, the Aerospace Company deliberates on changes to the Quality Management System (QMS), resource requirements, and strategies for addressing identified risks.

## Inputs and Outputs in Quality Meetings



## Targets and Metrics

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At the Aerospace Company, we have established the following quality assurance management standards based on SUBARU's quality policy, "At SUBARU, quality is our highest priority as we earn the trust of our customers," and are carrying out activities accordingly.

- The goal of all activities is customer satisfaction.
- Seek own-process assurance.
- Analyze and improve based on facts in a rational and logical manner.
- Continuously implement the PDCA cycle to constantly elevate our abilities.
- Work to ensure quality in our processes.
- All employees actively participate in quality assurance activities.

## Approach to Risks in Quality

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Though there are many different types of quality-related risks, ensuring flight safety is the top priority for the Aerospace Company. Risks with the potential to compromise flight safety include parts falling off, loss of control, and engine failure. These risks could lead to crashed planes and, in the worst cases, affect human life.

In order to minimize such risks, the Aerospace Company thoroughly checks the safety of final products as early as the aircraft parts manufacturing stage through initiatives such as own-process assurance on assembly lines, strict inspections, and flight tests on completed aircraft.

We also conduct quality audits not only internally and externally with respect to our own activities but also with respect to that of our suppliers, and if any problems are found, we take prompt corrective action.

By continuing to carry out these activities on an ongoing basis, we are working to reduce risk and ensure flight safety.

## Initiatives

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### External Audits of Product Quality Assurance

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The Aerospace Company regularly undergoes audits by third-party organizations as follows to maintain the effectiveness of its quality management system.

- Audit by a third-party auditing organization for JIS Q 9100
- Inspection by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism of certified workplaces based on Article 20 of the Civil Aeronautics Act
- Audit by an auditing organization for the international certification system (National Aerospace and Defense Contractors Accreditation Program/NADCAP) for special process work in aerospace

### Quality Assurance Training

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As part of employee training, we conduct "Quality Education" related to quality assurance for all employees or those involved in specific departmental tasks. In addition, we provide basic training and skills training for inspectors responsible for conducting product inspections.



## Major Education Training Programs

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

## Four Rules Activity

To bring happiness to our customers, to carry out our social responsibilities with respect to aeronautical safety, and to achieve growth, each member of the Aerospace Company confirms our work rules (procedures, basics). When we find that the rules are 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 Events and Improvement Initiatives

In the Aerospace Company, every November is designated as Quality Month, where we give awards to employees who have contributed to improving quality and pamphlets are distributed to educate all employees on quality. With the aim of fostering a culture of employee creativity and improvement, we established improvement activity debriefing sessions and the Improvement Proposal System, where employees can propose improvements to their own or other departments throughout the year. This demonstrates our commitment to developing and implementing proactive improvements and evaluating their effectiveness.

# Making Safe Vehicles

## Our Approach

The 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 manufacturer, 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 what the SUBARU Difference means.

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. In the future, we will further evolve this intelligence and combine advanced sensing technologies with the judgment capability of AI, improving safety in all situations.

The SUBARU Group's goal of Making Safe Vehicles will be achieved through an advanced fusion of our initiatives for Peace of Mind and People-oriented Mobility Culture, two of our Six Priority Areas for Sustainability. We are making 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.

\* Zero fatal traffic accidents among occupants of Subaru vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

## Management System

In order to further accelerate its new technology development, including safety technology and electrification for making products more environmentally friendly, SUBARU's development systems are 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. This marks a pivot from a system based on functional organizations (e.g., vehicle bodies and power units) to an organic combination along value and functional axes.

\* Details regarding SUBARU's car manufacturing systems are as described in Mitigating Climate Change: Management System.

> [Mitigating Climate Change: Management System](#)

## Aiming for Zero Fatal Traffic Accidents in 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 to automatic, but rather in "Respect of 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 System (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, the current situation reveals an issue where approximately 30% of fatal traffic accidents, primarily caused by no-fault accidents, remain unsolved. We also recognize the challenge of responding to more severe forms of accidents, such as collisions involving cyclists.

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.

## Initiatives

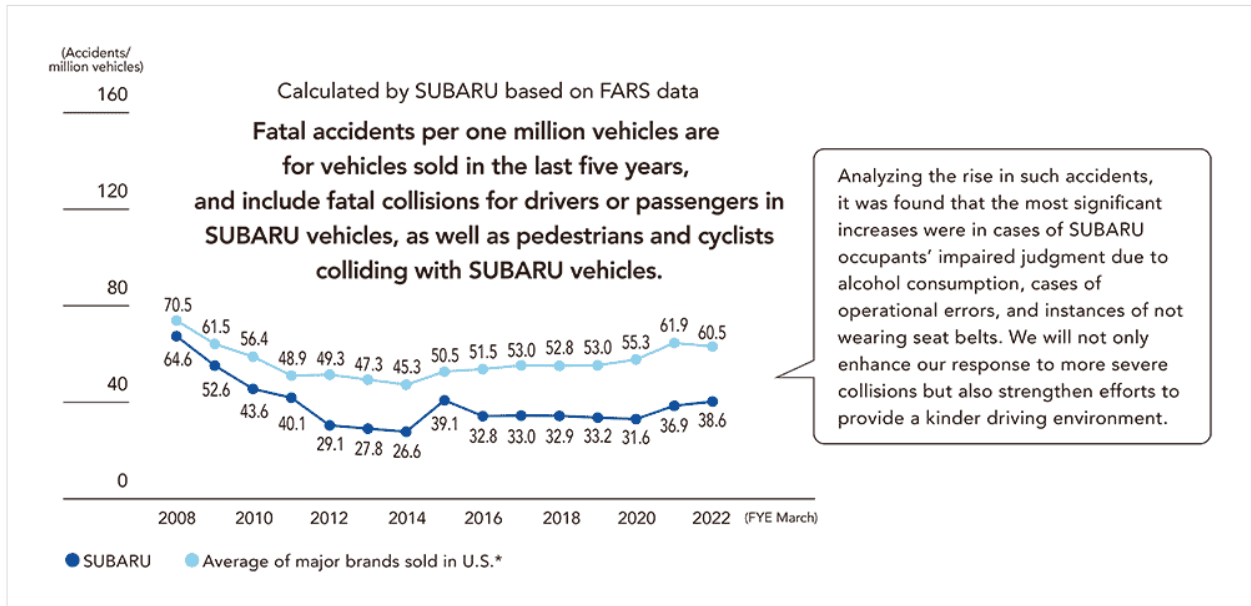
### Achieving a Low Rate of Fatal Traffic Accidents in the U.S. and Japan

From FYE March 2009 to FYE March 2023, we carried out an investigation on the number of fatal traffic accidents involving SUBARU cars sold in the U.S., a major market, and those sold in Japan. In the U.S., SUBARU cars have maintained a rate of fatal traffic accidents that is lower than the average for major selling brands in the U.S. for 15 consecutive years. In Japan, SUBARU cars also show a rate of fatal traffic accidents that is lower than the average for other auto manufacturers in the country for 15 consecutive years.

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

> [SUBARU's Overall Safety > EyeSight](#) (Japanese version only)

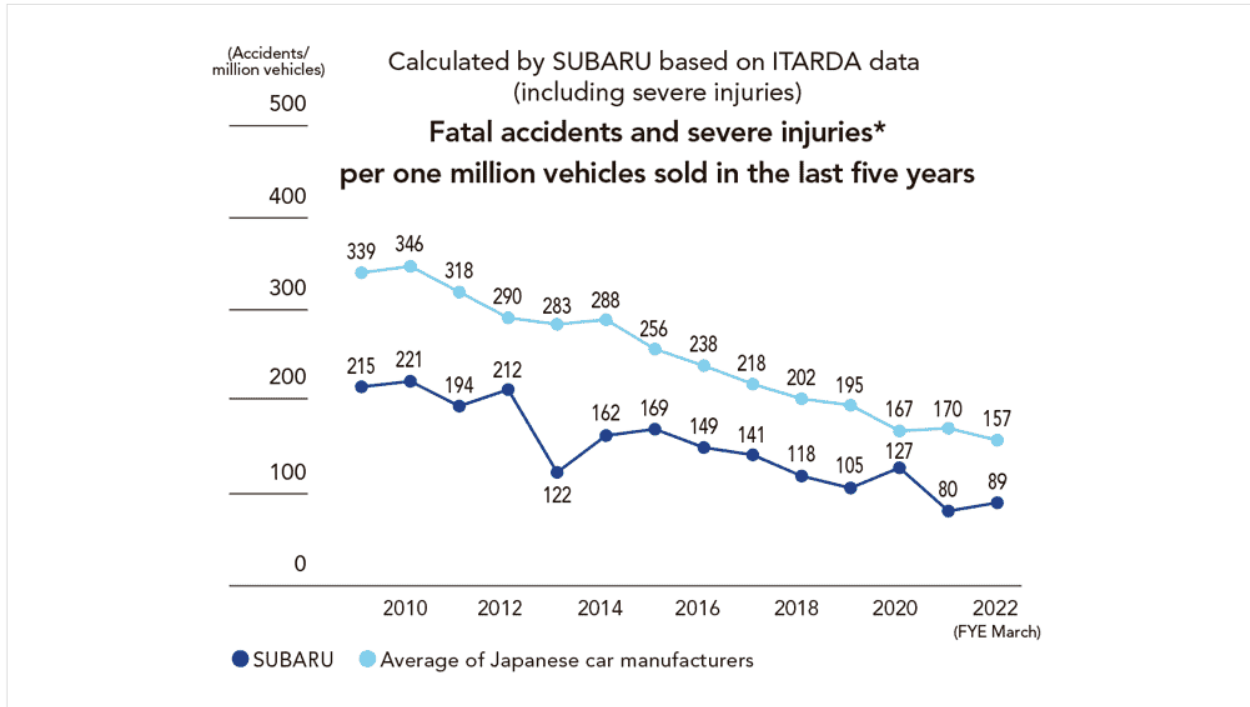
#### Facts about Fatal Traffic Accidents in the U.S.



Calculated by SUBARU based on FARS data. Fatal accidents per one million vehicles sold in the last five years. Average of 12 major brands sold in the U.S., excluding SUBARU (excluding trucks and large SUVs)

\* As of this fiscal year's report, the "average of major brands sold in the U.S." has been calculated as the average number of fatal accidents for major brands per one million vehicles.

### Facts about Fatal Traffic Accidents and Severe Injuries in Japan



Calculated by SUBARU based on ITARDA data (including severe injuries)  
Fatal accidents and severe injuries\* per one million vehicles sold in the last five years  
Average of seven Japanese car manufacturers, excluding SUBARU (including light vehicles but not trucks)

\* As of this fiscal year's report, the "average of Japanese car manufacturers" has been calculated as the average number of fatal accidents for major brands per one million vehicles.  
\* Fatal accidents: Incidences where the victim died within 24 hours of the initial event.  
Severe injuries: Includes general cases of severe injury.

### 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 judgment 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.

## Digital Multi-View Monitor

The digital Multi-View Monitor is a function that contributes to primary safety by displaying the vehicle's surroundings and reduces the size of blind spots.

It has particular value in that it synthesizes digital camera footage from front, rear, left, and right perspectives, allowing for a comprehensive view of the vehicle's surroundings on a single screen. We have prepared two types of screen display that allow drivers to see the entire area around the vehicle: a top view that displays the surrounding area as if looking straight down at the car, and a 3D view that allows the driver to choose from eight different angles to display the area as if looking at the car from above at an angle.

This technology is installed to the Crosstrek and Impreza as of FYE March 2023, the Ascent as of FYE March 2024, and the Forester as of FYE March 2025.

Furthermore, in addition to the aforementioned functions, the FYE March 2024 Levorg and WRX (for the Japanese market) and Levorg Layback will be the first SUBARU models to feature the new Auto Mode function.

This function automatically displays the front view and partial top view (the front part of the top view) at low speeds, so even in situations where there are many blind spots and/or a succession of narrow intersections, as often found in residential areas, drivers can check blind spots ahead at a glance.

› [Technology: Primary Safety \(Japanese version only\)](#) □

## Active Safety

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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 surfaces, 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 outstanding core performance, 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.

### Line 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 hazard avoidance 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

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Our ultimate goal is to eliminate traffic accidents. To achieve this goal, SUBARU has spent more than 20 years developing driver assistance systems. The inexpensive and highly practical EyeSight has become widespread in markets around the world, pioneering advanced safety technology. In 2020, EyeSight was reborn to help aid our goal of zero fatal traffic accidents in 2030.

## EyeSight Core Technology

We have revamped our stereo cameras at the core of EyeSight's driver assistance. In this upgraded system, viewing angles are wider and image recognition is improved, giving it better-than-ever capabilities to distinguish cars, pedestrians, road lines, and other elements while driving. Thanks to improved control performance, driving SUBARU cars is now smoother and safer than ever before. Furthermore, with these new stereo cameras as a core driver and combined with four radar sensors on the front and rear of the vehicle, plus rear sonar, our system can monitor the car's entire surroundings. This offers support to drivers in a greater variety of situations and a higher level of safety. Beginning with the Levorg in FYE March 2021, we have expanded the lineup of vehicles equipped with this technology, including the WRX, Outback, and Forester in FYE March 2022, the Crosstrek and new Impreza in FYE March 2023, the Levorg Layback in FYE March 2024, and the new Forester in FYE March 2025.

## Collision Avoidance Support

Our new stereo cameras greatly expand the usable scope of pre-crash braking. It protects drivers and passengers in tense situations on the road, like oncoming vehicles, crossing pedestrians, or crossing bicycles during a turn, or vehicles approaching from the front. Approximately 40% of vehicle-to-vehicle accidents occur in situations like these. We believe our system significantly mitigates these traffic accidents.

To further improve our collision avoidance performance, we have newly adopted a wide-angle single-lens camera in the Outback, Ascent, Crosstrek, and new Impreza. Utilizing an even broader field of view than the new stereo camera, the wide-angle single-lens camera enables collision avoidance and reduces the potential for harm in scenarios involving head-on encounters with cyclists and incidents involving pedestrians. The system has been incorporated in the Levorg, WRX, and Levorg Layback as of FYE March 2024, and will be incorporated in the new Forester in FYE March 2025.

The EyeSight system has also been equipped in the BRZ manual transmission model in FYE March 2024. By offering high-performance collision avoidance assistance to a broader range of customers, we have taken a significant step toward achieving zero fatal traffic accidents in 2030.

## Reducing Operating Burden

SUBARU believes that reducing operating burden leads to greater safety.

In 2020, EyeSight X was born, an evolutionary advance from our EyeSight system. This new system combines high-precision 3D maps and satellite positional data to recognize road conditions well ahead of the vehicle, beyond the detection range of stereo cameras and radar. These high-precision 3D maps constitute an important element technology at the heart of next-generation driver assistance. SUBARU was one of the first among automotive companies to apply this technology and bring it to market. It helps reduce driver burden especially on long hauls, offering a luxurious touring experience. It does this through a variety of features, including speed control at optimal levels just before curves and toll booths, active lane change assistance, and assistance during traffic congestion, including hands-off and start-and-stop support. Our ongoing efforts to expand the integration of the EyeSight X system included its implementation across all grades of the Outback for the Japanese market in FYE March 2022 and for all grades of the Levorg, WRX, and Levorg Layback, also for Japan, in FYE March 2024. We are committed to offering comfortable transportation to a wider range of customers.

## Support for Safe Driving

We are also expanding the implementation of the Driver Emergency Support System to prepare for unforeseen circumstances. If the driver's hands come off the steering wheel for a long time while Active Lane Keep is engaged, or when the system detects a distracted or drowsy driver while hands-off congestion driving assistance is active, it will warn the user. If the driver does not move the steering wheel even after the warning, the system determines that an emergency situation is underway, activating hazard lights and the car horn to inform nearby vehicles of the situation and gradually slowing the vehicle to a stop. Introduced for the first time in the Levorg released for the Japanese market in FYE March 2021, this system was also incorporated into the WRX and Outback for Japan in FYE March 2022.

The Crosstrek and new Impreza for the Japanese market are equipped with features that are integrated with SUBARU STARLINK. When the Driver Emergency Support System is activated, it automatically connects to a call center, allowing for quicker response in an emergency.

In the new Forester for FYE March 2025, we are strengthening the Driver Monitoring System integration. Even if the driver is operating the steering wheel, it will activate if it detects that the driver is looking away from the road or falling asleep. A pulse brake warning has also been added to give the driver a physical warning of an abnormality.

> [Technology: Preventive Safety](#)  (Japanese version only)

## Passive Safety

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Since the time of “Subaru 360,” when we started 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 as well as the possibility of harm to the occupants of other vehicles. These functions 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.

### Side Collisions/Rollovers

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. Furthermore, several kinds of airbags and energy-absorbing 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, and have been carried over to our BEV. As an example, we were the first Japanese automobile manufacturer to install pedestrian protection airbags, which have now been equipped in seven models.

### 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

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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. Our vehicles feature the Advanced Automatic Collision Notification (AACN<sup>+</sup>) system. In the event of a collision that triggers the airbags, it automatically connects to a call center and coordinates with the police, emergency services, and medical institutions, aiding in more speedy rescue activities. D-Call Net, an element of this system, is installed in vehicles for the Japanese market. When a vehicle is involved in a traffic accident, information such as the direction of impact, speed, severity of impact, and whether or not the occupants were wearing seatbelts is immediately sent to the D-Call Net server. From this information, the severity of the injuries to the occupants is automatically estimated, and if necessary, a request is made for a medical helicopter. In addition, 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.

\* This system estimates the severity of injuries to passengers in the event of a traffic accident involving a car equipped with an event data recorder (EDR) in its airbag system, and notifies the fire department and/or medical helicopter service base hospital, based on data sent automatically from the EDR and using a certain algorithm.

## Car Assessments

SUBARU undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP\*1 in Japan, IIHS\*2 and U.S. NCAP\*3 in the U.S., Euro NCAP\*4 in Europe, and ANCAP\*5 in Australia, and has gained the highest rank of assessment in most of them.

In FYE March 2024, the Crosstrek and Impreza won the JNCAP Five Star Vehicle Safety Performance 2023 Award, the highest rating in the JNCAP. Furthermore, of the five star award winners, the vehicles also won the JNCAP Five Star Vehicle Safety Performance 2023 Best Award, only awarded to the vehicles earning the highest overall points. At the IIHS, as of May 2024, one of SUBARU's 2024MY (model year) vehicles had won the organization's 2024 TOP SAFETY PICK+ (TSP+) Award, and three vehicles had won its 2024 TOP SAFETY PICK (TSP) Award. In the U.S. New Car Assessment Program (NCAP), two 2025MY models and five 2024MY models received 5-Star Safety Ratings in the overall rating. ANCAP gave the Solterra a five-star rating in its 2022 assessment.

- \*1 Japan New Car Assessment Program (JNCAP): An assessment operated by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA) to evaluate automobile safety performance.
- \*2 IIHS: Insurance Institute for Highway Safety
- \*3 U.S. NCAP: U.S. New Car Assessment Program for assessing safety performance operated by the National Highway Traffic Safety Administration (NHTSA).
- \*4 Euro NCAP: European New Car Assessment Programme, a safety information disclosure program for automobiles in Europe.
- \*5 ANCAP: The Australasian New Car Assessment Program, a safety performance assessment program conducted by an independent organization created by Australian and New Zealand transit authorities.

## FYE March 2024 Commendations

Assessed Automobiles	Assessment Organization	Assessment
Crosstrek Impreza	 JNCAP, Japan	Vehicle Safety Performance JNCAP Best Award 2023 JNCAP Five Star Award 2023
2024 model of the Ascent	 (U.S.-specification models only) IIHS, U.S.	2024 TSP+ Award*
2024 models of the Outback, Impreza, and Solterra	 (U.S.-specification models only) IIHS, U.S.	2024 TSP Award*
2025 models of Legacy, Outback (excluding Wilderness), Impreza, Crosstrek(excluding Wilderness), Ascent, Solterra, 2024 models of Forester(excluding Wilderness)	 U.S. NCAP, U.S.	Overall Safety Rating: Five Stars
Solterra	 ANCAP, Australia	2022 Five-star rating

\* In the IIHS's publication of vehicle safety information, the TOP SAFETY PICK (TSP) Award is given to vehicles that earned the rating of "Good" in the original moderate front overlap test and small overlap tests (driver- and passenger-side) and the updated side crash test, and the rating of "Acceptable" or higher in the headlight evaluation (standard equipment), as well as the rating of "Acceptable" or higher in the daytime and nighttime vehicle-to-pedestrian crash prevention test. In addition to these ratings, vehicles that earned the rating of "Acceptable" or higher in the updated offset frontal crash test replacing the original test are awarded the TOP SAFETY PICK+ (TSP+) Award.



## Safety Is Our DNA

Since its founding, the core of the SUBARU Group, an organization with roots in the aircraft industry, has been to put people first and to engage in Human-Oriented Monozukuri. We believe that safety is the most critical basic function for cars. Since the launch of Subaru 360 more than half a century ago, we have passed this belief on as an element of our company DNA, making relentless efforts in every era to perfect the most essential functions of a car—driving, turning, and stopping—reflected in our unique engineering know-how, including all-around safety performance. Looking to the future, SUBARU will continue to engage in automotive manufacturing with a philosophy of “All-Around Safety” and maximum emphasis on safety performance.

> [The technology that makes Subaru different: enjoyment and peace of mind: enjoyment and peace of mind](#)

### 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 aircraft. With aircraft, the implementation of ideas and countermeasures within the vehicle's basic structure prevents the onset of danger. One indispensable safety feature of aircraft 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.



### 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)



4WD SUBARU Leone

SUBARU 1000

**IN THE 1980s & 1990s****Ensuring Safety for Drivers and Passenger****Legacy Launched. Development of Driving Assistance 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 assistance system using stereo cameras which was the predecessor of our current EyeSight technology.

**IN THE 2000s & 2010s****Ensuring Safety for Everyone****Commercialized EyeSight****Making 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.

**The SUBARU Global Platform****Achieving new levels of both comfort and maneuverability**

The SUBARU Global Platform has brought about driving dynamics lending enjoyment to operating its vehicles. This has been achieved by top-class passive safety performance recognized by global safety assessments, as well as driving quality achieving new levels of comfort and maneuverability and top-class vibration reduction thanks to stability, as well as low noise.

**FROM THE 2020s****Next-Generation EyeSight, EyeSight****Evolutionary innovation in EyeSight**

The next-generation EyeSight system enables 360-degree sensor capabilities from the wide-angle stereo camera and four radar units located at the front and rear of the vehicle. This contributes to safe driving in an even wider range of situations, like encounters with vehicles, pedestrians, and bicycles at intersections with poor visibility and when turning left or right. Stereo cameras, which can measure distance in the same way as the human eye, can distinguish between vehicles, pedestrians, and road lines. The system boasts high recognition performance with its wide viewing angle and viewing distance. The software, which functions as the "brain" of the system, takes this information and the state of the vehicle's operation to determine the necessary controls, executing these in a manner that fits the situation, supporting safe driving with peace of mind and comfort. EyeSight X achieves a new dimension of advanced safety technology with its newly developed system utilizing the QZSS "Michibiki" satellite system, GPS, and high-precision map data. Starting with the 2022 release of the Crosstrek, the addition of an ultra-wide-angle single-lens camera significantly reduces blind spots while driving. With EyeSight functioning as a third eye, this development takes another step toward a future of zero fatal

traffic accidents. The EyeSight system is also equipped in the BRZ manual transmission model since 2023. We have implemented collision avoidance and operating load reduction functions that are tailored to the characteristics of manual transmission vehicles, and have achieved practical driving support even for highly sporty vehicles. Furthermore, in 2020 we established the AI development hub, SUBARU Lab, in Shibuya-ku, Tokyo, where we are actively engaged in research and development to enhance safety by integrating the judgment capability of AI into stereo camera technology.

### EyeSight Performance

Cumulative global sales of vehicles equipped with EyeSight reached five million units\*<sup>1</sup> in June 2022.

With the superior recognition capabilities of its stereo camera technology, EyeSight has consistently been awarded top safety ratings by independent agencies from Japan, the U.S., Europe and other places and has contributed to strengthening Subaru's preventive safety performance over the years. A study by SUBARU based on data from Japan's Institute for Traffic Accident Research and Data Analysis (ITARDA) has revealed the accident rate of EyeSight-equipped vehicles is as low as 0.06% in Japan\*<sup>2</sup> while a study conducted by Insurance Institute for Highway Safety (IIHS) has found the system reduces rear-end crashes with injuries by up to 85% in the U.S.\*<sup>3</sup>

In April 2024, it was announced that the company would adopt AMD's Versal™ AI Edge Series Gen 2 as the SoC\*<sup>4</sup> to be used in the next-generation EyeSight, and that it would begin collaborating with AMD on circuit design to optimize the SoC in order to achieve cutting-edge AI inference performance and ultra-low latency computing at a low cost. By combining AI inference processing with the recognition processing of stereo cameras that SUBARU has cultivated over many years, we are working to further improve preventive safety performance and are moving forward with the incorporation of this technology into the next-generation EyeSight in the second half of the 2020s.

\*<sup>1</sup> Based on 2021 global sales. Excludes OEM vehicles from other companies.

\*<sup>2</sup> Calculated by SUBARU based on the number of SUBARU vehicles equipped with EyeSight (Ver. 3) sold from 2014 through 2018 (456,944 units) and ITARDA data (259 rear-end crashes).

\*<sup>3</sup> Based on IIHS reporting data as of January 2017 from MY2013–2015 SUBARU models equipped with EyeSight through 2014 in the U.S.

\*<sup>4</sup> SoC: System on a Chip. Refers to a single semiconductor chip featuring a number of functions.

#### FROM THE 2020s

### Evolution of the SUBARU Global Platform

#### Evolving ourselves to the next stage, in pursuit of our ideals

In order to bring the performance of the SUBARU Global Platform to an even higher level, we have adopted new full inner frame construction technology to enhance rigidity across the entire body. This has dramatically improved body rigidity. Following the philosophy of the SUBARU Global Platform, we have adopted the newly designed EV-dedicated platform, e-SUBARU Global Platform, starting from the 2022 release of the Solterra. Based on a chassis with a symmetrical layout, we have integrated SUBARU's expertise into components such as suspension and electric power steering. This approach ensures that from the moment it sets into motion, everyone can experience SUBARU's unique agile and comfortable driving feel, providing "Enjoyment and Peace of Mind" in our BEV.

Going forward, we are also working to evolve the very basis of our vehicles, that being the platform that leads to all kinds of performance improvements, such as driving performance, comfort, and passive safety.

# Initiatives in the Aerospace Business

## Our Approach

SUBARU has created a future vision and technology roadmap for obstacle detection systems and lightning-resistant technology with the aim of developing safety technology for aircraft to detect and avoid obstacles and lightning strikes. Moving forward, we will continue to provide safety and peace of mind in the skies through our obstacle detection systems and lightning-resistant technology.

## Initiatives

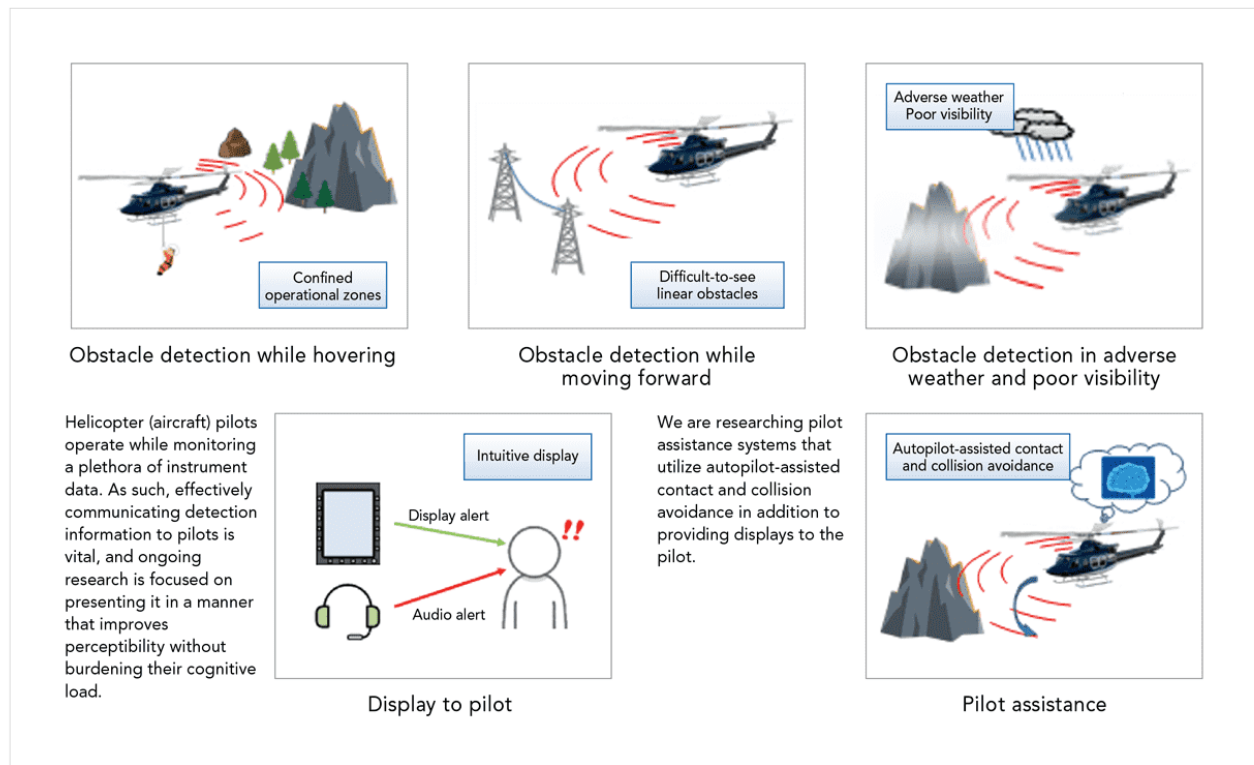
### Research on Obstacle Detection Systems for Ensuring Helicopter Flight Safety

Helicopters possess distinctive capabilities such as hovering and the ability to take off and land without requiring a runway, unlike fixed-wing aircraft. These traits are crucial for rescue operations in disaster-stricken areas and mountainous terrain, where tasks in confined spaces surrounded by obstacles such as trees, transmission towers, and cliffs are often required. In areas surrounded by obstacles, factors such as changing wind direction and reduced visibility can inadvertently lead to unintended approaches toward these obstacles. In the worst-case scenario, there's a possibility of contact and even a crash, highlighting the increased awareness of the hazards posed by obstacles.

Various safety devices are incorporated into aircraft, including helicopters, enabling them to detect and avoid a range of hazards. However, they may not cover all potential risks. For this reason, SUBARU is actively engaged in the research and development of obstacle detection systems as part of efforts to eliminate collision accidents.

Obstacle detection systems utilize sensors to detect surrounding obstacles in real-time, particularly in situations with narrow spaces or potential collision risks during adverse weather or poor visibility conditions. They alert the pilot through display and auditory warnings, providing assistance for safe avoidance maneuvers. In the future, the aim is to achieve pilot assistance that enables automatic maneuvering to avoid detected obstacles.

### Obstacle Detection System

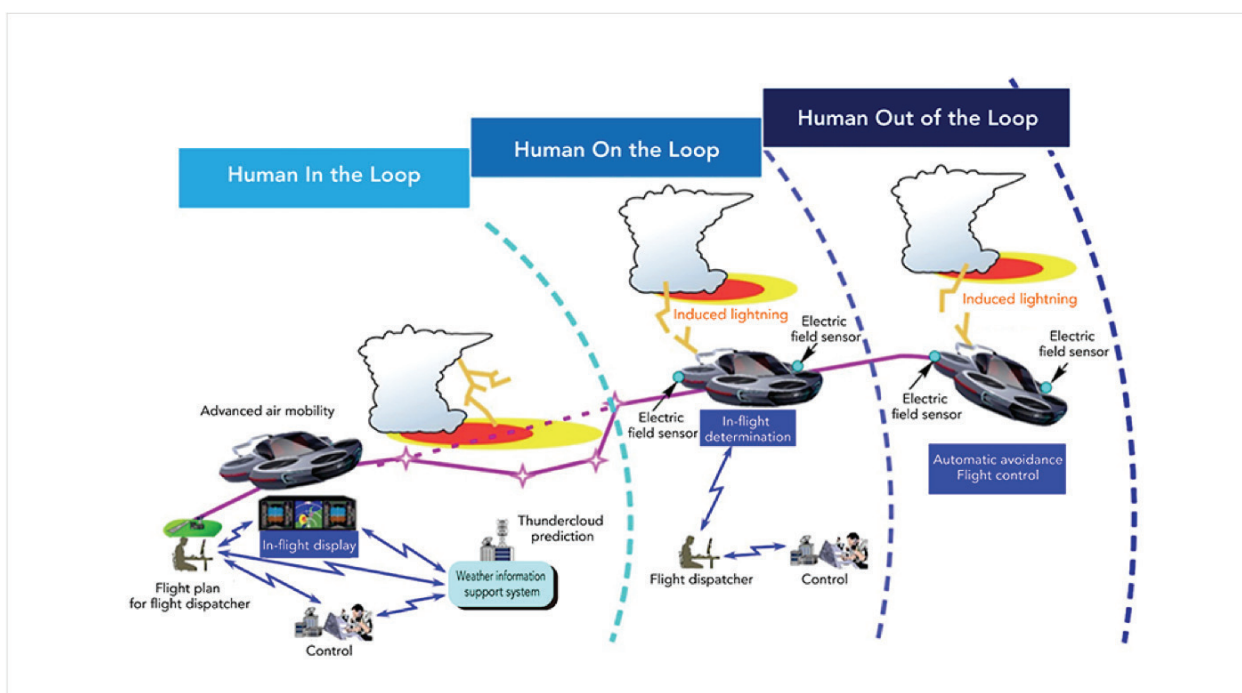


## Research on Lightning Avoidance Systems for Aircraft and Next-Generation Mobility

In recent years, there has been a growing emphasis on the development of advanced air mobility projects, such as flying cars and drone deliveries, contributing to a potential increase in airborne mobility. However, as cars also take to the skies, approaching thunderclouds can lead to an increase in electric fields, raising the potential for lightning strikes. Modern aircraft are engineered to maintain safe flight even in the event of lightning strikes. Nevertheless, the areas impacted by lightning strikes necessitate repairs, prompting the pursuit of technologies that either mitigate damage or prevent lightning strikes entirely. SUBARU is actively engaged in research aimed at avoiding lightning strikes, which can also be applied to advanced air mobility solutions.

Weather data may detect the distribution of thunderclouds, but accurately predicting where lightning will strike remains challenging. As a result, there is a growing need for aircraft to possess systems capable of preemptively detecting and avoiding lightning. SUBARU partnered with Japan Aerospace Exploration Agency (JAXA) to conduct experiments and analyses on discharge characteristics concerning aircraft model simulations. This research revealed the potential for variations in the susceptibility of lightning strikes based on the direction of lightning, the aircraft's angle, and the generation of static electricity on the aircraft. In addition, an algorithm has been developed that uses sensor information installed on the aircraft to predict lightning strikes on the aircraft's surface. Moving forward, the focus will be on verifying this algorithm and refining it to offer supportive information to pilots. Additionally, the aim is to develop and offer aircraft designed to avoid lightning strikes by controlling the aircraft's state, encompassing advanced air mobility solutions.

### Steps from Lightning Prediction to Lightning Avoidance



### Proposed Revision of International Standards for Collision Avoidance of Unmanned Aircraft

Small unmanned aircraft, commonly referred to as drones, and larger, medium-sized unmanned aircraft are already being used widely in the agricultural sector and other areas, and are also expected to be used for transporting goods during disasters, searching for people in distress, and for logistics infrastructure. However, there have been reports of near misses between unmanned aircraft and manned aircraft such as helicopters in Japan, and how to avoid collisions with other aircraft is an urgent issue toward the safe use of these unmanned aircraft. Collision avoidance is also an indispensable technology for achieving flight outside of line-of-sight and flight over third-party entities, which are key elements for the social implementation of unmanned aircraft.

SUBARU, together with Japan Radio Co., Ltd. and ACSL Ltd. proposed the revision of international standards for the technical operation of collision avoidance procedures between unmanned aircraft and other aircraft, or between unmanned aircraft, based on the results of development in the New Energy and Industrial Technology Development Organization (NEDO)'s Drones and Robots for Ecologically Sustainable Societies project (DRESS project), and this revised standard was adopted and issued by the International Organization for Standardization (ISO).

With the standardization of collision avoidance procedures, systems to detect and avoid other aircraft as a necessary means of avoidance, as well as standardization of testing methods, are expected to further ensure air safety.

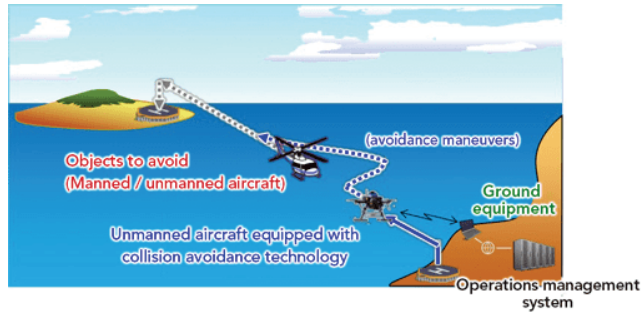
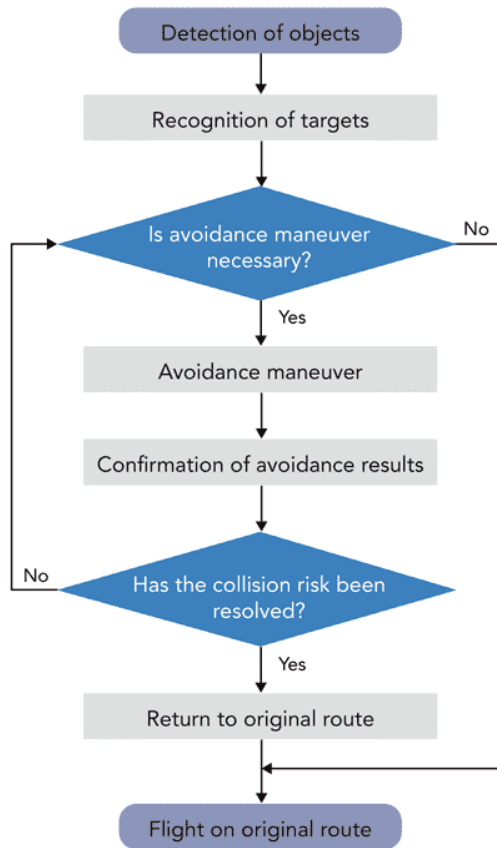


Illustration of Developed Collision Avoidance Technology

**Details of International Standard Revision**

ISO 21384-3, first published in November 2019, standardized operational procedures for unmanned aircraft, but did not specify procedures for avoiding collisions with other aircraft or between unmanned aircraft.

In the new revision, Concept of Operations (CONOPS) for collision avoidance was added as a chapter, which defines the basic procedure consisting of six steps: object detection, target recognition, avoidance maneuvers, confirmation of avoidance results, return to the original route, and flight on the original route. Going forward, this international standard will serve as a guideline for unmanned aircraft, which will follow these six steps and take uniform avoidance actions.



Collision Avoidance Basic Procedures

# Approach to Human Capital

## Our Approach

Our aim is to create human resources who will provide “Enjoyment and Peace of Mind” to customers, and therefore “delivering happiness to all.”

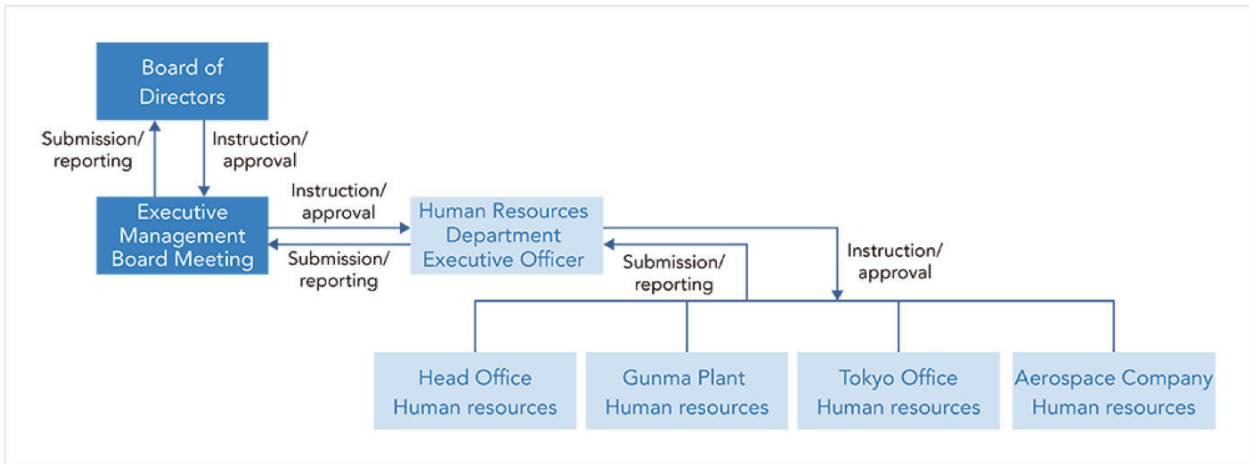
In the rapidly changing business environment, the SUBARU Group is committed to human capital management with the approach that the human resources that drive our operations are the foundation of our competitiveness and sustainable growth.

To flexibly adapt to changes in the environment and powerfully drive transformation, we have positioned linking the growth of the individual, in which people think and act on their own initiative, and the growth of the organization as an item of utmost importance. Accordingly, we are taking a range of actions under priority themes such as human resource development and corporate culture reforms, with the goal of building human resources who will lead the future of SUBARU. We also believe that the mental and physical health of our employees is of paramount importance in order for them to maximize their potential for transformation, and we are working to create workplaces with safety and security.

Under our new management structure, we will further deepen these efforts and aim for “Monozukuri Innovation” and “Value Creation” through people and organizations with true competitiveness, and continue to strive toward our vision of becoming a company “delivering happiness to all.”

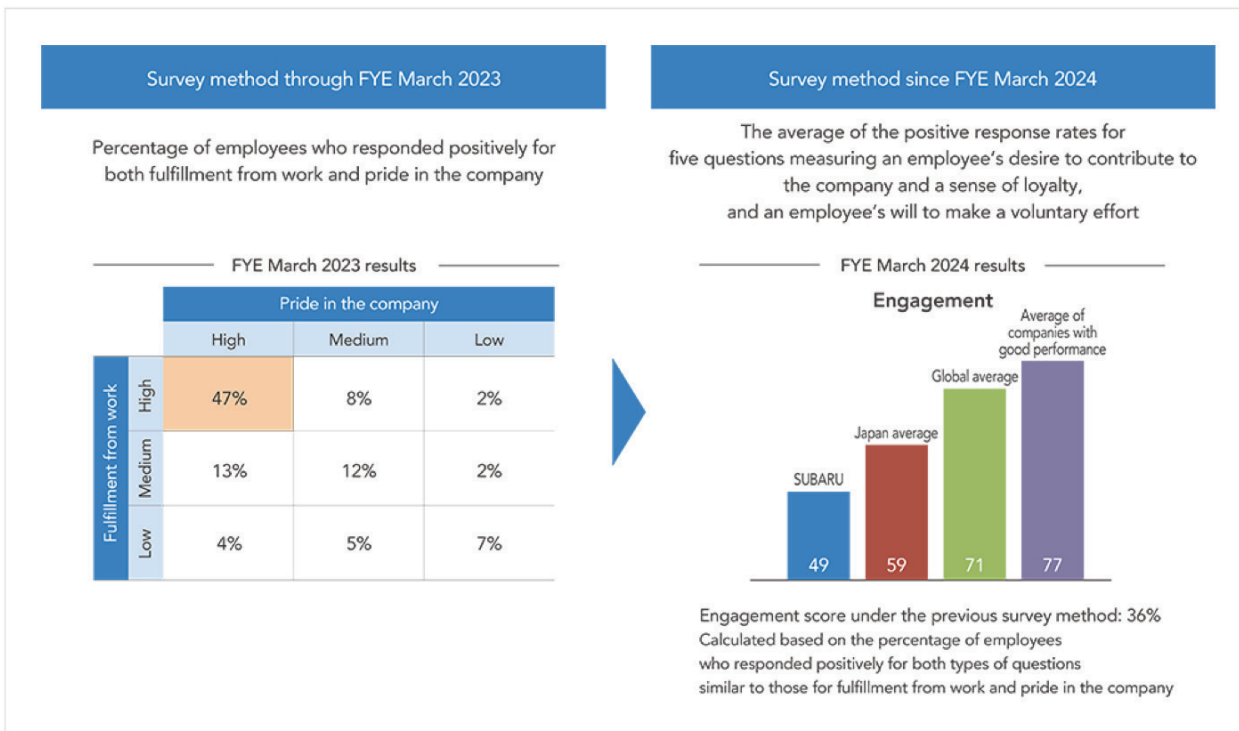
## Management System

### Human Resource Strategy Promotion System



### Employee attitudes survey

SUBARU regards employee engagement as one of the key management indicators for evaluating company initiatives, and has been conducting the annual Employee Attitudes Survey since FYE March 2018 to use it as a tool for addressing organizational issues. The survey results are utilized in personnel policies and corporate culture reform efforts, as well as to identify issues and formulate countermeasures at each workplace. Since FYE March 2023, points for improvement in the employee engagement rating have been used as a qualitative (non-financial) evaluation criterion for executive compensation. From FYE March 2024, we have adjusted the survey, modifying the calculation method for the engagement score with the aim of making it easier to analyze the survey results and compare them with other companies, and to clarify SUBARU's strengths and challenges. These changes allow us to focus on planning countermeasures, and by adding indicators that could not be measured before, we are working to visualize the penetration of management strategies and the status of improvements in business processes across teams. In addition, SUBARU has decided to set a new target engagement score of 70% for 2028, in line with the change in survey method. Given our current situation, this target score to be achieved will be our global average, and we have adjusted our target achievement period to 2028, which is also a milestone year for the initiatives toward our vision for 2030 set out in the New Management Policy.



In the survey conducted in October 2023, the engagement score was 49%, which was below the global average. The survey results showed that the percentage of positive responses to questions in categories such as management strategy and business processes was low, and that there was a divergence from companies with good business performance. We will seriously address the challenges identified in this survey and other results, and work to analyze the causes of said challenges and how to improve them to carry out the New Management Policy and become a company “delivering happiness to all.”

**Future challenges**

**Actions in the management strategy category**

Our analysis reveals that one factor is the uncertainty about the feasibility of the unprecedented challenges we will tackle according to the New Management Policy. In response, the President and Deputy President have started holding dialogue sessions to directly communicate their thoughts and ideas to employees. The dialogue sessions are being held with employees selected from departments, positions, and age groups that have scored lower than the average for SUBARU as a whole, allowing us to directly hear raw feedback not perceptible from data alone, while also carefully communicating the management's thoughts on achieving the new policies. We also hold dialogue sessions with the heads of departments who oversee each workplace to discuss the issues faced by each workplace as they work to put the policies into practice. These dialogue sessions focus on having small-group discussions to engage attentively with each individual, and we are striving to use these as a way to spur employees to take on challenges with a sense of urgency.

**Actions in the business process category**

Challenges highlighted here were found in the areas of collaborative systems across organizations and work processes. As overall business complexity increases, the areas that need to be addressed are becoming more diverse, and with advancing specialization, we have analyzed that one contributing factor in the areas above is the lack of communication between organizations. We see these as major issues that must be overcome as we work to become “one SUBARU” in order to achieve the New Management Policy. We will work to resolve these issues from all angles, including creating a workplace environment that encourages cross-departmental collaboration, fostering a corporate culture that ensures psychological safety, and implementing business transformation that makes use of IT and AI.



## Risks in Securing and Training Human Resources

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So that each and every employee can become a driving force for achieving both the sustainable growth of the SUBARU Group and the realization of a sustainable society, SUBARU aims to train human resources who can act autonomously and play a leading role in creating change. We are also developing a corporate culture that encourages employees to develop their own careers and take on new challenges in an environment that allows diverse human resources to play an active role.

In securing human resources, we are hiring more aggressively than ever in specialized areas such as electrification, evolution of advanced safety technologies, and enhancement of IT fields.

Also, in order to continue offering customers our unique value, SUBARU employees need to be able to exert their unique talents informed by their own personal values and characteristics. This is why SUBARU issues promotions while valuing the differences in gender, nationality, culture, and lifestyle among its employees, striving to create workplace environments where everyone can make a meaningful contribution. We particularly regard occupational health and safety as a critical management issue, and under our fundamental philosophy of "SUBARU makes health and safety the first priority in all our work," we are promoting efforts across all of SUBARU to prevent industrial accidents, prevent illness, and improve working environments. Going forward, if we are unable to secure human resources due to a tight labor market, intensifying competition for human resources, including from other industries, or labor problems that could lead to compliance issues, if there is insufficient action with regard to occupational health and safety, or if there is sustained turnover, the SUBARU Group's business activities and management may be affected. Similarly, inadequate human resource development or the inability to create a workplace environment in which everyone can play an active role and in which employee diversity is respected may also affect the SUBARU Group's business activities.

# Human Resource Development

## Our Approach

The SUBARU Group's human resource development programs are tailored to the business characteristics of SUBARU, including its affiliated companies, based on the belief that encouraging the sustainable growth of individual human resources is essential for the sustainable growth of their respective companies.

We also offer training and human resource exchange across the entire SUBARU Group so that all of its members can work together to provide sustainable value to society.

## Management System

### Human Resource Development

To create human resources who act independently and take on new challenges based on their resonance with SUBARU, we work to ensure a system and environment is in place where employees can chart their own careers and learn and grow independently.

#### • Group companies in Japan

Beginning in FYE March 2023, primary responsibility for Group company talent development has been transferred from the SUBARU Corporate Planning Department to the Human Resources Department. With an integrated program, we will improve the level of our talent throughout the SUBARU Group.

#### • Overseas Group companies

We support the development of Group company employees outside Japan by providing talent development programs connected to capabilities needed and specialized skill development, based on regional systems, business content, and other factors.

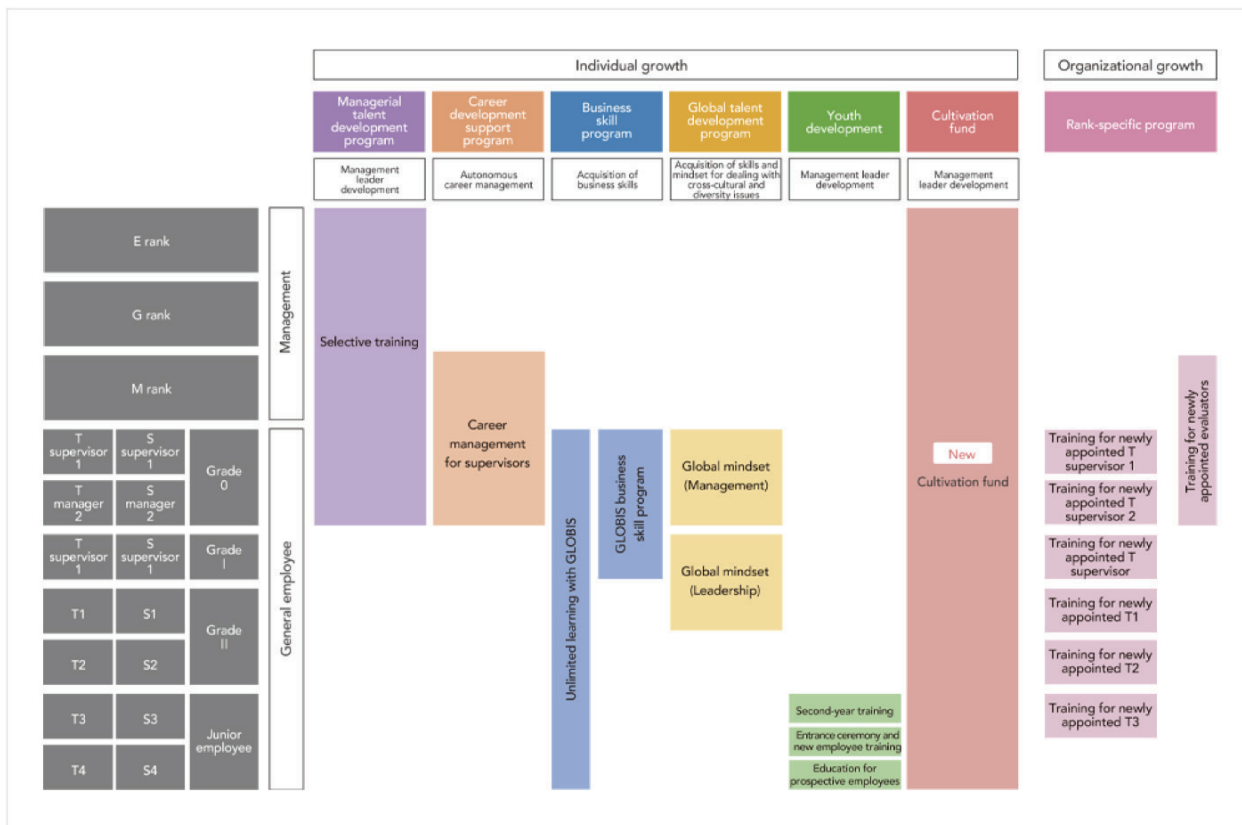
## Initiatives

### Career Development

Under the new personnel system launched in FYE March 2022, our organization aims to achieve the following three target states: 1) employees who take on new challenges can grow and succeed, 2) evaluations and treatment are fair and commensurate with work, and 3) human resources with a diverse set of abilities can succeed. Under this organization, we are supporting the independent career development of our employees.

### Training Programs

SUBARU is working to develop a system and environment in which companies themselves encourage the growth of the individual so that all employees can independently develop their careers. To this end, we provide a wide range of learning opportunities to enable individuals to develop skills according to the career plans they have created. By actively incorporating Off-JT (off-the-job) training as well, we focus not only on the systematic acquisition of business skills appropriate for each rank and position, but also on the development of human resources with diverse skills and who can be adaptable in an era of rapid change and future uncertainty.



**Training Results**

Item	FYE March 2022	FYE March 2023	FYE March 2024
<b>Average training hours per employee:</b>	6.5	10.4	13.7
<b>Training expenses per employee:</b>	¥39,000	¥51,000	¥60,000
<b>Total training hours:*</b>	128,554	178,362	254,937

Note: The scope of data has been expanded as of FYE March 2024 to include training held by personnel departments at all business sites.

**Identifying with the corporate philosophy**

Since FYE March 2022, we have conducted our SUBARU Vision Awareness Program for all employees across the Company at the end of October each year, including those in direct departments, with the aim of creating a strong organization in which diverse employees work as one toward a unified vision through autonomous demonstration of their respective outstanding abilities.

In FYE March 2024, this program's theme was the New Management Structure Policies. By holding discussions within workplaces about the connection between SUBARU's goal of being a company "delivering happiness to all" and these policies and initiatives, as well as the actions of each individual employee, we are encouraging each person to take autonomous action, and this is leading to the growth and increased competitiveness of the organization as a whole.

**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.

**Career Development Support**

Career interviews are offered to employees as an opportunity for them to come face-to-face with their potential career paths so that they can develop their own careers independently. We offer career management training for managers so that workplaces and superiors can provide appropriate career support.

### Business Skill Development Support

All employees are offered a choice of various business skill development support programs in accordance with their individual levels, goals, and career plans. We offer on-demand programs that allow employees to learn in their spare time and invite outside instructors to promote individual growth through external learning opportunities.

### Globally Focused Talent Development

In addition to improving language skills, we encourage employees to develop a wide range of capabilities with the goal of acquiring cross-cultural, collaboration, and leadership skills with a view to playing an active role on the global stage.

### Cultivation Fund

This fund, introduced in June 2024, is a program that not only provides educational opportunities directly from a SUBARU entity, but also allows employees to seek out learning opportunities that will lead to the evolution of their work. If these opportunities are approved, they can receive full support from the company. This is designed so that the employee's learning is then given back to the organization in the form of growth, with the goal of becoming best-in-class in each field and enhancing true competitiveness.

### Engineer Development

SUBARU believes that in order to maintain sustainable competitive advantage as a corporation, it is essential that we cultivate engineers capable of creating technological value that captures market changes and meets customer expectations. In this period of great transformation in the automobile industry, SUBARU is strengthening its unique technological capabilities by adding new capabilities (skills) that capture changes in the times in addition to the capabilities we have cultivated up to now. SUBARU is actively working toward this "upskilling" of its employees in the software domain, particularly for its engineering human resources.

Given that areas related to software will greatly influence a company's car manufacturing and functional values, we launched the Software Human Resource Development Project in FYE March 2023. This project aims to cultivate human resources capable of understanding and developing both vehicles and software, direct drivers of greater product strength and "Monozukuri Innovation." In this project, we have set up programs for new employees and existing employees, offering educational courses for each level. For new employees, we have set up two courses: the Embedded Systems Course, which applies software technology to product development, and the AI/DX Course. As of FYE March 2024, all 350 new employees who joined the engineering department have taken these courses, with around 20 of them progressing to the advanced level. At the advanced level of the Embedded Systems Course, we are working to develop core human resources who can develop infrastructure software through training that is in line with the actual work of the development site. In the advanced level of the AI/DX Course, students are assigned to the SUBARU Lab, which leads the development of advanced technologies that combine EyeSight and AI, and they acquire practical and advanced AI development skills. Furthermore, through education that takes into account the needs of each workplace, we aim to apply the results of education to actual work, and contribute to improving the productivity of the entire organization and driving technological innovation. For existing employees, we provide an introductory-level AI/DX Literacy Course for all 4,000 people in the engineering department. Furthermore, of these, more than 200 people from those who were recommended based on technical strategies and those who wished to do so based on their own volition have stepped up to the next level and are improving their technical capabilities. These initiatives are now more than just a way to improve skills, becoming an important driving force for organizational transformation and strengthening competitiveness. Going forward, we will continue to aim for qualitative improvement in these initiatives.

### Open-Call Job Rotation System

SUBARU introduced an open-call job rotation system in FYE March 2022 as a scheme to support employees in the career plans they have developed for themselves.

Under this system, employees voluntarily apply for open positions offered by each department, and if conditions are met for both sides, the employee is transferred.

In the three years since introduction of this system, more than 200 employees have gained new career opportunities.

Users have commented on how rewarding it is, how it gives them a sense of tackling new challenges, and how it broadens their perspectives.

The purpose of the system is to strengthen individual capabilities through career plan support, while also strengthening the organization through benefits from mobility of human resources.

## Transferring Skills

### ■Technician Development

The Monozukuri Division aims to develop ideal human resources who can think and act autonomously, and who can solve problems by involving other departments from a QCDS perspective (quality, cost, delivery, and service). We are conducting education based on five core areas of introduction, basics, skills, improvement, and management. Among them, our rank-specific training, which is one of the basic education programs to acquire understanding of roles and problem solving, has already been taken by 1,160 employees in FYE March 2024. In addition, as an initiative to pass on skills that require human intuition, we are operating a system called the Special Skills Transfer Course. In FYE March 2024, 39 trainees completed this course.

### ■Taking on the National Skills Competition\*1

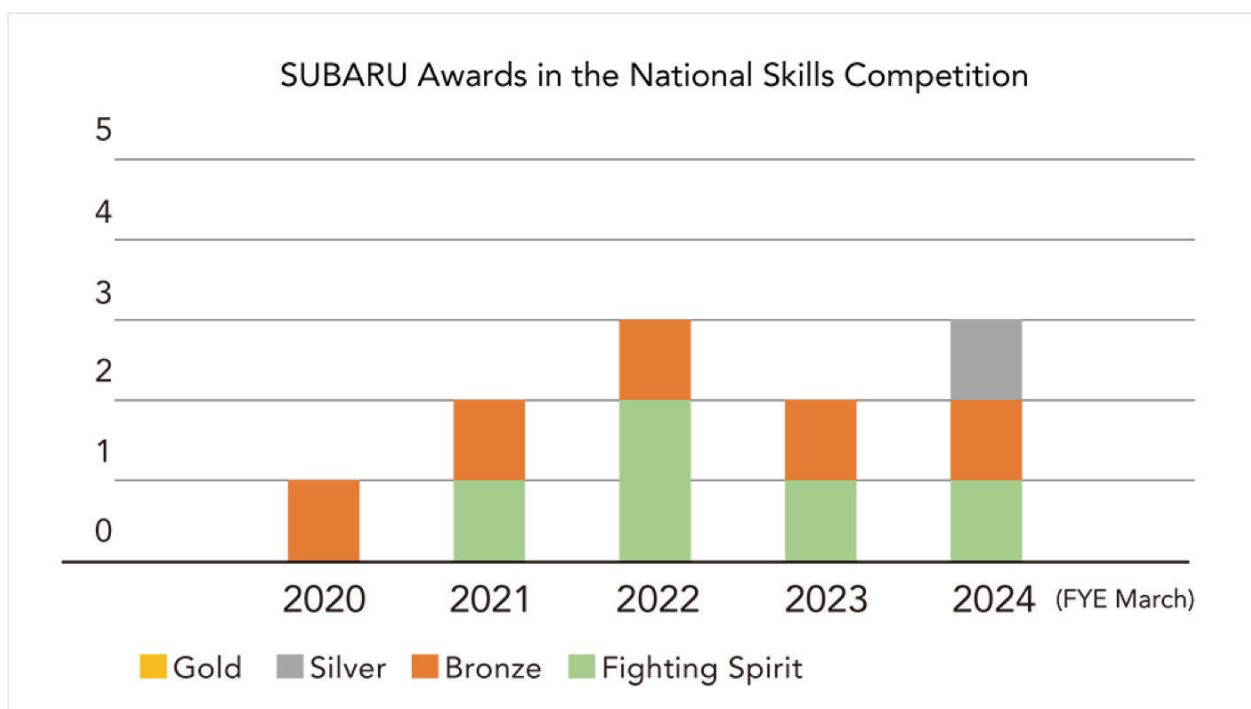
SUBARU participates in the National Skills Competition, which is designed to cultivate talent with advanced technical skills and who can lead in the workplace.

Each year, SUBARU employees compete to be the best in Japan in three categories—lathe work, plastic molding, and automobile sheet metal. For about three years from when they join the Company, competitors strive to hone their skills, concentration, and endurance in daily training so that they can do their best at this national competition.

SUBARU has participated in the National Skills Competition for over 20 years. In 2017, our participants won the gold medal in the automobile sheet metal category, and have continued to win awards every year since then. In the 61st competition in 2023, SUBARU participants won the Silver Award, Bronze Award, and Fighting Spirit Award. Including this achievement, we have won a cumulative total of 54 medals\*2.

\*1 The National Skills Competition is an event sponsored by the Japan Vocational Ability Development Association for young technicians (in principle, up to 23 years old) in Japan, with the aim of providing young technicians with a goal to strive for through skill competitions, and providing opportunities to come in contact with skills, etc., to appeal broadly to the general public about the importance and necessity of skills, and to help build momentum toward respect for technical skills.

\*2 Total awards (54) include 1 Gold Award, 3 Silver Awards, 14 Bronze Awards, and 36 Fighting Spirit Awards.



# Diversity, Equity & Inclusion (DE&I)

## Our Approach

The SUBARU Group conducts its business with Diversity, Equity & Inclusion (DE&I) as one of its Six Priority Areas for Sustainability.

We believe that innovation is created when the abilities nurtured from the various individuality, values, experiences, and backgrounds of all employees are fully demonstrated, and that this will lead to the creation of unique and sustainable value for SUBARU. By respecting diversity in many forms, including gender, nationality, culture, and lifestyle, and by creating an organization that makes the most of the diverse individuality within each person and by creating a comfortable working environment, we aim to bring together the diverse individuality of our employees to achieve world-leading "Monozukuri Innovation" and "Value Creation," building to create a kind of sustainable value creation unique to SUBARU.

## Management System

### Promotion System

The Diversity Promotion Office of SUBARU's Human Resources Department leads efforts in relation to diversity. The office has designated main activity themes as "supporting female employees to take on more active roles," "promoting the employment of people with disabilities," "supporting senior employees to take on more active roles," "promoting the recruitment of non-Japanese employees," and "LGBTQ+." Among them, SUBARU has placed particular emphasis on efforts to support and empower female employees. Activities are regularly shared at the Executive Management Board Meeting and among officers.

### Targets and Metrics

#### Supporting Female Employees to Take on More Active Roles

Aiming to achieve diversity at decision-making levels, we are working toward the goal of more than doubling the number of female managers by 2025 versus FYE March 2022 levels, and as of April 2024, there were 43 women (3.8%) among 1,132 managerial positions, representing an increase of approximately 1.8 times from the 24 female managers in 2021. We will continue to support the career development of female employees and promote SUBARU-wide reforms of both mindsets and corporate culture, including among top management, in order to achieve our goals.

#### Employment of People with Disabilities

In accordance with the Human Resources Department Policy on Employment of People with Disabilities established in 2023, the SUBARU Group strives to create workplace environments in which people with disabilities can truly shine.

### Human Resources Department Policy on Employment of People with Disabilities

#### 1. Proactive Inclusivity of Diversity

By working to employ people with disabilities, we aim to become a flexible and imaginative company in which diverse human resources can demonstrate their abilities.

#### 2. Greater Ownership

In working to employ people with disabilities, we will build a greater sense of ownership toward realizing a society where these employees and their colleagues can enjoy safe and consistent work.

#### 3. Fulfillment of Social Responsibility

We will fulfill our social responsibility to resolve social issues and realize a sustainable society in the employment of people with disabilities.

## Initiatives

### Promoting active roles for female employees

At SUBARU, we believe the empowerment of women is important to our sustainable growth. It is based on this belief that we support female employees in their pursuit of career development and in their efforts to balance work and childcare as two key issues. We also improve various systems and develop corporate culture to ensure that female employees can sustain their careers through various life events. Since FYE March 2024, we have also been further strengthening our activities to promoting active roles for female employees, including sending out messages from top management to all employees and launching a new Executive Management Board Meeting, which meets once a quarter.

Regarding support for career development, we place special emphasis on nurturing female managers. We have set a goal of doubling the number of female managers by 2025 compared to 2021. As a result of various initiatives, as of April 2024, we have 43 women among 1,132 managerial positions, representing an increase of approximately 1.8 times from the 24 female managers in 2021. We believe that in order to develop further, it is necessary to increase the number of female employees, improve their career motivation, and reform corporate culture.

As part of efforts to increase the number of female employees, we conducted a workplace tour and female employee round-table discussion for female science students. The participants learned about workplaces for female engineers and gained a more concrete perception of how experienced senior employees work. In addition, with respect to improving career motivation, we have established the Women's Leadership Program (WLP) as a program for female employees to share career plans, goals, and challenges with their supervisors and human resources departments, and to provide guidance and education tailored to each individual employee, thereby promoting talent development. We have also established a career training system that includes Life Career Training for women in their 20s and 30s, and Leader Training for women expected to ascend to managerial positions, in order to help women develop their own career paths.

Furthermore, to create a culture that promotes active roles for women, training is held for supervisors to strengthen their management skills to make the most of female employees' abilities. Another initiative is the Women's Empowerment Working 4's Project, launched in FYE March 2023 under the leadership of women working at the Gunma Manufacturing Division. This project's goal is to bring about what is needed for women to shine much more brightly, and includes improving facilities and holding round-table discussions.

To support balancing work and childcare, we have introduced a work-from-home system from FYE March 2022 and abolished core hours in the flex-time system to facilitate flexible work styles for diverse human resources so that they can balance rewarding work and fulfilling lives.

› [Second Action Plan based on the Act on Promotion of Female Participation and Advancement in the Workplace \(Japanese version only\)](#) 

### Status of Female Employees (Non-consolidated)

	April 2021	April 2022	April 2023	April 2024	FYE March 2026 Goal
<b>Number of Female Managers</b>	24 (2.2%)	27 (2.4%)	31 (2.8%)	43 (3.8%)	Double FYE 2022 Levels or More
<b>General Managers</b>	3 (1.2%)	4 (1.7%)	5 (2.0%)	5 (1.9%)	
<b>Managers</b>	21 (2.4%)	23 (2.7%)	26 (3.1%)	38 (4.4%)	

Note: Numbers in parentheses indicate share of women

### Creating Facilitative Workplaces with Universal Design

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 proactively adopt universal design for our common areas, such as breakrooms, restrooms, smoking areas, and cafeterias, thereby providing all employees with comfortable workplaces.

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

## Promoting employment of people with disabilities

In accordance with the Human Resources Department Policy on Employment of People with Disabilities, the SUBARU Group strives to create workplace environments in which people with disabilities can truly shine.

As of June 2024, SUBARU has 354 employees with disabilities, a percentage of employees with disabilities of 2.59%\*, active in many different kinds of workplaces. We are committed to improving our corporate value by creating more facilitative working environments for employees with disabilities, making them better places for everyone to work.

\* Including the number of employees with disabilities at SUBARU's specified subsidiary company.



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

To ensure that all employees have a proper understanding of people with disabilities, regular seminars are held and information is posted on our intranet throughout the year. In addition, we have conducted training for those in charge of hiring persons with disabilities at dealerships to deepen their understanding of the status of employment of persons with disabilities in the SUBARU Group and future efforts toward the legally prescribed employment rate.

### Specified Subsidiary Company SUBARU BLOOM Co., Ltd.

In 2024, SUBARU celebrates the 10th anniversary of the establishment of SUBARU BLOOM Co., Ltd. (SBC), its specified subsidiary company, as a core company for the employment of people with disabilities. From only eight employees on its establishment, the company has grown to 89 employees as of FYE March 2025, who are engaged in cleaning work at SUBARU's dormitories and plants. In FYE March 2023, SBC received the Gunma Prefecture Governor's Award, recognizing it as an excellent employer of people with disabilities for its longstanding achievements. 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.

Currently, based on our past employment performance, we are considering recruitment activities to include general schools in addition to special needs schools, as well as to expand to new job areas. In expanding employment, it is essential to collaborate not only with employees but also with their families and local support organizations. Therefore, we will continue to promote the employment of people with disabilities as part of diversity management centered on coexistence with communities.

#### • Vision and Mission

We aim to create a society of diversity, helping individuals to bloom and have joyful experiences

Employees: Helping individual qualities to bloom, creating empowered members of society

Company: With the power of many empowered individuals, blooming into a company loved by those in the SUBARU family

Society: Using Bloom's activities to help realize a diverse society by expanding the circles of its influence and support

#### • Status of Employment of People with Disabilities (Including SUBARU Living Service Co., Ltd. and SUBARU BLOOM Co., Ltd.)

	June 2020	June 2021	June 2022	June 2023	June 2024
<b>Number of employees with disabilities</b>	292	306	321	328	354
<b>Employment rate of people with disabilities (%)</b>	2.29	2.37	2.43	2.47	2.59

Note: The employment rate listed in the table is the actual employment rate based on the employment status of people with disabilities as reported to the Ministry of Health, Labour and Welfare on June 1 each year.



## Supporting Senior Employees to Take on More Active Roles

In FYE March 2022, SUBARU implemented its SUBARU Business Staff Program and SUBARU Partner Program as part of revisions to its reemployment programs for employees after retiring at the mandatory age of 60. This revision and these programs are designed to help energize senior citizens with valuable skills and support their active participation. We operate our programs so that all those who want to be reemployed can work for SUBARU and other Group companies.

We also offer personal finance planning and career planning training for employees in their 40s and 50s who may be beginning to consider their plans after reaching the retirement age, providing them with opportunities to think about their future life plans.

The number of rehired employees (aged 60 or older) in FYE March 2024 was 639.

### Reemployment Rate (Non-consolidated)

(FYE March)

	2020	2021	2022	2023	2024
Retirees (Persons)	164	97	130	225	264
Applicants for Reemployment (Persons)	130	72	111	179	219
Reemployed (Persons)	130 (40)	72 (19)	87 (24)	179 (23)	219 (44)
Reemployment Rate	100	100	100	100	100

Note: Figures within parentheses indicate the number of rehired employees at Group companies.

## Promoting the Recruitment of Non-Japanese Employees

The SUBARU Group hires human resources best suited to the policies and business activities of each location, regardless of their nationality. SUBARU employs 105 non-Japanese employees as of the end of March 2024. There are five non-Japanese employees in managerial posts at departments such as IT, engineering, and manufacturing.

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, where we employ a particularly large number of non-Japanese employees, interpreters in English, Portuguese, Spanish, Chinese, and other languages are stationed at each of the facilities to ensure smooth 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 affiliated companies independently employ human resources and work to secure human resources in line with their own policies and business details.

## Strengthening mid-career recruitment

SUBARU has been actively promoting mid-career recruitment in recent years to respond to changes in the business environment and achieve sustainable growth. There were 4,344 mid-career hires working as regular employees as of the end of March 2024, and 193 of them were in management positions.

In order to attract excellent human resources, we are implementing a variety of initiatives, including the use of placement agencies and scouting services, holding recruitment events, and soliciting employee referrals.

In December 2020, we established SUBARU Lab, an AI development base in Shibuya, Tokyo, where a cluster of IT companies are located, as part of an initiative to enable smooth and targeted hiring of human resources required for AI development. We will continue to hire based on the abilities and qualities of individuals and provide career development opportunities.

We have also established a system to support employees who joined SUBARU as mid-career hires. Regular questionnaires conducted over the first year of employment identify any problems encountered while working at SUBARU, and the Human Resources Department and respective workplaces work together to follow up on these issues. In the same questionnaire, SUBARU's strong points and areas for improvement are both identified from the objective viewpoint of mid-career hires and utilized to improve the working environment. At the same time, we are enhancing on-demand education to ensure smooth retention of mid-career hires.

## LGBTQ+

The SUBARU Group's Human Rights Policy prohibits discrimination based on gender, gender identity, expression, and sexual orientation. To ensure that all employees have a proper understanding of sexual diversity, we conduct employee awareness activities and increase the number of allies (LGBTQ+ supporters) throughout the year. In FYE March 2023, online seminars were streamed to all SUBARU employees and Group companies. This has led to 287 people registering as allies and a growing circle of people supporting those identifying as LGBTQ+. On the employee welfare side, we have established an external consultation service for individual consultation, including about preferred identification within the organization and changing room considerations. Furthermore, from FYE March 2023, we have revised our benefit systems (use of company housing, allowances, leave, etc.) to cover same-sex partners. In recognition of these efforts, the Company received Gold certification in the 2023 PRIDE Index, which is used by support organization work with Pride to evaluate corporate initiatives for LGBTQ+ employees.



Gold certification in the PRIDE Index



External consultation service informational cards distributed to employees

## Flexible and Wide-Ranging Systems

### 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 the 10 years from FYE March 2014 to FYE March 2024, a total of 1,883 temporary workers became regular employees under the system.

### Number of Temporary Workers Who Became Regular Employees

(FYE March)

	2020	2021	2022	2023	2024
Number of Those Who Became Regular Employees (Persons)	223	267	181	184	150

### Reemployment Support System

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 2024, 15 employees have returned to work at SUBARU using this system.

### Leave of Absence System for Accompanying Overseas Assignments

Starting in FYE March 2024, SUBARU has introduced a new system for employees accompanying their spouses on overseas assignments, offering them an option to take a leave of absence. Employees who would have been forced to retire under the previous system can now choose to continue their careers at SUBARU.

## Initiatives at Subaru of America, Inc.

Subaru of America, Inc. (SOA) is strongly aware of the importance of diversity. Diversity, equity, inclusion and belonging (DEIB)\* are core to its culture as it strives to create a space for belonging and an environment where all people feel a sense of opportunity, from its employees and retailers to local communities where its employees live and work.

SOA is committed to engaging with the SUBARU community so that all feel they are treated fairly and with understanding and compassion as it works to achieve the Love Promise vision. Going forward, SOA will continue its diversity initiatives to create opportunities for various stakeholders to realize their full potential.

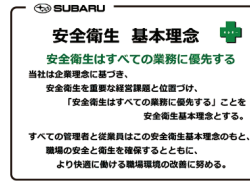
\* DEIB is the concept that inclusivity of diverse human resources and making the best use of their abilities is essential for the sustainable growth of a company, and that this requires not only respect for all people, but also a sense of belonging, including the correction of unfair competitive environments and the provision of psychological safety, which greatly affects performance.

> [SOA Diversity, Equity, Inclusion & Belonging](#) 

# Occupational Health and Safety

## Our Approach

SUBARU regards occupational health and safety as a critical management issue. Our fundamental philosophy in this area is “SUBARU makes health and safety the first priority in all our work,” and we have formulated the Basic Health and Safety Policy based on this. Furthermore, each of SUBARU’s affiliated 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 these policies.



Health and Safety Philosophy



Yajima Plant, Gunma Plant

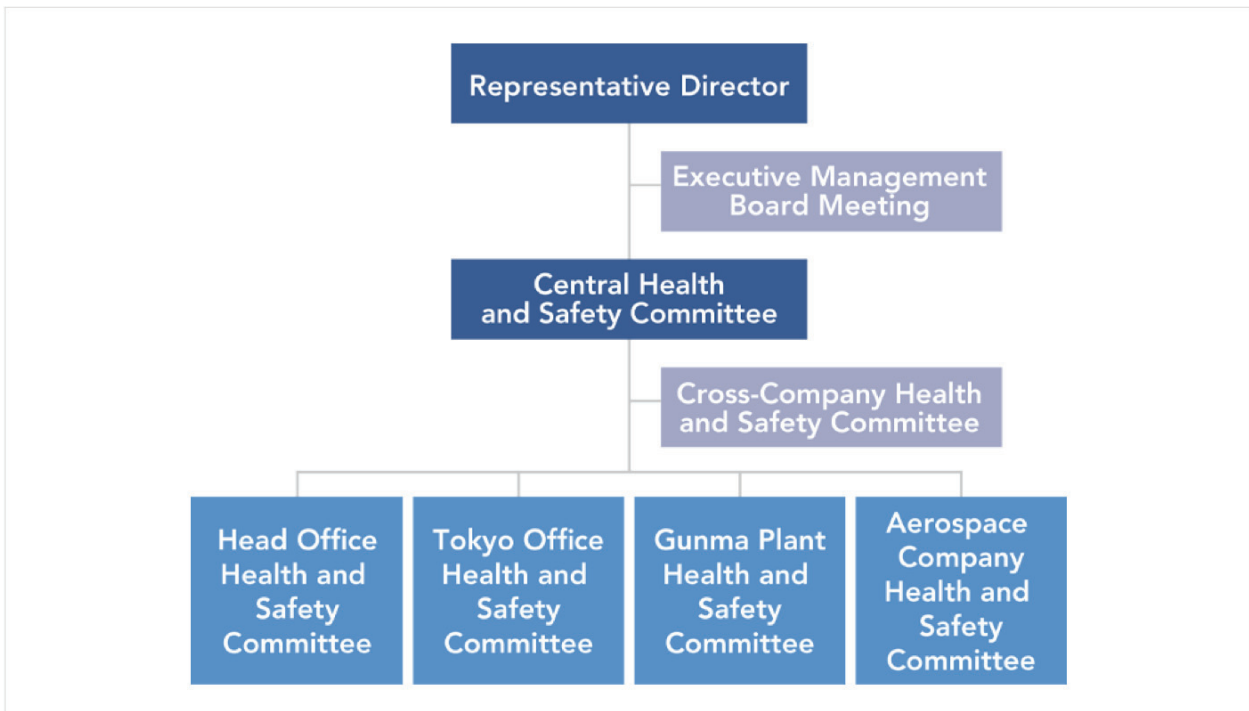
### Basic Health and Safety Policy

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 in April 2020

## Management System

### Health and Safety Organization Chart



## Central Health and Safety Committee

SUBARU established the Central Health and Safety Committee, which is composed of members from management (executive officer 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 (including non-regular employees) and our affiliates from industrial accidents and illness and improving the working environment. The committee's activities to foster health management measures along with occupational health and safety activities are designed to allow all employees to work healthily, soundly, and vigorously, take on challenges, and achieve growth.

The committee, which meets for deliberations three times a year, is chaired by an executive officer and its vice-chairperson is elected from the Company's labor union's membership. Its deliberations primarily include occupational safety, occupational health, traffic safety, and fire and disaster prevention.

At the committee's first meeting, participants check the fiscal year's activities, including the year's basic policy for health and safety across all of SUBARU. At its second meeting, the committee summarizes the first half of the year by quantifying items from each business site and shares actions for the second half. At the third meeting, the committee summarizes the fiscal year based on numerical data and discusses health and safety policies (occupational safety, occupational health, traffic safety, and fire and disaster prevention) for the following fiscal year.

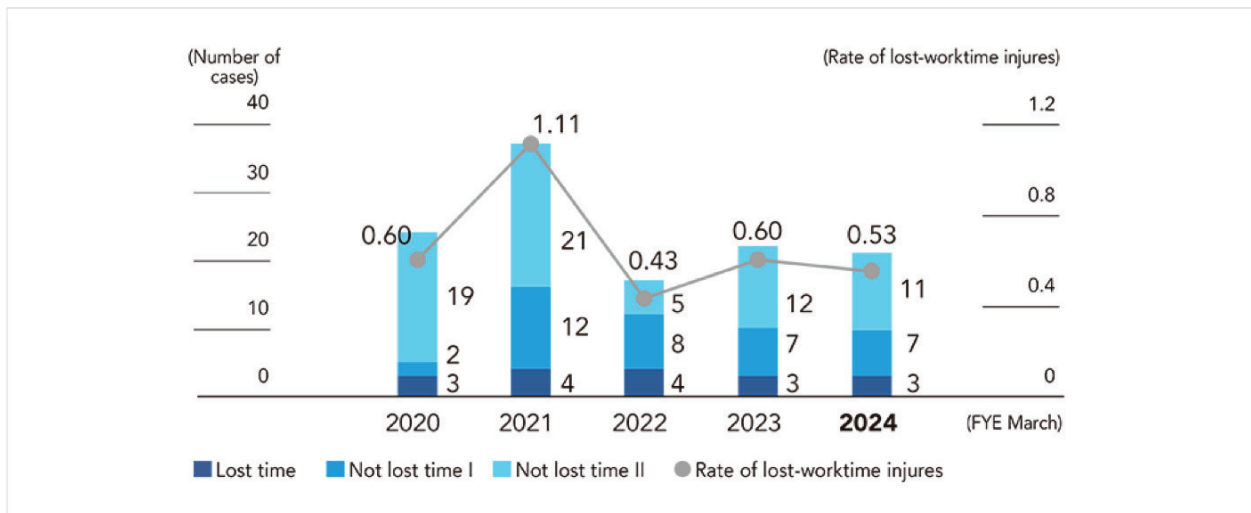
## Site Health and Safety Committee

At meetings of the Site Health and Safety Committee, affiliated companies and resident contractors on our premises under their purview are provided with relevant information as necessary for the promotion of their occupational health and safety activities. At the Gunma Plant, we also provide support for overseas occupational health and safety activities by initiating regular information sharing meetings on health and safety with Subaru of Indiana Automotive, Inc. and affiliated companies responsible for doing business overseas.

## Targets and Metrics

The number of both industrial accidents and traffic accidents at SUBARU in FYE March 2024 were almost the same as the previous year, and we will continue to take actions to reduce these going forward.

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



## Initiatives

At the start of every fiscal year, SUBARU notifies managers and supervisors about the health and safety policies for the fiscal year via heads of each site through their respective Health and Safety Committees. This is 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.

Key initiatives for FYE March 2024

- Occupational health and safety: Reinforcement of safety awareness:  
Reviewing standardized work by managers, and reliably enforcing established safety rules by permeating their understanding. Improving workplace environments by absorbing employees' concerns.
- Road traffic safety:  
Driving behavior appropriate for an automobile manufacturer: Safe driving in consideration of physical condition (prevention of falling asleep at the wheel), and educational activities for cyclists and motorcyclists to prevent accidents (encouraging use of helmets).
- Fire and disaster prevention:  
Swift first response: Executing disaster drills to ensure appropriate actions in the event of an emergency.

### Prevention of Industrial Accidents

#### Wearing of the safety declaration badge

In order to elevate safety awareness among SUBARU employees, all employees of SUBARU and its affiliated companies 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.

### Occupational Health and Safety Education

#### Hands-on Safety Dojo

At the Gunma Plant's Hands-on Safety Dojo, the SUBARU Group is providing health and safety education not only to its own full-time and part-time employees, but also to temporary employees, employees of contractors and outsourcing companies working on our premises, employees involved in construction work on our premises, and employees of suppliers. Approximately 2,000 employees annually participate in simulator safety training, reproducing conditions that would occur in the event of accidents such as a fall, cut, pinch, or entrapment. In addition, we are taking actions to cultivate hazard sensitivity from the time employees join the Company by introducing them to protective gear used in the field and teaching them the rules about equipment use.

#### Training Center

At the Gunma Plant, we provide health and safety education at the plant's Training Center when employees begin assignments there.

The 10-day curriculum includes practical skills training using mock lines corresponding to trainees' assigned processes, providing education to cultivate hazard sensitivity in an environment that allows trainees to visualize real disasters. Approximately 2,000 employees participate in this education each year before assignment to their respective workplaces.

### Health and Safety Slogan Contest

SUBARU invites all employees to submit safety slogans to be used in the following fiscal year with the aim of raising awareness of health and safety. Slogans are solicited under four themes: occupational safety, occupational health, traffic safety, and health management. In FYE March 2024, around 16,000 slogans were received.

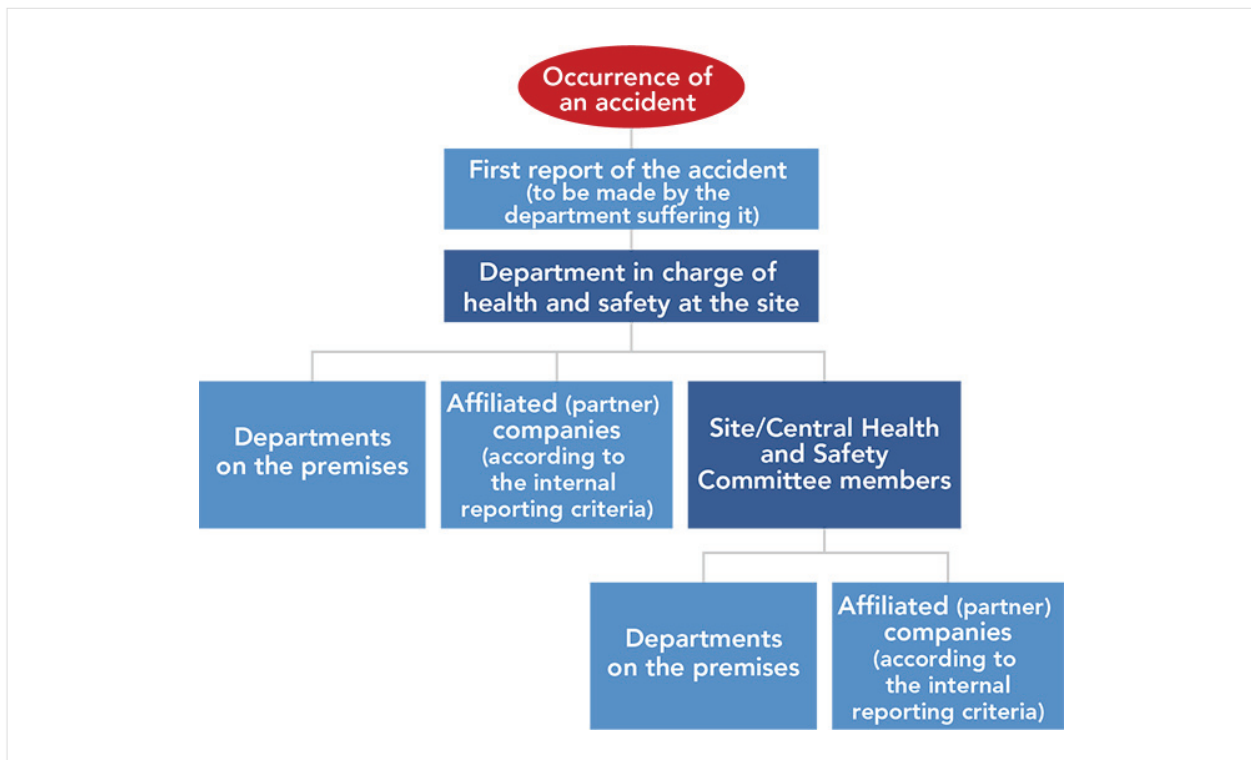
### Prevention of Industrial Accident Recurrence

As for industrial accidents and close calls that happened at our sites and affiliated companies, the department that has experienced the incident shall disclose related information to other departments on the premises and affiliated companies via the department in charge of health and safety at the site.

For FYE March 2024, we had 21 industrial accidents, and although this was nearly the same number as the previous year, there was one fatal accident. In response to this fatal accident, we suspended operations at the relevant plant, took time to consider how to ensure the safety and security of our employees so that we would never have another similar accident, and then resumed operations after taking appropriate countermeasures. As a result of our investigations, we found issues and points for reflection in the systems and management methods that we had previously considered sufficient. All sites are taking measures and responding to these issues to transform into workplaces where people can work in safety. Going forward, we will continue our initiatives in this area and strengthen our accident prevention activities.

### Reporting Line for Industrial Accidents

SUBARU disseminates the following information in the event of an accident.



### Road Safety

In order to prevent employees from getting involved in any traffic accidents while working, commuting, or enjoying 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.

## Unifying Initiatives at the Group Level

We have established the SUBARU Safety and Environment Council which we operate in collaboration with each of our business partners to ensure that all parties, including our Group companies in Japan, can strengthen health and safety in unison. The council works with participating partners to strengthen and enhance safety and disaster prevention management and environmental preservation, including through an annual general meeting, information sharing in the event of a disaster or traffic accident involving lost work time, training for new employees, supervisors, and full-time managers, and the exchange of information on energy conservation, waste reduction, and pollution prevention initiatives.

### Initiatives for Health Management

The Central Health and Safety Committee is the organization responsible for overseeing safety at SUBARU. It works in partnership with on-site health and safety coordinators and health promotion coordinators, fostering health management measures along with occupational health and safety activities so that all employees can work healthily, soundly, and vigorously, take on challenges, and achieve growth. We take these actions in the belief that the health of employees and their families is essential for all our business operations. SUBARU works with the Human Resources Department to support the physical and mental health of its employees as well as to build a healthy organization and promote flexible working styles, and more. By doing this, it creates the underpinnings of a more comfortable working environment necessary for greater employee engagement. Similarly, we promote health management initiatives for employees and executives of all of SUBARU's affiliated companies in Japan and overseas, in accordance with the business domain of each company and regional characteristics. And so, we work every day to provide employees with safe and comfortable workplaces, with the constant mindset toward enabling them to cheerfully leave home for work and also cheerfully return home after work.

### Initiatives at Subaru of Indiana Automotive, Inc.

Subaru of Indiana Automotive, Inc. has been committed to workplace safety since its inception as a top priority alongside quality, and the company maintains one of the lowest occupational illness rates in the U.S. automotive industry. The company is currently preparing for ISO 45001 (occupational health and safety management systems) certification in order to continue to create a safe and healthy workplace.



# Health Management

## Our Approach

SUBARU believes that the happiness of its employees and their families are the driving force to achieve its vision of becoming a company “delivering happiness to all,” and that a workplace where each employee can enjoy ample opportunities for challenge and growth, in good health, is the foundation of all its business activities. This is the underlying concept behind SUBARU’s health management initiatives. SUBARU works with units within the Human Resources Department to support the physical and mental health of its employees as well as to build a healthy organization and promote flexible working styles, and more. By doing this, it creates the underpinnings of a more comfortable working environment necessary for greater employee engagement.

### Subaru Health Declaration

In pursuit of becoming a company “delivering happiness to all” and based on our Global Sustainability Policy of “striving to maintain and advance the workplace environment so that employees can work safely in peace, and with a sense of satisfaction,” SUBARU CORPORATION, the Subaru Labor Union, and the Subaru Health Insurance Association jointly released the Health Declaration in October 2020 with the intent that the three parties work in unison toward health.

#### Health Declaration

To build happiness for our employees and their families, we need a foundation of mental and physical health. SUBARU works with its employees to promote health and preventive care, taking on the challenge of building workplaces full of smiles and enabling growth.

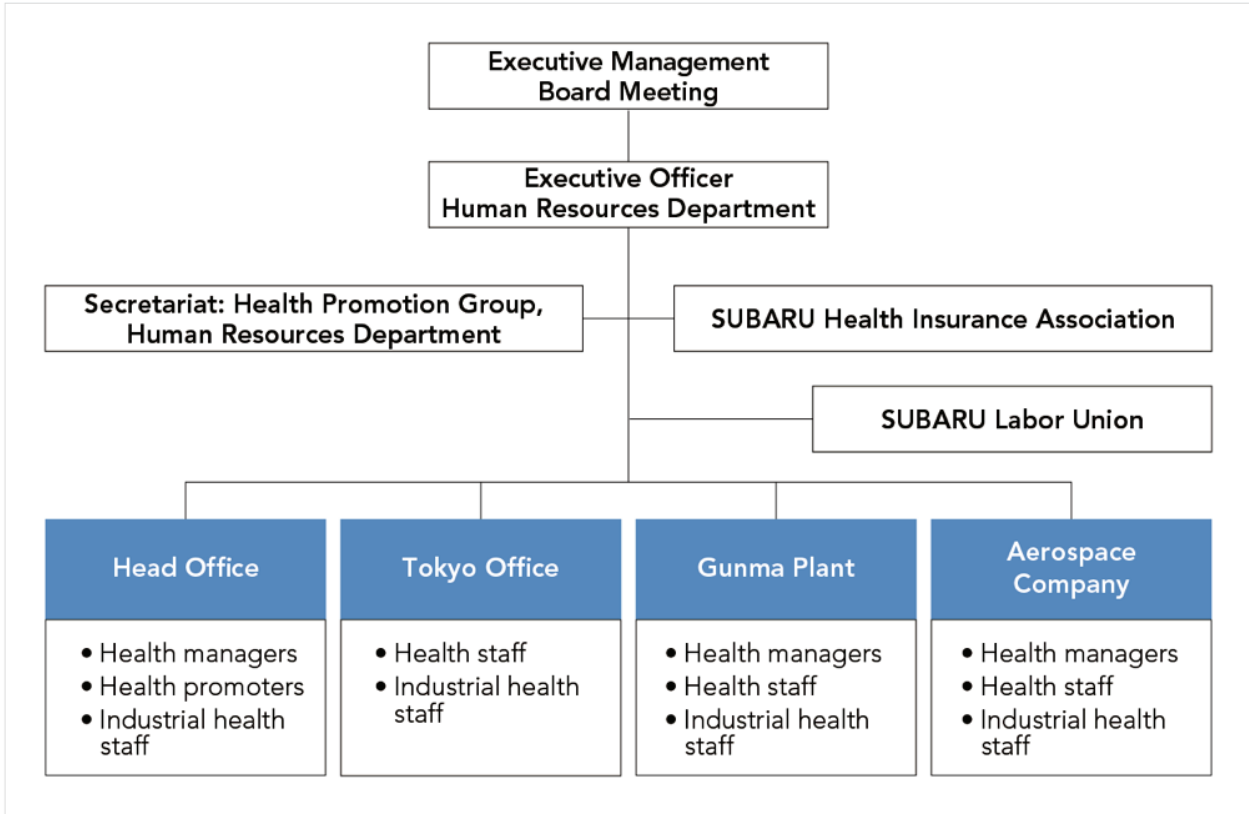
Representative Director, President and CEO, SUBARU CORPORATION  
Executive Chairman, Subaru Labor Union  
President, Subaru Health Insurance Association

Established in October 2020

## Management System

SUBARU considers health promotion activities to be a management issue, and as of FYE March 2021, SUBARU has discussed and operated a PDCA cycle regarding its health management issues and measures at the Executive Meeting, Executive Management Board Meeting, and at the Board of Directors. SUBARU is also advancing collaborative health with partnership from its labor union and its health association. On the operational side, the Health Promotion Group has served as a core driver of our unified SUBARU- health promotion measures since FYE March 2022. This dedicated organization within the Human Resources Department coordinates weekly regular meetings with stakeholders such as the health association, health promotion managers at our sites, industrial physicians, and other staff in charge of industrial health.

### Health Promotion Framework Diagram



### Targets and Metrics

In addition to important physical and mental health measurements and surveys, such as health checkups and stress checks, we also set goals for smoking habits, exercise, and mental health, aiming to improve employee health literacy, increase long-term productivity, and create a workplace where employees can work with vigor and enthusiasm through a variety of initiatives. In particular, the four initiatives listed in the table below are positioned as major challenges because of their significant impact on maintaining and improving productivity and on the fulfilling personal lives of each and every employee.

#### [Major Challenges and Targets]

Major challenges	Details	Targets
Measuring physical fitness	Supporting the cultivation of a physique to help employees work with vigor for many years to come	To be set from FYE March 2025's measurements
Reducing the percentage of smokers	Helping employees to quit smoking and preventing unwanted secondhand smoke. Smoking to be prohibited from all SUBARU premises from 2025	No more than 25%
Reducing the number of persons taking leave / days of absence from work due to mental illness	Preventing absence from work due to mental health problems, and detecting and treating those experiencing mental health issues as early as possible	Number of health-related leave days 0.8

## Initiatives

SUBARU is engaged in activities under three categories: physical health, mental health, and organizational health. In particular, we will place a high priority on creating a vibrant workplace, and will implement and verify the effectiveness of each measure to eliminate performance losses caused by health problems.

### Physical health

Physical health is the first item on the list, with the aim of enabling our employees to lead active and vibrant lives in good health for many years to come.

By encouraging employees to undergo regular health checkups, and by determining the rate of employees with checkup findings and supporting them in better dietary and exercise habits, we are striving to promote better habits and prevention of lifestyle-related diseases among employees.

#### Initiatives for regular health checkups and reexaminations

In addition to regular health checkups, we recommend 100% of employees who are subject to reexamination to undergo medical checkups and share a portion of the cost for those who need to take reexaminations. In this way, we support our employees in receiving appropriate medical treatment. We use the high-risk approach to provide those determined to be at high health risk with advice from public health nurses and provide guidance to raise their health awareness, including via seminars for health maintenance and promotion.

#### Activities for better physical fitness and dietary habits

We use the population approach\* in our preventive activities, and have introduced body composition analyzers at all sites to visualize not only BMI but also muscle mass and fat mass. We are also expanding activities throughout SUBARU to make people aware of the importance of balanced physical fitness. In addition, we have implemented a total health promotion plan (THP), visualizing physical fitness and proposing a variety of physical exercise programs for employees derived from this information, while also holding seminars to help them improve their dietary habits. (Separately listed due to becoming a full-scale action)

\* The act of working to promote health and prevent disease to reduce the health risks to the population as a whole

#### Measures against smoking

As of FYE March 2022, we have launched a series of measures against smoking at SUBARU. One such measure is completely separating smoking areas from non-smoking areas at our sites, and we are taking action to reduce the ratio of smokers to below 25% and prohibit smoking on our premises by 2025. As of FYE March 2024, this ratio was 35.6%. We have set up a no smoking day, conducted lung age measurements by industrial physicians, promoted a non-smoking challenge in cooperation with the health insurance association, and provided financial support to employees for visits to outside smoking cessation clinics.

#### 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 with a strong nutritional balance. 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

## Measuring physical fitness

Physical fitness testing is conducted at each business site to maintain and improve physical fitness so that employees can work vigorously for many years to come. By starting with new, young employees, we are working to prevent industrial accidents and to maintain and improve future productivity by quickly identifying physical fitness issues and promoting the maintenance of physical fitness.



Physical fitness testing

## Mental Health (Prevention of Mental Illness)

We are implementing “self-care” and “line care” measures for the prevention and early detection of mental illness among employees. We have also set up a consultation service so that employees can receive follow-ups from industrial health staff. For employees who took leave due to mental illness, we proactively support them when they return to their workplaces.

### Self-care

We utilize self-care training and stress checks so that participants can learn how to self-manage their mental health, we provide new employees with training and otherwise provide education using internet-based cognitive behavioral therapy (iCBT).

### Line care

We have formulated the Line Care Guidelines and include line care training in the collective training for managers, held twice a year, and use the results from collective analysis of employees’ stress checks to take improvement actions at the workplace level for those workplaces found to have high health risk. For the departments engaging in technological development, we strive to create workplaces in which it is easy to seek advice, facilitative workplaces, and harassment-free workplaces. To achieve this, we are engaged in the “Better Workplace Builders” activity encouraging employees to voluntarily improve their workplaces. We are also expanding management systems that increase their work motivation to all of SUBARU, focused on administrative departments, and enhance bidirectional communications between managers and their subordinates, with support from staff in charge of industrial health. These measures are contributing to preventing the onset of mental illness and mitigating the lengths of these illnesses among employees.

### Return to work program (for return to work on a trial basis and gradual return to full-time work)

We have implemented a program to support the smooth return to the workplace for employees who have taken leave. In this program, employees can return to work on a trial basis and gradually step up their hours as they return to full-time work.

## Organizational Health (Improving Psychological Safety)

We are carrying out praise, acknowledgment, and appreciation activities to improve employees’ intrinsic motivation and psychological safety. Using IT tools, we are working to create workplaces where employees can work with greater peace of mind and where they can take on challenges in their own unique way by strengthening peer bonds between employees and visualizing the exchange of appreciation in the workplace.

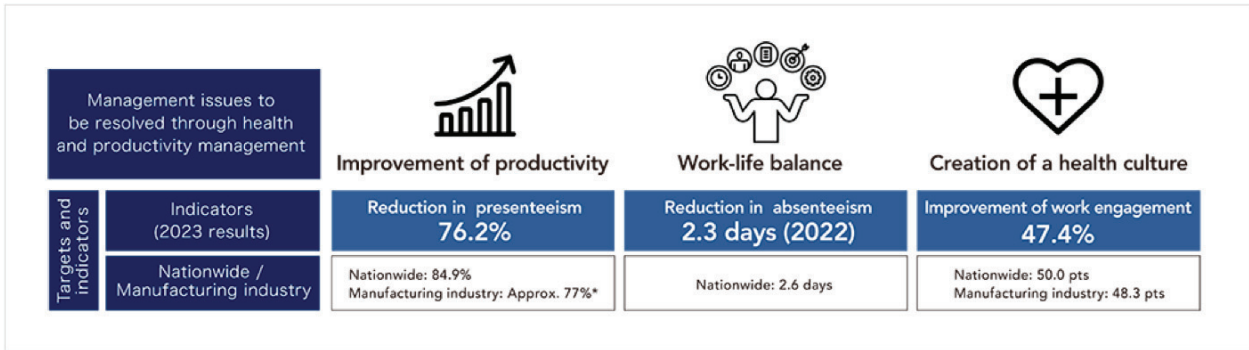
## Formulation of a Health Management Strategy Map and Dissemination Among Employees

In FYE March 2023, we formulated a health management strategy map and set three final health-related goals—reducing presenteeism\*<sup>1</sup>, reducing absenteeism\*<sup>2</sup>, and boosting engagement—visualizing the links between management issues. In addition, particularly for items with a deep connection to individual employees’ performance, we have created SUBARU Health Six Stars to promote the health of both employees and the organization, not only by supporting employees from the company side, but also by encouraging employees to autonomously think about and act regarding their own health. In FYE March 2025, we have begun informing employees of this program.

\*1 A state in which a person is working while suffering from some kind of illness or symptom, and their ability to perform their work or their productivity is reduced

\*2 A state in which work becomes difficult due to tardiness, early departure, or absence from work due to physical or mental illness

### Health Management Strategy Map



\* Stress check conducted by outsourced provider (PEACEMIND Inc.)

Initiatives and target indicators	Initiatives	Target values	Presenteeism	Absenteeism	Work engagement
	Reducing the rate of employees with health findings	55%	○		
	Improving physical fitness challenges	New	○	○	
	Increasing cafeteria satisfaction	60%	○		○
	Improving lifestyle habits (exercise)	40% or higher of individuals	○	○	
	Improving lifestyle habits (sleep)	70% or higher of individuals	○	○	
	Reducing the smoking rate	25% or lower	○		
	Reducing the percentage of high-stress individuals	12.5%	○	○	
	Reducing the number of employees with long working hours	Total of 500 or fewer employees	○	○	○
	Improving work mentality	Negative evaluation rate of 20% or lower	○	○	

#### Measurement methods for target indicators

Presenteeism: Measured using the 80-item version of the new occupational stress check (The University of Tokyo, Single-Item Presenteeism Question)

Absenteeism: Measured by converting the number of sick leave days into a rate

Work engagement: Measured using the 80-item version of the new occupational stress check

### SUBARU Health Six Stars

Six Key Health Indicators	Indicator Definitions
Exercise	Engages in light exercise that causes light sweating for 30 minutes or more, at least 2 days per week
Non-smoking	Does not habitually smoke
Healthy weight	Has a BMI between 18.5 and under 25
Diet	Eats breakfast 4 or more days a week, and finishes dinner at least 2 hours before going to bed.
Stress management	Can control stress.
Rest	Gets adequate rest through sleep.

## Recognized as a Certified Health & Productivity Management Outstanding Organization for 2024

For the fourth consecutive year, SUBARU has been recognized as a Certified Health & Productivity Management Outstanding Organization in the large enterprise category (White 500) for 2024 by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council).

Going forward, we will continue to accelerate a variety of health promotion activities with the purpose of improving the health of our employees—the people who bring happiness to our customers—and their families.



2024 Certified Health &  
Productivity Management  
Outstanding Organization  
(large enterprise category)

# Work-life balance

## Our Approach

As a precondition to making our customers happy, 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. Of course, our basic principles are compliant with labor-management agreements in Japan such as the Article 36 Agreement, laws and regulations in each country and region, and founded in reducing overtime work and curbing excessive labor. Furthermore, in order to help diverse employees maintain their work-life balance, we are diversifying work style options and expanding the relevant systems.

## Management System

At SUBARU, the Labor Policy Group of the Human Resources Department plays a central role in creating a fulfilling workplace environment in which employees can work with vigor and enthusiasm, supporting employees' balancing of work and family, and addressing diversifying work styles, and in expanding systems through repeated discussions between labor and management.

## Initiatives

### SUBARU's response to the Act on the Arrangement of Related Acts to Promote Work Style Reform\*

Item	Description
<b>Accurate calculation of employees' working hours</b>	In July 2018, introduced a attendance management system for the central management of all electromagnetic records (computer log times and building entry/exit times) within SUBARU for the accurate calculation of employees' working hours.
<b>Encouraging employees to take at least five paid days off per year</b>	In FYE March 2020, 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.
<b>Imposing an upper limit on overtime working hours</b>	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.
<b>Raising the premium pay rate for overtime work exceeding 60 hours per month</b>	Has been implementing necessary measures since FYE March 2011.
<b>Equal pay for equal work</b>	Implemented a compensation system without discrimination based on gender or age and began reviewing the amount of allowances granted to non-regular employees in FYE March 2021.
<b>Work-from-Home System</b>	Conducted a test implementation starting in FYE March 2021, with full rollout to all sites beginning in FYE March 2022.
<b>Abolishing mandatory core hours in the flex-time system</b>	Full rollout to all sites beginning in FYE March 2022.

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

## Creating an Environment in which Employees Can Work with Peace of Mind, Vigor, and Enthusiasm

### Appropriate Management of Working Hours

SUBARU implemented a new attendance management system in FYE March 2019. This system enables exact time management down to the minute, allowing employees and their supervisors to check attendance records entered by the employee, and differences versus building entry/exit times and computer log times.

### Reduction of Long Working Hours

SUBARU established in FYE March 2016 "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.

In addition, we are implementing measures against overwork to prevent health problems, such as consultations with industrial physicians for employees who have worked long hours in excess of a defined level.

### Flex-time System

SUBARU introduced the flex-time system in FYE March 1999. In FYE March 2022, we abolished mandatory core working hours, building an environment where employees can work more flexibly and independently. Employees now have greater discretion than before in their work hours, contributing to improved productivity and richer private lives.

### Hybrid Work

SUBARU began introducing its work-from-home system to all sites in FYE March 2022. By offering employees the choice of their work location in accordance with the particular characteristics of their duties, we are contributing to improved productivity through adjusting how they work, and to stronger management capabilities for promoting appropriate delegation of authority. Then, in October 2022, we clearly established our basic approach to adopt hybrid work, combining work from home and work on site, and rolled this out to all sites. Regular employee surveys have indicated that hybrid work arrangements allow for more efficient execution of duties and improved work-life balance and productivity, and many have expressed a desire for the continuation of this system. To maintain this system and realize even more diverse and flexible work styles, we are encouraging each employee to think autonomously about their own work styles, which will lead to sustained productivity improvement.

Survey question example: Have you achieved a work style (in-office/remote) that maximizes your productivity?

■ Yes    ■ No

84%

16%

### Leave of Absence System for Accompanying Overseas Assignments

Starting in FYE March 2024, SUBARU has introduced a system that allows employees to take a leave of absence in the event that they are unable to work for a certain period of time due to accompanying their spouses on overseas assignments. The purpose of this program is to contribute to expanding available options and assisting in the career development of employees who are considering retirement due to unavoidable necessity of accompanying their spouses on overseas assignments.



## Paid Leave

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

Initiative Examples: Ultra-long holidays (three consecutive days of paid leave)  
Encouraging leave on national holidays  
Encouraging leave once a month

## Annual Paid Leave Utilization Rate\* (Non-consolidated)

(FYE March)

	2020	2021	2022	2023	2024
Proportion of paid days off taken by employees (%)	86.4	95.4	88.7	97.6	96.8

\* Percentage of the number of days off taken by employees of the total number of annual paid days off granted to them.

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

At SUBARU, we believe that 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 posted the Elderly Care Support Handbook to its intranet to inform employees 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 (Non-consolidated)

(FYE March)

	2020	2021	2022	2023	2024
System for employees to take leave to take care of the family member in need of long-term care	30	3	4	8	8

## Support for the Maintenance of Balance between Work and Childcare

At SUBARU, we believe it is important to provide employees with an environment that both allows them to continue developing their careers while raising their children and facilitates a balance between job satisfaction and a fulfilling personal life. Accordingly, we formulated a voluntary action plan in line with the Act on Advancement of Measures to Support Raising Next-Generation Children\*. At present, SUBARU has received three stars in the "Kurumin" certification from the Japanese Minister of Health, Labour and Welfare, and is taking action based on our 8th Action Plan.

> [8th Action Plan \(Japanese version only\)](#) 

\* 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.



"Kurumin" mark

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 decreased 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 return to their shift work smoothly.

Specifically, in FYE March 2019 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 FYE March 2020, we conducted a full rollout of these measures at sites neighboring the plant. In FYE March 2022, we opened an early-morning childcare facility on the premises of the plant, and in FYE March 2023, we began accepting children for nighttime and late-night childcare services.

Separately, we are working to raise awareness and promote usage of the various systems available to employees, such as making the Maternity Leave and Childcare Support Handbook available on our intranet and holding training to encourage male employees to take childcare leave.

## Systems and Initiatives for Childcare Leave

SUBARU's employees can extend the period of childcare leave to the end of the first April after the child becomes two years old. As of FYE March 2023, both fixed-term and non-fixed-term employees who have been with the Company for less than one year will be able to take leave, making the system even easier to use.

In addition, we have initiated efforts to ensure that, when an employee submits a notice about their spouse's pregnancy or childbirth, the employee's managers and supervisors in the reporting line as well as human resources personnel have individual informational exchanges with the employee and confirm their intentions.

## Number of Employees Who Took Childcare Leave (Non-consolidated)

(FYE March)

		2019	2020	2021	2022	2023	2024	
System for employees to take leave for childcare	Number of employees who took leave	Male	24	35	56	98	211	318
		Female	29	38	36	35	45	50
		Total	53	73	92	133	256	368
	Rate of employees who returned to work (%)	Male	100	100	100	100	100	100
		Female	97.5	95	100	98	100	100

Note: Disclosed figures from 2021 and before have been modified to reflect changes in calculation methods and classifications.

## Childcare leave taken by male employees

In FYE March 2024, 318 of SUBARU's male employees took childcare leave, at a rate of 58.0%. Also, under the special childcare leave system, which allows employees to take up to five days off at the birth of their children, 99.4% of male employees eligible for this leave took at least one day of leave. We will continue to provide workplaces where employees can take this leave in addition to childcare leave.

## Status of Childcare Leave Taken by Male Employees (Non-consolidated)

	2021	2022	2023
Male employees taking leave	98	211	318
Average days of leave taken	60.0	62.4	68.0
Largest number of days of leave taken	554	366	365
Utilization rate	16.8%	38.5%	58.0%

## Special Childcare Leave Taken by Male Employees (Up to 5 days, not including paid leave, non-consolidated)

Male employees taking leave: 545

Average days of leave taken: 3.0

Utilization rate: 99.4%

## 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.

# 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 uphold the terms of collective bargaining agreements and 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.

## Status of Labor-Management Dialogue

In order to unite labor and management in resolving issues for a brighter future, SUBARU holds around 50 labor-management consultations on an annual basis. These include monthly labor-management consultations at each workplace and business site and general labor-management council meetings to discuss major issues for SUBARU. The content of these dialogues is summarized in a digest video and shared with all employees via SUBARU's intranet. In this way, we are striving for greater transparency in labor-management dialogue.

In FYE March 2024, we set three priority themes: 1) Improving motivation, 2) Psychological safety, and 3) Ideals at the management level, and advanced labor-management improvement activities throughout the year through discussions at the Labor-Management Committee for Work-Style Improvement and at the Labor and Management Council.

Going forward, in labor-management relations, we will not only support the autonomy and growth of employees who resonate with our initiatives based on the strong trust relationships cultivated over the years, but also promote initiatives to realize a bright future with labor and management working in unison.

## Number of Employees Belonging to the Labor Union

The following shows the data for FYE March 2024\*.

- Members of the Subaru Labor Union: 16,157, 99.1% membership rate
- Members of the Confederation of Subaru Affiliated Labor Unions: 29,540

\* As of January 1, 2024

# Employee Data

## Employee Data

### Number of Employees

(As of the end of each fiscal year)

		2020	2021	2022	2023	2024
<b>Number of employees (Consolidated)</b>	<b>Total</b>	35,034	36,070	36,910	37,521	37,693
<b>Number of employees (Non-consolidated) Excluding directors and advisors but including those seconded to other companies</b>	<b>Total</b>	16,318	16,964	17,442	17,700	17,910
	<b>Male*</b>	14,823	15,376	15,776	15,941	16,037
	<b>Female*</b>	1,139	1,189	1,249	1,287	1,310
	<b>Part-time</b>	356	399	417	472	563
<b>Number of temporary employees (Non-consolidated)</b>		6,328	5,801	5,464	5,565	5,666

\* Regular employees

### Composition of Employees (Non-consolidated)

(FYE March)

		2020	2021	2022	2023	2024
<b>Male to female ratio (%)</b>	<b>Male</b>	93	93	93	93	92
	<b>Female</b>	7	7	7	7	8
<b>Average age</b>		37.4	39.0	39.1	39.3	39.6
<b>Average length of service (Years)</b>		15.8	16.0	16.0	16.1	16.1
<b>Number of managers</b>	<b>Male</b>	1,051	1,062	1,089	1,057	1,055
	<b>Female</b>	20	21	24	27	31
<b>Number of new graduate hires</b>	<b>Male</b>	498	561	548	498	451
	<b>Female</b>	68	71	84	62	68
<b>Number of mid-career hires</b>	<b>Male</b>	161	182	115	109	123
	<b>Female</b>	24	13	19	13	17
<b>Number of employees who quit the Company</b>		329	354	332	404	434

\* Does not include retirees, seconded employees retaining their original affiliation, and seconded employees changing their affiliation

**Composition of employees by age (for FYE March 2024 on a non-consolidated basis)**

Age	Male	Female	Total
Younger than 30	3,946	462	4,408
30 to 39	4,228	272	4,500
40 to 49	4,110	311	4,421
50 to 59	3,306	252	3,558

**Breakdown of new graduate hires by job category (for FYE March 2024 on a non-consolidated basis)****April 2023**

Category	Male	Female	Total
Career-track employees (in technological fields)	188	20	208
Career-track employees (in other fields)	8	8	16
General employees	39	8	57
Skilled workers	216	32	248

**April 2024**

Category	Male	Female	Total
Career-track employees (in technological fields)	188	16	204
Career-track employees (in other fields)	13	12	28
General employees	45	11	56
Skilled workers	232	23	255

**Composition of mid-career hires by age (for FYE March 2024 on a non-consolidated basis)**

Age	Male	Female	Total
Younger than 30	48	7	55
30 to 39	58	6	64
40 to 49	13	4	17
50 and older	4	0	0

**Comparison of fixed wages between male and female employees (for FYE March 2024 on a non-consolidated basis)**

Fixed wages	Male:Female (ratio)
Managers/General employees	1 : 0.76

\* Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of September 4, 2015). Gender pay gaps are not present for equivalent work, and primarily arise from differences in headcount structure within qualifications and job titles.

### FYE March 2024 Employee Stock Ownership Association status

SUBARU's (non-consolidated) regular and contract employees are eligible for the Employee Stock Ownership Association.

	As of March 31, 2024
<b>Number of participants</b>	4,744
<b>Participation rate</b>	27.3%
<b>Number of shares held</b>	2,616,418

# Customers

## Our Approach

The SUBARU Group strives to put the customer first in all business activities. SUBARU is promoting activities to reflect customer feedback in our products and services, so that customers continue to choose our brand for "Enjoyment and Peace of Mind."

In addition, we cooperate with overseas dealerships around the world in the areas of human resource training and supporting operations at dealerships, enabling them to provide uniformly high-level service that meets the needs of our customers.

### Risks and Opportunities in Communication with Customers

Providing a high and uniform level of service that meets the needs of our customers is an important initiative that has a direct impact on corporate credibility and customer satisfaction. Failure to meet customers' expectations may cause them to abandon SUBARU.

On the other hand, customer feedback received is a valuable resource for identifying areas where products and services can be improved, a basis for improving quality. We believe that by increasing transparency, we can gain the trust of our customers, which will contribute to building a deep relationship with our customers over the long term as a brand that customers continue to choose for its "Enjoyment and Peace of Mind".

## Initiatives

### Customer Consultation Service (Japan)

In order to be closer to our customers and sincerely address their inquiries and difficulties, we have enhanced the various methods to communicate with our customers, such as call centers and websites. Opinions, requests, and comments received from our customers are fed back to the relevant departments, and we use this feedback to improve the quality of our products and services, as well as to make proposals.

#### SUBARU Call (Japan)

For inquiries about your vehicle, please have documentation on your vehicle prepared (serial number, registration number, and date of registration), model name, grade, mileage, and name of the dealership that sold your vehicle to ensure a smooth response.

- Inquiries regarding malfunctions and repairs require diagnosis of the product's condition. Please start by contacting the location where you purchased your product or your nearest SUBARU dealership.
- For information on genuine parts (part number, price, delivery date, etc.), please bring relevant documentation for your vehicle to your nearest SUBARU dealership.

**SUBARU Customer Center:  
SUBARU Call**



**0120-052215**

(Toll free within Japan)

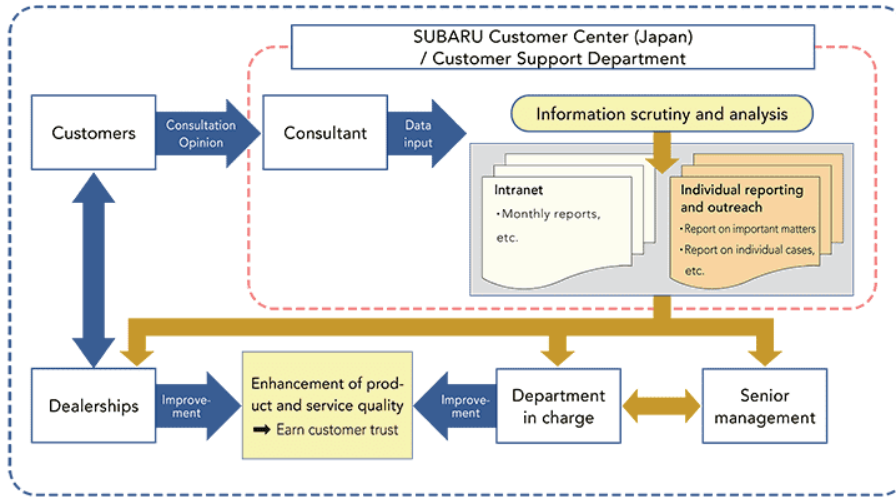
Note: Calls are recorded to improve the quality of SUBARU's services.  
Thank you for your understanding.

Hours of  
operation:

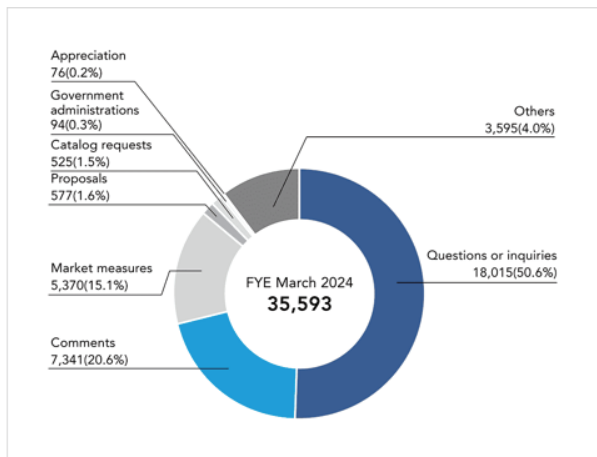
9:00 a.m. to 5:00 p.m. (Weekdays)

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

### Reflect customer feedback to enhance the quality of products, sales, and services.



### Breakdown by Type of Consultation



Note: The method of calculation was changed in FYE March 2023.

### Enhancing customer inquiry touchpoints (Japanese website only)

In 2021, we updated the Q&A section under the Inquiries and Frequently Asked Questions page of the Japanese version of our official website in light of the recent increase in inquiries via the internet. In addition, to achieve even more convenience, we are working to regularly update the Q&A section based on search status and data from inquiries received by our Customer Center.

Furthermore, we introduced an automated response chatbot service in 2022 as a system that allows us to provide support for customer needs 24 hours a day, 365 days a year. We also initiated staffed chat support during the operating hours of our Customer Center in April 2023.

We will expand our contact points with customers through various inquiry channels as well as our information provision in support of customers resolving their own issues, utilizing these to improve customer satisfaction, develop new products, and provide services.





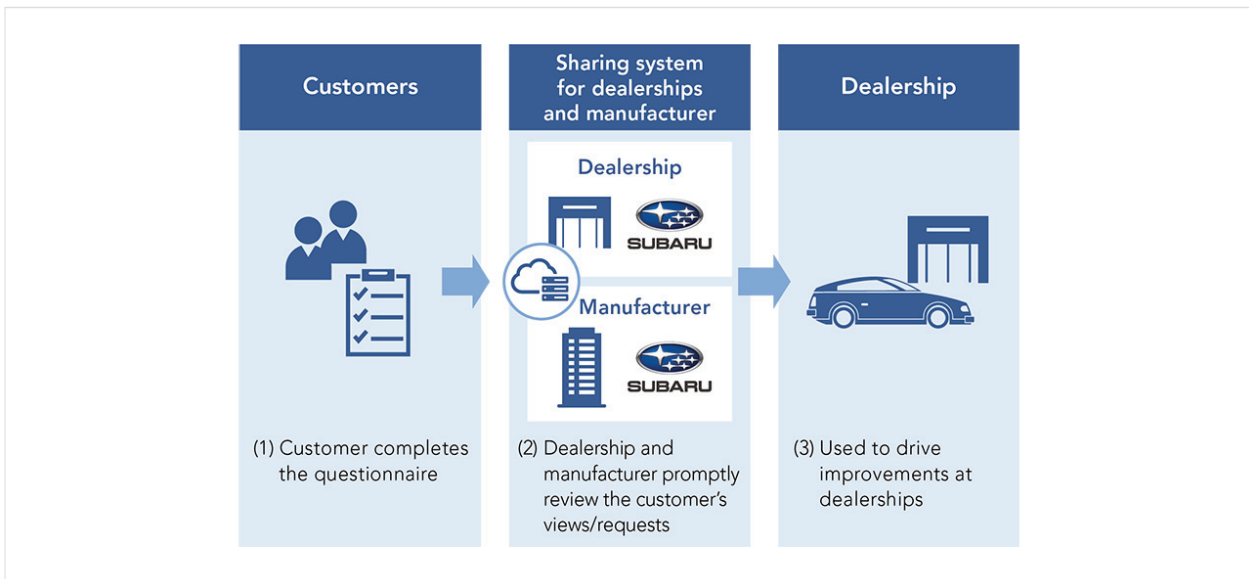
### Gathering and Relaying Customer Feedback

Customer feedback received is published on our intranet for access by relevant departments. Customer feedback received not only in Japan but also at local dealerships in the U.S., SUBARU’s largest market, is analyzed by the Customer Service Division in Japan and fed back internally for product and service development and quality improvement.

### 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.

### Customer Satisfaction Survey



Note: We started use of the sharing system in FYE March 2018.

## Number of Valid Responses

(FYE March)

	2020	2021	2022	2023	2024
<b>Number of responses</b>	74,148	47,970	59,391	63,158	63,231

## Evaluation of Achievements in FYE March 2024

Customers who have purchased a new or used car at our dealerships are selected at random to provide evaluations. We have received responses from approximately 80% of our customers that they are satisfied with the service they receive at our dealerships, but SUBARU and SUBARU dealerships take the views of our customers seriously and will work together on activities aimed at achieving further improvements.

## Human Resource Training at Dealerships

It is important for us to acquire a wide range of skills to make our brand a part of our customers' lives and to bring about a safe, secure, and sustainable society. To this end, SUBARU is actively working to improve the skills of its dealership staff who come into contact with customers. We are supporting the human resource training of dealership staff through a multifaceted approach by expanding content such as training programs and e-learning, and by certifying skills through a certification system.

We have established the SUBARU Academy, a facility for training human resources at our dealerships in Japan and overseas. For dealerships in Japan, it provides training for managers, sales departments, and service departments. For overseas companies, it provides programs for service staff, meeting specific regional needs. From FYE March 2023, this program has been modified to become an online-focused learning system utilizing a learning management system\*1.

Approximately 10,000 staff members from 44 SUBARU dealerships in Japan have registered for this learning management system, and as of the end of May 2024, they are able to study via more than 1,219 e-learning programs.

We also combine e-learning with interactive web-based training to increase learning efficiency and maximize effectiveness.

\*1 A learning management system is a system for the integrated management of learning material delivery, course history, performance, and other information necessary for implementing e-learning.

## Number of Trainees (including training trips): Japan

(Persons)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
<b>Collective Training</b>	3,774	644	297	190	420
<b>Online Training</b>	-	-	579	1,904	2,123
<b>Total</b>	3,774	644	876	2,094	2,543

## STARS Sales Professional Certification Program (Japan)

To demonstrate that staff have the ability to propose "Enjoyment and Peace of Mind" to customers and support them, SUBARU has established STARS\*2, a sales professional certification program.

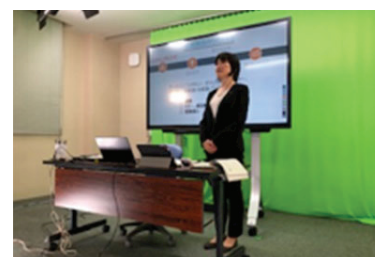
\*2 SUBARU Staff 's Training and Rating System, which helps salespersons develop themselves through repeated Off-JT (study), OJT (practice), and qualification tests(challenge).

## Sales STARS (as of March 2024)

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

(Persons)

Level 1	Level 2	Level 3
49	752	1,046



### Service STARS (as of April 2024)

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

Front counter service levels (Persons)	Level 5	Level 1	Level 2	Level 3	
	45	1,069	993	4,716	
Mechanical levels (Persons)	Level 5	Level 1	Level 2	Level 3	Level 4
	29	1,207	1,552	1,483	691



Online Training

### Service Staff Training (Overseas)

To improve the technical skills of service staff, we offer the Subaru Technical Education Program (STEP<sup>\*3</sup>) and use skill certification testing to motivate learning. 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 STEP Trainer Training (STT<sup>\*4</sup>) and Advanced Technical Training (ATT<sup>\*5</sup>) programs for dealership trainers. These technical training programs, in addition to on-site training for all SUBARU employees, offer online training, increasing opportunities for employee participation. 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.



ATT

- \*3 A technical training program that establishes three levels of mechanic engineering /technical skill and certifies them based on these levels. The three levels, from the beginner qualification, are Subaru Technician, Subaru Senior Technician, and Subaru Master Technician.
- \*4 A training program to develop certification trainers who will provide "STEP" training.
- \*5 A periodic training program held for the purpose of increasing the skills of certification trainers overseas. It provides education on topics such as new technology and high-level control technology.

	Until FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
STT	Held a total of 23 sessions since 2011, providing STT training to 179 trainers in 29 countries	Not held in FYE March 2022 due to movement restrictions during the COVID-19 pandemic	Implemented twice for 24 trainers from eight countries in FYE March 2023	Implemented twice for eight trainers from seven countries in FYE March 2024
ATT	Held a total of 15 sessions from April 2015 to March 2020, providing ATT training to a cumulative total of 206 certification trainers in 28 countries	Held the two EyeSight and e-BOXER programs online, providing ATT training to a cumulative total of 96 certification trainers in 28 countries	Started training for EyeSight, vehicle communication systems, and direct fuel injection system, and implemented for 57 trainers from 25 countries	FYE March 2024: Held training on the topics of electric vehicle power units and Subaru Safety Sense for 30 trainers from two countries

### Status of Technical Training

The SUBARU Academy actively provides technical training for SUBARU-specific advanced technologies and electric vehicles. In addition, we are developing training materials jointly with local dealerships in order for participants to acquire more practical maintenance skills.

### Support for Human Resource Development through Secondment to SUBARU (Japan)

Customer expectations on after-sales service are increasing by the year. In order to provide services that exceed expectations, SUBARU brings in the next generation of leaders from dealerships, developing them into human resources with a broader perspective through work experience at SUBARU. In the SUBARU Service Career Development Course, employees from dealerships are seconded to SUBARU for two years to learn SUBARU's approaches and working styles, helping to improve their management abilities.

## Supporting Dealership Operations

- By introducing the latest diagnostic equipment incorporating information technologies, we are striving to improve work efficiency at service sites.
- We will strengthen our maintenance technology and response capabilities for electric vehicles, and establish a service system to ensure a safe and secure experience with electric vehicles with the transition to EVs.

### Developing Malfunction Diagnostic Systems

With the computerization and intelligence of vehicles, the role of malfunction diagnostic equipment and service tools is becoming increasingly important.

Proper repairs with proper diagnostics ensure customer safety, reduce the workload of mechanics, and reduce energy consumption. SUBARU is developing diagnostic equipment and related systems with this in mind.

We are also working on the development of a system that will lead to safety and security for customers by monitoring the condition of vehicles through telematics.

### Initiatives to Enhance Service Quality

Recognizing the cultural and environmental differences across countries and regions, SUBARU has established clear standards for service quality that it effectively communicates to local dealerships to ensure that customers receive consistent service no matter where they are.

We are also increasing the frequency of regular meetings with local dealerships to accelerate improvement pace.

### Rapid Repair of Vehicles Subject to Recall

When a decision is made to implement a recall, we engage as the entire SUBARU Group. We have a system in place to ensure smoothness across the entire recall process, including notification to authorities, contacting customers, and repair.

In addition, we work closely with dealerships in each country to ensure that repairs are completed quickly and reliably by supplying repair parts in a timely manner.

In particular, SUBARU's recall progress related to the Takata airbag recall in the U.S. is greater than the industry average.

> [SUBARU's Recall Action for Takata Airbags](#)  (Japanese version only)

## Responding to Customer Needs in Diverse Markets

The SUBARU Group is introducing products tailored to each local environment in collaboration with local dealerships in all regions around the world.

In South America and Asia, where demand for SUVs carrying several passengers is high, we have launched the Evoltis (U.S. market: Ascent). We have also introduced the Solterra BEV to markets such as Europe, where electrification is rapidly advancing. Beginning in 2024, we have expanded sales destinations for these models to other regions, including Australia and New Zealand, in response to growing market needs.

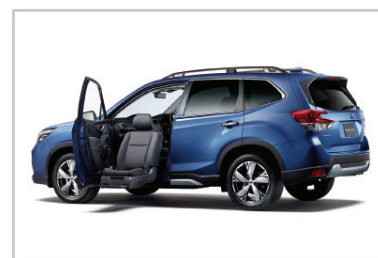
We are planning to introduce an additional eight BEV models, including the Solterra, by the end of 2028, systematically introducing them to various regions while assessing customer needs in each market. We will continue to align with customer needs and contribute to achieving carbon neutrality in society.

### Developing/Popularizing Welfare Vehicles


SUBARU aspires toward sharing the happiness and freedom of living through cars for everybody. As such, 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 standardized 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 FYE March 2021, we introduced Wing Seats with side airbags to the Forester. Going forward, we will continue to take action in a variety of areas so that we can provide even more "Enjoyment and Peace of Mind" to more of our customers.



Forester (with Wing Seat)

> [TRANSCARE series](#)  (Japanese version only)

## Initiatives for Customers in the Aerospace Business

In the aerospace business, we continue to swiftly resolve issues with customers after product delivery in order to maintain the continued operating condition of the aircraft we supply to the Japan Self-Defense Forces, Coast Guard, National Police Agency, 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. In this questionnaire, we received high ratings from the Japan Self-Defense Forces, Coast Guard, and Metropolitan Police Department. Here, we are working to sincerely address customer opinions and further improve their satisfaction.

Also, SUBARU's maintenance staff involved in manufacturing visit the land, sea, and air units of the Japan Self-Defense Forces across Japan 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 customers' requests in detail and to earn customer satisfaction with SUBARU's products and services through maintenance and operations.

### Questionnaire Evaluation Results

(FYE March)

	2020	2021	2022	2023	2024
<b>Japan Self-Defense Forces</b>	3.9	4.0	4.0	3.8	3.9
<b>Coast Guard, Metropolitan Police Department, etc.</b>	3.6	4.2	3.1	3.8	3.4

Note: We compile evaluations for each category from customers and rate them on a five-point scale.

# CSR Procurement

## Our Approach

The SUBARU Group has established the Six Priority Areas for Sustainability and is promoting various initiatives for the realization of a sustainable society. Amid this, we believe that in order to resolve various environmental and social problems facing today's global society, such as climate change and human rights violations, it is essential to take action not only on our own but across the entire supply chain, including at our suppliers. At the SUBARU Group, we establish relationships with our business partners based on equality, trust, mutual benefit, and dedication to continuous improvement, seeking the realization of a global sustainable society.

### Fundamental Procurement Policy

The 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 responsibilities in such ways as conducting transactions paying due care to observe legal and social 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**

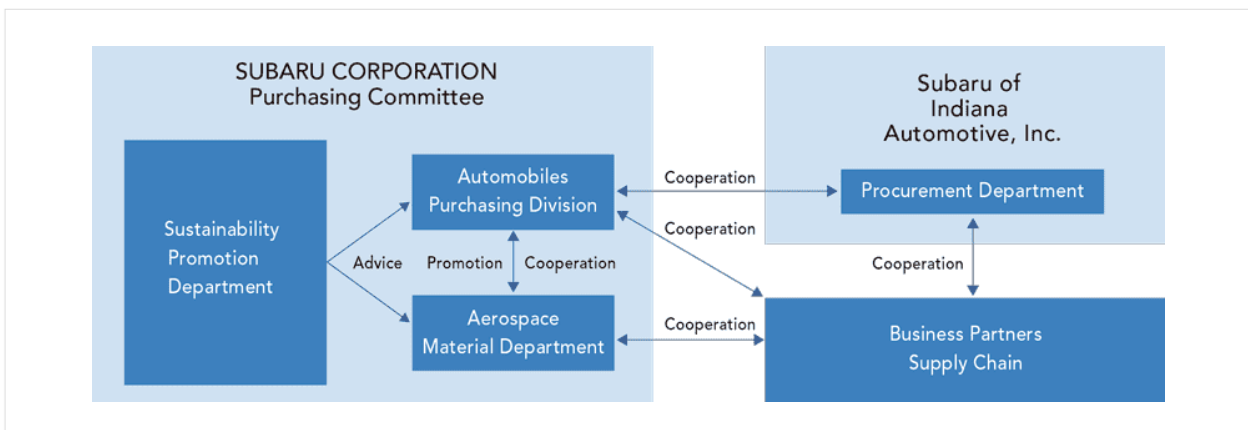
In selecting suppliers, the door is wide-open to all firms, domestic and overseas, for fair and equitable business to procure goods and services most excellent from seven perspectives: quality, cost, delivery, technical development, management, environment and society (QCDDMES).

Revised in April 2020

## Management System

At SUBARU, the procurement departments of the 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. The committee oversees efforts to address environmental, social, and governance (ESG) issues in procurement and shares the latest relevant information. By integrating any management issues identified into our action plans and implementing a plan-do-check-act (PDCA) cycle, we help to ensure fair trade between SUBARU and its business partners as well as cooperative CSR procurement throughout the supply chain. We have also been promoting CSR procurement on a global scale in collaboration with Subaru of Indiana Automotive, Inc. (SIA), our local production plant in the U.S.

### CSR Procurement System



## Targets and Metrics

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The SUBARU Group is strengthening its CSR initiatives in cooperation with business partners toward sustainable procurement on a global scale.

- Building relationships with business partners from CSR perspectives  
We aim to strengthen our relationship by conducting due diligence in accordance with international standards such as the OECD Due Diligence Guidance for Responsible Business Conduct and by establishing and operating a grievance mechanism.
- Promotion of fair trade on a continuous basis  
We are promoting initiatives for fair trade by thoroughly disseminating our voluntary action plan and thoroughness plan.
- Conducting conflict minerals, mica, and cobalt surveys  
We conduct investigations in compliance with international norms and standards, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## Approach to Risks

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The SUBARU Group procures parts and materials from numerous suppliers. Fluctuations in raw material prices in cases where the Group is dependent on specific raw materials and suppliers, as well as disruptions in the supply chain and tight supply-demand balance in the event of an emergency, could affect the Group's management and financial position. We are also promoting initiatives to respect human rights among our business partners and other stakeholders involved in our business, including those in the supply chain. However, in the event of procurement or other activities that raise human rights issues, there is a risk of violation of related laws and regulations as well as damage to our brand image.

Recognizing these risks, the SUBARU Group strives to ensure stable procurement by reducing the impact of fluctuations through adjusting the amount of raw materials used, checking suppliers' quality assurance capabilities and management conditions, and identifying human rights risks.

## Initiatives

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### Promoting Fair Trade

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SUBARU maintains compliance with laws and regulations such as 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 these efforts, SUBARU conducts regular education for its employees and has set up a consultation service targeting suppliers in its supply chain to spread awareness. In 2020, we took the Partnership Formation Oath for the purpose of coexistence and prosperity of both large companies and SMEs. The Aerospace Company conducts a survey for its business partners regarding satisfaction with its Purchasing Department. This allows better understanding of the current status of fair and proper transactions, including human rights considerations such as the conduct of those in charge of procurement at SUBARU, from the standpoint of its business partners. For employees, we provide legal and regulatory training and other programs for those in charge of procurement to elevate their understanding of proper business practices.

## Employee Training on Fair Trade in FYE March 2024

### Automotive Business Purchasing Division

(Employees)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
Training for new recruits	7	9	8	12	6
Training for transferees	24	22	17	54	16
Comprehension tests for compliance	152	226	214	239	243
CSR education	-	170	228	283	279
External training: United Nations Development Programme "B+HR Academy"	-	-	-	1	1

### Aerospace Company Purchasing Department

(Employees)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
Training for new recruits	2	4	1	0*	0*
Training for transferees	5	2	0*	7	0*
CSR education	73	82	85	84	91

Note: Years with zero employees are those with no new graduate hires or new transferees

> [Consultation service for promoting fair trade](#)  (Japanese version only)

> [Partnership Formation Oath](#)  (Japanese version only)

## SUBARU Supplier CSR Guidelines

To promote SUBARU's CSR procurement and help our suppliers conduct CSR activities, we created, and in FYE March 2012 began application of, the SUBARU Supplier CSR Guidelines. They are based on the CSR Guidelines for Suppliers of Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our CSR policy.

In FYE March 2014, these guidelines were made company-wide and global, including for all suppliers of the Aerospace Company, and in FYE March 2016, SUBARU revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals\*1. In FYE March 2016, we also revised the guidelines in the form of a joint edition with overseas affiliate Subaru of Indiana Automotive, Inc., confirming the integration of our procurement policy. We incorporated the SUBARU Global Sustainability Policy, Human Rights Policy, and Fundamental Procurement Policy (revised edition) in FYE March 2021. In FYE March 2023, we also established and published the Responsible Mineral Procurement Policy.

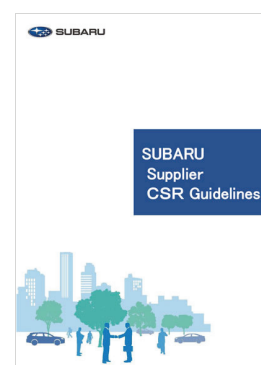
At SUBARU, compliance to these guidelines is one of the criteria of our supplier selection. SUBARU asks not only our suppliers but also their suppliers as well to develop and promote CSR.

\*1 Conflict minerals: 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 U.S., 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](#)  PDF/494KB

These guidelines are current as of August 2024. The Six Priority Areas for CSR have now evolved into the Six Priority Areas for Sustainability. For more details, please refer to the link below.

> [Six Priority Areas for Sustainability](#)



SUBARU Supplier CSR Guidelines



## Six Topics in the SUBARU Supplier CSR Guidelines

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

<p><b>(1) Safety and Quality</b></p> <ul style="list-style-type: none"> <li>· Providing products and services that meet consumer and customer needs</li> <li>· Providing appropriate information concerning products and services</li> <li>· Ensuring safety of products and services</li> <li>· Ensuring quality of products and services</li> </ul>	<p><b>(2) Human Rights and Labor Issues</b></p> <ul style="list-style-type: none"> <li>· Striving to avoid discrimination</li> <li>· Respecting human rights</li> <li>· Prohibiting child labor</li> <li>· Prohibiting forced labor</li> <li>· Wages</li> <li>· Compliance with the law on working hours</li> <li>· Practicing dialogue and consultation with employees</li> <li>· Ensuring a safe and healthy working environment</li> <li>· Providing human resource training</li> </ul>	<p><b>(3) Environment</b></p> <ul style="list-style-type: none"> <li>· Implementing environmental management</li> <li>· Reducing greenhouse gas emissions</li> <li>· Preventing air, water, and soil pollution</li> <li>· Conservation of the ecosystem</li> <li>· Saving resources and reducing waste</li> <li>· Managing chemical substances</li> </ul>
<p><b>(4) Responsible Raw Material Procurement</b></p> <ul style="list-style-type: none"> <li>· Avoidance of raw materials that cause social problems</li> </ul>	<p><b>(5) Compliance</b></p> <ul style="list-style-type: none"> <li>· Compliance with laws</li> <li>· Compliance with competition laws</li> <li>· Preventing corruption</li> <li>· Managing and protecting confidential information</li> <li>· Managing export trading</li> <li>· Protecting intellectual property</li> </ul>	<p><b>(6) Information Disclosure</b></p> <ul style="list-style-type: none"> <li>· Disclosing information to stakeholders</li> </ul>

## Business Partner CSR Briefing and CSR Survey

At the Business Partner CSR Briefing, we present corporate policies such as the SUBARU Supplier CSR Guidelines in keeping with the OECD Due Diligence Guidance for Responsible Business Conduct. In our annual Business Partner CSR Survey, we also conduct a monitoring assessment of negative impact on our business partners and work with them to correct any issues discovered. We initiated this supply chain CSR due diligence in FYE March 2016 and have been conducting it annually since FYE March 2018.

In FYE March 2024, we targeted 622 automobile-related business partners (including 388 in parts and raw materials, and 234 in equipment and jig tools) to attend the briefing. Of these, 99.2% of participants, or 617 business partners, provided responses to the survey.

In June 2024, we also conducted a briefing and survey for our business partners focused on climate change. The details and results of our actions are as follows.

## Number of Business Partners Assessed in the CSR Survey Conducted in the Automotive Business Unit

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
Direct materials (parts and raw materials)	366	367	388	396	388
Indirect materials (equipment and jig tools, etc.)	-	191	210	223	234
<b>Total</b>	<b>366</b>	<b>558</b>	<b>598</b>	<b>619</b>	<b>622</b>

### Business Partner CSR Briefing

In the Business Partner CSR Briefings held with business partners, we presented the importance of promoting CSR in addition to human rights and environmental preservation, details about the SUBARU Group's CSR Policy and activities, and made specific requests such as compliance with the SUBARU Supplier CSR Guidelines.

### Business Partner CSR Survey

#### • SUBARU supplier CSR check sheet

We investigated business partners' CSR systems, CSR initiatives for their suppliers, and compliance with the SUBARU Supplier CSR Guidelines covering human rights, labor, and the environment, identifying one business partner with potential issues with compliance in their initiatives. A follow-up survey was conducted for said business partner through interviews, which confirmed that there were no problems with their actual initiatives.

Furthermore, we continued to conduct follow-up investigative interviews with the business partner who faced issues in FYE March 2023. Through the interviews, we confirmed improvements in their initiatives, such as the establishment and dissemination of CSR policy and the appointment of CSR officers.

In addition, we selected one company from among suppliers with satisfactory check sheet responses, and conducted interviews and factory inspections confirming that the responses were consistent.

The above results are referenced in supplier selection.

#### • Survey on employment of non-Japanese skilled workers in Japan

We conducted a survey regarding the employment of non-Japanese personnel by our business partners, examining wage levels, payment methods, working hours, Article 36 Agreement on overtime work and working on holidays (Labour Standards Act) in Japan, insurance, pensions, health checkups, living conditions, passport possession, Japanese language education, daily life guidance, and industrial accidents. Four business partners were identified as having potential issues. Follow-up investigations were conducted with the four companies. In all cases, the conclusion was that there were no issues with treatment regarding non-Japanese worker human rights and labor.

#### • Survey on human rights initiatives

We conducted a survey on the implementation of human rights due diligence by our business partners and within the supply chain, information on the origin of high-risk raw materials in case risk has been identified through due diligence, including country, region, ethnicity, company name, other specific details, and the results of addressing these risks. This survey did not identify any business partners with potential issues.

In the Aerospace Company, we continued to conduct the Business Partner CSR Survey for business partners in FYE March 2023 and confirmed that there were no issues.

We will continue our activities in FYE March 2025 and beyond.

## Consultation Service for Non-Japanese Workers

In addition to our existing consultation service for promoting fair trade, in FYE March 2023 we endorsed and cooperated with the supply chain human rights initiative, Japan Platform for Migrant Workers towards Responsive and Inclusive Society (JP-MIRAI), on the establishment of a consultation service for foreign workers in the supply chain in Japan. As background to this, employees of the Purchasing Division, including the general manager in charge, took part in JP-MIRAI's "Consultation and Relief Pilot Project for Foreign Workers."

We continued our participation with the "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers," which marked the full-fledged implementation of the program in FYE March 2024, targeting local business partners. We provide support in 22 languages\*<sup>2</sup> for the consultation service, the area of the program that SUBARU is involved in. This service is available not only for non-Japanese but also Japanese workers employed by business partners.

The consultation service covers a wide range of topics, from gathering information about daily life in Japan to addressing concerns related to human rights and labor issues. For matters that cannot be resolved through the consultation service, we provide accompanying support through consultations with specialists such as lawyers, or utilize the Tokyo Bar Association's Alternative Dispute Resolution (ADR) for added assistance. This ensures a fair and transparent approach through third-party involvement.

We held a briefing for relevant business partners on the procedures for using the consultation service and requested that they disseminate the information among their employees.

The overall program, including the consultation service, has been developed by taking into account the feedback and input from companies and stakeholders, including suppliers, that participated in the pilot project.

\*<sup>2</sup> Easy Japanese, English, Chinese, Korean, Thai, Vietnamese, Indonesian, Malay, Tagalog, Nepali, Myanmar, Khmer, Mongolian, Sinhalese, Hindi, Bengali, Portuguese, Spanish, German, French, Italian, and Russian

> [JP-MIRAI](#) 

## Responsible Mineral Procurement

The SUBARU Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. As a member of the Japan Automobile Manufacturers Association (JAMA), we have been actively participating in collaborative efforts addressing conflict minerals since FYE March 2015.

In FYE March 2024, we surveyed 402 suppliers of components and raw materials for automotive mass production and repair. We also conducted a cobalt survey for some of our business partners. In 2024, mica is to be added to the target minerals, and the mica/cobalt survey will be expanded to cover the same business partners as in the conflict minerals survey, which will be the basis for our conflict minerals, mica, and cobalt surveys. We will work to roll out surveys regarding minerals other than these conflict minerals (tin, tantalum, tungsten, and gold).

We codified our Responsible Mineral Procurement Policy in May 2022 as follows. Going forward, SUBARU's policy is to work toward "No use of materials engendering social problems" in partnership with our customers and suppliers as our social responsibility in procurement activities.

### Number of Business Partners Assessed in the Conflict Mineral Survey Conducted in the Automotive Business Unit

	2019	2020	2021	2022	2023
Direct materials (parts and raw materials)	216	215	361	394	402

## Responsible Mineral Procurement Policy

- The SUBARU Group aims for non-use of raw materials that engender social problems, such as infringement of human rights and environmental destruction.
- We will clearly state this approach in the SUBARU Supplier CSR Guidelines and request that those in our supply chain comply with these.
- As one of our initiatives, we will conduct an annual conflict minerals survey targeting the direct material supply chain.
- In this survey, we referenced the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, using the Conflict Minerals Reporting Template (CMRT), a questionnaire provided by the Responsible Minerals Initiative (RMI), and other information. We used this to trace through the supply chain and identify smelters, working to avoid procuring raw materials from smelters that are linked to the infringement of human rights or sources of funding for armed groups in conflict and high-risk areas, such as countries around the Democratic Republic of the Congo.
- In addition, for minerals other than conflict minerals (tin, tantalum, tungsten, and gold) such as cobalt, for which child labor is a concern in some mining, we will use the Extended Minerals Reporting Template (EMRT) questionnaire provided by the RMI, as well as other tools, to conduct due diligence. If any problems are found, we will take necessary corrective measures.
- In our activities, we will cooperate with our customers, business partners, industry bodies, and other stakeholders, and strive to disclose information.

Established in May 2022

## Environmental Policy Initiatives for Business Partners

We distributed the SUBARU Supplier CSR Guidelines and SUBARU Green Procurement Guidelines to our business partners and asked them to familiarize themselves with and comply with our basic environmental policies. We also held internal study groups on decarbonization for Purchasing Division staff to familiarize them with SUBARU's environmental policies.

## Green Procurement Guidelines

The SUBARU environmental policies state that "Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection." Accordingly, 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 10 areas:

## Requirements for Suppliers

### Requirements for the 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. Improvement of Environmental Performance

### Requirement for the Activity Considering Entire Life Cycle

5. Reduction of CO<sub>2</sub> emissions
6. Promotion Resource Recycling
7. Appropriate Use of Water Resources
8. Activity for Biodiversity

### Requirement for delivery of the Parts, Materials, and Services Supplied to SUBARU

9. Management of Substances of Concern
10. Reduction of CO<sub>2</sub> Emissions and Packaging and Wrapping Materials in Logistics

Compliance with these guidelines is considered a necessary criterion for selecting business partners, and we request that they establish an environmental management system based on acquisition of third-party ISO 14001<sup>\*4</sup> certification. We recommend new business partners to acquire ISO 14001 certification. For those facing difficulty acquiring ISO 14001, we review their compliance status by having them submit voluntary assessment reports based on our EMS. Currently, all Tier 1<sup>\*5</sup> business partners have ISO 14001 certification or equivalent environmental management systems in place. To those business partners who have passed our voluntary examination, SUBARU makes inquiries or performs audits as necessary and requests them to continue efforts toward early acquisition of third-party certification for environmental management.

- \*4 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.
- \*5 Companies that directly supply parts to car manufacturers. They are primary business partners. Tier 2 business partners are companies that supply Tier 1 with those parts that make up the Tier 1 company parts.
- \*6 The SUBARU Green Procurement Guidelines and the Green Procurement Guidelines Aerospace Company Edition are concrete forms of topic "(3) Environment" in the SUBARU Supplier CSR Guidelines.

> [SUBARU Green Procurement Guidelines](#)  PDF/619KB 

> [Green Procurement Guidelines Aerospace Company Edition](#)<sup>\*6</sup>  PDF/532KB



SUBARU Green Procurement Guidelines

## Climate Change Initiatives

With the aim of decarbonizing our supply chain, we continued to ask our business partners to report their total CO<sub>2</sub> emissions in FYE March 2024, and received responses from 289 companies, making it possible to visualize the total CO<sub>2</sub> emissions of each business partner and the change in CO<sub>2</sub> emissions. We also conducted on-site interviews with some of our business partners to understand the status of their specific initiatives, share information on issues they face, and reconfirm SUBARU's commitment to working together with them to address their requests.

## Management and Reduction of Environmentally Hazardous Substances Contained in Parts

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SUBARU complies with laws and regulations concerning substances of concern in each country, including the REACH regulation\*7 and ELV Directive\*8. 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.

In addressing the REACH regulation, we disclose information about substances of very high concern (candidate substances for regulation) on our homepage for users of SUBARU vehicles in Europe.

\*7 REACH regulation: 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.

\*8 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.

## Procurement with Consideration for Biodiversity

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SUBARU surveys the use of biological resources, including cowhide and plant-derived materials, to ensure no negative impact on the ecosystem during procurement of raw materials. In FYE March 2024, we conducted due diligence through interviews with one rubber part manufacturer.

SUBARU also uses copy paper made from 100% recycled paper pulp that is not from new plant resources.

## Communication with Suppliers

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In our Automotive Business, we host online Policy Briefings every spring to share policies on development, quality, procurement, and production with our business partners. At subsequent events with business partners, we hold face-to-face meetings to update information and listen to unfiltered opinions from them, which leads to improvements in our initiatives.

During FYE March 2024, the Aerospace Company held the SUBARU Status Report Meeting for our business partners in May and November, and a New Year's business briefing for 305 business partners in January.

During FYE March 2025, we held the SUBARU Aerospace Company Overview Briefing in May. An SUBARU Aerospace Company Partner Conference is scheduled for October, and we will continue our activities to deepen cooperation with our business partners.

# Community Engagement

## Our Approach

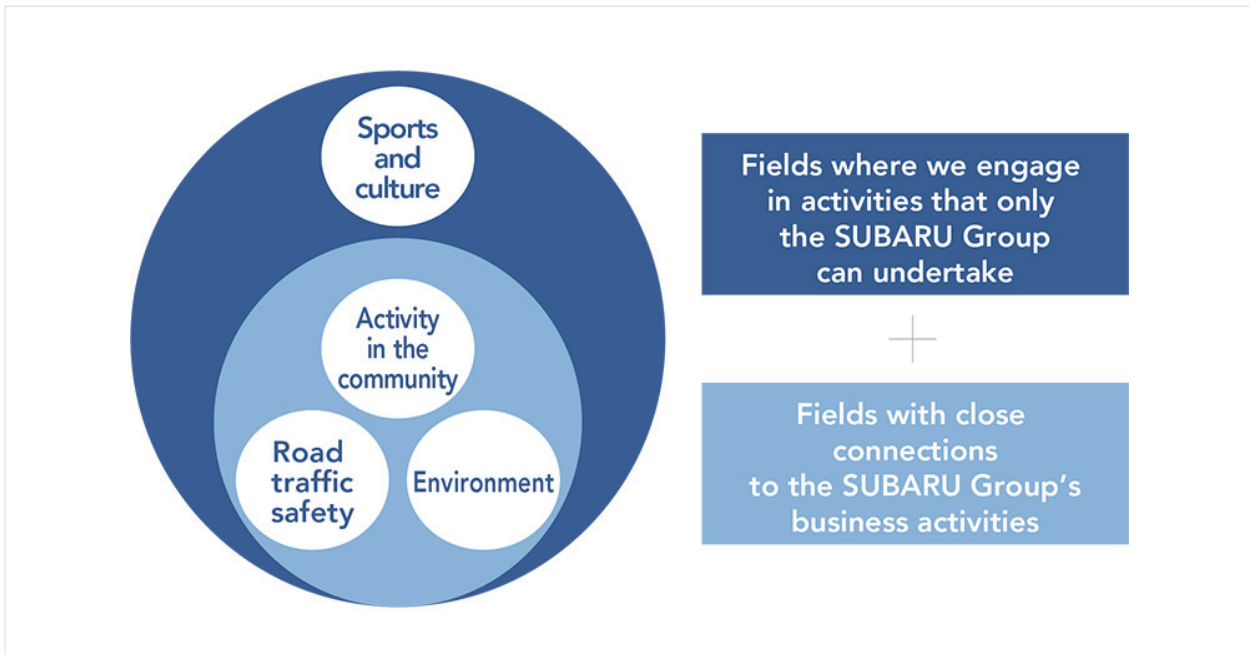
The SUBARU Group has developed its social contribution policy in the hope of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice. In accordance with the policy, we promote social contribution activities in the four fields—activity in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

### 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.

Established in March 2005

### The Four Fields of Community Engagement Initiatives



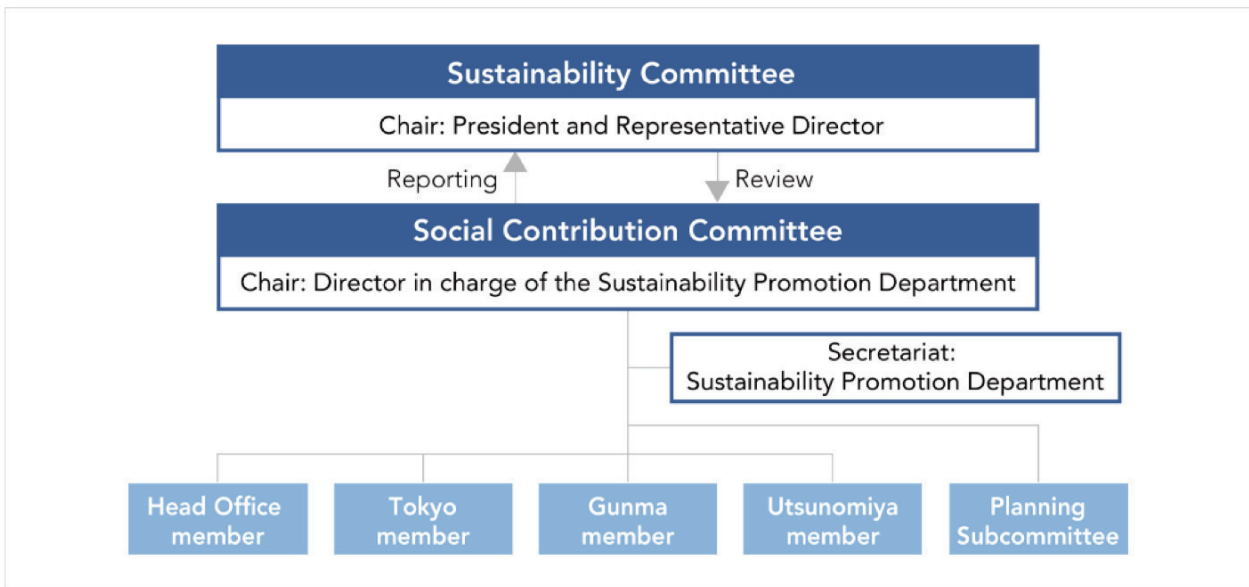
## Management System

SUBARU has established the Social Contribution Committee to advance community engagement activities with the aim of making these activities an integral part of the SUBARU Group's corporate culture and becoming a company that is trusted by stakeholders. With participation of business site directors, the committee works to advance community engagement initiatives. Under the committee, the cross-organizational Planning Subcommittee has been created to discuss issues related to company-wide activities, ranging from planning and preparation to implementation, evaluation, and review. The committee meets every six months to compile reported activity results and issues for the SUBARU Group, and discuss improvement plans to invigorate efforts. In addition, the contents of discussions held by the Social Contribution Committee are reported to the Sustainability Committee, and important issues are discussed and reported at the Executive Management Board Meeting and the Board of Directors.



Social Contribution Committee

### Social Contribution Committee: Organization chart



### Targets and Metrics

In FYE March 2020, we established a community engagement Vision for 2025 to promote efforts toward “delivering happiness to all.”

#### 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 community engagement.



## Risks in Community Engagement Activities

Pandemics, such as the one brought about by COVID-19, present a risk to our community engagement efforts. In situations like these, we will be collaborative and dynamic in order to put participant safety first, including adapting initiative content and carrying out infection prevention measures.

We also recognize that among the issues we currently face is the need to further raise awareness of community engagement among our employees. By strengthening employee participation initiatives and collaborating with Group companies, we will strive to raise awareness throughout the SUBARU Group.

## 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.

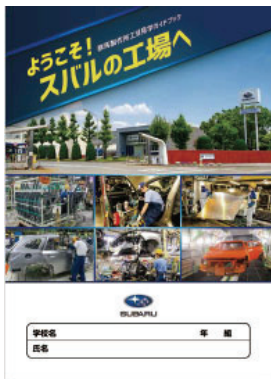
At the Gunma Plant, we send representatives to town council member homes every month to exchange information and explain the Company's current situation and its environmental activities. In another effort to enhance communication, in 2023, we invited mayors from neighboring districts on factory tours at our Main Plant (Innovation Hub) and Yajima Plant (Training Center and No. 3 Final Vehicle Inspection Section).

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. Since the end of the peak impact of the COVID-19 pandemic, we have been accommodating either remote or site tours in response to the requests of elementary schools. In FYE March 2024, 3,509 students participated in remote tours and 21,156 students (including accompanying teachers) participated in site tours. An additional 5,883 people attended general public tours, and feedback was positive from those who toured the car-making and plant facilities.



Factory tour leaflet



Online factory tour

## Utsunomiya Plant

We support the Town Exploration program conducted by neighboring elementary schools as part of their social studies curriculum and welcome children on field trip activities. We suspended participation in FYE March 2021 as a measure against the COVID-19 outbreak, but then resumed it in FYE March 2024 and have welcomed 14 children. The program creates opportunities for children to grow their interest in society by talking to them about aircraft during a tour of our exhibition models, as well as by introducing the plant's environmental initiatives, such as the promotion of recycling and technologies for fuel-efficient manufacturing.

### Instructor Dispatch to Educational Institutions (Gunma Plant, Utsunomiya Plant)

Since FYE March 2023, the Gunma Plant has been dispatching instructors to neighboring elementary, junior high, and high schools. At lessons, students listened attentively as lecturers presented on SUBARU's businesses, how it works to be a company "delivering happiness to all," and how they came to be in their current jobs. Since FYE March 2022, the Utsunomiya Plant has been supporting the Instructor Dispatch Project sponsored by the Tochigi Association of Corporate Executives. In FYE March 2024, the Chief General Manager of the Utsunomiya Plant was dispatched as an instructor to a local junior high school. He introduced the plant's business activities to students, and also discussed important points for the work they do there. In addition, nine employees were dispatched as interview committee members for the selection examination for newly hired public school teachers in Tochigi Prefecture.



Instructor Dispatch (Gunma Plant)



Instructor Dispatch (Utsunomiya Plant)

### Community Cleanup Activities (Gunma Plant, Utsunomiya Plant)

As part of its community engagement initiatives, SUBARU carries out cleanup activities on a regular basis in districts where its offices and plants are located.

In addition to the twice-monthly cleanup activities outside the Gunma Main Plant, the Yajima Plant and Oizumi Plant also conduct simultaneous large-scale clean-up activities outside the buildings before long holidays and similar occasions.

Every June, the Utsunomiya Plant holds a volunteer cleanup activity called the "Cleanup Campaign." The campaign was suspended in FYE March 2021 as a measure against the COVID-19 outbreak, but then resumed in FYE March 2024. A total of 267 employees participated in picking up trash scattered around the vicinity of the facility. In addition, 25 employees, including new employees hired for FYE March 2024, participated in a local cleanup activity hosted by another company, and carried out cleanup activities centered on the busy shopping district east of JR Utsunomiya Station.



Cleanup Campaign (Utsunomiya Plant)



Local cleanup activities (Utsunomiya Plant)

### Disaster Response Countermeasures

#### • Providing Training Grounds (Tokyo Office)

For the comprehensive earthquake fire drill, which is held at all fire stations in the jurisdiction of the Tokyo Fire Department, we provided some facilities and locations in our Tokyo Office as a training site for the Mitaka and Musashino district fire stations.



Fire drills

## Local Community Events (Gunma Plant, Tokyo Office, Utsunomiya Plant)

In order to build a better relationship with the local communities adjacent to our business sites, SUBARU invites local residents to join events or exhibitions it holds on its premises or at local public facilities.

### • Oizumi Plant Friendship Festival (Gunma Plant)

In FYE March 2024, the Oizumi Plant within our Gunma Plant held its Friendship Festival for the first time in four years. Although the event was held for a shorter period of time than in previous years, over 200 visitors attended.



Friendship Festival

### • Mono-zukuri Classes (Tokyo Office)

In cooperation with Subaru Techno Corporation, SUBARU held Subaru Mono-zukuri Classes for elementary school students in Mitaka City, where SUBARU has an office. These classes teach students how SUBARU makes its vehicles, offering them the opportunity to model and run their own cars. Participants got hands-on experience, learning things like the differences between two-wheel drive (2WD) and four-wheel drive (4WD) vehicles, such as their design and handling.



Learning about the differences between 2WD and 4WD vehicles

### • SUBARU Stargazing Party (Tokyo Office)

In FYE March 2024, SUBARU, which gets its name from the Japanese word for the Pleiades star cluster, collaborated with Mitaka City and the National Astronomical Observatory of Japan (NAOJ), an association of star professionals, to host the SUBARU Stargazing Party in Mitaka City, under the theme of "Let's see Subaru (Pleiades) from SUBARU." After a lecture on the night sky by the Director of the NAOJ's Public Relations Center, participants used special binoculars provided by NAOJ to observe the stars from the parking lot of the Tokyo Office. Even though the event was held within the Tokyo metropolitan area, it was possible to clearly see Saturn, Jupiter, and of course Subaru, the Pleiades six-star cluster, to the delight of the participants.



SUBARU Stargazing Party

### • SUBARU Summer Bon Odori Festival (Utsunomiya Plant)

The SUBARU Summer Bon Odori Festival was held at Utsunomiya City's Yonan 2nd Park. The FYE March 2023 event was held with anti-COVID-19 restrictions in place, but the FYE March 2024 event was held normally for the first time in four years. Approximately 3,000 people attended the event, including local residents, employees' families, and SUBARU alumni.



SUBARU Summer Bon Odori Festival

### • Exhibiting at the Tochigi Children's Science Museum Science Festival (Utsunomiya Plant)

We participated in the local science festival as a way of contributing to the local community and revitalizing the local area through industry-academia collaboration. Our science show exhibit explained the mechanism of airplane flight to children. The children experienced the fun of aviation science by building model airplanes and learning about their aerodynamic characteristics.



Venue

• **Sponsorship of Yokogawa Festival 2023 (Utsunomiya Plant)**

We sponsored the Yokogawa Festival held at an elementary school event near the Handa Plant. The participating children built model airplanes under the theme of "making a paper airplane for the Guinness Book of World Records." The children learned about "lift," the force necessary for an airplane to fly, and then applied their knowledge by making small adjustments to the wings during several test flights.



Venue

• **Exhibiting at the Ebisu Cultural Festival (Head Office)**

We have been exhibiting at the Ebisu Cultural Festival starting in 2019. Our teams work hard to come up with fun programs each year, including crafting musical instruments from thinned wood harvested in SUBARU's forest conservation campaigns, workshops to experience the difference in driving style between 2WD and 4WD vehicles, and stargazing themed on environmental conservation activities and featuring SUBARU's star-studded brand logo. As a member of the local community, we will continue our efforts to revitalize the Ebisu area.



The SUBARU booth at the Ebisu Cultural Festival

**Activity in the Community: Overseas**

**Providing School Supplies to Educational Institutions (Subaru of America, Inc.)**

In a partnership between Subaru of America, Inc. and the NPO AdoptAClassroom.org, SUBARU dealerships work to provide supplies to schools in need and students in difficult circumstances. In FYE March 2024, SOA provided support to four public high schools in its head office's city of Camden, New Jersey through AdoptAClassroom.org for the purchase of writing materials and other school supplies. SOA also held an event to assist in classroom maintenance for the new school year, sending 170 employee volunteers to 15 public schools.



Supporting classroom maintenance

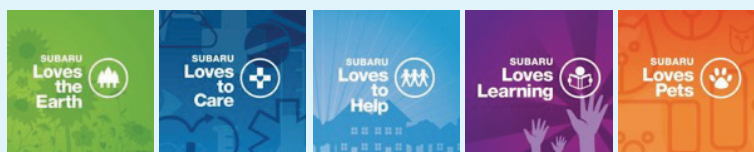
- > [2023 Corporate Impact Report "Subaru Loves Learning"](#)
- > [Subaru Loves Learning - Subaru](#)

**The Subaru Love Promise by Subaru of America, Inc.**

Subaru of America, Inc. views sustainability of society and of our SUBARU Group as showing love and respect to our stakeholders and acting accordingly. In its vision to achieve this, The Subaru Love Promise, SOA aims to become more than a car company. Here, SOA strives to earn the trust of its stakeholders by following through on its five promises, showing integrity and compassion with the goal of exceeding their expectations.

- > [The Subaru Love Promise | More than a Car Company](#)

**Five Promises**



## Sponsoring Boy Scouts Event (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. sponsored the Pinewood Derby races, a children's event organized by the Boys Scouts of America Sagamore Council. In this event, children built and raced model cars from kits containing wooden blocks and plastic wheels.



Model car races

## Camping Event (Subaru Research & Development, Inc.)

In FYE March 2024, Subaru Research & Development, Inc. hosted a camping event for SUBARU vehicle owners. During the day, the event featured rough road driving experiences and consultation sessions on problems related to everyday driving. In the evening, the participants gathered around a bonfire for conversation and customers shared their thoughts on SUBARU. Customers who attended expressed their gratitude for the event and said they looked forward to the next one.



Camping

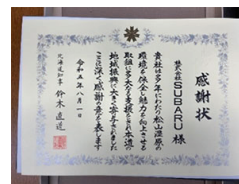
## Environment: In Japan

### SUBARU Forest Project

Since FYE March 2018, 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 is working with Bifuka Town 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. In our efforts with Bifuka Town, we have purchased J-Credits every year since FYE March 2022. In addition, 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 six million yen to the Hokkaido government's Matsuyama Marsh\* Forest Project over two donations of three million yen and over three years starting from FYE March 2020. The donations are used for boardwalk improvements in Matsuyama Marsh among other improvements. In August 2023, the Governor of Hokkaido Prefecture presented SUBARU with a letter of appreciation in recognition of its many years of support for efforts to preserve the environment and improve the attractiveness of the Matsuyama Marsh, and for its significant contribution to regional development in Hokkaido.

\* 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. In addition, 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 2019.



Letter of appreciation from the Governor of Hokkaido Prefecture



Certificate of Commendation from Utsunomiya City

In another initiative in Utsunomiya City, we supported the conservation and management of part of a city-owned forest within Utsunomiya City Forest Park named "SUBARU Forest Utsunomiya" through FYE March 2023. In April 2024 we received a Certificate of Commendation at the fiscal 2023 Utsunomiya City Municipal Government Awards in recognition for our contribution to the development of municipal government through the Hometown Utsunomiya Support Donation Project (hometown tax payment).

› [Coexistence with Nature SUBARU Forest Project](#)

### Donating Unwanted Shoes to an NPO (Gunma Plant)

At the Gunma Plant, we sponsor the Hachioji Hill Fun Trail in Ota running event. Event participants were asked to donate shoes that were still wearable but no longer worn, resulting in the collection of 131 pairs of shoes in FYE March 2024. The collected shoes were recycled and donated to an overseas NPO that supports children in need.



Collection of unwanted shoes

### Donation of Wooden Benches and Wooden Bike Racks and Maintenance Support (Utsunomiya Plant)

In 2020, we donated benches and bike racks made from thinned wood to Utsunomiya City, and they were installed in Utsunomiya City Forest Park. In February 2023, the Utsunomiya Plant donated preservatives to be applied to the wooden benches and bike racks to the Association to Protect Mt. Kogashi, a nonprofit organization working to protect Mt. Kogashi, where the Forest Park is located.



Donated benches and bike racks

### Letter of Appreciation from the Tochigi Environment and Green Promotion Organization (Utsunomiya Plant)

In recognition of its annual green fundraising activities, the Utsunomiya Plant received a letter of appreciation from the Tochigi Environment and Green Promotion Organization, signed by the chairman of the National Land Afforestation Promotion Organization.



Presentation of the letter of appreciation

### Teaching a School Class (Utsunomiya Plant)

Starting from FYE March 2007, the 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 to learn about global warming, primarily major causes and the significance of stopping the phenomenon, as well as the principles of aircraft flight and environmentally friendly car-making. Having taught 22,364 students in total at 337 schools in Utsunomiya and Handa districts over the years, this project has become an essential local community activity.



Teaching a school class



## Environment: Overseas

### Subaru Park Zero Landfill (Subaru of America, Inc.)

Since 2020, SOA has operated a partnership with Philadelphia Union, a team participating in Major League Soccer (MLS) in the U.S. The team's stadium, named Subaru Park, has become the first zero-landfill-waste MLS stadium. As part of our sustainability efforts, we have created the Subaru Park Garden for Good, an organic farm inside the stadium. In 2023, SOA also dispatched employee volunteers to this program, where they donated approximately 1,799 pounds of fruit and vegetables, equivalent to 7,116 servings, to local foodbanks. It also keeps 592,920 pounds of trash out of landfills, half of which is recycled thanks to the help of fans.



Subaru Park Zero Landfill

### Sponsoring Community Tree Planting (Subaru of Indiana Automotive, Inc.)

To celebrate Earth Day, Subaru of Indiana Automotive, Inc. partners with Tree Lafayette, a local nonprofit, to sponsor tree plantings in the community. In 2023, SIA employees participated as volunteers in the planting of 15 trees.



Planting



## Road traffic safety

### Donation of Goods to a Charity Bazaar Supporting Children Orphaned by Traffic Accidents

To support children orphaned by traffic accidents, SUBARU donates unused household items, books in good condition, and other items to a charity bazaar run by the Association to Support Children Orphaned in Traffic Accidents, a nonprofit organization. In FYE March 2024, 405 items were donated across all our sites.



Donated items



### Traffic Safety Awareness Activities (Gunma Plant)

The Gunma Plant-based SUBARU baseball team, together with a professional basketball team based in Ota City and in conjunction with National Road Traffic Safety Week, conducts traffic safety awareness activities at Ota Station and Niragawa Station in Ota City with the cooperation of Tobu Railway and the Ota Police Station. Under the theme that walking while using a smartphone is dangerous, they greet commuters at Station, distributing custom packs of tissues. In FYE March 2019, we also started an initiative to install traffic safety signs on utility poles on Ota City's school roads. As of April 2022, a total of 29 signboards have been installed in an effort to prevent traffic accidents for local residents.



Traffic safety awareness activities at train stations



Installing Traffic Safety Signs (Gunma Plant)

### 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.



Association of Driving Safety Supervisors in session

### Promoting Traffic Safety Awareness Outside the Plant (Utsunomiya Plant)

As part of Japan's nationwide autumn traffic safety campaign, we conducted traffic safety awareness activities at the intersection near the Main Plant. Approximately 20 employees reminded drivers to be safe on the roads.



Traffic safety awareness activities on the roads

### Implementation of Traffic Control Measures (Subaru Logistics Co., Ltd.)

We implement traffic control measures at the intersection near our head office before the start of work every Monday, Wednesday, and Friday. In FYE March 2024, this amounted to 129 days of traffic control, contributing to road safety for local residents.



Traffic control measures

## Road Traffic Safety (Overseas)

### Fire Department Vehicle Donations (Subaru of America, Inc.)

Subaru of America, Inc. believes in helping our first responders and those who keep our communities and colleagues safe. This year, SOA provided 74 pre-production vehicles to fire departments across the U.S. for lifesaving extraction training. In 2023, Subaru donated dozens of vehicles to the North American Vehicle Rescue Association (NAVRA) for their three-day rescue workshop session and competition. NAVRA provides education and training for firefighters, first responders, paramedics, nurses, physicians, manufacturers, and other emergency groups. The vehicles SOA donated went a long way in supporting NAVRA's workshop and offered a second life to pre-production cars that would have otherwise been crushed.

\* NAVRA works to reduce injuries and deaths caused by road accidents by training people at rescue operations and improving their skills.



## Sports and Culture: In Japan

### SUBARU's Baseball Players and Track and Field Team Members Coach Children

The "How to Run Faster" Class was held by the Oizumi Town Sports Culture Promotion Foundation at the Subaru Sports Park in Oizumi Town, coached by seven of SUBARU's track and field team members and one of its staff. Around 40 local elementary school children learned basic movements in running and studied practical training methods.

In addition, the Gunma Prefectural High School Baseball Skills Training Course was held by the Gunma Prefecture High School Baseball Federation at the Shikishima Baseball Stadium, with players from SUBARU's baseball team serving as instructors. Instructors provided practical guidance on pitching, batting, and fielding to high school baseball club players in Gunma Prefecture, who showed sincere dedication to the course.



Running clinic



Baseball clinic



### Supporting Sporting Organizations and Sporting Events

SUBARU supports the activities of the Ski Association of Japan, the Japan Canoe Federation, and the Japan Cycling Federation as an official sponsor, and also provides operational vehicles for sporting events such as the New Year Ekiden relay race and the Tokyo Marathon.

### Holding the STI Circuit Drive (Subaru Tecnica International)

Subaru Tecnica International holds this workshop each year for owners of SUBARU vehicles, with the aim of linking the learning and growth gained through participatory motorsports to the joy of life. In FYE March 2024, as a result of the online application process, approximately 100 cars and their owners gathered to not only experience the fun of driving but also to learn about driving etiquette and safety, such as proper driving position, eye contact, and pedal work on the accelerator and brake from professional drivers, invited as lecturers.



Driving course using our circuit



### Sponsoring a Christmas Concert (Head Office)

The Takofes Christmas Concert was held by the Higashi Ebisu Store Association at the EBIS303 (Ebisu Subaru Building). This concert, celebrating its eighth year since launching in 2016, was held free of charge with the joint support of local residents and companies, including SUBARU as a local corporate sponsor. In FYE March 2024, the 429 attendees enjoyed a thrilling and captivating performance from the professional orchestra.



Christmas concert performance

## Sponsoring Arts Saitama Kitamachi Festival Vol. 10 (Subaru Kohsan Co., Ltd.)

The Northern Heart Kitamachi Development Association\*, of which Subaru Kohsan Co., Ltd. serves as the secretariat, sponsored an art event organized by the Arts Saitama Kitamachi Festival Executive Committee. Contemporary art works were exhibited at various locations in Stellar Town, a large shopping mall, under the theme of "Kikaijikake (mechanical gimmick) Art Town." The event was well received, with around 1,000 visitors including both children to adults.



Artwork



\* A voluntary organization that works to improve and revitalize the attractiveness of the town.

## Sports and Culture: Overseas

### Drive-in Movie Event (Subaru Canada, Inc.)

Subaru Canada, Inc. held a drive-in movie viewing for SUBARU owners. In FYE March 2023, viewers in approximately 230 cars enjoyed a drive-in cinematic experience. The event has been well received by participants as an opportunity to deepen exchanges among SUBARU drivers.



Drive-in movie event



### Fearless 43 at Subaru Park (Subaru of America, Inc.)

Every day, 43 children are diagnosed with a form of cancer, according to St. Jude Children's Research Hospital®. SOA believes in helping those who need it most, which is why SOA have partnered with the Philadelphia Union, a proud member of Major League Soccer's Kick Childhood Cancer initiative. This program continues the Union's Fearless 43 campaign, which aims to create special moments for children and their families impacted by cancer. In 2023, SOA supported 57 families with children battling cancer by helping them have an unforgettable experience at Subaru Park. This included field seats for matches and a movie night where each child received a stuffed golden retriever plush and a blanket.



Fearless 43

## Cherishing Every Life Project

SUBARU is involved in the Cherishing Every Life Project together with SUBARU dealerships as an activity to expand the circle of Resonance and Coexistence through contributions to society. In this project, with its DNA as an aircraft manufacturer, SUBARU continues to practice a human-oriented approach to Mono-zukuri, where it places top priority on safety. Based on its longstanding core value of the protection of life, we are expanding our initiatives alongside customers and local communities.

Under the two project themes of human life, which is irreplaceable, and natural life, which is rich forests and plant and animal life, SUBARU is working to support people who have a strong belief in the protection of life and are working day by day to protect and connect life to a future full of happiness.

› [Cherishing Every Life](#) | [Cherishing Every Life Project \(Japanese version only\)](#) ☐



## Human Life: Partnering with Dealerships to Support the Work of the Japan Lifesaving Association

As part of our initiatives for human life, SUBARU has entered into an official partnership with Japan Lifesaving Association to support its goal of "Free from Drowning." In FYE March 2021 we started providing vehicles called "SUBARU Lifesaving Cars" for monitoring activities and transport of emergency rescue equipment at beaches in Kanagawa, Chiba, and Shizuoka prefectures, and then in FYE March 2024 we expanded area of activity to include the coasts of 27 prefectures across Japan. Here, 25 SUBARU dealerships\* provided 29 vehicles in contribution to beach patrols and rescue and relief efforts during the summer. In addition, nine Subaru dealerships held AED training sessions taught by lifeguards. In this way we are working to promote actions that protect lives.

› [Human Life | Cherishing Every Life Project \(Japanese version only\)](#) 

\* Hokkaido Subaru Co., Ltd., Iwate Subaru Inc., Miyagi Subaru Inc., Yamagata Subaru Inc., Fukushima Subaru Inc., Niigata Subaru Inc., Hokuriku Subaru Inc., Chiba Subaru Inc., Tokyo Subaru Inc., Kanagawa Subaru Co., Ltd., Shizuoka Subaru Motor Co., Ltd., Nagoya Subaru Motor Inc., Osaka Subaru Inc., Kyoto Subaru Inc., Hyogo Subaru Inc., Hiroshima Subaru Inc., Sanin Subaru Inc., Okayama Subaru Inc., Yamaguchi Subaru Inc., Higashi Shikoku Subaru Inc., Fukuoka Subaru Inc., Nishi Kyushu Subaru Inc., Oita Subaru Inc., Minami Kyushu Subaru Inc., Okinawa Subaru Inc.



Vehicle handover event



## Natural Life: Partnerships with Management Organizations that Manage National Parks

As part of our initiatives for natural life, SUBARU is working to protect the nature of Shiretoko, a World Heritage Site, with a focus on Shiretoko National Park, and has partnered with the Shiretoko Nature Foundation, whose mission is to pass on the nature of the site in a better form to future generations, and the Natural Parks Foundation, which manages 15 of the 34 national parks in Japan, to support those who protect natural life. We have provided the Shiretoko Nature Foundation with two patrol cars to be used for park management, monitoring to ensure an appropriate distance between wildlife and people, as well as for reforestation activities to restore the rich and diverse forest that once existed on the former Shiretoko settlement site. SUBARU is also involved in activities that go beyond providing vehicles, such as participating in reforestation efforts to restore the rich forests of Shiretoko. SUBARU has entered into a partnership with the Natural Parks Foundation to support the operation and management of each park by providing vehicles that meet the objectives of their activities. We are currently collaborating with the Nasu Heisei-no-mori Forest in Nikko National Park and the Kamikochi area of the Chubusangaku National Park. At Nasu Heisei-no-mori Forest, we are holding events for customers to enjoy nature at national parks. We provide activities that allow participants to learn about the depths of nature that cannot be seen with the naked eye and learn what it means to protect natural life.



Shiretoko National Park



Nasu Heisei-no-mori Forest



› [Coexistence with Nature: Natural Life](#)

› [Natural Life | Cherishing Every Life Project \(Japanese version only\)](#) 

## Donation, Volunteer Activities, etc.: In Japan

### Employee Volunteer Award Program

Based on the concept of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice, SUBARU has established a volunteer award program to encourage each employee to participate in volunteer activities and to raise awareness of social contribution activities.

This award is given annually, and the Social Contribution Committee deliberates and selects winners from among the applicants. Submissions for the 19th round of awards in FYE March 2024 include initiatives that leverage applicants' expertise in areas such as e-motor sports and local government digital support. Award winners are engaged in their activities with the mindsets of wanting to do something to benefit the world and to inform more people about the activities they are engaged in.

### Voluntary Employee Donation System

SUBARU has implemented a system where employees can easily use the company welfare program to donate to important causes. In the event of a disaster, we also offer easy donation through temporary special contact points to support the affected areas.

### Supporting Areas Affected by the Noto Peninsula Earthquake

SUBARU donated 10 million yen to the Japanese Red Cross Society to support the areas affected by the Noto Peninsula earthquake that occurred in January 2024. In addition, in order to provide a wider range of support, we have established the SUBARU Group Employee Web Donation Box for employees of domestic Group companies and dealerships to make donations to the Central Community Chest of Japan, a social welfare corporation, in addition to offering the company welfare program as a donation method. Furthermore, SUBARU matched all employee donations to the Japanese Red Cross Society, and provided additional donations as well. In June 2024, we donated supplies (200 eco-cups and 100 pairs of work gloves) through the Keidanren (Japan Business Federation).

SUBARU also supported local hospitals by dispatching nurses through Ota Memorial Hospital, which is run by the Subaru Health Insurance Association.

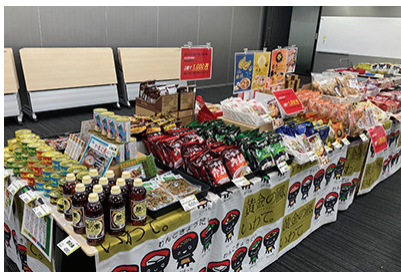


Donated work gloves and eco-cups

### Tohoku Reconstruction Support Festival (Head Office, Tokyo Office)

SUBARU participates in the Tohoku Reconstruction Support Festival organized by Keidanren (the Japan Business Federation) to support the recovery from the Great East Japan Earthquake. We hold events in-house with participation from the three prefectures of Iwate, Miyagi, and Fukushima, all of which were severely damaged by the earthquake. These events are held under the theme of direct employee action. In FYE March 2024, internal sales events were held at the Head Office and Tokyo Office, and in addition to helping with the sale of special products from each prefecture, these events also offered a place where they can provide information about recovery status and tourist attractions.

Furthermore, special dishes using ingredients from Tohoku were served at the company cafeterias of the Head Office, Tokyo Office, and Gunma Plant.



SUBARU internal sales event



Dishes using ingredients from Tohoku

### Donations of Free Samples to Charitable Organizations (Utsunomiya Plant, Tokyo Office)

Since FYE March 2015, SUBARU has been selling free samples received from business partners licensed to commercialize SUBARU minicars and similar products at local events and charity bazaars at various company sites. Proceeds from sale are donated to organizations supporting children orphaned by traffic accidents. In FYE March 2024, the Utsunomiya Plant carried out two in-house charity bazaars, while the Tokyo Office carried out three. Additionally, starting in FYE March 2024, we began donating some free minicar samples to organizations supporting children orphaned by traffic accidents.



In-house Charity Bazaar

### Providing an Occupational Health Lecture for Public Health Students (Utsunomiya Plant)

At the request of a university in Tochigi Prefecture, the Utsunomiya Plant hosted a lecture on occupational health as part of the university's public health science occupational health practicum, one of its corporate training programs. The goal is to broaden students' knowledge by providing a venue where they can learn about worker health management and public health nursing. In June 2023, we welcomed students from the Dokkyo Medical University School of Nursing, and in January 2024, students from the Jichi Medical University School of Nursing.



Course on occupational health

## Donation, Volunteer Activities, etc.: Overseas

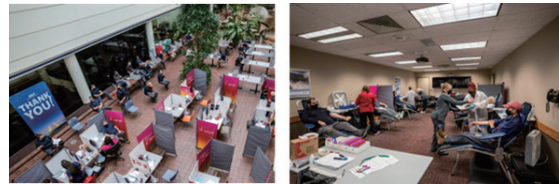
### Conducting The Subaru Share the Love Event (Subaru of America, Inc.)

Each year, Subaru of America, Inc. holds The Subaru Share the Love Event, an initiative to donate U.S.\$250 for every new SUBARU vehicle purchased or leased at a SUBARU retailer to NPOs. This activity has contributed more than U.S.\$288 million over the past 16 years.

> [The Subaru Share the Love Event - Subaru](#)

### Blood Drive (Subaru of Indiana Automotive, Inc.)

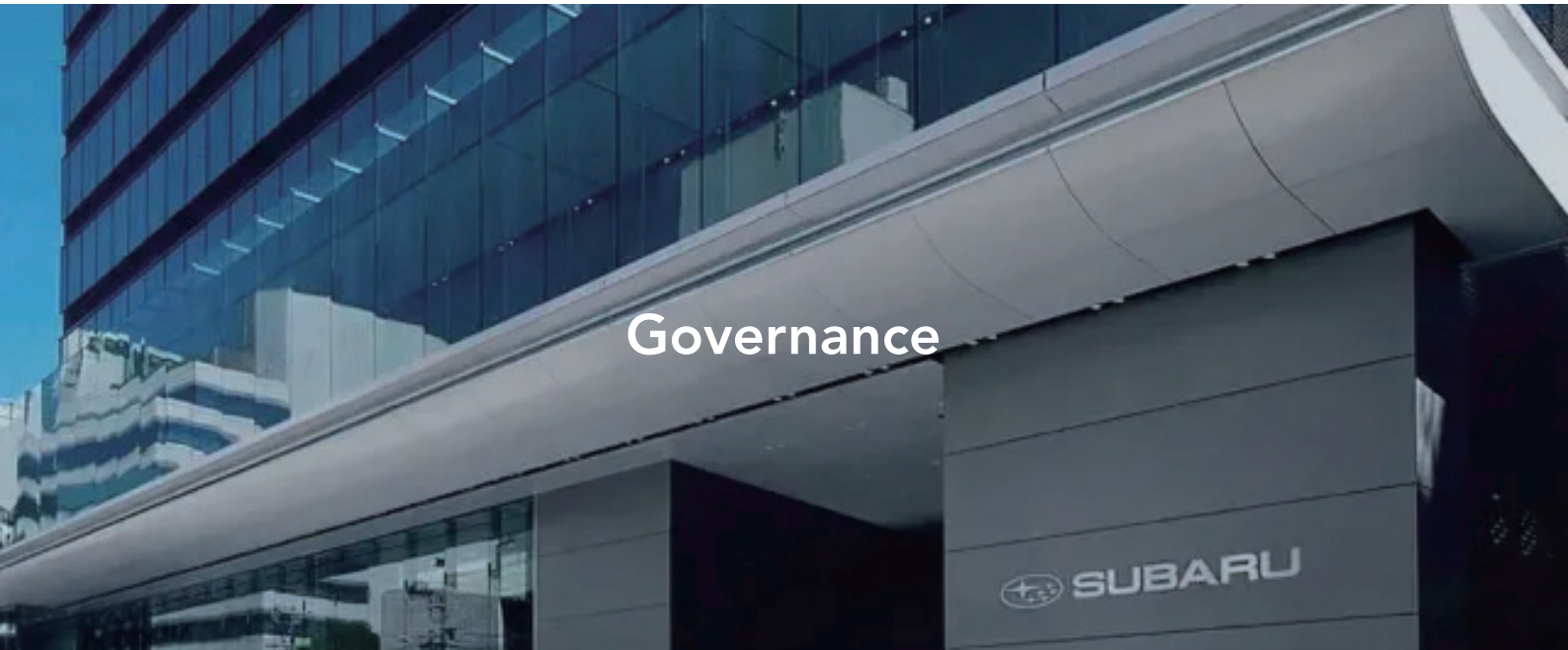
Subaru of Indiana Automotive, Inc. (SIA) has been running a blood drive twice a year since 1991. In FYE March 2024, SIA donated 614 units of blood, helping to save approximately 1,800 lives. In the span of over three decades, SIA has provided approximately 17,000 units of blood to more than 80 hospitals in Indiana.



Employees making a blood donation

### Donations to Various Organizations (Subaru Research & Development, Inc.)

Since FYE March 2021, Subaru Research & Development, Inc. has made donations to the Japan Business Society of Detroit (JBSD), a Japanese business organization in the state of Michigan. Donations are used for scholarships and cultural activities. In FYE March 2024, three donations were made, totaling U.S.\$1,380. Additionally, in order to create a better educational environment and contribute to the future of local children, a total of U.S.\$6,600 was donated to the Philadelphia Japanese Language School and the Indiana Japanese Language School.



# Governance

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# Corporate Governance

## Basic Policy

SUBARU has articulated the vision "Delivering happiness to all" and works on the enhancement of corporate governance as one of the top priorities of management in order to gain the satisfaction and trust of all its stakeholders by achieving sustainable growth and improving its corporate value over the medium to long term.

<b>〈Vision〉</b>	Delivering happiness to all
<b>〈Value Statement〉</b>	"Enjoyment and Peace of Mind"
<b>〈Corporate Statement〉</b>	We aim to be a compelling company with a strong market presence built upon our customer-first principle.

SUBARU clearly separates the function of decision making and the oversight of corporate management from that of the execution of business operations, and aims to realize effective corporate management by expediting decision making. In addition, SUBARU seeks to ensure proper decision making and the oversight of corporate management and the execution of business operations as well as enhance its risk management system and compliance system through the monitoring of its management and operations and advice provided by outside officers. We also implement proper and timely disclosure of information in order to improve the transparency of management. 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](#)  PDF/463kB (December 25, 2023)
- [Corporate Governance Report \(Japanese version only\)](#)  PDF/351kB (July 3, 2024)
- [Action to Implement Management That Is Conscious of Cost of Capital and Stock Price](#)  PDF/322kB (March 15, 2024)

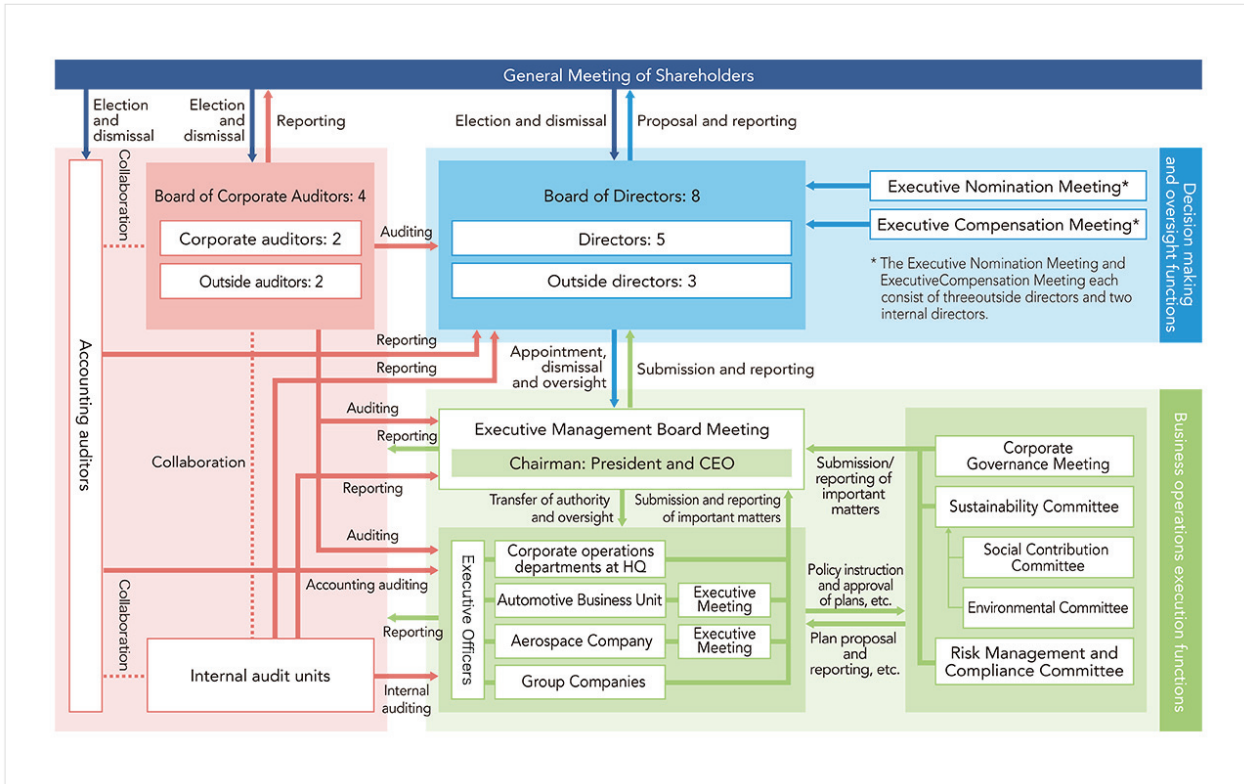
## Management System

SUBARU has chosen a structure with a board of corporate auditors. The Board of Directors (eight members, of which three are independent outside directors) and the Board of Corporate Auditors (four members, of which two are independent outside auditors) decide, supervise, and audit the execution of important business.

This structure also enables us to achieve more sound and efficient business operations through increased effectiveness of management monitoring by involving highly independent outside directors and outside corporate auditors. At SUBARU, in order to enhance the practical governance structure based on our present organizational design, we have established two voluntary meetings: the Executive Nomination Meeting (consisting of five directors, of which three are independent outside directors) and the Executive Compensation Meeting (also consisting of five directors, of which three are independent outside directors).

As of the resolution of the 93rd Ordinary General Meeting of Shareholders held on June 19, 2024, SUBARU's corporate governance structure and the composition of the Board of Directors, Board of Corporate Auditors, Executive Nomination Meeting, and Executive Compensation Meeting are as follows.

### Corporate Governance Structure



### Composition of FYE March 2025 Board of Directors, Board of Corporate Auditors, Executive Nomination Committee, and Executive Compensation Committee

Position	Name	Board of Directors	Board of Corporate Auditors	Executive Nomination Meeting	Executive Compensation Meeting
Representative Director	Atsushi Osaki	○		○	○
Representative Director	Fumiaki Hayata	○			
Directors	Tomomi Nakamura	◎		◎	◎
Directors	Katsuyuki Mizuma	○			
Directors	Tetsuo Fujinuki	○			
Independent Outside Director	Miwako Doi	○		○	○
Independent Outside Director	Fuminao Hachiuma	○		○	○
Independent Outside Director	Shigeru Yamashita	○		○	○
Standing Corporate Auditor	Yoichi Kato	○	◎		
Standing Corporate Auditor	Hiromi Tsutsumi	○	○		
Independent Outside Auditor	Yuri Furusawa	○	○		
Independent Outside Auditor	Yasumasa Masuda	○	○		

◎ and ○ indicate attendance of the chairman and other members, respectively.



## Business Operation System

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SUBARU has adopted an executive officer system and delegates directors' business execution authority to executive officers. By doing this, SUBARU clearly separates the function of decision making and the oversight of corporate management from that of the execution of business operations, expediting decision making.

### Major Items Deliberated in FYE March 2024

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The main activities of the Board of Directors, the Executive Nomination Committee, and the Executive Compensation Committee are as follows.

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## Board of Directors

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### Board of Directors

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Meetings of the Board of Directors are held in principle once a month, and as needed otherwise, deliberating important matters based on the rules of the Board of Directors.

In FYE March 2024, the Board of Directors consisted of eight directors, including three independent outside directors, and met 13 times, chaired by Director and Chairman Tomomi Nakamura. The board's business during the fiscal year included overall oversight of Company management and determinations on important business execution.

In addition to the number of Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation.

### Major Themes

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- Determination of candidates for directors and corporate auditors, as well as the CEO and other members of the management team
- Matters pertaining to repurchase and cancellation of own shares
- Determination to revise the executive compensation system and the policy for determining the content of compensation, etc. for each individual director, and to delegate to the Executive Compensation Meeting regarding the determination of compensation, etc. for each individual director and executive officers under the executive compensation system
- Discussions on reports related to medium- and long-term management issues, including the EV strategy, IR/SR activities, the Sustainability Committee, and the Risk Management and Compliance Committee

## Executive Nomination Meeting

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The meeting is composed of three independent outside directors (Mr. Yasuyuki Abe, Ms. Miwako Doi and Mr. Fuminao Hachiuma) and two internal directors (Mr. Tomomi Nakamura and Mr. Atsushi Osaki). In order to ensure fairness and transparency of decisions on executive appointment, this voluntary committee, on request for consultation by the BoD, approves and submits the proposals to the BoD for the nomination of candidates for directors and corporate auditors and the selection and dismissal of executive officers, including the Chief Executive Officer (CEO), after ample deliberation. The Executive Nomination Meeting was held eight times in FYE March 2024, chaired by Director and Chairman Tomomi Nakamura.

### Major Themes

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- Creating a succession plan for the CEO and others, 360-degree evaluation of executives, development of executive human resources with a focus on the CEO using the skills matrix for executives, revision of the skills matrix for executives (addition of "reasons for skill selection" and "definition of skill possession," acceleration of the process for determining the executive structure, the Company's executive structure)
  - Deliberations, etc., on personnel matters and the division of duties, as well as on the reporting of executive appointments for major subsidiaries
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## Executive Compensation Meeting

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The meeting is composed of three independent outside directors (Mr. Yasuyuki Abe, Ms. Miwako Doi and Mr. Fuminao Hachiuma) and two internal directors (Mr. Tomomi Nakamura and Mr. Atsushi Osaki). In order to ensure objectivity and transparency of decisions on executive compensation, this voluntary committee, on the basis of delegation by the BoD, determines individual compensation amounts per director and other issues after ample deliberation. With regard to revisions of the compensation system and other matters pertaining to compensation overall, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the BoD. The Executive Compensation Meeting was held eight times in FYE March 2024, chaired by Director and Chairman Tomomi Nakamura.

### Major Themes

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- Reporting on proposed revisions to the director compensation system and the policy for determining the details of remuneration, etc., for individual directors
- Consideration of executive compensation levels using external survey data
- Determination of individual performance-linked compensation amounts for directors (excluding outside directors) and executive officers based on their evaluations
- Determination of individual base amounts, etc. for restricted stock compensation

### Membership, Meetings Held, and Attendance for the Board of Directors, Executive Nomination Meeting, and Executive Compensation Meeting for FYE March 2024

Position	Name	Board of Directors	Board of Corporate Auditors	Executive Nomination Meeting	Executive Compensation Meeting
Representative Director	Atsushi Osaki	○ 100% (13 of 13 meetings)		○ 100% (5 of 5 meetings)* <sup>2</sup>	○ 100% (6 of 6 meetings)* <sup>2</sup>
Representative Director	Fumiaki Hayata	○ 100% (13 of 13 meetings)			
Directors	Tomomi Nakamura	◎ 100% (13 of 13 meetings)		◎ (8 of 8 meetings)	◎ (8 of 8 meetings)
Directors	Katsuyuki Mizuma	○ 100% (13 of 13 meetings)			
Directors	Tetsuo Fujinuki	○ 100% (10 of 10 meetings)			
Independent Outside Directors	Yasuyuki Abe	○ 100% (13 of 13 meetings)		○ (8 of 8 meetings)	○ (8 of 8 meetings)
Independent Outside Directors	Miwako Doi	○ 100% (13 of 13 meetings)		○ (8 of 8 meetings)	○ (8 of 8 meetings)
Independent Outside Directors	Fuminao Hachiuma	○ 100% (10 of 10 meetings)* <sup>1</sup>		○ (5 of 5 meetings)* <sup>2</sup>	○ (6 of 6 meetings)* <sup>2</sup>
Standing Corporate Auditor	Yoichi Kato	○ 100% (13 of 13 meetings)	◎		
Standing Corporate Auditor	Hiromi Tsutsumi	○ 100% (13 of 13 meetings)	○		
Independent Outside Auditor	Yuri Furusawa	○ 100% (13 of 13 meetings)	○		
Independent Outside Auditor	Yasumasa Masuda	○ 100% (10 of 10 meetings)* <sup>1</sup>	○		

◎ and ○ indicate attendance of the chairman and other members, respectively.

\*1 Tetsuo Fujinuki, Director, Fuminao Hachiuma, Independent Outside Director, and Yasumasa Masuda, Independent Outside Auditor, were elected and appointed at the 92nd Ordinary General Meeting of Shareholders held on June 21, 2023.

\*2 Atsushi Osaki, Director, and Fuminao Hachiuma, Independent Outside Director, were appointed as members of the Executive Nomination Committee and the Executive Compensation Committee by resolution of the Board of Directors held on June 21, 2023. This applies to subsequent meetings of the Executive Nomination Committee and the Executive Compensation Committee.

## Effectiveness of the Board of Directors: Evaluation Results

In accordance with Article 23 of the Guidelines, the Board of Directors ("BoD"), on an annual basis, analyzes and evaluates the effectiveness of the Board, considers and implements measures to improve any issues identified, and then discloses an overview of the results in a timely, appropriate manner.

In the fiscal year ended March 31, 2024, aiming to apply the results of the evaluations toward enhancing the BoD's functions, the BoD confirmed efforts to address issues recognized in previous evaluations, reorganized the evaluation items on the survey and expanded the scope of interviews with directors, and assessed and analyzed the reasons and underlying factors behind differences in the recognition of issues.

### Methods of evaluation and analysis

- (1) Timing: December 2023 – February 2024
- (2) Methods: Self-evaluation survey created by a third-party body; interviews
  - (a) Survey respondents: Directors (8) and auditors (4) for a total of 12 respondents
  - (b) Interviewees: Chair of the BoD, Representative Director and President, Representative Director and Executive Vice President, and outside directors (3) for a total of 6 interviewees
- (3) Process
  - (a) Third-party body conducts anonymous self-evaluation survey of directors and auditors
  - (b) Third-party body conducts interviews with the chair of the BoD, Representative Director and President, and outside directors
  - (c) Third-party body aggregates and analyzes survey responses and interviews
  - (d) BoD verifies and discusses reports received from third-party body
- (4) Evaluation items on the survey
  - (a) BoD roles and functions
  - (b) BoD composition
  - (c) BoD operation
  - (d) BoD support system
  - (e) BoD culture and communication
  - (f) BoD risk management and internal control
  - (g) Executive Nomination Meeting and Executive Compensation Meeting operation
  - (h) Shareholder dialogue
  - (i) Continued BoD improvements

Respondents evaluated themselves on a four-point scale in response to questions relating to the evaluation items. They were also free to add their own thoughts on the characteristics of the BoD and points that they felt would be necessary in enhancing the effectiveness thereof. Upon completing their responses, they then submitted their surveys directly to the third-party body.

### Evaluation results

Based on the third-party body's report detailing its aggregation and analysis, the BoD discussed and confirmed the following points.

- (1) General evaluation
 

The evaluation determined that the Subaru Corporation BoD is effective in providing strong executional support to actively propel strategies under the new management structure.
- (2) Characteristics of the Subaru Corporation BoD
 

The following four points were listed as characteristics of the Subaru Corporation BoD.

  - (a) A BoD with a focus on the monitoring function
 

BoD discussions take place on the premise that the Company occupies a unique position within the industry, a point that outside directors also understand. The BoD currently functions effectively, providing a supportive foundation for clear strategic direction-setting, enthusiastic business execution, and monitoring of execution.
  - (b) An environment conducive to free and open discussion
 

The environment within the BoD makes it easy for members to voice their ideas and opinions, thereby enabling free and open discussion.

(c) A strong awareness of compliance and risk management

The BoD demonstrates a strong awareness of compliance and risk management in many ways, including five reports from the Risk Management and Compliance Committee each year.

(d) A secretariat that functions as an effective support structure

Outside directors noted almost no concerns or complaints about the provision of information, prior explanations, materials for BoD meetings, or other items. The secretariat functions effectively as a hub for supervision and execution.

(3) Status of responses to points to examine from last fiscal year's evaluation

The status of responses to the following three points, listed in last year's evaluation as requiring examination to further enhance the effectiveness of the Subaru Corporation BoD, is as follows.

(a) Discussing medium- to long-term management strategy (improvements made)

The BoD has flexibly utilized social gatherings of management personnel\* and engaged in fruitful discussions. The BoD will continue to update information on the status of progress on medium- to long-term management strategy and other topics on a regular basis.

(b) Further bolstering the support system for outside directors (improvements made)

By creating more opportunities for outside directors to obtain information, including information-sharing outside BoD meetings and visits to factories and other sites, the BoD has bolstered its framework for helping outside directors perform their functions effectively.

(c) Further improving the effectiveness of the Executive Nomination Meeting (improvements still in progress)

Given the recent change in CEO, discussions will need to address enhancement of the succession process for the CEO position. One important point for the Executive Nomination Meeting to consider will be its involvement in the succession processes for executive officers, including the formulation of development schemes and systematic development through the effective use of skill matrices.

\* Events held by directors and corporate auditors where opinions are exchanged on topics that are important for Subaru Corporation management, but do not require resolution

(4) Future points to examine for further enhancing the effectiveness of the BoD

The following three points were listed as requiring examination to further enhance the effectiveness of the BoD.

(a) Establishing common ground on key agenda items for medium- to long-term management strategy and on approaches to monitoring

The BoD will continue to energize its discussions on agenda-setting and Group-wide monitoring in line with progress on electrification and other components of the New Management Policy.

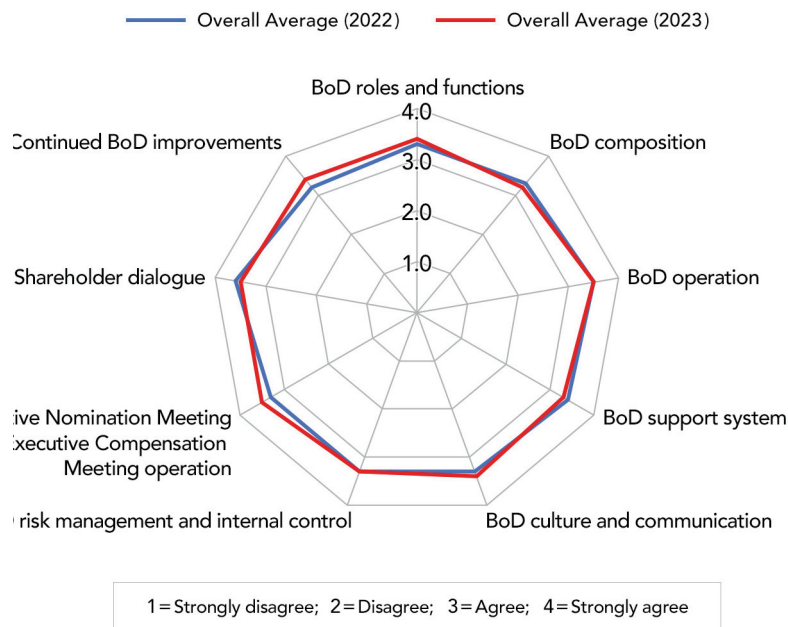
(b) Further bolstering the support system for outside directors

To help outside directors perform their functions more effectively, the BoD will provide more opportunities to communicate with top executives and auditors.

(c) Further strengthening the functions of the Executive Nomination Meeting

The BoD will take steps to further enhance processes for developing and selecting candidates for CEO and other positions, such as revising the process for appointing outside directors, organizing and utilizing skill matrices for all executive officers, and enhancing discussions on succession.

Survey results



Evaluation Item	
<b>(a) BoD roles and functions</b>	Recognition of the roles and functions of the Board of Directors
	Delegation of authority to execution
	Reporting system
	Supervision of corporate management
<b>(b) BoD composition</b>	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)
<b>(c) BoD operation</b>	Frequency, length, and time allocation of meetings
	Relevance of agenda items
	Timing of proposals and discussions
	Quality and quantity of documents
	Timing of document distribution
	Prior explanation
	Content of explanations and reports
	Discussions by the Board of Directors
Leadership by the Chair	
<b>(d) BoD support system</b>	Environment and systems for the provision of information
	Provision of information to outside officers
	Training of outside officers
	Training of inside officers
<b>(e) BoD culture and communication</b>	Diverse values
	Stakeholder perspectives
	Directors and business divisions
	Inside and outside directors
	Directors and corporate auditors
<b>(f) BoD risk management and internal control</b>	Risk management
	Group governance
	Internal control and compliance
<b>(g) Executive Nomination Meeting and Executive Compensation Meeting operation</b>	
<b>(h) Shareholder dialogue</b>	Supervision of proper disclosure of information to shareholders and investors
	Sharing the views of shareholders and investors
	Enhancing dialogue with shareholders and investors
<b>(i) Continued BoD improvements</b>	Status of improvements based on the previous fiscal year's effectiveness evaluation

## Approach to the CEO Succession Plan

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 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 BoD, 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 the replacement and selection of the CEO, the BoD 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 their 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 BoD and Executive Nomination Meeting meet on a regular basis to review the list of essential qualities and skills required of the CEO, which may include 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 the 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 use by outside directors. To this end, SUBARU discloses 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 Officer Training

Category	Training Policy / Major Ongoing Programs	
Directors Auditors	Policy	SUBARU provides its directors and auditors with information and knowledge regarding its business activities that is necessary for them to fulfill their responsibilities to oversee and audit directors and auditors on an ongoing basis.
	Training	<ul style="list-style-type: none"> <li>· Refresher courses focusing on information regarding the Companies Act and other laws and regulations related to corporate governance</li> <li>· Opportunities for participation in seminars and programs hosted by government agencies, Japan Federation of Economic Organizations, Japan Association of Corporate Directors, Japan Audit &amp; Supervisory Board Members Association, etc.</li> </ul>
Outside directors Outside auditors	Policy	SUBARU provides its outside officers on an ongoing basis with information relating to the Company's corporate statement, 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.
	Training	<ul style="list-style-type: none"> <li>· The following programs are provided to outside Board members at the time of appointment and subsequently to keep them updated</li> <li>- Opportunities for participation Opportunities for discussions with and briefings from responsible executive officers about the corporate statement, corporate culture, business environment, and the performance, situation, and issues of each business division/department</li> <li>- Inspection tours at manufacturing/R&amp;D/distribution sites</li> <li>- Discussions with directors and corporate auditors on management issues</li> <li>- Social gatherings with directors and corporate auditors</li> <li>- Participation in Company-wide business events, such as improvement activity debriefing sessions</li> </ul>
Executive officers	Policy	SUBARU gives executive officers similar opportunities as those given to directors and corporate auditors, for the purpose of developing human resources to lead its management in the future.
	Training	<ul style="list-style-type: none"> <li>· Opportunities for participation in external programs aimed at fostering the mindset required for executive management and motivating self-improvement actions</li> <li>· Lectures by invited experts in specific topics to share and increase literacy in the related field (legal affairs, compliance, IT, the SDGs, media response, etc.)</li> <li>· Strategy-building camps for all executive officers</li> <li>· Recommendation and support for participation in appropriate external seminars and programs</li> </ul>

Note: Expenses to be incurred for offering the above training to directors and auditors, including outside officers and executive officers are borne by the Company.

Category	Programs provided in FYE March 2024
All executives	<ul style="list-style-type: none"> <li>· Newly appointed directors and executive officers participated in external seminar programs</li> </ul>
	<ul style="list-style-type: none"> <li>· Held a total of three classroom lectures by invited experts on management issues such as adapting to electrification and sustainability</li> </ul>
Outside directors Outside auditors	<ul style="list-style-type: none"> <li>· Operations briefings offered by executive officers and others, and related discussions</li> </ul>
	<ul style="list-style-type: none"> <li>· Held a total of four discussions with directors and corporate auditors on management issues</li> </ul>
	<ul style="list-style-type: none"> <li>· Outside directors and outside corporate auditors participated in external presentations and exhibits about future technologies and quality solutions</li> </ul>



## Outside Directors, and Outside Auditors

### Nomination Criteria

- The outside directors are expected to perform a monitoring function independent from the management team and provide appropriate advice on management on the basis of a wide range of sophisticated knowledge.
- The outside corporate auditors are expected to perform a management oversight function independent from the management team and undertake their role of auditing from the viewpoint of legality and appropriateness on the basis of broad and advanced knowledge.
- SUBARU has established criteria for independence of outside officers in addition to the criteria for independence established by the Tokyo Stock Exchange, and appoints outside directors and outside corporate auditors who meet those criteria.

### Reasons for Appointing the Independent Outside Officers and Major Activities in FYE March 2024

Name	Reasons for Appointing	Significant concurrent positions*
<b>Miwako Doi</b> Appointed June 2020	<p>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.</p> <p>In June 2020, the Company appointed her to the position of independent outside director. Given that she has been providing beneficial advice to the Company's management for the generation of new innovation, we appointed Ms. Doi with the expectation that she will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an outside director of the Company and that she will continue to appropriately perform her duties as an independent outside director of the Company.</p>	<p>Auditor, National Institute of Information and Communications Technology (NICT) (part-time)</p> <p>Executive Vice President, Tohoku University (part-time)</p> <p>Executive Director, Nara Institute of Science and Technology (part-time)</p> <p>Outside Director, NGK Spark Plug Co., Ltd.</p>
<b>Fuminao Hachiuma</b> Appointed June 2023	<p>Mr. Fuminao Hachiuma has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business at Ajinomoto Co., Inc. and its group companies as well as promotion of strengthening of corporate governance and management reform of J-OIL MILLS, INC. as Representative Director and President.</p> <p>In June 2023, the Company appointed him to the position of independent outside director. Given that he has been providing frank opinions on the Company's management, we appointed Mr. Hachiuma with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company and that he will continue to appropriately perform his duties as an independent outside director of the Company.</p>	<p>Outside Director, Seven &amp; i Holdings Co., Ltd.</p> <p>Outside Audit &amp; Supervisory Board Member, YKK AP Inc.</p>
(Newly appointed) <b>Shigeru Yamashita</b> Appointed June 2024	<p>Since his appointment as Representative Director of Pigeon Corporation, Mr. Shigeru Yamashita has led that company's efforts to promote management transformation, strengthen corporate governance, and maximize corporate value, and has abundant experience and insight in business management.</p> <p>In light of this, the Company has appointed Mr. Yamashita as a new independent outside director in the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company, and that he will appropriately perform the duties of independent outside director of the Company.</p>	
<b>Yuri Furusawa</b> Appointed June 2022	<p>Ms. Yuri Furusawa has held key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and has been involved in the promotion of work style reform, active participation by women and diversity in the Cabinet Secretariat, as well as in the overseas business development in the private sector, giving her a broad perspective and a high level of insight. In light of this, the Company has appointed Ms. Furusawa with the expectation that she will appropriately perform her duties as an independent outside auditor of the Company.</p>	<p>Outside Audit &amp; Supervisory Board Member, Kubota Corporation</p>
<b>Yasumasa Masuda</b> Appointed June 2023	<p>Mr. Yasumasa Masuda has served as CFO at Astellas Pharma Inc. and has deep insight in overall management with focus on financial and accounting. He has also served as Independent Non-Executive at Deloitte Tohmatsu LLC and Outside Director and Chairman of the Audit Committee at Olympus Corporation, giving him a broad perspective and a high level of insight. In light of this, the Company has appointed Mr. Masuda with the expectation that he will appropriately perform his duties as an independent outside auditor of the Company.</p>	

\* The status of "Significant Current Positions" is as of September 30, 2024.

## Compensation for Directors

### Matters Concerning the Policy for Determining Details of Compensation for Individual Directors

SUBARU deliberated and decided on the proposal of the Policy for Determining Details of Compensation for Individual Directors approved by the Executive Compensation Meeting at the Board of Directors' meeting held on March 3, 2022. To the right is the summary of the policy.

#### Policy for Determining Details of Compensation for Individual Directors

##### 1. Basic policy

As a basic policy, compensation for directors of the Company is determined in view of the following items:

(1) Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.

(2) The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources.

Specifically, for directors (excluding outside directors), compensation is composed of basic compensation, annual performance-linked bonus, and restricted stock compensation (for non-resident officers, phantom stock instead of restricted stock). For outside directors, the Company pays only basic compensation in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position. The total amount of compensation for individual directors and the levels of each compensation item are set for every position depending on difference in responsibility by utilizing the research data compiled by outside specialized agencies.

##### 2. Policy for determining the amount of monetary compensation excluding performance-linked compensation (hereinafter, the "Fixed Monetary Compensation"), performance-linked compensation, and non-monetary compensation (including the policy for determining the timing or conditions for granting such compensation)

###### (1) Policy for the Fixed Monetary Compensation

Directors receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors is determined based on their positions, taking into consideration elements such as the business environment.

###### (2) Policy for performance-linked compensation

For annual performance-linked bonus for directors (excluding outside directors), we have set a compensation table based on rank and the KPI of consolidated profit before tax for the fiscal year under review. Based on this table, cash compensation is paid at a certain time of each year. In addition, in order to encourage the achievement of goals in the Group's medium- to long-term strategy, a portion of restricted stock compensation (described in (3) below) to be granted as non-monetary compensation will be PSUs, where the number of shares granted is linked to the degree to performance target achievement. In addition to consolidated ROE, which is the financial indicator emphasized in our medium-term strategy, we will adopt employee engagement as a non-financial KPI for these PSUs.

The Company will review the KPIs for annual performance-linked bonus and PSUs as needed based on changes in the environment and reports from the Executive Compensation Meeting.

###### (3) Policy for non-monetary compensation

The Company grants restricted stock compensation to directors (excluding outside directors) for the purpose of providing them an incentive for sustained improvement of the Company's corporate value and further value sharing with the shareholders. For restricted stock compensation, a portion shall be provided as the fixed compensation type, with the rest as the variable compensation type. Both of these shall be prohibited from being transferred during the recipient's term of office, and this restriction on transfer shall be lifted upon their retirement.

For fixed compensation type restricted stock (RS) compensation, shares of the Company's common stock are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director, and other factors.

For variable compensation type restricted stock compensation (PSUs), units (one unit = one share) are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director, and other factors. After an evaluation period, shares of the Company's common stock are granted at an amount equivalent to the number of units multiplied by a payout ratio (50% to 100%) determined in accordance with achievement levels for performance indicator targets.

The maximum number of shares of the Company's common stock to be granted as restricted stock compensation to directors, for RS and PSUs combined, is 150,000 per year. In addition, the Company and its directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Company executives shall not, while they serve in their positions as executives and for a set period of time, transfer, create a security interest on, or otherwise dispose of the shares of the Company's common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur. If a director is a non-resident of Japan at the time shares are granted, the Company shall grant phantom stock in place of and equivalent to the restricted stock compensation that would have been granted, and the stock shall also be treated in accordance with the restricted stock allotment agreement.

### 3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc., for individual directors

The Company has set the following as a general guideline for proportions of compensation by type for directors (excluding outside directors) in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company's overall salary level and social situations (performance-based compensation is a proportion of the base amount).

	Breakdown				Rate	
	Basic compensation	Annual performance-linked Compensation	Restricted stock compensation		President	Directors other than the President
			RS	PSU		
Fixed monetary compensation	●				45%	50%
Performance-linked compensation		●		●	45%	40%
Non-monetary compensation			●	●	25%	20%

The Company shall appropriately review the compensation level and compensation mix in consideration of the Company's business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on reports from the Executive Compensation Meeting.

### 4. Matters concerning the determination of details of compensation, etc., for individual directors

The Executive Compensation Meeting, by a resolution of and upon delegation by the Board of Directors, determines specific amounts of compensation, etc., of individual directors, following sufficient deliberation by its members including outside directors. Its authorities include the determination of specific amounts of basic compensation, annual performance-linked bonus, and restricted stock compensation (includes phantom stock), and their payment schedule. With regard to revisions of the compensation system and other matters pertaining to compensation overall, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the Board of Directors. The total amount of compensation for individual directors and the levels of each compensation item are set depending on their responsibilities, and whether he or she is an internal or outside director, by utilizing research data compiled by outside specialized agencies.

To ensure transparency and effectiveness of the executive compensation determination process, the Executive Compensation Meeting shall, by a resolution of the Board of Directors, be structured so that the majority of its members are outside directors, and its chairman shall be appointed by a resolution of the Board of Directors.

## Overview of executive compensation system

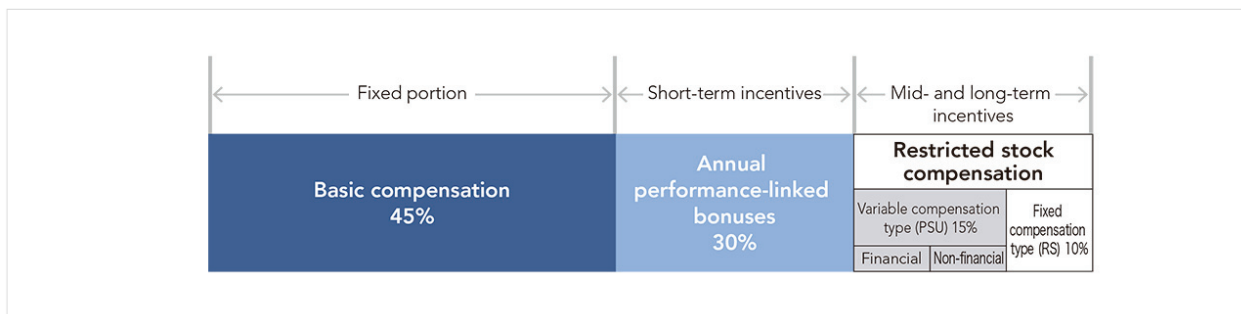
### Composition of compensation

The ratio of compensation for the Representative Director, President and CEO will be set as 45% for basic compensation, 30% for annual performance-linked compensation, and 25% for restricted stock compensation (15% for variable compensation type (PSU) + 10% for fixed compensation type (RS\*)) upon achievement of the KPIs set forth in the STEP mid-term management vision.

As before, outside directors will only receive basic compensation.

\*Restricted stock

## Compensation System for Directors (excluding outside directors)



## Total Compensation for Directors and Auditors for FYE March 2024

(Millions of yen)

Classification		Basic compensation (Paid in fixed monthly installments)	Short-term Performance-linked Compensation	Restricted Stock Compensation		Total
				PSU	RS	
Directors: 11	Internal directors: 7	213	244	69	65	591
	Outside directors: 4	38	-	-	-	38
Auditors: 6	Internal corporate auditors: 2	63	-	-	-	63
	Outside auditors: 4	26	-	-	-	26
Total: 17		340	244	69	65	718

\*1 Figures in the above table include two internal directors, one outside director, and two outside corporate auditors who resigned before the last day of FYE March 2024. At the end of FYE March 2024, there were eight directors, including three outside directors, and four corporate auditors, including two outside corporate auditors.

\*2 Total amounts in the above table represent the amounts recorded as expenses at the end of FYE March 2024 and include contingent compensation (such as phantom stock and PSUs granted to non-residents in Japan).

\*3 The amounts for phantom stock and PSUs are calculated based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of March 31, 2024, and the stock price at the time of grant will be applied for the actual payment.

## Revision of Executive Compensation System

To provide more incentive for Company directors and executive officers (excluding outside directors) for achieving sustained improvement of the SUBARU Group's value over the medium and long term, we revised our restricted stock compensation plan in FYE March 2025 as part of our review of the executive compensation system. The revisions primarily focus on the following three points, which were approved at the 93rd Ordinary General Meeting of Shareholders held on June 19, 2024, and have been applied to the executive compensation for FYE March 2025.

### Greater Ratio of Stock Compensation

In FYE March 2018, we introduced fixed compensation type restricted stock compensation (RS) for directors and executive officers. In FYE March 2023, we added variable compensation type performance share units (PSU), gradually increasing the weight of stock compensation. In the FYE March 2025 revision, we further increased the proportion of stock compensation to strengthen the link between compensation and the enhancement of corporate value. As a result of this revision, the composition ratio of basic compensation, annual performance-linked bonuses, and restricted stock compensation for the Representative Director, President and CEO has been set at 1:0.5:0.7 (for the latter, 0.5 for PSUs plus 0.2 for RS). As before, outside directors will only receive basic compensation.

## Addition of Relative TSR (vs. TOPIX Growth Rate Including Dividends) as a KPI for PSUs

In the FYE March 2025 revision, we added relative TSR (compared to the TOPIX growth rate including dividends) as a new KPI in the quantitative (financial) evaluation, in addition to the previous KPIs. This indicator is aimed at enhancing corporate value.

## Introduction of a Clawback Clause for Stock Compensation

To improve compensation governance, a clawback clause has been introduced into the stock compensation system alongside the increase in the proportion of stock compensation. If, during the restricted transfer period or within three years after the termination of the restrictions on transfer, it is found that an executive has committed an act of misconduct or that there is a material error in the performance on which the grant of stock was premised, the Company may, based on the details discussed and decided by the Executive Compensation Meeting and by a resolution of the Board of Directors, acquire the executive in question's allotted shares in whole or in part without compensation, or demand that the executive pay an amount equivalent to the market value of the shares in question.

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## Preventing Conflicts of Interest

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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).

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## Auditing by Corporate Auditors

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The Board of Corporate Auditors, as an independent organization entrusted by shareholders, is responsible for ensuring the sound and sustainable growth of SUBARU and establishing a high-quality corporate governance system that can be trusted by society by performing audits of the execution of duties by directors, passing resolutions on the contents of proposal items regarding the appointment and dismissal, or non-reappointment, of accounting auditors that are to be submitted to the General Meeting of Shareholders, and performing business audits, accounting audits, and other matters prescribed by laws and regulations.

The number of Board of Corporate Auditors members is stipulated to be up to five in the Articles of Incorporation, and as of the conclusion of the 92nd Annual General Meeting of Shareholders held on June 21, 2023, the board consists of four members (including two independent outside auditors). The chairman is a standing corporate auditor, and the board held 12 meetings in the fiscal year 2023.

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## Auditing

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### Auditing by Corporate Auditors

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In addition to attending important meetings such as the Board of Directors, the Company's corporate auditors engage in activities that include exchanging opinions with executive officers and communicating individually with the directors and corporate auditors of Group companies. Through these efforts, they gather extensive information on business execution, including the development and operational status of internal controls across the Group, as well as verify their effectiveness. Additionally, necessary advice and recommendations are provided based on the observations obtained from these audit activities.

## Activities in FYE March 2024

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### Major Activities of the Corporate Auditors

#### • Confirming management monitoring and execution

Each corporate auditor attended important meetings, including those of the Board of Directors, Executive Management Board Meeting, and Risk Management and Compliance Committee. When in attendance, they monitored management decision-making processes, sought explanations as necessary (including through opportunities other than those meetings), and actively expressed their opinions.

#### • Communication with directors, executive officers, and others, and confirmation of internal control status at various business establishments, including Group companies

Through exchanges of opinions with directors, executive officers, and others, as well as visits to and inspections of major business establishments and Group companies, and collaboration with the directors and corporate auditors of Group companies, the corporate auditors confirmed the status of business execution, including the development and operation of the Group's internal controls.

Through regular meetings with the Legal Department, Risk Management and Compliance Office, and Internal Audit Department, they confirmed the status of risk management practices across the Group.

#### • Cooperation in the three-party audit system

Corporate auditors conducted regular reporting sessions with the Internal Audit Department and accounting auditors, facilitating information sharing and exchanges of opinions that fostered close cooperation in the three-party audit system. By implementing coordinated audit activities, they carried out mutual verification of the effectiveness of internal controls across the Group.

### Board of Corporate Auditors Number of Meetings Held: 12

#### • Matters for resolution

Audit policy, audit plan and division of audit duties, consent to agenda items for the General Meeting of Shareholders (appointment of corporate auditors), evaluation and selection/dismissal of the accounting auditors, consent to the audit fee for the accounting auditors, preparation of the audit report, etc., for the current fiscal year.

#### • Matters for reporting

The Board of Corporate Auditors shared reports and insights based on findings obtained from individual corporate auditor activities. Additionally, the Board received reports from the responsible departments on risk management issues from a preventive audit perspective, enabling them to verify the appropriateness of management execution.

## Internal Auditing

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The Internal Audit Department evaluates the development and operational status of internal controls and the effectiveness of risk management from an independent and objective standpoint, while verifying the appropriateness of business execution at SUBARU and its Group companies in Japan and overseas, providing advice and proposals for improvement as required.

### System and Initiatives

The Internal Audit Department, comprising 18 members, reports directly to the President. This department formulates a business audit plan at the beginning of each fiscal year, taking into consideration the risks and internal control status of the entire Group, and conducts operational audits accordingly.

### Reporting of Business Audit Results

Audit reports on business execution are distributed to all directors, corporate auditors, and relevant departments, and simultaneously presented to the President at a monthly reporting meeting. Reports are also provided to the Board of Directors semiannually and to a joint meeting composed of all executive officers on a quarterly basis.

## Internal Control

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### Management System

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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 units in the organization and to enhance the effectiveness of internal controls.

### Internal Control System

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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.

## Internal Control System Related to Financial Reporting

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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 and 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, 2024 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.

› [Annual Securities Report and Internal Control Report for FYE March 2024 \(Japanese version only\)](#) 

› [Financial Report for the Fiscal Year Ended March 31, 2024](#) 

## SUBARU Group Governance

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The SUBARU Group has established a Group-wide governance stance that contributes to the sound business operations of the Group's global companies in order to maintain and enhance brand value and enhance the overall strength of the Group in response to social demands, including for sound corporate governance.

### Group Companies (Affiliates in Japan, Excluding SUBARU Dealerships)

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In the SUBARU Group, the Business Administration Department of SUBARU manages each Group company and their businesses to promote more unified activities. In addition, we have created a system in which SUBARU's corporate departments support these activities, thereby enhancing the effectiveness of Group governance.

## 1. Accelerating the group collaboration system

The efforts of the Group's collaboration system that started in FYE March 2022 have penetrated the Group, and communication between the Business Administration Department and Group companies has gradually deepened. SUBARU's corporate departments have established a new Group Review Meeting for collaborative discussion of major issues with each Group company to enhance the effectiveness of governance. By accelerating these efforts, we are working to further enhance the quality of Group governance.

### ■ Deepening communication with the Business Administration Department

We have introduced and implemented a new tool that allows Group companies and the Business Administration Department to review the goals and outcomes of the year's business activities and governance initiatives throughout the year. Through this, we are not only enhancing communication between both parties but also elevating the quality of governance.

### ■ Enhancing support for Group companies

Relevant corporate departments are working together to evaluate and implement concrete support measures for Group companies as appropriate. As an example, SUBARU is continuing to explore and implement corporate-related measures, including activities in which staff from SUBARU's finance and administration departments share information and provide support in financial and accounting domains to each company in addition to enhancing education programs for Group employees.

## 2. Initiatives to enhance the effectiveness of governance

As basic governance activities, we continue to promote the development of forums for information sharing and exchange of opinions with Group companies and the creation of educational opportunities. As part of this, we share information on governance-related themes at meetings of Group company presidents, respond quickly to various issues at the Management Department Steering Committee, and regularly discuss corporate issues at the Group Review Meeting, which was launched in FYE March 2024. In addition, we are also focusing on employee education as part of efforts to enhance the quality of Group human resources.

Through these efforts, we are working to further improve the effectiveness of Group governance.

### Initiatives in the SUBARU Group

- Held meetings of Group company presidents (three meetings in June and November 2022, and March 2023)
- Held Management Department Steering Committee meetings (six meetings from April and then every other month, covering 26 topics)
- Held Group Review Meetings to foster collaborative discussions between SUBARU and its Group companies regarding key corporate challenges (two in FYE March 2024)
- Information sharing through a dedicated portal site for Group companies
- Held workshops for newly appointed executives (once in April)
- Staff from finance and administration departments share information and provide support to individual companies
- Extended SUBARU's educational framework to Group company employees
- Dispatched personnel from the Business Administration Department of SUBARU to play a part in the management of Group companies by serving as part-time directors
- Enhanced the quality of auditing through appropriate assignment of standing corporate auditors (14, March 31, 2023)

## Dealerships

Enhancing governance at SUBARU dealerships involves the Japan Sales & Marketing Division assuming the responsibilities of the Business Administration Department. This enables close communication between SUBARU and its dealerships, advancing initiatives that contribute to the Group's sustainable growth and medium- to long-term enhancement of corporate value.



### Initiatives for SUBARU dealerships

- Established the Risk Management and Compliance Committee
- Developed regulations and established and enhanced operation of an internal control system for audits, etc., conducted by the auditing departments of dealerships
- Held General Meeting of Shareholders and Board of Directors' meetings
- Enhanced the quality of auditing through appropriate assignment of full-time corporate auditors (introduced full-time corporate auditors at 10 companies)

Note: Parentheses indicate information as of April 2024.

### Efforts to deepen communication between SUBARU and its dealerships

- Held monthly Leadership Meetings with 10 key dealerships we have invested in
- Held Specialist Committee meetings in four areas (sales, service, pre-owned vehicles, and IT) (at least once every six months)
- Meetings of the Internal Audit Department Liaison Committee (held twice a year)
- Implemented dealership audits through SUBARU's Audit Department
- Dispatched part-time directors from SUBARU to 10 dealerships
- Implemented training for newly appointed executives at SUBARU dealerships
- Established and enhanced operation of an internal control system for audits, etc. based on J-SOX, conducted by the auditing departments of dealerships
- Held General Meeting of Shareholders and Board of Directors' meetings
- Enhanced the quality of auditing through appropriate assignment of full-time corporate auditors (introduced full-time corporate auditors at 10 companies)

Note: Parentheses indicate information as of April 2024.

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## Cross-Shareholding

#### (1) Policy for cross-shareholding

SUBARU holds listed stocks as cross-shareholdings and engages in dialogues with the companies in question. Each year, SUBARU's Board of Directors quantitatively measures and compares benefits from holding, using dividend yield, and the capital cost involved, using weighted average cost of capital (WACC), in order to verify each. The Company will maintain these holdings only if it deems, based on the results of this verification, that the shares will contribute to its medium- to long-term management and business strategies in a qualitative manner.

#### (2) Verification details for cross-shareholding

Based on the above policy, SUBARU has steadily reduced the number of listed stocks held as cross-shareholding. As a result, 60 issues held at the end of March 2015 decreased to two issues at the end of March 2021. We consider these two issues to be essential to hold at this time for the following reasons, but we will continue to hold dialogue with these companies at least once a year, and the Board of Directors will evaluate and scrutinize these issues annually to determine whether they should be held or not.

As of March 31, 2024

Issues	Number of shares	Amount reported on the balance sheet (Millions of yen)	Purpose of holding, impact of holding, and reason for increase in number of shares
The Gunma Bank, Ltd.	2,850,468	2,503	The Gunma Bank, a local bank of the area where the Company's main factory resides, is supporting not only SUBARU but also local supplier sites in Japan and abroad through its financial services. As the is an important partner, the Company will continue to hold the bank's shares to promote fair and smooth financial transactions.
Mizuho Financial Group, Inc.	372,097	1,133	The Mizuho Financial Group firms have been supporting SUBARU with financial transactions and other services. In particular, the Mizuho Bank has long been the Company's most important financial partner, providing support in a broad area of management. The Company will continue to hold the group's shares to promote fair and smooth transactions.

## (3) Criteria for exercising voting rights for cross-shareholding

With regard to the exercise of voting rights for listed stocks held as cross-shareholding, the Board of Directors deliberates on and determines the criteria for exercise with evaluation items such as whether the company is consistently exhibiting poor performance, whether a sufficient number of independent outside directors are in place and if management is supervised appropriately, and whether there are any corporate governance issues present. Although these are our general principles, we hold dialogues at least once a year with companies whose stock we hold to avoid making blanket decisions. Accordingly, we exercise our voting rights appropriately in light of the performance, management policies, and medium- to long-term management plans of the companies in question, as well as from the perspectives of corporate value enhancement, corporate governance, and social responsibility.

In addition, we will continue to verify whether or not our criteria for exercise of voting rights warrant review.

# Compliance

## Our Approach

At SUBARU, compliance is positioned as one of our most important management issues in our Corporate Governance Guidelines. All officers and employees of the SUBARU Group are deeply ingrained with the commitment to adhere to the Compliance Manual, laws, internal regulations, and social ethics and norms, making it an integral part of their behavior at all levels. In the unlikely event of a violation of set standards, not only could the Company incur damages in accordance with legal regulations, but such incidents could erode the trust and confidence of customers, business partners, clients, shareholders, and broader society. By creating and operating a compliance system/organization, and carrying out activities such as providing different kinds of training, each employee has a strong awareness that thorough company-wide compliance forms the foundation of our management and behaves in accordance with this.

> [Corporate Governance Guidelines](#)  PDF/547kB (June 30, 2023)

## Rules for Compliance

In striving to enhance its compliance-related initiatives, SUBARU has established various rules related to compliance, including the Company-wide Risk Management and Compliance rules, which stipulate its compliance-related structures, organizations, and enforcement methods.

In pursuing our goal of "Delivering Happiness to All," we have also established the Compliance Guidelines as a code of conduct to follow in daily business activities. Furthermore, the Compliance Manual (available in Japanese, English, and Chinese) has been prepared as a systematic manual for all SUBARU officers and employees to act in accordance with laws, regulations, compliance rules, and other internal rules, as well as social ethics and norms, and is disseminated to all stakeholders.



Compliance Manual



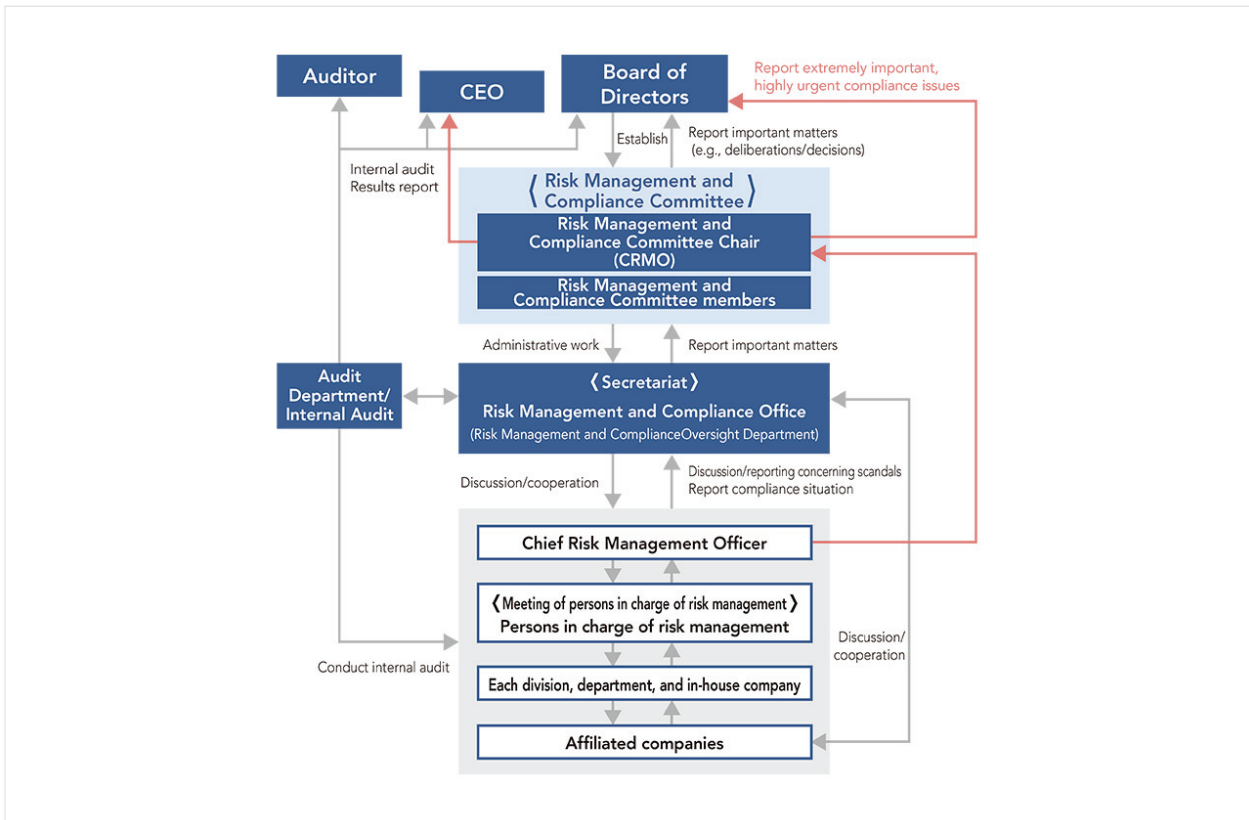
Compliance Manual: Essential Version

## Management System

The SUBARU Group has established the Risk Management and Compliance Committee as an organization designed to promote compliance. The Chief Risk Management Officer (CRMO), appointed by the Board of Directors, serves as chair of this committee, with the Risk Management and Compliance Office serving as its secretariat. Under the chair's direction, the committee conducts comprehensive oversight of compliance and executes global and Group-wide compliance initiatives. In addition, the committee is responsible for the formulation of various policies, etc., and deliberating and deciding on important compliance matters, such as the status of Group-wide compliance activities and the operation of the internal reporting system, as well as for information exchange and liaison. The content of the committee's activities is deliberated and reported on at the Board of Directors' meetings.

We also employ a PDCA cycle, with each department creating its own compliance program each fiscal year to enhance compliance. This involves consistent, structured independent actions for legal compliance management and to foster employee compliance awareness, as well as subsequent verification of compliance status.

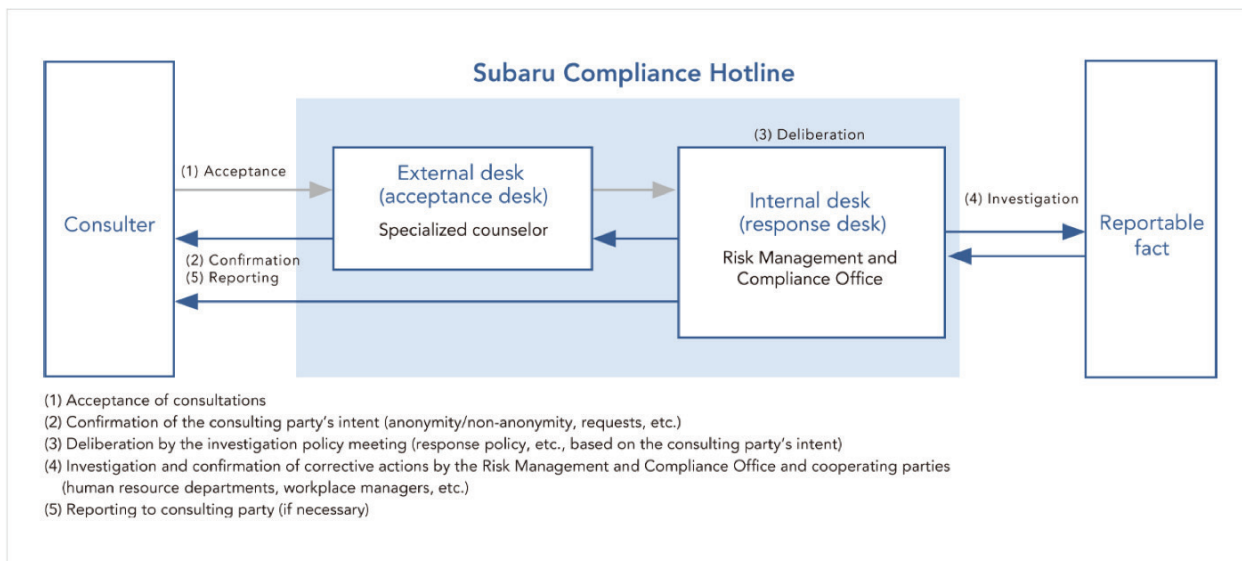
## Compliance System



## Compliance Hotline

When regular or temporary employees of SUBARU and its Group companies in Japan detect a problem related to compliance in the Group, they can consult with our Internal Reporting Desk by using the Compliance Hotline. The Internal Reporting Desk is staffed by employees designated as engaged persons under the Whistleblower Protection Act, who investigate and respond to reports received by telephone, websites, mail, and other methods. We have established a desk outside the Company staffed by external third-party specialists who have no conflict of interest to increase the hours in which service is available and to increase the confidentiality and security of those contacting the desk. Furthermore, we provide consultation services in four languages (English, Chinese, Portuguese, and Spanish) for foreign workers. Consultations received through these channels are thoroughly examined by the Risk Management and Compliance Office General Manager, following our internal rules, to ensure swift resolution. Also, the Internal Reporting Desk reports to the proper management members and the Risk Management and Compliance Committee, working toward preventive measures. Moreover, we have established a mechanism that enhances the reliability and effectiveness of the internal reporting system by conducting third-party evaluations, led by legal experts, on reported cases and the subsequent actions taken. Through initiatives to raise awareness of this system, SUBARU has improved awareness of compliance and fostered an atmosphere where employees can consult even about trivial matters. This has resulted in an increasing trend in the number of consultations over the previous five years. Since more than 80% of consultations are interpersonal relationship or labor-related, this system also contributes to corporate culture reforms as a desks for taking up and resolving workplace issues. In FYE March 2024, we received 317 consultations. Of these, there were 34 suspected violations or violations of compliance, but none of these constituted serious violations. In addition, eight of the 34 consultations involved conduct that was identified as harassment, such as abuse of power. There were no cases of violations of the Labor Standards Act.

### Compliance Hotline (Consultation and resolution procedure)



### Breakdown of Compliance Hotline Consultations and Trend over Time

(FYE March)

	2020	2021	2022	2023	2024
<b>Suspected violation or violation</b>	14	19	26	24	34
<b>Labor-related grievances and requests</b>	60	65	67	59	52
<b>Interpersonal relationship grievances and requests</b>	136	143	111	178	219
<b>Others</b>	6	9	10	9	12
<b>Total</b>	216	236	214	270	317

## 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, training for legal affairs in practical business, and other programs for all employees of SUBARU and its Group companies in Japan organized by our Legal Department, Risk Management and Compliance Office, and human resource and education departments.

In FYE March 2024, we conducted video-based training specifically on harassment for all SUBARU employees, and have also conducted such training at some of our Group companies in Japan.

In addition, to promote the understanding of key laws and regulations, the Legal Department leads training for legal affairs in practical business for SUBARU and employees of Group companies in Japan. In FYE March 2024, we conducted such training within nine programs covering topics that included various national security trade controls, the Act on the Protection of Personal Information, the Subcontract Act, and anti-monopoly laws outside Japan. In addition, to complement compliance enlightenment training, study groups are held at each department and affiliated company based on their compliance program, covering critical and important laws and regulations related to their work. These include export controls, the Act on the Protection of Personal Information, the Antimonopoly Act, the Political Funds Control Act, and harassment prevention.

## 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. We have designed 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 all Group entities in Japan's attention to such matters.



Compliance training (Gunma Plant)

## Bribery Prevention

At SUBARU, we consider the prevention of bribery in connection with our businesses as an important issue. We have established company-wide Bribery Prevention Rules and the following standards of conduct in the Compliance Guidelines, which are also implemented across our Group companies in Japan. We are committed to ensuring that specific actions are rigorously communicated and enforced through the Compliance Manual.

- Prohibition of providing, offering, or promising improper entertainment, gifts, favors, or other economic benefits to public officials or persons in similar positions, whether in Japan or abroad
- Prohibition of providing or receiving an amount in excess of socially accepted norms in dealings with business partners and customers who do not constitute public officials or similar persons
- Prohibition of receipt of personal gain as a result of using information obtained in the course of business, establishing boundaries between public and private life

To supplement the Compliance Guidelines and Company-wide Risk Management and Compliance Rules, SUBARU has also established the company-wide Bribery Prevention Rules, which clarify prohibited and non-prohibited acts when dealing with public officials. Furthermore, SUBARU has established the Political Funding Company-wide Rules, which aim to ensure proper operation and execution of donations related to political activities by SUBARU in compliance with related laws and regulations, in order to control such donations. SUBARU Group companies overseas have also established guidelines on anti-bribery in consideration of local laws and regulations to clarify the conduct required of employees and executives. In China, taking into consideration unique social conditions, we created the Bribery Prevention 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 (available in Japanese, English, and Chinese) issued to Group companies in Japan and overseas. We not only require proper conduct regarding bribery to government workers but also pursue thorough fairness in transactions with private-sector customers and partners.

Under the monitoring system for bribery prevention, SUBARU collects information to ascertain the presence of cases that may constitute compliance violations through company-wide fact-finding investigations. It also strives to detect cases early via business audits conducted by internal audit departments. Furthermore, SUBARU has established a system to report high-risk cases to the Risk Management and Compliance Committee and the Board of Directors, in an effort to strengthen oversight. In FYE March 2024, there were no fines, penalties, or settlement payments related to violations of anti-corruption laws and regulations within the SUBARU Group, and no individuals were subject to disciplinary dismissals for such violations.

## 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 Group. Also, the Export Control Committee is a body that meets at least once a year to deliberate on Group-wide initiatives. It is comprised of executives from all departments involved in exports, chaired by the director in charge of the Legal Department. With the goal of improving the level of its management, SUBARU also promotes PDCA cycles, including review of related rules, with a focus on the following initiatives.

- Regular training sessions for management, including members of the Export Control Committee, and practitioners led by external experts and internal instructors (Legal Department employees)

- Export controls utilizing IT systems (regular system enhancements are made to improve controls)/Training sessions to familiarize employees with the relationship between company-wide rules and systems
- Utilization of proprietary checklists in accordance with relevant regulations and on-site voluntary inspections (continuously improving inspection accuracy)
- Checking compliance with not only the Foreign Exchange and Foreign Trade Act but also U.S. Export Administration Regulations and implementing measures for proper management

## Enactment of the Tax Policy

The SUBARU Group 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.

In promoting tax strategy and risk management, SUBARU's Finance & Accounting Department reports on these matters to the Chief Financial Officer (CFO), who must approve them before submission to SUBARU's Executive Management Board Meeting and the Board of Directors. Such matters are also reported to the accounting auditors during their audits and to the Board of Corporate Auditors upon request by the respective parties as appropriate.

SUBARU received a "Good" rating from the National Tax Agency for 2023 in relation to efforts to promote the enhancement of corporate governance on tax matters\*.

\* Regarding the National Tax Agency's policies for efforts to promote the enhancement of corporate governance on tax matters (in Japanese only):  
<https://www.nta.go.jp/taxes/tetsuzuki/shinsei/shinkoku/hojin/sanko/cg.htm> ☐

## Tax Policy

The SUBARU Group is able to conduct its business operations thanks to support from society, and it 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 social 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.

## Political Donations

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No SUBARU employee shall make donations related to political activities to anyone other than political parties and political funding organizations. When providing support for activities of political funding organizations, we will respond appropriately in accordance with the Political Funds Control Act, the Public Offices Election Act, and other relevant laws and regulations.



# Risk Management

## Our Approach

The SUBARU Group 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.

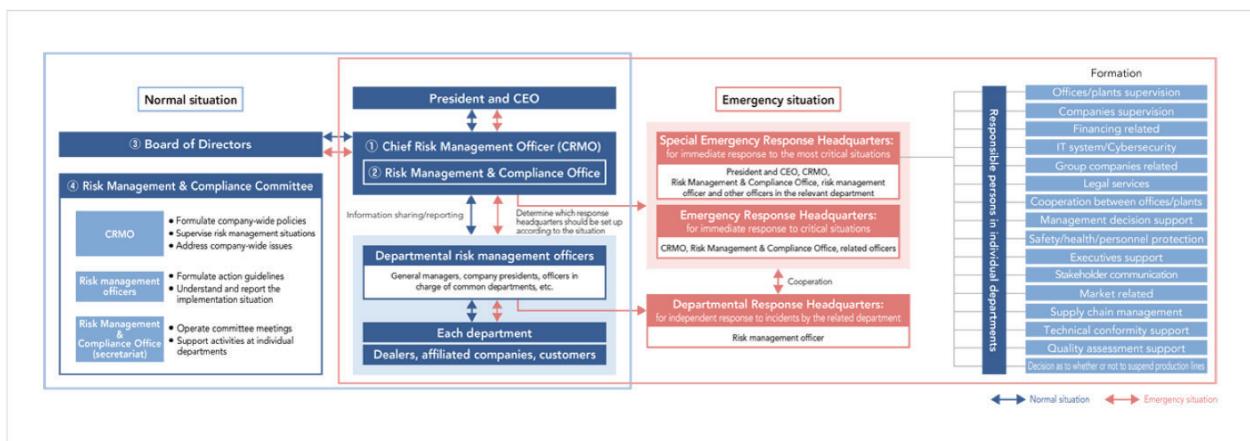
The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure by ensuring the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group 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

To prevent the emergence and expansion of risks to the SUBARU Group, the Chief Risk Management Officer (CRMO) appointed by the Board of Directors leads risk management and compliance activities, reporting their status to the Board of Directors. As a system to promote risk management, SUBARU has appointed risk management officers (job grade of Chief General Managers) for each department and established the Risk Management and Compliance Committee. This committee is chaired by the CRMO, and its vice-chairperson is the vice president in charge of the duties of the Risk Management Group, comprised of the Risk Management and Compliance Office and the Legal Department. At this committee, members deliberate, discuss, make decisions, and exchange/communicate information on important matters. The results of these activities are deliberated and reported on at the Board of Directors.

The CRMO leads corporate Group-wide efforts to enhance risk management with professional support from experts in corporate departments, such as the Risk Management and Compliance Office and the Legal Department. In this leadership role, the CRMO works closely with the Corporate Planning Department, which performs division-encompassing functions, as well as different divisions and companies. The Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

### Risk Management System



### Risks Associated with Business Activities

The SUBARU Group 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 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) Cybersecurity
- (11) Compliance
- (12) Legal proceedings, e.g., lawsuits
- (13) Stakeholder communication
- (14) Respect for human rights
- (15) Secure and train human resources
- (16) Climate change

## Risk of regulations and events in various countries that impact other business activities

- (17) Political, regulatory and legal procedures in various countries that impact business activities
- (18) Geopolitical and geoeconomic disasters (international conflicts, terrorism risk)
- (19) Damage related to natural disasters
- (20) Outbreak of infectious diseases, etc.

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## Initiatives

In FYE March 2024, the Risk Management and Compliance Committee, as part of its initiatives during times of normalcy, continued to promote activities for controlling risks during daily operations. It did this by prioritizing high-impact issues under our Group-wide Risk Management Policy and Risk Management Code of Conduct formulated for each department. As specific initiatives, we updated the priority issues to be addressed based on the New Management Structure Policies announced in August 2023, and we formulated a new Risk Map through discussions at the management level. In addition, to manage risk in a way that is optimized for the entire Group, we held risk management workshops mainly for risk management officers and employees in charge of risk management, working to improve risk literacy for Risk Management and Compliance Committee members and invigorate committee activities. Other efforts to reduce the SUBARU Group's key risks, such as strengthening cybersecurity, promoting supply chain BCP, and managing recovery responses during natural disasters, are ongoing, and the Risk Management and Compliance Committee regularly followed up on these efforts to improve their effectiveness.

# Risk Management: BCP

## Our Approach

In the SUBARU Group, we place focus on initial response during an emergency in accordance with our Emergency Response Policy. In such instances, crisis management headquarters are set up when a serious incident occurs and a response system is promptly and precisely developed. This facilitates rapid business recovery as per our business continuity plan (BCP).

### 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.

## Emergency Response

### Emergency Response System

The Risk Management and Compliance Office plays a pivotal role in establishing regulations as part of the emergency response system, and the Chief Risk Management Officer (CRMO) centrally collects Group-wide information, establishing a system to manage company-wide responses. When emergency situations arise, we prioritize initial response within a system based on the crisis level of the situation.

### Initiatives for Emergency Preparedness

During times of normalcy, we work to enhance the speed and accuracy of risk recognition and identification when emergency situations arise to the best of our ability by clarifying the roles of each department and the domain of management responsibilities. Especially with the growing threat of large-scale natural disasters, we have formulated initial response guidelines as action standards to ensure appropriate initial response that prioritizes human life above all. This ensures preparedness from times of normalcy with efforts made to share and enhance awareness of these action principles.

In addition, each department regularly prepares and updates its own rules and regulations, conducts training sessions, and takes other action in preparation for business continuity. Furthermore, each business site works to enhance its own BCP, including specifying key operations and establishing an emergency contact system. In close collaboration with SUBARU corporate departments, SUBARU is implementing measures to ensure business continuity as well as swift and precise operational recovery.

A company-wide emergency contact system is in place across the entire SUBARU organization, based on the Emergency Response Basic Manual, and we conduct regular drills in our Safety Confirmation System in preparation for information sharing in the event of disasters that may affect the SUBARU Group.

### Approach to Risks in the BCP

A BCP is intended to address uncertainties in contingencies due to incomplete plans, lack of resources, changes in the external environment, technical problems, lack of training, and other factors. To mitigate these risks, we view it as important to regularly review our BCP and ensure the effectiveness of the plan by providing thorough education and training for employees.

## Initiatives at Each Site and Group Company

### Gunma Plant

Since the disaster caused by Typhoon Hagibis (Typhoon No. 19 of 2019), we have carried out construction work to bolster storm water drainage capacity and increase water storage capacity within each factory (Main Plant, Yajima Plant, and Oizumi Plant). As a result, flood damage within the plants has been minimized. The measures also helped to combat flooding of the surrounding area.

In addition, a portion of the SUBARU Oizumi Plant premises was apportioned, three tennis courts were built there, and the land was donated to Oizumi Town. At that time, a 3,800 m<sup>2</sup> storm water detention tank was installed under the tennis courts to help prevent flooding of the adjacent National Highway No. 354 bypass during periods of rainfall.



Construction of the storm water detention tank



Donated tennis courts

### Utsunomiya Plant

In FYE March 2018, SUBARU conducted work to bolster storm water drainage capacity as a disaster response countermeasure. As a result, the plant has suffered no flood damage. The measures also helped to combat flooding of the surrounding area.

In FYE March 2020, SUBARU also registered for Utsunomiya City's Registration System for Disaster Prevention Cooperation, building a cooperative system with the local community for times of disaster. Furthermore, in March 2020 SUBARU introduced a cogeneration system that can generate electricity using city gas even during lengthy power outages at the plant, and in January 2023, a new cafeteria was constructed with capacity for over 600 people, creating a safe environment as a temporary shelter in an emergency. This exemplifies our commitment to both employee well-being and regional cooperation.

In addition, we formulated a BCP for major disasters for the Aerospace Company in preparation for large-scale disasters. When devising this plan, the unique attributes of each site (Utsunomiya, Handa, and Kisarazu) were considered, and the fundamental principles of ensuring employee safety, sustaining supply chain management and business continuity, and contributing to the local community's recovery were set in place.



Flood prevention measure (drainage grid) (Utsunomiya Plant)

### Subaru of America, Inc.

In preparation for severe disasters, Subaru of America, Inc. has established stormwater management infrastructure, which includes raising existing site grades by approximately 1.5 m and planting wetland vegetation in areas with poor drainage. The company's rain garden helps reduce flooding in the nearby Cooper River through on-site retention of a portion of stormwater.

## Supporting Restoration at Suppliers Stricken by Disaster

Providing support to suppliers during times of emergency is a major pillar of SUBARU's BCP and is an essential measure for SUBARU, which aims to achieve coexistence and co-prosperity with its suppliers.

In FYE March 2022, SUBARU dispatched a cumulative total of more than 500 workers from the Gunma Plant and supporting companies to provide support for restoration work to business partners affected by factory fires during the period immediately after the fires until the end of April 2021. Support work was primarily focused on cleaning areas where fires had occurred and restoring equipment damaged by soot and extinguishing water discharged to stop the fires. In response to these activities, we clarified the organizational structure for factory restoration in the event of a large-scale disaster, and deployed equipment necessary for restoration at each plant (Main Plant, Yajima Plant, and Oizumi Plant). We also dispatched 90 employees for two months from mid-October 2021 to support the production of a supplier whose production system had been affected by semiconductor supply problems.

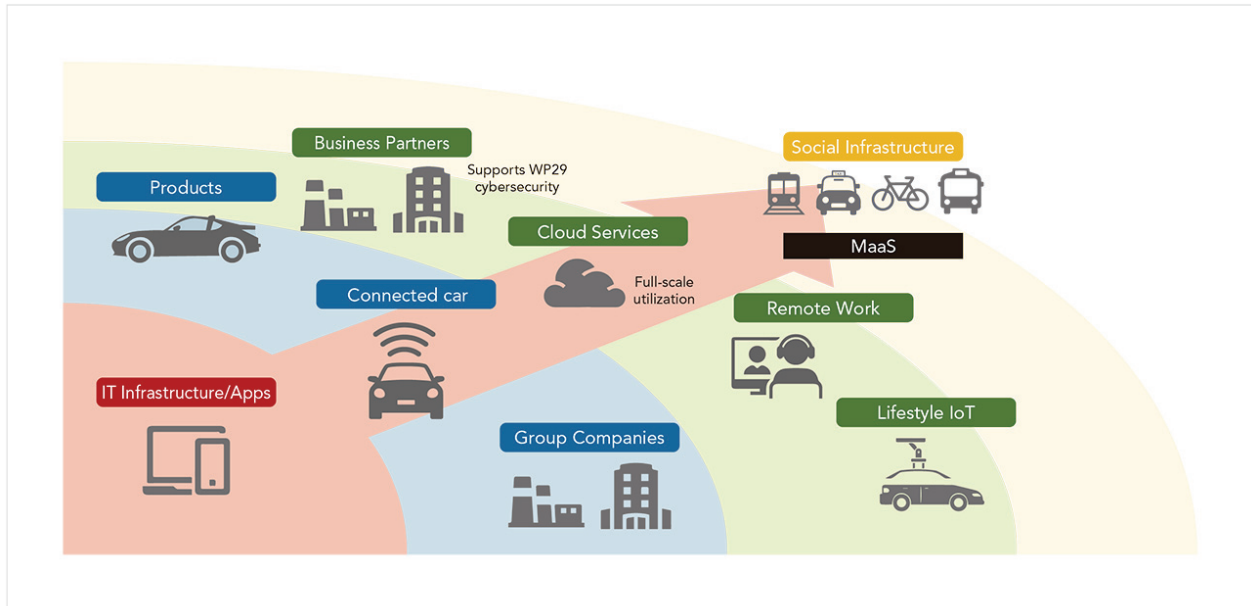
Going forward, SUBARU aims to derive and strengthen its own unique BCP vision.

# Risk Management: Cybersecurity

## Our Approach

The use of digital data is essential for SUBARU in the course of its 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 are undertaking cybersecurity protection activities Group-wide. In addition, in light of the current situation regarding the use of digital data, the Basic Cybersecurity Policy was revised in July 2024.

### Scope of Cybersecurity for the SUBARU Group



### 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

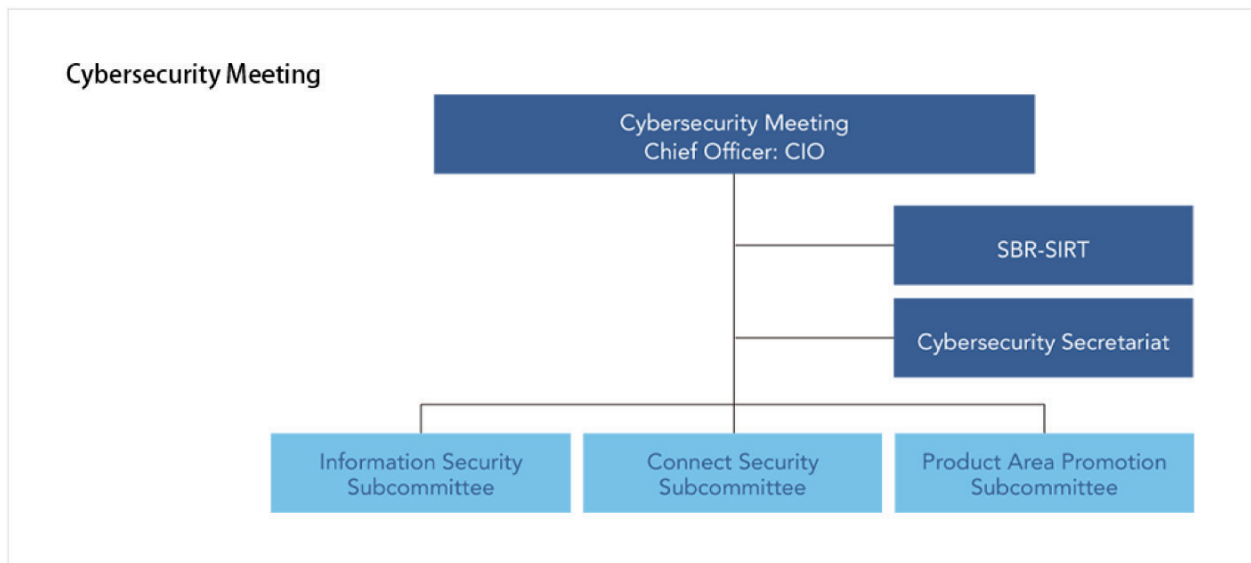
This basic policy applies to all executives and employees of the SUBARU Group, and also to the employees and other staff of SUBARU's subcontractors.

#### 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 cybersecurity measures tailored to our information assets and strive to prevent and minimize cybersecurity risks.
4. The SUBARU Group will conduct monitoring for cybersecurity threads. Should a cybersecurity incident occur, SUBARU will address it swiftly and appropriately, taking steps to prevent recurrence.
5. The SUBARU Group will strive to ensure cybersecurity by providing both executives and employees with education and training, as well as undertaking other efforts to raise their awareness of this issue.
6. The SUBARU Group will continually review and strive to improve the aforementioned activities.

## Management System

SUBARU has established an organizational structure for the entire Group to maintain and improve cybersecurity. This includes appointing a Chief Information Officer (CIO) selected by the Board of Directors and the formation of the Cybersecurity Meeting with the CIO as its presiding manager. The Cybersecurity Meeting deliberates on cybersecurity activities discussed by each subcommittee and decides how to respond to cybersecurity issues in the SUBARU Group, formulate cybersecurity audit plans, and review rules and policies. In addition, the SUBARU Security Incident Response Team (SBR-SIRT) monitors security information on protected assets in times of normalcy, and in an emergency, works to quickly and appropriately protect and restore protected assets.



### Targets and Metrics

Based on the belief that cybersecurity is the foundation of optimal governance, the SUBARU Group is engaged in the following activities to protect all stakeholders.

- (1) Expanding the scope of SUBARU policies and rules to the supply chain
- (2) Continuously strengthening cyber-resilience to support value creation
- (3) Strengthening factory security to support monozukuri reforms
- (4) Reinforcing vehicle cybersecurity to keep pace with vehicle development and complying with laws and regulations of each country

### Recognition Cybersecurity Risks

Within cybersecurity, we recognize that security, especially in the supply chain, is an important risk directly related to the overall safety and sustainability of a company. Inadequate security at this level could lead to the leakage of confidential information, the suspension of a business partner's business, or even the suspension of SUBARU's business, as well as product quality issues and a loss of trust. Therefore, it is critical to strengthen security measures throughout the entire supply chain. SUBARU Group will continue to provide customers with "Enjoyment and Peace of Mind" and prevent damage to the SUBARU brand value by strengthening cooperation with business partners, effectively managing these risks through regular security assessments and risk management, and increasing the resilience of the supply chain.

## Initiatives

### Support for Cybersecurity

#### Training Programs

In FYE March 2023, SUBARU conducted e-learning and video training programs based on cybersecurity management system documents in the three domains of In-Car (interior systems), Out-Car (exterior systems), and information systems.

Objective: Promote understanding of cybersecurity and mitigate practical security risks  
 Program details: Education on internal rules requiring compliance in each of the three domains  
 Course participants: For in-car system developers: 103  
 For general employees and those related to information systems: 4,748  
 Targeted attack email drills for SUBARU dealerships: 9,192

#### Conducting Internal Audits and Strengthening Security at Business Partners

As well, we regularly carry out internal audits based on our management system on an ongoing basis.

We have been strengthening collaboration with overseas Group companies since FYE March 2022 through regular information sharing and carrying out improvement activities in response to assessments based on company-wide cybersecurity regulations.

In recent times, due to the significant impact of cybersecurity at the supply chain level on SUBARU's business continuity, we have launched activities to interview business partners about the status of their security measures and provide advice on how to strengthen security when necessary.

### Personal Information Protection Initiatives

Within the SUBARU Group, to comply with personal data protection regulations both domestically, such as Japan's Act on the Protection of Personal Information, and internationally, including the EU General Data Protection Regulation (GDPR), we have established internal structures, created regulations, and publicly disclose our privacy policy.

We are also promoting activities across Group companies worldwide to establish management frameworks that enable the responsible utilization of personal information in compliance with these regulations.

#### Key Initiatives in FYE March 2024

##### 1) Compliance with Japan's Act on the Protection of Personal Information

- Specialized training for relevant SUBARU officers and SUBARU and Group company personnel (515 attendees)
- Identification and improvement 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 continuous PDCA cycle
- Proposals and support for improvement based on the state of management at 18 Group companies in Japan
- Survey to understand the state of dealerships in Japan to improve the level of dealership management

##### 2) Compliance with overseas personal information protection regulations

- Specialized training for relevant SUBARU officers and SUBARU and Group company personnel (196 attendees)
- Inspection and verification of the handling of personal information overseas by relevant SUBARU departments and Group companies

In FYE March 2025, we will continue to monitor developments toward the enforcement of laws in Japan and other countries, as well as the implementation policies of those laws by relevant authorities to enhance the personal data protection efforts of SUBARU and our Group companies and dealerships worldwide.

# Risk Management: Intellectual Property Protection

## Our Approach

The SUBARU Group, after identifying its strengths and weaknesses, has put together a vision for its intellectual property activities with aims to achieve brand management with the SUBARU Difference. The following is the three-point basic policy being carried out.

### Basic Intellectual Property Policy

1. Function as a compass for business and R&D strategies using the IP landscape\*
2. Throughout SUBARU, we will dedicate ourselves to creating intellectual properties that originate from the market and appropriately manage our intellectual property portfolio to protect and enhance its brand
3. SUBARU will respect the intellectual property rights of others and work thoroughly for patent clearance in product development

\* In combination with market information on intellectual properties, analyzes the business environment and support strategic plans

In addition, to aid in minimizing intellectual property risk through business activities that respect the Group's intellectual property, protecting, expanding and securing an advantage in business, and protecting the SUBARU brand and maximizing its value, we have established the SUBARU Group Intellectual Property Policy to set guidelines for the following activities.

### SUBARU Group Intellectual Property Policy

1. Business Activities That Respect Intellectual Property  
The SUBARU Group shall use and manage intellectual property appropriately, ensure full compliance with the intellectual property rights of other companies, and conduct business activities that respect the intellectual property of both our own and other companies.
2. Management and Effective Utilization of Intellectual Property  
The SUBARU Group shall, in principle, use and manage its intellectual property appropriately by fostering information sharing and collaboration between the SUBARU Intellectual Property Department and each Group company. When necessary, it shall establish organizational structures or assign responsible individuals within Group companies to manage intellectual property-related matters.  
The SUBARU Group shall strive to maximize Group-wide benefits by effectively utilizing intellectual property within the Group, including through licensing of intellectual property rights.
3. Handling Lawsuits  
The SUBARU Group shall resolve disputes related to intellectual property in good faith and in a comprehensive manner through cooperation between the SUBARU Intellectual Property Department and each Group company being sure to gain the support of stakeholders and prioritize business sustainability.
4. SUBARU Corporate Brand Logo  
The SUBARU Group shall adhere to the regulations established by SUBARU, including company-wide regulations concerning corporate brand management and the Corporate and Brand Identification Manual, ensuring the proper use of the SUBARU corporate and brand logo.

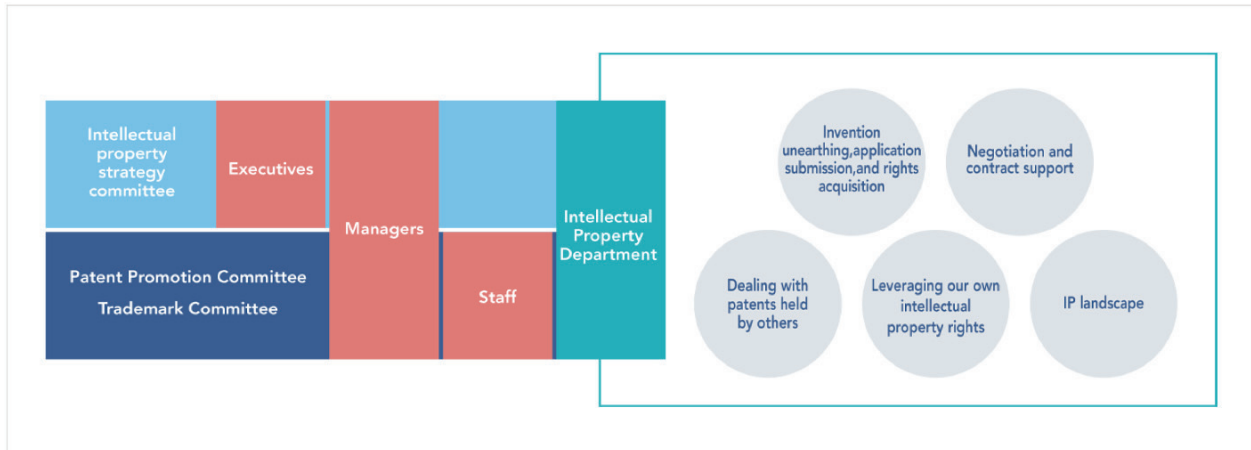


## Management System

### Intellectual Property Promotion System

To ensure the protection and strengthening of our brand, an intellectual property strategy committee attended by officers is held to discuss IP strategies, and a Patent Promotion Committee has been established in each division and company to plan and promote IP activities.

For trademarks, we have a committee for sharing and discussion of trademark issues consisting of representatives of departments involved in branding and naming.



### Recognition of Risks in Intellectual Property Protection

The SUBARU Group considers it necessary to take appropriate action to manage, protect, and utilize its intellectual property. We recognize that damage to brands due to the proliferation of counterfeit products through infringement of intellectual property rights, or the insufficient consideration of intellectual property rights held by a third party, could have a major impact on the SUBARU Group's business performance and financial position.

In the future, we will take these actions and work to raise awareness, and work to further strengthen monitoring by the management team.

## Initiatives

At SUBARU, the Intellectual Property Department manages, protects, and utilizes intellectual property rights belonging to the SUBARU Group and also implements internal activities that aim to avoid infringing on the intellectual property rights of others. The following are specific activities being undertaken.

1. Support the proposal of strategies using the intellectual property landscape
2. Acquire rights for intellectual properties, including technologies, trademarks, naming, and design, and adequately manage the intellectual property portfolio
3. Conduct a comprehensive survey on the existence of intellectual property rights which may hinder business operations and take measures to prevent and resolve such issues
4. Crack down on counterfeit goods globally, including protection measures at borders for oversight and taxation of online sales
5. Secure intellectual properties, ownership of data, and user rights in technology and business contracts
6. Support the management, protection, and utilization of intellectual property by each SUBARU Group company based on the SUBARU Group's Basic Intellectual Property Policy

## Awareness Activities

In the SUBARU Group, the Intellectual Property Department regularly undertakes the following awareness activities to instill behavior in compliance with laws and regulations.

1. Implementing rank-specific training for employees involved in development, tailored to their year of entry into the Company and their position (participants in FYE March 2024: approximately 400), and expanding on-demand education content to support autonomous learning by employees
2. Implementing awareness activities through the Patent Promotion Committee, an organization promoting the creation of inventions and patent application activities in each department
3. Development departments are surveying the intellectual property rights of other parties and securing patent clearance
4. Dissemination of information aimed at enhancing communication regarding intellectual property with each SUBARU Group company

### Rank-specific training

Target	Curriculum
Upon joining SUBARU	Understand intellectual property and employee invention system
Second year	Understand intellectual property and related activities
Mid-level employees	Acquire the intellectual property knowledge required for workplace leaders and supervisors
Managers	Understand SUBARU's intellectual property strategy and attain intellectual property management skills

# Appendix

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- 236 Corporate Overview
- 242 Third-party Evaluations
- 243 Editorial Policy

# Corporate Overview

## Corporate Overview

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[> Corporate Profile Overview](#)

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## Stock Information

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[> Corporate Profile Stock Information](#)

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## Membership of Industry Bodies

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Keidanren (Japan Business Federation)

Japan Automobile Manufacturers Association, Inc. (JAMA)

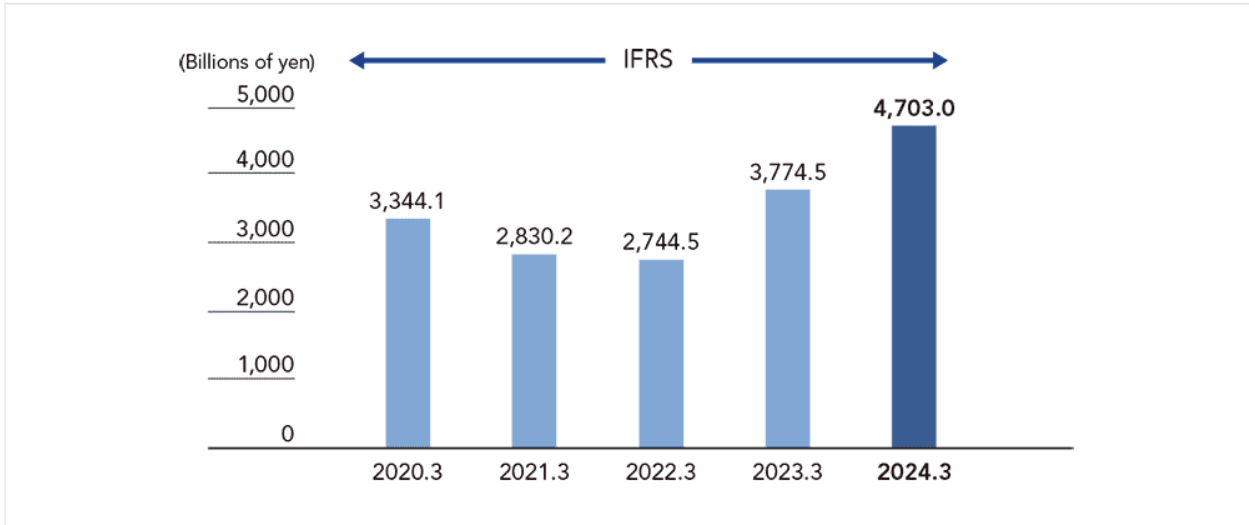
The Society of Japanese Aerospace Companies (SJAC)

Japan Aircraft Development Corporation (JADC)

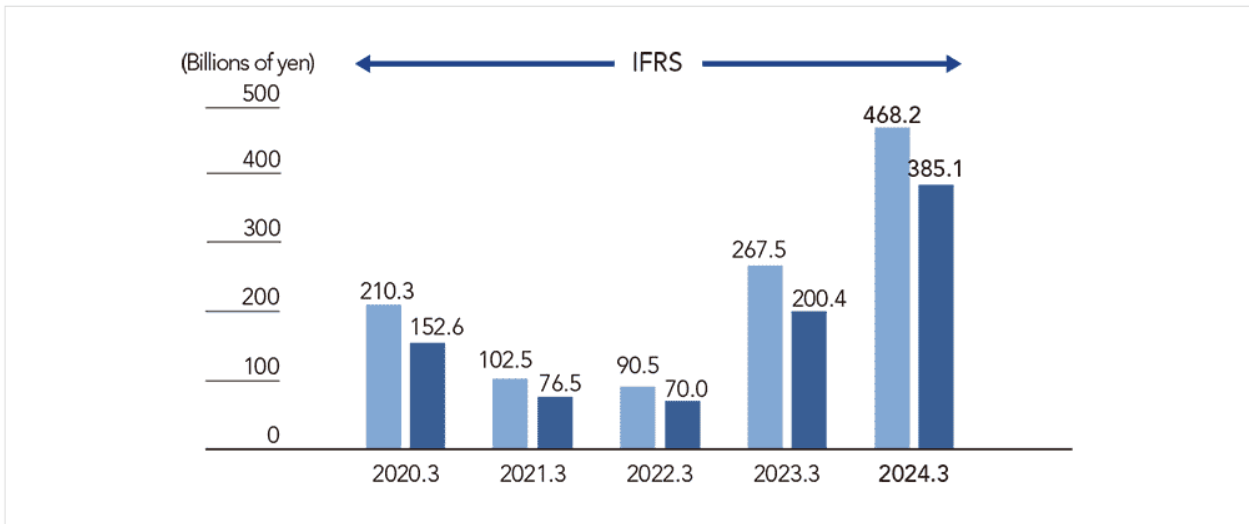
SUBARU strives to enhance collaboration with external institutions in order to fulfill its social responsibilities. Among them are Keidanren, JAMA, SJAC, JADC, and other industry bodies and administrative bodies, as well as local communities in which our business sites are located.

# Financial Highlights

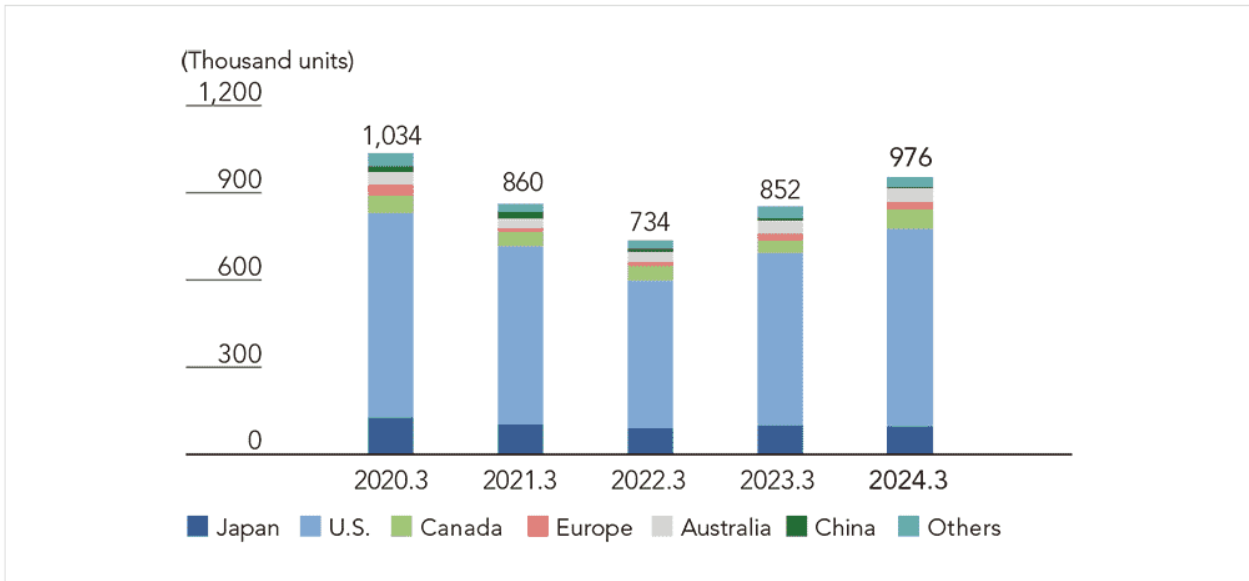
## Revenue



## Operating Income Profit for the Period Attributable to Owners of Parent

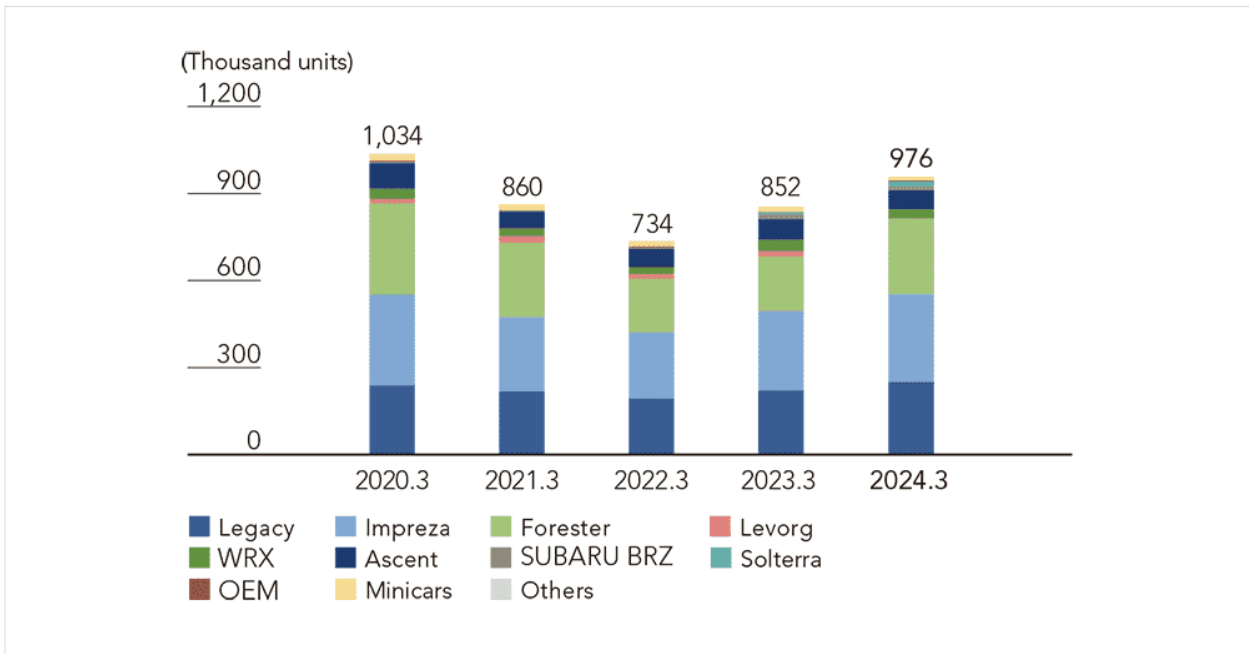


## Consolidated Automobile Sales by Region



\* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

## Consolidated Automobile Sales by Model



\*1 Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

\*2 Legacy sales figures include Outback sales.

\*3 Impreza sales figures include SUBARU XV and Crosstrek sales.

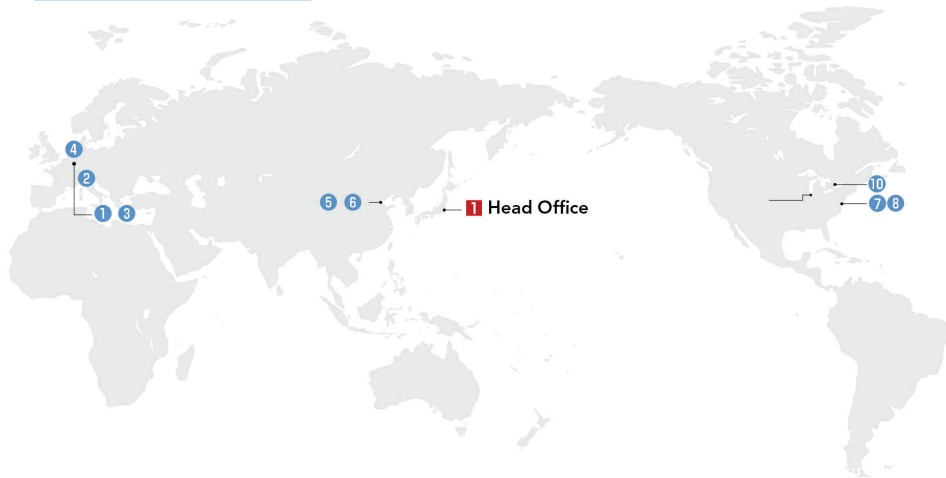
### Business Segments and Scope of Consolidation

The SUBARU Group consists of three business segments: the core Automotive Business Unit, 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, 2024 (April 1, 2023 to March 31, 2024), SUBARU CORPORATION, 73 subsidiaries, and 10 equity-method affiliated companies were included in the scope of consolidation.

# Global Network

## Global Network

### Main Overseas Business Sites



- 1 Subaru Europe N.V./S.A.
- 7 Subaru of America, Inc.
- 2 Subaru Italia S.p.A.
- 8 North American Subaru, Inc.
- 3 N.V. Subaru Benelux
- 9 Subaru of Indiana Automotive, Inc.
- 4 Subaru Vehicle Distribution B.V.
- Production Models* : Legacy, Outback, Ascent, and Crosstrek
- 5 Subaru of China Ltd.
- 10 Subaru Canada, Inc.

## Domestic Business Sites

### Main Business Sites in Japan

#### Automotive Business Unit

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

#### Aerospace Company

Handa Plant  
Handa West Plant

Subaru Research and Experiment Center (Bifuka)

Subaru Research and Experiment Center (Sano)

#### Aerospace Company

Utsunomiya Plant

1 Head Office

Tokyo Office



# Product Lineup

## Automotive Business

### SOLTERRA

SUV(BEV)



**Unit sales** : 14,000  
**Sales regions** : Japan, North America, Europe, and other

### ASCENT

(Other markets: Evoltis) SUV



**Unit sales** : 65,000  
**Sales region** : North America and other

### OUTBACK

SUV



**Unit sales** : 206,000  
**Sales regions** : Japan, North America, Europe, Australia, China, and other

### FORESTER

SUV



**Unit sales** : 226,000  
**Sales regions** : Japan, North America, Europe, China, and other

### CROSSTREK

SUV



**Unit sales** : 241,000  
**Sales regions** : Japan, North America, Europe, Australia, China, and other

### LEVORG LAYBACK

Sports/Wagon



**Unit sales** : 16,000  
**Sales regions** : Japan and other

### WRX

Sports / Sedan



**Unit sales** : 34,000  
**Sales regions** : Japan, North America, Australia, and other

### SUBARU BRZ

Sports / Coupe



**Unit sales** : 15,000  
**Sales regions** : Japan, North America, Europe, Australia, China, and other

### LEGACY

Sedan



Photo: North American model

**Unit sales** : 26,000  
**Sales regions** : North America, China, and other

### IMPREZA

Wagon



**Unit sales** : 50,000  
**Sales regions** : Japan, North America, Europe, Australia, and other

## OEM models

### JUSTY



### CHIFFON



### STELLA



### PLEO+



### SAMBAR VAN



### SAMBAR TRUCK



### REX



**Unit sales** : 20,000  
**Sales region** : Japan  
(OEM supply from Daihatsu Motor Co., Ltd.)

\* Retail unit sales in each region in the period from January 1, 2023 to December 31, 2023.  
\* Regional sales refer to actual sales during the target period.



## Aerospace Company

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SUBARU BELL 412EPX



UH-2 for Japan Ground Self-Defense Force (JGSDF)



The Center Wing Section of Boeing 777X

# Third-party Evaluations

## Third-party Evaluations

### SUBARU CORPORATION Selected for First Time as Constituent of FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index

For five consecutive years since 2020, SUBARU has been selected as a constituent of the FTSE Blossom Japan Index, created by the global index provider FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group.

In addition, in 2022 the Company was selected as a constituent of FTSE Russell's newly developed FTSE Blossom Japan Sector Relative Index for the third consecutive year.

The FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index have been adopted as core ESG benchmarks by the Government Pension Investment Fund (GPIF) of Japan, the world's largest public pension fund.

\* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SUBARU CORPORATION has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

> [FTSE website](#) 



**FTSE Blossom  
Japan Sector  
Relative Index**



**FTSE Blossom  
Japan Index**

# Editorial Policy

## Editorial Policy

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The SUBARU Group (SUBARU CORPORATION and all its subsidiaries) seeks to become a company that is trusted by society by fulfilling its social responsibility as a corporate group, aiming for sustainable growth and contributing to the creation of an enjoyable, sustainable society.

This Sustainability website, in line with the SUBARU Global Sustainability Policy, outlines the SUBARU Group's approach, targets, and initiatives for sustainability. It aims to promote communication with our stakeholders, including customers, shareholders, business partners, local communities, and employees, and to further enhance our sustainability-related initiatives. The descriptions contained in this website regarding SUBARU's product specifications and equipment refer to Japanese specifications, unless otherwise stated.

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### Scope of Reporting

In principle, the report covers the SUBARU Group (SUBARU CORPORATION and all its subsidiaries). In this website, the "SUBARU Group" or "the Group" refers to the SUBARU Group; "SUBARU" refers to SUBARU CORPORATION; "affiliated companies (affiliates)" refers to SUBARU's subsidiaries in Japan and overseas, including dealerships in the Automotive Business; and "Group companies" refers to SUBARU's subsidiaries in Japan, excluding dealerships in the Automotive Business.

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### Reporting Period

· In principle, this report covers FYE March 2024 (April 1, 2023 to March 31, 2024); however, some information listed is from outside this reporting period.

\* The departments, titles, etc. of the people introduced in this report are as of the time of writing.

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### Guidelines Referenced

- GRI Sustainability Reporting Standards
- Environmental Reporting Guidelines 2018 by the Ministry of the Environment, Japan
- Task Force on Climate-related Financial Disclosures (TCFD) Recommended Disclosure Items

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### Period Issued

- Previous issue: October 2023
- Current issue: October 2024
- Next scheduled issue: October 2025

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### Special Notice on Prospects

This website includes a variety of statements regarding the prospects, plans, forecasts, etc. for the future of SUBARU and the SUBARU Group member companies. Since the statements contained here are based on past events and available information at the time of this report's drafting, please note that outcomes may differ from forecasts depending on future economic trends, the Group's business environment, and other factors.

## Miscellaneous

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- > [Subaru Corporation Website Home Page](#)
- > [Corporate Profile](#)
- > [The Subaru Difference](#)
- > [Investor Relations](#)
  - > [Integrated Report](#)
  - > [Financial Report](#)
  - > [Financial Results](#)

### Contact Us

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SUBARU CORPORATION  
Sustainability Promotion Department

Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo  
150-8554, Japan

# GRI Content Index/TCFD Content Index

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246	GRI Content Index
253	TCFD 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 Sustainability Website, 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	Corresponding Sections
<b>GRI 1: Foundation</b>		
	Statement of use	The SUBARU Group reported in accordance with the GRI Standards for the period from April 1, 2023, to March 31, 2024.
	GRI 1 used	GRI 1: Foundation 2021
	Applicable GRI Sector Standard(s)	SUBARU will continue to comply with applicable sector standards as soon as they are released.
<b>GRI 2: General Disclosures 2021</b>		
<b>1. The organization and its reporting practices</b>		
2-1	Organizational details	> <a href="#">Overview</a>
2-2	Entities included in the organization's sustainability reporting	> <a href="#">Editorial Policy</a>
2-3	Reporting period, frequency and contact point	> <a href="#">Editorial Policy</a>
2-4	Restatements of information	> <a href="#">Editorial Policy</a>
2-5	External assurance	-
<b>2. Activities and workers</b>		
2-6	Activities, value chain and other business relationships	> <a href="#">SUBARU at a glance</a> > <a href="#">CSR Procurement</a> > <a href="#">Global Network</a>
2-7	Employees	> <a href="#">Employee Data</a>
2-8	Workers who are not employees	> <a href="#">Employee Data</a>
<b>3. Governance</b>		
2-9	Governance structure and composition	> <a href="#">Corporate Governance &gt; Management System</a> > <a href="#">Directors of the Board / Executive Officers</a> > <a href="#">Environmental Risk Management System</a>
2-10	Nomination and selection of the highest governance body	> <a href="#">Corporate Governance &gt; Board of Directors</a>
2-11	Chair of the highest governance body	> <a href="#">Corporate Governance &gt; Board of Directors</a>
2-12	Role of the highest governance body in overseeing the management of impacts	> <a href="#">Corporate Governance &gt; Management System</a>
2-13	Delegation of responsibility for managing impacts	> <a href="#">Sustainability Promotion System</a>

2-14	Role of the highest governance body in sustainability reporting	-
2-15	Conflicts of interest	> Preventing Conflicts of Interest
2-16	Communication of critical concerns	> Sustainability Promotion System > Respect for Human Rights > Stakeholder Engagement
2-17	Collective knowledge of the highest governance body	> Executive Officer Training > Initiatives to Embed Sustainability
2-18	Evaluation of the performance of the highest governance body	> Effectiveness of the Board of Directors: Evaluation Results
2-19	Remuneration policies	> Compensation for Directors
2-20	Process to determine remuneration	> Compensation for Directors
2-21	Annual total compensation ratio	-
<b>4. Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	> Message on Sustainability from the CEO > SUBARU New Management Policy > Mitigating Climate Change > Strategy
2-23	Policy commitments	> SUBARU Global Sustainability Policy > Human Rights Policy
2-24	Embedding policy commitments	> Sustainability Promotion System > Initiatives to Embed Sustainability
2-25	Processes to remediate negative impacts	> Compliance > Respect for Human Rights > Human Rights Due Diligence
2-26	Mechanisms for seeking advice and raising concerns	> Respect for Human Rights > Contact for opinions and consultation services > CSR Procurement > Consultation Service for Non-Japanese Workers > Compliance > Compliance Hotline
2-27	Compliance with laws and regulations	> Prevention of Pollution > Environmental Compliance at SUBARU Sites > Bribery Prevention
2-28	Membership associations	> Stakeholder Engagement > Mitigating Climate Change > External Partnerships
<b>5. Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	> Stakeholder Engagement
2-30	Collective bargaining agreements	> Labor-Management Communication
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	> Identification Process for the Six Priority Areas for Sustainability
3-2	List of material topics	> Six Priority Areas for Sustainability > Activities in the Six Priority Areas for Sustainability in Relation to the SDGs
3-3	Management of material topics	> Sustainability Promotion System > Six Priority Areas for Sustainability > Activities in the Six Priority Areas for Sustainability in Relation to the SDGs

## Topic-specific Standards

Item Number	Disclosure	Corresponding Sections
<b>GRI 200: Economic</b>		
<b>201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>&gt; Annual Securities Report and Internal Controls Report for the 93rd Period P.76-82 [Consolidated Financial Statements] (Japanese version only) <a href="#">📄</a></li> <li>&gt; Annual Securities Report and Internal Controls Report for the 93rd Period P.30 [Analysis of Financial Position, Business Performance, and Cash Flows by Top Management] (Japanese version only) <a href="#">📄</a></li> </ul>
201-2	Financial implications and other risks and opportunities due to climate change	> <a href="#">Mitigating Climate Change</a>
201-3	Defined benefit plan obligations and other retirement plans	> Annual Securities Report and Internal Controls Report for the 93rd Period P.89 [Notes to Consolidated Financial Statements] (Japanese version only) <a href="#">📄</a>
201-4	Financial assistance received from government	<ul style="list-style-type: none"> <li>&gt; Annual Securities Report and Internal Controls Report for the 93rd Period P.41 [Corporate Information] (Japanese version only) <a href="#">📄</a></li> <li>&gt; Annual Securities Report and Internal Controls Report for the 93rd Period P.76-82 [Consolidated Financial Statements] (Japanese version only) <a href="#">📄</a></li> </ul>
<b>202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	> <a href="#">Human Rights Policy Appendix</a>
202-2	Proportion of senior management hired from the local community	-
<b>203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	-
203-2	Significant indirect economic impacts	-
<b>204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	-
<b>205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	> <a href="#">Bribery Prevention</a>
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>&gt; <a href="#">SUBARU Supplier CSR Guidelines</a></li> <li>&gt; <a href="#">Compliance &gt; Initiatives &gt; Training</a></li> </ul>
205-3	Confirmed incidents of corruption and actions taken	N/A
<b>206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	N/A



207: Tax 2019		
207-1	Approach to tax	> <a href="#">Tax Policy</a>
207-2	Tax governance, control, and risk management	> <a href="#">Tax Policy</a>
207-3	Stakeholder engagement and management of concerns related to tax	> <a href="#">Tax Policy</a>
207-4	Country-by-country reporting	-
GRI 300: Environmental		
301: Materials 2016		
301-1	Materials used by weight or volume	> <a href="#">SUBARU Group Material Flow</a>
301-2	Recycled input materials used	> <a href="#">Achieving a Circular Economy</a>
301-3	Reclaimed products and their packaging materials	> <a href="#">Achieving a Circular Economy</a> > <a href="#">Site Initiatives</a> , <a href="#">Sales Initiatives</a> , <a href="#">Logistics Initiatives</a>
302: Energy 2016		
302-1	Energy consumption within the organization	> <a href="#">SUBARU Group Material Flow</a>
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	-
302-4	Reduction of energy consumption	> <a href="#">Mitigating Climate Change</a>
302-5	Reductions in energy requirements of products and services	> <a href="#">Mitigating Climate Change</a>
303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	> <a href="#">Water Resources</a>
303-2	Management of water discharge-related impacts	> <a href="#">Water Resources</a> > <a href="#">Management System</a> > <a href="#">Risk Management</a>
303-3	Water withdrawal	> <a href="#">Water Consumption by Source</a>
303-4	Water discharge	-
303-5	Water consumption	> <a href="#">Water Consumption</a>
304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	-
304-3	Habitats protected or restored	> <a href="#">Coexistence with Nature</a> > <a href="#">Initiatives</a> > <a href="#">Overseas</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-

305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	> <a href="#">Mitigating Climate Change &gt; Initiatives, Site Initiatives</a>
305-2	Energy indirect (Scope 2) GHG emissions	> <a href="#">Mitigating Climate Change &gt; Initiatives, Site Initiatives</a>
305-3	Other indirect (Scope 3) GHG emissions	> <a href="#">Mitigating Climate Change &gt; Initiatives</a>
305-4	GHG emissions intensity	-
305-5	Reduction of GHG emissions	> <a href="#">Mitigating Climate Change</a>
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	> <a href="#">Prevention of Pollution &gt; Initiatives &gt; NOx and SOx Emissions</a>
306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	> <a href="#">Achieving a Circular Economy</a>
306-2	Management of significant wasterelated impacts	> <a href="#">Achieving a Circular Economy</a>
306-3	Waste generated	> <a href="#">Waste Generation</a>
306-4	Waste diverted from disposal	> <a href="#">Amount of Waste Generated and Processed</a> > <a href="#">Procurement Initiatives</a>
306-5	Waste directed to disposal	> <a href="#">Amount of Waste Generated and Processed</a>
308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	> <a href="#">Environmental Policy Initiatives for Business Partners</a> > <a href="#">SUBARU Green Procurement Guideline</a>
308-2	Negative environmental impacts in the supply chain and actions taken	> <a href="#">Business Partner CSR Briefing and CSR Survey &gt; Climate Change Initiatives</a> > <a href="#">Management and Reduction of Environmentally Hazardous Substances Contained in Parts</a> > <a href="#">Procurement with Consideration for Biodiversity</a>
GRI 400: Social		
401: Employment 2016		
401-1	New employee hires and employee turnover	> <a href="#">Employee Data</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
401-3	Parental leave	> <a href="#">Systems and Initiatives for Childcare Leave</a>
402: Labor / Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	-
403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	> <a href="#">Occupational Health and Safety &gt; Our Approach/Management System</a>
403-2	Hazard identification, risk assessment, and incident investigation	> <a href="#">Occupational Health and Safety &gt; Initiatives &gt; Prevention of Industrial Accidents</a>

403-3	Occupational health services	> Occupational Health and Safety > Initiatives
403-4	Worker participation, consultation, and communication on occupational health and safety	> Labor-Management Communication > Occupational Health and Safety > Management System
403-5	Worker training on occupational health and safety	> Occupational Health and Safety > Initiatives > Prevention of Industrial Accidents
403-6	Promotion of worker health	> Health Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	> Occupational Health and Safety > Initiatives > Prevention of Industrial Accidents > Unifying Initiatives at the Group Level
403-8	Workers covered by an occupational health and safety management system	> Occupational Health and Safety > Management System
403-9	Work-related injuries	> Occurrence of Work Related Accidents and Accident Frequency Rate
403-10	Work-related ill health	-
<b>404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	> Human Resource Development > Career Development > Training Results
404-2	Programs for upgrading employee skills and transition assistance programs	> Human Resource Development > Career Development
404-3	Percentage of employees receiving regular performance and career development reviews	> Human Resource Development > Career Development > Career Development Support
<b>405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	> Directors of the Board / Executive Officers > Employee Data
405-2	Ratio of basic salary and remuneration of women to men	> Comparison of Fixed Wages between Male and Female Employees
<b>406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	-
<b>407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
<b>409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
<b>410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	-

<b>411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
<b>413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	> <a href="#">Community Engagement</a>
413-2	Operations with significant actual and potential negative impacts on local communities	-
<b>414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	> <a href="#">SUBARU Supplier CSR Guidelines</a>
414-2	Negative social impacts in the supply chain and actions taken	> <a href="#">Business Partner CSR Briefing and CSR Survey</a> > <a href="#">Responsible Mineral Procurement</a>
<b>415: Public Policy 2016</b>		
415-1	Political contributions	> <a href="#">Compliance &gt; Political Donations</a>
<b>416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	> <a href="#">Making Safe Vehicles &gt; Initiatives</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
<b>417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	> <a href="#">Quality: Automotive Business</a> > <a href="#">Quality: Aerospace Business</a>
417-3	Incidents of non-compliance concerning marketing communications	N/A
<b>418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

# TCFD Content Index

The table below compares the disclosures recommended by the Task Force on Climate-related Financial Information Disclosure (TCFD) with SUBARU's Sustainability Website, and presents relevant responses to CDP Climate Change 2024.

## Governance

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2024
a) The Board's oversight of climate-related risks and opportunities.	Mitigating Climate Change > <a href="#">Management System</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Management System</a> ☐	CDP 4.1.2
b) Management's role in assessing and managing climate-related risks and opportunities.	Mitigating Climate Change > <a href="#">Management System</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Management System</a> ☐	CDP 4.3

## Strategy

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2024
a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Environmental Management > <a href="#">Targets and Results</a> Mitigating Climate Change > <a href="#">Risks and Opportunities Identified</a> > <a href="#">Medium- to Long-term Goals (Long-term Vision and Milestones)</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a> ☐	CDP 2.1, 3.1, 3.1.1, 3.6, 3.6.1
b) Impact of climate-related risks and opportunities on the organization's businesses and strategy.	> <a href="#">Message on Sustainability from the CEO</a> Environmental Management > <a href="#">Targets and Results</a> Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Medium- to Long-term Goals (Long-term Vision and Milestones)</a> > <a href="#">Initiatives</a>	> <a href="#">Message from the CEO</a> ☐ Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a> ☐ > <a href="#">Examples of Scenarios and Their Risks/Measures</a> ☐	CDP 3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2, 5.14, 5.14.1
c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	> <a href="#">Message on Sustainability from the CEO</a> Environmental Management > <a href="#">Targets and Results</a> Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Risk Management</a> > <a href="#">Medium- to Long-Term Goals (Long-Term Vision and Milestones)</a> > <a href="#">Initiatives</a>	> <a href="#">Message from the CEO</a> ☐ Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a> ☐ > <a href="#">Examples of Scenarios and Their Risks/Measures</a> ☐	CDP 5.1, 5.1.1, 5.1.2

## Risk Management

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2024
a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management > <a href="#">Our Approach</a> > <a href="#">Management System</a> Mitigating Climate Change > <a href="#">Risk Management</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Risk Management</a>	CDP 2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8, 2.2.9
b) Describe the organization's processes for managing climate-related risks.	Risk Management > <a href="#">Our Approach</a> > <a href="#">Management System</a> Mitigating Climate Change > <a href="#">Risk Management</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Risk Management</a>	CDP 2.1, 2.2.1, 2.2.8, 2.2.9
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management > <a href="#">Our Approach</a> > <a href="#">Management System</a> > <a href="#">Initiatives</a> BCP > <a href="#">Our Approach</a> > <a href="#">Emergency Response</a> Mitigating Climate Change > <a href="#">Risk Management</a> Water Resources > <a href="#">Risk Management</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Risk Management</a>	CDP 2.1, 2.2.1

## Metrics and Targets

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2024
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Management > <a href="#">Targets and Results</a> > <a href="#">SUBARU Group Material Flow</a> Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Risk Management</a> > <a href="#">Medium- to Long-Term Goals (Long-Term Vision and Milestones)</a> > <a href="#">Initiatives</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Metrics and Targets</a> > <a href="#">Initiatives</a>	CDP 7.52, 7.54, 7.54.1, 7.54.2
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environmental Management > <a href="#">Targets and Results</a> > <a href="#">SUBARU Group Material Flow</a> Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Risk Management</a> > <a href="#">Medium- to Long-Term Goals (Long-Term Vision and Milestones)</a> > <a href="#">Initiatives</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Examples of Scenarios and Their Risks/Measures</a> > <a href="#">Metrics and Targets</a> > <a href="#">Initiatives</a>	CDP 7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3, 12.3
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Management > <a href="#">Targets and Results</a> > <a href="#">SUBARU Group Material Flow</a> Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Risk Management</a> > <a href="#">Medium- to Long-Term Goals (Long-Term Vision and Milestones)</a> > <a href="#">Initiatives</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Metrics and Targets</a> > <a href="#">Initiatives</a>	CDP 7.53, 7.53.1, 7.53.2, 7.53.4, 7.54, 7.54.1, 7.54.2