

## Toward Reducing Environmental Impact in Logistics

SUBARU contributes to the reduction of environmental impact by setting optimal transportation routes, promoting modal shift in shipments of finished vehicles, joint transportation of finished vehicles with other companies in the same trade. Reduction of packing materials by their reuse is also actively being tackled.

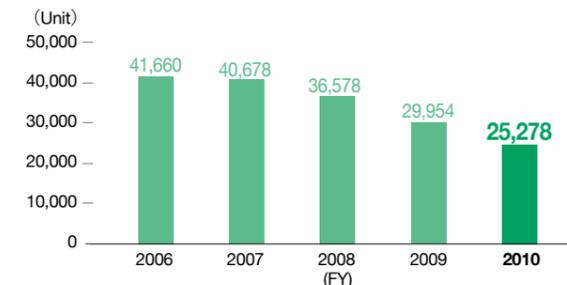
### Reducing Environmental Burden by the Completed Vehicles Transportation

#### Efforts by SUBARU Logistics Co., Ltd.

We have contributed to reducing environmental burdens caused during the transportation of completed vehicles, by improving transportation efficiency through such means as setting optimum standard transportation routes, promoting modal shifts and improving carrying efficiency. In FY2010, by promoting the cooperative transport of completed vehicles with other companies in the same industry, the total of consigned-to and consigned-from vehicles was 25,278.

In FY2010, we promoted the installation of the highly functional digital tachograph, idling stop device and eco tires. Meanwhile, continuous efforts have been made to accurately grasp energy consumption and CO<sub>2</sub> emissions by collecting data on travel distances and fuel consumption periodically from cooperative companies. As a result of these approaches, we have achieved about a 1% improvement in fuel economy compared to the previous year. We aim to continue to reduce the energy consumption per sale by 1% or more annually.

■ Number of Vehicles Carried Through Cooperative Transport



### Reuse of Packaging Materials

#### Reuse of Foam Materials for Packaging of Overseas Knockdown\*1 Parts

The Production Logistics Division of SUBARU Logistics Co., Ltd., which handles packing designs for knockdown parts, has been involved in activities to reduce environmental burden primarily focusing on the reuse of packaging materials.

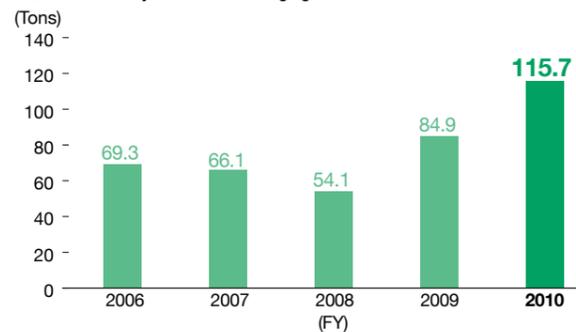
They started a project in the latter half of FY 2005 to reuse packing materials of expanded polystyrene foam for engine parts. The 1st stage started in March 2006, followed by the 2nd from December 2007 and the 3rd from March 2009 throughout which the reuse of the packing materials was stepped up.

We will continue working to extend the reuse of packing materials for reduction of environmental burden.

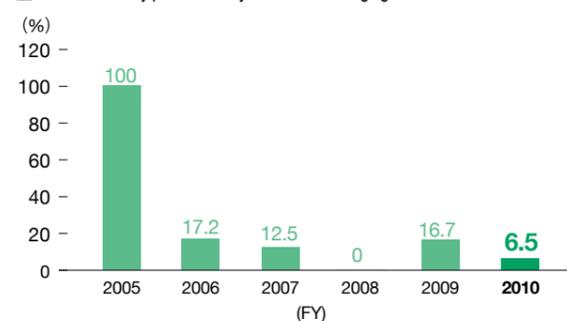


Status of reuse checking and keeping of packaging materials

■ Amount of Styrene Foam Packaging Materials for Reuse



■ Amount of Newly purchased Styrene Foam Packaging Materials



\*1 Knockdown: The production system where main parts are shipped from Japan and locally assembled.

## Aimed at Expanding “Green Dealerships”

To enhance our environmental protection activities into SUBARU Dealerships, we have promoted the environment management system “Eco-Action 21” certification. Amid the rising environmental awareness of our customers, we are simultaneously accelerating activities to make Eco-vehicles and “Green Dealer Outlets” more familiar.

### Environmental Protection Activities of SUBARU Dealerships

#### Promoting Acquisition of the Eco-Action 21 Certification

To beef up our approaches to the environmental protection, we have supported the introduction of the environment management systems “Eco-Action 21 (EA21)” which was mapped out by the Ministry of the Environment based on ISO 14001.

Starting with the certification of Tokyo SUBARU Inc. in January 2009, all of the 44 domestic dealerships completed acquisition in March 2011. We will keep supporting voluntary environmental conservation activities that take advantage of the EA21 by the SUBARU team.



Certification ceremony of SHIZUOKA SUBARU  
Left side: Kazuyuki Hirai, Managing Director of Shizuoka Environment Resources Association  
Right side: Kenji Imada, Representative Director of SHIZUOKA SUBARU



Awarding ceremony of Hokuriku-Koshinetsu SUBARU  
From left: Mr. Nakamura, Representative Director of SUBARU  
Mr. Shinoki, Representative Director of NIIGATA SUBARU  
SHOICHI INOMATA, Director of EA21 Local Executive Office, Niigata Environmental Analysis Center & EA Toki  
Mr. Yada, President of HOKURIKU SUBARU (at that time)  
Mr. Tezuka, President of YAMANASHI SUBARU (at that time)



#### Voice from the person in charge of Eco-Action 21 Promotion

In March 2011, All SUBARU dealers completed the acquisition of Eco-Action 21 certification at all their outlets, giving us a break in assisting them. Our role in the acquisition process was to support their voluntary activities by promoting of local environmental conservation, contributions to local communities and legal compliance.

In 2008, responding to a directive to assist dealers to set up the Environmental Management System (EMS) in their facilities, we drafted system plans and made preparations. In fact, since operating the system requires the involvement of many departments, it was a must to centralize and consolidate operations and controls by minimizing outlet-based handling while focusing on continuity. We believe that we could get such fundamentals set in place.

It will be nice to hear people say that SUBARU is “eco-friendly,” dealers and shops alike.



Environmental Affairs Promotion Office,  
General Administration Dept.  
Yukihiko Hagiwara

■ EA21 certification: Acquisition Status [As of April 1st, 2011]

Company	Acquisition Date	Certification number	Number dealers Which Supply New Automobiles
TOKYO SUBARU INC.	Jan. 27, 2009	0003261	32
SAITAMA SUBARU K.K.	Feb. 25, 2009	0003347	18
NAGOYA SUBARU INC.	Apr. 30, 2009	0003592	19
GIFU SUBARU INC.	Jul. 21, 2009	0003889	9
MIE SUBARU INC.	Aug. 28, 2009	0004068	7
KANAGAWA SUBARU CO.,LTD	Aug. 28, 2009	0004069	24
NANSHIN SUBARU INC.	Sep. 29, 2009	0004188	1
FUKUOKA SUBARU INC.	Mar. 11, 2010	0004737	19
NISHIKIYUSU SUBARU INC.			11
KUMAMOTO SUBARU INC.			8
OOTA SUBARU INC.			5
MINAMIYUSU SUBARU INC.			12
SHIN OKINAWA SUBARU INC.			3
TOCHIGI SUBARU INC.	Mar. 15, 2010	0004739	12
FUKUI MINAMI SUBARU K.K.	Aug. 31, 2010	0005558	1
FUJII SUBARU CO.,LTD	Sep. 7, 2010	0005653	19
MIYAGI SUBARU INC.	Sep. 24, 2010	0005811	12
AOMORI SUBARU INC.			6
IWATE SUBARU INC.			9
AKITA SABARU INC.			7
YAMAGATA SUBARU INC.			6
FUKUSHIMA SUBARU CO., LTD			10
NARA SUBARU INC.	Oct. 15, 2010	0005997	6
NIIGATA SUBARU, INC.	Nov. 4, 2010	0006090	11
SUBARU SHINSHU CORP.			10
YAMANASHI SUBARU MOTOR CO., LTD.			3
HOKURIKU SUBARU INC.			13
CHIBA SUBARU INC.	Nov. 18, 2010	0006212	21
OSAKA SUBARU INC.	Dec. 28, 2010	0006440	29
KYOTO SUBARU CO., LTD.			8
SHIGA SUBARU INC.			8
HYOGO SUBARU AUTO, INC.			17
HIROSHIMA SUBARU, INC.	Dec. 28, 2010	0006442	8
SAN-IN SUBARU INC.	(Unified the certification by total 6 dealers)		9
OKAYAMA SUBARU MOTORS, CO. LTD.			7
YAMAGUCHI SUBARU CO., LTD.			10
HIGASHI SHIKOKU SUBARU INC.			10
SHIKOKU SUBARU INC.			8
IBARAKI SUBARU INC.	Dec. 28, 2010	0006444	10
KUSHIRO SUBARU INC.	Feb. 3, 2011	0006566	1
SHIZUOKA SUBARU MOTOR, LTD.	Feb. 9, 2011	0006602	13
HOKKAIDO SUBARU INC.	Feb. 16, 2011	0006640	21
OBIIHIRO SUBARU INC.	Feb. 18, 2011	0006650	1
SUBARU HIGASHI AICHI, INC.	Mar. 11, 2011	0006767	3
Total			477

## Global Environmental Activities Focusing Mainly on North America

Fuji Heavy Industries Ltd. organizes the North American Environmental Committee (NAEC), involving the 4 manufacturing and sales affiliate companies in North America with relatively high environmental burden among our overseas affiliates. This committee meets regularly twice a year (and extraordinarily as needed) to share and spread successful cases with member companies, promoting efficient and streamlined environmental activities. In FY2010, the NAEC held meetings in June and November. NAEC member companies reported their CSR and environmental activities to the Committee, and we also reported our environmental activities in Japan.

We promote this Committee to share SUBARU-related information globally.

### Approach to Local Contribution and Environmental Conservation

#### Establish Environmental Management System

All of the members of the North American Environmental Committee, that is, SIA, SOA, SCI and SRD, already acquired the ISO 14001 Environmental Management System certification by December 2006 and renewed the certification in FY2010. SIA, SOA and SRD received integrated certification in FY2009.

They are working on pollution prevention and reduction of environmental burdens through educational training, on-site legal compliance programs, internal auditing, and other measures.

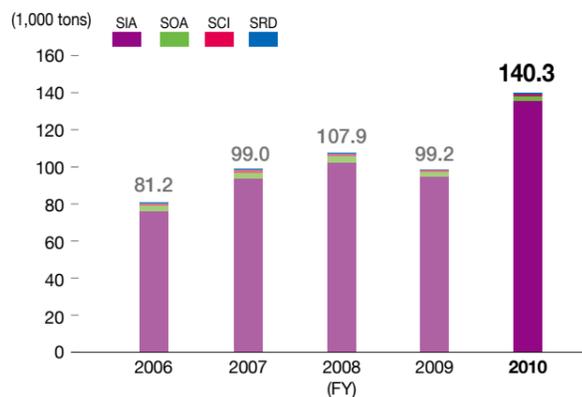
Especially worth mentioning here is that SIA obtained the certification in November 1998, 4 months before its mother plant, Gunma Manufacturing Division, which is the production base of SUBARU vehicles in Japan.

#### Curbing Global Warming Activities

To prevent the serious issue of global warming, many companies are working hard to reduce total CO<sub>2</sub> emissions with various measures.

The amount of CO<sub>2</sub> emitted by the 4 companies in North America in FY2010 totaled 140,303 tons, an increase of about 41.3% as compared with 99,262 tons in FY2009. This is due to the dramatic sales increase in FY2010.

■ CO<sub>2</sub> emissions in 4 NAEC member companies



#### Lighting and Increased Energy Efficiency

To reduce CO<sub>2</sub> emissions, many companies have promoted projects to replace lighting fixtures with less power hungry ones in North America. At SOA, for example, they worked on saving energy by switching to energy efficient boilers and air conditioning systems and SOA is continuing such energy saving efforts.

At SCI, they have devised ways to reduce heat from direct sunlight by applying UV processed films to ceiling skylights while still maintain the brightness of natural light. At SOMI<sup>\*1</sup>, in a lighting project kicked off for FY2010 and FY2011, they replaced 113 lights in the service shop, show room and parking lot with energy efficient ones. Their current project target is to reduce total energy consumption by 25% while making the facilities 30% brighter than before.

\*1 SOMI  
Subaru of Mississauga, a dealer of SCI

#### Carbon Footprint Completed

SIA succeeded in determining its "Carbon Footprint" by calculating its overall greenhouse gas emissions, a task it had been working toward in recent years. SIA became the first plant to complete the task of all the companies participating in the climate registration system of the state of Indiana.



### The 15th Annual Urban Wheel Awards



At the ceremony of "The 15th Annual Urban Wheel Awards" held in Detroit, Michigan on January 9, 2011, SIA was awarded for the "Greenest Manufacturing Plant in America." Major mass media reported this piece of wonderful news for the local communities and customers, introducing SIA as a Most Environmentally

Conscious Automaker. Randi Payton, the president of a major news media company, mentioned, "On the occasion of the memorable 15th anniversary, presenting a special award to the company that achieved a great progress in improving the environment and fuel economy and recognize its contribution is very important," and further lauded saying, "The fact that the car manufacturer received this award as the plant most advanced in greening is a good evidence that they are seriously involved towards a sustainable long-term vision for the happiness of each and every human being."

#### Native Indiana Prairie Activity

In cooperation with groups engaged in wildlife conservation in Indiana such as Indiana Wildlife Federation (IWF) and the Fish and Wildlife Service, a program is under way at SIA to plant native wildflowers on the natural Indiana prairie.



Native Indiana Prairie

The flowers planted in the prairie are being used for carbon offset.

#### Environment Stewardship Program

SIA was accepted as a member of the Indiana Environment Stewardship Program in 2009, based on the evaluation of SIA's aggressive participation in environmental activities. In FY2010, SIA got a prize as a member of this program.

Being accepted as a member of this program is a rare distinction. As one of the privileged member companies, SIA has already made presentations to more than 100 companies at various locations on activities of the Indiana Environment Stewardship Program and other topics, and will offer such lecture meetings in the future.

#### Projects to Save Energy

SRD replaced vending machines with refrigerators that have obtained the ENERGY STAR<sup>\*2</sup> mark.

To participate in meetings in an area as large as North America sometimes requires airplane travel. However, SCI top management recommend carpooling instead of flying.

\*2 ENERGY STAR  
This mark is affixed to PCs, office equipment and other products that meet power consumption standards during the modes (switched on, sleeping and switched off) established by the "International ENERGY STAR Program." This program is an international system practiced with the cooperation of 7 countries and regions including Japan, the U.S. and the EU.



#### Approach to Waste Reduction

The total amount of landfill by the 4 North American subsidiaries was 340.3 tons in FY2010, a reduction of about 31% against FY2009. This reduction came from the thermal recycling of waste and the introduction of pallet recycling at SOA, and the recycling and reuse of waste that previously would have been landfill at SRD.

SIA, which produces vehicles, achieved zero emissions in 2005 and continues producing "zero landfill waste emissions." Each subsidiary is working on reusing packing materials for shipments, and SCI is now reusing parts containers in cooperation with SOA and

FHI (Fuji Heavy Industries Ltd.).

At the 2010 national dealer meeting held in Quebec, a booth focused on the environment was set up under the eco-excellence program that was established for dealers in July 2009, encouraging their participation.

SIA succeeded with the "lunch room compost project" and distributed the compost to local groups in an effort to further reduce waste. They plan to continue with such aggressive waste reduction programs.

■ Waste Emissions



### Education of Life's Diversity by SRD

In the part of Michigan where SRD is located, the bat population has dwindled drastically in recent years. That's a problem. Bats eat bugs and mosquitoes and, like bees, help pollination. They are an integral part of American agriculture. SRD set up "bat houses" on trees inside the premise of a school in Ann Arbor jointly with school children in January 2011.



Participants included employees and their children



SRD employees set up a bat house