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. In mid-term management vision "STEP," we are committed to making environmental contributions by enhancing the environmental performance of our products. We include "Environment" in the Six Priority Areas for CSR and deem it important to conduct environmental activities as a precondition to continue our business activities.

In order to foster environmental activities across the Subaru Group, we have our Environment Committee as well as a cross-company integrated environmental management system, which covers all Group sites, domestic and overseas consolidated production companies and SUBARU CORPORATION dealers in Japan and abroad.

Based on this system, we are fostering environmental management activities through an all-Subaru approach, including formulating medium- to long-term environmental targets, implementing measures to achieve the targets, complying with environmental laws and regulations, managing chemical substances, and compiling environmental performance data.

SUBARU Environmental Policies

SUBARU Sustainability Principles

"The earth, the sky and nature" are Subaru's fields of business.

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

1. **We develop and deliver products to meet societal needs and contribute to the environment through advanced technologies.**
   By striving to create advanced technologies that put the environment and safety first, we will develop and deliver products that can contribute to protecting the earth's environment.
2. **We focus on efforts aimed at coexistence with nature.**
   Together with efforts to reduce carbon-dioxide emissions in all of our operations, we will promote active engagement with nature by stressing forest conservation.
3. **We take on challenges as one through an all-Subaru approach.**
   Utilizing our unique organizational character that allows us to oversee the entire supply chain, all of us together will take on the challenges of environmental protection of our planet through an all-Subaru approach.

Environmental Principles

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

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

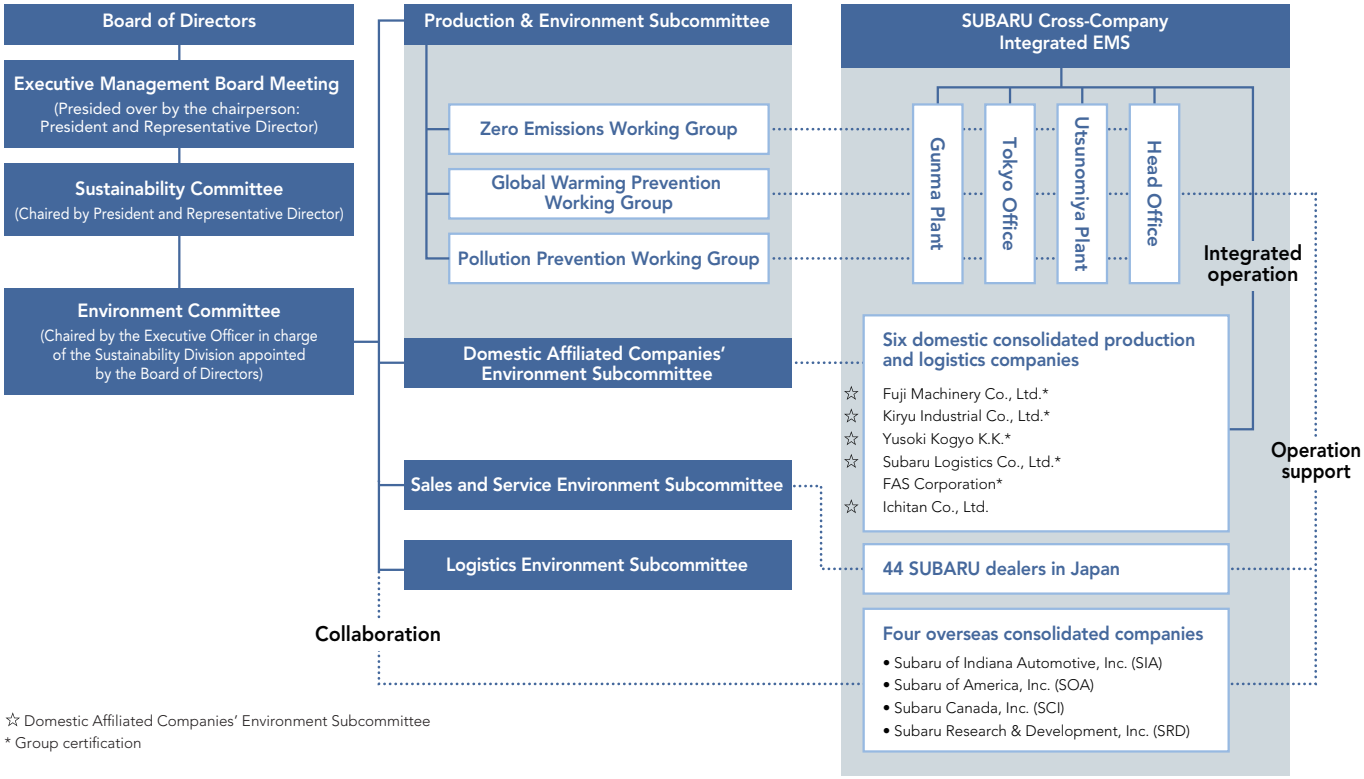
Management System

Environmental Management System

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

The 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. Moreover, important issues are discussed and reported at the Executive Management Board Meeting and by the Board of Directors.

The Subaru Group's Environmental Management Organization



☆ Domestic Affiliated Companies' Environment Subcommittee
* Group certification

Environmental Risk Management System

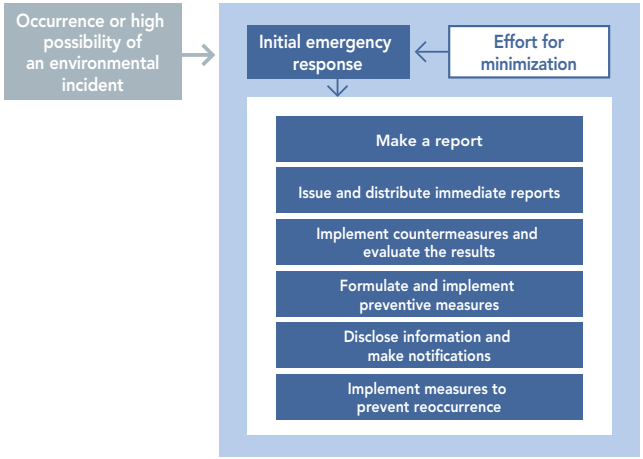
SUBARU regularly identifies the environmental risks involved in its business activities (environmental accidents, pollution, noncompliance with laws and regulations, etc.) and fosters the management of the identified risks to prevent and minimize their materialization.

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

Implementation of Environmental Audits

(1) Regular auditing based on the ISO14001 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 Environmental Management Systems

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

Major Certifications

- ISO14001

SUBARU CORPORATION and its six consolidated production and logistics subsidiaries in Japan and three consolidated production and sales subsidiaries in North America have obtained ISO14001 certification for their environmental management systems. (The five domestic companies marked with an asterisk [*] in the lower right table have obtained group certification.)

- Eco Action 21[*1]

In 2011, 44 SUBARU dealers obtained Eco Action 21 certification, becoming the first automaker-affiliated dealers in Japan to do so. We also began implementing an initiative under the Eco Action 21 value chain model project fostered by the Japanese Ministry of the Environment, which the Ministry certified in 2016 as the first initiative implemented under the project in recognition of its results. We will receive instructions and support from the Institute for Promoting Sustainable Societies (IPSuS),[*2] which is the certification body for Eco Action 21, to expand the related activities across the Subaru Group. At the same time, we will support our suppliers in achieving Eco Action 21 certification, thereby expanding the initiative across our value chain.

- ISO50001[*3]

In 2012, Subaru of Indiana Automotive, Inc., which is our production base in North America, became the first automobile production plant in the U.S. to acquire certification for ISO50001, which is the international standard for energy management systems (EnMS).

- ISO39001[*4]

Subaru Logistics Co., Ltd. obtained certification for ISO39001, the international standard for road traffic safety management systems, in 2015.

*1 Environmental conservation activity promotion program formulated by the Japanese Ministry of the Environment in which SMEs work on three themes: environmental management systems, environmental measures and environmental reporting.

*2 This organization examines, plans, and implements new initiatives to build sustainable societies by integrating initiatives related to businesses, such as Eco Action 21, with product- and service-related initiatives to be promoted via supply chains.

*3 International standard applicable to all organizations that sets the requirements to be met by business operators when conducting activities to build an energy management system, including the formulation of policies, targets, and plans for their energy use and the determination of management procedures.

*4 International standard for road traffic safety management systems. It requires organizations to appropriately manage the factors that could cause traffic accidents and reduce the related risks effectively and efficiently, thereby reducing the number of deaths and serious injuries caused by road traffic accidents.

→ CSR Procurement

Establishment of EMSs and EnMSs by the Subaru Group

	Plants and offices				Retailers	
Category	SUBARU CORPORATION	Suppliers	Domestic Consolidated Production and Logistics Companies	Overseas Consolidated Production Companies	Domestic Consolidated Automobile Sales Companies	Overseas Consolidated Automobile Sales Companies
Certification obtained for EMSs/EnMSs	ISO14001	ISO14001, Eco Action 21 or self-certification	ISO14001	ISO14001 ISO50001	Eco Action 21	ISO14001
Target	Gunma Plant Tokyo Office Utsunomiya Plant Head Office	Green procurement Suppliers of materials	Fuji Machinery Co., Ltd.* Kiryu Industrial Co., Ltd.* Yusoki Kogyo K.K.* Subaru Logistics Co., Ltd.* FAS Corporation* Ichitan Co., Ltd. Six companies in total	Subaru of Indiana Automotive, Inc.	All SUBARU dealers 44 companies in total	Subaru of America, Inc. Subaru Canada, Inc. Two companies in total

* Group certification

SUBARU CORPORATION and its affiliated companies marked with an asterisk (*) carry out mutual internal audits on their EMSs within the scope required for ISO14001 group certification.

Environmental Management Systems Established by Dealers in Japan

All 44 dealers in Japan have acquired Eco Action 21 certification. Under the certification system, they promote their environmental management systems and carry out environmental audits on a regular basis for environmental conservation and compliance with environmental laws and regulations.

Moreover, we collect data about domestic dealers' energy use, CO_2 emissions, waste generation, and water use through the Subaru Group's unique data system for environmental reporting and use the data to reduce our environmental impact.

Environmental Management Systems Established by Retailers in the U.S. (SOA)

Subaru of America, Inc. 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. A total of 205 companies, which is more than 30% of all retailers, participate in the program.

Management of Chemical Substances

A range of chemical substances are regulated by laws and regulations, including the REACH regulation,[*1] ELV Directive,[*2] and the Chemical Substance Control Law,[*3] under which we are required to disclose information and ensure the appropriate management of chemical substances.

SUBARU is strengthening the management of its supply chain by using the IMDS[*4] in order to identify which chemical substances are used in what amount in each of the several tens of thousands of parts that comprise its automobiles. Through this initiative, we are ensuring the non-use of prohibited substances (lead, mercury, cadmium, hexavalent chromium, etc.), promoting the replacement of newly regulated substances with alternatives, and establishing a management system that helps us promptly disclose information about the use of substances that we should appropriately manage under REACH and other regulations. We are thereby reducing the use and enhancing the management of environmentally hazardous substances.

*1 REACH regulation: European regulation on chemical substances requiring all chemical substances to be subject to management or restricted use commensurate to the risk that they pose to humans and the environment.

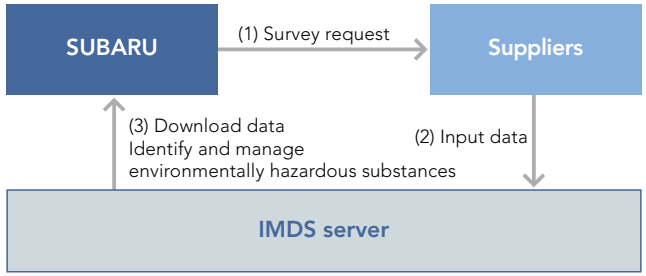
*2 The End-of Life Vehicles (ELV) Directive: European Union (EU) directive brought into force in 2000 to reduce the environmental impact from the scrapping of end-of-life vehicles in the EU. It aims to prohibit the use of hazardous substances and reduce the generation of waste by encouraging the reuse and recycling of end-of-life vehicles and their parts.

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

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

→ Prevention of Pollution
International Material Data System

Management of Environmentally Hazardous Substances through IMDS



Targets and Results

I. Environment Action Plan 2030 and Other Key Environmental Initiatives

SUBARU initiated its new medium-term environmental plan in FYE March 2022. This plan is formulated around two timelines that are aligned with environmental issues.

Environment Action Plan 2030:
This is a Groupwide 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.

II. The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021)

SUBARU has been implementing voluntary environmental conservation plans and initiatives called Voluntary Plans for the environment since FYE March 1994. SUBARU completed the 6th plan in FYE March 2021, and achieved almost all of the goals of the plan.

Key Initiatives of Environment Action Plan 2030 (FYE March 2022)

Climate Change

Field	Long-Term Vision	Environment Action Plan 2030				
		Primary Category	Subcategory			Components of Primary Initiatives
			Bases		Goals by Base	
Scope 1 and 2 (Plants and offices)	Target carbon neutrality by FYE March 2051.	• Reduce CO_2 emissions by 30% in FYE March 2031 compared with FYE March 2017 (total volume basis).	Plants	Reduce CO_2 emissions from plants in Japan.	• Reduce CO_2 emissions from SUBARU plants*1 by 30% in FYE March 2031 compared with FYE March 2017 (total volume basis).	• Upgrade cogeneration equipment. • Switch to LED lighting. • Expand solar power generation facilities. • Upgrade equipment. • Consolidate production lines. • Improve the energy efficiency of existing facilities. • Reduce standby power. • Purchase carbon-free electricity.
					• Reduce CO_2 emissions from Group plants in Japan*2 in FYE March 2031 by 10% compared with FYE March 2017 (total volume basis).	• Continue energy-saving activities. • Share best practices. • Initiate reduction strategy studies.
				Reduce CO_2 emissions from plants overseas.	• Reduce CO_2 emissions from overseas Group plants*3 in FYE March 2031 by 30% compared with FYE March 2017 (total volume basis).	• Switch to LED lighting. • Expand solar power generation facilities. • Improve the energy efficiency of existing facilities. • Initiate additional reduction strategy studies.
			Head Office	Reduce CO_2 emissions from the head office building.*4	• Reduce CO_2 emissions to zero.	• Continue energy-saving activities. • Purchase carbon-free electricity. • Use Green Heat Certificate and Green Power Certificate.
			Dealership	Reduce CO_2 emissions from dealerships in Japan.	• Aggregate information and upgrade systems to reduce CO_2 emissions.	• Continue energy-saving activities. • Share best practices. • Initiate reduction strategy studies.
Scope 3 (Products)	On a well -to-wheel*5 basis, we will pursue our goal of reducing the average CO_2 emissions from new passenger cars by at least 90% by 2050, compared with 2010.*6	• By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars (HEVs) to at least up to 40% of the gross number of vehicles sold globally. • In the early 2030s, all commercial SUBARU cars*7 will be equipped with electrification technology.*8	Automobiles	Improve fuel economy and equip vehicles with electrification technology.	• Begin marketing SHEVs. • Increase models equipped with electrification technology. • Improve the fuel efficiency of internal combustion engines.	• Mass production of SHEVs. • Conduct research to add electric vehicles to lineup. • Equip more vehicles with environmentally responsible engines.
				Clean energy use.	• Conduct research and development to launch BEVs. • Begin marketing BEVs.	• Mass production and marketing of BEVs . • Research BEVs.
				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.	• 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.

*1 Gunma Plant, Tokyo Office, Utsunomiya Plant
*2 Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.
*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_2 emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles.
*6 Reduce total CO_2 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 Excluding models supplied by OEMs
*8 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.

Resource Recycling

Field	Long-Term Vision	Environment Action Plan 2030	
		Medium-Term Goals	Components of Primary Initiatives
Products (automobiles)	• Contribute to resource recycling and carbon neutrality.	• Conduct research and development targeting the use of recycled materials*1 for 25% of the plastic in new models*2 by 2030. • Adopt carbon-free materials such as biomass plastic. • Proactively adopt plastic materials*3 that have less environmental impact.	• 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.
Production	• Help create a recycling-oriented society with clean production plants.	• Zero emissions from production plants*4 (zero landfill waste either directly or indirectly).	• Maintain zero emissions at production plants in Japan and overseas (zero landfill waste either directly or indirectly). • Study effective use of waste plastic.
		• Appropriately manage water use in production plants.*5	• Continue to appropriately manage water use in production plants.

*1 Including material, chemical and plastic recycling.
*2 Excluding models supplied by OEMs.
*3 Materials and suppliers with lower CO_2 emissions and environmental pollution at the manufacturing stage.
*4 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant
Subaru of Indiana Automotive, Inc.
*5 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant
Subsidiaries: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd., Subaru of Indiana Automotive, Inc.

Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Long-Term Vision	Environment Action Plan 2030	
		Medium-Term Goals	Components of Primary Initiatives
Production	• Coexist with communities with production plants that are socially and environmentally responsible.	• Target zero serious environmental accidents.*	• Zero environmental accidents, complaints, or violations of statutory standards.

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

Disclosure and Discussion of Coexistence with Communities and Environmental Information

Field	Environment Action Plan 2030	
	Medium-Term Goals	Components of Primary Initiatives
Management	• Coexist with communities through activities to preserve nature.	• Build relationships with residents through means including plant opening events. • Participate in local cleanup and greening activities, including biodiversity preservation. • Collaborate with local governments and environmental preservation groups.
	• Earn greater trust from society through environmental information disclosure and dialogue.	• Build trust through sustainability reports and other sustainability improvement channels. • Collaborate with external evaluation organizations. • Promote constructive dialogue with investors.

Other Primary Initiatives (FYE March 2022)

Climate Change

Field	Item	Components of Primary Initiatives
Distribution	● Implement measures to reduce CO_2 in line with the Energy Saving Law.	● Reduce CO_2 emission intensity by 1% every year, using FYE March 2007 as a benchmark.

Resource Recycling

Field	Item	Components of Primary Initiatives
Products (automobiles)	● Recyclability improvement	● Continue to implement measures to comply with the Automobile Recycling Law. ● Continue to implement measures to make parts and materials more detachable, separable, and sortable. ● Contribute to a 95% recycling efficiency rate each year. ● Make efforts for CFRP recycling technology.
	● Promotion of life-cycle assessment	● Promote disclosure of life-cycle assessment (LCA) data.
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.

Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Item	Components of Primary Initiatives
Products (automobiles)	● Promote the introduction of low-emission vehicles to improve air quality.	● Japan: Complete the advanced development of PN regulation compliant vehicles (Vehicles manufactured by SUBARU). ● U.S.: Complete development of turbo engines with stricter emission regulation levels. ● Other overseas: Introduce low-emission vehicles to improve air quality in countries and regions.
	● Promote the management and reduction in the use of environmentally hazardous substances.	● Improve management of chemical substances contained in products. ● Promote switching to substances with lower environmental impact.
Production	● Further reduce per unit of VOC emissions (g/m^2) at production lines.	● Reduce unit VOC emissions (year on year).
	● Continue to reduce emissions of PRTR substances into the environment.	● Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances.

Collaborate with Customers and Promote Environmental Management

Field	Item	Components of Primary Initiatives
Procurement	● Request suppliers in Japan and overseas to build, maintain, and strengthen an environmental management system (EMS).	● Continue to establish and fully maintain the EMS including with new suppliers. ● Request that the entire supply chain improve environmental management throughout the product life cycle.
	● Reduce environmentally hazardous substances.	● Expand the range of target parts and raw materials with business partners regarding the management and reduction of contained environmentally hazardous substances.
	● Apply the supplier CSR guidelines and green procurement guidelines.	● Revise the guidelines according to changes in the social environment and corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines.
Sales (automobiles)	● Provide support to SUBARU dealers' environmental activities.	● Support all dealerships maintain Eco Action 21 certification. ● Confirm the legality of dealers' zero emission activities.
Management	● Operate and upgrade environmental management systems.	● Maintain ISO14001 integrated certification for Subaru Group. ● Make continuous improvements to the Environmental Management System.

The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Global Warming Measures

Field	Item		FYE March 2021 Target	FYE March 2021 Results
Products	Fuel economy improvement	Automobiles	• Rollout the downsized turbo engine, the next Levorg, and Forester. • Start and promote advanced development of a strong hybrid, aiming at mass production.	• Equipped the downsized turbo engine that meets FYE March 2021 fuel efficiency standards and rolled out the next Levorg and Forester. • Prioritized development of a strong hybrid and moved forward according to plan.
	Clean energy use	• Promote introduction of electric vehicles.	• Promote joint development of EVs with Toyota Motor Corporation and move to mass production of THS-based vehicles, aiming to achieve the environmental goals announced publicly on January 20, 2020.	• We are moving forward according to plan in jointly developing EVs with Toyota Motor Corporation and pivoting to mass production development with the goal of beginning sales in mid-2022.
	Road traffic improvement – IT technology (Self-driving technology and preventive safety technology)	• Make efforts to expand deployment of Advanced Driver Assistance System and development of self-driving technology, further advance technological development to prevent accidents, and contribute to CO_2 reduction through preventing traffic congestion due to accidents and improving traffic flow with driving assistance technology.	• Promote development that aims at zero fatal traffic accidents*2 by 2030. • Continue to promote development of Advanced Driver Assistance System technology, focusing mainly on rollout of the next-generation EyeSight and popularization and dissemination of accident damage reduction technology using third-party assessment. • Continue to promote activities based on industry/government/academia initiatives such as SIP/ASV.	• We rolled out the new Levorg in FYE March 2021 equipped with the next-generation EyeSight, which features enhanced accident avoidance at intersections, emergency pre-crash steering, and green light notification functions. • We launched the Advanced Driver Assistance System EyeSight X that features an active lane change assist and a driver error monitoring system.
Production	Production facilities	• Reduce CO_2 emissions per unit of production at domestic production facilities.	• Reduce CO_2 emissions per unit of production at domestic production facilities by 14% by FYE March 2021 from the FYE March 2007 level.	• Reduced CO_2 emissions per unit of production at domestic production facilities by 44% through FYE March 2021 compared with the FYE March 2007 level.
		• Promote activities to reduce CO_2 emissions at overseas production facilities.*1	• Continue to consider introducing energy saving facilities and renewable energy power systems while studying approaches in this context to address inevitable increases in energy use required to increase production.	• We have continued to consider introducing energy-saving facilities and renewable energy power systems to reduce CO_2 emissions by 30% in FYE March 2031 compared with FYE March 2017.
Distribution/ Sales	Distribution	• Promote CO_2 emissions reduction activities synchronized with the Energy Saving Law.	• Aim for 1% emissions reduction every fiscal year with the FYE March 2007 result as a benchmark.	• Achieved the annual 1% emission reduction target. • CO_2 emissions per unit for FYE March 2021 was 27.82 kg/unit, which was below the target of 28.29 kg/per unit (1% reduction every fiscal year from the FYE March 2007 benchmark).

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

The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Resource Recycling

Field	Item		FYE March 2021 Target	FYE March 2021 Results
Products	Recyclability improvement	• Continue to implement measures to comply with the Automobile Recycling Law. • Continue to implement measures to make parts and materials more detachable, separable, and sortable.	• Build collection schemes as necessary in relevant locations for used EV/HV batteries for large vehicles in line with sales of MHEV/PHEV. • Continue to promote the development of models designed with consideration for ease of dismantling. • Continue to promote the use of recycled materials in resin parts in line with trends in the social environment, laws, and regulations.	• Continued to achieve an actual recycling rate over 95% in FYE March 2021. • Continued to promote vehicle development that incorporates design for recycling, including easy dismantling. • We have set internal goals for using recycled materials for resin parts, and are continuing initiatives to switch over.
		• Make efforts for CFRP recycling technology.	• Continue to promote technological development that considers easy dismantling.	• Continued to promote technology development that considers easy dismantling.
	Promotion of life-cycle assessment	• Promote disclosure of life-cycle assessment (LCA) data.	• Only the new Levorg, to be released in 2020, will be subject to LCA data disclosure.	• Calculated and disclosed LCA data for the new Levorg, the only vehicle subject to LCA data disclosure in 2020.
Production	Domestic dealerships and dismantlers	• Establish processing schemes for difficult material to process, etc.	• Japan: Start to apply the used EV/HV lithium-ion batteries disposal scheme. • Expand the acquisition and utilization of approval for waste disposal practice, as set forth in the Waste Management and Public Cleansing Act.	• Partial operation initiated based on actual demand for acquisition and utilization
	Production facilities	• Continue the appropriate disposal of waste and reducing waste generation.	• Continue to appropriately dispose of waste and reduce waste generation through sorting.	• Continued to carry out appropriate waste management and maintain waste reduction through sorting.
		• Continue zero landfill (zero landfill waste either directly or indirectly) at both domestic and overseas production facilities.	• Continue to achieve zero landfill at both domestic and overseas production facilities.	• Maintained zero landfill emissions at production facilities in and outside Japan.
		• Manage volume of water used at both domestic and overseas production facilities.	• Properly manage volume of water use at production facilities in and outside Japan.	• Promoted appropriate management of water usage at production facilities in and outside Japan.

* Waste Management and Public Cleansing Act (Promulgated on December 25, 1970)

The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Pollution Prevention and Reduction of Hazardous Chemical Use

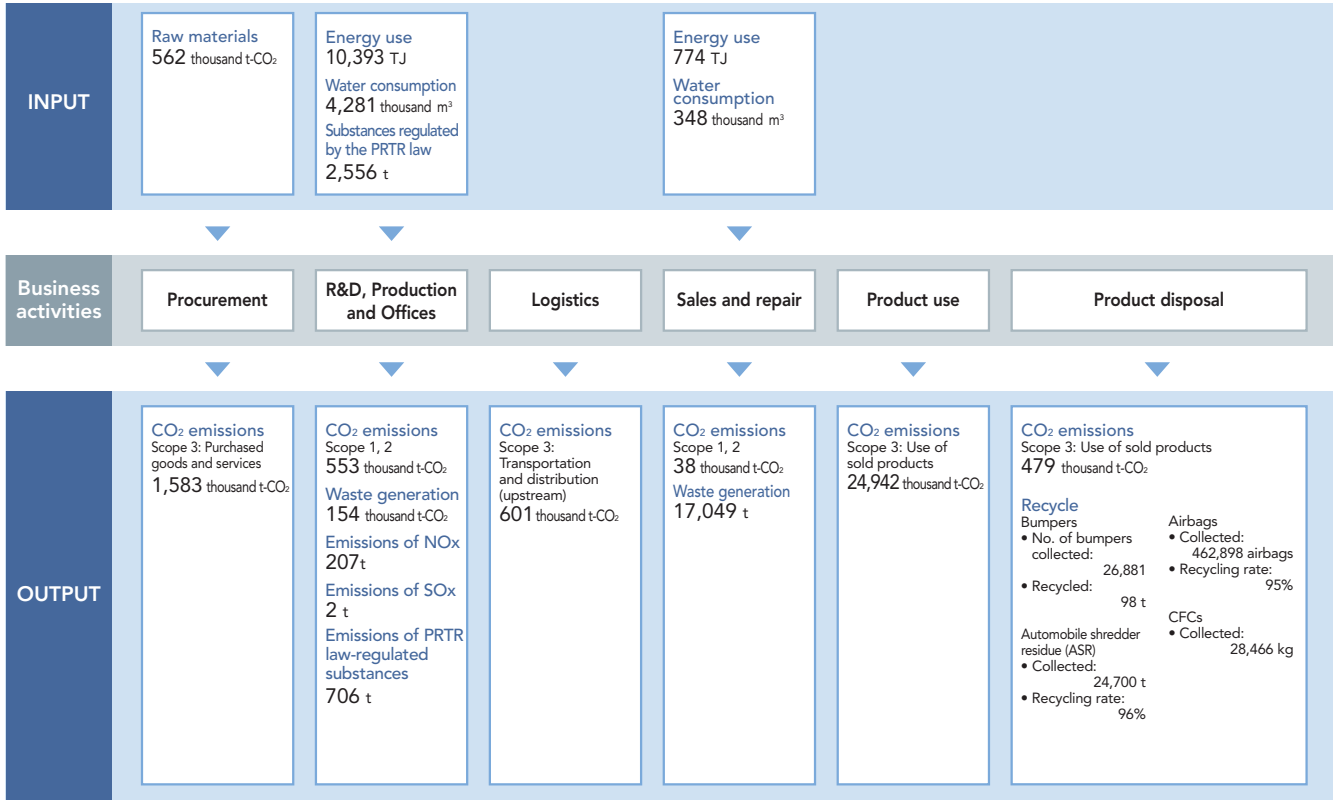
Field	Item		FYE March 2021 Target	FYE March 2021 Results
Products	Reduction in emissions	• Promote the introduction of low-emission vehicles to improve air quality.	• Japan: Continue to increase the number of WLTP low emission standard certified models. • Complete advanced development of SUL EV-compliant vehicles to be rolled out in North America.	• Expanded the number of WLTP low emission standard certified models. • Completed the advanced development of SUL EVs for North America. • Rolled out vehicles with GPF for delivery to Europe.
	Reduction in the use of environmentally hazardous substances	• Promote the management and reduction in the use of environmentally hazardous substances.	• Enhance chemical substance management using IMDS. • Promote alternative substances with even less environmental load.	• Built and began using an IMDS system enabling chemical components management for the complete range of parts. • Completed the switch to ethanol for washer fluid for Europe. • Promoted environmental measures in line with the 2020 prohibitions of the ELV Directive, such as the development of lead-free alternative laminated glass solder.
Production	Management and emission reduction of environmentally hazardous substances at production facilities	Automobiles • Further reduce per unit of VOC emissions (g/m^2) at production lines.	• FYE March 2021 target: 48.4 g/m^2	• FYE March 2021 result: 47.4 g/m^2 • Continued to improve thinner recovery when cleaning color-change piping at the Gunma Paint Plant .
		• Continue to reduce emissions of PRTR substances into the environment.	• Continue aggregation management control of chemical substances regulated by the PRTR law.	• Improved PRTR system and continued aggregation.
		• Promote activities targeting the elimination of occurrences of hazardous substances leaking off site, complaints, and exceeding legal standards.	• Continue to implement environmental risk reduction activities (instruction, education, and coexistence with community). The FYE March 2021 target for reducing instances of the issues listed on the left was zero in all cases.	• Gunma Yajima Plant septic tank defect countermeasures • Improved work procedures at Utsunomiya Plant • Reduced ventilation system noise at headquarters • Quickly addressed odors identified by factory patrols • Enhanced building repairs • Enhanced vehicle oil leakage preventive maintenance

The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Environmental Management

Field	Item			FYE March 2021 Target	FYE March 2021 Results
Procurement	Green procurement activities		• Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems (EMS).	• Continue to maintain the structure to establish EMS including new suppliers. • Revise the guidelines as necessary after checking with related departments for any revision requirements, and issue a new version of the guidelines.	• Continued to maintain the EMS encompassing 396 companies, including new suppliers. • Confirmation with relevant departments did not result in revision of the guidelines in FYE March 2021.
			• Reduce environmentally hazardous substances.	• Continue to investigate the content of environmentally hazardous substances and promote switching to alternatives appropriately in response to global regulation trends.	• Requested IMDS input and SVHC content survey as planned, and proceeded to switch to alternative materials.
			• Apply the supplier CSR guidelines and green procurement guidelines.	• Revise and issue guidelines, and distribute the new version of the guidelines to suppliers as necessary in light of social situations.	• We used video briefing sessions and compliance surveys to ask our suppliers to develop, disseminate, and comply with the guidelines.
Distribution/ Sales	Promotion of environmental conservation activities among dealerships	Automobiles	• Provide support to SUBARU dealerships' environmental activities.	• Provide individual companies with education and other support to ensure that each dealer can undergo the Inspection for Transition to the 2017 Version of the Eco Action 21 Guidelines without fail.	• In Japan, 31 out of 44 dealers completed the inspection for the transition to the 2017 Version of the Eco Action 21 Guidelines in FYE March 2020, and 13 dealers completed it in FYE March 2021, thus completing the shift to the 2017 guidelines.
Management	Promotion of environmental conservation activities, including biodiversity conservation, in cooperation with local communities		• Continue to participate in environmental events, and make friendly exchanges with and support factory tours of residents near factories. • Continue to conduct cleanup and greening activities, including biodiversity conservation efforts, near factories. • Support activities of and work with environmental organizations.	• Continue school visit programs to provide environmental classes and factory tours. • Continue to carry out cleanup activities around factories and offices. • Contribute to forest conservation in regions where SUBARU has close ties with local communities.	• Continued environmental lectures and remote visits to the Gunma Visitor Center. • Continued to carry out community cleanup activities. • Despite the COVID-19 pandemic, we have continued to work with local communities where we have close ties.
	Disclosure of environmental information		• Disclose environmental information through regular publication of environmental reports and other documents in a timely manner.	• Continue to carry out timely information disclosure in the CSR report. • Promote corporate communication activities appropriately, utilizing various content materials effectively.	• Sustainability Report (Japanese version of this publication) was published in September 2021. The English version will be released in October. • Answer questions from environmental NGOs such as CDP and ESG evaluation organizations. Publish the answers on our website as necessary.
			• Improve and enhance the contents of Environmental Report (to be in compliance with Environmental Reporting Guidelines, and inclusion of Group companies in the scope of reporting).	• Consider approaches to increase readability of disclosed content.	• Ongoing content improvement for compatibility with TCFD and integrated reports.
			• Participate in environmental events and publicize corporate environmental activities.	• Consider methods of gaining understanding of SUBARU's environmental initiatives among a wider audience and put them into practice.	• Considered methods compatible with the COVID-19 pandemic.
	Promotion of environmental education and awareness activities		• Continue environmental and social education under the in-house education system.	• Continue to use e-learning and other methods to deliver environmental education and aim to further enhance the education provided. • Implement initiatives aimed at increasing understanding of the Waste Management and Public Cleansing Act.	• Promoted higher levels of understanding through e-learning.
	Establishment of an Environmental Management System		• Each and every SUBARU site to maintain ISO14001 integrated certification. • Make continuous improvements to the Environmental Management System. • Increase cooperation with subsidiaries and suppliers, and maintain and improve the establishment of consolidated environmental management system.	• Upgrade and deploy appropriate environmental management systems.	• Continued the certification of Group companies.

* Eco Action 21 (EA21): An environmental management system designed by the Ministry of the Environment with reference to ISO14001 that is easy for small and medium-sized enterprises to employ.

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, SUBARU Academy, Parts Distribution Center, Omiya Subaru Building
Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.
Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.
[Logistics] Land transport (in Japan) and marine transport
[Sales and repair] Domestic dealerships
[Product use and sale] 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

FYE March 2021 environmental investment increased ¥637 million year on year to ¥3.6 billion. Key factors included environmental investment in wastewater treatment and noise control at the Gunma Plant and Subaru of Indiana Automotive, Inc.

Subaru Group Environmental Investment

(Unit: million yen)

Item	Category	Consolidated	
		FYE March 2020	FYE March 2021
(1) Cost in the business area	(i) Pollution prevention cost	123	898
	(ii) Global environment conservation cost	378	189
	(iii) Resource recycling cost	1	42
(2) R&D cost	R&D cost to reduce environmental impact	2,506	2,524
(3) Environmental remediation costs	Costs for remediating soil and groundwater pollution	14	6
Grand total		3,022	3,659

Note: Due to rounding, the sum may not exactly match the corresponding total. FYE March 2020 results have been revised because of the inclusion of overseas group companies.

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 of 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 Environmental Education

We provided education online during FYE March 2021 to help prevent the spread of COVID-19, and 704 people participated. The program covered the Subaru Group's Six Priority Areas for CSR to become a sustainable company and the SUBARU Global Sustainability Policy.

ISO14001 New Internal Auditors Training Seminar

We also held the ISO14001 New Internal Auditors Training Seminar to enhance the internal auditing system for our ISO14001-certified environmental management systems and to strengthen environmental conservation activities conducted at our workplaces. We invited external lecturers to this two-day seminar, and participants worked hard to gain the knowledge required of internal auditors.

ISO14001 New Internal Auditors Training Seminar

Dealers in Japan

In February 2021, we examined environmental laws and regulations related to the sales activities of dealers in Japan, and created an environmental law compliance manual for dealership use. We also conducted in-house training for the environmental law compliance manual, and about 110 people participated to deepen their understanding of environmental law compliance.

In November 2020, we conducted online training for sheet metal center compliance (chemical substances), and 68 people from 18 dealers in Japan participated.

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 2021, we held three training sessions for 120 participants, some of whom joined remotely. The sessions largely provided an overview of Japan's legal system; an overview of the application of the Waste Management Act, hazardous substances under the Fire Service Act, and the Water Pollution Prevention Act; and management of chemical substances. Group training in FYE March 2022 is mainly geared toward ensuring that Subaru Group employees who are involved in ISO14001 understand environmental laws and regulations.

Training session