

Third-Party Opinion

Significance of Continuous Follow up by a same Third Party

This is the fifth time that I have been asked to write a third-party opinion on the CSR Report of Fuji Heavy Industries Group. I think there are probably few other companies where the same person follows initiatives of the same corporate group for continuous five years and gives opinions and observations as a third party. The negative side of this might be the loss of the feeling of mutual tension and development of a conspiratorial relationship. However, by being careful not to let that happen while being allowed to continuously watch initiatives at the Fuji Heavy Industries Group, I feel that for me there are significant positive aspects in being able to discover something new every year and identify steady improvements and progress, which ultimately leads to accurate observations.

In writing this year's third-party opinion, I visited the Main Plant in Ota City, Gunma Prefecture at the end of July in addition to reading the content published in the CSR Report and related information on the website. As well as being given explanations on the initiatives at the plant and the revisions to the Green Procurement Guidelines and the CSR Guidelines, I was privileged to enjoy the valuable experiences of a test drive on an EyeSight equipped vehicle, a tour of pre-crash testing, and a passenger test drive of the test course. I also visited Subaru dealer FUJISUBARU Co., Ltd. after a tour of the manufacturing floor of the plant. I summarize my impressions below based on these experiences.

Response to Previous Observations

On page 3 of CSR Report 2015, there is a summary of which points have been improved since the previous fiscal year based on the third-party opinion. This demonstrates FHI's attitude in confronting and trying to respond sincerely to the observations made so far as well as its steady progress.

In particular, in the area of biodiversity, I have pointed out the need to assess the impact of business activities and consider concrete strategies since FY2012. As a result of the steady efforts thus far, the Biodiversity Working Group was launched last fiscal year, and concrete activities have begun to be rolled out with expectations for future development. In addition, with regard to my observation last year that as an automobile manufacturer, the company should explain its responsibilities related to end-of-life vehicles in an easy-to-understand manner, the content has been enhanced with an illustration commentary on the process.

In addition, in FY2014, I pointed out that FHI ought to enhance the publication of negative information and the results of dialogue, including the kind of opinions received from customers and others outside the company and specifically how these opinions were being used as well as the challenges for the future. I was still not able to find sufficient information on this point in the main CSR Report. On the other hand, it is disclosed on page 19 of the CSR Report that positive evaluations accounted for over 80% in the customer satisfaction survey. I think that it is important to properly analyze what the other 20% of opinions that are not positive are like and the reasons for that and to utilize that information. I believe that this would lead to "Enhancing the Subaru brand" as in the Message from the President.



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Profile

Graduated from the Faculty of Economics, Yokohama National University. After completing her postgraduate course in the Department of International and Business Law of the said university, she served as researcher at the Tokyo Institute of Municipal Research from 1993 through 1998, and as Assistant Professor at the Faculty of Environmental Studies of Nagasaki University from 1998 through 2006. At present, she is Professor and Director of the Division of Urban Policy, Faculty of Urban Liberal Arts of Tokyo Metropolitan University. Specializing in environmental law and administrative law, Prof. Oku is the author of Environmental Laws System of EC and Environmental Management Measures (publisher: the Tokyo Institute for Municipal Research), Approaches to Environmental Laws (SEIBUNDO Publishing Co., Ltd.), Frontlines of Municipal Environmental Administration (GYOSEI Corporation), Environmental Business Handbook (Chuohoki Publishing Co., Ltd.) and others.

Fostering Mutual Understanding between Departments and Related Parties

Subaru cars have an established reputation, and their high level of safety has been objectively verified in safety testing in Japan and overseas. Exhaustive pursuit of safety is arguably a Subaru trait. However, it appears that not all employees necessarily grasp and appreciate the kind of work and processes through which the safety of Subaru cars is pursued and achieved. While “all employees” may be quite a high hurdle, it is important to share basic information and awareness about cars and products between department and the related parties, including the supply chain, precisely because FHI is a vehicle and product manufacturing company. Although we are informed that various education programs are already provided for each grade and job skill, basic educational programs for understanding operations beyond the departmental framework of design, development, manufacturing, marketing and sales are also very important.

Reviewing Introduction of Environmental Management Systems and Horizontal Deployment of Outstanding Initiatives

FHI encourages all dealerships to obtain Eco Action 21 (EA21) certification, and this is being achieved and maintained. While this in itself is applauded, I look forward to even more support for further progress, utilizing EA21 as a tool for substantial and ongoing improvement. This will include an FHI-led review of the outcomes and challenges of EA21 operation at dealerships in addition to the active showcasing of initiatives and outcomes for which horizontal deployment is particularly desirable to other dealerships.

Definite Link Between Information Published in the CSR Report and Information on the Website

Since the 2013 edition, the website has been the base for publication of the FHI CSR Report. In my third-party opinion from that time, I looked forward to the enhancement of links to related information utilizing the special features of the website. However, there still seems to be room for improvement on this point in the 2015 edition. For example, with regards to the illustration commentary on the vehicle recycling process and the concrete activities of the Biodiversity Working Group I mentioned above, information that ought to have been published in the CSR Report was actually in a separate location on the website, and no link was affixed. There were also some areas where even though there appeared to be links, there was no information there when the link was clicked. I look forward to an overhaul of the CSR Report from the perspective of making it function certainly and properly as a medium for providing information to stakeholders.

▸ [Thoughts on the Third-Party Opinion](#)