



SUBARU



CSR Report

Corporate Social Responsibility Report

2018





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Editorial Policy

This Report, which introduces the outcome of efforts on corporate social responsibilities (CSR) by Subaru Corporation and its domestic and overseas affiliates, has been released to promote communication with our stakeholders, including customers, shareholders, business partners, local communities, and employees, aiming to further strengthen our commitments.

Specifically, in the feature article, Subaru introduces the Subaru Group's unique initiatives that Subaru particularly wants to highlight to our stakeholders. In the section describing the Group's CSR activities, Subaru reports on the six priority areas for CSR: people-oriented Car Culture; Resonance and Coexistence; Peace of Mind; Diversity; Environment; and Compliance.

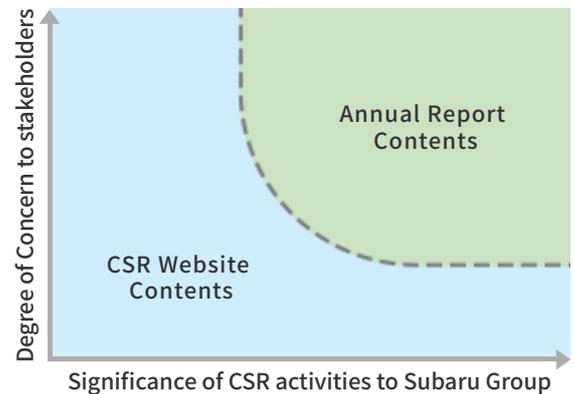
Reporting Media

To facilitate understanding of Subaru Corporation's CSR initiatives by a greater number of stakeholders, some of the CSR activity information has been published in the Annual Report as well as in the CSR Report, starting with the 2013 editions. In doing so, the publishing media has been transferred to the website in an effort to alleviate the burden on the environment. Further, the website information is also available as a PDF file, which is stored in the Library section of the website. Please utilize the file depending on your purpose.

[> Subaru Annual Report](#)

[> CSR Report Library](#)

Approach to Reporting Media



Reporting Cycle

The CSR activities of the Subaru Group in the previous fiscal year are compiled and released annually.

Subject of Reporting

Target Organizations

The report covers Subaru Corporation together with its Group member companies both domestic and overseas.

Period Covered

- The information in this report is primarily for the period from April 2017 to March 2018. There is some information from outside this period.
- The departments, titles, etc. of the people introduced in this report are as of the time of writing.

Guidelines Referenced

- ISO26000
- GRI Sustainability Reporting Standards
- Environmental Reporting Guidelines (2012 edition) by the Ministry of the Environment, Japan

Special Notice on Prospects

This report includes a variety of information on the prospects, plans, forecasts, etc. for the future of Subaru Corporation and the Subaru Group member companies. Since information contained is based on past facts and those information currently available, it may differ markedly depending on future economic trends, the company's business environment and other factors. Subaru therefore requests your understanding in this matter.

Period Issued

- Previous issue: October 2017
 - Current issue: October 2018
 - Next scheduled issue: August 2019
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Miscellaneous

- › [Subaru Corporation Website Home Page](#)
- › [Corporate Profile](#)
- › [Investor Relations](#)
- › [Financial Results](#)
- › [Annual Report](#)

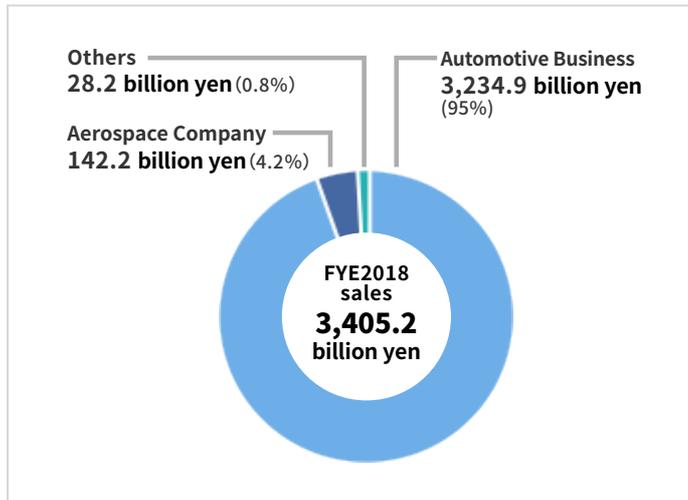


Corporate Overview (As of March 31, 2018)

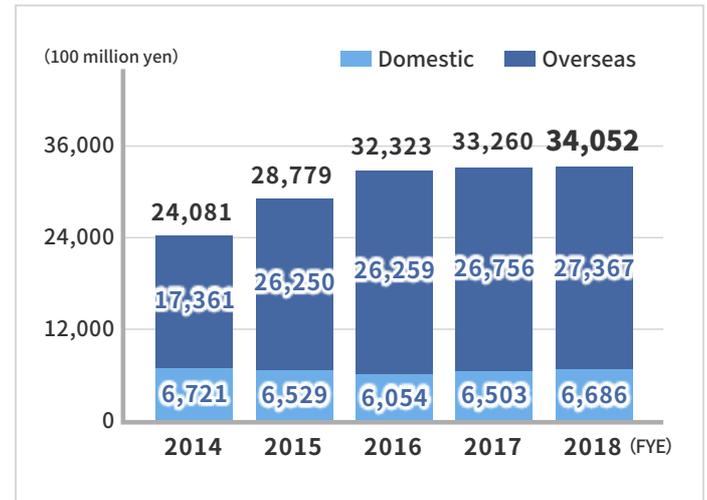
Name	Subaru Corporation
Established	July 15, 1953
Paid-in Capital	153,800 million yen
Number of Employees	33,544 (Consolidated) 14,879 (Non-consolidated)
Head Office	Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo 150-8554 Main Listed Number: +81-3-6447-8000
Sales	3,405.2 billion yen (Consolidated) 2,087.8 billion yen (Non-consolidated)
Operating Income	379.4 billion yen (Consolidated) 256.0 billion yen (Non-consolidated)
Ordinary Income	379.9 billion yen (Consolidated) 226.0 billion yen (Non-consolidated)
Net Income	220.4 billion yen (Consolidated) 153.5 billion yen (Non-consolidated)

* The figures from “Sales” through “Net Income” are of FYE2018.

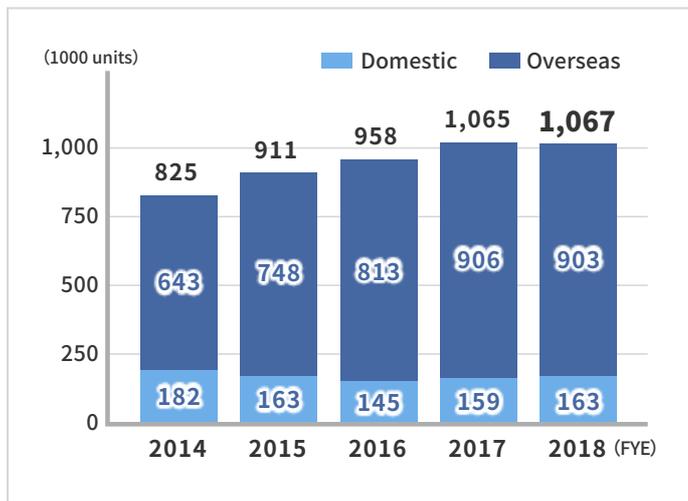
FYE2018 Sales by Division/Company



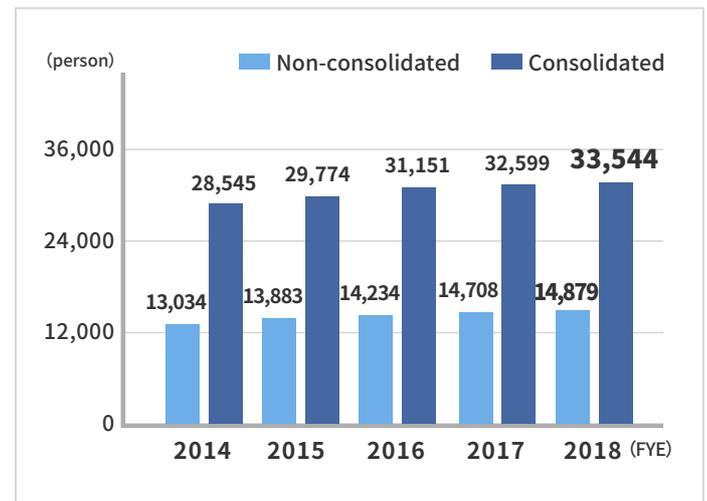
Trends in Sales



Trends in Sales Volume



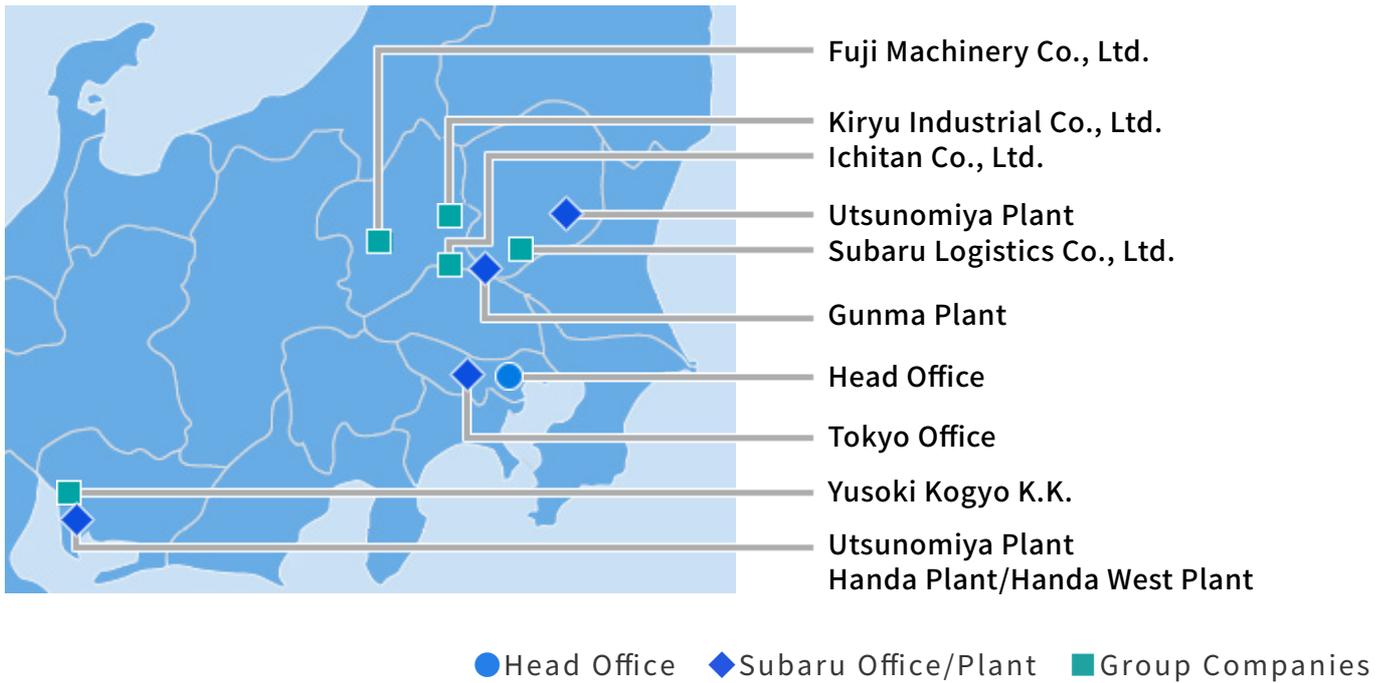
Trends in the Number of Employees



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

Main Business Sites

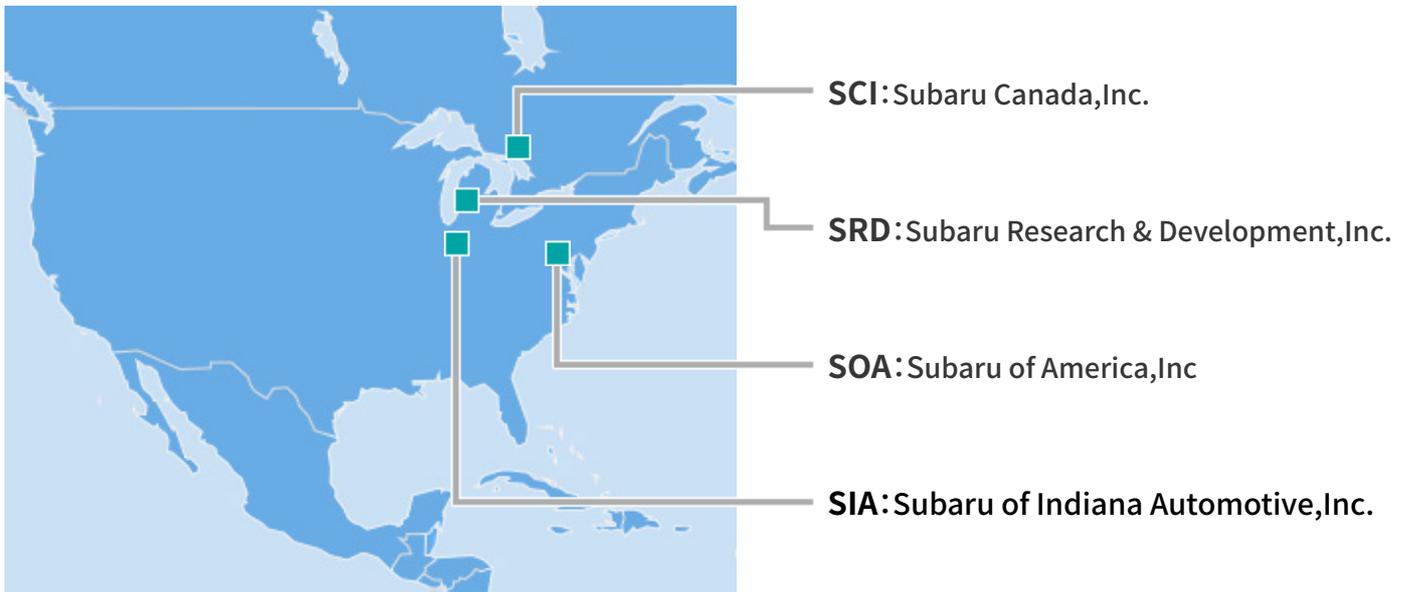
Subaru and Its Domestic Group Companies



<p>> Fuji Machinery Co., Ltd. ☐</p> <p>Utsunomiya Plant*</p> <p>Head Office</p> <p>Utsunomiya Plant, Handa Plant/Handa West Plant</p>	<p>> Kiryu Industrial Co., Ltd. ☐</p> <p>> Subaru Logistics Co., Ltd. ☐</p> <p>Tokyo Office</p>	<p>> Ichitan Co., Ltd. ☐</p> <p>Gunma Plant</p> <p>> Yusoki Kogyo K.K. ☐</p>
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> [Please see here for more details of domestic group companies.](#)

Overseas Group Companies



● Head Office ◆ Subaru Office/Plant ■ Group Companies

- > **SCI** : Subaru Canada, Inc.
- > **SOA** : Subaru of America, Inc.
- > **SRD** : Subaru Research & Development, Inc.
- > **SIA** : Subaru of Indiana Automotive, Inc.

> [Please see here for more details of overseas group companies.](#)

* In this report, production site of the Aerospace Company may be referred to as Utsunomiya Plant.



Message from the President

Continuing to deliver enjoyment and peace of mind by becoming a company that resonates with and inspires trust in all stakeholders

Tomomi Nakamura

Representative Director of the Board, President and CEO

Becoming President

I took office as Representative Director of the Board and President at the beginning of June 2018. Having been handed the baton of leadership at a time when the automobile industry stands on the threshold of an epochal transformation, I feel a tremendous sense of responsibility. Based on our immutable management philosophy of becoming a compelling company with strong market presence built upon its customer-first principle, we will assess the major changes taking place in the business environment and swiftly respond to them.

Improper Conduct during Final Vehicle Inspections

We discovered cases of improper conduct at our Gunma plant, involving final vehicle inspections being conducted by individuals who were not yet certified as final inspectors. In addition, we identified inappropriate conducts during vehicle sampling inspections for fuel economy and emissions and in other operations associated with final vehicle inspections. We would like to offer our sincerest apologies for causing so much concern and trouble to all our stakeholders.

The report on the investigation conducted by a team of external experts mentions the background to the prolonged, diverse, and wide-ranging nature of these incidents of inappropriate conduct, commenting that they did not stem solely from innate problems with the corporate culture or issues with compliance awareness among employees, but rather were also due to the executive team's lack of awareness of and involvement in final vehicle inspection work. We therefore regard our responsibility as managers extremely seriously. The other members of the executive team and I have a responsibility to steadily implement measures to prevent recurrence and achieve solid outcomes in this regard, so we intend to spearhead efforts to regain everyone's trust, step by step.

Development of STEP, the New Mid-term Management Vision

In July 2018, Subaru published STEP, our new mid-term management vision covering the period to 2025. The decision to develop a new vision was inspired by the need to set out the direction that the company's management should take with a view to changes in the external environment as the automobile industry stands on the threshold of an epochal transformation. Another factor was the strains and challenges that have emerged as a result of the recent rapid growth. We will contribute to the increasingly diverse range of social needs and fulfill our responsibility as a company without deviating from our brand principle of providing enjoyment and peace of mind to our customers and restoring trust by cultivating our fundamental corporate strength as soon as possible. Working as a cohesive whole, we will move forward with our initiatives, motivated by the firm intention of making Subaru a company that is trusted by, and resonates with, our customers. In terms of specific initiatives, we have positioned corporate culture reforms as Subaru's top priority. "Change the Culture" is the powerful phrase that we have adopted as our slogan to express our determination and resolve. We will accelerate efforts to strengthen compliance, governance, and management, with the aim of becoming a company that can respond swiftly and flexibly to change by being more sensitive to the times and the outside world, while preserving the good DNA that Subaru has nurtured over the years. At the same time, we will seek to reform our corporate culture and human resources/organization, review our CSR initiatives, and promote the adoption of IT throughout our business activities.

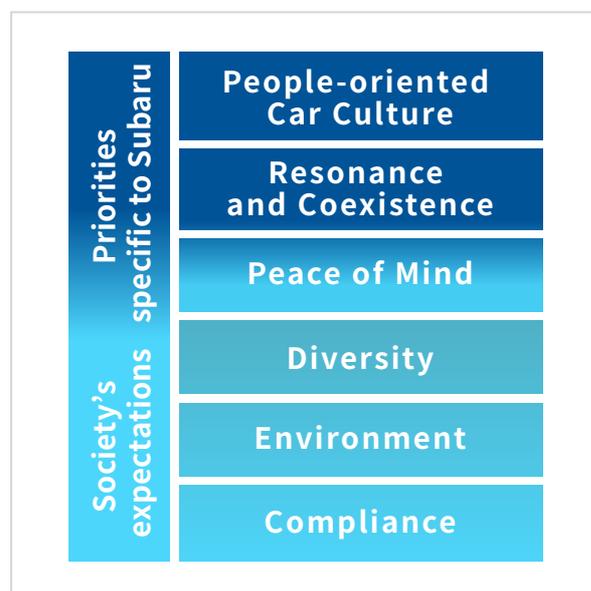
Selecting 6 Priority Areas for CSR

To ensure that the Subaru Group becomes a truly global company in which society can trust and for which every employee can feel proud to work, we reviewed our existing CSR initiatives based on STEP, our new mid-term management vision, and defined six priority areas for CSR. The six priority areas for CSR have been chosen on the basis of the potential that they offer for both meeting the demands of society and contributing to society by tapping into our business strengths: People-oriented Car Culture; Resonance and Coexistence; Peace of Mind; Diversity; Environment; and Compliance.

We believe that a car is more than just a means of transport. In working to create a People-oriented Car Culture, we will aim to foster a sustainable mobility culture by providing customers with added value in the form of products and services which make the car a partner that enriches people's lives and minds, while cherishing the human emotions of enjoyment and peace of mind.

Taking the views of the customer and society seriously at all times is a fundamental principle for us.

The Subaru Group's 6 Priority Areas for CSR



In focusing on Resonance and Coexistence, we intend to undertake business activities through person-to-person communication, so that we become a company that is trusted by customers and local communities, and which resonates and can coexist with them.

Then there is Peace of Mind, which could be described as Subaru's obsession. While delivering the peace of mind that cars must offer, we will aspire to become a company that provides customers, local communities, employees, and all other stakeholders with the utmost peace of mind: the sense that they can rely on Subaru. Attaching particular importance to protecting lives, we will work to achieve our self-imposed target of zero fatal road accidents* by 2030.

* 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.

In the arena of Diversity, we believe that respecting diverse forms of market value and increasing options for our customers will result in Subaru's own sustainability. Achieving this requires diversity of perspective among all those who work for the Subaru Group. We take the view that we can achieve Subaru's own unique brand of diversity by pursuing two key aspects: diversity in products, which involves tapping into our business strengths to resolve social issues, and diversity of employees, through which we aim to accommodate the requests of society.

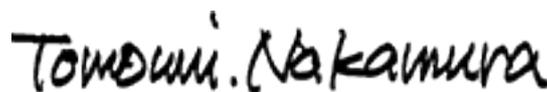
When it comes to the Environment, with the automotive and aerospace businesses as the pillars of Subaru's operations, our fields of business are the earth, the sky and nature. We must consistently demonstrate consideration for the environment throughout our corporate activities to preserve the environment of our planet – the earth, the sky and nature – for future generations. Our environmental policies position climate change as the most important focus for our initiatives and we are working to tackle the problem through efforts to meet our self-imposed target of achieving by FYE2031 a 30% reduction (total amount, compared with FYE2017) in CO₂ emissions directly generated by the Subaru Group, to keep the rise in global temperatures below 2°C.

Finally, in the realm of Compliance, we are keenly aware that we need to foster a strong emphasis on compliance in all operations to achieve root-and-branch transformation in our corporate culture.

In light of the recent cases of improper conduct, we at Subaru have positioned the practice of compliance as one of the most important tasks in the company's management and are implementing a variety of initiatives in this area.

The senior management will spearhead efforts that bring all executives and employees together to address the task of compliance, with the aim of ensuring that our focus on compliance as a priority permeates throughout and is practiced by all employees of the Subaru Group.

We are committed to regaining the trust of all stakeholders as soon as possible, so that we can transition from being a company making things, to a company making people smile.



Representative Director of the Board, President and CEO



Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions

Subaru has so far published the following investigation reports concerning a number of cases of impropriety.

Please refer to the relevant press releases and reports for further details.

- ① December 19, 2017: Investigation Report and Countermeasures to Prevent Recurrence of Nonconforming Final Vehicle Inspection Works at Gunma Plant

> https://www.subaru.co.jp/en/ir/library/pdf/fr/2018/2018_2qf_information_20171219_e.pdf 

- ② April 27, 2018: Investigation Report on Measurement of Fuel Economy and Emissions during Final Vehicle Inspections (Improper Data Manipulation)

> https://www.subaru.co.jp/press/file/uploads/news-en/en2018_0427_4.pdf 

- ③ September 28, 2018: Results of Investigation into Improper Conduct during Final Vehicle Inspections at Gunma Plant

> https://www.subaru.co.jp/press/file/uploads/news-en/en2018_0928_2.pdf 



Special Feature: Becoming a Company That Truly Does the Right Thing in the Right Way

Corporation-wide Efforts to Build a Company That Does the Right Thing in the Right Way

Subaru takes very seriously the fact that our final vehicle inspections and measurement of fuel economy and emissions were carried out improperly. Accordingly, we at Subaru are promoting activities aimed at becoming a company that does the right thing in the right way, in an effort to regain the trust of our customers by shaking up our corporate culture.

Our new mid-term management vision STEP, which was published in July 2018, establishes reforms of our corporate culture as a priority theme under the slogan “Change the Culture,” making a commitment to accelerate efforts to become “a company that does the right thing in the right way” and to make continuous efforts aimed at corporate culture reforms. We do not view the recent cases of improper conduct as a problem limited to our manufacturing sites. Rather, Subaru does not view the recent cases of improper conduct as a problem limited to our manufacturing sites. Rather, Subaru regards them as an issue arising from the corporate climate as a whole and are engaged in sincere efforts that involve the entire company.

Chairman’s Message

We are fully committed to promoting reforms of our corporate culture to transform Subaru into a company that truly does the right thing in the right way.

Overview of my time as president

I stepped down from the roles of president and CEO at the shareholders’ meeting in June 2018.

Ever since I was appointed president in June 2011, I have thought that, with just a 1% market share of the global automotive industry, our company will not be able to survive in an environment of fierce competition unless we adopt tactics suitable for a smaller company. I believed that the only way to achieve sustainable growth was by pursuing thorough differentiation and adding value that our customers would find attractive.



Yasuyuki Yoshinaga
Director of the Board and
Chairman

Rather than pursuing business expansion in every market with a full range of models, we devoted the company's limited management resources to specific fields and markets where Subaru could truly demonstrate its strengths. As a result, we won many customers in North America in particular and saw substantial growth in the number of vehicles sold worldwide and our overall business performance, thereby increasing our corporate value.

On the other hand, I feel that our fundamental strength as a company failed to keep pace with this rapid growth, as we saw a rise in quality issues, besides the recent cases of improper conduct.

From here onward, I will leave the practical management of Subaru to Mr. Nakamura, the new president, while I devote myself entirely to compliance and reforming the corporate culture.

Becoming a company that truly does the right thing in the right way

I would like to offer my sincerest apologies for the concern and trouble caused to our customers and all other stakeholders as a result of the improper conduct of the final vehicle inspection process at our Gunma Manufacturing Division.

To promote reforms of the corporate culture, which was one factor contributing to these improprieties, Subaru established the "Tadashii-Kaisha" Promotion Department (Tadashii-Kaisha: A company doing the right thing in the right way) and the Compliance Office in April 2018. The "Tadashii-Kaisha" Promotion Department plans and promotes company-wide efforts and activities that will lead to building a company that is trusted even more deeply by customers and society, implements measures to prevent recurrence of similar incidents, and works exhaustively to resolve fundamental issues. The Compliance Office plans and promotes activities that will further strengthen company-wide initiatives focused on compliance with laws and regulations, as well as transforming attitudes to compliance among all employees.

Aiming for sustained improvements in corporate value

I believe that achieving sustained improvements in the Subaru Group's corporate value means increasing added value. The key to this lies in how Subaru increases the appeal of the Subaru brand. Subaru's brand power has increased substantially in recent years. However, further effort will be required to cultivate our fundamental corporate strength and evolve into a brand trusted by all. Subaru will ensure that the whole company works together on steady grassroots activities aimed at creating a solid footing for the future under the new management structure. Subaru hopes that you will continue to support Subaru.

› [Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions](#)

Our Ambition

Subaru aims to become a company that does the right thing in the right way, which is trusted by customers, society, and employees alike. Three things are essential to achieving this: engaging in the right business, the right operations and the right actions in the right way; ensuring that our activities as a company are accepted and supported by society; and enabling all employees to feel pride in their work and to grow. Through these activities, Subaru will turn the corporate culture into one in which each and every individual can readily and cheerfully speak their mind. The “Tadashii-Kaisha” Promotion Department and Compliance Office established in April 2018 are currently taking the lead in promoting specific company-wide activities to this end.

Details of Activities

1 Simultaneous Company-wide General Self-inspection

Marking the launch of activities aimed at becoming a company that does the right thing in the right way, Subaru carried out a simultaneous company-wide general self-inspection to fully lance the boil within the company and ensure that what happened in the past is never repeated. All employees stopped to check whether there were any questionable aspects of their working environment or duties and discussed improvement measures with the other members of the workplace. They are now working on measures aimed at achieving specific improvements. The management team is involved in discussing issues that are difficult for a single workplace to resolve and company-wide issues, and is working to achieve improvements in these areas.



Purchasing Division



Product & Portfolio Planning Division



Parts & Accessories Division



Aerospace Company

2 Periodic Publication of the “Doing the Right Thing in the Right Way” Newsletter

Every month, Subaru publishes a newsletter entitled “Doing the Right Thing in the Right Way” as a supplement to the company’s general in-house magazine “Shuho,” with the aim of promoting awareness and understanding of activities aimed at all employees, sharing information throughout the company, and invigorating and increasing the visibility of activities. Each department utilizes this newsletter in its efforts to achieve improvements, including using it as a trigger for discussion in the workplace.



Photo: “Doing the Right Thing in the Right Way” (covers of Vols. 1-5)

3 Making Effective Use of the Employee Attitudes Survey

Subaru conducts an employee attitudes survey among all regular employees, with the aim of becoming a company that offers greater job satisfaction and a more pleasant working environment. In FY2019, Subaru introduced questions about such matters as changes in the workplace environment through activities aimed at becoming a company that does the right thing in the right way, and the extent to which knowledge and consciousness of compliance has become firmly established, thereby operating the PDCA cycle for company-wide activities.

4 Enhancing Compliance Training

Along with our existing training programs, in FY2019, Subaru carried out Compliance Awareness Training for managers, including those from group companies, with a view to further strengthening knowledge and consciousness of compliance. Training sessions aimed at mid-ranking staff were led by the executives themselves, who talked about the importance of compliance.

Publication of “Compliance Manual: Compliance Essentials”

To foster an awareness and understanding of compliance, Subaru published “Compliance Manual: Compliance Essentials,” which features content that all employees can fully understand. Subaru has distributed “Compliance Essentials” to all employees, including those of group companies.

Making Greater Use of the Compliance Hotline

While promoting efforts to foster a corporate culture in which each and every individual can readily and cheerfully speak their mind, Subaru is working to promote greater use of the Compliance Hotline. This is a mechanism that enables staff to speak up in cases where they have difficulty in approaching a more senior staff member directly.

To make this mechanism more user-friendly for all workers, Subaru changed the name of this external helpline to the Staff Compliance Advice Line in September 2018. Subaru plans to remind all staff of this service by updating the quick reference guides and posters, and also by posting the information on the company’s intranet screen.

For details of compliance systems and activities in general, please refer to the [Compliance page](#).



Basic Concept

Subaru believes that a car is more than just a means of transport.

Subaru will foster a sustainable mobility culture by providing customers with added value in the form of products and services which make the car a partner that enriches people's lives and minds, while cherishing the human emotions of enjoyment and peace of mind.

Why It is Important to Us

The Subaru Group has contributed to increasing customers' options by respecting people's diverse values and offering distinctive products tailored to diverse forms of market value. Subaru Group believes that a car is not just a means of transport, but rather a partner that enriches people's lives by understanding and meeting their expectations.

The Subaru Group will transition from being a company making things, to a company making people smile. Continuing to cherish the human emotions of enjoyment and peace of mind experienced by each and every one of our customers, Subaru Group will develop and popularize a car culture that gives people the starring role by linking cars to changes in people's lifestyles and life stages.

> [The Process of Formulating the 6 Priority Areas for CSR](#)



The Subaru Group's Priority Areas for CSR
Resonance and Coexistence

Basic Concept

Subaru will become a company that is trusted by, and resonates and coexists with both individual customers and society as a whole by engaging seriously with their voices through greater person-to-person communication.

Why It Is Important to Us

At Subaru, when it comes to our business activities, we regard customers and local communities as some of our most important stakeholders. Over the years, Subaru has been sustained not only by our own efforts to put the customer first, but also by the efforts of many people in the communities where we do business. Subaru will form communities of resonance and coexistence to secure our sustainable growth as a company through routine communication, ensuring that our products and services resonate with and are trusted by our customers, and that Subaru's corporate activities resonate with and are trusted by the local communities in which they take place.

› [The Process of Formulating the 6 Priority Areas for CSR](#)



The Subaru Group's Priority Areas for CSR

Peace of Mind



Basic Concept

Subaru will become a company that provides all stakeholders with the utmost peace of mind.

Why It Is Important to Us

Subaru will deliver the peace of mind that cars must offer by manufacturing vehicles and providing associated services.

Subaru will tirelessly review all quality-related processes in our aim to be the No. 1 company for quality, whose products customers can rely on to last the distance. Attaching particular importance to protecting lives, Subaru will work to achieve our target of zero fatal road accidents* by 2030. In addition, we must ensure that the local communities where our plants are based know that they can rely on Subaru to offer peace of mind in our manufacturing operations. Creating safe workplace environments that offer all Subaru Group workers peace of mind is also essential. Furthermore, Subaru will contribute to resolving the problem of traffic accidents and other social issues associated with cars. Subaru will aspire to become a company that provides customers, local communities, employees, and all other stakeholders with the utmost peace of mind.

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

› [The Process of Formulating the 6 Priority Areas for CSR](#)



Basic Concept

The Subaru Group's approach to promoting diversity has two key elements: offering products that respect diverse forms of market value, and respecting and reflecting the diverse values of all those who work for the Subaru Group.

Why It Is Important to Us

Most companies today face social demand for diversity among their employees and diverse ways of working. Subaru believes that continuing to offer products that contribute to increasing options for our customers and respecting diverse forms of market value will lead to sustainable growth for the company. Achieving this requires diversity of perspective among those who work for the Subaru Group. Diversity for Subaru therefore has two key meanings: diversity in products and diversity of employees. While pursuing diversity in products, Subaru will promote diversity among all those who work for the Subaru Group.

› [The Process of Formulating the 6 Priority Areas for CSR](#)



Basic Concept

In order to pass on “The earth, the sky and nature,” Subaru’s fields of business, to future generations, we provide utmost care to the environment with our company-wide activities.

Why It is Important to Us

In FYE2018, Subaru revised its Environmental Policy, declaring that “The earth, the sky and nature” are Subaru’s fields of business, and made clear to strive for the coexistence with nature. These words encapsulate our desire to take the greatest possible care of ‘the earth, the sky and nature,’ since they are the fields in which our automotive and aerospace businesses – the pillars of our enterprise – operate. With the concept that sustainability of both society and Subaru only becomes possible with the existence of rich global environment, that is “The earth, the sky and nature,” the entire Subaru Group will make the greatest possible efforts to undertake global environmental conservation activities.

- › [CSR Priority Areas Formulation Process](#)
- › [Continuous Efforts towards CSR: Environment](#)



The Subaru Group's Priority Areas for CSR

Compliance

Basic Concept

Subaru will become a company that operates in accordance with laws, regulations, and societal norms, ensuring that our focus on compliance as a priority permeates throughout and is practiced by all those who work for the Subaru Group.

Why It Is Important to Us

Having reflected on the previous lack of awareness of societal norms in the execution of our duties, flaws in our internal rules, and the inadequate understanding of laws and regulations relevant to our operations, Subaru is keenly aware of the need to change ways of thinking and completely reform Subaru's corporate culture. Subaru will dedicate the whole of the Subaru Group to promoting initiatives focused on compliance as a priority, with the aim of ensuring that Subaru becomes a company that resonates with and inspires trust in our customers and all other stakeholders.

- > [The Process of Formulating the 6 Priority Areas for CSR](#)
- > [Management: Compliance](#)



The Subaru Group's CSR

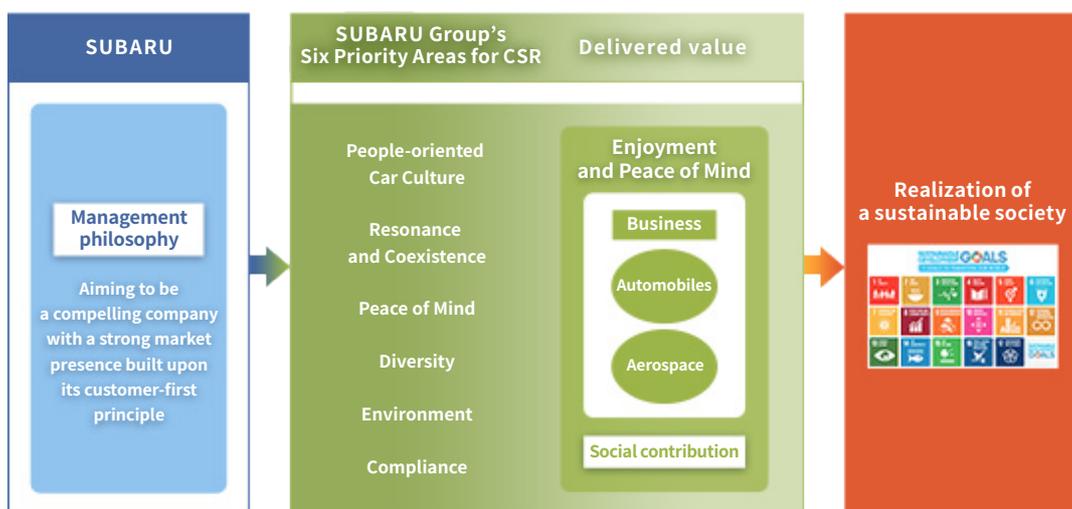
The Subaru Group engages in CSR activities with the aim of contributing to society through its business and achieving a sustainable society.

Our Approach to CSR

Challenges for society abound in Japan and overseas, such as global warming, human rights issues, and an aging and declining population, and there are rising expectations that corporations will help resolve these issues. The Subaru Group's business domain also requires initiatives on diverse themes such as reducing environmental impact, preventing traffic accidents, and alleviating traffic congestion.

Therefore, we naturally develop, manufacture, and sell products with outstanding safety and environmental performance and quality, but as a corporate citizen we also work on CSR activities to meet the needs of society and address social challenges in good faith. The Subaru Group believes that to contribute to society through our business and to meet the expectations and needs of our stakeholders amid a constantly changing social environment at a time when the automobile industry stands on the threshold of an epochal transformation, it is necessary to promote CSR initiatives globally and make them penetrate within the entire Subaru Group. Thus we reviewed the Eight CSR Action Items to date and have newly set the Subaru Group's Six Priority Areas for CSR.

By adopting the concept of the Six Priority Areas for CSR while conducting business, we will fulfill our social responsibility as a corporation and will continue to deliver "Enjoyment and Peace of Mind" to all of our stakeholders, including our customers. The Subaru Group will become a company trusted by society as a truly global company and will contribute to the creation of a more affluent and sustainable society.



Corporate Philosophy

1. We strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.
2. We aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.
3. We look to the future with a global perspective and aim to foster a vibrant, progressive company.

Corporate Code of Conduct

To carry out our corporate activities based on the corporate philosophy, we set down a corporate code of conduct to act in compliance with laws and regulations fulfilling our social responsibilities. We will continue to strive to become a company loved by all our stakeholders and contribute to making society more affluent by each employee respecting each other, respecting the corporate code of conduct and acting on the same sense of values.

Corporate Code of Conduct

1. We develop and provide creative products and services while paying sufficient attention to the environment and safety.
2. We respect the rights and characteristics of individuals.
3. We promote harmony with society and contribute to the prosperity of society.
4. We meet social norms and act honestly and fairly.
5. We maintain global perspective and aim to be in harmony with international society.

Management Philosophy

Aiming to be a compelling company with a strong market presence built upon it's customers - first principle.

CSR Policy

1. We respect the laws and regulations, human rights, international standards of behavior and the rights and morals of stakeholders under our Corporate Code of Conduct.
2. We become involved as a corporate citizen in addressing social issues facing society today.

Revised in June 2009

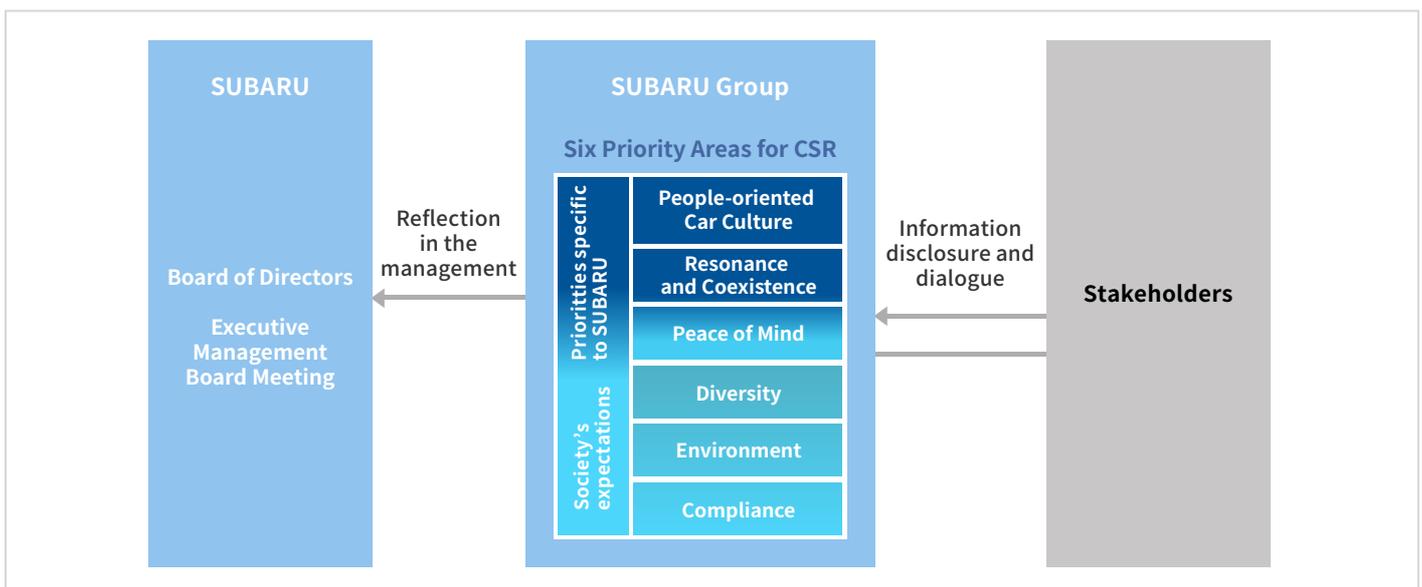
The Process of Formulating the Six Priority Areas for CSR

In formulating our new mid-term management vision STEP, Subaru Group reviewed the Subaru Group's Eight CSR Action Items for CSR initiatives and established the 6 Priority Areas for CSR: People-oriented Car Culture; resonance and Coexistence; peace of Mind; Diversity; Environment; and Compliance.

To select the priority areas, Subaru Group first identified 41 CSR priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. Finally, Subaru Group considered the areas from two perspectives: areas that enable us to contribute to society by tapping into our business strengths, and areas that meet the demands of society. As a result, Subaru Group selected People-oriented Car Culture, resonance and Coexistence, peace of Mind, and diversity as the four areas where Subaru could contribute to society by tapping into our business strengths, and peace of Mind, Diversity, Environment, and Compliance as the four areas where Subaru Group should meet the demands of society. Peace of Mind and Diversity appear in both categories, because peace of Mind is an area in which society's needs and the strengths of the Subaru Group's business coincide, while Diversity refers not only to the diversity required by society, but also to diversity in a broad sense, including in the products that Subaru Group offers to customers.

Disclosing information to stakeholders, engaging in dialogue with them, and reflecting this in the management of the business are all essential to restoring trust in our company. Accordingly, in addition to the 6 Priority Areas (6M, where M=materiality), Subaru will focus on stakeholder information disclosure and dialogue, and its reflection in the company's management (1E, where E=engagement) by undertaking 6M+1E initiatives.

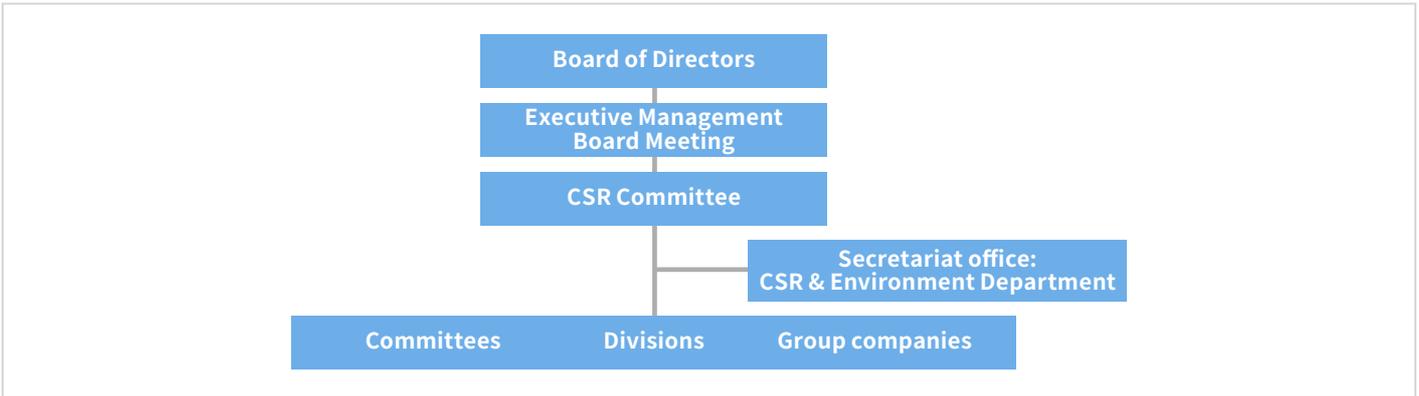
Reflecting Subaru Group's Six Priority Areas for CSR in Management



CSR Promotion System

Subaru Group sets up a CSR Committee as a venue to discuss our CSR initiatives and to confirm the status of PDCA operation of each committee and each division. The CSR Committee, headed by the Director of the Board and Chairman, is joined by all executives as members. The Committee ponders business from the social aspect and works to strengthen CSR efforts.

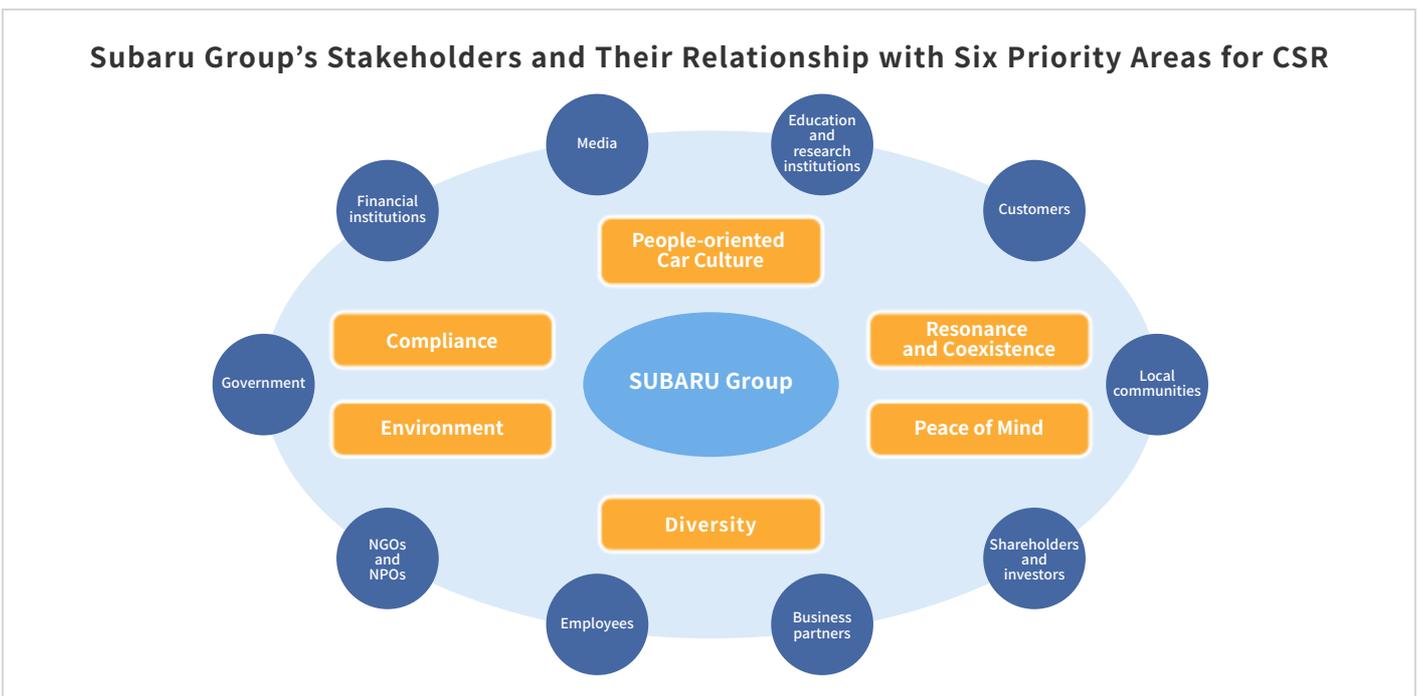
CSR Promotion System



Relationship to Stakeholders

Subaru Group believes that Subaru Group’s CSR initiatives must place importance on the relationship with stakeholders and that disclosing information to stakeholders, engaging in dialogue with them, and reflecting this in the management of the business are all essential. In order to realize our vision of becoming “A Compelling Company with a Strong Market Presence” as stated in our management philosophy, Subaru Group will continue to make efforts to gain trust from our stakeholders, and to make useful social contributions while at the same time increasing our corporate value.

Subaru Group’s Relationship to Stakeholders



The Subaru Group's Stakeholders and Communication Methods

Stakeholders	Communication Methods
Customers	Establish Subaru Customer Consultation Centers, implement satisfaction surveys, and hold events.
Shareholders/ investors	Hold shareholders meetings (annual), issue reports, release information on the Internet. Hold interviews with institutional investors and investor briefings.
Financial organizations	Release information on the Internet, make explanations at the account settlement, and hold monthly discussions.
Educational/ research institutions	Implement work place visits, implement school visit project in elementary and middle schools, and hold plant tours (about 90,000 visitors annually).
Governments	Participate in economic organizations and meetings of industrial groups, and have discussions and exchanges with local governments.
Media	Hold financial report briefings for media and analysts (quarterly), and release information on the Internet.
Employees	Hold labor-management consultations, carry out stress check and employee awareness survey, and conduct educational training by profession and class.
Business partners	Hold procurement policy briefings, practice regular exchange of information, and recognize business partners that are making major contributions in technology, quality, etc.
NGOs/NPOs	Respond to questionnaires and surveys, implement regional and social contribution activities and make donations through support of the philosophy.
Local communities	Encourage traffic safety through safety workshops and child-friendly websites. Schedule cleanup activities by employees and hold exchanges with local residents.

Initiatives toward Sustainable Development Goals

Sustainable Development Goals (SDGs) for 2030 are development goals to achieve a sustainable future, and Subaru Group recognizes the importance of responding to these goals. With regard to response to climate change, in particular, the 30% reduction of CO₂ directly emitted by the Subaru Group (Scope 1, 2) in FYE 2031 (based on the total amount compared to FYE 2017), and to the reduction of death and casualties due to traffic accidents, zero death due to accidents* in FYE2031 are our aim. As such, Subaru contribute to the creation of a sustainable society.



* 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.



Our Basic Approach to Corporate Governance

- Subaru 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 of our stakeholders by achieving sustainable growth and improving our corporate value in the medium and long term aiming to be “A Compelling Company with Strong Market Presence” based on the “Customers Come First” principle under the vision of our corporate philosophy.
- 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.
- Subaru ensures proper decision making and the oversight of corporate management and the execution of business operations as well as enhancing compliance and our risk management system through monitoring of our management and operations and advice provided by outside officers.
- Subaru implements proper and timely disclosure of information in order to improve the transparency of management.

Corporate Philosophy

1. We strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.
2. We aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.
3. We look to the future with a global perspective and aim to foster a vibrant, progressive company.

Subaru has also created the Corporate Governance Guidelines with the objective of clarifying the basic concept, framework, and operating policy of our corporate governance.

See here for the Corporate Governance Guidelines and the Corporate Governance Report.

› [Corporate Governance Guidelines/Corporate Governance Report](#)

* Corporate Governance Code used here is the one before its revision took place in June 2018. The Contents will be updated according to the revised Code before the end of December 2018.

Company Organizational Bodies

As its corporate governance system, Subaru has chosen a company with board of company auditors, in which Board of Directors and the Board of Corporate Auditors perform decision making, oversight and auditing of the execution of important business operations.

In nominating candidates for director and auditor positions, the Board of Directors seeks to bring to fruition Subaru's corporate philosophy, achieve effective corporate governance and sustainable growth, and enhance its corporate value in the medium to long term by selecting individuals with the wealth of experience, high levels of skill and insight, and advanced expertise befitting Subaru directors and auditors.

In consideration for the diversity of the Board of Directors and from the point of view of independently performing oversight and auditing of management to maintain transparency of management and improve shareholder value, several independent outside directors have been selected for the Board of Directors. In addition, internal directors are selected by comprehensively evaluating and judging experience, insight, and expertise in light of the requirements for directors derived from the corporate philosophy and management strategy.

The Board of Directors consists of 15 directors at the most, including both in and out of the company, in accordance with the Articles of Incorporation.

The Board of Directors in FYE2018 is composed of eight directors, two of whom are highly independent outside directors to further strengthen governance. The chairman of the board is concurrently served by President, not by executive officers.

The Board of Auditors is composed of four corporate auditors, two of whom are outside corporate auditors to provide objective oversight of management.

With regard to the system for the execution of business operations, important issues that require consultation with the Board of Directors are thoroughly discussed at the Executive Management Board Meeting, which deliberates on company-wide management strategy and the execution of key business operations. In addition to employing an executive officer system and establishing Executive Meeting as decision-making function of business divisions, an in-house company system has been introduced for the Aerospace business division with the aim of clarifying responsibility and speeding up execution of its business operations.

Policy on Selection of Executive Officers and Appointment of Candidates for Directors and Auditors

Appointment of candidates for directors and auditors and selection of executive officers is carried out taking into consideration the experience, ability, insight, and expertise required to perform as our directors/auditors and executive officers so that our company philosophy and effective corporate governance as well as sustainable growth and improvement of corporate value over the medium and long term are realized.

In consideration for the diversity of the Board of Directors and from the point of view of independently performing oversight and auditing of management to maintain transparency of management and improve shareholder value, several independent outside directors have been selected for the Board of Directors.

Executives Appointment Committee

In order to maintain fairness and transparency in the process for nominating directors and corporate auditors, the Executives Appointment Committee deliberates on the nomination, reports the names of candidates determined by unanimous vote by the members of the committee to the Board of Directors meeting, and they are finally decided by resolution of the Board of Directors. For each candidates, their background, key posts held concurrently, insight and roles they are expected to play at Subaru are explained. Upon appointment of nominee for corporate auditors, consent of the Board of Auditors is obtained.

The Committee is made up of Representative Director, Director in charge of Secretarial Office, and External Directors, and Chairman serves as its chairman (in case when there is no Chairman or of accident, the President).

The committee met twice in FYE2018 and made recommendations mainly on the structure of executives, personnel and the roles for each, and on representative personnel for important subsidiaries.

Outside Directors: Reasons for Selection and Main Activity Status (FYE2017)

Name	Independent Director*1	Reasons for Selection and Main Activity Status in the Current Period	Number of Meetings Attended		Key Posts Held Concurrently*2
			Board of Directors	Board of Auditors	
Outside Directors					
		Mr. Komamura's term of office as an independent outside director of Subaru will be three years at the conclusion of the 87th Ordinary General Meeting			

<p>Yoshinori Komamura</p>	<p>○</p>	<p>of Shareholders. Based on his involvement in corporate management as a Representative Director of Komatsu, Ltd., Yoshinori Komamura has used his abundant experience and extensive knowledge as a business manager and deep insight into corporate social responsibility to provide useful advice on the management of Subaru. The company therefore selected him to continue in his post as outside director in the belief that he is capable as a director and should be able to contribute to maintaining and improving transparency and soundness in our business operations, as well as to reinforcing corporate governance, through his advice from an independent standpoint on all aspects of Subaru's management.</p>	<p>17 of 17</p>	<p>-</p>	<p>Advisor, Komatsu Ltd. Member of the Board, Institute for Strategic Leadership (ISL)</p>
<p>Shigehiro Aoyama</p>	<p>○</p>	<p>Mr. Aoyama's term of office as an independent outside director of Subaru will be two years at the conclusion of the 87th Ordinary General Meeting of Shareholders. Based on his involvement in corporate management as a Representative Director of Suntory Holdings, Ltd., Shigehiro Aoyama has used his abundant experience and extensive knowledge as a business manager and deep insight into corporate social responsibility to provide useful advice on the management of Subaru. The company therefore selected him to continue in his post as outside director in the belief that he is capable as a director and should be able to</p>	<p>17 of 17</p>	<p>-</p>	<p>Senior Advisor, Suntory Holdings, Ltd. External Director, Takamatsu Construction Group, Co., Ltd. President, The Distribution Economics Institute of Japan Director, Japan Marketing Association</p>

		contribute to maintaining and improving transparency and soundness in our business operations, as well as to reinforcing corporate governance, through his advice from an independent standpoint on all aspects of Subaru's management.			
Outside Corporate Auditors					
Shinichi Mita	○	Mr. Mita's term of office as an independent outside corporate auditor of Subaru will be three years at the conclusion of the 87th Ordinary General Meeting of Shareholders. Shinichi Mita has experience of both the supervisory and executive aspects of corporate management as a Director of Kao Corporation and knowledge gained from such experience. In particular, he has extensive insight into accounting and finance in corporate activities. The company therefore judged him to be the right person for the post of outside corporate auditor.	17 of 17	12 of 12	Advisor, Mizuho Capital Partners Co., Ltd. Member of the Board, Japan Association for Chief Financial Officers (JACFO)
Yasuyuki Abe	○	Mr. Abe's term of office as an independent outside corporate auditor of Subaru will be two years at the conclusion of the 87th Ordinary General Meeting of Shareholders. Having been involved in both the supervisory and executive aspects of corporate management as Senior Managing Executive Officer, Member of the Board of Sumitomo Corporation, Yasuyuki Abe has abundant experience and extensive knowledge as a business manager. Based on the above, the company selected him as	15 of 17	11 of 12	Advisor, Sumitomo Corporation Director of the Board (External) (Chair of the Board of Directors), JVC KENWOOD Corporation Advisor, ORANGE AND PARTNERS CO., LTD.

	<p>the right person for the post of outside corporate auditor at Subaru, expecting at the time of his appointment that he should be able to fulfill the relevant duties appropriately.</p>			
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During the aforementioned outside executives' period of office, Subaru's Gunma Plant was found to be operating inappropriately, with personnel who were not qualified as final vehicle inspectors performing final inspections, while measurements and data were inappropriately altered in a sample test of fuel efficiency and gas emissions in the final inspection process. In addition, measurements taken under inappropriate testing conditions – specifically trace errors, in which the vehicle's speed deviated from the prescribed test mode, and humidity errors, in which the humidity in the inspection room deviated from the stipulated margins – were treated as valid data. These individuals had no prior knowledge of such facts and were routinely providing advice on the importance of compliance and internal control based on their abundant experience and extensive knowledge. After the facts were revealed, they fulfilled their responsibilities by, for instance, receiving reports as needed on the progress status of the investigation into relevant facts to understand the situation, responding appropriately to requests and so on from the Ministry of Land, Infrastructure, Transport and Tourism in a timely manner, further enhancing and ensuring compliance, and seeking the implementation of appropriate measures to prevent the recurrence of similar problems.*³

- *1 Outside directors and outside corporate auditors who do not pose a risk of a conflict of interest with the ordinary shareholders as stipulated by the stock exchange
- *2 As of March 31, 2018
- *3 Please refer to "[Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions](#)" for information about the impropriety concerned.
- * Please refer to the [Corporate Governance page](#) on Subaru's website for the Corporate Governance Guidelines (attachment: Independence Standards for Outside Executives) and the Corporate Governance Report.

Executive Compensation Committee

Total compensation for directors was resolved to be no more than 1.2 billion yen (of which 200 million was earmarked for external directors) per year at the 85th Ordinary General Meeting of Shareholders held on June 28, 2016. Within this amount, the Executive Compensation Council entrusted by the Board of Directors decides on the specific amounts.

The Committee is made up of Representative Director, Director in charge of Secretarial Office, and External Directors, and Chairman serves as its chair (or by the Representative Director of the Board and President, in the event of an accident or the company having no Chairman).

The Executive Compensation Committee set compensation by considering compensation standards of other corporations that are suitable for comparison, compensation of employees at Subaru, social conditions, and assessment of executive officers' performance.

Compensation of directors is determined based on the following:

- An appropriate, fair, and well-balanced level commensurate with the directors' roles and responsibilities.
- A system that takes into account the need to secure outstanding personnel and motivate them to achieve sustained improvements in corporate performance and corporate value.

Specific compensation consists of the following items. Note that standards for each item are set according to corporate responsibilities and are differentiated between internal and external status by using survey data from external expert institutions. The total for the "Long-term Incentives" has an upper limit of 200 million yen per year.

(1) Basic compensation	Fixed portion amount based on position held and taking into consideration the business environment, etc.
(2) Short-term performance based compensation	Performance based portion based on consolidated ordinary income results and taking into consideration ROE*, capital adequacy ratio improvement, human resources development, business environment, etc.
(3) Long-term incentives	Compensation for granting shares with transfer restriction to provide incentive for sustained improvement of corporate value and to further enhance value sharing with shareholders.

Note that external directors do not qualify for the above (2) or (3) considering their role of independently performing oversight and auditing of management.

Total compensation for auditors was resolved to be no more than 100 million yen per year at the 75th Ordinary General Meeting of Shareholders held on June 27, 2006. Within this amount, the basic compensation to be paid is determined based on the rank with consideration to business environment, etc.

The committee met twice in FYE2018 to deliberate on compensation systems, and performance-based compensation for directors (excluding external directors) and executive officers was determined based on evaluations. In addition, individual claims for monetary compensation associated with the stock transfer compensation system with a transfer restriction was determined.

* ROE : Return On Equity

Total Compensation, etc. of Directors and Auditors by Category

Classification	Number	Total Compensation, etc. (million yen)			
		Basic Compensation (monthly fixed sum)	Performance-based Compensation		
			Short-term Performance-based Compensation	Long-term Incentive	
Directors (excluding outside directors)	8	298	151	37	486
Auditors (excluding outside auditors)	2	56	-	-	56
Outside Directors	4	46	-	-	46
Total	14	400	151	37	588

* The table above includes two directors appointed before the final day of this financial year. As of the end of this financial year, there are 8 directors (2 of whom are outside directors) and 4 corporate auditors (2 of whom are outside corporate auditors).

Policies for Cross-shareholding

In the case of major listed shares held for policy purposes, Subaru's Board of Directors will review whether or not these shareholdings contribute to the corporate management of the company in the medium to long term by examining economic rationality on a risk-return basis, while giving overall consideration to such factors as medium- to long-term improvements in corporate value, their importance from the perspective of business strategy, and relationships with business partners. As of the end of March 2018, Subaru's equity investments for purposes other than investment alone amounted to 49 securities, which are recorded in the balance sheet as being worth a total of 9.371 billion yen.

Subaru's Shareholdings for Purposes Other Than Investment Alone: Number of Securities and Total Value as Recorded in the Balance Sheet

Category	FYE2015	FYE2016	FYE2017	FYE2018
Number of Issues (Securities)	91	63	62	49
Value Listed on Balance Sheet (million yen)	39,055	28,764	13,339	9,371

Preventing Conflicts of Interest Involving Members of the Board of Directors

- The approval of the Board of Directors is obtained in advance where a transaction poses the risk of a conflict of interest.
- A report on the positions that each director has held concurrently over the past financial year is provided once a year at the April meeting of the Board of Directors (A report to confirm that there have been no improper transactions or positions held concurrently that would hinder the performance of their duties).

Participation of Directors (Overview of the last five years)

	FYE2014	FYE2015	FYE2016	FYE2017	FYE2018
Number of Meetings	17	14	15	15	17
Attendance rate	82.4%	100%	96.3%	96.3%	99.0%

*The attendance rates for the newly appointed directors is calculated for board of directors meetings held after the appointment.

In order for them to fulfill their responsibilities, study groups are held for directors and auditors so that they can continually provide the information and knowledge related to industrial activities that are required to give oversight to management. In addition, in order to provide information continuously to the external directors on Subaru's management philosophy, corporate culture, and management environment, opportunities are provided for plant tours and business reports from the executive departments and an environment to encourage sharing of information and the exchanging of ideas among executives has been established.

Summary of the Results of Effectiveness Evaluation of the Board of Directors

In accordance with the Corporate Governance Guidelines, the Board of Directors analyzes and evaluates its effectiveness and examines and implements improvement measures to tackle the issues identified. In response to the improper conduct that occurred during final vehicle inspections during the current period, the focus of questions was revised to ensure that the effectiveness of the supervisory functions of the Board of Directors was evaluated in greater detail. The results are reported below.

Timing: March 2018

Respondents: All directors and all corporate auditors (12, including outside directors)

Method: Self-appraisal using a questionnaire drawn up by a third-party body

- (1) Third-party body conducts an anonymous self-appraisal questionnaire among all directors and corporate auditors.
- (2) Third-party body collates and analyzes results.
- (3) Board of Directors reviews and discusses the report received from the third-party body.

Focus of questions

- 1) Operational structure of the Board of Directors
- 2) Supervisory functions of the Board of Directors
- 3) Dialogue with shareholders

Results of evaluation

- As in the past, the evaluation found that frank discussion from a company-wide perspective took place at meetings of the Board of Directors, based on mutual understanding among the members and under the leadership of the Chair.
- It found a shared awareness that matters such as the scale of the Board of Directors, the proportion of outside directors, the suitability of members of the Executives Appointment Committee and Executive Compensation Committee, and the sharing of the views of shareholders and investors were all appropriate.
- Matters where future improvements or enhancements in function were anticipated include the strengthening of the Board of Directors' systems for identifying and managing risk, as well as enhanced discussions about medium- to long-term management strategy.

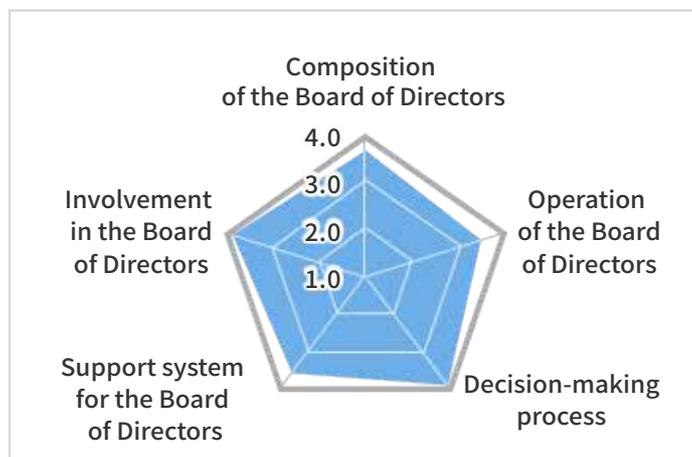
Future initiatives

- As well as discussion of medium- to long-term management strategy, the Board of Directors was found to be focusing its efforts on further strengthening its systems for identifying and managing risk by striving to ensure that measures to prevent recurrence of impropriety are executed thoroughly.
- On April 1, 2018, Subaru established the "Tadashii-Kaisha" Promotion Department (Tadashii-Kaisha: A company doing the right thing in the right way) and the Compliance Office with the objective of enhancing initiatives to address the legislative compliance and corporate culture reform issues faced by Subaru. The evaluation found that the Board of Directors intended to regain the trust of shareholders by keeping a close eye on activities throughout the group, primarily via these organizations.

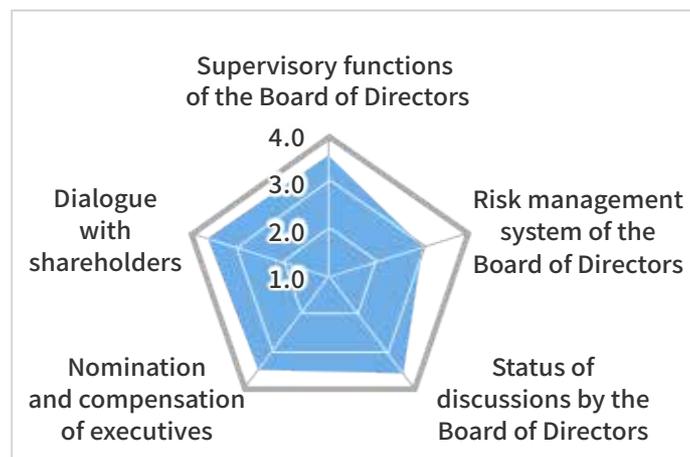
The Board of Directors will continue to undertake these evaluations of its effectiveness in the future, thereby promoting efforts to improve the functions of the Board of Directors, enhance corporate governance, and achieve ongoing increases in corporate value.

Collated Results of the Questionnaire

Operational structure of the Board of Directors



Supervisory functions of the Board of Directors and dialogue with shareholders

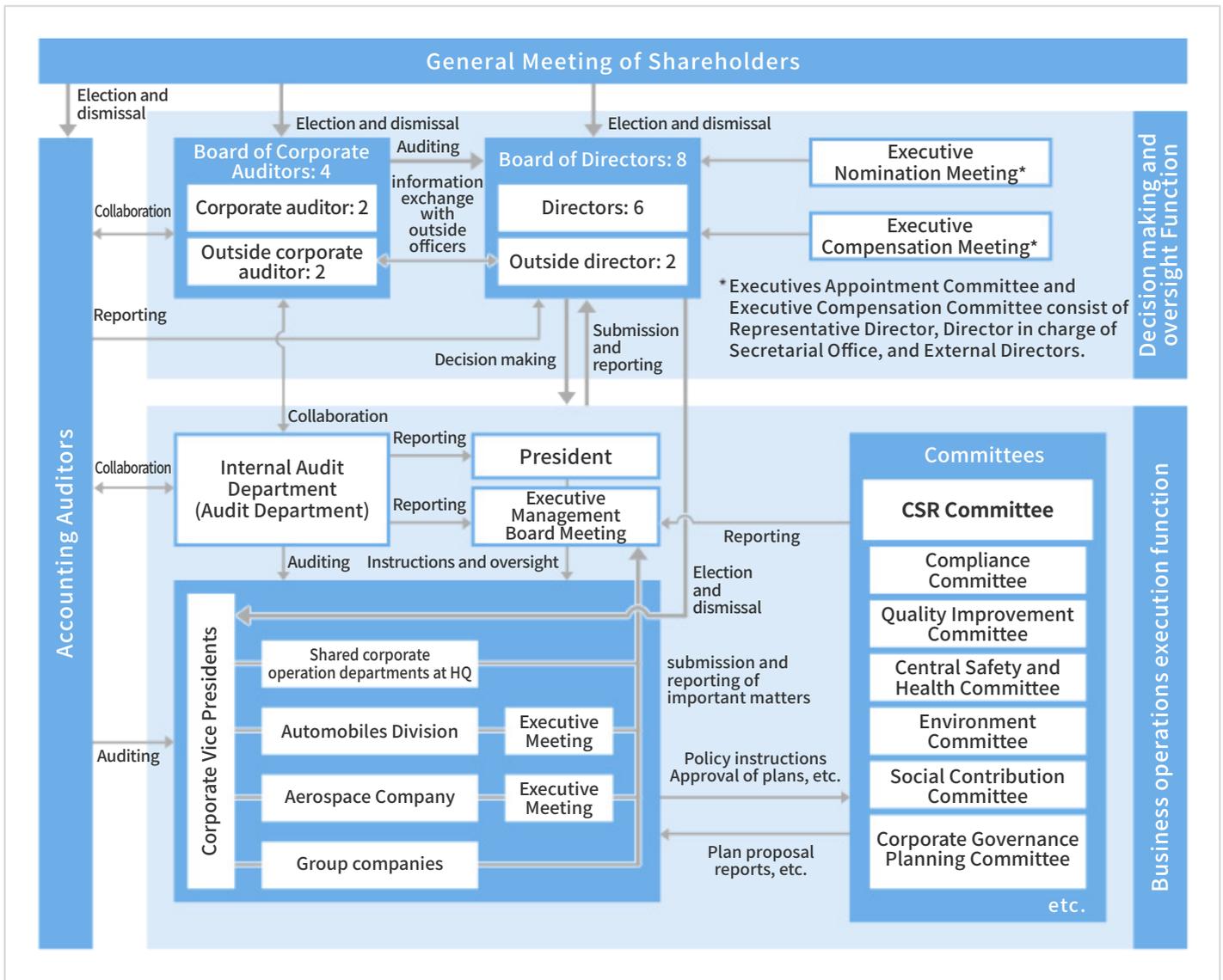


Focus of Questions

Category	Diagnostic Item		
I. Operational structure of the Board of Directors			
(1) Composition of the Board of Directors	Scale of the Board of Directors	Composition of the Board of Directors (ratio of inside to outside directors)	Composition of the Board of Directors (diversity and expertise)
(2) Operation of the Board of Directors	Frequency, length, and time allocation of meetings	Relevance of agenda items	Quality and quantity of documents
	Timing of document distribution	Prior explanation	Content of explanations and reports
(3) Decision-making process	Leadership by the Chair	Adequate discussion	-
(4) Support system for the Board of Directors	Environment and systems for the provision of information	Provision of information to outside directors	Training of outside directors
	Training of inside directors	-	-

(5) Involvement in the Board of Directors	Attitude to initiatives	Company-wide perspective	Mutual respect
	Diverse values	Stakeholder perspectives	-
II. Supervisory functions of the Board of Directors			
(1) Supervisory functions of the Board of Directors	Reporting system	Supervision of corporate management	-
(2) Risk management system of the Board of Directors	Risk management system	Subsidiary management system	Provision of information and measures to combat risk
	System for managing progress of response measures	Penetration of compliance awareness	-
(3) Status of discussions by the Board of Directors	Discussion of management strategy	Discussion of capital policy	Discussion of cross-shareholdings for policy purposes
	Discussion of strengthening governance	Response to social and environmental problems	-
(4) Nomination and compensation of executives	Composition of the Executives Appointment Committee and Executive Compensation Committee	Cultivating successors	Incentive compensation
III. Dialogue with shareholders			
(1) Dialogue with shareholders	Sharing the views of shareholders and investors	Enhancing dialogue with shareholders and investors	-

System of Corporate Governance



Development of Internal Control Systems

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.

Status of Internal Audits and Auditing by Corporate Auditors

Subaru has established the Audit Department as an internal auditing organization to implement planned audits of the execution of business operations in each in-house department as well as Group companies inside and outside Japan. At the beginning of the fiscal year, the Department coordinates its internal audit plan for the fiscal year taking into consideration the internal audit status of the entire group, and implements it as planned. The Audit Department creates a report on the results of internal audits and delivers it to directors, corporate auditors and concerned personnel, and report it quarterly at the Executive Management Board Meeting. Subaru's corporate auditors attend meetings of the Board of Directors and other important meetings, visit work sites, investigate subsidiaries, hear opinions from the internal audit department, and audit the execution of duties by the directors and others, based on the audit policy and audit plan established by the Board of Corporate Auditors.

Subaru's Audit Department and corporate auditors strengthen their collaboration and auditing function by holding monthly internal audit reporting meetings to hear the results from the Audit Department as well as quarterly opinion exchanges among them on the status of internal control activities. The Audit Department and corporate auditors also endeavors to strengthen the auditing function by exchanging opinions on the quarterly basis with Accounting Auditors.

> [Message from the Outside Directors](#)  PDF/90kB

Evaluation of the Internal Control System Related to Financial Reporting

Regarding internal control reporting systems pursuant to the Financial Instruments and Exchange Act, the evaluation of the internal control system related to financial reporting is dated the final day of the consolidated accounting period and is conducted in accordance with generally accepted assessment standards for internal control over financial reporting.

The President & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) evaluated the status of the development of the internal control system related to financial reporting as of March 31, 2018 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.



Basic Concept and Policy

In the light of the cause and the background of cases of improper conduct involving final vehicle inspections revealed in FYE2018 at our company, Subaru is committed to building a company that does the right thing in the right way. Subaru views compliance to be a key responsibility of management and firmly believe that only through company-wide implementation of compliance can our business have a strong foundation. Subaru is striving to make every employee not merely comply with laws, regulations and internal rules required of us in our business activities but also engage exhaustively in fair and just corporate activities in accordance with morals, common sense, and norms of society, in order to regain trust of all our stakeholders including customers and those concerned.

Corporate Code of Conduct and Conduct Guidelines

Subaru has established a Corporate Code of Conduct and Conduct Guidelines as standards to help ensure its corporate activities to be in compliance with laws and regulations. In FYE2018, in order to further promote compliance as a group, Conduct Guidelines have been revised, and changes are explained in detail in the Compliance Manual given to all employees of the Subaru Group to help them maintain thorough compliance in their daily actions.



Compliance Manual

What is Corporate Code of Conduct?

The Corporate Code of Conduct stipulates the basic guidelines that all officers and employees should follow in relation to stakeholders, including customers, suppliers, shareholders, and society, based on Subaru's corporate philosophy.

What is Conduct Guidelines?

The Conduct Guidelines specifically stipulate the standards of conduct for all officers and employees in order to put the basic guidelines indicated in the Corporate Code of Conduct into practice in the course of their daily business activities.

Corporate Code of Conduct

1. We develop and provide creative products and services while paying sufficient attention to the environment and safety.
2. We respect the rights and characteristics of individuals.
3. We promote harmony with society and contribute to the prosperity of society.
4. We meet social norms and act honestly and fairly.
5. We maintain global perspective and aim to be in harmony with international society.

Compliance Regulations

Subaru established the Compliance Regulations in 2001 after approval of the board of directors. These regulations contain basic compliance policies, which provide for the system, organization, and operational methods related to corporate compliance. In FYE2018, Subaru checked and reviewed how these regulations have been operated since its establishment, identified a gap between the regulations and the actuality, and finally revised the regulations based on our findings after deliberating at Compliance Committee and gaining approval of board of directors.

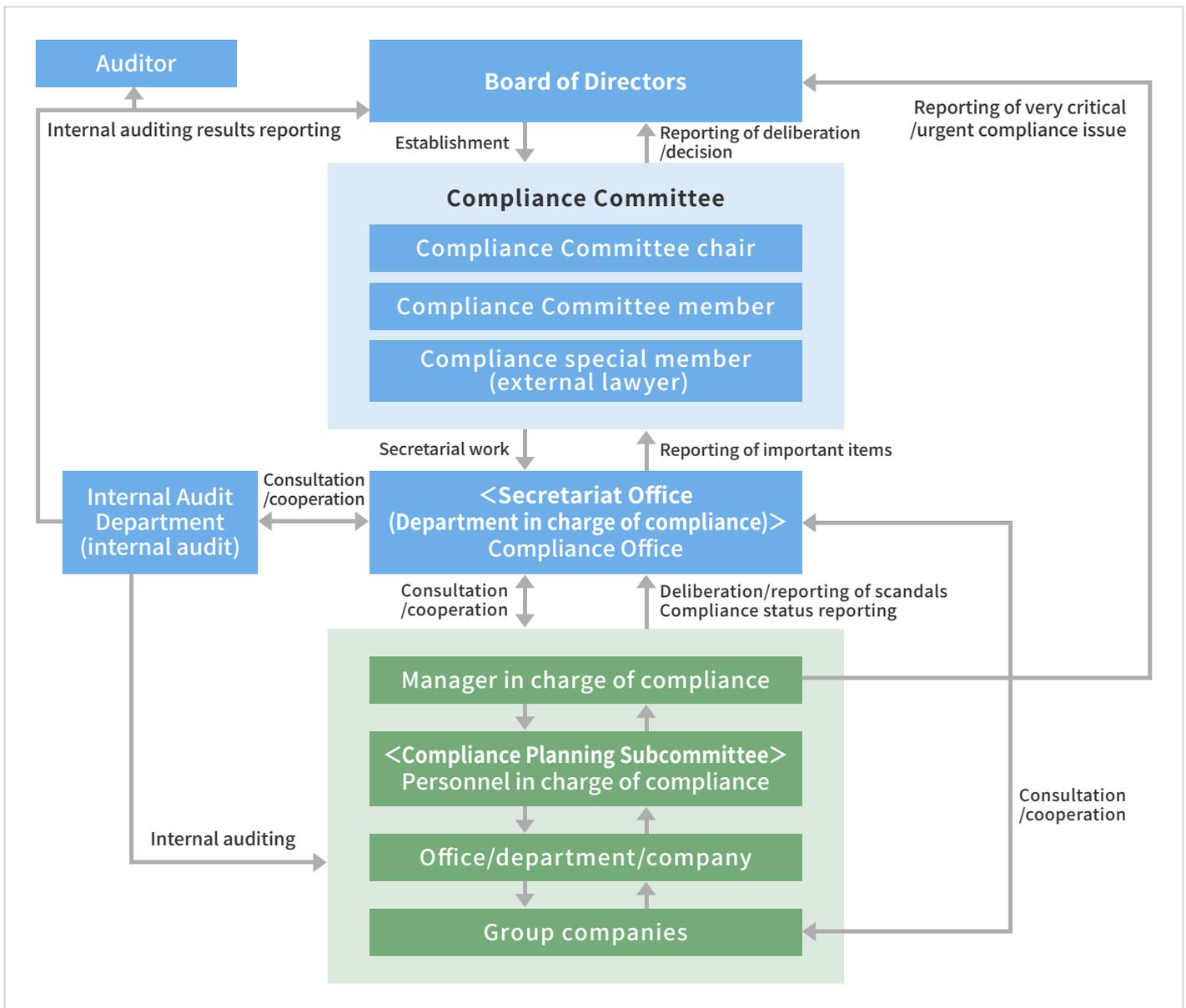
Compliance System/Organization and Administration

The Compliance Committee, a company-wide committee, has been established to promote corporate compliance, and it conducts deliberations and discussions, renders determinations, and encourages the exchange of information on key compliance issues. Every year, each department plans its own compliance program, continuously and autonomously implementing compliance initiatives. With the occurrence of cases of improper conduct involving final vehicle inspections at Subaru, Chairman Yasuyuki Yoshinaga (*who was the President until June 22, 2018) is serving as the chair of the Compliance Committee in FYE2019, drastically reviewing compliance initiatives and ensuring their implementation.

Establishment of Compliance Office

Committed to never again repeat the same mistake Subaru made with the cases of improper conduct involving final vehicle inspections revealed in FYE2018, Subaru has established in FYE 2019 the Compliance Office as an independent entity to enhance our efforts towards company-wide compliance to laws and regulations. The Office serves as the Secretariat to the Compliance Committee, and is mainly in charge of the following:

- Planning, designing, and implementing compliance promotion activities of the entire Subaru Group
- Implementing compliance training, education, and in-house awareness raising activities for the entire Subaru Group, and operating Compliance Hotline, an internal reporting system of the Subaru Group that makes reporting easier for everyone



Compliance Hotline System

In addition to discussing with their supervisors any compliance issues they encounter, the Subaru Group employees and temporary employees have the option of using the Compliance Hotline and reporting issues directly to the Hotline Desk.

The Hotline Desk is located in the company, and after receiving information via mail, telephone, or email, employees assigned to the Hotline Desk research situations and take appropriate actions based on Subaru's internal rules. The names and departments of those making reports are kept strictly confidential unless their consent is given to prevent reprisals.

Since April 2008, an external specialist company has provided service to the Hotline Desk in the form of an outside service, allowing the Compliance Hotline to extend its hours and helping to ensure the confidentiality of the names and departments of those making reports. The result has been greater ease of use for those making use of the hotline.

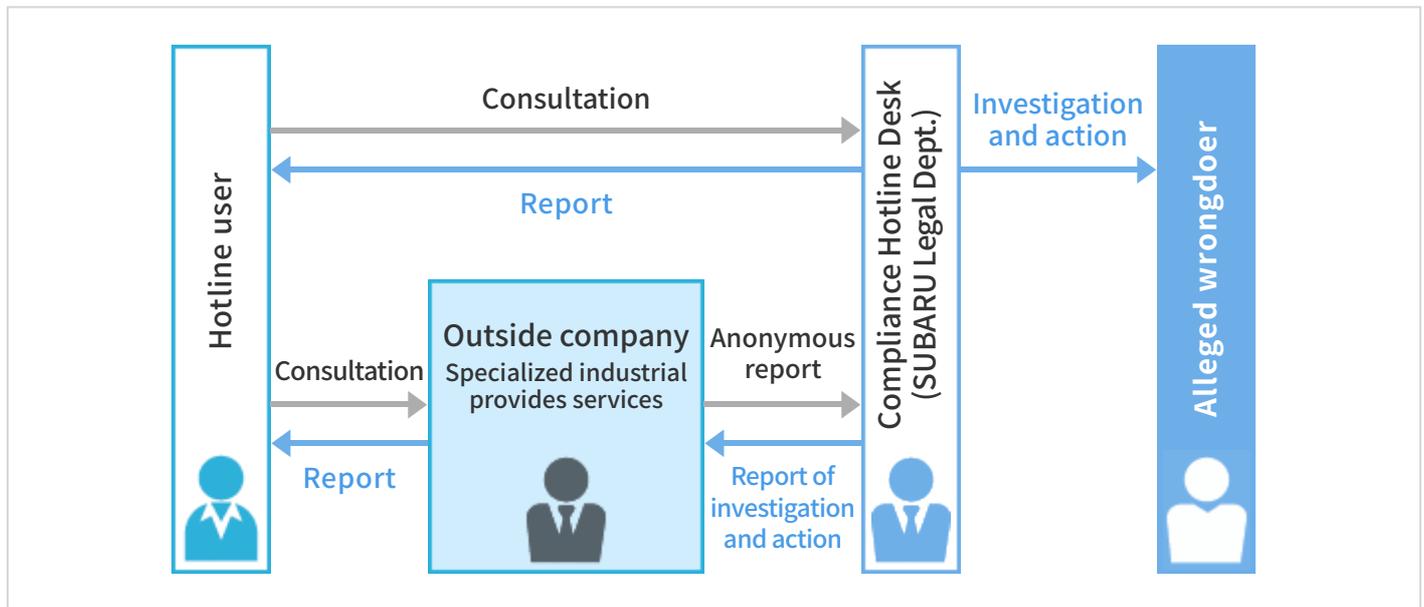
The number of consultations to Compliance Hotline in FYE2018 was 163 and its breakdown is as follows. In order to respond to these issues, Subaru looks into the facts carefully with Legal Department General Manager (since FYE2019, Compliance Office Manager due to change in responsibilities) being mainly in charge of resolving problems as quickly as possible. Also, they are reported to the management or Compliance Committee as necessary to prevent recurrence.

Furthermore, to disseminate the existence of the hotline system, Subaru has distributed cards which display the workings of the system and the contact details for the hotlines to the Subaru Group employees while at the same time putting up posters in workplaces. In addition to including explanations of the services provided by the external specialist company on the posters, Subaru has posted the information on the in-house intranet screen.

Breakdown of Consultations to Compliance Hotline by Issue

Theme	No. Reported
Work environment	10
Labor-related	49
Human relationship, harassment	58
Compliance, business violation, wrongful act	46

Compliance Hotline (Flow from consultation to solution)



Compliance Hotline Card

Compliance Activity Achievements

Compliance Training

Based on the belief that Subaru and all its group companies need to join forces and work in harmony to ensure thorough implementation of compliance, Subaru provides compliance training and practical legal training for employees of all group companies. This training is hosted by Subaru's Legal Department, Compliance Office (established in April 2018), and human resources/education departments. Also, each department or group company has their own unique education programs built into their compliance programs and complements the above trainings by holding study meetings on legal matters required in their jobs and compliance motivation training with personnel from Subaru Legal Department as lecturers.

In FYE2018, a total of about 4,500 persons participated in these trainings which Legal Department hosted or was involved in.

Subaru also prepares and provides various support tools, including those for Subaru, and those specifically intended for group companies and domestic Subaru dealers, to promote compliance in day-to-day operations. Urgent information is released on a timely basis in our “Compliance Information” to alert the entire group. In FYE2019, Subaru carried out Compliance Awareness Training for managers, including those from group companies, to share cases of and background to improper conduct involving final vehicle inspections at Subaru and to promote efforts never to let such improper conduct to happen at each sections. Going forward, Subaru plans to re-establish our operating rules firstly for those sections with high legal risks, and expand the scope of participants in the compliance trainings to implement continuous education of employees. Subaru has also distributed the Compliance Manual-Essential Version to all employees.



Compliance Training (Head Office)



Compliance Manual-Essential Version

Anti-corruption Initiatives

Subaru has compiled the Anti-corruption Guidelines (in Japanese and English) to prevent corruption and distributed them to the entire Subaru Group including domestic and foreign affiliated companies. The in-house Compliance Manual for domestic and overseas Group companies describes the prohibition on bribery and completeness in fair trade.

In addition, the Anti-corruption Guidelines for China (with Chinese translation) that takes into consideration the social circumstances unique to China have also been established, distributed to the Chinese subsidiaries, and are now being stipulated as rules in those companies.



Risks Associated with Business Activities

At the Subaru Group, Subaru believes that Subaru can minimize the impact of risks associated with our business activities by gaining an understanding of those risks and addressing them appropriately. Accordingly, Subaru identifies key risks and consider measures to combat them.

The risks relating to the state of our business and accounting that could have a major impact on investor decisions are listed below.

Please note that this is not an exhaustive list of all risks relating to the Subaru Group.

- (1) Economic trends
 - (2) Exchange rate fluctuations
 - (3) Dependence on specific businesses
 - (4) Fluctuations in market valuation
 - (5) Purchase of specific raw materials and parts
 - (6) Protection of intellectual property
 - (7) Product defects
 - (8) Retirement benefit obligation
 - (9) Environment-related legal regulations
 - (10) Impact of disasters, war, terrorism, strikes, etc.
 - (11) International business activities
 - (12) Information security impacts
 - (13) Compliance and reputation
-

Status of Development of Risk Management System

At Subaru, the Corporate Planning Department, which plays a central role in the common functions of each business, and other company-wide shared corporate operations departments maintain close links with each department and company to enhance risk management.

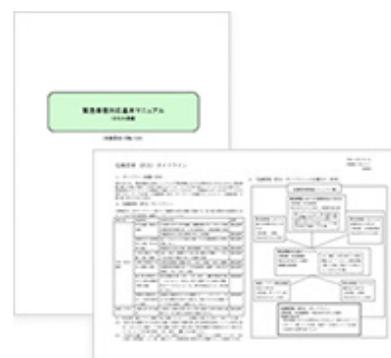
In addition, the Audit Department performs planned audits of each department and Group company. Subaru has also created and operates a system and organization to ensure compliance, which is the foundation of risk management, in order to assist with the development of the internal control system. Subaru has established the Compliance Committee which deliberates, discusses, determines, exchanges information, and liaises on important compliance issues to promote the implementation of company-wide compliance.

Subaru has assigned a compliance officer and compliance staff for each department and company to organize a system that meticulously implements compliance at each workplace. Subaru also systematically provides education and training for officers and employees on a routine basis as well as raising awareness about compliance through such means as in-house publications as necessary. Furthermore, in order to promote the implementation of compliance in the Subaru Group, Subaru conducts education and training and provide information through in-house publications for Group companies in addition to raising the effectiveness of these activities through the participation of Group companies in the Subaru internal reporting system (Compliance Hotline.)

On April 1, 2018, Subaru established the “Tadashii-Kaisha” Promotion Department (Tadashii-Kaisha: A company doing the right thing in the right way) and the Compliance Office with the objective of enhancing initiatives to address the legislative compliance and corporate culture reform issues faced by Subaru.

Crisis-level Risks

Subaru defines risk as uncertain elements with the potential for negative impact on our business operations. While there are many types of risk, Subaru calls those risks that are particularly dangerous to our business operations and that Subaru cannot handle through regular decision-making channels “crisis-level risks” and categorize them as follows: natural disaster, accident, internal human factors, external human factors, social factors (domestic, overseas), and compliance. Subaru has created manuals for dealing with each type of emergency, which delineate what communication channels are to be used once a risk is recognized, how to form crisis management headquarters, and other methods to follow to respond optimally to the situation.



Our emergency response procedure manual and crisis management (disaster prevention) guidelines

Establishment of Location-specific BCP

With the goal of minimizing any reduction of service to customers and preventing loss of market share and corporate value, Subaru has created a Business Continuity Plan (BCP) for each business unit to maintain Subaru's business operations or to restore them as quickly as possible in the event of an emergency.

In FY2017, our Emergency Task Force has conducted an initial response training in cooperation between our Head Office and other offices assuming the occurrence of large scale earthquake. In FY2018, Subaru reviewed and recompiled manuals concerning the initial response at the time of emergency. Subaru will continue the training and confirm and review our BCPs. By doing this, should our resources (employees, physical assets, monetary assets) be affected by an emergency, Subaru will be able to leverage our remaining resources to minimize the shutdown of priority operations and restore all operations to their original state as quickly as possible.

* BCP : Business Continuity Plan

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.

Information Security Protection Initiatives

In promoting the Subaru Group's CSR, the use of digital data is essential to our sustainable development. They are used in diverse realms, from conventional IT systems to facilities, products, and the whole range of services that Subaru offers.

As Subaru is aware of our social responsibility to handle digital data in these realms safely, Subaru has established our Basic Cybersecurity Policy to earn the trust of our customers and society as a whole and are undertaking information security protection activities.

Basic Cybersecurity Policy

[Objective]

Subaru Corporation and its group companies (referred to below 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, standards, and security-related contractual obligations to our customers.
2. The Subaru Group will put in place and operate management systems and internal regulations concerning cybersecurity.
3. The Subaru Group will establish information security measures tailored to our information assets and strive to prevent and minimize information security incidents. Should such an incident occur, Subaru will address it swiftly and appropriately, taking steps to prevent recurrence.
4. The Subaru Group will strive to ensure information security by providing both executives and employees with education and training, as well as undertaking other efforts to raise their awareness of this issue.
5. The Subaru Group will continually review and strive to improve the aforementioned activities.

Established in June 2018

Personal Information Protection Initiatives

To comply with the Personal Information Protection Act, Subaru has reviewed its internal systems and rules and publicly disclosed its privacy policy.

In particular, since Subaru dealers in Japan handle a wide range of customer information, Subaru has reviewed the compliance of each of the 44 dealers, including affiliated companies, with our rules and created a Personal Information Protection Handbook for Subaru Dealers. In this way, Subaru is working to ensure that all employees understand the importance of protecting personal information.

Also in accordance with implementation of the revised Personal Information Protection Act in May 2017, Subaru reviewed our existing systems and regulations, and decision-making method regarding personal information protection and changed our operation. Subaru is still now in the process of reviewing the systems of personal information protection and of creating different tools.

In addition, at our headquarters in Europe, in accordance with the implementation of General Data Protection Regulation (GDPR), Subaru is in the process of reviewing our privacy policy, compiling rules and regulations, and establishing systems.



Compliance Handbook for the Staff of Subaru Dealers

Intellectual Property Protection Initiatives

After identifying our strengths and weaknesses, Subaru has put together a vision for Subaru's intellectual property activities that focuses on tapping into our strengths in mass-production niches. Using this approach, Subaru is promoting intellectual property activities that make a positive contribution to our earnings, guided by the following three-point basic policy.

Basic Intellectual Property Policy

1. Throughout Subaru, Subaru will dedicate ourselves to creating intellectual property that generates turnover and deploying effective intellectual property rights
2. Subaru will respect the intellectual property rights of others and work thoroughly for patent clearance in product development
3. Subaru will appropriately manage our intellectual property portfolio to protect and enhance our brand

Established in April 2017

Intellectual Property Protection and Risk Management

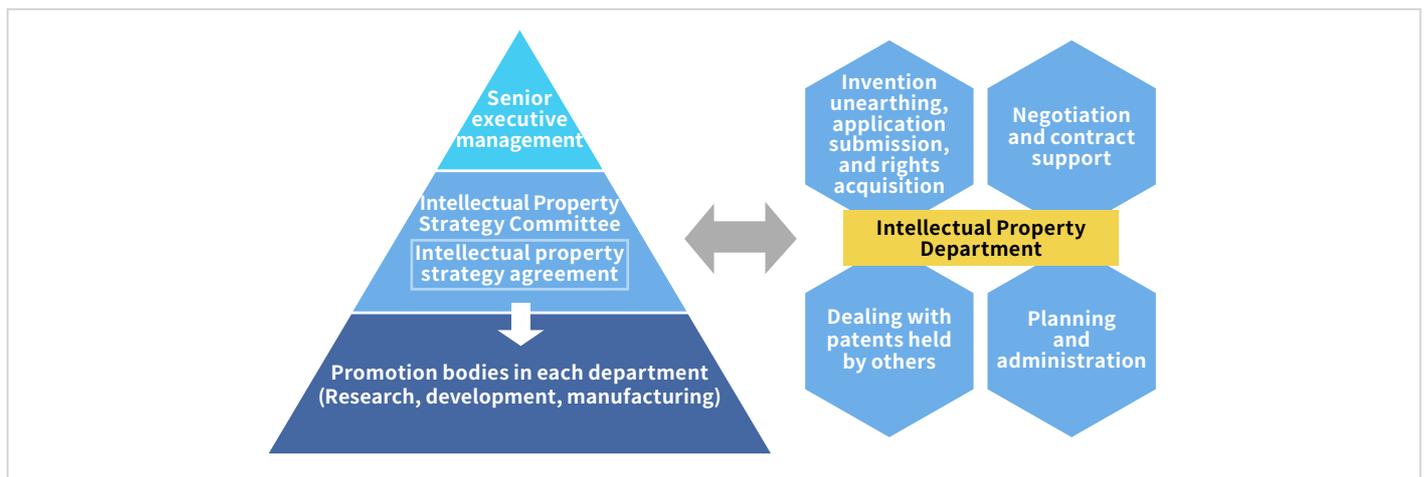
Our Intellectual Property Department makes full use of the Subaru Group's intellectual property rights and protects them against infringement. It also promotes various in-house activities to ensure that Subaru does not infringe the intellectual property rights of others.

1. The department will protect our technology and brand by establishing and managing development and creative output (technology, marks, naming, designs, etc.) as intellectual property
2. The department will undertake exhaustive investigations to identify any problems that could be detrimental to our business and will prevent or resolve them
3. The department will tackle counterfeit goods via monitoring of online sales and seeking for border enforcement measures by customs authorities
4. The department will secure ownership of intellectual property and usage rights in technology agreements

In March 2016, Subaru joined the License on Transfer Network, with the objective of curbing patent litigation by NPEs*, which has been on the rise in recent years.

* NPEs: Non-practicing entities. These are organizations or groups that collect patents for technologies developed by others without any intention to make use of those patents other than for the purpose of making a profit from the exercise of rights against third-parties working related technologies (via patent royalties or out-of-court financial settlements, etc.).

Intellectual Property Promotion System



Intellectual Property Management Awareness Activities

As well as managing intellectual property in general, the Intellectual Property Department regularly undertakes awareness activities aimed at ensuring that compliance with the law is firmly established as standard practice.

1. Implementation of rank-specific training for employees involved in development, tailored to their year of entry into the company and their position
2. Establishment of a patent promotion committee to promote invention and patent application activities in each department, and implementation of awareness activities through this committee
3. Promotion of reviews aimed at investigating the intellectual property rights of others and securing patent clearance in development departments

The department also makes ongoing donations to charitable organizations of funds raised at charity bazaars utilizing merchandising rights.



Our Approach to Customer Satisfaction Activities

The Subaru Group strives to put customers first in all business activities. Subaru strives to promote customer satisfaction activities across the Group, particularly at dealerships, so that customers continue to choose our brand for “Enjoyment and Peace of Mind,” with the aim of achieving our new Mid-term Management Vision “STEP.”

Establishment of SUBARU Recall Inquiry Line

Subaru established the SUBARU Recall Inquiry Line in November 2016 independent of the traditional toll-free number to specifically handle recall inquiries such as the airbag recall problem.

Subaru responds to our customers under a simple code of conduct: “accurate, prompt, appropriate, equitable, fair, and courteous” aiming to provide “Enjoyment and Peace of Mind”. Also, the valuable comments, requests and guidance received from customers are passed on to the relevant departments to be reflected in making future improvements in quality and product, proposals, and after-sales services.

SUBARU Recall Inquiry Line



0120-412215

Please note that your call will be recorded to confirm the content.

Subaru is open to the following inquiries.

- Inquiry/question regarding recalls

Office Hours (Japan Time)

9:00am - 5:00pm (Weekdays/Weekends, Holidays)

The Number of Inquiries from Customers

34,725 inquiries (April 2017-March 2018)

Establishment of SUBARU Customer Center

To receive enquiries, conduct consultations and handle requests and comments from our customers, Subaru has established the SUBARU Customer Center. Subaru responds to our customers under a simple code of conduct: “accurate, prompt, appropriate, equitable, fair, and courteous” aiming to provide “Enjoyment and Peace of Mind.” The valuable comments and requests received from customers are passed on to the relevant departments so that suggestions can be reflected in making future improvements and in product planning, quality, sales, and after-sales services.

Subaru Call

 **0120-052215**

Please note that your call will be recorded to confirm the contact

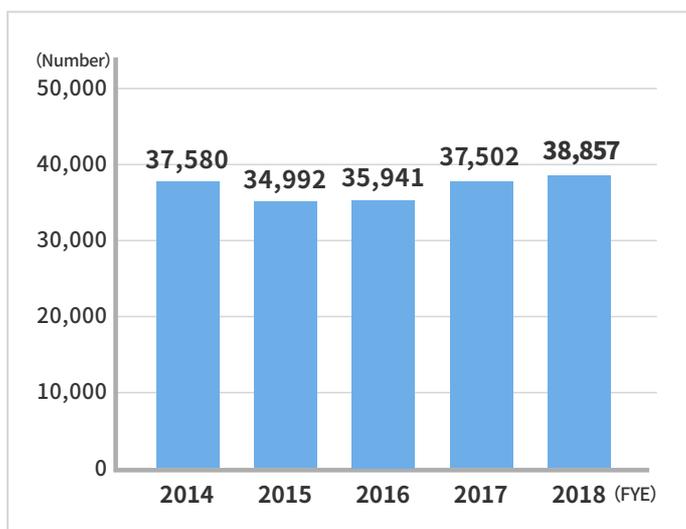
Please contact SUBARU Customer Center if you have any inquiries as below.

1. Opinion/Comment
2. Information (Catalog, dealership, address change, etc.)
3. Inquiry/Request for assistance

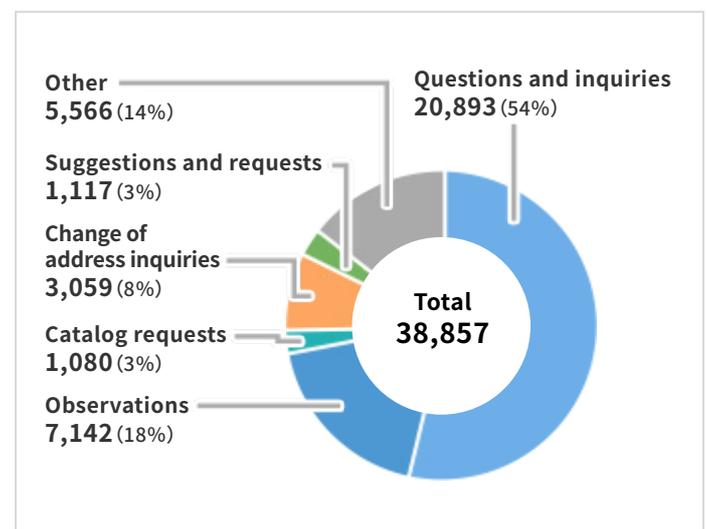
Office Hours 9:00am - 5:00pm (Weekdays)*
9:00am - 12:00am / 1:00pm - 5:00pm (Weekends, and public holidays)

* On weekdays between 12:00am and 1:00pm, and on weekends and public holidays, only services 1 and 2 are available.

Trends in the Number of Inquiries from Customers



Breakdown of the Number of Requests for Assistance from Customers



In the light of cases of improper conduct of final vehicle inspection at our Gunma Manufacturing Division, Subaru has increased the number of operators at the SUBARU Customer Center so that Subaru can seriously listen to as many customers’ voices as possible.

Customer Satisfaction Survey

Changes Made to Subaru Customer Questionnaire in FYE2018

In order to be the brand that is chosen by customers by offering “Enjoyment and Peace of Mind,” Subaru conducts Subaru Customer Questionnaire directed at customers who bought a vehicle at one of our dealers. Taking the comments and requests of customers learned from the survey results seriously, Subaru continuously make improvements at each of our dealers.

Since FYE2018, to assess the effectiveness of our efforts to raise customers’ loyalty towards Subaru, Subaru has used the following rating (maximum 200 points) as the criterion: score of customer’s level of satisfaction to the attitudes of our dealerships (maximum 100 points) + score of customer’s level of trust (maximum 100 points)

FYE2018 Results

<Number of valid responses>

- FYE2018 107,350/year
- FYE2017 98,127/year
- FYE2016 95,324/year

<FYE2018 Total Royalty Points>

- [New car] Customers one year after the purchase: 176.1P (176P)
- [New car] Customers 3 years and 5 years after the purchase: 171.2P (171P)
- [Used car] Customers one year after the purchase: 170.8P (170P)

*1 The points in parentheses shows the target values.

*2 Target values are established based on the previous year’s Subaru team’s average.

<Evaluation of FYE2018 Results>

All surveys showed the results exceeding our target values. The Subaru Automotive Business as a whole will continue to work on improvement activities so that each one of our customers think “Let’s choose Subaru again.”

Examples of Main Improvements Based on Customer Opinions and Requests

In addition to our usual activities in which Subaru provides feedback on customer opinions and requests obtained from past Subaru Questionnaires to Subaru dealers and related divisions paving the way to enhancements in products, quality, sales and after-sales service, Subaru is prioritizing activities that include making customers comfortable in showrooms.

To promote these activities, Subaru provides support such as human resource development and deployment of best practices from other dealerships. Subaru also actively promotes the refurbishment of showrooms and service garages. In other words, Subaru is promoting increased customer satisfaction from both aspects of facilities and management so that Subaru can expand customer satisfaction activities suited to the Subaru's product characteristics.

<Dealerships>

- Information displays on use of in-store equipment
- Enhancement of kids' areas (installation of counter to keep watch on children, increased variety of toys, ensuring safety)
- Set up of free drinks, expansion of drinks menu
- Increased amenity goods in bathrooms, etc.

<Automotive Business>

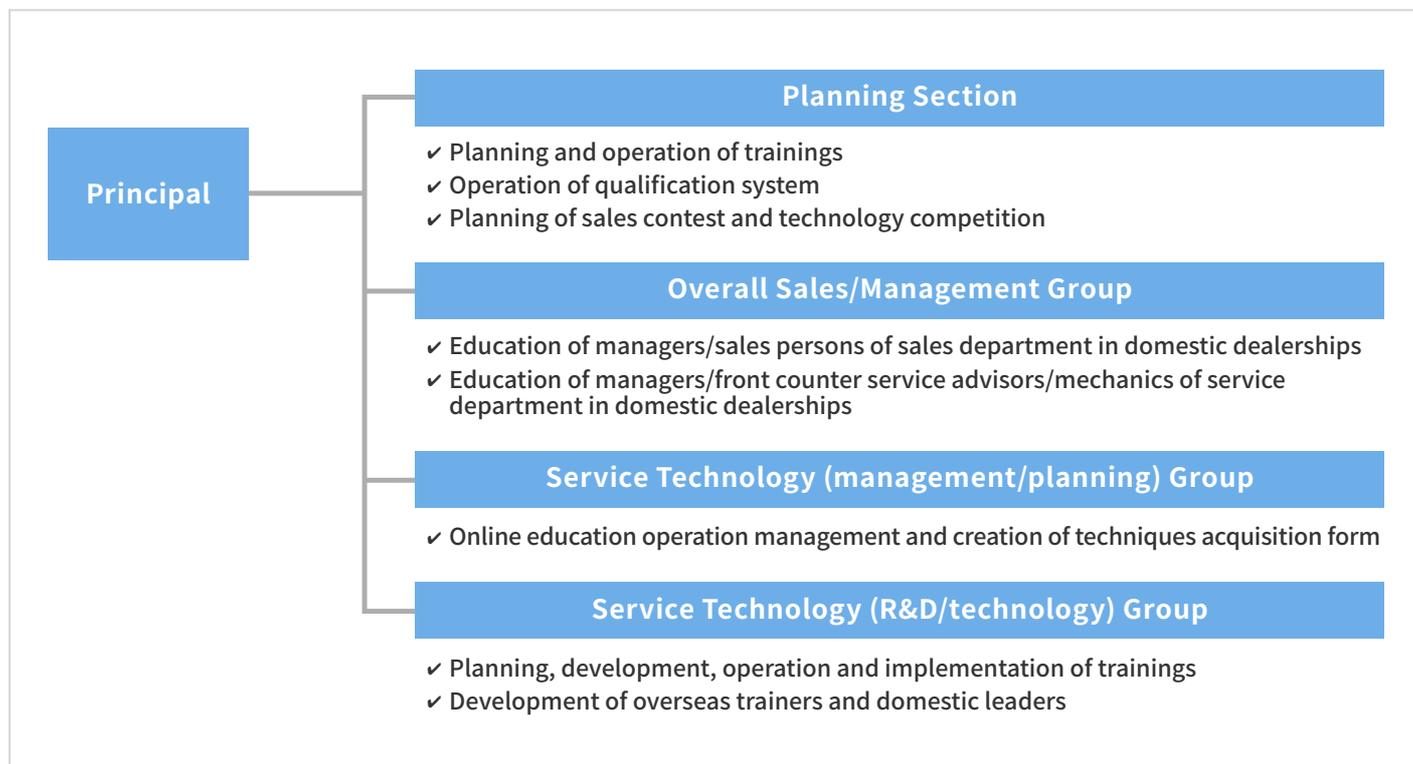
- Development of Wi-Fi environment infrastructure and introduction of Subaru Wi-Fi at all Subaru dealerships
- Introduction of digital books and Subaru original amenity goods at some dealerships to make waiting-time more enjoyable.

Training Human Resources at Dealerships to Deliver “Enjoyment and Peace of Mind”

With the vision of “Having Customers Say ‘Let’s Choose SUBARU Again’ through Our Customer Service”, SUBARU Academy* is dedicated to training human resources that can provide “Enjoyment and Peace of Mind” to customers.

For trainings in Japan, Subaru develops and provides trainings that meet the fast environmental change in sales and services. For overseas service staff, Subaru provides curriculums that meet specific regional needs.

Organizational Structure of SUBARU Academy



No. of educational program participants (including training during business trips)

	FYE2018
Manager/sales staff	3,195
Service staff	1,776
Total	4,971

* SUBARU Academy: Subaru has established the Subaru Academy as a dedicated organization in the development of human resources for dealerships in and out of Japan.

The Subaru Training Center, opened in 2005 in Hachioji City in Tokyo, houses various training rooms, a test course, various servicing/training equipment as well as accommodation facilities (consisting of 133 rooms with a maximum capacity of 165 people).



STARS Sales Professional Certification Program

Subaru established the Subaru Staff's Training and Rating System (STARS)*, a sales professional certification program, based on stringent standards as recognition of the staff with the ability to propose and support customers with "Enjoyment and Peace of Mind."

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

As of March 2018: Sales STARS Level 1 – 55 salespeople, Level 2 – 650 salespeople, Level 3 – 1,275 salespeople

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

As of April 2018: Service STARS

Mechanical levels: Level S – 17 mechanics, Level 1 – 911 mechanics, Level 2 – 1,108 mechanics, Level 3 – 1,027 mechanics, Level 4 – 339 mechanics

Front counter service levels: Level S – 9 persons, Level 1 – 282 persons, Level 2 – 554 persons.

Our goal is for 5% of all salespeople to achieve Level 1, 15% to achieve Level 2, and 60% to achieve Level 3 by 2020. Subaru is promoting initiatives so that at least 60% of all service advisors will achieve Level 1 or Level 2 by 2018.

* STARS: Rating system to help salespersons develop themselves through repeated Off-JT (study), OJT (practice) and qualification tests (challenge).



Training provided for STARS certification

International CS Initiatives

With the goal of distributors achieving uniformly high after-sales service through dealers around the world so that SUBARU customers can drive with peace of mind, the Customer Service Division works to enhance their educational systems and overall structures.

Subaru is building a corporate structure that can deliver customers service that meets their needs while ensuring that our distributors and dealers worldwide offer service worthy of Subaru's "Confidence in Motion."

Technical Training

Improving the technical skills of our service staff is essential to delivering service that gives our customers peace of mind. To this end, Subaru offers the Advanced Technical Training (ATT) and STEP Trainer Training (STT) as technical training curriculums to develop trainers who provide training to our service staff worldwide and to train service staff to be able to handle increasingly sophisticated automobile technology. In addition, Subaru works to improve technical capabilities by using skill certification testing to provide motivation for learning.

Starting in FYE2017, Subaru plans to increase the technical training that our employees run at overseas distributors in addition to utilizing affiliated colleges in five countries around the world. Moreover, Subaru assigned external trainers certified by us to countries with annual sales of at least 1,000 cars with the aim of further enhancing service.



Service Advisor Training Program Material (excerpts)



ATT at the SUBARU Academy

Organizational Reinforcement

The Customer Service Division works in partnership with distributors outside Japan to improve their technical and customer service skills so that customers continue to choose Subaru.

Recall operation that is increasing in number in recent years is an important issue for the Subaru Group. Identifying the laws and regulations and status of recall operations of each market, Subaru shall provide support to enhance the recall operation rates.

Subaru also provides overseas distributors with necessary facilities and systems so that they can readily introduce vehicles equipped with new technologies.

To carry out these activities, close communication is also necessary. Subaru holds conferences in Japan that bring together overseas distributors from eight leading countries (most recently in June 2018 and November 2017), and also seek close communication through regional meetings in North America, Europe, Central and South America, Oceania, China, Southeast Asia, etc. with the aim of speeding up the resolution of any issues. In FYE2018, Subaru held 18 regional meetings.

Subaru also holds trainings for high-level technical skills necessary for repairs in markets in the US, Australia, Europe, Chile, etc.



Meeting bringing together overseas distributors from eight leading countries

Efforts at the Aerospace Company

Organizational Reinforcement

The Aerospace Company, regarding aircrafts delivered to Japan's Self Defense Force among other customers, conducts various questionnaires in addition to regular customer visits to ascertain customers' needs in detail and to raise customer satisfaction towards Subaru's products and services through maintenance and operation.

In the questionnaire results, Subaru received the score of 4.0 (best score is 5.0) for the overall rating (product quality, service skill, emergency response, service visits, etc.), which was 0.3 higher than that of the previous year. Subaru will continue to work on to further enhance customer satisfaction by continuing our improvement activities from the perspective of customers.

Subaru's maintenance personnel involved in production also visit forces to deepen and improve mutual understanding of operations with customers who actually engage in maintenance.



Meetings



Our Approach to Quality

Subaru actively delivers high quality products and services to impress customers through the establishment of quality policy in line with our customer first policy and a high level of integration of safety, enjoyment and environmental performance. Subaru has also established quality policies at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics, and affiliated companies practice quality control based on these policies.

Quality Policy

Subaru considers customer satisfaction as the first priority, and works constantly to improve products and services to provide world-class quality.

Established November, 1994

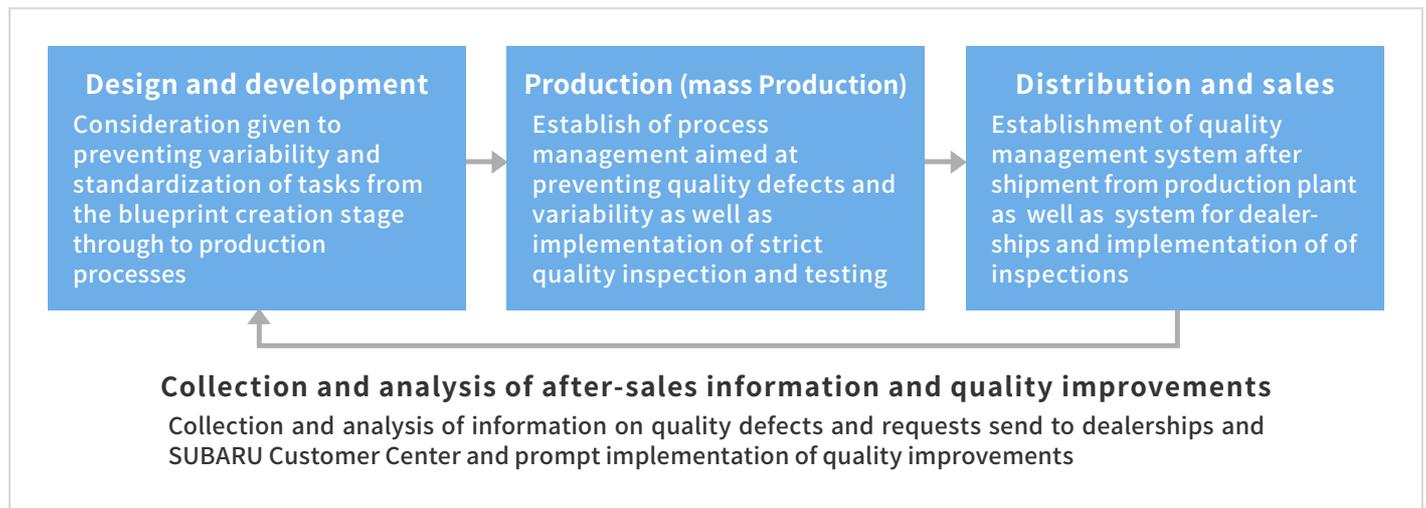
Product Quality Management System

1. Establish Quality Management System (QMS) based on the Quality Policy and ISO9001 Standard and put it into practice for orderly and effective operations.
 2. Clarify the quality targets acceptable to customers at the planning stage.
 3. Realize the quality targets through quality assurance activities at each stage from development to sales and service.
 4. Attend to complaints and requests from the market quickly and appropriately to live up to the trust of customers.
-

Operation of Quality Management Cycle

With Quality Management System, Subaru works to assure quality in each process from design and development to sales as well as creating a cycle to create even higher quality products. In addition, Subaru strives to work through this cycle swiftly in order to meet customer needs without any delay.

Quality Management Cycle



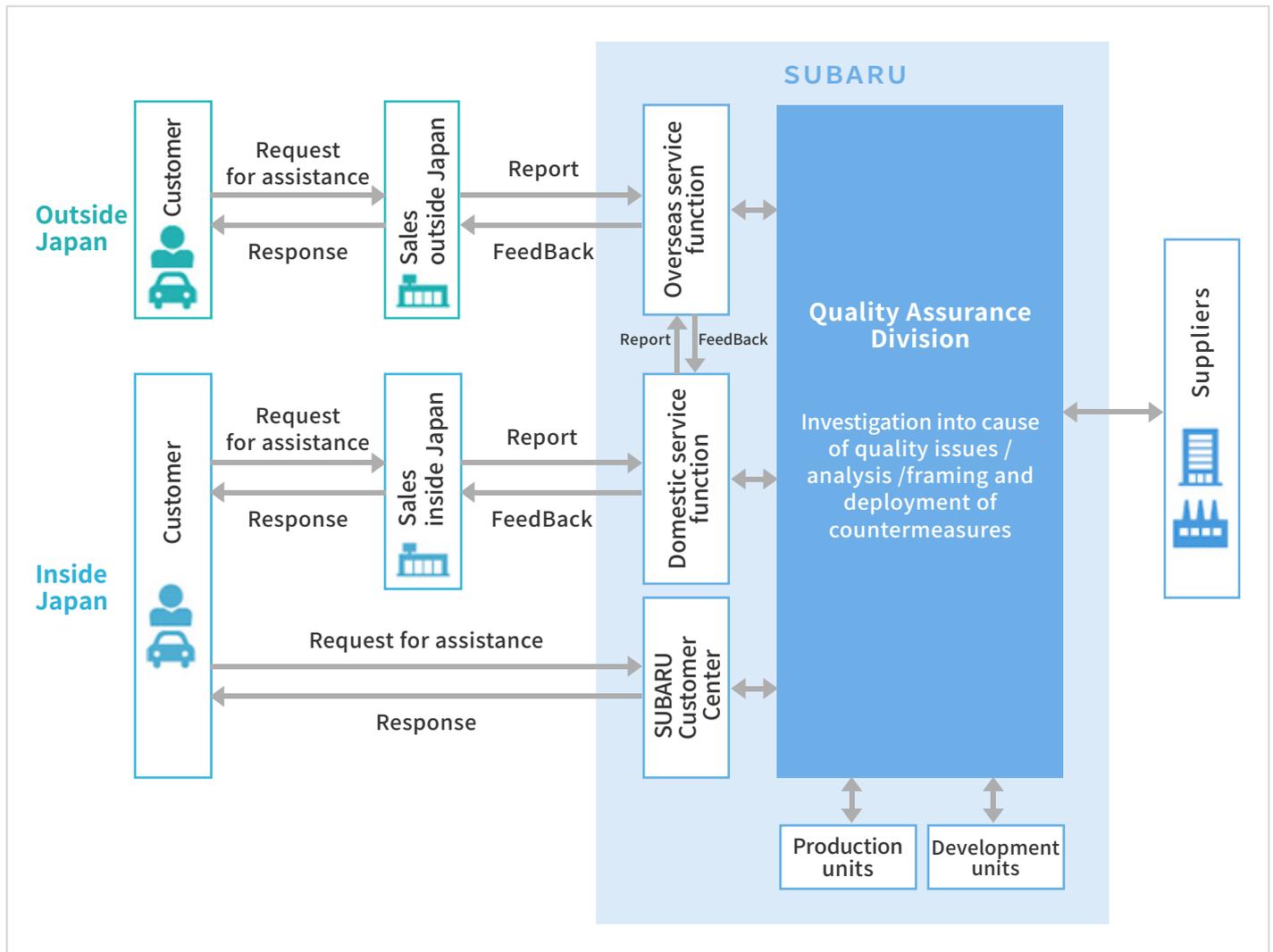
Creating a System Aimed at Improving Quality

Subaru has established a quality improvement system centered on the Quality Assurance Division in order to analyze after-sales quality defects and customer requests to realize higher-quality development and production. Subaru collects customers' opinions from around the world and identify quality issues. In addition to investigating the cause of the quality issues, Subaru frames countermeasures, which Subaru deploys to the relevant in-house departments and/or suppliers.

In FYE2018, Subaru has enhanced our efforts towards type designation operation by newly establishing the COP* Supervision Section to prevent the recurrence of the Final Vehicle Inspection Issue.

*CONFORMITY OF PRODUCTION (COP)

Quality Improvement System



Implementing Quality Control Training

Subaru has developed a curriculum around quality control as part of employee education with the aim of upgrading the level of quality assurance and control. Subaru not only provides education in line with the job grade of employees, but also training to develop quality control experts, individual programs for each business site and other educational programs.

Main curriculum around quality assurance

- Introductory quality training: Quality Control Training (Introduction)
- Education for instructors: Quality Control Training (Foreman)
- Education for skilled occupations: Quality Control Training (Introduction/Foreman)
- Other employees: open classes at each workplace

Response to Recalls

Subaru is taking measures to cope with recalls in order to prevent accidents and protect customers.

In the event of product defects, not only do Subaru responds properly based on the laws and regulations of each country, but Subaru also determines the specific details of our response by promptly establishing a committee structure for staff from departments involved in quality, including those outside of Japan, to investigate. Moreover, Subaru sends direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

In FYE2018, Subaru had no cases of violating rules and regulations in regard to information provision on quality and safety.

Related information

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

Number of Recalls and Improvements (Japan)

Number of Cases in Japan	FYE2015	FYE2016	FYE2017	FYE2018
Recalls*1	4	5	15*4	9*4
Corrective Action*2	0	1	2	1
Service Campaigns*3	0	3	1	2

*1 Recall: Corrective action implemented by automobile manufacturers, etc. for a specific range of automobiles of a similar type, or for tires or child car seats, to bring the product in question into compliance with the Safety Regulations for Road Vehicles when vehicles, etc. are in a condition that suggests that they may cease to conform or that they do not conform to those safety regulations, and when the cause for such non-conformity lies in the design of the vehicles, etc. or their manufacturing process.

*2 Corrective action: Corrective action implemented by automobile manufacturers, etc. in respect of matters which, although not specified in the Safety Regulations for Road Vehicles, cannot be overlooked from a safety or environmental conservation perspective in the event that a defect should arise, where the cause lies in the design or manufacturing process.

*3 Service campaign: Corrective action relating to merchantability/quality in respect of a defect that is not subject to a notification of recall or corrective action.

*4 The figure for FYE2017 is nine because there is one recall relating to Takata airbags, in which recall notifications were submitted on the basis of individual models (three models). (So based on in-house consultation, the number is seven.)

Efforts at the Aerospace Company

Quality Management System Based on Aerospace Industry Standards

The Aerospace Company's production activities are based on its policy of "Placing Safety and Quality First" in order to commit itself to playing its part on SUBARU brand.

Based on this policy, Subaru has built and act under the latest quality management system that conforms to the latest JISQ9100:2016 quality management system requirements for Aviation, Space and Defense Organizations.

In addition, Subaru has quickly incorporated into our Aerospace Company's quality management system the Supplements to JISQ9100 (SJAC9068) that are independently and jointly established by the Japanese aerospace and defense industries in order to prevent improper occurrences related to quality.

Efforts Aimed at Improving Quality

Subaru's Aerospace Company engages in a range of activities aimed at improving quality and preventing errors. In addition to examining customer satisfaction and product quality from diverse angles at regular "Quality Meetings," the Aerospace Company has designated November as the "Quality Month" each year, engaging in activities that include lectures on quality, commendation of employees contributing to quality improvement and distribution of educational pamphlets to all employees.

The lecture on quality for FYE2018 entitled Communication Skills that Motivate Everyone to Work was presented by Kumi Toda, who is the President of A-dot Communication. More than 500 people attended the lecture including the company president, employees and suppliers. In addition, the Aerospace Company has an Improvement Suggestion System that aims to foster a year-round climate that allows employees to demonstrate their creativity independently and quality to be improved.



Lecture held during the Quality Month



Safety is Our DNA

Having roots in the aircraft industry, the Subaru Group considers safety to be the most important feature underpinning automobiles. Since Subaru launched the Subaru 360 over a half-century ago to this day, Subaru has engaged in automotive manufacturing with a philosophy of “All-Around Safety” and maximum emphasis on safety performance.

SINCE 1917

Ensuring Safety for Pilots

Our DNA of safety is inherited from aircraft development.

At the core of Subaru’s safety development expertise lies traits acquired from developing aircrafts. Given the lethal ramifications of a crash, aircraft development requires designs that consider all possible emergency situations, hence the implementation of ideas and countermeasures within the aircraft’s basic structure to prevent the onset of danger. In addition, one of the indispensable safety features of smaller aircrafts is the ability for the pilot to be able to secure an all-around unobstructed line of sight. This approach to safety has not diminished even after Subaru moved into automobile manufacturing. Since Subaru released the Subaru 360, all of our vehicles have been developed with an emphasis on safety features, starting with unobstructed visibility.

SINCE 1960

Ensuring Safety for Drivers



Subaru 360

Going ahead of the times

Developing a vehicle body for collision safety based on All-Around Safety

Subaru 360, launched in 1958, had played an important role in expanding the popularization of automobiles during the period of high economic development. Since that period, 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 passengers with a cabin structure of robust strength.

Early on, safety was not yet emphasized as part of the value of vehicles and there were no crash test dummies in existence. Subaru’s development team, however, pushed forward independent research on car body structure and how it affects human body. Through trial and error, Subaru pursued superior collision safety technologies ahead of the times.

Horizontally-opposed engine and AWD Developing proprietary technologies for enhanced driving safety

Fundamental automobile performance in terms of driving, turning, and braking differs depending on the vehicle's structure. In particular, the location of the center of gravity and the type of drive train have a significant effect. The lower the center of gravity is, the more stable the cornering would be, while a drive train that delivers power to all of the wheels gives constant stability when driving. This is the perspective that led Subaru, in 1966, to launch the Subaru 1000—a FWD vehicle with a horizontally-opposed engine—and, in 1972, the 4WD Subaru Leone. Since that time, Subaru has further honed our proprietary technologies and continued to pursue safe and stable driving performance.



Launching our flagship Legacy Embarking on development of driving support systems.

Our flagship Legacy model, launched in 1989, demonstrated both reliable driving performance and mechanical endurance when it set a world speed record in January of that same year for 100,000 km of continuous driving. Furthermore, around this period, Subaru started development of a driving support system using stereo cameras. In 1999, Subaru commercialized ADA, Active Driving Assist, which was the predecessor of our current EyeSight technology.

Commercialized EyeSight. Equipped vehicles with new driving assist function

In 2008, Subaru commercialized our EyeSight technology with stereo cameras constantly surveying the area forward of the vehicle, and warnings and pre-crash braking functions for preventing accidents or mitigating damage from accidents.



In 2017, Subaru introduced an updated version of EyeSight that features the new driving Assist function. This extends the minimum speed at which EyeSight's Lane Keep Assist function operates from 60 km/h to 0 km/h. It also adds automated steering that follows the preceding vehicle in the same lane, teamed with Adaptive Cruise Control to assist drivers with automated control of acceleration, braking, and steering on expressways, greatly reducing driver burden.

The Subaru Global Platform, the new platform introduced in 2016, dramatically enhances vehicle body strength by "optimization of frame structure," "diversification of load transmission paths," "expansion of high-strength material usage" in addition to "improvement in vehicle body and chassis rigidity," and improves the energy absorption rate at the time of impact by about 40% over previous models. Beginning with Impreza launched in 2016, Subaru has equipped XV with this Subaru Global Platform in 2017 and Subaru plans to continue expanding the models with this in the future.

INTO THE FUTURE

Working toward Achieving A Safer Society

Subaru's Approach to the Future of Safety

Attaching particular importance to protecting lives, Subaru will work to achieve the target of zero fatal road accidents* in 2030. Subaru's intention does not lie in changing everything automatic, but in "Respect what humans are good at and leave what humans are not good at to automobiles for safe transportation." With this idea, Subaru further strives to polish our driver assist technology and to enhance our collision safety performance.

Subaru will also improve safety and peace of mind through "overall safety," "artificial intelligence technology," and "connecting technology."

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

Our Approach to Making Safe Vehicles

Subaru conducted a survey of the number of personal accidents by Subaru vehicles sold within Japan from FYE2011 to FYE2015. The results showed that vehicles with the EyeSight Driver Assist Technology (version 2) had about 80% fewer rear-end collision accidents and about 50% fewer pedestrian accidents compared to vehicles without EyeSight per 10,000 vehicles, and about 60% fewer accidents in the survey overall.

* For this survey, Subaru based our independent calculations on data from the Institute for Traffic Accident Research and Data Analysis (ITARDA). The occurrences of personal accidents by EyeSight (version 2) available models of Subaru vehicles that were sold in Japan from FYE2011 to FYE2015 (246,139 units had EyeSight (version 2) installed; 48,085 did not) were categorized in the survey.

Thoughts on Primary Safety

Automobile safety technology is evolving on various fronts. The ideal is that no danger should be encountered, and the basis of this is for drivers to make correct judgment and operation.

Primary Safety is based on an approach that enhances safety through initial and basic design techniques for the automobile form and interface. To realize safe, concentrated driving without distraction, Subaru pays meticulous attention to details of the instrument panel and seat design, including visibility design.

Related information

[Subaru's automobile manufacturing](#)>[TECHNOLOGY: Safety](#)>[Primary Safety](#) 

Thoughts on Active Safety

Active Safety is an approach to safety based on preventing accidents, assuming that accidents may occur. In the event of an accident, for safe avoidance it is important to maintain vehicle stability no different from normal, under a variety of weather and road conditions.

Based on the idea that the ultimate drive fosters safety, Subaru puts the exceptional fundamental performance delivered by our horizontally-opposed BOXER engine and Symmetrical All-Wheel Drive as the basis for refinement of vehicle performance that enables users to drive with confidence in any kinds of environment and climate.



Horizontally-opposed engine



Symmetrical All-Wheel Drive

Related information

[Subaru's automobile manufacturing](#)>[TECHNOLOGY: Safety](#)>[Active Safety](#) 

Thoughts on Pre-crash Safety

Pre-crash Safety is an approach that assists driver's driving operations and predicts hazards with the aim of helping reduce damage in the event of a collision.

Subaru, quick to introduce the idea of pre-crash safety, has proceeded with the development of EyeSight. It (Ver.2) adopts a stereo camera for judging conditions in front of the vehicle as well as linkage to the engine, transmission and brakes for hazard avoidance, and has been highly evaluated as an advanced driving support system. Levorg, WRX, Legacy, Impreza, XV, and Forester are now equipped with the new EyeSight (Ver.3), and Subaru is working to increase the models fitted with the system.

Related information

› [Subaru's automobile manufacturing](#)>[TECHNOLOGY: Safety](#)>[Preventive Safety](#) ☐

Thoughts on Passive Safety

Passive Safety is an approach to safety technology that aims to minimize damage in the event of an accident. Subaru has promoted development considering safety in all aspects of a vehicle. With an original crash safety body featuring a new Ring-Shaped Reinforcement Frame Body Structure, and engine layout, etc., for mitigating collision impact on vehicle occupants, cabin occupants are, of course, protected. But Subaru also considers collision with pedestrians in its safety system, for which it is highly acclaimed, not only in Japan but also throughout the world.

Furthermore, with the next generation platform “Subaru Global Platform,” Subaru has achieved greater passive safety capability by increasing the amount of energy absorbed at the time of impact by a factor of 1.4 over past systems.

Beginning with Impreza launched in 2016, Subaru has equipped XV with this Subaru Global Platform in 2017 and Subaru plans to continue expanding the models with this in the future.



Image of Impreza JNCAP* Frontal Offset Crash Test
Source: National Agency for Automotive Safety & Victims' Aid

* JNCAP: Japan New Car Assessment Program: testing and assessment of vehicle safety performance conducted by the Ministry of Land, Infrastructure, and Transport (MLIT) together with the National Agency for Automotive Safety & Victims' Aid (NASVA).

Related information

› [Subaru's automobile manufacturing](#)>[TECHNOLOGY: Safety](#)>[Passive Safety](#) ☐

FYE2018 Car Assessment Results

Subaru undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP in Japan, IIHS*¹ in the U.S., EuroNCAP*² in Europe, and ANCAP*³ in Australia, and have gained the highest rank of assessment in most of them.

In FYE2018, Levorg and WRX received high scores in the Lane Departure Prevention Device, etc. Evaluation, a new evaluation in the JNCAP preventive safety performance evaluation, and received the highest score of “Preventive Safety Performance Evaluation (ASV++)”.

Also in EuroNCAP, Impreza and XV received the “Best in Class Safety Award” among all the models receiving the “Five Star,” the highest recognition in EuroNCAP, in 2017.

*1 IIHS: Insurance Institute for Highway Safety.

*2 EuroNCAP: European New Car Assessment Programme: a program for publishing vehicle safety information conducted in Europe.

*3 ANCAP: The Australian New Car Assessment (ANCAP): an independent organization composed of the transportation authority of Australia and New Zealand that has been providing safety assessments since 1993.

FYE2018 Commendations

Assessed automobiles	Assessment organization	Assessment
Levorg, WRX equipped with EyeSight	 JNCAP, Japan	ASV++
Impreza, XV	 EuroNCAP, Europe	5★ in 2017 2017 Best in Class Safety Award (Small Family Car Class)
Legacy, Outback, Impreza, WRX equipped with EyeSight and high luminance light	 IIHS, USA	2018 TSD+ Award*
XV	 ANCAP, Australia	5★ in 2017

* In its publication of vehicle safety information, the IIHS designates a vehicle as TOP SAFETY PICK (TSP) if it received the rating of “Good” in all test results for the Offset Frontal Test, Small Overlap Front Test (drivers seat), Side Crash Test, Rear Collision (whiplash) Test and Roof Strength Test as well as the rating of “Advanced” or higher in the Front Crash Prevention Test. In addition to these conditions, a vehicle that is rated “Acceptable” or higher in the Small Overlap Front Test (passenger seat), and “Good” or higher in the head light evaluation is awarded TOP SAFETY PICK CLASS (TSP+).



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.

[Established in April 1998, revised in April 2017]

 ▶ Aiming for reduction in CO₂ Emissions	 ▶ Environmental Management	 ▶ Environmentally Friendly Automobiles
 ▶ Climate Change	 ▶ Resource Recycling	 ▶ Water Resources
 ▶ Biodiversity	 ▶ Preventing Pollution	 ▶ Environmentally Conscious Procurement
 ▶ Environmental Communication	 ▶ Environmental Data	



[TOPIC] Aiming for significant reduction in CO₂ Emissions

[TOPIC] Aiming for significant reduction in CO₂ Emissions

Subaru aims to significantly reduce the Subaru Group's direct CO₂ emissions.

The Subaru has set a new target of reducing the Subaru Group's direct CO₂ emissions (Scope 1 and 2) to 30% below FYE2017 levels (on a total emissions volume basis) by FYE2031 and has begun formulating the Subaru Environmental Action Plan.

Ahead of the plan's implementation, we embarked on a precursor initiative in April 2018 that aims to reduce CO₂ emissions by approximately 5,400 t-CO₂/year. Under the Tochigi Furusato Denki program, Japan's first program for local production and local consumption of electricity without CO₂ emissions, approximately 11,500 MWh/year will be supplied to two plants at our Aerospace Company's Utsunomiya Plant.

We also plan to install Japan's largest-scale captive-consumption solar power system* (approximately 5,000 MWh/year) at the company's Gunma Oizumi Plant. Through this initiative, the new facility is expected to bring a reduction of approximately 2,370 tons of CO₂ per year, equivalent to around 2% of total annual carbon dioxide emissions at the Oizumi Plant by March 2020.

* Based on a study by Japan Facility Solutions, Inc., which will install and operate the facilities.



Established for "Tochigi Furusato Denki" program

Established for local electric power generated at hydroelectric power plants owned by Tochigi Prefecture is supplied to plants. The part of the power charges paid by Subaru being used for environmental protection initiatives in Tochigi prefecture. (photograph: Subaru presented with a certificate at the Tochigi prefectural government office)



Plan to install Japan's largest solar captive-consumption solar power system

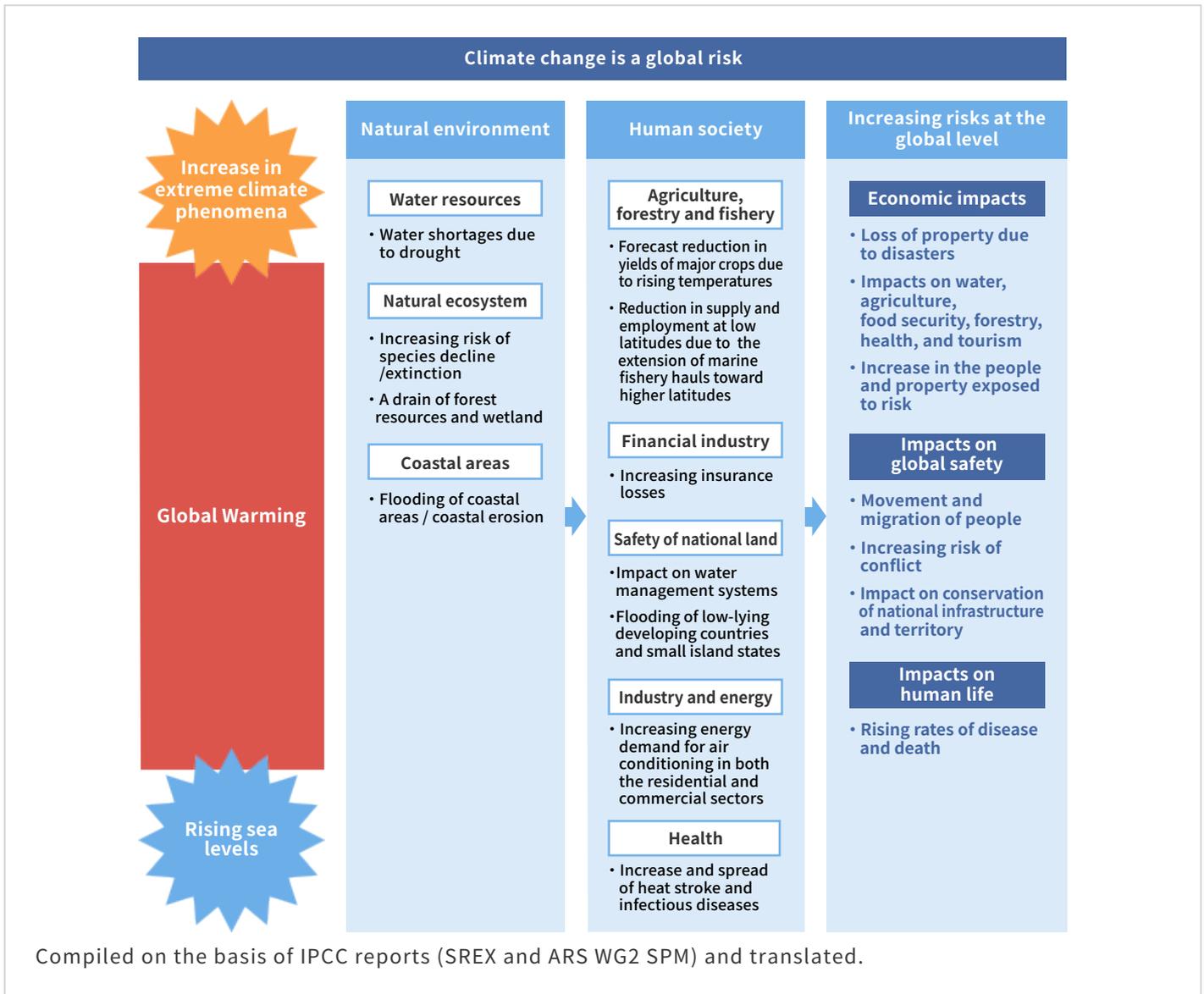
We aim to make our Gunma Oizumi Plant cleaner by introducing solar energy (Rendering of the completed solar power system at the Gunma Oizumi Plant)

1. Climate change and their implications for society and the Subaru Group

It is difficult to fully explain how the impact that climate change (global warming) affects our lives. However, the IPCC*1 Fifth Assessment Report states that (1) global warming is the dominant cause of anthropogenic CO₂ emissions; and (2) the impact on our lives should be measured if the temperatures rise is not kept below 2 degrees Celsius.

*1 IPCC: Intergovernmental Panel on Climate Change

The Range of Impacts of Climate Change



Source: Trends in Global Warming and Other Recent Developments (Ministry of the Environment) (Japanese version only) □

As an example of the risks of climate change, the report states that if effective measures to combat climate change are not taken, floods and/or droughts of a kind seen only once in 100 years in the 20th century will occur worldwide by the 2080s. Subaru's key markets in the U.S.A., Japan, and Oceania will not escape these impacts.

The report also points out that the global mean sea level could rise by as much as 82 cm by the end of the 21st century, which would impact major coastal cities worldwide and has the potential to affect the Subaru Group's business in some form or another.

2. Subaru will promote a medium- to long-term perspective in promoting environmental Initiatives

In light of this situation, we have been discussing our future approaches to environmental initiatives on our Environmental Committee (Chairman: Director of the Board and Corporate Executive Vice President). In the process of these deliberations, the committee discussed setting an overarching target by backcasting from the future environment facing the Subaru Group, as well as examining approaches to implementing the action plan with a view to achieving that target.

As a result, the committee decided to start by setting an overarching target of reducing the Subaru Group's direct CO₂ emissions (Scope 1 and 2) from plants, offices, and the like, taking into account the fact that Subaru Environmental Policies position climate change as the most crucial issue to be tackled. The new target is based on the IPCC's 2°C scenario*¹ and encompasses the ideas of Japan's NDC*² and SBT*³. We will assess and revise it as required, taking into account changes in society's expectations, the technical environment, and the Subaru Group's own circumstances.

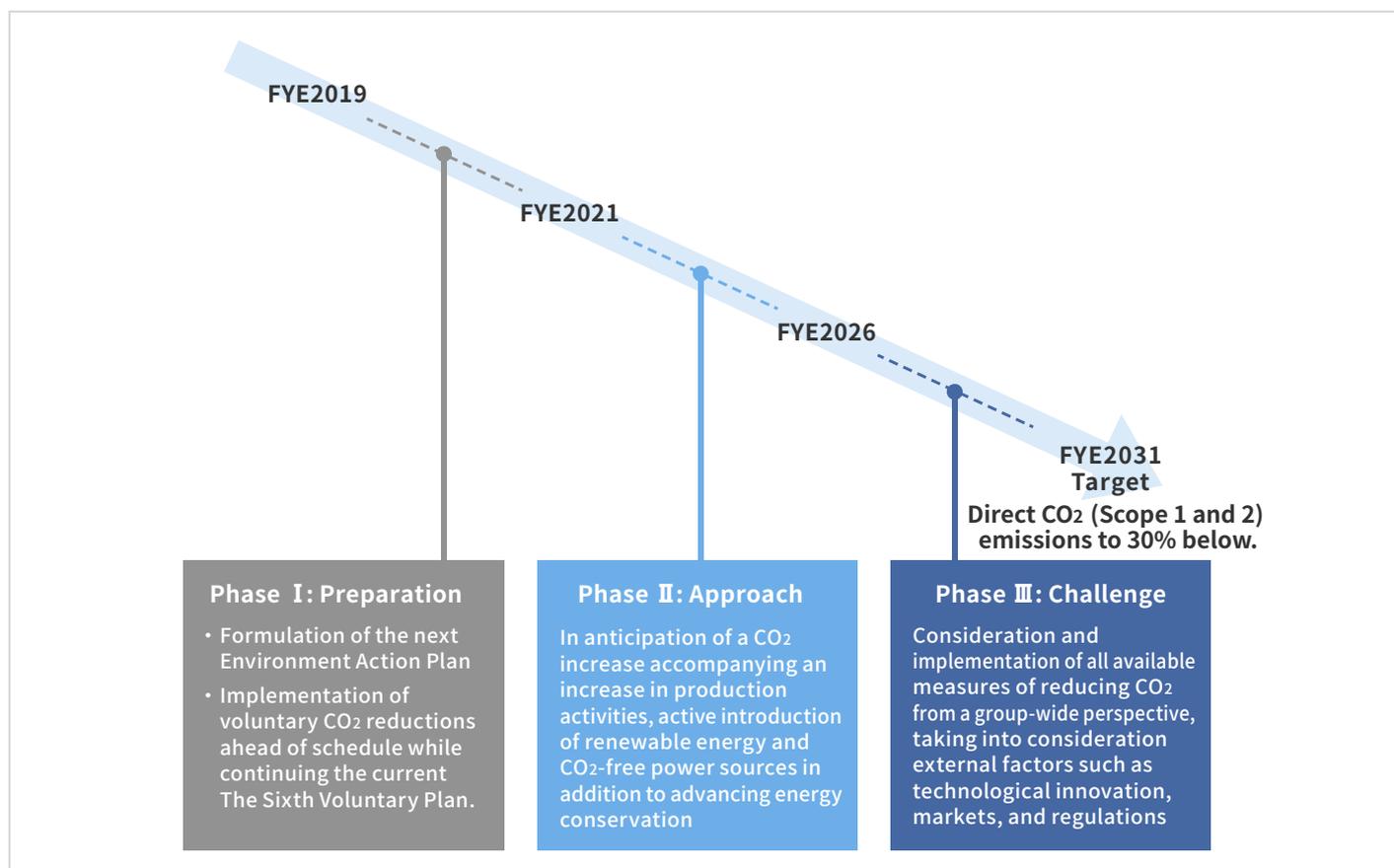
As it appears difficult to achieve this target under our current medium- to long-term action plan, the Subaru Voluntary Plan for the Environment, we began formulating the Subaru Action Plan for the Environment in FYE2019 to serve as a new action plan to encourage the whole of Subaru to do its utmost to contribute to this goal. While taking maximum advantage of the knowledge and know-how gained in the process of this initiative, the Subaru Group will move forward with deliberations concerning measures to reduce indirect CO₂ emissions and address other environmental issues.

*¹ 2°C scenario: A scenario in which CO₂ emissions are reduced by approximately 40–70% worldwide by 2050 to keep the rise in global temperatures since the Industrial Revolution below 2°C

*² NDC: Nationally Determined Contribution. National targets submitted to the United Nations by each country that has ratified the Paris Agreement

*³ SBT: Science Based Targets. A process formulated by the United Nations and other bodies, used to determine the CO₂ reduction rates expected of companies and other bodies every five years from 2025

Subaru Action Plan for the Environment: Road Map



3. The Subaru Group will actively promote initiatives to tackle climate change

As the Subaru Group believes tackling climate change to be an issue of the utmost urgency, we are not only redoubling our efforts to conserve energy, but also introducing natural forms of energy that minimize CO₂ emissions.

For example, we have adopted “Tochigi Furusato Denki” program at the Aerospace Company’s Utsunomiya Plant. Under this initiative, which is Japan’s first program for locally produced and consumed CO₂-free electricity, power generated by hydroelectric plants belonging to the local government is supplied to the participating plants. The part of the electricity charges paid by Subaru will be used for environmental protection initiatives in Tochigi Prefecture.

We also plan to expand the use of natural forms of energy by installing Japan’s largest scale captive-consumption solar power system at the company’s Gunma Oizumi Plant (due to be completed before the close of FYE2020).

The Subaru Group will promote activities of this nature to strike a balance between the creation of low-carbon society in the areas and communities and the achievement of business sustainability.



“Tochigi Furusato Denki” program logo



Subaru Voluntary Plan for the Environment

The 6th Voluntary Plan for the Environment sets 2020 as its target year and is made to link with fiscal year plan of the Prominence 2020, Subaru's Mid-term Management Plan. The Voluntary Plan's activity content is deepened so that it links with global approach to the environment.

The 6th Voluntary Plan for the Environment (FYE2018-FYE2021)

- > 1. Global Warming Measures
- > 2. Resource Recycling
- > 3. Pollution Prevention and Reduction of Hazardous Chemical Use
- > 4. Environmental Management

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

[1] Global Warming Measures

Field	Item	Up to FYE2021		FY2018		FYE2019
		Target/Initiative	Target	Results	Target/Initiative	
Products	Fuel economy improvement	<ul style="list-style-type: none"> Continue to improve fuel economy through full model changes and annual improvements. 	<ul style="list-style-type: none"> Innovate to an environmental engine, and realize category top level fuel efficiency. Introduce horizontally opposed direct-injection downsized turbo engines to the market. 	<ul style="list-style-type: none"> Install the environmental engine and CVT on the next-term XV and expand globally. Advanced development of the horizontally opposed direct injection downsized turbo engine (under review for mass production). 	<ul style="list-style-type: none"> Installed a new direct injection engine and improved CVT on the new XV, and expanded globally. Completed the final phase of the advanced development of the horizontally opposed direct injection downsized turbo engine for mass production. 	<ul style="list-style-type: none"> Adopt newly developed power unit "e-BOXER" that combines the horizontally opposed engine and electrification technology to new Forester. Also adopt the e-BOXER to new SUBARU XV. Move to mass production phase of the horizontally opposed direct injection downsized turbo engine.
	Clean energy use	<ul style="list-style-type: none"> Promote introduction of electric vehicles. 	<ul style="list-style-type: none"> Introduce plug-in hybrid cars into the main markets in FYE2019. Promote research for introducing electric vehicles into the market. 	<ul style="list-style-type: none"> Completed development of a plug-in hybrid car for North America and transition to a certification and mass production phase. Determine target functions for electric vehicles and the means to achieve them, and begin manufacture of vehicle for checking functions. 	<ul style="list-style-type: none"> Completed development of a plug-in hybrid car. Manufactured EV for checking functions and confirmed the system's basic performance. 	<ul style="list-style-type: none"> Starting production of plug-in hybrid vehicle based on Crosstrek (in Japan, SUBARU XV) and introduce to the US market by the end of 2018. Based on the last fiscal year's achievement, aim for electrification system with improved electric.
	Road traffic improvement: i-TI technology (Automate driving technology and preventive safety technology)	<ul style="list-style-type: none"> Make efforts to expand deployment of advanced driver assist system EyeSight and development of automated driving technology, further advance technological development to prevent accidents before they happen, and contribute to CO₂ reduction through preventing traffic congestion due to accidents and improving traffic flow with driving support technology. 	<ul style="list-style-type: none"> Promote technological development of advanced driver assist system technology and preventive safety technology focused on the EyeSight advanced driver assist system and expand to more markets. Introduce the traffic jam assist feature that keeps a car in the same lane on expressways to the market in FYE2018. Introduce the highway automatic driving feature including lane changes to the market in FYE2021. 	<ul style="list-style-type: none"> Continue to promote technological development of advanced driver assist systems focused on introduction of the traffic jam assist feature to the market, expansion of deployment of EyeSight, verification of assessment trends and incorporation of them into development plan. Also, continue to promote activities based on promotion plans of industry/government/academia such as SP/ASV. 	<ul style="list-style-type: none"> Accelerated the assessment and SP/ASV activity plans, and continued to promote technological development of advanced systems. Further expanded the models with EyeSight, and promoted the technological development focusing on high level driving assist systems. 	<ul style="list-style-type: none"> Promote development that aims to eliminate traffic accident deaths. Assist driving operations in all speed ranges on highways. Continue to promote development of advanced driver assist system technology, focusing mainly on expanded deployment of EyeSight Driving Assist and popularization and dissemination of accident damage reduction technology using assessment. Continue to promote activities based on promotion plans of industry/government/academia such as SP/ASV.
Production	Production facilities	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of production at domestic production facilities. 	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of production by 34% from FYE2007 level by FYE2021 at domestic production facilities. 	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of production at domestic production facilities by 11% from FYE2007 level. 	<ul style="list-style-type: none"> Reduced CO₂ emissions per unit of production at domestic production facilities by 42.2% from FYE2007 level. 	<ul style="list-style-type: none"> Reduce CO₂ Emission per unit of production at domestic production facilities by 12% from FYE2007 level.
		<ul style="list-style-type: none"> Promote activities to reduce CO₂ emissions at overseas production facilities* 	<ul style="list-style-type: none"> For overseas production facilities, set medium term CO₂ emissions reduction targets and continue to promote activities to attain them. 	<ul style="list-style-type: none"> Emission target is set to 189,696 t-CO₂. 	<ul style="list-style-type: none"> Due to production exceeding the original plan and development of new model, emission was 193,379 t-CO₂. 	<ul style="list-style-type: none"> Improve production efficiency and continue to reduce CO₂ emissions.
Distribution/Sales	Distribution	<ul style="list-style-type: none"> Promote CO₂ emissions reduction activities synchronized with the Energy Saving Law. 	<ul style="list-style-type: none"> Use FYE2007 per unit of CO₂ emission as a benchmark, and reduce emission by 1% every year. 	<ul style="list-style-type: none"> With FYE2007 per unit of CO₂ emission as BM, continue to reduce emission by 1% every fiscal year. 	<ul style="list-style-type: none"> Achieved the target of 1% reduction every year. [Achieved in FYE2018: 28.12kg/vehicle] 	<ul style="list-style-type: none"> Relieve transport efficiency and routes, and aim for 1% reduction every year. [Target for FYE2019: 30.33kg/vehicle]

* SA: Subaru of Indiana Automotive, Inc.

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

[2] Resource Recycling

Field	Item	Up to FYE2021		FY2018		FYE2019
		Target/Initiative	Target	Results	Target/Initiative	
Products	Recyclability improvement	<ul style="list-style-type: none"> Continue to implement measures to comply with the Automobile Recycling Law. Continue to implement measures to make parts and materials more detachable, separable, and sortable. Make efforts for CRP recycling technology. 	<ul style="list-style-type: none"> Promote new model designs that consider recycling, and aim for actual recycling rate of 95% by FYE2021. Promote technological development regarding easy dismantling of CRP products. 	<ul style="list-style-type: none"> Maintain an actual recycling rate of 95% or better. Continue to promote designs that consider recycling. 	<ul style="list-style-type: none"> Achieved the actual recycling rate of 95% or better. Promoted technological development incorporating designs that consider recycling. 	<ul style="list-style-type: none"> Continue designs that consider recycling and aim to achieve the actual recycling rate target. Continue to promote technological development considering easy dismantling.
	Promotion of life cycle assessment	<ul style="list-style-type: none"> Promote disclosure of life cycle assessment (LCA) data. 	<ul style="list-style-type: none"> Promote release of LCA data from full model change vehicles. 	<ul style="list-style-type: none"> Promptly release of LCA data aimed to model changes, and also enhance its contents. 	<ul style="list-style-type: none"> No targeted vehicle this term. 	<ul style="list-style-type: none"> Plan to release new Forester and hybrid vehicles.
Production	Production facilities	<ul style="list-style-type: none"> Establish processing schemes for difficult material to process, etc. 	<ul style="list-style-type: none"> Improve recycling and proper treatment. 	<ul style="list-style-type: none"> Promote review and verification for treatment and recycling. 	<ul style="list-style-type: none"> Demonstrated treatment and recycling and established higher level treatment scheme. 	<ul style="list-style-type: none"> Promote high-level treatment and recycling and demonstration experiment.
		<ul style="list-style-type: none"> Continue the appropriate disposal of waste and reducing waste generation. 	<ul style="list-style-type: none"> Appropriately manage waste, and continue the waste reduction maintenance/management by improving yield and packaging. 	<ul style="list-style-type: none"> Continue improvement of yield, understand the outlook for volume produced, and manage/continue waste generation reduction. 	<ul style="list-style-type: none"> Waste generation was reduced to 97% of the target value of this fiscal year. 	<ul style="list-style-type: none"> Continue to reduce waste generation by thorough sorting and by charging cost.
		<ul style="list-style-type: none"> Continue zero emission (zero landfill waste either directly or indirectly) at both domestic and overseas production facilities. Manage volume of water used at both domestic and overseas production facilities. 	<ul style="list-style-type: none"> Continue zero emission at both domestic and overseas production facilities. Manage volume of water used at production facilities across Group companies in and outside Japan. 	<ul style="list-style-type: none"> Continue zero emission at both domestic and overseas production facilities. Manage volume of water used at production facilities across Group companies in and outside Japan. 	<ul style="list-style-type: none"> Achieved zero emission at both domestic and overseas production facilities. Properly managed volume of water used at production facilities across Group companies in and outside Japan. 	<ul style="list-style-type: none"> Continue zero emission at both domestic and overseas production facilities. Properly manage volume of water use at production facilities in and outside Japan.

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

[3] Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Item	Up to FYE2021 Target/Initiative	FYE2018		FYE2019 Target/Initiative	
			Target	Results		
Products	Reduction in emissions	<ul style="list-style-type: none"> Promote the introduction of low-emission vehicles to improve air quality. 	<ul style="list-style-type: none"> Japan: Increase the number of low emission standard certified models by WLTP (produced by Subaru). Overseas: Promote the introduction of low-emission vehicles to improve air quality in each country and region. 	<ul style="list-style-type: none"> Advanced developments/control exhaust gas emissions in the real world. Mass production development in line with WLTP-based low emission regulations. 	<ul style="list-style-type: none"> Completed mass production development in line with domestic WLTP-based low emission regulations as planned. 	<ul style="list-style-type: none"> To control emission of particulates, continue to expand development of gasoline particulate filters (GPF) designed for diesel engines.
	Reduction in the use of environmentally hazardous substances	<ul style="list-style-type: none"> Promote the management and reduction in the use of environmentally hazardous substances. 	<ul style="list-style-type: none"> Improve management of chemical substances contained in products. Promote switching to substances with lower environmental impact. 	<ul style="list-style-type: none"> Prepare an all part survey system and improve management precision. Completed switching to substances with lower environmental impact. 	<ul style="list-style-type: none"> Expanded the function of IMDS in-house system and implemented an all part survey system. Completed switching to substances with lower environmental impact. 	<ul style="list-style-type: none"> Strengthen management of chemical substances using IMDS. Promote switching to substances with lower environmental impact.
Production	Management and emission reduction of environmentally hazardous substances at production facilities	<ul style="list-style-type: none"> Further reduce per unit of VOC emissions (g/m³) at production lines. Continue to reduce emissions of PFRS substances into the environment. Promote activities targeting the elimination of occurrences of hazardous substances leaking off site, complaints, and exceeding legal standards. Set stricter voluntary standards and conduct small-risk elimination activities. 	<ul style="list-style-type: none"> Reduce per unit of VOC emissions. Identify and manage the chemical substances regulated by the PFRS law and promote further reduction in the use of these substances. Encourage suppliers to further improve management of and reduce the use of environmentally hazardous substances contained in parts and materials. Review the guidelines according to the social environment and changes in corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines. 	<ul style="list-style-type: none"> Reduce per unit of VOC emissions. Identify and manage the chemical substances regulated by the PFRS law. Promote activities targeting the elimination of occurrence of environmental accidents, complaints, and exceeding legal standards through environmental risk reduction activities. 	<ul style="list-style-type: none"> Based on the man-hour increase deriving from color changes in just in time production system at paint process, low set the PFR target at 50.2g/m³. Reduction effects such as thinner recovery rate increase led to target achievement. Continued aggregation management of chemical substances regulated by the PFRS law. Exceeding legal limit: 1 case, complaints 8 cases; on-site leakage: 4 cases. All properly handled. 	<ul style="list-style-type: none"> Set the per unit of emission target lower than that of FYE2018, but we will continue to make efforts to reduce environmental burden. Continue aggregation management of chemical substances regulated by the PFRS law. Continue efforts to reduce environmental risk (enlightenment, education, and cooperation with community).

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

[4] Environmental Management

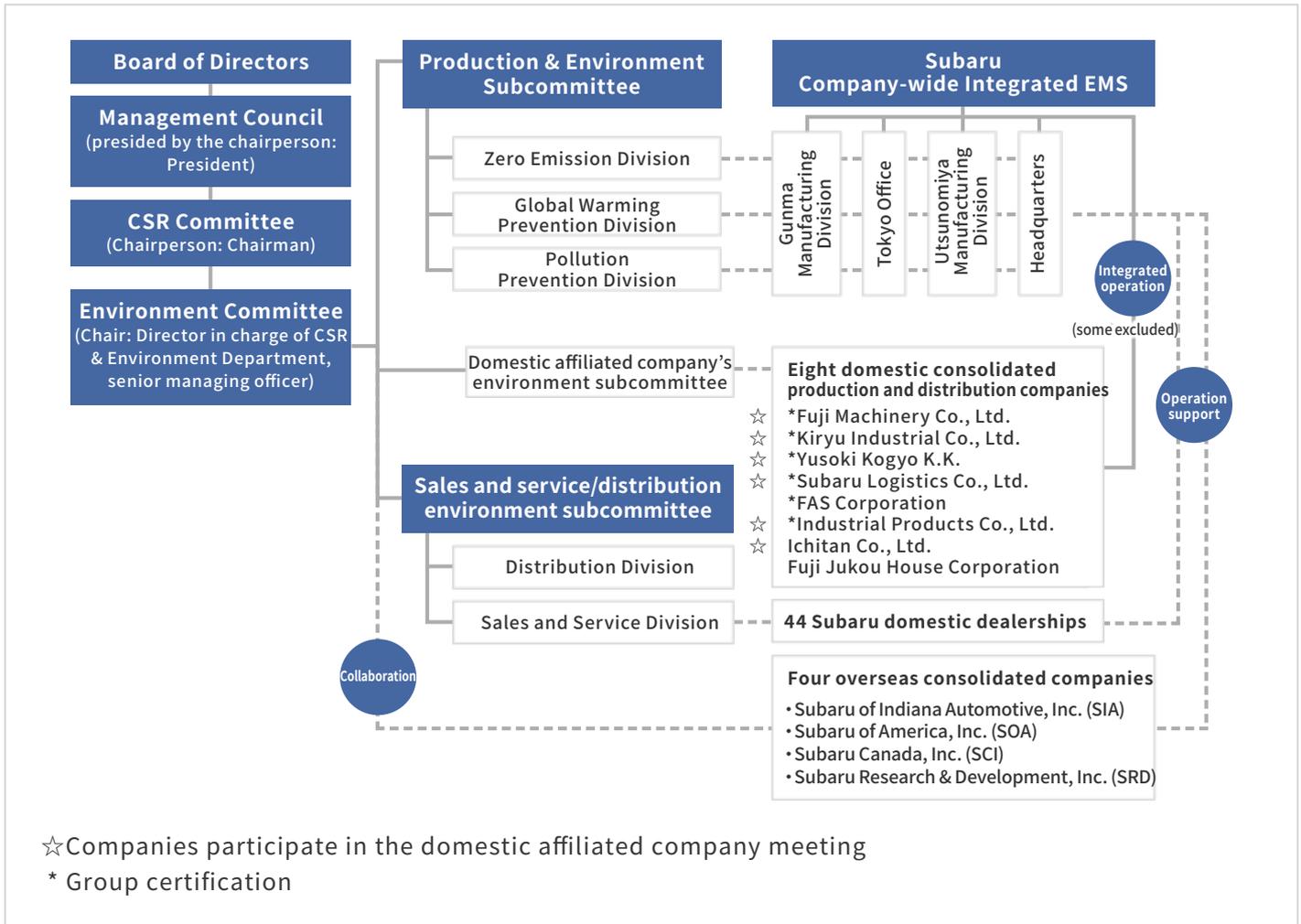
Field	Item	Up to FYE2021 Target/Initiative	FYE2018		FYE2019 Target/Initiative			
			Target	Results				
Procurement	Green procurement activities	<ul style="list-style-type: none"> Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems(EMS). Reduce environmentally hazardous substances. Apply the supplier CSR guidelines and green procurement guidelines. 	<ul style="list-style-type: none"> Continue to establish and maintain the EMS including new suppliers. Request that the entire supply chain improve environmental management throughout the product life cycle. 	<ul style="list-style-type: none"> Continue to maintain the structure to establish EMS including new suppliers. Revise the guidelines and deploy them to suppliers. 	<ul style="list-style-type: none"> Continued to maintain the structure to establish EMS including new suppliers. Collected answers to Guidelines' effectiveness confirmation questionnaires from suppliers and gained their understanding. 	<ul style="list-style-type: none"> Continue to maintain the structure to establish EMS including new suppliers. Publish the revised guidelines, and deploy and disseminate them to suppliers. 		
			Distribution/Sales	Promotion of environmental conservation activities among dealerships	<ul style="list-style-type: none"> Support all dealerships maintain "Eco Action 21" certification. Support voluntary implementation of environmental measures, such as energy conservation and waste reduction measures, under "Eco Action 21". 	<ul style="list-style-type: none"> Sequentially verify progress of EA21 mid-term evaluation and recertification audit at all dealerships. Support them to maintain the certification. Continue D-SPICS system utilization, support quantitative management to be established, and help reduction activities at the dealerships. 	<ul style="list-style-type: none"> Confirmed all dealerships maintaining EA21. Continued support for D-SPICS system utilization, and for dealerships yet to introduce the system, helped to create an environment for introduction. Improved the system's function and made efforts to improve operation efficiency and to strengthen conformity to laws and regulations. 	<ul style="list-style-type: none"> Continue to support voluntary environmental risk reduction activities of each company. Integrate environmental related reports from dealerships to D-SPICS system so that work efficiency is improved and conformity with laws and regulations strengthened.
					Management	<ul style="list-style-type: none"> Disclose environmental information through regular publication of environmental reports and other documents in a timely manner. Improve and enhance the contents of environmental information pages in the CSR Report (Compliance with environmental reporting guidelines, and inclusion of Group companies in the scope of reporting). Participate in environmental events and publicize corporate environmental activities. 	<ul style="list-style-type: none"> 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. Provide environmental report. Provide updated information on the website. Improve compliance of environmental pages in the CSR Reports to environmental reporting guidelines of the Ministry of the Environment, and improve the contents of environmental reporting. Participate in Eco-Products Exhibitions, etc. to widely publicize the company's eco-friendly activities. 	<ul style="list-style-type: none"> Continued environmental class visits. Continued to welcome visitors to the Gunma Visitor's Center. Maintain clean-up activities around each business site. Start Subaru Forest Project. Support and cooperate in local environmental conservation activities. Disclose environmental information in a timely manner. Obtain third-party certification for disclosed content. Further enrich the contents of environmental information pages in the CSR Report, and make preliminary preparations for recertification for this report. Actively publicize the company's environmental initiatives at events.
Management	Disclosure of environmental information	<ul style="list-style-type: none"> Participate in environmental events and publicize corporate environmental activities. Continue environmental and social education under the in-house education system. Continue employee education through in-house magazines and other media. Continue to hold lectures and workplace meetings to present improvement examples. Subaru to maintain ISO14001 integrated certification. Make continuous improvements to the Environmental Management System. Increase cooperation with subsidiaries and suppliers, and maintain and improve the establishment of consolidated environmental management system. 	<ul style="list-style-type: none"> Hold more environmental education, enlightenment and presentation events. Promote sharing the internal auditing and environmental education systems for more practical EMS activities. Promote acquiring the ISO 14001 integrated certification, including four subsidiaries (Subaru Logistics Co., Ltd., Kyru Industrial Co., Ltd., Fuji Machinery Co.Ltd. and Industrial Products Co., Ltd.), in order to further improve the system. Deploy the EA21 value chain to subsidiaries and suppliers. 	<ul style="list-style-type: none"> Deploy environmental education and environmental training with more people participating. Feature educational content in the in-house magazine, etc. Inform all employees of the revised environmental policies. Continue the integrated certification system, including the four subsidiaries (Subaru Logistics Co., Ltd., Kyru Industrial Co., Ltd., Fuji Machinery Co. Ltd. and Industrial Products Co., Ltd.) and obtain certification with the revised version. Explain the EA21 value chain to suppliers, and support participating supplier. 	<ul style="list-style-type: none"> Deployed Environmental Policy, etc. in company's general in-house magazine Shusho. Renewed the environmental card, and distributed it to all employees. Obtained ISO14001:2015 version integrated certification. Among EA21 value chain, support for certification completed for 20 secondary suppliers. 	<ul style="list-style-type: none"> Promote education, enlightenment, presentation regarding environment-related laws and regulations, in particular. Maintain and regard environmental system mechanism from the perspective of Subaru Group. Expand the number of companies with EA21 value chain certification. 		

*Eco Action 21: An environmental management system designed by the Ministry of the Environment based on ISO14001, aiming at easy implementation by small-to-medium sized corporations.

Organization

Subaru established an environmental management structure across the organization with two pillars of the Company-wide Environmental Management System (EMS) and the Environmental Committee in order to reach the goals of our Environmental Policy and Voluntary Plan for the Environment. Serving as the head of the Company-wide EMS and the chairperson of the Environmental Committee, the director responsible for environmental issues conducts reviews twice a year, and reports important problems to the Executive Management Board Meeting and the Board of Directors. The director proactively promotes environmental conservation activities, comprehensively managing the progress and the direction of our efforts.

Subaru Group Environmental Management Organization



Status of Establishing the Environmental Management System

Subaru, actively engaging in establishing an environmental management system for the entire Subaru Group, has established environmental management systems at offices, business partners, foreign and domestic consolidated manufacturing companies, and foreign and domestic Subaru dealerships, and is acquiring third-party certification.

Since FYE2018, Subaru, its eight domestic consolidated manufacturing and transport companies (among them, six companies with * obtained group certification) and three north American consolidated manufacturing and sales companies have obtained ISO14001:2015 certification, and have started its operation. In March 2011, all of our 44 domestic dealerships and their 700 outlets obtained Eco Action 21 (EA21) certification, which was the first in Japan among all automobile manufacturers. And we introduced the “Eco Action 21 Value Chain Model Business” promoted by the Ministry of the Environment of Japan. In addition, in May 2012, Subaru of Indiana Automotive, Inc. (SIA), the US production site for Subaru, became the first automobile production plant in the US to obtain ISO50001 certification, which is the international standard for energy management systems (EnMS), and continues to actively promote their activities.

Furthermore, Subaru Logistics Co., Ltd. obtained ISO39001 certification, the international standard for road traffic safety management systems, in August 2015, and ISO39001, the quality management systems standard, in February 2016.

In addition to these achievements, Subaru Group, through global business activities, will continue to promote green procurement in the supply chain, establishment of a company-wide environmental management system covering nine company offices, and green procurement to reduce environmentally hazardous substances.

Status of Subaru Group's EMS/EnMS Establishment

Factories and Offices					Dealerships/Distributors	
Category	Subaru Corporation	Business Partners	Domestic Consolidated Production and Distribution Companies	Overseas Consolidated Production Company	Domestic Consolidated Dealerships	Overseas Consolidated Distributors
Divisions	Gunma plant Tokyo Office Utsunomiya Plant Handa Plant West Handa Plant Headquarters	Green procurement Raw material procurement vendors	*Fuji Machinery Co., Ltd. *Kiryu Industrial Co., Ltd. *Yusoki Kogyo K.K. *Subaru Logistics Co., Ltd. *FAS Corporation *Industrial Products Co., Ltd. Ichitan Co., Ltd. Fuji Jukou House Corporation Total: 8 companies	SIA	All domestic Subaru dealerships Total: 44 dealerships	SOA SCI Total: 2 distributors
Acquired EMS/EnMS	ISO14001: 2015 version	Either ISO 14001 or Eco Action 21	ISO14001	ISO14001 ISO50001	Eco Action 21	ISO14001

* Group certification

Introduction of Eco Action 21 Value Chain Model Business

Subaru was the first automobile manufacturer to acquire Eco Action 21 certification for all domestic dealerships and outlets in March 2011 and are promoting operation under these guidelines. In November 2016, this achievement was recognized and approved as the “First Value Chain Model Business” for further promotion of the certification by the Ministry of the Environment of Japan. We plan to develop and promote Eco Action 21 to the Group while receiving instruction and support from Institute for Promoting Sustainable Societies (IPSuS)*, an accreditation institute for eco action. Last fiscal year, we supported 20 Tier2 business partners’ Eco Action 21 certification registration in order for the value chain as a whole to promote the certification.

* IPSuS: Institute for Promoting Sustainable Societies

This organization studies, plans and implements new initiatives for building sustainable societies by integrating initiatives related to business, such as Eco Action 21, and initiatives related to products and services that make use of the supply chain.



Related information

- › [Environmental Management System Request to Business Partners](#)
- › [CSR Guidelines for Suppliers](#)

Scope 3 Calculation

Regarding greenhouse gas emissions, it is a demand of society for companies to calculate and disclose emissions of their entire supply chain. Subaru has participated in the Ministry of the Environment “Support for Calculating Supply Chain Greenhouse Gas Emissions toward an Environmental Information Disclosure Infrastructure,” and receives assistance from NTT Data Institute of Management Consulting, Inc. in Scope 3 calculations. We will continue to promote identifying and managing GHG emissions. For detailed performance of Scope 1, Scope 2, and Scope 3, please refer to the section on climate change.

Related information

- › [Climate Change](#)

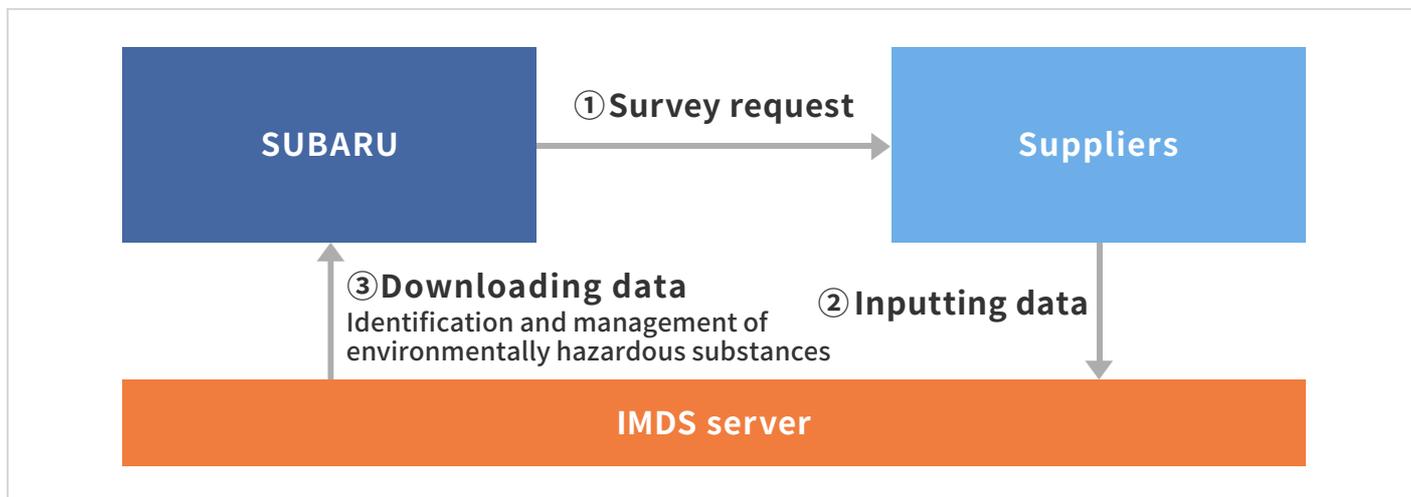
Management of Chemical Substances (Operation of the IMDS)

Since the enforcement of the European Union's Registration, Evaluation and Authorization of Chemicals (REACH) regulation, End-of Life Vehicles (ELV) Directive, Chemical Substance Control Law of Japan, etc. various chemical substances have been regulated, and at the same time, the automobile industry has been required to disclose information and foster proper management regarding the use of chemical substances in automobiles.

Subaru is promoting strengthened supply chain management by using the IMDS in order to identify the names and amounts of chemical substance used in every one of several tens of thousands of parts that are in automobiles.

Through this initiative, we are managing the restricted substances (lead, mercury, cadmium, hexavalent chromium, etc.) before use, promoting replacement of regulated substances with alternatives, and establishing a management system that can promptly disclose information regarding the usage of substances requiring management according to EU REACH, etc.. Furthermore, Subaru promotes reduction and management of environmentally hazardous substances in cooperation with entire supply chain.

Environmentally Hazardous Substances Management System through IMDS



Related website

› [International Material Data System \(IMDS\)](#) 

Environmental Risk Management

Subaru works to prevent and minimize environmental risk in our business activities (such as environmental accidents, pollution, or non-compliance with laws and regulations) by periodic sampling/identification and promoting management of environmental risks.

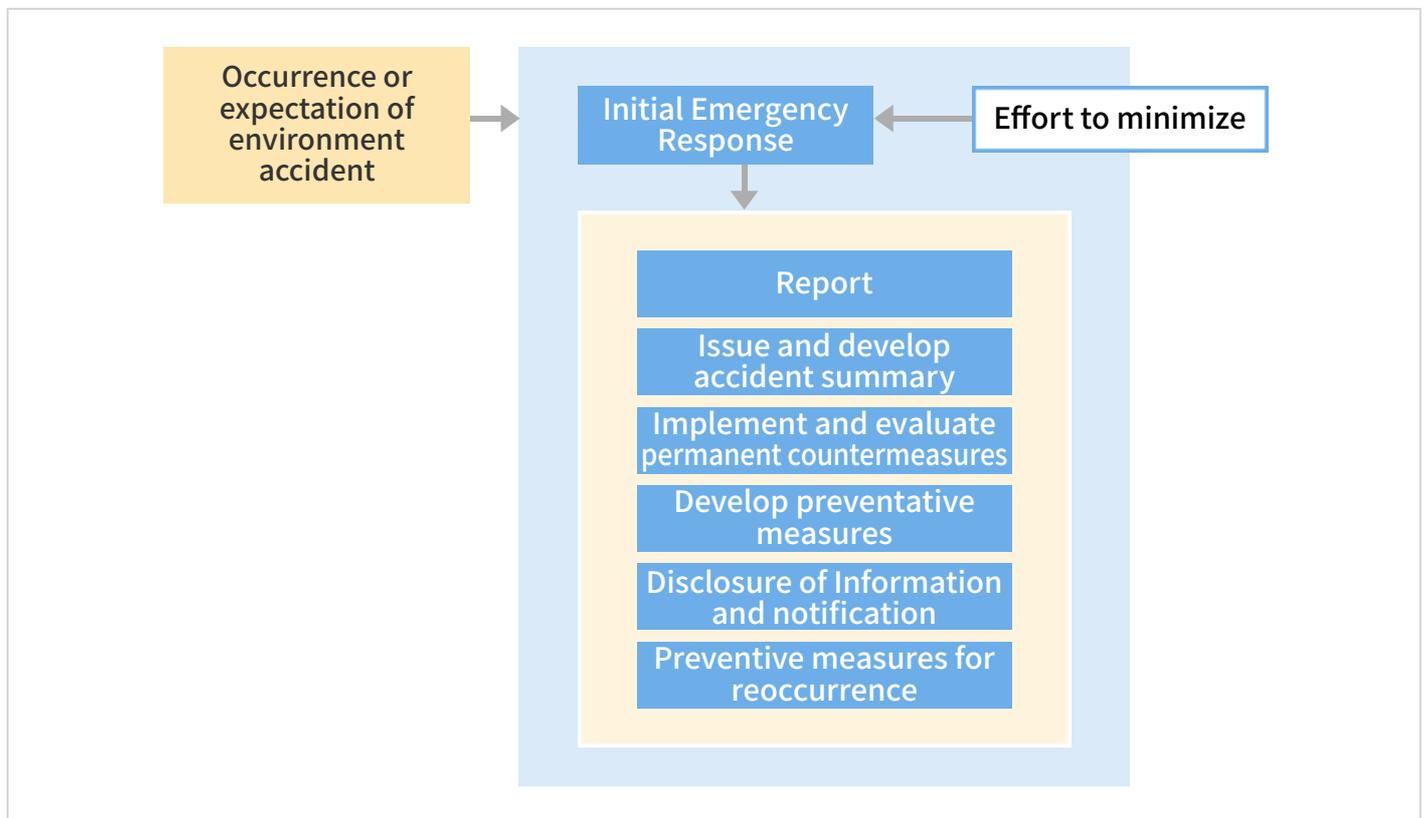
In addition, by standardizing the management process when an environmental risk is discovered and by carrying out training during normal times, we strive to quickly implement emergency measures and measures to prevent recurrence so that secondary risks due to confusion can be avoided.

In November 2017, the Tokyo Office implemented emergency response training with 165 participants to minimize contamination that occurs with soil and sewage inflow with gasoline or oil leaks on the roads onsite. We will continue to conduct regular trainings to prevent accidents in the future.

Status of Implementation of Environmental Audits

- (1) Regular audit in accordance with the ISO14001 Environmental Management System
- (2) On-site review at the contractors for the proper treatment of industrial wastes
- (3) Review of compliance status with environmental laws and regulations

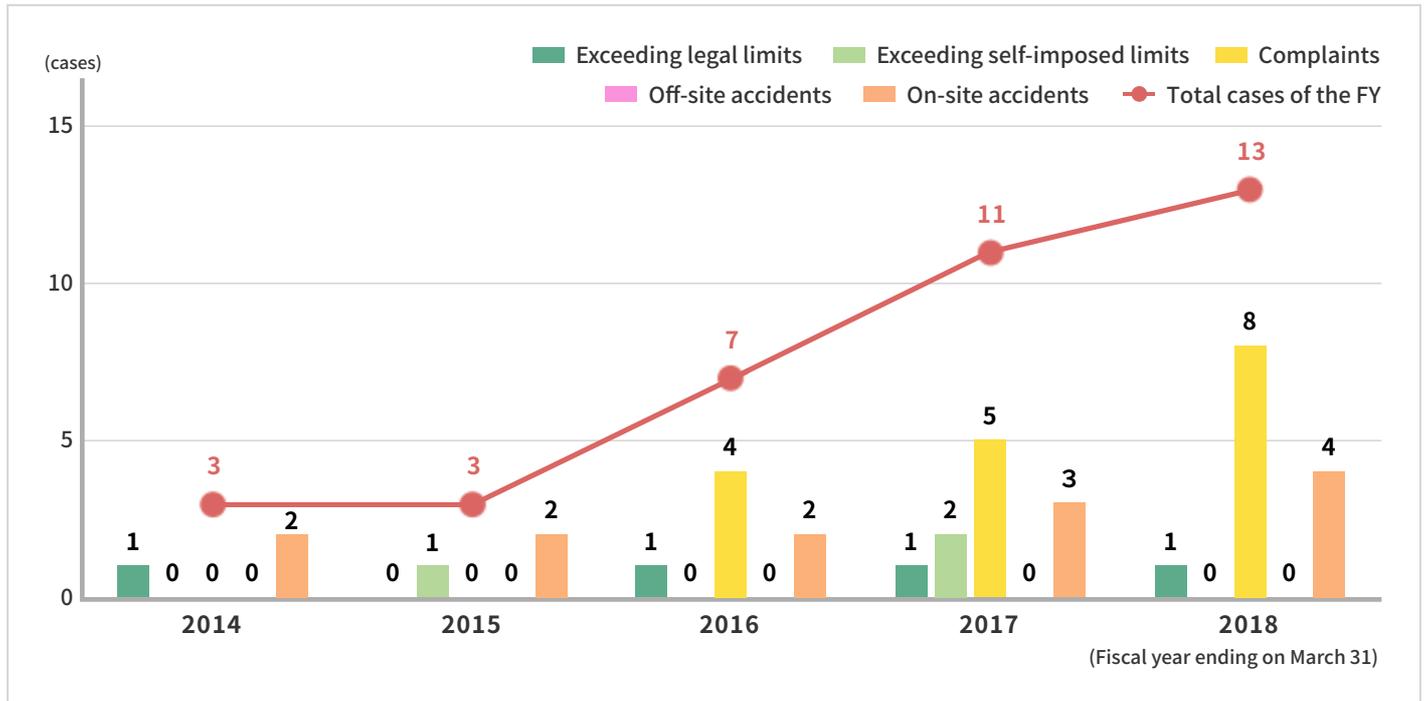
Process When An Environment-related Accident Occurs



Environmental Compliance

Status of Compliance with Environmental Laws and Regulations

Subaru strives to be in compliance with environmental laws and regulations, and to eliminate environment-related accidents and complaints. The figure below shows the results of the last five years.



Status of Compliance with Environmental Laws and Regulations in Fiscal Year Ending on March 31, 2018

Subaru sets self-imposed voluntary standards, which are 20% higher than the standards set by environmental laws. We are committed to achieving “zero non-compliance” with both the legal and voluntary standards. There was one case of exceeding water quality-related legal standards in FYE2018, so measures were taken to prevent a recurrence.

Name	Number of Cases	Details of Main Corrective Measures
Gunma Plant	1 case	Immediately took measures including chemical processes.

Environmental Complaints Received in Fiscal Year Ending on March 31, 2018

We are striving to achieve the goal of zero environmental complaints. However, we received 8 complaints and took corrective measures in FYE2018.

Name	Number of Cases	Details of Main Corrective Measures
Gunma Plant	Noise: 1 case	Time of parking lot use restricted and change of parking lots.
	Odor: 3 cases	Facilities checked.
Utsunomiya Plant	Noise: 3 cases	Soundproofing measures, muffling measures and daily inspection.
		Facilities repaired and addition of daily inspection.
		To reduce noise from the facility when it operated. Measures to be taken within FYE2019.
Tokyo Office	Noise: 1 case	Facility's operation noise level reduced. Addition of regular voluntary noise check at night time.

Status of Environmental Accident Occurrences in Fiscal Year Ending on March 31, 2018

We are striving to achieve the goal of zero accidents, both on and off site. While there were no off-site accident, there were four incidents of on-site water flow accidents, and we took measures to prevent recurrence.

Name	Number of Cases	Details of Main Corrective Measures
Gunma Plant	2 cases	Implemented preventive education.
		Reviewed part of work procedure document and implemented its thorough dissemination.
Parts Distribution Center	2 cases	Called attention to all suppliers.
		Made preliminary assumption of measures against effluent risk.

Environmental Education

Subaru regards initiatives for environmental issues as one of social responsibilities as a corporation, and provides employees at all levels and of all tasks with a range of environmental education programs.

In April 2017, we implemented “New Employee Environmental Conservation Education” for the 574 new employees. Our personnel in charge of environment gave lectures on global environmental issues and Subaru’s environmental policy and conservation activities, including the importance of each employee’s participation in these initiatives using case studies.

We also held the ISO14001 New Internal Auditors Training Seminar to enhance the internal auditing system for the ISO14001 environmental management system and to strengthen environmental conservation activities conducted at workplaces. In this seminar, external lecturers were invited for the two-day session, in which participants gained knowledge necessary as internal auditors.

We believe it is important for employees to be fully aware of environmental problems and environmental efficiency on a daily basis, and to exercise this awareness in business and environmental activities. To this end, we continue to promote environmental education and enlightenment for employees.

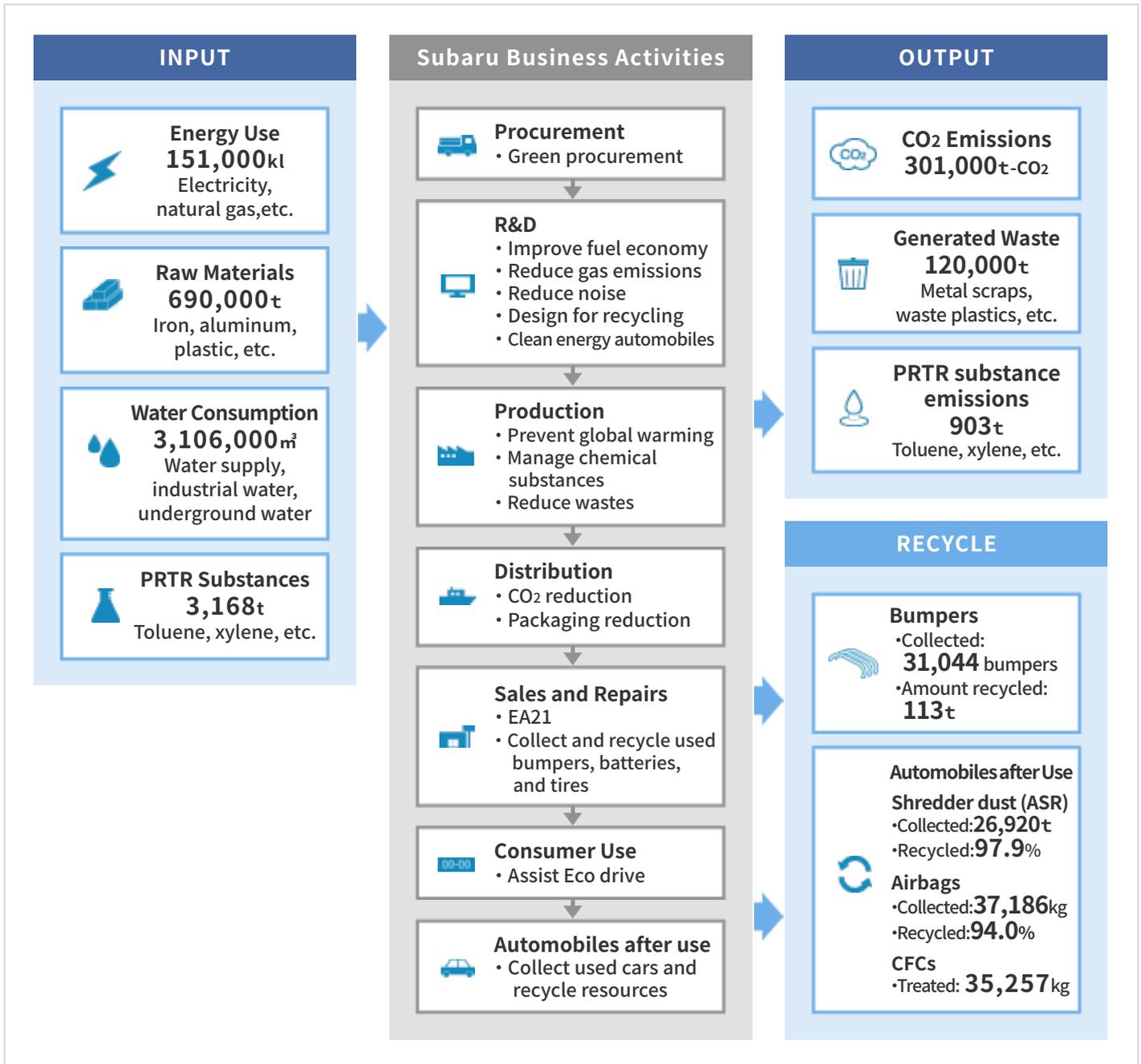


New Employee Environmental Conservation Education



ISO14001 New Internal Auditors Training Seminar

Overall Image of Subaru's Environmental Impact concerning Automobiles



Note: These are the main environmental impacts arising from our automobile manufacturing, sales, etc. In addition to this, we carry out LCA and Scope 3 calculations.

Target: Tokyo Office, Gunma Plant

Energy use, CO₂ emissions: Calculated according to the Mandatory Greenhouse Gas Accounting and Reporting System based on the Act on the Promotion of Global Warming Countermeasures.

PRTR: Chemical substances listed under the PRTR Law of Japan

Environmental Accounting

Our Approach to Environmental Cost and Its Calculation Method

Referencing to the Guidelines of the Ministry of the Environment, Subaru's independent guidelines had been established for our environmental conservation activity organizations (Calculation methods have been changed partially starting in Fiscal Year Ending on March 31 2006), and environmental costs are calculated and summarized according to these guidelines (Group companies also use the same guidelines for calculations.).

Detailed calculation methods can be found on pages 9-13 in 2006 Report on the Environment and Society, separate volume DATA.

Environmental Cost and Capital Investment Calculation Method

Capital investments and related expenses for environmental facilities (investments of 25 million yen or more) and labor costs are calculated on a differential or pro-rata basis. For example, investment and environmental cost for energy conservation of a production facility are calculated as follows:

$$\begin{aligned} &\text{Capital investment and environmental cost} = \\ &\{(\text{Total investment} - \text{Investment not for energy conservation}) / \text{Total investment}\} \\ &\times (\text{Capital investments in the production facility, maintenance costs, etc.}) \end{aligned}$$

For smaller facilities with investments of less than 25 million yen, all the capital investments and maintenance costs limited to environmental purposes are totaled.

In addition, depreciation of equipment for which an investment was made is not included in the environmental cost from the viewpoint of cash flows. Other small expenses, such as fixed assets taxes and insurance costs, are also omitted from the total. Environmental cost and economic effect of environmental facilities are included only for three years from the year after the facilities are put into operation.

FYE2018 Calculation Results

Environmental cost came to 36.2 billion yen on a non-consolidated basis, up 1.69 billion yen (4.9%) from the previous fiscal year, and 38.0 billion yen on a consolidated basis, up 1.83 billion yen (5.1%). The cost increase was mainly due to an increase in research and development (R&D) costs (1.97 billion yen on a non-consolidated basis).

Environmental Costs and Effects Calculation Results (Fiscal year ending March 2018)

Environmental Costs and Effects Calculation Results (Fiscal year ending on March 31, 2018)

(Unit: million yen)

Item	Category	Subaru (non-consolidated)				Consolidated			
		FYE2017		FYE2018		FYE2017		FYE2018	
		Investment	Cost	Investment	Cost	Investment	Cost	Investment	Cost
(1) Cost in the business area	①Pollution prevention cost	1,346	410	452	316	1,372	677	452	742
	②Global environmental conservation cost	175	49	112	42	228	77	139	75
	③Resource recycling cost	9	617	0	618	9	1,176	4	1,410
(2) Upstream and downstream costs	Recycling related cost Cost arising from changes in product materials	-	340	-	259	-	340	-	322
(3) Administration cost	Cost for monitoring environmental impact Cost for the Environmental management Cost for environmental education	-	80	-	71	-	159	-	152
(4) R&D cost	R&D cost for environmental impact reduction	4,017	32,535	2,773	34,504	4,232	33,238	2,884	34,889
(5) Social Activity Cost	Cost related to donation, etc. for environmental conservation groups	-	98	-	121	-	102	-	124
(6) Environmental remediation cost	Cost to remedy soil and underground pollution	0	359	0	244	0	381	0	262
(7) Other cost		-	0	-	0	-	0	-	0
Grand total		5,547	34,488	3,337	36,176	5,841	36,150	3,479	37,976
		40,035		39,512		41,991		41,455	

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

Economic Effect Calculation Results (Fiscal year ending on March 31, 2018)

Item	Economic effect (Millions of yen)	
	Non-consolidated	Consolidated
Reduction in energy cost from energy conservation	16	20
Sales from recycling (sales of valuable items: metals, waste liquids, and cardboard boxes)	1,820	3,633
Reduced raw material cost due to recycling (packaging cost, etc.)	0	0

[Companies included in the consolidated calculation]

Six domestic subsidiaries: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd., Industrial Products Co., Ltd.

Four overseas subsidiaries: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.



Our Approach to Environmentally Friendly Automobiles

Subaru recognizes the importance of reducing CO₂ emissions, which is said to be a factor of global warming. Aiming for compatibility between “protection of the global environment” and “Enjoyment and Peace of Mind,” we are pursuing to develop environmentally friendly products unique to Subaru with advanced technology that considers the life cycle of vehicles, from mining of raw materials to manufacturing, transportation, use, and disposal. We aim for providing our customers with trustworthy, highly utility automobiles that meet a variety of uses of our customers and that can be used for a long time.

Initiatives for Improving Fuel Economy

Subaru thinks how we achieve ultimate fuel efficiency – the environmental performance of products – is important in order to reduce CO₂ emissions, which is said to be a factor of global warming. We will continue to improve the performance of electricity management of gasoline engines. Furthermore, since vehicle weight is expected to increase due to compliance to strengthened safety and environmental regulations and to product improvements, we will strive to make the automobiles lightweight by rationalizing the structure, reviewing materials, and integrating functions. In addition, we will improve the performance of Subaru Global Platform*, deploy it horizontally to other models, and steadily improve the fuel efficiency of existing gasoline- engine vehicles.

* Subaru Global Platform: Next generation platform where Subaru’s will as well as knowledge and technology that had been cultivated over many years are embodied.

“SUBARU XV” released in May 2017 is equipped with a new direct injection engine and an improved continuously variable transmission (CVT), thereby improving drivability and fuel consumption performance. From the ease of operation, wasteful operation of the accelerator has decreased, and actual fuel efficiency has improved.

“Legacy” currently on sale has partially adopted reinforced high tensile steel instead of steel plate commonly used, achieving both weight reduction and strength. Rationalization of the body reinforcement material is also realized by attaching the engine not to the body but to the cradle-shaped frame. By precisely reviewing the body structure, we have realized a lightweight body while increasing the rigidity balance and collision safety that create stability of driving.



Legacy’s lightweight body that achieved both weight reduction and strength

Expanding Electric Vehicle Lineup

We will expand our lineup of SUV type EVs that have excellent capability and loadability distinctive to Subaru as well as new electric vehicles that achieve both improved fuel efficiency and sports performance utilizing motors.

Regarding electrification, we intend to concentrate our technologies in creating electric vehicles distinctive to Subaru while actively promoting collaboration with others in areas of base technology development and standardization.

New model “Forester”^{*1} launched in July 2018 and “SUBARU XV”^{*1} released in October 2018 adopt a newly developed power unit “e-BOXER”^{*2} that combines horizontally-opposed engine and electrification technology. Equipped with 2.0L direct-injection engine with increased efficiency, the combination of the compact, high performance motor and battery as well as “Lineatronic”^{*3} pursuing improved fuel efficiency enables high driving performance for any driving scene. For example, by using “ECO Cruise Control” function, Subaru’s environmental technology realizes the new dimension of driving and driving control, such as maximizing utilization of the motor assist and regenerative braking and making more fuel-efficient follow-up run possible.

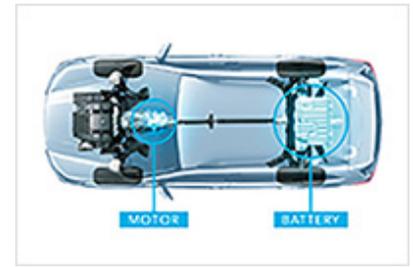
*1 Adopted in Advance grade.

*2 “e-BOXER” is a generic term used for “horizontally-opposed engine + electrification technology” that not only realizes enjoyment of driving that is traditional of Subaru but also considers the environment.

*3 Lineatronic: New generation CVT “automatic transmission” with vertically placed chain.

In addition, we are planning to launch plug-In hybrid vehicle (PHEV) based on “CrossTrek” (Japanese name: SUBARU XV) in the US market in accordance with regulations on fuel efficiency of countries around the world that will become even more severe in the future as well as Zero Emission Vehicle (ZEV) regulation of the US. We also plan to sell electric vehicle (EV) at the global level aiming for 2021. To achieve Japan’s FYE2021 Fuel Efficiency Standards, we intend to expand the introduction of electric vehicles and newly developed “Downsizing Turbo Engine.”

Going forward, with utility and customer preferences in mind, we will promote the development and lineup of electric vehicles and will gradually increase the proportion of eco-friendly vehicles and will enhance each market.



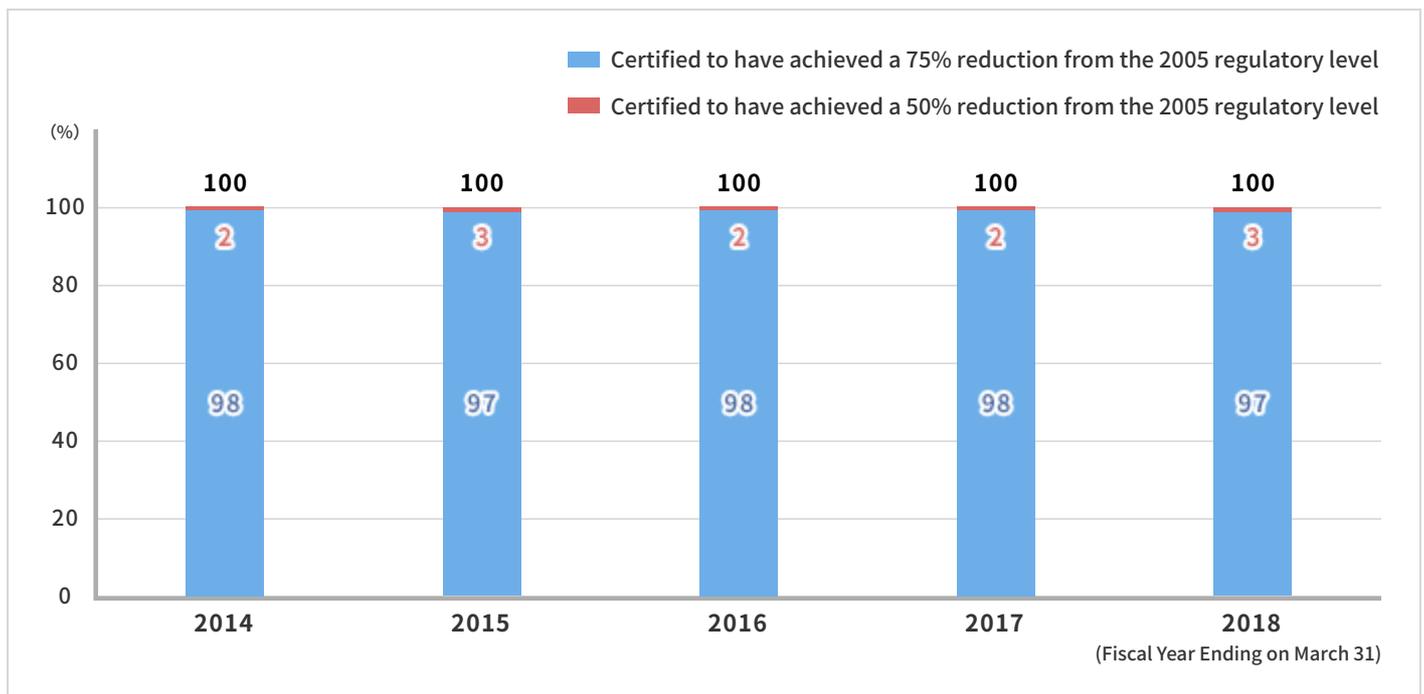
e-BOXER: Newly developed power unit

Clean Gas Emissions

Improvement and Popularization of Certified Low Emission Vehicles

All Subaru vehicles equipped with Natural Aspiration (NA) engines are certified by the Japanese Ministry of Land, Infrastructure, Transport and Tourism to have achieved a 75% reduction from the regulatory values specified in the 2005 emissions standards, and the numbers of vehicles achieving the 75% reduction have remained in the higher 90% range of the total production quantity since FYE2013. Additionally, all vehicles we produce are certified Ultra Low Emission Vehicles (U-LEV) achieving a 50% reduction from the regulatory values specified in the 2005 emissions standards.

Percentage of Low Emission Gasoline-powered Passenger Vehicles



Reducing Environmentally Hazardous Substances

Subaru is also actively working on reducing the environmentally hazardous substances in automobiles. We promote achieving the Japan Automobile Manufacturers Association (JAMA) reduction targets for automobiles in development, further reducing lead and mercury and using alternatives to environmentally hazardous substances such as brominated flame retardants.

Reduction Targets of JAMAs Voluntary Action Program and Achievement Status

Substance	Target	Subaru's achievement
Lead	Implemented in Jan. 2006. Reduce the amount used per vehicle to less than 1/10 of 1996 levels.	All models achieved the target (Target achievement still continuing since Jan. 2006.)
Mercury	Use prohibited since Jan. 2005, with the following exceptions. (The following parts used for traffic safety are excluded.) (1) Liquid crystal panels for navigation, etc. (2) Combination meter (3) Discharge lamp (4) Interior lighting	All models achieved the target (Target achievement still continuing since Jan. 2005.)
Hexavalent Chromium	Use prohibited since Jan. 2008.	All models achieved the target (Target achievement still continuing since Jan. 2008.)
Cadmium	Use prohibited since Jan. 2007	All models achieved the target (Target achievement still continuing since Jan. 2007.)

Reducing VOCs 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), such as formaldehyde and toluene, which are said to cause nose and throat irritation.

In the LEGACY, LEVORG, IMPREZA, FORESTER, and BRZ, we achieved the voluntary target by JAMA* by reducing the concentration of the 13 substances defined by the Ministry of Health, Labor and Welfare to levels below the indoor concentration guideline values. We will continue our efforts to reduce the levels of VOCs to further make the environment in vehicle interiors comfortable.

* Voluntary target by JAMA: To reduce cabin concentrations of the 13 substances designated by the Ministry of Health, Labor and Welfare to levels equivalent to or lower than the figures stipulated in the guidelines for new models (produced and sold in Japan in FYE2007 and after) under the Voluntary Approach in Reducing Cabin VOC Concentration Levels initiated by JAMA.



Our Approach to Climate Change

Subaru's business requires much energy at the production stage and also at the stage when Subaru products are used, and most of the energy we use currently depends on fossil fuels. Governments such as Japan, the United States, Canada, Australia, Europe and China, which are the main markets of Subaru, have established automobile fuel efficiency regulations and CO₂ emission regulations, which directly and continuously impact our use of energy. Similarly, the energy consumed by factories and others in the process of production is affected by the Energy Conservation Law and others.

In order to contribute to the realization of the [2°C Scenario](#), Subaru revised in April 2017 for the first time in about seven years the "Environmental Policy," which is the basis of our principles. The revised Environmental Policy declares that we tackle climate change from a medium- to long-term perspective in order to achieve sustainable growth of Subaru and society. Based on this policy, we announced specific targets to achieve in the New Mid-Term Management Vision "STEP" announced in July 2018 and the business report in the same year. We have begun formulating striving towards these goals.

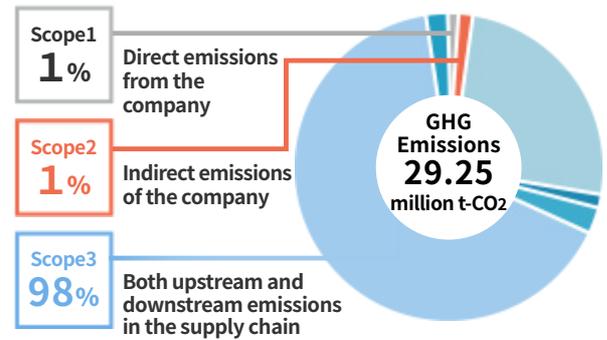
As part of our efforts, we announced that we aim to reduce our direct CO₂ emissions (Scope 1 and 2) by 30% on a total emissions volume basis by FYE 2031 (compared with FYE 2017). We have also announced the direction of our efforts towards low carbonization of Subaru products, such as electrification of our products, in the New Mid-Term Management Vision "STEP."

Greenhouse Gas Emissions Related to Subaru Group

Greenhouse Gas Emissions in the Supply Chain

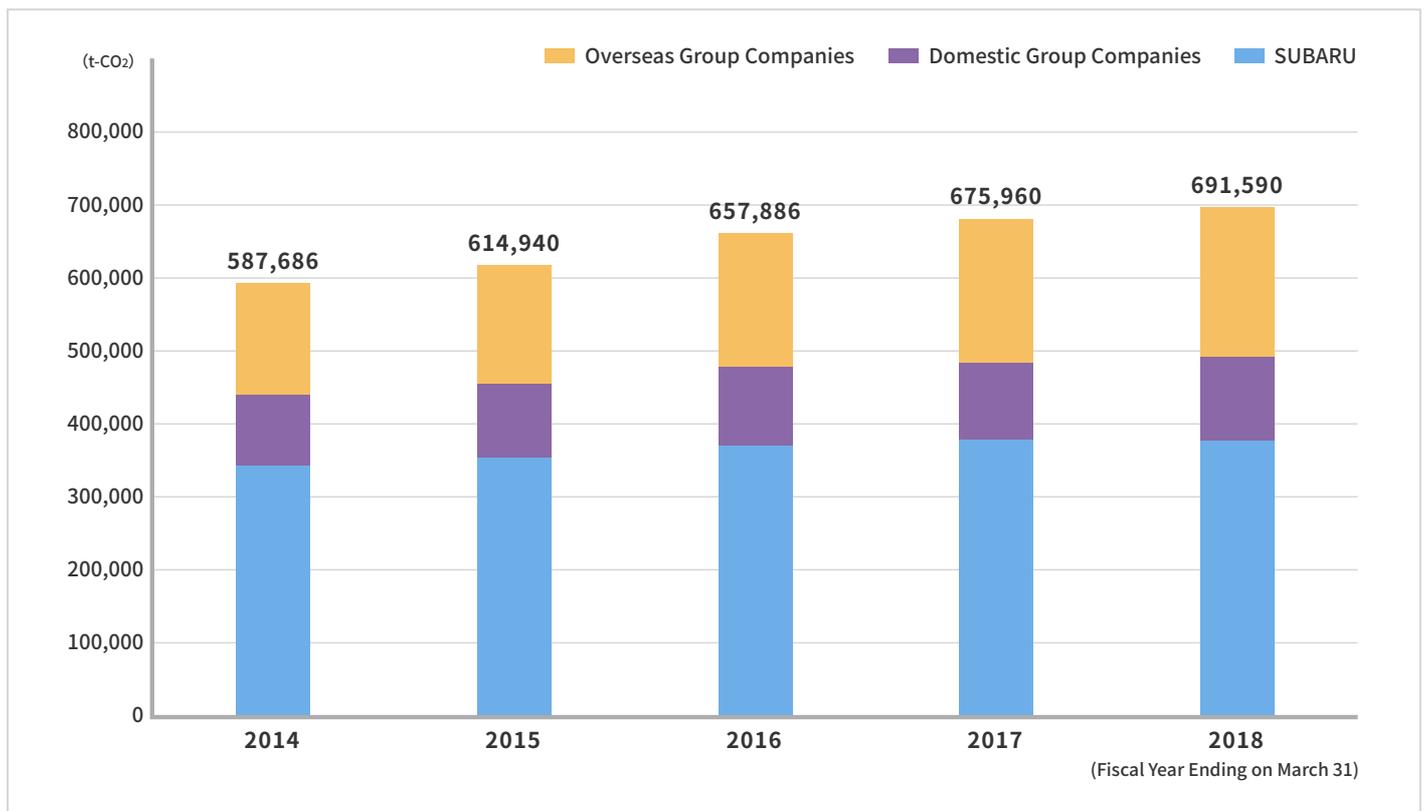
Greenhouse gas emissions in the supply chain for FYE2018 were 29.25 million t-CO₂.

Subaru participated in the Ministry of the Environment “Support for Calculating Supply Chain Greenhouse Gas Emissions toward an Environmental Information Disclosure Infrastructure,” and received assistance from NTT Data Institute of Management Consulting, Inc. in Scope 3 calculations. We will continue to promote identifying and managing GHG emissions.



CO₂ Emissions (Scope 1, Scope 2)

CO₂ Emissions



Targeted companies Subaru Corporation

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

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

<Changes in the targeted companies and emission factor>

From this fiscal year, we have added Subaru dealerships to our calculation to further enhance the CO₂ emission data. At the same time, we have changed the emission factor applied to Subaru and its domestic group companies from our own emission factor to the emission factor of the Act on Promotion of Global Warming Countermeasures. Based on these changes, we recalculated and revised the figures as far back as to FYE2014.

CO₂ Emissions (Scope 3)

Scope 3 Breakdown

Division		Category	Greenhouse Gas Emissions (t-CO ₂)	Calculation Scope, etc.
Upstream	1	Purchased goods and services	7,251,192	Domestic and overseas
	2	Capital goods	463,638	Domestic and overseas
	3	Fuel and energy related activities not included in Scopes 1 or 2	81,818	Domestic and overseas
	4	Transportation and delivery (upstream)	1,252,378	Domestic and overseas
	5	Waste generated in operations	28,776	Domestic and overseas
	6	Business travel	4,361	Domestic and overseas
	7	Employee commuting	11,766	Domestic and overseas
	8	Leased assets (upstream)	-	N/A
Downstream	9	Transportation and delivery (downstream)	-	N/A
	10	Processing of sold products	4,200	Domestic and overseas
	11	Use of sold products	18,806,767	Domestic and overseas
	12	End-of-life treatment of sold products	593,463	Domestic and overseas
	13	Leased assets (downstream)	-	N/A
	14	Franchises	56,056	Domestic and overseas
	15	Investments	-	N/A

Initiatives in Production

Based on the Act on the Rational Use of Energy, Subaru has set the mid- and long-term targets and has been making efforts to reduce CO₂ by quantitatively replacing equipment and devices such as lighting with energy-conserving equipment.

Energy Conservation Initiatives

Introduction of cogeneration system

A gas cogeneration system was installed in the Subaru Training Facility in December 2015 to use energy more effectively.

By making use of the cleanness of city gas as the fuel for gas cogeneration and by effective utilization of waste heat, we have the effect of reducing CO₂ emissions by approximately one-third compared with conventional systems.

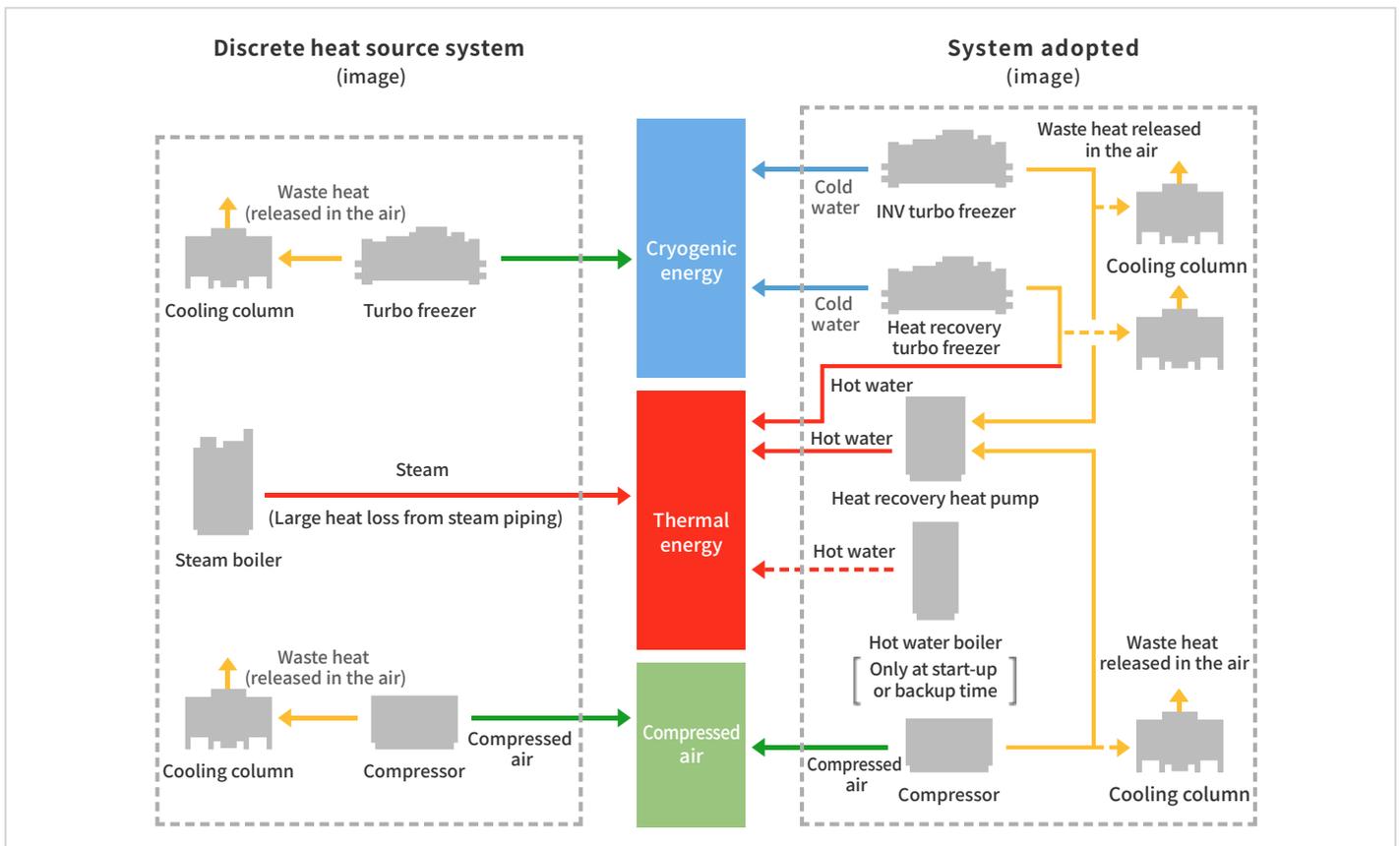


Cogeneration system installed in the Subaru Training Facility

Installed latest energy-saving equipment

In the automobile painting process, it is necessary to repeat “warm up” and “cool down,” which requires much energy. Thus at the Yajima Plant of GunmaPlant, we introduced a highly efficient heat source system centered on the heat pump in 2018 and efficiently produce hot and cold heat compared to conventional technology (individual heat source system).

With these improvements, we will continue work on energy conservation and reduction of CO₂ emissions.



Initiatives in Distribution

Reducing the Environmental Impact of Transport of Subaru Automobiles

Subaru will review the transport of Subaru automobile from time to time, and establish optimal standard transport routes, promote modal shift, change the composition of completed automobile model to be transported, improve loading efficiency by flexibly responding to larger automobile size, and introduce digital tachograph that contribute to energy saving. We will continue its efforts to reduce environmental impact by promoting efficient transportation.



In recent years, we have been able to reduce the amount of fuel use (improved fuel efficiency) and CO₂ emissions from completed automobile transportation by effectively using the improved Tokyo metropolitan highway network.

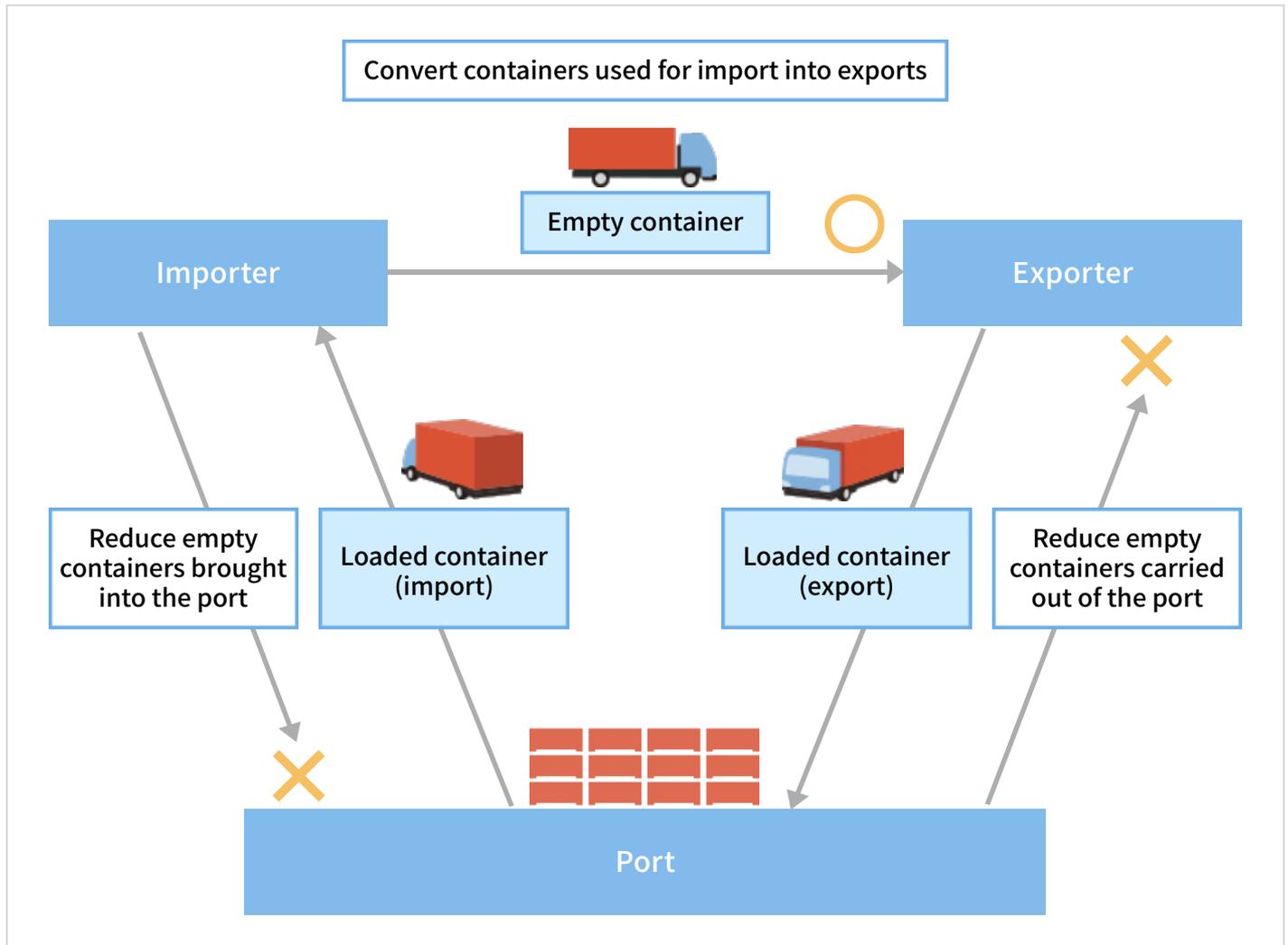
In FYE 2018, CO₂ emissions during transport per Subaru automobile decreased by 8.3% compared with the target of 1% reduction from FYE 2007 level. We will continue its efforts to work on further reduce CO₂ emissions.

Reducing Environmental Impact on Exports of Subaru Automobile Overseas Production Parts

Introduction of round use

Round use is to convert empty maritime containers used for import into exports without returning them to the port, by directly transporting from importers to exporters, or by utilizing neighboring inland container depots. It is a mechanism to reduce the empty container transport from the port. Subaru Logistics Co., Ltd., which exports overseas production parts of Subaru automobiles, introduced this initiative in July 2017 and will continue to reduce CO₂ emissions.

Concept of Container Round Use

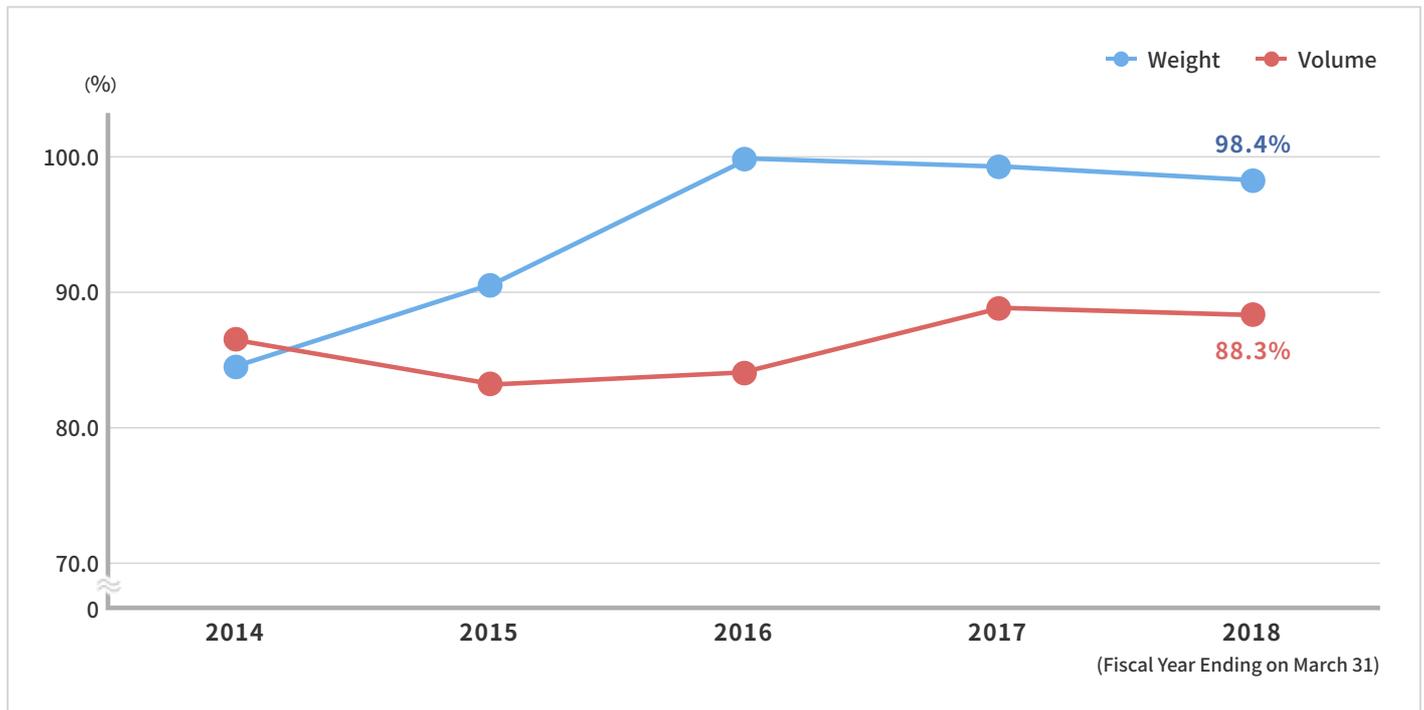


Improvement of container filling rate

Subaru Logistics Co., Ltd., (SLCO) which handles packaging and transport of complete knockdown (CKD)* parts of Subaru automobiles has been carrying out activities to improve container filling ratio to reduce unnecessary space inside containers by improving packaging such as through slimming of and reducing weight of packaging material. As a result, the filling rate (weight) in FYE 2018 reached 98.4%, and the filling rate (volume) improved to 88.3%. SLCO will continue to improve the container filling rate and work on improving transport efficiency and reducing CO₂ emissions.

* CKD: To be fully assembled overseas

Changes in Container Filling Rate



Optimizing parts supply

Subaru had established four domestic area parts centers between October 2013 and October 2016 with the goal of making part supply more efficient.

By consolidating the parts warehouses that had been scattered among the 44 Subaru domestic dealerships throughout Japan into four centers and reviewing the transport routes from there, CO₂ emissions during transport were reduced by 64.8% in FYE2017 from the FYE2013 level.

Introduction of natural gas vehicles

Subaru of Indiana Automotive, Inc. (SIA), the US production base of Subaru automobiles, in cooperation with Venture Logistics, a company in charge of parts delivery, is proceeding with the introduction of natural gas vehicles.

Compressed natural gas (CNG) has a lower environmental impact than diesel fuel and is superior in terms of cost efficiency and reliability. One significant hurdle to CNG was that there were no supply stations for natural gas close by. SIA financed the Venture Logistics with CNG truck installation fee of more than \$ 1 million in 2014 and established a natural gas stand at the SIA property site to promote the introduction. As a result of introducing CNG fleet trucks, 1,097 tons of CO₂ emissions per day were eliminated (corresponding to 85% of emissions before the introduction). Energy costs were also reduced by a total of \$389,136 compared to using diesel fuel.

Initiatives in Sales

Energy Conservation Initiatives in Domestic Dealerships

In order to reduce greenhouse gas emissions, Subaru Domestic dealerships are sequentially switching to LED lights and high-efficient type air conditioners at the timing of renovation.

Initiatives in Offices

Introduction of Environmentally Advanced Building

The New West Building in Gunma Plant completed in April 2016 had introduced various environmental technologies for reducing environmental impacts. Solar power panels generate 20kW of energy, and solar heat from solar heat collection panels is used to provide hot water for the kitchens. In addition, a new-generation lighting system combining individual address type control and image sensing type human sensor is introduced in the high-efficiency LED lighting. The air conditioning uses high-efficiency air-cooled heat pump chillers.

It has also introduced low-emissivity glazed window glass with high heat shielding and heat insulating properties, and a cool heat trench that takes outside air from a ventilation tower through an underground isolation layer to pre-cool or preheat the air and supplies to each floor. The building plans also introduced several innovations such as providing balconies to create a solar radiation shielding effect while creating rest areas, contributing to both energy conservation and a comfortable working environment without relying only on machinery.

The new headquarters building and training center of Subaru of America, Inc. (SOA), completed in April 2018, is designed with consideration for the environmental impact based on the LEED (Leadership in Energy & Environmental Design) certification system (Environmental Performance Evaluation System operated by US Green Building Council). SOA plan to promoting activities with the aim of acquiring LEED certification next fiscal year.



Solar radiation shielding due to the effect of the balcony eaves



SOA'S new headquarters building and training center with consideration for the environmental impact

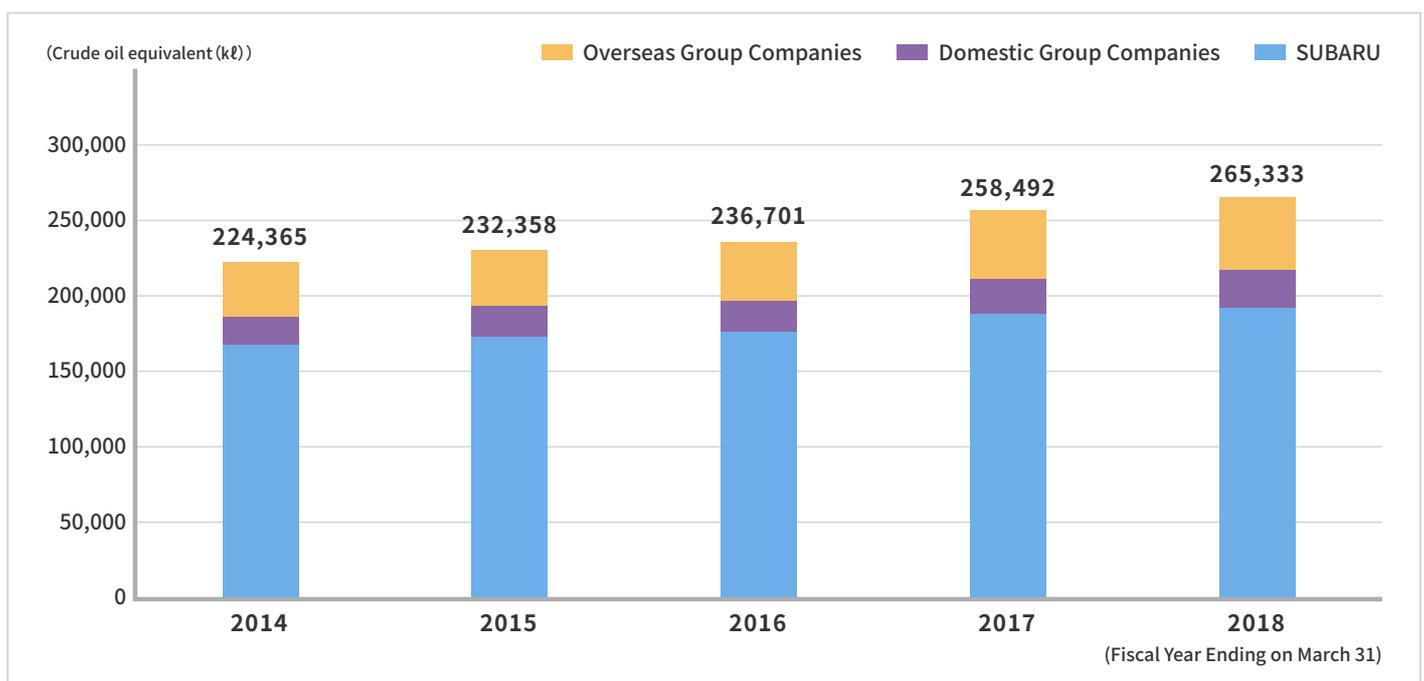
Basic Concept regarding Energy

Based on the Law Concerning the Act on the Rational Use, etc. of Energy, we are working on energy conservation through switching facilities and equipment including lighting equipment and through use of renewable energy.

Energy Consumption

Energy consumption in FYE2018 increased by 6,841 kℓ from the previous year.

The main reason for this is an increase in the production volume of automobiles. We will continue aiming for further energy conservation by introducing the latest energy-saving equipment and renewable energy.



Target companies Subaru Corporation

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

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

Subaru Corporation: Calculated based on the notification of the Energy Conservation Law.

Related information

- > [Overall Environmental Impact](#)
- > [CO₂ Emissions \(Scope 3\)](#)

Introduction of Renewable Energy

Subaru installed solar power system facilities at the Subaru Research and Experiment Center building constructed in FYE 2018 and the Oizumi Plant of Fuji Machinery Co., Ltd. Utilization of renewable energy such as solar power system is becoming an increasingly important option as an energy source that does not emit CO₂. It is also effective for securing stable supply by diversifying energy sources. At the Gunma Oizumi Plant, we are planning to reduce CO₂ emissions of about 2,370 tons of CO₂ per year by installing the Japan's largest-scale solar power generation system (for an annual output of 5,000 MWh/year).



Subaru Research And Experiment Center



Oizumi Plant of Fuji Machinery Co., Ltd.

In the Tokyo Office, two 10kw solar power generation systems in December 2009 and March 2014 and one 5kw facility in January 2014 on the main office building roof, one 2kw system in March 2014 in the guardhouse, and one 2.7kw facility in 2016 in the special high-voltage substation were introduced. We now generate 33,809.7 kWh per year, and effectively utilize it as part of the electric power of the Tokyo Office.

In 2014, we introduced solar power system with a rated output of 420 kw (corresponding to 100 detached houses) as a power distribution project in Kiryu City, Gunma Prefecture, and we started a project to generate and sell electricity of 427,706 kWh per year.



Solar power generation system with the output corresponding to the use by 100 detached houses.

Establishment of Environmentally Conscious Parts center and Training Center

Subaru of America, Inc.'s Parts and Training Center in Florence, New Jersey opened in June 2013 has awarded LEED certification for environmentally conscious buildings. This facility has a solar power generation system with 1 MW power generation capacity is installed on the rooftop, and a new server with about half the power consumption compared to the conventional one is being introduced.

In FYE2018, SOA switched the lighting fixtures to LED light bulbs, reducing the total electricity consumption by 13.13%.



1 MW Power Generation Facility



Parts and Training Center in Florence

Introduction of Micro-Hydroelectric Power Generation System using circulating water

In January 2014, the Tokyo Office installed micro-hydroelectric power generation system (2.9 kW) as an energy recovery system using cooling circulating water at some of its research facilities, and its system is now generating about 13,000 kWh of electricity per year (corresponds to electricity use of three households). This system installs water wheel which rotates with the water's head to generate electricity. Power generated by this system is used for circulating water pump.



Introduction of "Tochigi Furusato Denki" Program

[Please see here for the details.](#)



Our Approach to Resource Recycling

The Subaru Group understands that constructing a recycling-based society is an important theme that is closely related to corporations in the manufacturing industry.

We aim to build a recycling-based society through having 100% automobile-to-automobile recycling to the extent possible considering the product life cycle, continuing to send zero landfill from domestic and overseas production plants, and aiming for a higher dimensional recycling.

Specifically, we put “resource recycling” as one of the themes of Subaru’s Voluntary Plan for the Environment, and we will steadily implement an environmental conservation voluntary action plan based on it.

Recycling of Raw Materials

By reusing the discard generated at the time of Subaru’s automobile production, scraps, collected used materials, etc. in place of new materials to be used such as iron, aluminum, plastics, etc., which account for a large proportion of the contents of the automobile, Subaru is working on the closed loop recycling, which reduces natural resource consumption, environmentally hazardous substances, and wastes.

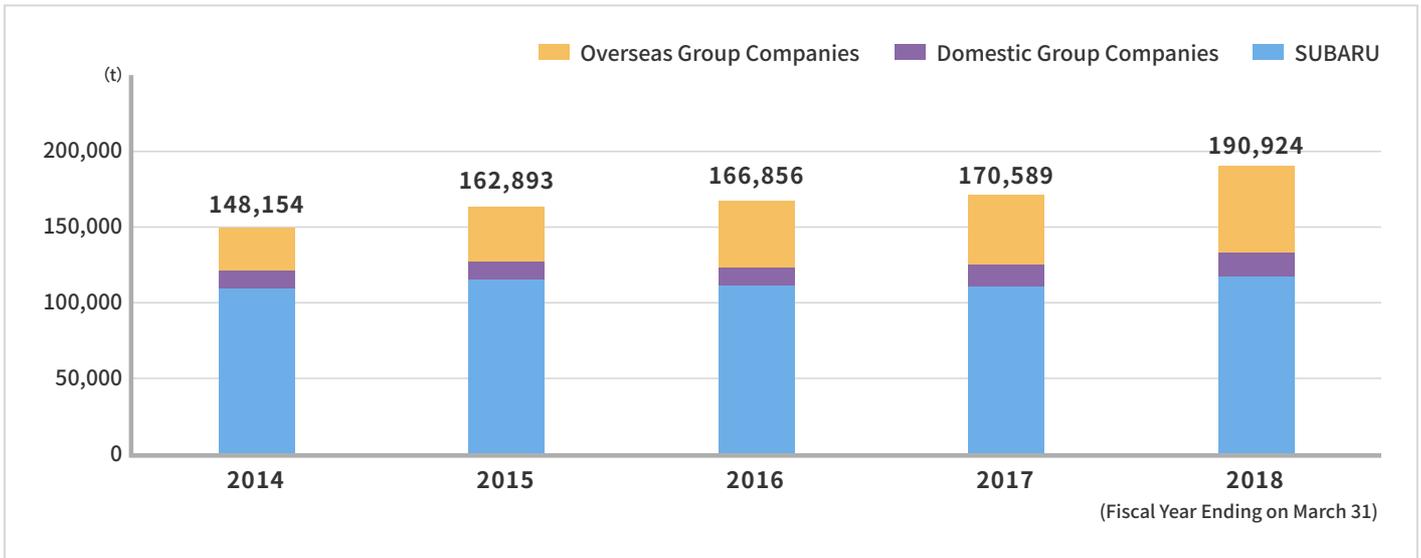
Raw material used in automobiles in FYE2018		Recycling method
Iron	646,147 ton	Provide professional dealers with iron scraps and they reuse them.
Aluminum	20,338 ton	Aluminum scraps are re-melted at plants and reused almost entirely.
Plastic	22,000 ton	Plastic scraps are re-melted at plants and reused almost entirely.

Wastes

Wastes generated in FYE2018 increased by 20,335 tons from the previous year.

The main cause is due to an increase of the automobiles volumes. But we consider wastes as a valuable resources, we collect and reuse them as much as possible or appropriately treat them, and we will continue zero landfill.

Waste Generation



Targeted companies/divisions:

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

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

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

* Includes scrap metal sold.

We do not import/export hazardous wastes stipulated in Basel Convention 2 Annex I, II, III, and IV.

Related information

[› Reuse of Packaging Materials](#)

Processing of End-of-Life Vehicles (ELVs)

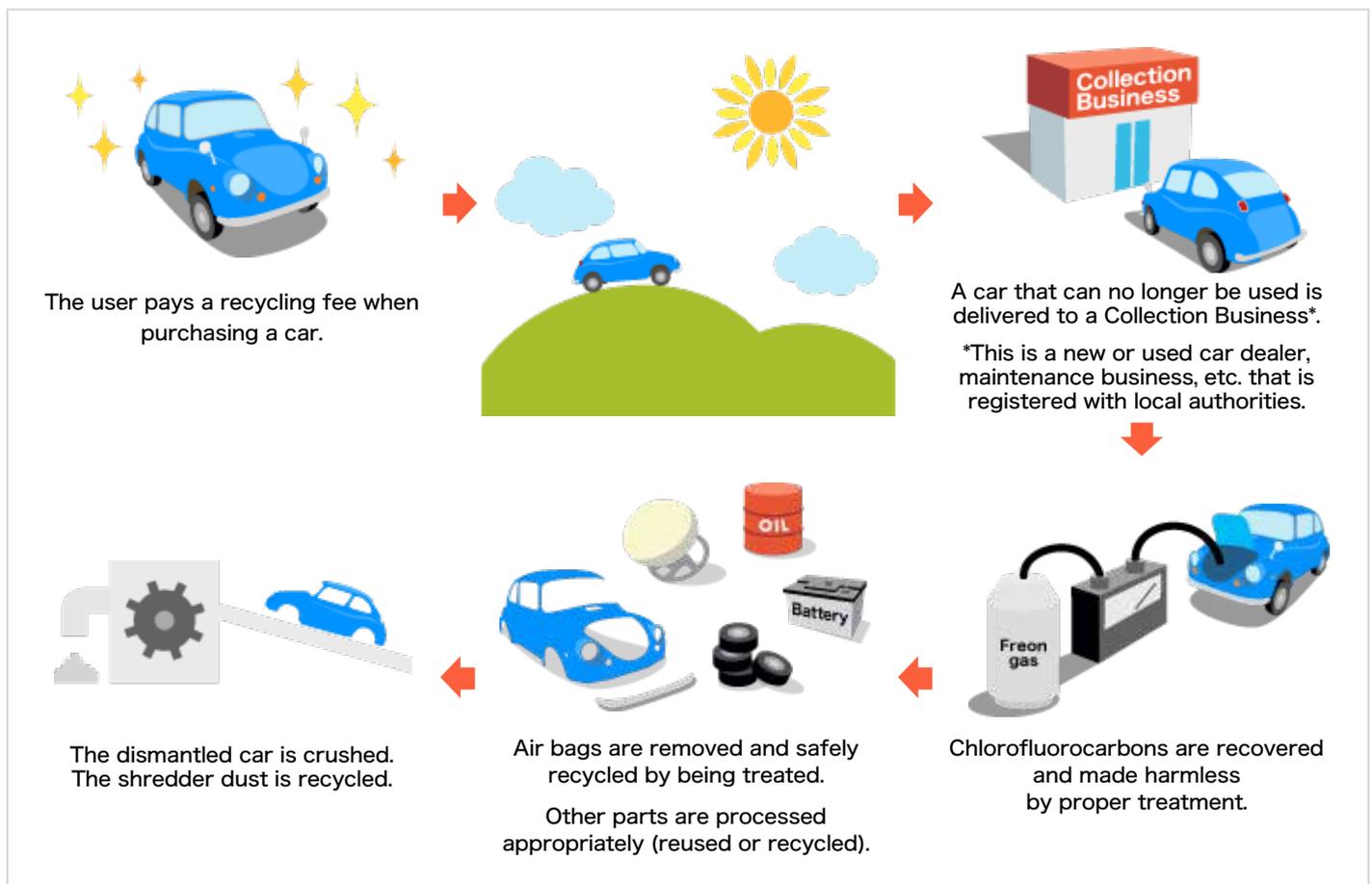
Based on the End-of-Life Recycling Law in Japan (Act on Recycling, etc. of End-of-Life Vehicles), car manufacturers are obliged to fully recover and appropriately recycle automotive shredder residue (ASR), airbags, and chlorofluorocarbons (CFCs) when cars they manufacture become end-of-life vehicles.

Subaru aims to ensure smooth recovery and recycling of three items, namely ASR, airbags and CFCs, generated from end-of-life vehicles, and to stably maintain a high level of recycling rates. Through ART, a consortium Subaru and 12 other car manufactures, etc. have established, Subaru promotes proper recycling of ASR smoothly and efficiently. Regarding the recycling of airbags and CFCs, appropriate processing is carried out through Japan Auto Recycling Partnership Ltd., established jointly with domestic automobile manufacturers and importers.

The ASR recycling rate for Fiscal year ending on March 2018 was 97.9%, satisfying the Fiscal year ending March 2016 legal standard of 70%.

As for airbags, a recycling rate of 94% has been attained, exceeding the legal standard of 85%. Also, the entire amount of recovered CFCs was appropriately treated. Please go over the following pages for the latest information on our recycling achievement based on the End-of-Life Recycling Law.

Automobile Recycling Process



Promotion of Recycling Conscious Design

In order to use limited resources effectively, Subaru promotes recycling conscious design in automobile manufacturing.

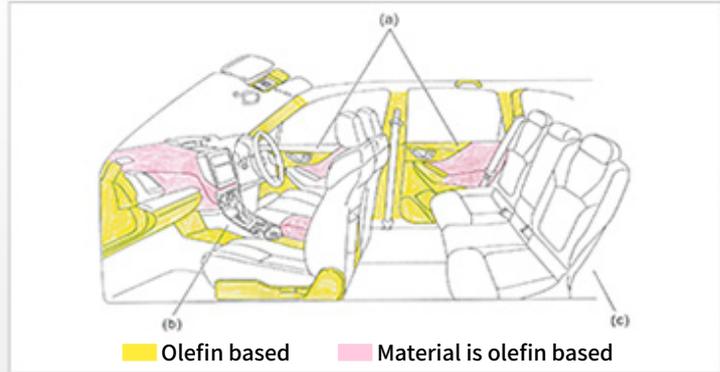
Improvement in Wiring Harness Dismantling

Adopted a harness layout and structure than can be recovered quickly and efficiently.



Use of Easily Recycled Materials

Actively adopted olefin resins that are easily recycled to use in internal parts.



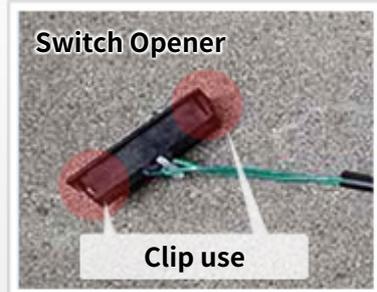
Improved Material Identification

Improved material separation by displaying the material identification not only on the inner surface of bumpers but also on the outer surface.



Adoption of Easily Dismantled Structures

Eliminated screws for the switch opener of the trunk and rear gate by using clips.

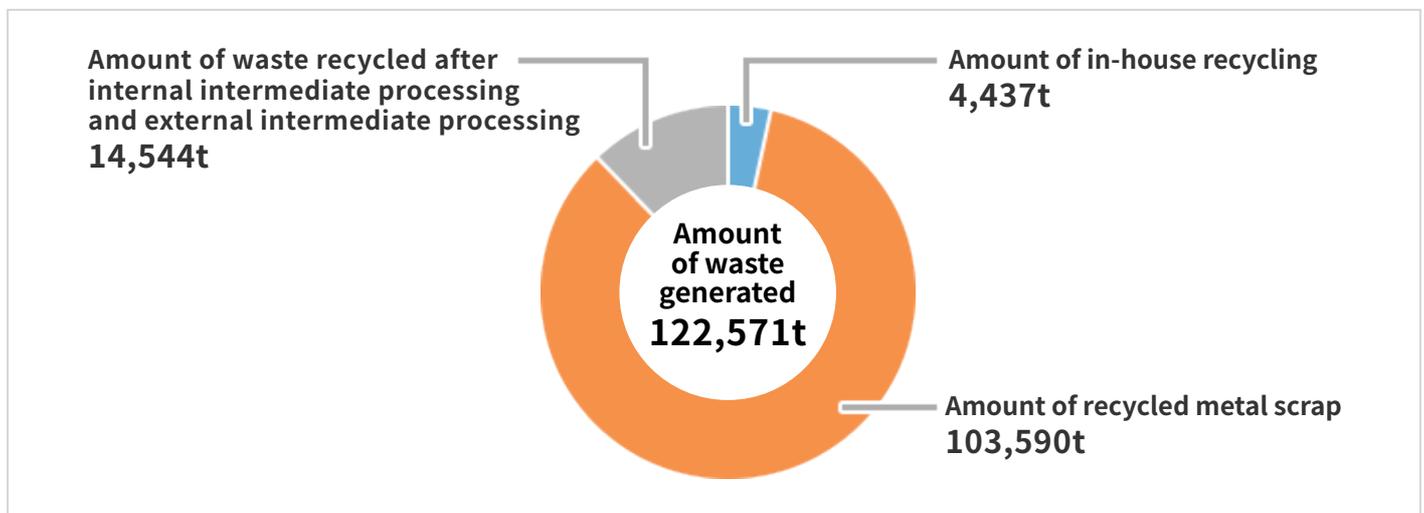


Initiatives in Production

Initiatives for Waste Reduction at Plants

All Subaru manufacturing plants in and out of Japan have maintained zero landfill for waste materials since Fiscal year ending March 2005.

Overview of Waste Generation and Processing in All Sites in Fiscal year ending March 2018



Aggregation range: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa Nishi Plant

There is no landfill after external intermediate treatment.

Primary Waste and Recycling Method

Primary waste	Primary Recycling Method
Wastewater treatment plant sludge	Raw material for cement
Paint sludge	Iron-making reducer
Waste plastics	RPF (solid fuels, etc.)
Paper waste	Recycled paper, RPF, etc.

Initiatives in Distribution

Reuse of Packaging Materials

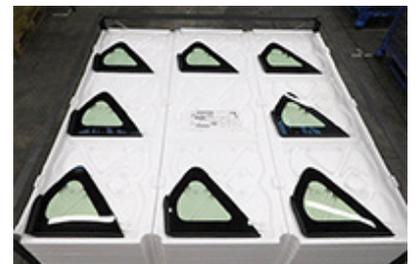
Subaru Logistics Co., Ltd., which handles packaging and transport for complete knockdown (CKD) parts of Subaru automobiles, has been carrying out activities to reduce environmental impact, focusing on the reuse of packaging materials.

The amount of reused packaging materials in Fiscal year ending on March 2018 was 698.7 tons, 7% increase from the previous year. This was caused by the increase in production of Impreza in the United States.

We will continue to our efforts to reduce environmental impact by expanding the reuse of packaging materials.



Vacuum molded tray for water pump



Foam material for rear quarter glass

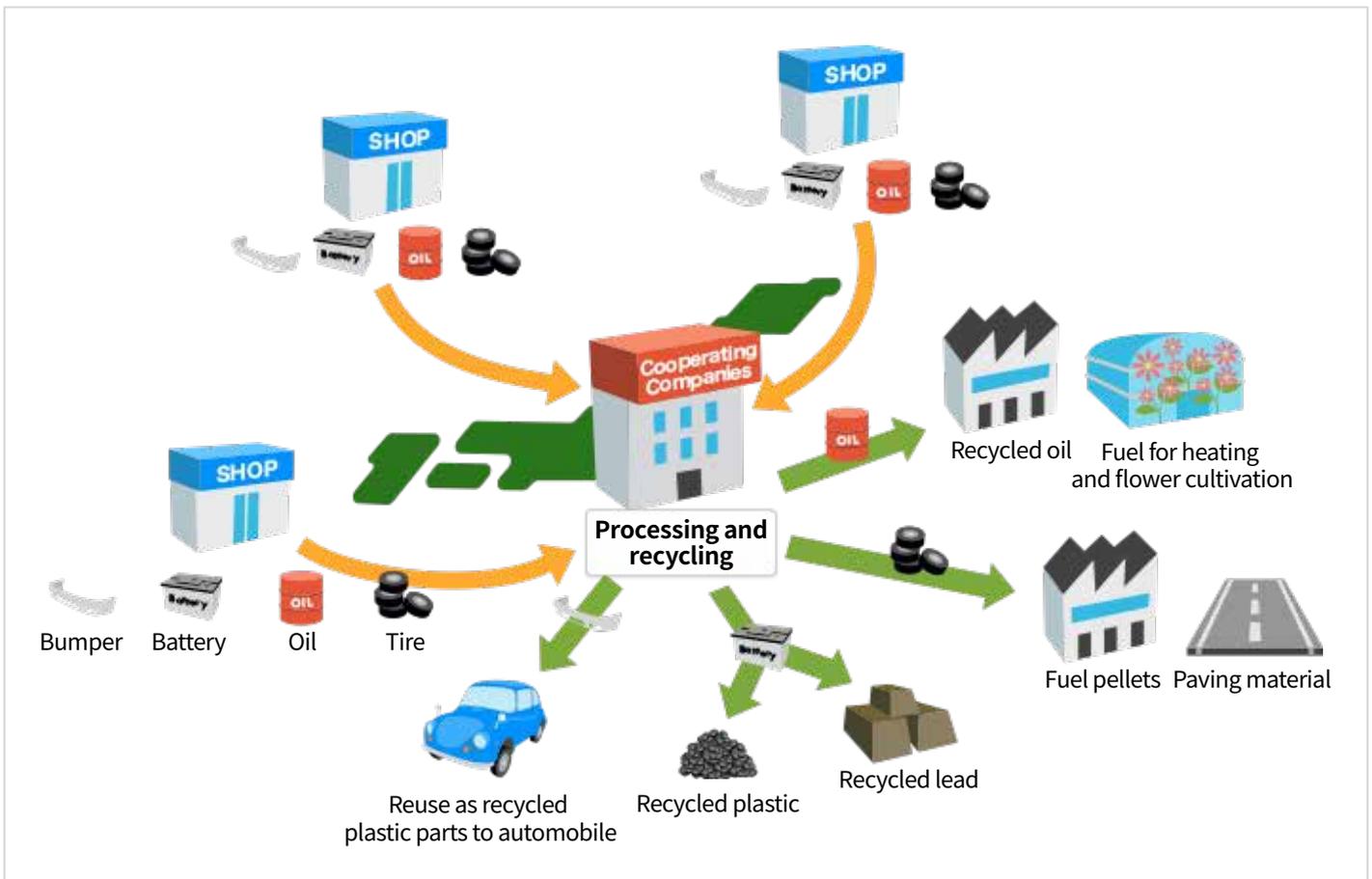
Initiatives in Sales

Zero Emission at Subaru Dealerships in Japan

From April 2012, Subaru domestic dealerships began improving appropriate treatment activities for waste generated from their business activities to promote environmental conservation.

Collaboration and cooperation with companies and industrial organizations are being carried out for resource recycling as well as a review of conventional treatment methods, leading to zero emission activities targeting resource recycling within Japan. Various activities are being developed, including recycling of used lead-acid batteries, waste oil, used tires, etc. As the result of these activities in FYE2018, 1,433 tons of used lead-acid batteries (113,395 used batteries), 5,457 kiloliters of used oil, and 167,444 used tires were collected and recycled.

We believe that the zero emission activities of Subaru domestic dealerships, who are closest to stakeholders, are environmental conservation activities closer to home. They can also provide an environment with safety and peace of mind, in addition to products, by promoting more effective use and appropriate processing through defining corporate responsibility and recycling resources.



Recycling of Waste Oil

Waste oil generated at Subaru domestic dealerships during oil changes is recycled as recycled fuel oil based on the zero emissions scheme created by Subaru. Every year, farmers in Yamagata Prefecture grow beautiful poinsettia and cyclamen using this recycled fuel oil for heating greenhouses. Subaru distributed these cyclamens to visitors to Subaru events and EcoPro exhibition.



Cyclamen cultivated in horticultural farmers



Distributing cyclamens to visitors

Recycling of used tires

Used tires changed and collected at Subaru domestic dealerships are crushed and made into rubber chips, which are then reused as fuel at plants such as power plant, paper making company (pulp), steelworks, etc. In addition to this kind of thermal recycling, we have started to reuse these chips as paving materials.

The used tires made into rubber chips are mixed in asphalt, or applied as an overlay of asphalt pavement. They can be used for parking lots, children's playgrounds, athletic fields, and sidewalks of hospitals/nursery homes, with varied blending ratios of chips depending on the use. We not only recycle the outer layer of the tires, but the entire rubber parts of those tires for pavement materials by sorting each part thoroughly, such as wires, rubber components, etc. We are the first car manufacturer to recycle all the rubber parts of a tire for pavement materials.



Staff Parking



Animal Square in Stellar Town

Effective Reuse of Old Company Pins

Along with company name change in April 2017, each business site collected old company pins.

Subaru had metal processors take over the former company pins of 42 kg collected to make effective use of them as a metal resource.



Recycling of collected old company pins

National Parks Zero Landfill Initiative

National Parks in the United States are a beloved natural resource, explored by millions every year. At Subaru, because we have such a strong connection to the outdoors we want to help protect and enhance our parks today and for future generations. That's why we are piloting a zero-waste initiative with the National Parks that borrows from our successful efforts to make our US manufacturing plant a zero-waste facility. This initiative is being piloted at three National Parks – Denali, Grand Teton and Yosemite – in partnership with the National Parks Conservation Association.

In order to make it easier to separate waste generated in national parks, we reduce the amount of waste to be landfilled by making stickers and garbage boxes, or making organic fertilizer from food scraps generated in parks.

In FYE2018, more than 5,000 people including SOA employees and local residents participated in various initiatives. In addition to organizing meetings and events participated by all employees, we create and distribute logos, and post information on the state of these initiatives in newsletters and on bulletin boards to make them widely known to people.

Here, SOA is working to test various approaches to eliminate waste from their parks and then create best practices that can be applied, ideally, across the entire National Parks system.



Recycling container at Grand Teton National Park installed by SOA



Our Approach to Water Resources

Water resources are one of the valuable resources that support our life, living and business activities. But due to the impact of climate change, population growth, and demand growth deriving from economic development, the risk of water resources is predicted to grow in the future.

Water resources are indispensable in the production process at Subaru, and their shortage has the potential of affecting our business activities, we started conducting water risk assessment at major production bases, and has confirmed that our risk is low.

In addition, we appropriately ensure, use, and discharge water in our business activities.

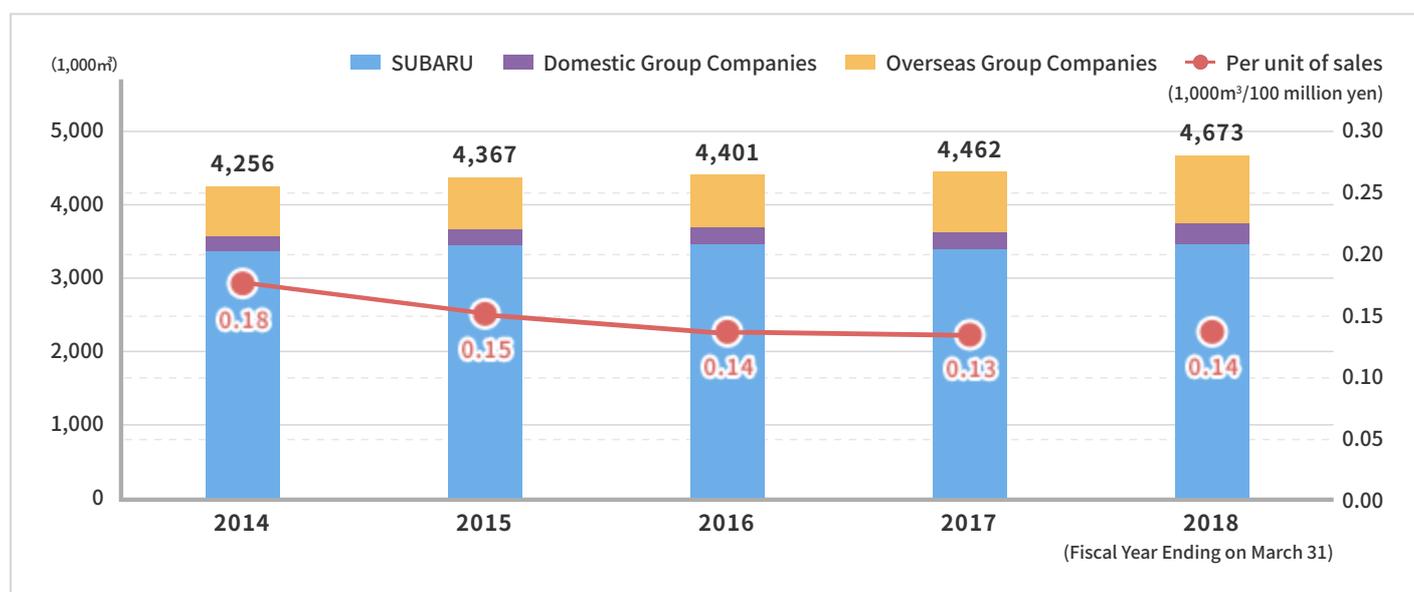
Subaru has established its own voluntary management standards of water quality to be 20% higher than legal standards for water quality. Voluntary inspections and third-party inspections are also conducted regularly. In the water quality test results in FYE2018, there was one case that exceeded the voluntary management standards, and we immediately took measures.

› [Status of Compliance with Environmental Laws and Regulations in FYE2018](#)

Water Consumption

The total amount of water use and water used per unit of production are managed by totaling the amount of water for each facilities and reporting and verifying these figures at the biannual meeting.

Water Consumption (Total Amount of Water Use)



Targeted companies/divisions:

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., Industrial Products Co., Ltd.

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

Breakdown of Water Consumption by Water Source at Major Production Bases

(Unit: 1,000m³)

Region	Industrial Water	Tap Water	Source of Water Intake
Japan	3,130	295	Tone River, Watarase River
North America	0	825	Mississippi River
Total	3,130	1,120	

Targeted companies/divisions:

Japan: Gunma Plant, Utsunomiya Plant, Handa Plant, Handa West Plant, Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Industrial Products Co., Ltd.

North America: Subaru of Indiana Automotive, Inc.

Implementation of Water Risk Assessment

Subaru has a third-party expert implement a water risk assessment* related to water intake and discharge in order to use water resources sustainably. In FYE2017, it was conducted at Gunma Plant and Subaru of Indiana Automotive, Inc. (SIA), which are our bases for automobile manufacturing. In FYE2018, it was also conducted at Utsunomiya Plant, which is our base for aerospace manufacturing.

The assessment estimated water supply and demand in the river basins where each base is located, and evaluated the possibility of water disaster and the impact on public health, ecosystem, etc. at five levels. We use these to set priorities and perform measures.

Assessment Target	Water supply and demand		Water disaster	Vulnerability to water pollution		Comprehensive evaluation
	Current	Future trend		Public health	Ecosystem	
Gunma Plant	B	A	A-	B	A	A-
SIA	B-	B	A	B	A	B+
Utsunomiya Plant	B	A	A+	A-	A+	A-

Gunma Plant and Subaru of Indiana Automotive, Inc.

These sites, which are our bases for automobile manufacturing, currently have a moderate water supply and demand risk and it is expected that the current risk level will be maintained for the mid- to long-term even when taking climate change into consideration. No biodiversity protection areas have been confirmed downstream and a low vulnerability to water pollution has been confirmed.

Utsunomiya Plant

The Utsunomiya Plant, which is our base for aerospace manufacturing, currently has a moderate water supply and demand risk. However, it is predicted that in the future river flow rate increases while the water demand decreases, and thus the water supply and demand risk is expected to improve in the future. Since the site is not in a flood inundation area and a sediment disaster area, a low water disaster risk was confirmed. No biodiversity protection areas and rare aquatic life are confirmed 10 km downstream of the site, and a low ecosystem risk was confirmed.

Going forward, we will review our use and conservation of water resources to meet the local demand based on this assessment.

* Reference database

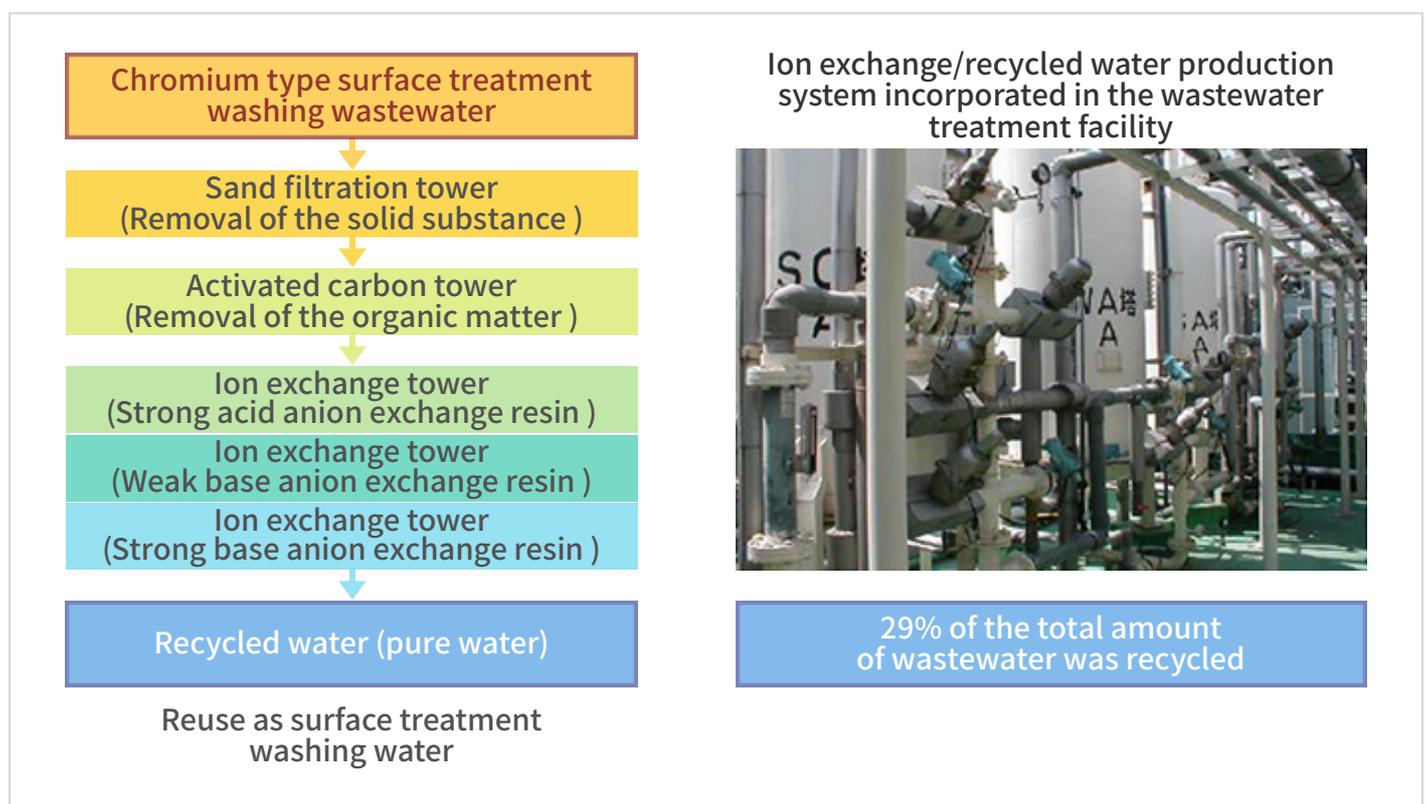
(1)WRI Aqueduct water risk atlas, WWF-DEG Water Risk Filter, PREVIEW Global Risk Data Platform, Climate Change Knowledge Portal, Integrated Biodiversity Assessment Tool, NCD-VfU-GIZ Water Scarcity Valuation Tool (Version 1.0), Costing Nature / Water World, National Land Numerical Information: Possible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

Water Reuse

An Initiative to Reuse Water at A Production Base

Subaru introduced a surface treatment facility incorporating an ion exchange/recycled water production system at Utsunomiya Plant, and reprocess wastewater to utilize it as recycled water (pure water). In FYE2018, 42,000 m³ (29%) of the total 146,000 m³ of water used in the surface treatment facility was treated and used as recycled water. Recycled water is used at the plant as washing water in the surface treatment facility.

Recycling Treatment of Surface Treatment Wastewater (Image)





Our Approach to Biodiversity

Subaru Group recognizes the impact its business activities may have on biodiversity and also the importance of preserving biodiversity, and thus makes clear in its Environmental Principles that it strives to address environmental issues on a global scale including biodiversity through all its business activities.

In promoting biodiversity preservation, while referencing external initiatives such as the Guidelines for Private Sector Engagement in Biodiversity and the Declaration of Biodiversity: Guide to Action Policy by Keidanren, Federation of Economic Organizations, we are in the process of creating an active biodiversity preservation network through participation in the Private Sector Engagement in Biodiversity Partnership.

Subaru launched a working group in FYE March 2015 across all business sites, studied the relationship between our business activities and biodiversity, and then identified potential risks. After identifying the priority issues that we need to tackle first, we have formulated roadmaps and are steadily addressing and promoting them by the entire Subaru Group.

Domestic Initiatives

Subaru Forest Project

Subaru has launched the Subaru Forest Project initiative that directly links to the biodiversity conservation. Among various corporate activities, this is the one that embodies “coexistence with nature” of Subaru Environmental Policies.

Conservation of Forest within the Subaru Test & Development Center Bifuka Proving Ground, Hokkaido

Subaru launched development and conservation activities in June 2017, including tree-planting, forest-thinning and nature conservation programs, in a forest of 115 ha which Subaru Test & Development Center Bifuka Proving Ground owns in its site. Additionally, Subaru are seeking possibilities of forest development and specific activities in collaboration with local communities, such as with Bifuka-cho. In June 2018, we signed an “Agreement on Implementation of Forest Conservation Activities” with Bifuka-cho municipal government, Hokkaido, Japan and a signing ceremony was held.



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

Outline of the agreement on the Implementation of Forest Conservation Activities

1. Gain Group Forest Certification*¹ covering a wide area to exercise sustainable forestry practices for the common good in the aim of preserving the global environment.
2. Utilize the J-Credit Scheme*² certified by the Japanese government to promote carbon sink measures through appropriate forest management.
3. Collaborate in the annual tree-planting event organized by Bifuka-cho as part of efforts to conserve forests, encourage planting, and promote tree-growing.
4. Support environmental improvements at Matsuyama Marsh*³, a local tourism resource.
5. Supply surplus timber from forest-thinning in forests owned by Subaru for use as fuel in wood-burning biomass boilers.

*1 “Group certification” enables several forest managers to form a group and obtain certification together rather than singly.

*2 “J-Credit System”: Under the J-Credit Scheme, the government certifies the amount of greenhouse gas emissions (such as CO₂) reduced or removed by sinks through efforts to introduce energy-saving devices and manage forests, as “credit.” Credits created under the scheme can be used for various purposes, such as achieving the targets of low carbon society initiatives and carbon offset efforts.

*3 Matsuyama Marsh: Located 797m above sea level, Matsuyama Marsh is one of Japan’s 500 most important wetlands and designated Nature Conservation Area in Hokkaido.

Subaru Friendship Forest Akagi: Gunma Prefectural Forest Park

Subaru obtained the naming rights of the Prefectural Forest Park in Gunma Prefecture where Subaru’s automobile production plant is located. The name “Subaru Fureai Forest Akagi” will be used for 5 years from April 2018. Going forward, and will support conservation improvement activities of surrounding prefectural forests and hold and support environmental events in this park.



Use as a place for forest environmental education

Subaru Forest Utsunomiya: Forest Park in Utsunomiya City, Tochigi Prefecture

Part of the municipal forest in the forest park in Utsunomiya City, Tochigi Prefecture, where the Aerospace Company of Subaru is located, is now called “Subaru Forest Utsunomiya,” and in collaboration with Utsunomiya City, we will support forest conservation improvement activities there.



Parks are suitable for forest bathing and nature walks

Related information

> [Social Contribution](#)

Activities for Preserving Rare Species

In the Tokoji temple in Kitamoto City, Saitama Prefecture, where our Industrial Products Co.,Ltd.is situated, there stands IshitoKabazakura (cherry tree), one of the five major cherry trees in Japan, designated as Japan's natural monument in 1922. Our Industrial Products Co.,Ltd. inherited the descendants of the tree in March 2003, and are carefully nurturing them at our site.



The IshitoKabazakura tree brings forth pretty cherry blossoms every spring.

Initiatives with Careful Consideration to Biodiversity in Green Space

Based on the Ikimono Plus®*, a simple evaluation tool for biodiversity, the boundary areas of the north and east sides of the Tokyo Office were planted with East Asian beautyberry (*callicarpa japonica*) and bamboo-leaf oak (*quercus myrsinifolia*) that are grown around Musashino area, in consideration of biodiversity. Through this initiative, we are contributing to enriching the Musashino scenery of rich nature.



Green space with consideration for biodiversity in nature-rich area around Musashino, Tokyo

* Ikimono Plus®: A simple evaluation tool for biodiversity jointly developed by 8 major construction companies.

Flower Distribution Activities Contributing to Biodiversity Consideration

Gunma Plant promotes biodiversity contribution initiatives as part of activities carried out by Subaru Community Exchange Association.

Flower distribution activities

Three times a year, flower seedlings are distributed to member corporations of the Subaru Community Exchange Association. We changed the seedlings to the varieties that contribute to biodiversity in September 2015, and since then each corporation is promoting greening activities in consideration with biodiversity.



Providing varieties in consideration to biodiversity

Elementary school flower bed contest

A flower bed contest is held for the elementary schools in Ota City and Oizumi Town. We have donated flower seedlings that contribute to biodiversity to the elementary schools to create flower beds since September 2015.

In FYE March 2018, there were 301 participants from 16 schools. We believe that the participants were able to have rich experiences such as having fun by raising flowers and making new discoveries through creating flower beds.

Overseas Initiatives

The SUBARU Forest ecology Conservation Project in China: “31 Forest Star Tours”

The Subaru of China Ltd. (SOC) established the “The SUBARU Ecology Conservation Forests Project” at the end of 2012 in collaboration with China Wildlife Conservation Society in China National Forestry Administration.

Since 2013, the SOC has established 31 Subaru Ecology Conservation Forests in nature reserves in 31 provinces in China, in collaboration with China Wildlife Conservation Society. By 2017, it was carried out “31 Forest Star Tours” events that aim at afforestation and rare species protection for five consecutive years. For those events, the SOC has regularly provided vehicles and needed goods. As a result, over 300,000 or so people in total have participated, with touring over 60 nature reserves throughout China making the total traveled distance over 60,000 km. Now, the 31 Forest Star Tours is widely recognized in China.

In China, the “Forests of China Public Interest Platform” (Forests of China) was established under the leadership of the government in 2014, promoting natural environment protection and forest ecology protection at national level. SOC has partnered with Forests of China in 2015 and has cooperated with their ecological conservation activities. Having been appreciated for its activities, SOC together with Forests of China received a “Letter of Appreciation” from the United Nations, and gained international recognition. In September 2017, the 13th Conference of the Parties (COP 13) to the United Nations Convention to Combat Desertification (UNCCD) was held in Ordos City, Inner Mongolia, and SOC participated in this conference by invitation of Forests of China.

SOC will continue to perform activities in harmony with the local natural environment and will promote initiatives to conserve biodiversity.



Plants trees at Kubuchi Desert

› [SOC “31 Forest Star Tours”](#) 

Initiatives Aiming at Coexistence with Nature

At Subaru of Indiana Automotive, Inc. (SIA), as a result of its ecology protection efforts such as to improve the area of anti-flood ponds within the plant and surrounding greenery to make local wildlife easy to inhabit, the SIA had been certified from the National Wildlife Foundation (NWF) in 2003 as an area that wildlife lives. This was the first certification as a U.S. automobile production plant. Wild Canadian wild geese, herons and American bald eagle the water field installed inside the circulation circuit of the test course on the north side of the factory as feeding and resting grounds and many wild deer inhabit the green area behind the recreation center. SIA still now maintains a factory surrounded by rich nature.



SIA surrounded by rich nature

Supporting Activities to Establish Certified National Wildlife Habitats in the US

Subaru of America, Inc. (SOA) has worked in cooperation with NWF from 2016 to protect wildlife with “Subaru Loves the Earth” as its slogan. As of April 2017, 412 SUBARU dealers across the US have partnered with NWF and are cooperating in activities to establish Certified National Wildlife Habitats at local schools. Participating dealers have donated kit sets including NWF-designated feeding boxes, bird’s nest boxes and bathing places, organic soils, watering tools, shovels, etc. to elementary schools and supported activities. As a result, by April 2017, 421 Certified National Wildlife Habitats were established.



Monarch Butterfly Heroes Kits

In this activity, particular attention is paid to the monarch butterfly. The monarch butterfly is a butterfly mainly inhabiting North America, but in recent years the population has decreased significantly due to the disappearance of their habitats. In cooperation with the NWF protection program “Butterfly Heroes Program”, SUBARU has provided 100,000 Butterfly Heroes Kits for the protection of 400,000 butterflies.

As part of the enlightenment activities, these activities are also communicated from dealers to customers in collaboration with NWF, which has become an opportunity for the customers to have interest in protecting the wildlife.



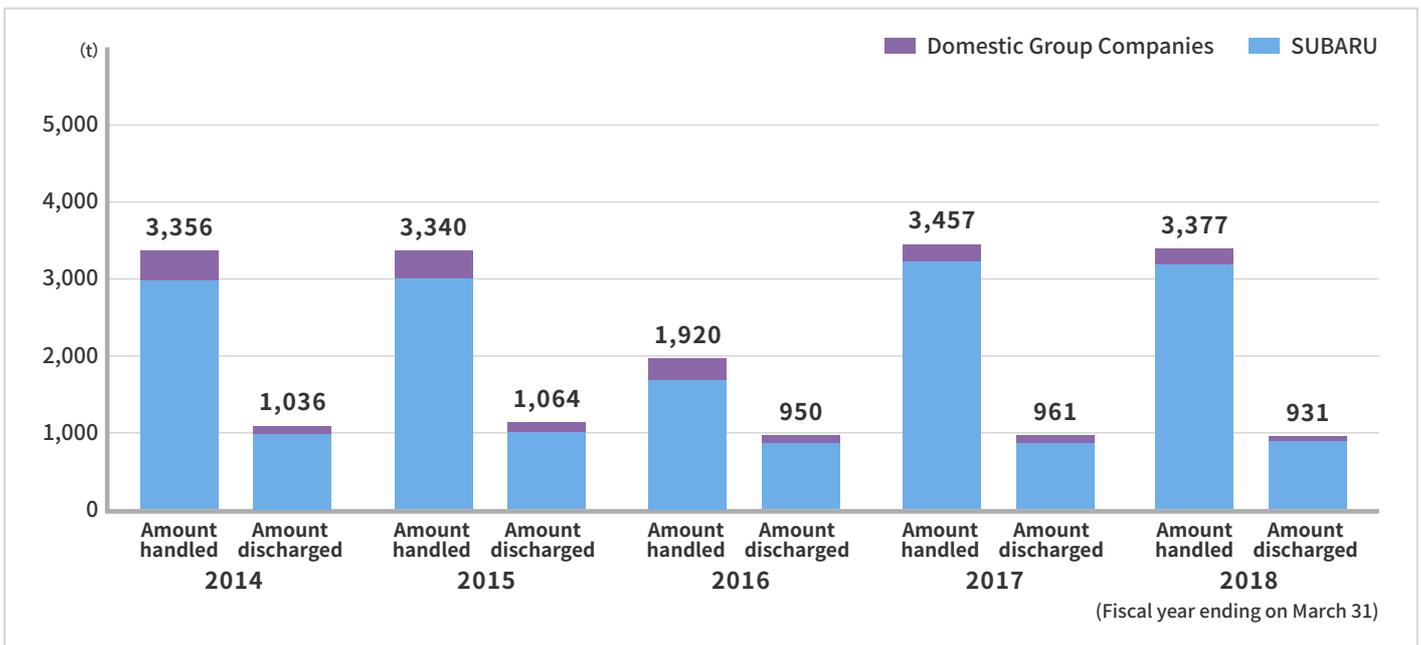
Our Approach to Preventing Pollution

The Subaru Group has “The earth, the sky and nature” are Subaru’s fields of business as its environmental policy and understands that the prevention of pollution of the soil, air, and the like is an important responsibility for the continuation of a sustainable society and our business. Accordingly, we established voluntary action standards above and beyond the legal standards and have dealt appropriately with soil, air, noise, etc.

Reducing Environmentally Hazardous Substances

PRTR Substances Handled and Emitted

PRTR Substances: Japan’s Pollutant Release and Transfer Register (PRTR) Law.



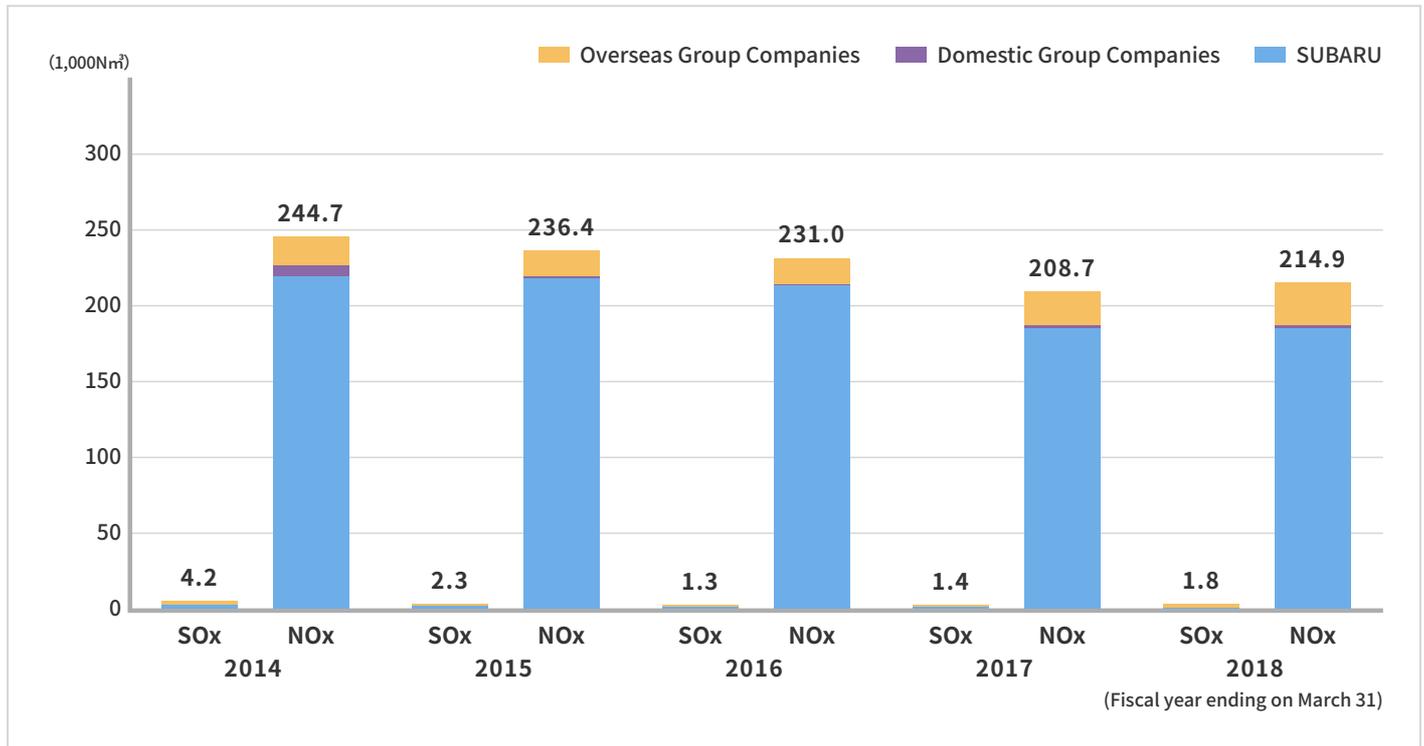
Targeted companies/divisions:

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., Industrial Products Co., Ltd.

Note: There has been changes in the amount handled by Subaru Logistics Co., Ltd. between FYE March 2014 and FYE March 2017

NOx and SOx Emissions



Targeted companies/divisions:

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., Industrial Products Co., Ltd.

Overseas Group Company: Subaru of Indiana Automotive, Inc.

VOC Emissions

The Amount of volatile organic compounds (VOCs) Subaru emitted from the automobile coating process in FYE March 2018 was 49.4g/m², down 46.0% from the FYE March 2001 level.

We realized the reduction in VOC emission mainly by decreasing the use of cleaning thinners and increasing the recovery of used thinners.

Prevention of Soil and Underground Water Pollution

Subaru has voluntarily performed soil and groundwater tests at our facilities since 1998, and have implemented purification measures and groundwater monitoring as required. Since 2003 Soil Contamination Countermeasures Act came into effect, we have been filing reports and conducting tests in accordance with the law.

Status of Storage and Management of PCB Wastes

Subaru store PCB wastes appropriately according to the law, and plan to complete their disposal by a predetermined time.

Significant Spills

Subaru promptly and appropriately responds in accordance with relevant laws and regulations in the event of significant spill accidents. The number of the accident was zero in FYE March 2018.

Transportation of Hazardous Waste

Subaru had no significant spills and transportation of hazardous wastes specified in the Basel Convention Annex I, II, III, and VIII.



Approach to Environmentally-conscious Procurement

The Subaru Group aims to achieve a sustainable society recognizing that working on improving environmental issues through business activities is an urgent social issue imposed on corporations and that we bear the responsibility to accomplish this. In regard to procurement, the environmental policies states that “Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection.” We promote the procurement of parts, materials, and services from business partners who implement business activities that consider the environment.

Fundamental Procurement Policy

Fundamental Procurement Policy

Subaru has been promoting procurement activities under the following basic policy.

1. Compliance & Green Procurement

We engage in procurement activities in a way to harmonize man, society and the environment and conduct transactions paying due care to observe legal and societal rules and to protect the environment.

2. Establishment of 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 six perspectives: quality, cost, delivery, technical development, management and environment (QCDDME).

Green Procurement

Initiatives in Subaru

Subaru has summarized in the “Subaru Green Procurement Guidelines” its expectations for business partners regarding environmental initiatives. The guidelines primarily request cooperation in the following six areas:

- Compliance with environmental laws and regulations
- Establishment of environmental management systems (EMS)
- Submission of environmental manager registration forms
- Improved in environmental performance of business partners
- Management of environmentally hazardous substances related to parts, materials, and services
- Reduction in environmentally hazardous substances in logistics

Compliance to these guidelines is considered a necessary criterion for selecting business partners. In addition, we recommend new business partners to acquire ISO14001. Currently, all of our Tier1 business partners have already acquired ISO14001 certification. In case our new business partners have difficulty acquiring ISO14001, we review their compliance status by having them submit reports on their voluntary assessment based on environmental guidelines, while supporting them with the acquisition of Eco Action 21.

Related information

› [Subaru Green Procurement Guidelines](#)  PDF/913KB

Management and Reduction of Environmentally Hazardous Substances Contained in Parts

Subaru complies with laws and regulations concerning substances of concern in each country, including the REACH regulation and ELV Directive. 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-regulation such as industrial norms to alternative materials and are working to reduce environmentally hazardous substances.

Procurement with Consideration for Biodiversity

Subaru surveys the usage status of the biological resources of leather and plant-derived materials to make sure that there is no negative impact on the environment during the procurement process. In addition, our main office has switched to regenerated copy paper with 100% recycled paper pulp that does not use any new plant resources and we plan to sequentially switch over at other facility as well.

Environmental Management System Request to Business Partners

Subaru requests based on the Green Procurement Guidelines that business partners formulate an environmental management system with the acquisition of ISO14001 third-party certification at its base. We request the business partners who have difficulty acquiring ISO14001 to acquire Eco Action 21 or to pass our voluntary examination. To those business partners who have passed our voluntary examination, we make inquiries or perform audits as necessary and request them to continue efforts toward early acquisition of third-party certification for environmental management.



Environmental Communication

Subaru values the relations with all our stakeholders, and to become a trustworthy corporation that brings peace of mind to our stakeholders, we widely disseminate examples of our environmental conservation activities, environmental data, etc. in an easy-to-understand manner through various media, such as CSR reports and our website.

Exhibit at “EcoPro 2017-International Exhibition on Environment and Energy”

“EcoPro 2017-International Exhibition on Environment and Energy,” the largest environmental exhibition in Japan was held in December 2017. Our exhibition booth featured the Subaru Forest made of white birch trees in Bifuka Town, Hokkaido, where we have the Subaru Test & Development Center Bifuka Proving Ground. We introduced Subaru Group’s environmental initiatives, and more than 6,000 people visited the SUBARU booth in three days. Additionally, as an effort to reduce CO₂ emissions, we participated in J-Credit Scheme for disaster area reconstruction support and had offset CO₂ emissions by 12.0 t-CO₂ resulting from exhibition.



Our booth made of white birch trees of Bifuka Town where Subaru Forest Project was launched



Carbon Offset Certificate

Communication with Local Residents

At the Gunma Plant, we communicate daily with people in the community who live near the factories, dormitories, and corporate housing. Representatives of the factories visit local government representatives every month and exchange information about circumstance in the area and requests to our factories while introducing Subaru events.

In addition, once a year we open our factories for visits and explain the status of the Gunma Plant and our environmental initiatives so that visitors gain deeper understand of our activities.

Checking the Perimeter of our Factories for Odor, etc.

At the Gunma Plant, we check the perimeter of the factories on a daily basis because as a rule of thumb, the levels of odor, noise and the like are greatly different between the levels shown by the measuring instrument and how people actually feel. In addition, by setting up the consultation desk to hold a dialogue with local government representatives and holding factory tours, we closely communicate with neighboring residents, and improve production facilities as appropriate, based on their valuable feedback.

Factory Tour of the Gunma Plant

At the Gunma Plant, we invite elementary school children to utilize factory tours for their field trips. In FYE2018, 91,694 people, including the public, visited our factory. Also, in the SUBARU Visitor Center, we exhibit what is being recycled and what comes out of the recycling in the panel on the wall, which helps visitors to learn about recycling of automobiles.



Area to learn about automobile recycling

Eco-Science Fair and Go Green Event 2017

The Fair and Go Green event is a single event of which Subaru of Indiana Automotive, Inc. (SIA) was the title sponsor. The event was held in April, 2017 at the Indiana State Museum, which is located in downtown Indianapolis. About 100 students attended, from elementary age through high school. All the science exhibits are designed around ways to improve our environment and lessen our carbon footprint. SIA made a presentation around our own environmental initiatives and also awarded a grant to a project SIA's judges thought was the most interesting and well-presented. This \$3,000 grant went to the school and the student received a special plaque. SIA intends to continue the sponsorship.



SIA booth introducing recycling activities



Environmental Data Performance*

(Fiscal year ending on March 31, 2018)

In addition to complying with the laws and regulations, Subaru sets and manages voluntary standards that are 20% higher than the air, water quality, noise and vibration legal standards.

* Data are measured values of major regulated substances/facilities in each plant and office.

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	53	32
Particulate matter	Paint drying oven	g/Nm ³	0.2	0.16	0.003	0.002
VOC	Paint booth, etc.	ppm-C	700	-	642	239

Yajima Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	Paint drying oven	ppm	230	184	50	30
Particulate matter	Paint drying oven	g/Nm ³	0.2	0.16	0.003	0.002
VOC	Paint booth, etc.	ppm-C	700	-	434	50
VOC	Paint booth, etc.	ppm-C	400	-	319	102

Oizumi Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	Aluminum melting oven	ppm	180	144	46	38
Particulate matter	Aluminum melting oven	g/Nm ³	0.3	0.24	0.010	0.007

Ota North Plant

There is no applicable equipment/facility.

Tokyo Office

There is no applicable equipment/facility.

Aerospace Company

Utsunomiya Plant

Main Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
NOx	cogeneration	ppm	600	480	94	88
NOx	Drying oven	g/Nm ³	230	184	<100	<100
Particulate matter	Drying oven	ppm-C	0.2	0.16	<0.001	<0.001

South Plant and 2nd South Plant

There is no applicable equipment/facility.

Handa Plant

Substance	Equipment/facility	Unit	Regulation	Voluntary standard	Maximum	Average
SOx	2 ton boiler	ppm	1.5	1.2	0.02	<0.02
NOx	2 ton boiler	ppm	180	144	110	37
Particulate matter	2 ton boiler	g/Nm ³	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	2 ton boiler	ppm	180	144	55	33
Particulate matter	2 ton boiler	g/Nm ³	0.1	0.08	<0.002	<0.002

Water Quality

(Water Pollution Prevention Act, Sewerage Act, Prefectural/Municipal Regulations)

Automotive Business

Gunma Plant

Main Plant

Item	Unit	Regulation (Prefectural regulations)	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.1~8.3	7.7	7.3	7.5
Biochemical oxygen demand (BOD)	mg/ℓ	25	20	5.3	1.1	3.2
Suspended solids (SS)	mg/ℓ	50	40	2.8	1.0	2.0
n-hexane extract content (Mineral oil content)	mg/ℓ	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/ℓ	30	24	<1.0	<1.0	<1.0
Fluorine and its compounds	mg/ℓ	8	6.4	2.0	0.2	0.8
Zinc content	mg/ℓ	2	1.6	0.703	0.081	0.317
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	1.1	0.2	0.6
Nitrogen content	mg/ℓ	120 (60)	48	6.5	2.3	4.4

[Effluent is discharged into public rivers. Measurement was conducted at two drainage outlets (New No.2 and No.5 waterways). Values for total phosphorus content and total nitrogen content are daily averages.]

Yajima Plant

Item	Unit	Regulation (Prefectural regulations)	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.1~8.3	7.4	7.3	7.4
Biochemical oxygen demand (BOD)	mg/t	25	20	7.0	2.9	5.0
Suspended solids (SS)	mg/t	50	40	5.2	2.4	3.8
n-hexane extract content (Mineral oil content)	mg/t	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/t	30	24	<1.0	<1.0	<1.0
Fluorine and its compounds	mg/t	8	6.4	1.3	0.9	1.1
Zinc content	mg/t	2	1.6	2.54	0.215	1.38
Soluble iron content	mg/t	10	8	0.1	0.1	0.1
Soluble manganese content	mg/t	10	8	0.4	0.2	0.3
Phosphorus content	mg/t	16 (8)	6.4	0.5	0.3	0.4
Nitrogen content	mg/t	120 (60)	48	5.9	3.2	4.6

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

Oizumi Plant

Item	Unit	Regulation (Prefectural regulations)	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.1~8.3	7.9	7.1	7.4
Biochemical oxygen demand (BOD)	mg/t	10	8	4.6	1.0	2.4
Suspended solids (SS)	mg/t	10	8	6.0	1.0	4.2
n-hexane extract content (Mineral oil content)	mg/t	3	2.4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/t	30	24	<1.0	<1.0	<1.0
Fluorine and its compounds	mg/t	8	6.4	<0.2	<0.2	<0.2
Zinc content	mg/t	2	1.6	0.233	0.086	0.140
Soluble iron content	mg/t	5	4	<0.1	<0.1	<0.1
Soluble manganese content	mg/t	5	4	<0.1	<0.1	<0.1
Phosphorus content	mg/t	16 (8)	6.4	<0.1	<0.1	<0.1
Nitrogen content	mg/t	120 (60)	48	13.6	2.8	8.2

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

Ota North Plant

Item	Unit	Regulation (Prefectural regulations)	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.1~8.3	7.9	7.8	7.9
Biochemical oxygen demand (BOD)	mg/t	25	20	<1.0	<1.0	<1.0
Suspended solids (SS)	mg/t	50	40	3.2	3.2	3.2
n-hexane extract content (Mineral oil content)	mg/t	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/t	30	24	<1.0	<1.0	<1.0
Fluorine and its compounds	mg/t	8	6.4	<0.2	<0.2	<0.2
Zinc content	mg/t	2	1.6	0.04	0.027	0.034
Soluble iron content	mg/t	10	8	0.2	0.1	0.2
Soluble manganese content	mg/t	10	8	0.2	<0.1	0.2
Phosphorus content	mg/t	16 (8)	6.4	<0.1	<0.1	<0.1
Nitrogen content	mg/t	120 (60)	48	1.6	1.0	1.3

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

Tokyo Office

Item	Unit	Regulation*	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.7~8.7	5.9~8.4	8.4	8.0	8.3
Biochemical oxygen demand (BOD)	mg/ℓ	300	240	230	43	126
Suspended solids (SS)	mg/ℓ	300	240	240	45	102
n-hexane extract content (Mineral oil content)	mg/ℓ	5	4	<4.0	<4.0	<4.0
n-hexane extract content (Animal and plant oils and fats content)	mg/ℓ	30	24	17	<4.0	7
Total phosphorus	mg/ℓ	16	12.8	8.7	3.1	4.9
Total nitrogen	mg/ℓ	120	96	79.9	21	40.5
Soluble manganese	mg/ℓ	10	8	0.02	0.01	0.01
Cyanogen	mg/ℓ	1	0.8	<0.01	<0.01	<0.01

[Effluent is discharged into public sewer. Unit: mg/L except for pH.]

* Water Pollution Prevention Act and Mitaka City Sewer Regulation.

Aerospace Company

Utsunomiya Plant

Main Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5~9	5.4~8.6	8.5	6.3	7.1
Suspended solids (SS)	mg/ℓ	600	480	407	<1.0	64
Biochemical oxygen demand (BOD)	mg/ℓ	600	480	355	0.7	64
n-hexane extract content (Mineral oil content)	mg/ℓ	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/ℓ	30	24	20.3	<1.0	8.4
Fluorine compounds	mg/ℓ	8	6.4	1.5	<0.2	0.3
Cyanogen	mg/ℓ	1	0.8	<0.1	<0.1	<0.1
Cadmium	mg/ℓ	0.03	0.024	0.007	<0.003	0.004
Total chromium	mg/ℓ	2	1.6	0.36	<0.01	0.01
Hexavalent chromium	mg/ℓ	0.1	0.08	<0.02	<0.02	<0.02

[Effluent is discharged into public sewer.]

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.0~8.3	7.9	6.9	7.4
Suspended solids (SS)	mg/l	50	40	<1.0	<1.0	<1.0
Biochemical oxygen demand (BOD)	mg/l	30	24	11.8	<0.5	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 oils and fats 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	<0.02	<0.02	<0.02

[Effluent is discharged into public rivers.]

South Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5~9	5.4~8.6	8.6	6.8	7.5
Suspended solids (SS)	mg/l	600	480	151	2.4	45
Biochemical oxygen demand (BOD)	mg/l	600	480	412	5.1	102
n-hexane extract content (Mineral oil content)	mg/l	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/l	30	24	17.1	<1.0	6.9
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

[Effluent is discharged into public sewer.]

South Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.0~8.3	8.1	6.8	7.2
Suspended solids (SS)	mg/l	50	40	1.6	<1.0	1.3
Biochemical oxygen demand (BOD)	mg/l	30	24	16.7	<0.5	2.6
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	<0.02	<0.02	<0.02

[Effluent is discharged into public rivers.]

2nd South Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5~9	5.4~8.6	7.6	7	7.3
Suspended solids (SS)	mg/l	600	480	98	<1.0	19
Biochemical oxygen demand (BOD)	mg/l	600	480	100	1.2	22
n-hexane extract content (Mineral oil content)	mg/l	5	4	<1.0	<1.0	<1.0
n-hexane extract content (Animal and plant oils and fats content)	mg/l	30	24	5.1	<1.0	1.5
Fluorine compounds	mg/l	8	6.4	1.7	<0.2	0.5
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	1.0	<0.01	0.20
Hexavalent chromium	mg/l	0.1	0.08	<0.02	<0.02	<0.02

[Effluent is discharged into public sewer.]

2nd South Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	5.8~8.6	6.0~8.3	7.5	6.5	7.1
Suspended solids (SS)	mg/ℓ	50	40	5.2	<1.0	2.7
Biochemical oxygen demand (BOD)	mg/ℓ	30	24	3.7	0.6	1.9
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	<0.02	<0.02	<0.02

[Effluent is discharged into public rivers.]

Handa Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	6~8	6.2~7.8	7.8	6.8	7.5
Suspended solids (SS)	mg/ℓ	25	20	6.0	<1.0	1.8
Biochemical oxygen demand (BOD)	mg/ℓ	25	20	13.0	1.0	2.8
Chemical oxygen demand (COD)	mg/ℓ	25	20	15.0	1.3	5.6
n-hexane extract content (Mineral oil content)	mg/ℓ	5	4	<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

Handa West Plant

Item	Unit	Regulation	Voluntary standard	Maximum	Minimum	Average
Concentration of hydrogen ion (pH)	-	6~8	6.2~7.8	7.7	7.0	7.4
Suspended solids (SS)	mg/ℓ	15	12	8.0	2.0	3.8
Biochemical oxygen demand (BOD)	mg/ℓ	15	12	13.0	3.0	6.4
Chemical oxygen demand (COD)	mg/ℓ	15	12	12.0	4.6	7.8
n-hexane extract content (Mineral oil content)	mg/ℓ	2	1.6	<0.5	<0.5	<0.5
Cyanogen	mg/ℓ	0.5	0.4	<0.1	<0.1	<0.1
Cadmium	mg/ℓ	0.03	0.024	<0.005	<0.005	<0.005
Total chromium	mg/ℓ	0.2	0.16	<0.04	<0.04	<0.04
Hexavalent chromium	mg/ℓ	0.3	0.24	<0.04	<0.04	<0.04

Noise

(Noise Regulation Act, Prefectural Regulations and Agreements)

Automotive Business

Gunma Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary standard	Measurement sites	Measured value
Main Plant	dB (A)	55	54	20	37~54
Yajima Plant	dB (A)	55	54	20	43~53
Oizumi Plant	dB (A)	50	49	20	40~50

* Gunma prefectural regulations, and Ota-Oizumi pollution prevention agreements.

Utsunomiya Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Maximum
Main Plant	dB (A)	60	58	8	58
South Plant	dB (A)	50	48	3	38
2nd South Plant	dB (A)	50	48	3	46

Handa Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Maximum
Handa Plant	dB (A)	65	63	3	51

Handa West Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Maximum
Handa West Plant	dB (A)	65	63	6	58

Vibration

(Vibration Regulation Act, Prefectural Regulations and Agreements)

Gunma Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Measured value
Main Plant	dB (A)	65	64	20	18.5~38.2
Yajima Plant	dB (A)	65	64	20	26.1~41.4
Oizumi Plant	dB (A)	60	59	20	20.1~38.7

Utsunomiya Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Maximum
Main Plant	dB (Z)	65	63	8	34
South Plant	dB (Z)	60	58	2	Less than 30
2nd South Plant	dB (Z)	60	58	3	Less than 30

Handa Plant and Handa West Plant

Measurement Location	Unit	Regulation (Night)	Voluntary standard	Measurement sites	Maximum
Handa Plant	dB (Z)	70	68	3	Less than 30
Handa West Plant	dB (Z)	70	68	5	Less than 30

Odor

(Offensive Odor Control Act)

Gunma Plant

[Odor index]

Measurement Location	Regulation	Voluntary standard	Measurement sites	Measured value
Main Plant	21	20	6	Less than 10
Yajima Plant	21	20	6	Less than 10

PRTR Substances Handled and Emitted

PRTR Substances: Japan's Pollutant Release and Transfer Register (PRTR) Law.

Automotive Business

Gunma Plant (Main Plant, Yajima Plant, Oizumi Plant, Subaru Test & Development Center at Sano)

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

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount moved (Sewage)	Amount moved	Amount consumed	Amount removed through processing	Amount recycled
Water soluble zinc compounds	184,364	0	1,600	0	0	182,764	0	0
Ethylbenzene	454,149	244,921	0	0	0	18,254	52,216	138,758
Xylene	732,121	337,354	0	0	0	182,700	120,503	91,564
1,2,4-Trimethylbenzene	253,174	1,321	0	0	0	241,678	10,175	0
1,3,5-Trimethylbenzene	39,083	21,339	0	0	0	2,413	8,443	6,887
Toluene	788,133	259,217	0	0	0	365,866	74,498	88,552
Naphthalene	12,802	8,453	0	0	0	0	3,010	1,339
Nickel compounds	8,449	0	228	0	3,995	4,226	0	0
Bis (2-ethylhexyl) phthalate	10,404	0	0	0	209	10,195	0	0
Hydrogen fluoride and its water-soluble salts	10,100	0	9,191	0	0	909	0	0
N-hexane	123,998	667	0	0	0	123,331	0	0
Benzene	22,108	126	0	0	0	21,982	0	0
Formaldehyde	19,214	9,801	0	0	1,995	0	4,259	3,159
Manganese and compounds	24,048	0	634	0	10,948	12,466	0	0
Dioxins Unit: mg-TEQ/year	0	0.0547	0	0	0.000	0	0	0
Cumener	13,917	8,360	0	0	0	0	3,375	2,182
Methylnaphthalene	15,849	73	0	0	0	15,776	0	0
Total	2,711,912	891,632	11,653	0	17,147	1,182,560	276,479	332,441
		903,285						

Tokyo Office

[Unit: kg/year]

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount moved (Sewage)	Amount moved	Amount consumed	Amount removed through processing	Amount recycled
Ethylbenzene	15,839	0.17	0	0	0	15,839	0	0
Ethylene glycol	2,002	0.00	0	0	0	2,002	0	0
Xylene	70,788	0.67	0	0	0	70,787	0	0
1,3,5-Trimethylbenzene	11,326	0.03	0	0	0	11,326	0	0
Toluene	262,414	8.60	0	0	0	262,405	0	0
1,2,4-Trimethylbenzene	57,408	0.20	0	0	0	57,408	0	0
Benzene	8,684	1.01	0	0	0	8,683	0	0
n-Hexane	27,157	6.90	0	0	0	27,150	0	0
Total	455,618	17.58	0	0	0	455,600	0	0
		17.58						

Aerospace Company

[Unit: kg/year]

Chemical substance	Amount handled	Atmospheric emissions	Water emissions (Public waters)	Amount moved (Sewage)	Amount moved	Amount consumed	Amount removed through processing	Amount recycled
Bisphenol-A	2,656	0	0	0	1,062	1,594	0	0
Xylene	3,968	3,003	0	0	965	0	0	0
Hexavalent chromium compound	1,679	0	0	0	533	353	793	0
Toluene	24,989	19,500	0	0	5,489	0	0	0
Manganese and compounds	955	0	0	0	382	573	0	0
1,3-Dioxolan	4,480	3,494	0	0	986	0	0	0
Total	38,727	25,997	0	0	9,417	2,520	793	0



Employees



▶ Human Resource Development

Aiming at helping each of our individual employees grow, Subaru not only provides a variety of training programs but also makes efforts into developing global human resources.



▶ Work-Life Balance Initiatives

Subaru works to enhance all kinds of schemes, primarily to support the balance between work and family life to enable each of our individual employees to fully express their unique abilities.



▶ Diversity Initiatives

Subaru values diversity not only in terms of the uniqueness and values of our employees but also differences in gender, nationality, culture, and lifestyles, and Subaru strives to create workplace environments in which everyone finds it easy to work.

▶ Respect for Human Rights

Subaru clearly states “Subaru respects the rights and characteristics of individuals,” and “Subaru does not unfairly discriminate on grounds of gender, LGBT, age, home town, nationality, race, ethnicity, beliefs, religion, social status, physical disability, disease or any other pretext.”



▶ Occupational Health and Safety

Subaru’s basic philosophy is “Subaru makes health and safety the first priority in all of our work.” Based on this, Subaru strives to create systems and structures with the aim of zero disasters and accidents.

▶ Communication with Labor Union

Labor and management establish a relationship of mutual understanding and trust while maintaining communication through such forums as the Labor and Management Council.

▶ Personnel Data



Our Approach to Human Resource Development (HRD)

Subaru considers human resource development (HRD) as one of priorities, and positions and utilizes the personnel system, which consists of occupational skill certification programs, performance assessment system, goal management system, personnel rotations, and the education and training systems, as a tool for the development of human resources.

In addition, Subaru promotes initiatives at group companies in Japan and overseas in accordance with the business content of each company and regional characteristics.

Fair Evaluations and Support for Development of Skills

In addition to objectively evaluating job outcomes and performance levels for skills through the operation of the personnel system, supervisors and their subordinates share the challenges necessary for growth. Under the goal management system, all Subaru employees have an interview with their supervisors three times a year (goal setting, interim confirmation, outcome confirmation). Note that both men and women are treated properly and there is no gender gap in basic salary.

Establishing the Training System

Subaru offers the Startup Program for all employees who have risen to a higher grade and some mid-career recruits so that they can certainly fulfill the role of each grade specified in the occupational skill certification programs. Subaru conducts programs in which employees can develop through systematically learning and implementing/reviewing the skills and knowledge of problem solving in accordance with the roles required for each grade. In FYE2018, approximately 1,800 employees took and completed the training.

In addition to the grade-specific training programs, Subaru offers training programs to develop a wide range of skills in accordance with each employee's issues and business needs in order to help employees themselves grow with high motivation. In the skill-specific training programs, Subaru conducts professional programs with the goal of helping employees obtain and enhance business skills, and offer support for employees to attend business schools. With a view to accelerating our global HRD, through conducting various programs, mainly focusing on improving language skills, Subaru is developing human resources who can work globally.

Education and Training System Chart

Ability-based Grade	Company-wide Programs				Individual Programs at Each Site	
	Education by Grade		Education by Job Skill	Global-talent Development		Self-development Support
Manager Class	New training at the time of promotion	Career plan training for manager class	Professional programs Examples: Logical thinking Leadership Presentation Financial accounting, etc.	Education programs There is a variety of programs to choose from depending on the level and goal of each employee.	Correspondence education /Online English conversation lesson	Training at each business site /Official certification support, etc.
Regular Employee			Support for attending business schools			
New employee training						
New recruits training						

Initiatives to Transmit Skills

Subaru opened the Subaru Technical School (STS) in 2006 with the goal of training young technicians to become future leaders. By transmitting to the next generation technical expertise and work methods that are tailored to all skill levels and reflect the highest standards of safety and excellence, Subaru ensures to offer high quality products going forward.



Basic Skills Training at STS

Subaru provides training that matches the skill levels of trainees, including new graduates to those in their mid-twenties. In FYE2018, 624 employees took and completed the courses, bringing the cumulative total of successful trainees to 4,296.

The lecturers taught us, unskilled trainees, with patience and eagerness, and I have learned essential knowledge and skills that can be used immediately at work. I would like to make good use of knowledge and skills I gained through Subaru Technical School, making further efforts as an employee of Subaru with tradition, and aim to build cars that customers can drive with peace of mind.



Hiroki Ueno,
Material & Heat Treating Section,
3rd Production Department,
Manufacturing Division

TOPICS

**The 55th National Skills Competition
Subaru Won the First Gold Medal in the Automobile Sheet Metal Category**

What is the National Skills Competition?

The National Skills Competition is a competition in which young skilled workers compete their skills with each other. It is held for the purpose of giving young skilled workers of the next generation a goal to strive for. In addition, it offers opportunities for appealing the importance of and raising social respect towards skills, including providing young people in the region of the competition venue to gain opportunities to become closely acquainted with excellent skills. More than 1,300 young skilled workers from all over Japan attended and competed, and the champion in each category is selected as a member of the national team attending the World Skills Competition (held every other year, in odd-numbered years).

Comment from a Winner

One of my seniors from high school was active as a competitor of the National Skills Competition at Subaru. My challenge to the Competition was inspired by him. I was pleased to win a gold medal this time and be able to appeal Subaru’s skills to the world. Lecturers and instructors taught me not only the skills but also behavior, remarks, attitudes as an independent adult and a member of society. I would like to reflect their instructions in the future as well. “Heart, skills, and body” is indispensable to the challenge in the Competition. It’s not easy, but if you can overcome it, you’ll discover a new person in yourself. More importantly, there is unlimited potential in the world of monozukuri (manufacturing). You can make anything with a single idea. Of course, while it is important to learn skills and knowledge, I think that knowing the pleasure of monozukuri is the starting point.



Ryouga Oono,
1st Prototype Section,
Prototype Department,
Engineering Management
Division



Our Approach to Work-life Balance

Subaru Group believes that it is important to establish an environment that allows each individual among our diverse employees to fully express their unique abilities.

Subaru works on promoting diversity in work styles as well as enhancing our schemes in order to respect the diversity of our employees and achieve Work-Life Balance. Subaru promotes initiatives to support work-life balance at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics.

Initiatives Aimed at Reducing Long Working Hours

No Overtime Days

In addition to the Set Hours Days (no overtime days) that had already been implemented, Subaru established a new “Ultra Set Hours Days” in FYE2016 in which all employees, including managers, of all Subaru sites leave work at the set time. This has require the formulation and implementation of even more efficient operations plans than in the past. As a result of this initiative, employee awareness about working hours has increased, including the improvement seen regarding the situation of leaving work on no overtime days.

Flexi-time Work

Subaru has introduced flexi-time work system since FYE1999. Starting in FYE2017, Subaru is reducing the core time of flexi-time work from four to two hours to facilitate work styles that are more tailored to various fluctuations in work. This contributes to the fulfilment of employees’ private life and reducing working hours, such as in cases where employees can go home early at times of low workload.

Leaving Work at 10 pm throughout the Office

Subaru has begun efforts to lock the office doors and leave work at 10 pm, mainly at the Development Department since FYE2018.

Clarifying the upper limit of overtime has been effective in reducing long working hours. Subaru is continuing this initiative, expanding the number of target workplaces from FYE2019.

Paid Vacation Acquisition Rate (Subaru non-consolidated)

Implementation	Overview	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Paid vacation acquisition rate (%)	Promotion of once per month	86.6	88.2	85.7	86.9	88.7	84.2	84.4	86.2

Supporting Each Employee's Work and Elderly Care

Subaru produced and distributed an Elderly Care Support Handbook, which summarizes what to prepare to balance work and elderly care, with the aim of informing various internal and external systems and contact places.

In addition, Subaru has prepared an elderly care service menu in the cafeteria plan in order to make arrangements to reduce employees' burden.

The Number of Employees Who Obtained Elderly Care Leave (Subaru non-consolidated)

Implementation	Overview	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Elderly care leave (persons)	System that enables employees to obtain leave to care for the elderly who are certified as in need of care.	5	6	3	5	5	9	4	5

Supporting Each Employee's Work and Child Care

Subaru established systems equal to or greater than statutory requirements so that employees can balance their work with child care. Subaru is currently stepping up its support in order for them to be able to aspire for career advancement while balancing their work with child care.

Subaru also conducts lectures on these systems as part of our grade-specific training as well as make available the Maternity Leave and Childcare Handbook on our intranet, with the aim of promoting awareness and utilization of these various programs.

Childcare Leave System

Subaru stipulates that childcare leave can be extended to the end of the first April after the child becomes two years old.

Short Work-time System for Childcare

This is available until children commence 4th grade in elementary school, and is possible to be used with flexi-time work (core time: 2 hours).

The Number of Employees Who Obtained Childcare Leave (Subaru non-consolidated)

Implementation	Overview		FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
System that enables employees to obtain leave for childcare	Childcare leave (persons)	Male	2	3	6	3	2	6	8	10
		Female	90	68	124	68	91	101	88	88
		Total	92	71	130	71	93	107	96	98
	Rate of returning to work after childcare leave (%)	Male	—	—	—	100	100	100	100	100
		Female	—	—	—			98		
	Retention Rate one year after returning to work (%)	Male	—	—	—	98.5	100	100	87.5	83.3
		Female	—	—	—		98.9	95	100	97.2

In addition, in accordance with the Next Generation Education and Support Promotion Act, Subaru formulated and implemented our corporate voluntary action plan. As a result of achieving the targets in the action plan, Subaru acquired certification, the Kurumin Mark, from the Minister of Health, Labor and Welfare three times.

Going forward, Subaru promotes efforts with the hope of winning the Platinum Kurumin Mark certification in 2021.



The Kurumin Mark



Our Approach to Diversity

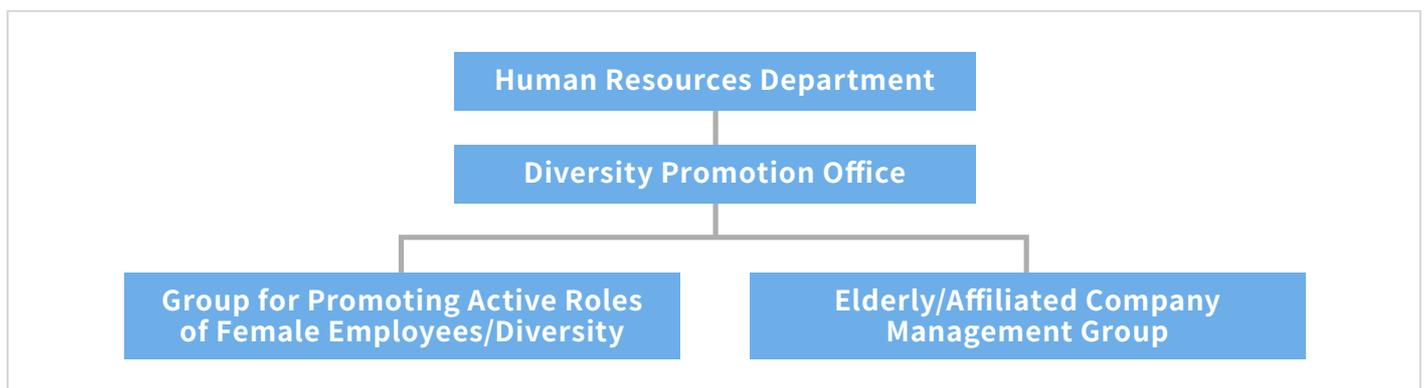
For Subaru Group to continue offering customers Subaru’s unique value, each Subaru employee needs to be able to express his or her unique abilities as an individual with various values and characteristics. This is why Subaru values differences in gender, nationality, culture, and lifestyle of each employee and strives to create workplace environments where everyone finds it easy to work. Subaru also promotes initiatives related to diversity at affiliated companies in Japan and overseas in accordance with the business content and regional characteristics of each company.

Diversity Promotion System

Establishment of Diversity Promotion Office

Subaru established the Diversity Promotion Office in January 2015 in order to promote diversity at Subaru even more proactively. The Diversity Promotion Office has designated “promoting active roles of female employees,” “employing people with disabilities,” “planning and promoting employment of non-Japanese,” and “promoting employment of the elderly” as priority themes. Among them, Subaru has placed particular emphasis on efforts to promote active roles of female employees.

Organization Chart



Diversity Promotion Initiatives

Promoting Active Roles of Female Employees

Subaru formulated an action plan aimed at promoting active roles of women under the Act on Promotion of Women's Participation and Advancement in the Workplace. In the action plan, under the system of promotion through merit based on demonstrated ability, Subaru sets a target for and are striving to increase the number of female managers by FYE2021 by five times that of the number in 2014 (4 managers → 20 managers).

Number of Female Managers (Subaru non-consolidated)

2014: 4 managers

2018: 13 managers (as of April)

Supporting Female Career Development

For our specific efforts to support female career development, Subaru has conducted "career up training for female team leaders" to systematically develop the next-generation female candidates for managers, in addition to the mentor system for female managers and candidates for manager.

Going forward, Subaru will continue to promote these initiatives in addition to working to further enhance quality.

Supporting Employees with Disabilities

Subaru strives to create workplace environments in which people with disabilities can truly shine. To achieve this goal, Subaru leverages the ideas and opinions of our employees with disabilities and their family members.

As of April, 2018, Subaru has 269 employees with disabilities, mainly in manufacturing work, and the percentage of employees with disabilities was 2.28%.

As a facet of our social responsibility, Subaru complies with the legal requirement concerning employment of those with disabilities. Subaru will continue to promote stable and ongoing employment, with a target of 2.3% for the percentage of employees with disabilities as of April 1, 2019.



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

	April 2015	April 2016	April 2017	April 2018
Number of employees with disabilities (person)	229	247	261	269
Employment rate of people with disabilities (%)	1.98	2.13	2.17	2.28

SUBARU Bloom Co., Ltd. (SBC), which gained accreditation as a specified subsidiary company under the Act on Employment Promotion, etc., of Persons with Disabilities in FYE2015, made active efforts to employ people with disabilities again in FYE2018. As of April 2018, 64 employees and 15 instructors engaged in cleaning operations for Subaru dormitories and plants.

In FYE2018, SBC has gone beyond simply employing people with disabilities to actively hosting people from the local areas for observation and tours. Also as a company actively and cooperatively promoting employment of people with disabilities, SBC has registered as a “Supporter Company for Employment of People with Disabilities” sponsored by the Department of Employment Support for People with Disabilities of Gunma Prefecture since FYE2017. In FYE2018, it also supported a neighboring company to launch a specified subsidiary company.

SBC aims further to reflect this fact in corporate management by sharing know-how and improving exchanges between corporations through expansion of the intra-corporate network related to employing persons with disabilities in the future.

With many colleagues working at the company, Subaru will from now on strengthen initiatives aimed at retention. Subaru will not only strengthen our support systems and give guidance on work, but will also provide basic education on safety, compliance and other areas as well as creating programs that one can feel the joy of working by achieving results in the job experience. In addition, after employees join the company, Subaru will repeat skill checks and interviews to help raise their motivation. Subaru also creates a forum for experiencing the happiness of spending time with friends met through work by using holidays to hold regular events, which in turn works to deepen communication among different plants and offices. In FYE2019, Subaru will continue striving for employment, retention, and community contribution with the aim of being a company that helps the individuality of every single employee to bloom.



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

Global Human Resource Development Initiatives

Subaru recruits both new graduates and mid-career employees regardless of their nationality, and employs non-Japanese nationals as permanent and temporary employees. Subaru also provides employees with opportunities to receive language training and engage in extended training programs overseas, helping them enhance their communication with people from other countries and understand cultures different from their own. The interaction of international human resources also paves the way to the internal revitalization of our company and stable supply of human resources.



Manual written in Portuguese

Our overseas sites and affiliates each recruit human resources independently and make efforts to secure human resources that match the policies and business of each site.

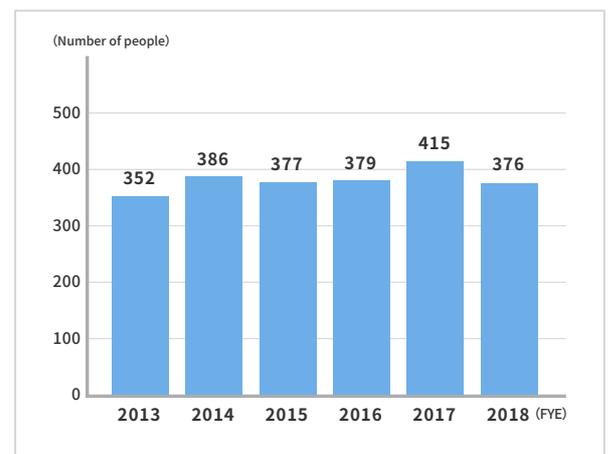
Subaru properly manages foreign trainee workers based on the Technical Intern Training Program. While Subaru provides basic education on safety and quality, our aim is for our training programs to lead the trainees to succeed in their home country after returning to their country.

Senior Partner Program: Reemployment for Employees Over 60 Years Old

Subaru introduced the “Senior Partner Program, Senior Staff Program” in 2003 to rehire employees after the 60-year-old retirement age. This program aims to resolve the problem of employment after retirement and seek utilization of human resources. In addition to complying with the Revised Law Concerning Stabilization of Employment of Older Persons (implemented in April 2013), Subaru has revised the existing system so that retired workers can put their experience and skills to further use and that those who wish to work beyond retirement age can do so at our company and at the Subaru Group companies.

Subaru will promote re-hiring of those after their retirement at age 60 to tap into their experience and abilities for fostering a new generation of workers and passing down their skills.

Number of Workers over the Age of 60



In FYE2018, the number of employees over 60 years old or more is 376.

After the implementation of the Revised Law Concerning Stabilization of Employment of Older Persons (April 2013), Subaru has hired all those wishing to be re-hired.

Re-employment Rate (Subaru non-consolidated)

FYE	Retirees (person)	Re-employment Applicants (person)	Re-employees (person)	Re-employment Rate
2016	183	155	155 (among them, 34 employed at affiliated companies)	100%
2017	114	98	98 (among them, 29 employed at affiliated companies)	100%
2018	108	83	83 (among them, 21 employed at affiliated companies)	100%

Universal Design Initiatives

With the goal of achieving the guidelines for a comfortable working environment*, Subaru systematically plans continuous workplace improvements in the areas of work environment, work methods, and environmentally responsible facilities, among others. Subaru practices universal design in our facilities, aiming to make break areas, toilets, smoking areas, and cafeterias as barrier-free as possible.

Subaru has made universal design a reality for entry and exit gates, toilets, and other facilities at our new West Main Building in Ota City, Gunma Prefecture, completed in April 2016, as Subaru did at our Head Office in Shibuya-ku, Tokyo.

* Guidelines for a comfortable working environment: “Guidelines for measures to be taken by employers for the creation of a comfortable working environment” in the Industrial Safety and Health Act.



Entry and exit gates through which people in wheelchairs can also pass at the new West Main Building at the Gunma Plant



Toilet that can be easily used by people in wheelchairs at the new West Main Building at the Gunma Plant

Program for Appointment of Contract Employees to Regular Employment

Subaru has a program for appointing contract employees to regular employment. In the seven years spanning FYE2012 through FYE2018, 906 contract employees have been appointed to regular employment. Subaru offers examination opportunities based on comprehensive consideration of the individual's wishes, workplace recommendations and other factors, which leads to enhanced motivation and engagement among contract employees.

Number of Contract Employees Appointed to Regular Employment

Year of appointment (FYE)	Number of appointment (person)
2012	81
2013	164
2014	118
2015	137
2016	181
2017	112
2018	113
Total	906



Our Approach to Respect for Human Rights

Subaru states “We respect the rights and characteristics of individuals.” in the Corporate Code of Conduct. This is because our basic concept is to respect the diversity of employees, including gender, LGBT, age, nationality, and culture and lifestyle, and make efforts to establish safe and comfortable work environments in order to allow each employee to fully express their unique abilities.

Respect for Human Rights Initiatives

Activities to Raise Awareness of Human Rights

Subaru’s Conduct Guidelines clearly state “We do not unfairly discriminate on grounds of gender, LGBT, age, home town, nationality, race, ethnicity, beliefs, religion, social status, physical disability, disease or any other pretext.”

In order to raise awareness regarding the respect for human rights, we have introduced lectures on the importance of diversity and Subaru’s initiatives in the training course for new recruits and managers since FYE2016. In FYE2018, we held training 14 times with 514 employees attending.

Preventing Harassment

Subaru has compiled rules and guidelines aimed at preventing all kinds of harassment. To prevent workplace bullying, we prepared a Workplace Bullying Explanatory Booklet, which we have distributed to all employees (except for nonpermanent employees). We also posted it on our intranet. In addition, we distributed the Workplace Bullying Prevention Handbook, which compiles points to note in order to create a workplace free from workplace bullying, to all managers and supervisors.

As a contact in case of occurrence of harassment, Subaru established the Compliance Hotline for Harassment, as well as Harassment Contacts at the headquarters and at each office and plant. By creating a contact that workers can easily get in touch, Subaru tries to resolve problems without delay.

Building Positive Labor-Management Relations

Related information

- > [Conduct Guidelines](#)
- > [Communication with Labor Union](#)



Our Approach to Occupational Health and Safety

In line with the Corporate Philosophy, Subaru considers occupational health and safety to be a critical responsibility of management. Our Health and Safety Philosophy is “Subaru makes health and safety the first priority in all of our work.” Based on this philosophy, all managers and employees work to ensure health and safety in their workplaces while continuously striving to make working environments more pleasant and comfortable for all.



Yajima Plant, Gunma Plant

Group companies in Japan and overseas each establish occupational health and safety policies in accordance with their business content, regional characteristics, and the laws and regulations of each area, and promote initiatives based on these policies.

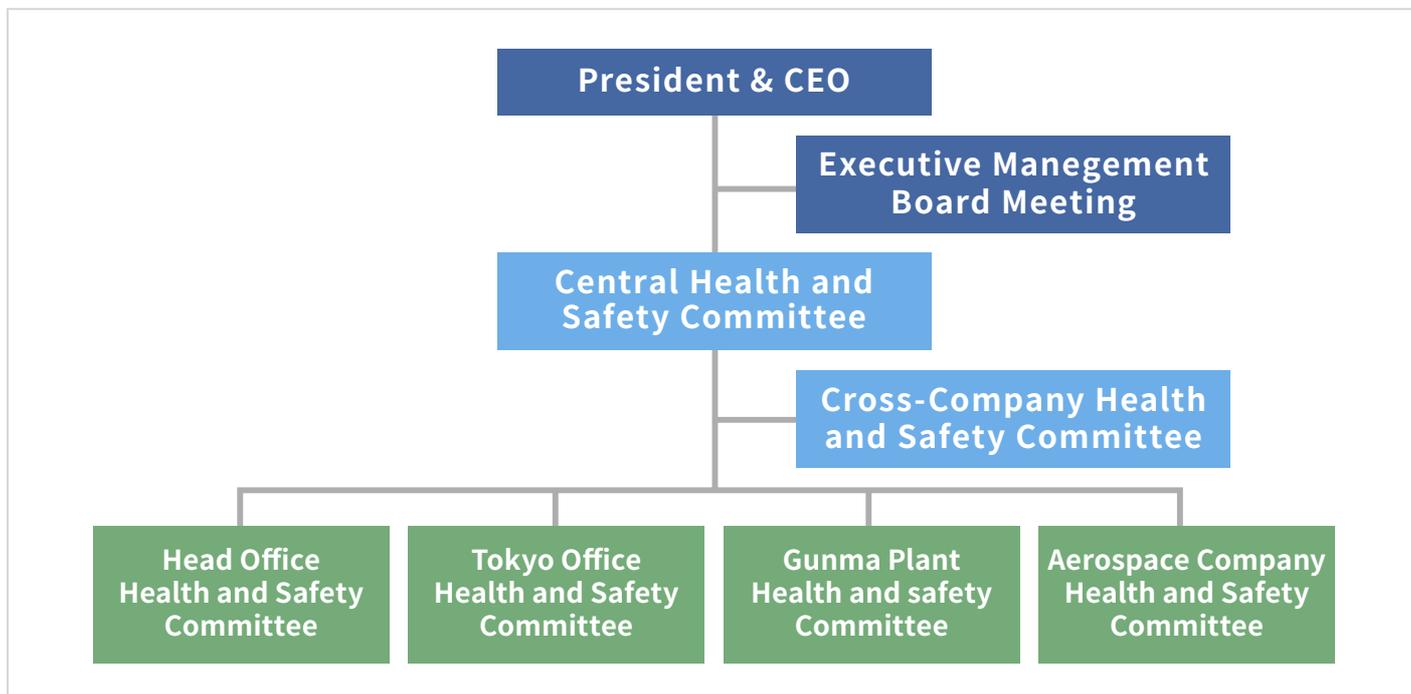
Health and Safety Management System

Subaru established the Central Health and Safety Committee composed of an equal number of members (8 each) from the company and the labor union for the purpose of preventing employee accidents and diseases and improving the working environment. The committee has one chairperson elected from the company and one vice-chairperson elected from the labor union.

The Central Health and Safety Committee engages in extensive discussion on themes that include the basic policy concerning occupational health and safety, investigations into the causes of industrial accidents and diseases and countermeasures to them, improvement of the working environment, health and safety education, road safety, fire prevention and other topics.

In addition, Site Health and Safety Committee has been set up at each business site to deliberate on the policies issued by the Central Health and Safety Committee as well as basic items and new issues regarding health and safety of each site. Furthermore, Health and Safety Committees at plants, departments and sections are set up as sub-organizations whenever necessary.

Health and Safety Organization Chart



Health and Safety Activities

At the start of each fiscal year, each of our business sites conducts Health and Safety Kickoff Meeting that aims to raise awareness about preventing industrial accidents, road safety, and health management. With the ultimate goal of zero disaster and accidents for the year, the general manager of each site talks to workplace leaders about the health and safety policies and initiatives for the fiscal year so that everyone participates in activities as one united team.

Health and Safety Kickoff Meeting

Every April, Safety and Health Kick-off Meeting is held at each of our business sites. At the meeting, activity targets and plans for each business site are announced so that employees can maintain constant awareness of disaster and accident prevention during daily work and make efforts toward achieving those goals.



FYE2019 Safety and Health Kick-off Meeting at Tokyo Office

Work Related Accidents

There were 14 work related accidents (of those, 1 resulting in lost time from work) in FYE2018, which was the least number of accidents ever. The overall accident frequency rate for Subaru was 0.37.

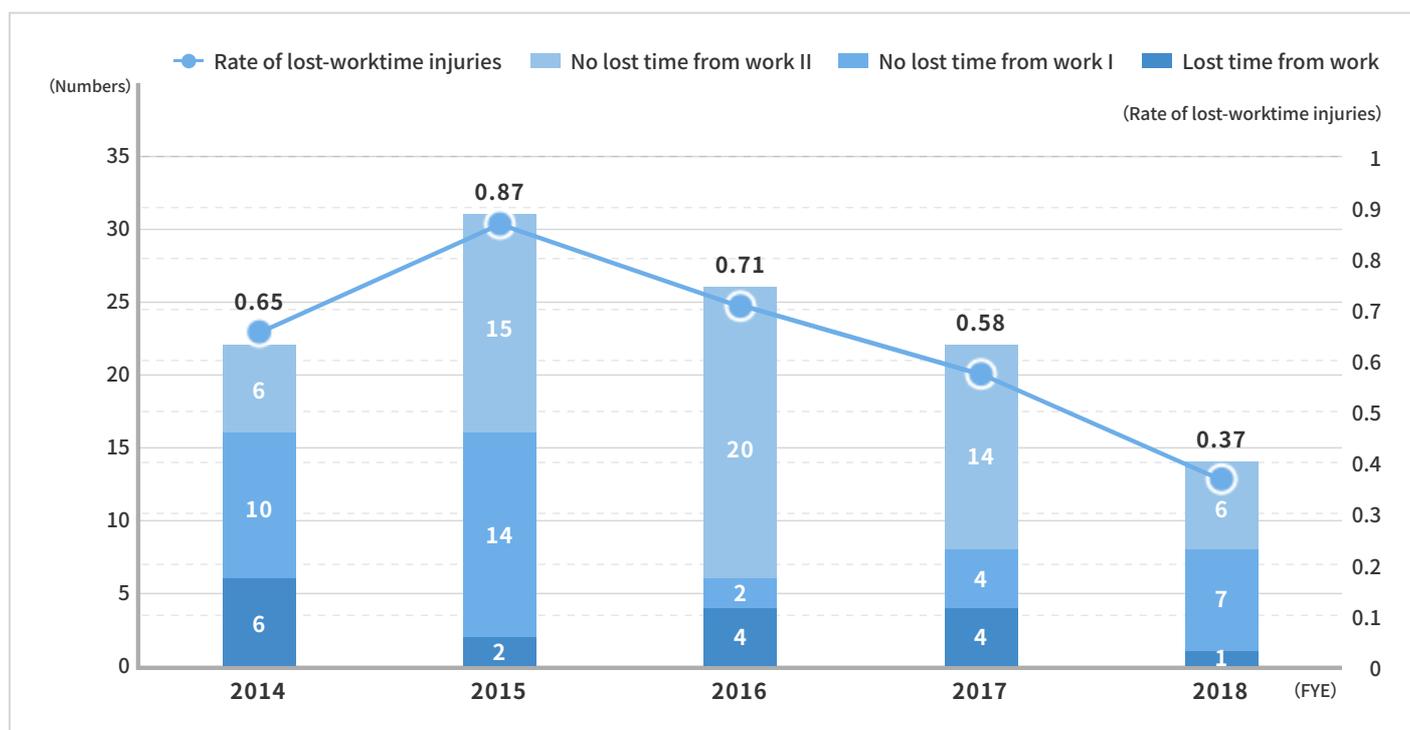
Work Related Accident Prevention Activity

1. Wearing of the safety declaration badge

In order to raise their safety awareness, all employees of Subaru wear the safety declaration badge with the written phrase, “I will always check for safety before performing any action.”



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



2. Pointing and calling promotion activity

To prevent mistakes and human errors, each business site promotes employees’ pointing and calling practice at crosswalks in the premises and at work. All employees confirm their action by pointing to the left, right, and forward with their fingers, which is expected to improve their levels of awareness of safety behavior and safety confirmation.

3. Road safety support activities

In order to prevent all traffic accidents whether during work, commuting or private time, Subaru has been conducting driving aptitude tests that incorporate psychology and a program using driving recorders to identify employees' driving habits for all employees of the Automotive Business, where commuting by car is popular, and the Aerospace Company.

4. Our approach to health promotion

Subaru is aggressively promoting employee health management. Our approach is not only to prevent health problems, but also to systematically maintain and promote mental and physical health.

Since FYE2019, Health Promotion Subcommittee was established mainly with registered nurses and public health nurses as members to discuss the health of employees and reflect the outcome of the discussion in actual activities.

5. Commitment to Mental Health

Subaru works in cooperation with industrial physicians, clinical psychologists and health and safety personnel (public health nurses and registered nurses) of the Health Support Office to take mental health measures. Mental health workshops and the like for regular workers and managers are provided at each business site. Subaru has published the Mental Health Dealing Manual for Managers (in-house publication), and have introduced the Return to Work Program Scheme (trial return to work, gradual return to work), which is a system that enables smooth resumption of work after a period of absence, among other measures to create a work environment in which employees are able to work with peace of mind.

Moreover, based on the results of Stress Check being carried out since FYE2017, business sites with high risks are being identified and a program in which public health nurses exchange opinions with those at the identified sites. By continuing to commit ourselves to mental health initiatives, Subaru hopes to establish a Subaru-style efforts towards mental health.

Message from a Public Health Nurse

I want to be a nurse any employee can feel at ease to come and talk to.

Employees are the greatest asset for a company and “being able to work healthily and lively” will lead to growth and development of the company. Subaru supports health promotion so that each employee “can come to work healthily and leave work vigorously”.

The most important is the mental care. In mental health measures, Subaru holds workshops with the aim of creating a workplace where employees can work and feel at ease. To this end, Subaru needs to carry out workplace improvement activities and also to create a system where employees themselves and those around them can recognize the stress they are feeling without delay.

Then comes the physical care. Gunma Plant with the greatest number of employees among all Subaru sites changed the time of employee health checkup from spring and summer to each employee’s birth month. This led them to think more carefully about their health and to voluntarily visit doctors for the second checkup and health instruction, which improved their attitude towards their health and lifestyle.

My wish is for everyone to work in good health until their retirement. To this end, I will try to be a nurse who is always there for the employees so that they can come at any time and talk about their health.



Yuu Miyauchi,
Public Health Nurse,
Personnel Department,
Gunma Plant



Building Positive Labor-Management Relations

Subaru's employees belong to the Subaru Labor Union. Out of a total of 15,561 employees, 13,827 employees belong to the labor union (as of October 1, 2017). There are also labor unions at sales companies and affiliates in Japan, and the Confederation of Subaru Affiliated Labor Unions (Subaru Rouren), which includes all these unions, has 25,487 members (as of October 1, 2017).

Subaru and its labor union hold a Labor and Management Council at least once a month for smooth corporate management and mutual communication, discussing issues such as management policy and overviews of business results, production, matters to do with sales, labor conditions, issues concerning work styles and other topics. Changes to operations that will have a significant impact on employees are, after due deliberations, communicated in advance to employees by both labor and management.

Labor-management relations in recent years have remained positive with the establishment of a relationship based on mutual understanding and trust through close communication.



Employee Data

(Consolidated)

		FYE2014	FYE2015	FYE2016	FYE2017	FYE2018
Number of employees (persons)	Total	28,545	29,774	31,151	32,599	33,544

(Non-consolidated)

		FYE2014	FYE2015	FYE2016	FYE2017	FYE2018
Number of employees (persons) <small>*Numbers do not include officers and advisors, but include those loaned from other companies.</small>	Male	12,784	13,511	13,858	14,229	14,477
	Female	871	901	929	988	1,053
	Total	13,655	14,412	14,787	15,217	15,530
Male to female ratio (%)	Male	94	94	94	94	93
	Female	6	6	6	6	7
Average age		38.8	38.4	38.5	38.5	38.6
Average length of continuous employment (years)		16.6	16.0	16.0	15.8	15.9
Number of managers (persons)	Male	1,029	1,028	1,032	1,028	1,020
	Female	4	4	7	11	13
Number of new graduate recruits (persons)	Male	418	426	483	479	494
	Female	30	41	36	69	80
Number of mid-career recruits (persons)	Male	303	594	267	397	221
	Female	8	10	23	23	15
Total number of employee turnover (persons/%)		-	159/1.1	189/1.3	258/1.7	249/1.6



Our Basic Approach and Policy

In keeping with our Corporate Philosophy, the Subaru Group strives to procure high quality, environmentally friendly parts, materials, and equipment that offer excellent cost performance. To realize this goal, it is necessary for us to establish relationships with our business partners based on equality, trust, mutual benefit, and dedication to continuous improvement.

Fundamental Procurement Policy

Subaru has been promoting procurement activities under the following basic policy.

1. Compliance & Green Procurement

We engage in procurement activities in a way to harmonize man, society and the environment and conduct transactions paying due care to observe legal and societal rules and to protect 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.

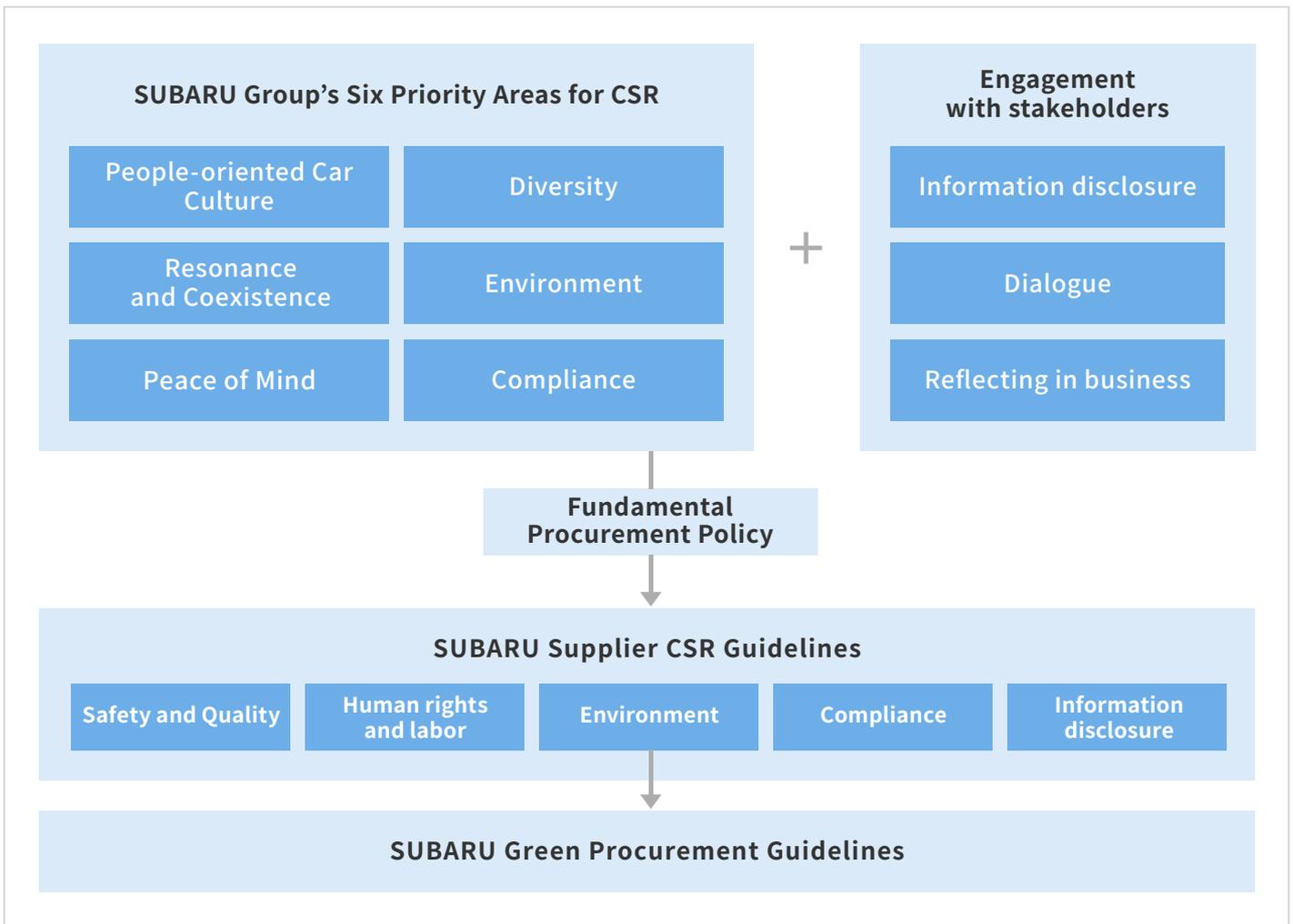
3. Fair and Open Way of Selecting Suppliers

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 six perspectives: quality, cost, delivery, technical development, management and environment (QCDDME).

Promotional System for Appropriate Business Practices and CSR Procurement

At Subaru in the past, the procurement departments of Automotive Business, Aerospace Company, and Industrial Products Division have participated in the Purchasing Environmental Committee, striving to solve environmental issues in the area of procurement. In FYE2012, the committee changed its name to the Purchasing Committee and expanded its mission to include Subaru’s CSR initiatives.

The policy of the Purchasing Committee is to facilitate fair procurement practices and encourage CSR at suppliers, thereby helping to ensure fair trade between Subaru and its business partners and cooperative CSR-based procurement throughout the supply chain.



Promoting Fair Trade

Subaru has observed the laws and regulations related to procurement, including the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors. Subaru also carries out fair trade promotion initiatives in accordance with Automobile Industry Fair Trade Guidelines announced in June 2007 by the Ministry of Economy, Trade and Industry. As part of our efforts, Subaru has set up a consultation service targeting at suppliers in Subaru's supply chain.

Also for employees, we provide legal and regulatory training for those in charge of procurement and transmit alerts on our intranet to ensure that business is conducted properly.

Related information

> [Consultation service for promoting fair-trade \(Japanese version only\)](#)  PDF/164kB

Employee Training on Fair Trade in FYE2018

Automotive Business

- Training for new recruits (5 employees)
- Training for transferees (33 employees)
- Training session on Fair Trade Guidelines (165 employees)

Aerospace Company

- Training for new recruits (5 employees)
- Material Department EMS* training (121 employees)
- Business Law training on “Subcontract Act” (81 employees)
- Briefings on progress status of purchasing reforms (177 employees)

* EMS: an acronym for Environmental Management System

Supplier CSR Guidelines

Based on the CSR Guidelines for Suppliers issued by Japan Automobile Manufacturers Association, Inc. (JAMA), Subaru has created the SUBARU Supplier CSR Guidelines by incorporating our CSR policy. Subaru expects these guidelines promote Subaru CSR procurement and help our suppliers conduct CSR activities.

In FYE2014, these guidelines were made company-wide including all suppliers of the Automotive Business, the Industrial Products Division and the Aerospace Company, and in FYE2016, Subaru revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals*. In the same year in FYE2016, Subaru revised the guidelines in the form of a joint edition with Subaru of Indiana Automotive, Inc. (SIA), our local production plant in the U.S., confirming the integration of procurement policy.

One of the criterion of our supplier selection is the compliance to these Guidelines. Subaru asks not only our suppliers but also their suppliers as well to develop and promote CSR. Going forward, Subaru will continue to promote CSR procurement efforts.

* Conflict minerals: Minerals produced as a source of funding for the activities of armed insurgents in the Democratic Republic of the Congo and surrounding countries.



SUBARU Supplier CSR Guidelines

Five Topics in the SUBARU Supplier CSR Guidelines

Subaru promotes our procurement activities based on the following basic approach.

(1) Safety and Quality

- Providing products and services that meet consumer and customer needs
- Providing appropriate information concerning products and services
- Ensuring safety of products and services
- Ensuring quality of products and services

(2) Human Rights and Labor Issues

- Striving to avoid discrimination
- Respecting human rights
- Prohibiting child labor
- Prohibiting forced labor
- Non-use of raw materials that engender social problems
- Compliance with the law on working hours
- Practicing dialogue and consultation with employees
- Ensuring a safe and healthy working environment
- Providing human resource training

(3) Environment

- Implementing environmental management
- Reducing greenhouse gas emissions
- Preventing air, water, and soil pollution
- Saving resources and reducing waste
- Managing chemical substances
- Conservation of the eco system

(4) Compliance

- Compliance with laws
- Compliance with competition laws
- Preventing corruption
- Managing and protecting confidential information
- Managing export trading
- Protecting intellectual property

(5) Information Disclosure

- Disclosing information to stakeholders

Supplier survey results: In FYE2016 and FYE2018, Subaru carried out CSR survey visit to our main suppliers, and confirmed that there are no occurrence of human rights violation towards foreign laborers and technical interns. At the same time, Subaru collected the results of voluntary CSR check and confirmed that in FYE2018 every supplier showed improvements from their FYE2016 results.

Related information

› [Subaru Supplier CSR Guidelines](#)  PDF/957KB

› [Subaru Green Procurement Guidelines*](#)  PDF/917KB

› [Green Procurement Guidelines Aerospace Company Version*](#)  PDF/562KB

* Both the Subaru Green Procurement Guidelines and Green Procurement Guidelines Aerospace Company Version elaborate on Topic (3) Environment in the Subaru Supplier CSR Guidelines to make it more specific.

Basic Policy on Conflict Minerals

Some of the minerals (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo and surrounding countries are said to provide a source of funding for armed insurgents engaged in the infringement of human rights and environmental destruction in the region. As there are concerns that they assist conflict, they are termed conflict minerals.

The Subaru Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. Going forward, Subaru will make efforts and aim for “No use of materials engendering social problems” including conflict minerals in partnership with our customers and suppliers as our social responsibility in procurement activities.

In FYE2018, upon request from our product supplier, Subaru conducted a conflict mineral survey targeting at about 200 companies that the supplier order parts and materials to for the supplied products.

Communication with Business Partners

In an effort to share with suppliers our mid- to long-term management strategies and our quality, procurement, production and sales policies, Subaru has been hosting “Policy Briefings” every spring, and have had 700 people from 400 companies participating in the Briefings. Subaru also periodically exchanges information by participating in “Cooperation Meetings” comprised of our suppliers. Once a year, Subaru awards those that have particularly contributed to R&D, production, and quality improvement.



“General Cooperation Meeting” for the Automotive Business suppliers



Presentation of quality improvement initiatives at Aerospace Company suppliers’ “Cooperation Meeting”

Our Response to Suppliers regarding the Final Vehicle Inspection Issue

In regard to cases of improper conducts beginning with final vehicle inspections (please refer to [“Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions”](#) for details), since it was revealed in October 2017 that there had been improper conducts of final vehicle inspections, Purchasing Division has held meetings and briefings for suppliers to explain the background to the cases occurred and has offered sincerest apologies for causing so much concern and trouble.



Social Contribution Policy

Gratitude for the Local Communities

Subaru Group's social contribution has focused on our responsibility as a manufacturer of transportation machinery and on having the communities in which we operate be happy with our presence. We also incorporate in our social contribution policy our hope to have social contribution take root in our corporate culture and to sincerely carry out such activities.

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.
-

System for Promoting Social Contribution Activities

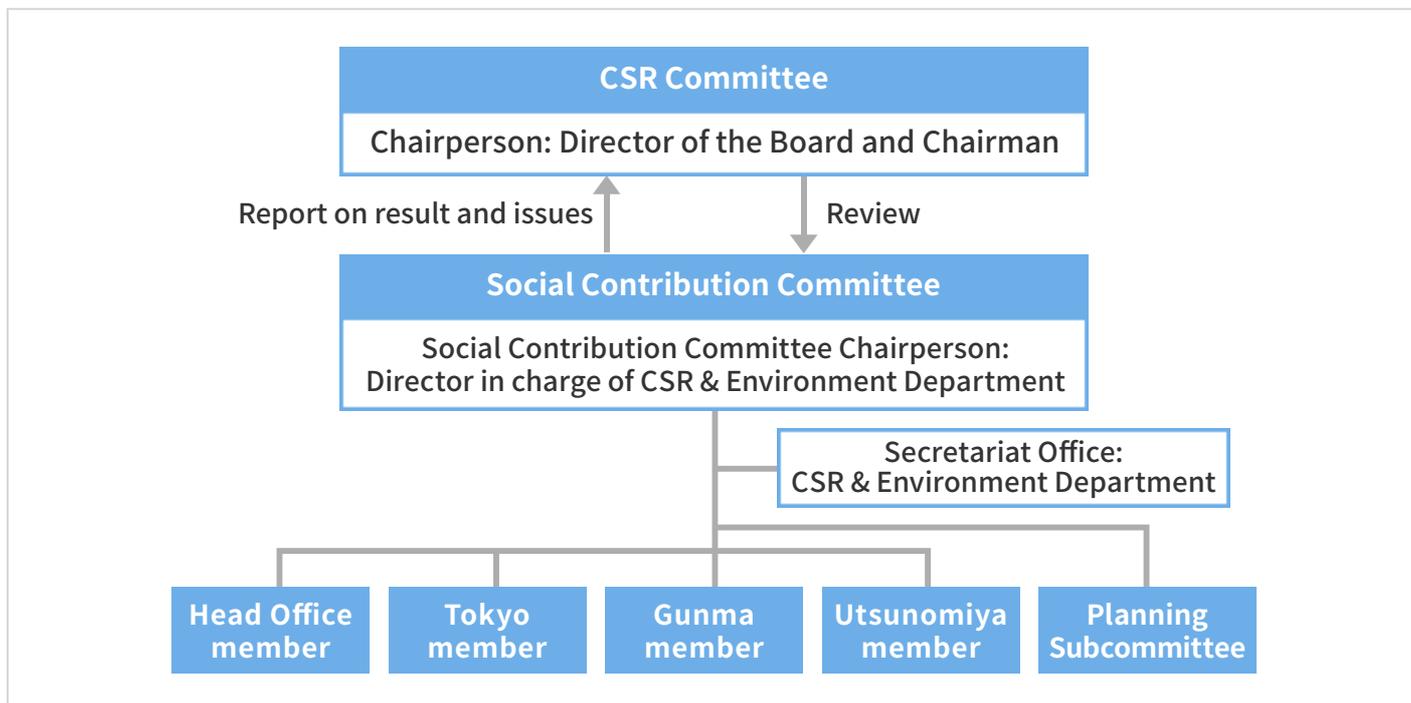
Subaru established the Social Contribution Committee in FYE2013 as a body to actively promote and continue social contribution activities leveraging its technology and expertise.

The Social Contribution Committee, based on the organizational restructuring in April, 2017, assigned Director in charge of CSR & Environment Department as its chairperson, and established its secretariat in CSR & Environment Department (newly established). In order to further energize its activities, four priority areas have been selected, namely "activity in the community," "the environment," "traffic safety," "sports and culture." The Committee meets every six months to compile results of its activities and issues deriving from them for improvement and revitalization of those activities. Subaru will develop social contribution activities befitting the idea of "from being a company making things, to a company making people smile," and fulfill our social responsibilities as a company.



Social Contribution Committee

Social Contribution Committee Organization Chart



Social Contribution Initiatives

Activity in the Community

Participation in cleanup activities in Ebisu area (Head Office)

Subaru and its Group company employees in Ebisu area periodically conduct cleanup activities organized by Shibuya-ku and cleanup activities around Ebisu station held by Subaru. Our steady efforts were recognized and we were presented with a letter of appreciation from Shibuya-ku as a “clean town development supporter.” This award is given to individuals and companies that contribute to the promotion of local clean-and-beautify activities.



Subaru Group employees cleaning up around the Ebisu station

Implementation of clean campaign activities (Utsunomiya Plant)

Subaru periodically conducts clean-and-beautify your neighborhood activities by employees in the vicinity of our offices and plants. In FYE2018, a total of 350 employees took part in these activities. Subaru plans to continue these local clean-and-beautify activities.



Clean Campaign Activity

Participation in local government's garbage pickup activity (Subaru Canada, Inc.)

The City of Mississauga calls for a 20-minute cleanup to local corporations on Earth Day every year. Subaru Canada, Inc. (SCI) endorsed this initiative 13 years ago, and in FYE2018 there were 15 employees participating in this initiative. In addition, Mississauga allocates a road to local corporations to manage its beautification and implement cleanup activities three times a year. SCI also endorses this initiative.



SCI employees participating in Earth Day event



SCI employees participating in a cleanup activity

Reconstruction support sale held (Head Office)

With participation of organizations in Iwate, Miyagi, Fukushima, Kumamoto, and Oita Prefectures, Subaru held a reconstruction support sale for Subaru Group employees in Ebisu area and companies having offices in the Ebisu Subaru Building. This event was intended to sell local products for the purpose of expanding sales channels, and to enhance tourism and show charm of each region.



Reconstruction support sale

Sponsoring Ebisu bon dance festival (Head Office)

The Ebisu Bon Dance Festival started soon after the end of war, with the hope of restoration and reconstruction of the town of Shibuya. It became a summer feature lasting for 60 years, attracting 60,000 visitors in two days. Subaru sponsors this festival as a major contribution to the community.



Bon dance festival in front of Ebisu station

Participation in Ota summer festival and corporate mikoshi (Portable Shrine) parade (Gunma Plant)

The Ota Summer Festival was held for two days in August. On the second day, some 1,000 employees joined the corporate mikoshi parade (employees of the Main Plant at the north venue and employees of Yajima Plant at the south venue). It was a beautiful day, and local residents fully enjoyed the enthusiasm and energy of Subaru.



Corporate mikoshi (portable shrine) parade

Participation in Oizumi Festival and adult mikoshi (Portable Shrine) parade (Gunma Plant)

The 45th Oizumi Festival was held for two days in July, and some 600 employees of Oizumi Plant participated in the adult mikoshi parade on the first day. It was a memorable year for both Oizumi Town for marking its 60th anniversary of its founding and Subaru for participating in the festival as Subaru Corporation for the first time. Local residents fully enjoyed the enthusiasm and energy of Subaru.



Kagami-biraki (opening of sake barrel) celebrating the 60th anniversary of the birth of Oizumi Town



Subaru employees carrying the mikoshi

Summer Festival held (Tokyo Office)

Starting with a parade by the Samba Club from the neighboring International Christian University, the Summer Festival featured various fun events including the annual lottery and presents for children, which were popular among visitors with children. Subaru was able to mingle with a great many people from the community again this year.



Parade by the Samba Club from the International Christian University

Sponsoring of Summer Evening Bon Dance Festival (Utsunomiya Plant)

A grand Summer Evening Bon Dance Festival was held with participation of some 1,000 people, including those from local residents' associations, women's associations, children's clubs and affiliated companies. Being held for the first time in 1984, the festival marked the 31th time in 2017. It is an event that makes a major contribution to the community.



Subaru employees interacting with local residents

Toronto Subaru Club HyperMeeting held (Subaru Canada, Inc.)

In July 2017, Subaru Canada, Inc. welcomed the Toronto Subaru Club and enthusiasts from all over the Greater Toronto Area to our headquarters for the 14th Annual HyperMeeting. This year over 1,400 attendees came out to share their pride of Subaru ownership, showcase their vehicles and enjoy a day of family-friendly fun. With a complimentary BBQ and events for children, the event was once again a huge success. As in previous years the proceeds of the event will go to Ronald McDonald House Charities Toronto, and this year Subaru is pleased to announce that the event raised a grand total of \$10,000, which includes Subaru Canada's dollar-for-dollar match of funds raised by the Toronto Subaru Club. As one of the largest events of its kind held at a corporate head office in Canada, HyperMeeting gives us a chance to give back to the community as well as a unique opportunity to connect with some of Subaru's most ardent enthusiasts.



Subaru automobiles of various types and colors came together

Monozukuri Class at Kids Engineers Event held by Society of Automotive Engineers of Japan, Inc.

In August 2017, Kids Engineers Event was held at Portmesse Nagoya, the International Exhibition Hall. Subaru participated in this event as "Monozukuri Class" in collaboration with Subaru Techno Corporation. At the event, Subaru made models that can easily switch between four wheel drive and two wheel drive, and after completion, Subaru demonstrated how easily a four wheel drive model climb a hill or stairs that the two wheel drive model cannot. About 140 elementary school children had fun participating in making models with us.



Learning about the difference between four and two wheel drives



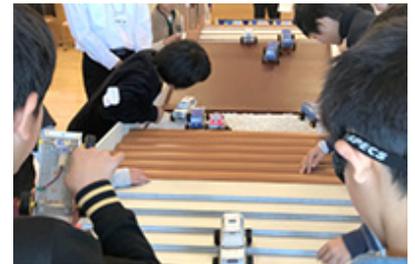
Experiment to see the difference between four and two wheel drives

Mitaka Monozukuri Class held (Tokyo Office)

In December 2017, as a cooperative endeavor with Mitaka City Lifelong Learning Center, Subaru and Subaru Techno Corporation together in collaboration held a Monozukuri Class for elementary school children. About 30 students in 4th, 5th, and 6th grades in Mitaka City participated, and made model cars. It was a fun learning opportunity for them to run the cars they made.



Making model cars



Running test of model cars they made

Participation in the 8th Ota Town Teachers Trade Fair (Gunma Plant)

In November 2017, the 8th Ota Town Teachers Trade Fair organized by the Ota Town Teachers Trade Fair Promotion Association was held in Ota municipal Watauchi Elementary School, and Gunma Plant participated in the fair. At our booth, some 200 visitors created their own key chains with Subaru marque, and children who are to become future leaders of monozukuri had fun learning.



Making key chains

Accepting Tours at SUBARU Visitor Center

Opened to the public in July 2003, the SUBARU Visitor Center welcomes people visiting the Yajima Plant for plant tours, etc. Inside the center, visitors can view historic Subaru models and cars that set world records, as well as learn more about Subaru's unique technologies and environmental initiatives. In FYE2018, 91,694 people visited the facility.

For detailed information on the Visitor Center, please refer to the link below.

<https://www.subaru.co.jp/csr/factory-tour/> (Japanese version only)



SUBARU Visitor Center



Tours at SUBARU Visitor Center

The Environment

Launch of Subaru Forest Project

In June 2017, Subaru launched an initiative to conserve forest and protect biodiversity in a wide area covering Subaru Forest and its surrounding.

In Bifuka Town, Hokkaido, Subaru carries out conservation and maintenance efforts such as afforestation and thinning in the forest of about 100 ha that Subaru owns in the site of Subaru Test & Development Center Bifuka. In addition to collaborating with Bifuka Town, where the Center is located, Subaru also carries out activities in collaboration with Gunma and Utsunomiya, areas that are also very close to Subaru.



Subaru Forest Bifuka (Hokkaido)



Signing ceremony



Subaru Friendship Forest Akagi (Gunma)



Subaru Forest Utsunomiya (Tochigi)

Cooperating in the environment beautification initiative around Mt. Fuji

In September 2017, Mt. Fuji Beautification Foundation held a cleanup activity from its 5th station to 6th station, in which Subaru employees also took part. Subaru has been providing funds to support the foundation's activities, which are used for the beautification of areas around Mt. Fuji. In FYE2018, as part of Subaru Forest initiative, Subaru made and donated nine bicycle stands using the thinned wood from Bifuka Town, Hokkaido, to the Public Corporation Fuji Toll Road Management Office that manages the Fuji Subaru Line.



Cleanup activity (Mt. Fuji's 5th station)



Bicycle stand made with thinned wood

The SUBARU Forest Ecology Conservation Project in China: “31 Forest Star Tours” (Subaru of China, Ltd.)

Since 2013, the Subaru of China, Ltd. (SOC) has established 31 Subaru Ecology Conservation Forests in nature reserves in 31 provinces in China. In addition to carrying out afforestation and rare species protection activities, the SOC have regularly provided vehicles and goods needed for them.

> The SUBARU Forest Ecology Conservation Project in China: “31 Forest Star Tours”



SOC employees participating in the forest conservation activity



Afforestation activity

School visits to teach environmental issues (Utsunomiya Plant)

At the Aerospace Company, school visits have been conducted since FYE2007 to raise children’s interest in the field of aerospace so that it becomes an option in the selection of occupation. In this initiative, Subaru employees become lecturers and visit elementary schools in Handa City and Utsunomiya City to talk about and do experiments with materials used in airplanes. It is intended to teach children about the mechanism of global warming and ways to prevent it. A total of 15,641 students from 228 schools in Utsunomiya and Handa have participated since FYE2007, and it has become an initiative rooted in the community.



Environment class at an elementary school in Handa City

Donation to greening activity (Utsunomiya Plant)

Subaru has donated to Greening Promotion Committee of Tochigi and Aichi Prefecture a total of 5,610,000 yen collected from everyone working at the Aerospace Company. This initiative that started in the year 2000 has marked its 18th year this year. In FYE2008 it had received the Director General of the Agriculture and Forestry Agency Award, and in FYE2018 Director of Greening Promotion Committee Award for the third time.



Receiving a letter of appreciation

Received a letter of appreciation from Gunma Prefecture for Corporate FURUSATO Tax Payment

In March 2018, as a company paying a huge amount of tax under the Corporate FURUSATO Tax Payment system, Subaru received a letter of appreciation from the governor of Gunma Prefecture. This system is intended for corporations to support local governments in rural areas revitalize through donations. Subaru has donated 100 million yen to Gunma Prefecture for the projects of environmental protection of Oze and of nature and environment education.



Receiving a letter of appreciation from the governor of Gunma Prefecture (right)

Traffic Safety

Traffic safety talk and plant tour (Gunma Plant)

Subaru Community Exchange Association held a traffic safety talk and plant tour in February 2018 at the Yajima Plant, and had about 120 people from the Oizumi South district participate. In the talk, it was explained that 97% of traffic accidents is caused by drivers and that 75.5% of them is due to erroneous recognition. It was an opportunity for participants to once again raise awareness towards safe driving.

In the plant tour, participants visited Yajima Plant and the Visitor Center to have a close look at Subaru's monozukuri.



Traffic safety talk



Tours at Visitor Center

Track-and-field team participating in the "Relay Race to Connect Lives," a traffic safety PR activity in town (Gunma Plant)

In September 2017, athletes of the track-and-field team were assigned to Ota Police Station's One Day Chief of Police and participated in the Relay Race to Connect Lives.

In the opening ceremony, one of the athletes spoke to the audience, "while Subaru is running, there are times when Subaru encounters dangerous situations. When you walk at night, please make sure to wear a reflector."

A total of 75 volunteers, Ota police officers, and track-and-field team members participated in this event to distribute traffic safety flyer and reflectors to local residents.

After the event, the team received an appreciation letter from Ota Police Station.



Letter of Appreciation from Ota Police Station



Distributing traffic safety flyer and reflectors

Implementation of traffic safety guidance (Utsunomiya Plant)

As an initiative to call for traffic safety of local children and for improving the employees' traffic manners, Subaru provided traffic safety guidance on streets near the Utsunomiya Plant during commuting hours. As there are many different streets along which children commute to school in the vicinity of the plant, Subaru carried out the guidance twice in April when new pupils start school and in September when pupils might become less careful after the summer vacation.



Traffic safety guidance by Subaru employees

Traffic safety awareness raising activity

Subaru has started operation of the Subaru Kids website for children in order to raise awareness of children regarding traffic safety. Also for employees, each work site carries out traffic safety awareness raising activities before long vacations. They are intended to aggressively make the employees become aware of being a member of traffic society.

> [Subaru Kids website for children \(Japanese version only\)](#) 

Sports and Culture

Subaru baseball team and track-and-field team instruct children as coaches

In October 2017, Subaru baseball team held a baseball class in Yajima Ground. This was held as a sub-prize to the champion team (Niragawa Nishi West Giant) in the Subaru Cup, a baseball tournament in Ota City. On that day, Subaru team played a game with the champion team and taught children that baseball is both difficult and fun. The Subaru team also coaches children in Musashino district in Utsunomiya.



Subaru Cup champion team and Subaru baseball team



Boys baseball class in Utsunomiya district

In March 2018, the “Friendship Class to gather and meet Subaru athletes” was sponsored by the Gunma Children's Health Development Team at Gunma Kids' Country and our track-and-field team participated as lecturers. More than 60 elementary and junior high school students participated in the event. On the day, despite cloudy and cold weather, they ran with full energy. This year, Subaru taught students not only in the local area but also at the training camp (Monbetsu, Hokkaido).



Friendship Class



A practice meet with track-and-field club members of Monbetsu Junior High School

The 15th Gunma Prefecture Children's Rubber-ball Baseball Game for Subaru Flag held

There participated 20 teams consisting of children in 6th grade from elementary schools in Gunma Prefecture. During the months of October and November 2017, the Gunma Prefecture Children's Rubber-ball Baseball Game for Subaru Flag sponsored by our company was held, and Kiryu Mokusei Team and Maebashi All Star Team competed in the final game. Both teams received a commemorating medal from Subaru.



The champion Kiryu Mokusei Team



Maebashi All Star Team, second place team

Subaru track-and-field team participates in the New Year Ekiden

On January 1, 2018, the New Year Ekiden race was held in Gunma Prefecture. The Subaru track-and-field club participated in the meet for the 18th time in a row, and among 37 teams coming from all over Japan to compete, the Subaru team ran in 5 hours 2 minutes 55 seconds and came in 22nd place.



Subaru team athlete running in Gunma



Subaru team finishing in 22nd place

Subaru CASA Cycling Challenge held (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) has used its test course to hold a 24-hour cycling event since FYE2012. The entry fee and donations collected from individuals and groups are donated to CASA for Kids Fund, an organization that helps children suffering from child abuse and abandonment of childcare to become independent.



Running on the SIA test course

Running/walking event Subaru Color 5K held (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. in collaboration with Special Olympics Indiana, an international sports organization offering daily sports programs and competitions as a place of presentation of achievements with the aim of people with intellectual developmental disabilities becoming independent and participating in society, has held a running/walking event since FYE2016. In the event held in June 2017, more than \$43,000 donation was collected.



Runners running past the yellow color station

Cooperating in the 65th Friendship Concert (Gunma Plant)

Subaru Community Exchange Association held its 65th Friendship Concert in the Big Hall of the Oizumi Town Culture Village in December 2017. About 600 people of all ages enjoyed concert and various donations they brought including towels, soaps and money are donated to different social welfare facilities through a social welfare council.



Music performance by music club and brass band of Nishi Oura high school in the local community

Cooperation in the Gunma Prefectural Museum of History's 94th Special Exhibition "Lives of Showa Era and Subaru" (Gunma Plant)

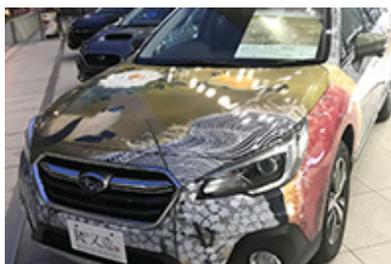
The 94th Special Exhibition "Lives of Showa Era and Subaru" was held at Gunma Prefectural Museum of History during December 2017 and February 2018. Materials on Nakajima Airplane, the root of Subaru, were exhibited. In the interview recording of the former employees who engaged in the manufacturing of Subaru EyeSight, design, platform and engines, heart and spirit of people in monozukuri were introduced. During the exhibition, various workshops and events were held and Subaru did a workshop to create a key chain with Subaru marque with deburring file, which was enjoyed by many visitors.



Heart and spirit of people in monozukuri

Sponsoring Matazo Kayama Exhibition (Head Office)

From April to May 2018, Subaru held “Re Matazo Exhibition” in the EBiS303, an event hall in the Ebisu Subaru Building. Subaru Kohsan Co., Ltd. and Subaru sponsored the exhibition, and approximately 17,000 visitors enjoyed the splendid culture and art.



Subaru automobile wrapped with the work of Mr. Kayama



Work of Mr. Kayama fusing digital arts

Subaru’s historical automobiles exhibited in various events

SUBARU maintains its vintage vehicles as a technical heritage. For many people to have the opportunity to see those historic cars and to feel the history of Subaru, Subaru exhibits them at various events.



Exhibiting Subaru 360 and Rabbit Scooter



Exhibition of historic automobiles

Donation and volunteer activities

Subaru’s social contribution policy states that “Subaru supports each other in contributing to society as good citizens.” This is intended for employees to positively hold social contribution consciousness, which in turn leads social contribution to take root in our company-wide culture.

As a concrete initiative to this end, Subaru commends employees who actively contribute to the community and society through volunteering. This commendation system started in 2006, and in the 13th ceremony that took place in June 2018, one employee received the commendation.



Subaru employees (front row) and officers commended

Implementation of Love Promise Activities (Subaru of America, Inc.)

Summary of program: The Subaru culture at the United States headquarters is guided by a set of behaviors and values that Subaru calls The Love Promise: Six Stars to Guide Us. It compliments a similar program involving all Subaru US-based retailers. One aspect of the program involves giving back, and Subaru employees participated in Subaru-organized volunteer activities to construct and renovate residential buildings in Camden, New Jersey, donating about 588 hours. As Love Promise is part of our culture, Subaru expects the number of activities and hours to increase.



SOA employees participating in volunteer activities



SOA's CEO writing a message of hope

Donating 76,000 science books in collaboration with US Science Promotion Association (Subaru of America, Inc.)

Subaru of America, Inc. (SOA) has donated 76,000 science books to schools in collaboration with US Science Promotion Association under the Subaru Loves Learning Program. Employees of SOA delivered over 3,000 books to 13 public schools in Camden, New Jersey.



Children receiving books



SOA employees delivering books to schools

Support for the west Japan heavy rain disasters stricken area

In July 2018, Subaru has donated 10 million yen to support the disaster stricken area through Japan Red Cross.

Also Subaru's affiliated company, Fuji Jukou House Corporation, donated about 40 container houses produced by the company.

United Way Pledge Drive (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) has held a pledge drive since 1998 for associates to pledge donations from their paychecks to United Way, a nonprofit organization focused on providing basic needs for those in need. In FYE2018, our drive collected \$763,079.



SIA associates participating in the activity

Donations through the Japan Business Society of Detroit (Subaru Research & Development, Inc.)

Subaru Research & Development, Inc. (SRD) has funded local high schools since 2010 through donations to the Japan Business Society of Detroit (JBSD). The JBSD donated funds are used as scholarship for US students to study abroad and for Japanese foreign students to attend school. They are also donated to Japanese schools in Indiana State. The amount added up to \$7,365 in FYE2018.



Our Approach to Information Disclosure

By disclosing information about our corporate strategy and activities in a fair, proper, and timely manner, Subaru seeks to increase the transparency of management and increases the understanding of Subaru on the part of our stakeholders, thereby building with them a relationship of trust.



Subaru Corporation Top Page

<https://www.subaru.co.jp/en/>

Information Dissemination to Employees

Every month, Subaru publishes an in-house magazine for the purpose of sharing information on corporate policies and initiatives as well as boosting the motivation of employees and promoting communication. So far, Subaru has published over 750 issues since the first printing in April of 1956. In February 2014, Subaru began posting internal information on our intranet in an effort to provide information to employees on a broader and timelier basis. Subaru also send information of high importance to every single employee by email in order to share it more quickly and thoroughly among employees.

In addition, Subaru has a means to promote direct communication with employees through periodical visits by management to each place of business and workplace.



In-house magazine “Shuho”

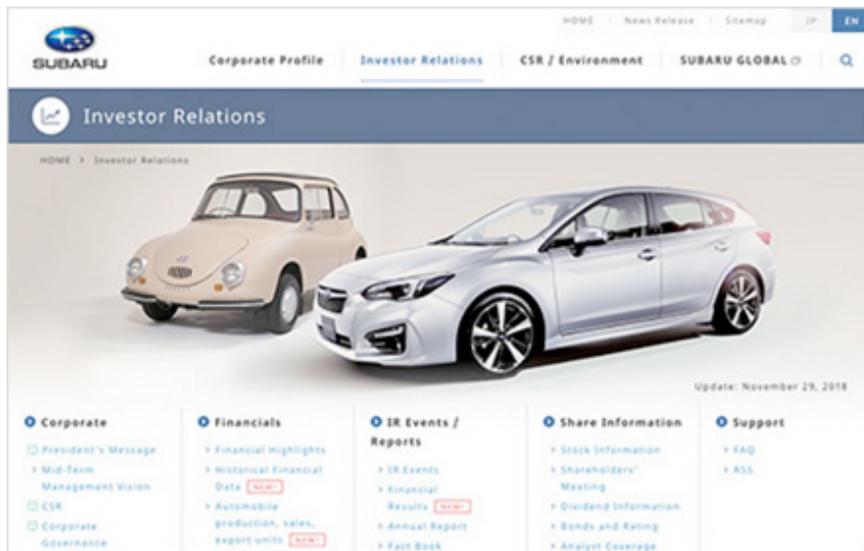
IR Information Disclosure

Subaru is committed to timely and appropriately disclose business information in order for the stakeholders and investors to deepen their understanding. Subaru also strives for fair disclosure of information by promptly publishing all kinds of information on the Subaru website, including holding of general meetings of shareholders, issuing of reports for shareholders, and running of briefing sessions for the media and analysts for each quarterly settlement.

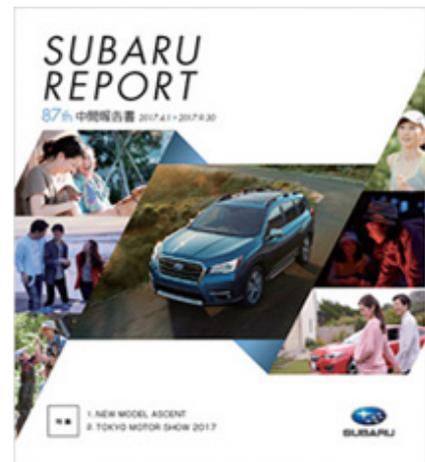
Moreover, Subaru offers an IR newsletter service to distribute the latest IR information, such as statement details, by email to those who register. Approximately 1,600 people are currently registered for this free IR newsletter service.

Follow this link for the latest IR information.

<http://www.subaru.co.jp/en/ir/>



Webpage “Investor Relations”



IR Report “SUBARU REPORT”

Third-party Evaluations

Subaru’s IR activities have been evaluated highly by third-party organizations, including the top management’s commitment to IR activities, and various business introduction activities such as test-ride events, plant tours and technology briefing sessions, etc.

Selected for Excellence in Corporate Disclosure by Securities Analysts

Subaru was ranked first out of 19 companies in the Automobile/Parts/Tires industry area by The Securities Analysts Association of Japan in its FYE2018 Awards for Excellence in Corporate Disclosure. It was the fourth year in a row that Subaru received this award.

This Award has been presented every year with the goal of improving corporate information disclosure. This year marks the 23rd year since the start of this award system. Companies are evaluated by securities analysts of each industry on the basis of the following five criteria: 1) management’s stance on investor relations, the function of the corporation’s investor relations department, and basic stance on the corporation’s investor relations; 2) disclosures through briefings, interviews, and explanatory materials; 3) fairness in disclosure; 4) disclosure related to corporate governance; and 5) voluntary disclosure in accordance with the conditions of each industry.



Logo of the Awards for Excellence in Corporate Disclosure

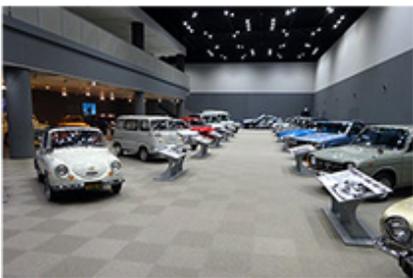
Plant Tours for Shareholders

Subaru has conducted plant tours for shareholders since 2004, with the aim of giving shareholders a chance to see our production sites and deepen their understanding of our business policies and production activities. During the tour, Subaru allocates time to a Q&A session in which Subaru officers participate to achieve direct communication with shareholders.

Subaru reports the opinions and comments Subaru receives at the tours to the relevant people at the company, including officers, and utilize them in our future IR activities.



Plant Tours for Shareholders at Gunma Plant



Visitor Center



Production plant



Q&A session

Plant Tours for Shareholders at Handa Plant, Aerospace Company



Appearance of Handa Plant



Center wing of Boeing 787



Q&A session



Our Approach to Welfare Vehicles

Subaru aspires toward sharing the happiness and freedom of living through cars for everybody. Subaru is working to develop and increase the popularity of welfare vehicles so that people with physical handicaps and the elderly can travel by car in comfort and with peace of mind.

“TRANSCARE Series” from Standard-sized Cars to Mini Cars

Subaru started producing and selling welfare vehicles for the disabled in 1980 and now they are well known as the “TRANSCARE series.”

The TRANSCARE series offers a wide range of options, from standard-sized cars to mini cars. Subaru aims to develop vehicles that provide comfortable driving for both people who are in care and for care providers.

In FYE2018, the new model SUBARU XV has also stayed in the lineup, and Subaru exhibited it with LEVORG TRANSCARE at “SUBARU STAR SQUARE,” our showroom at our Head Office so that many customers can actually experience its ride.

Going forward, Subaru will continue promoting a range of efforts to enable even more customers to feel the “enjoyment and peace of mind” of Subaru cars.



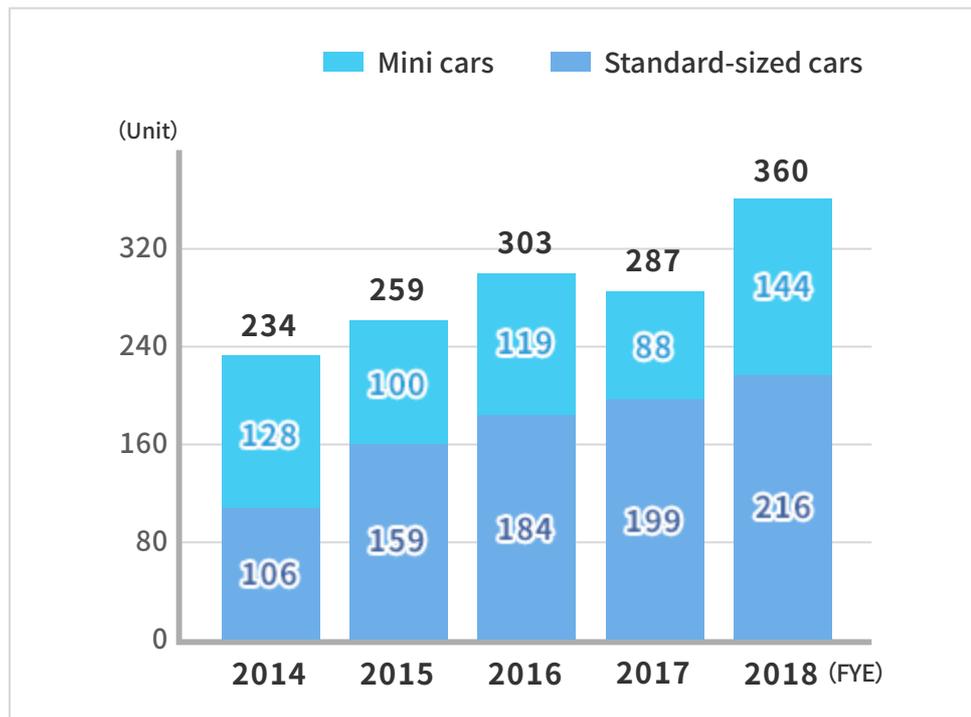
CHIFFON/CHIFFON CUSTOM



IMPREZA SPORT TRANSCARE
/Wing Seat (Lift type)

> [See videos for the TRANSCARE series here. \(Japanese version only\)](#)

Number of TRANSCARE Series Sold





Third-party Opinion on the Subaru CSR Report



Mr. Toshihiko Goto

Chief Executive Officer, NPO Sustainability Forum Japan
Director, Global Compact Network Japan
Founder, Japan Sustainable Investment Forum
Director, Green Finance Organization
Chairman, Sustainable Management Forum of Japan
Director, Association for Resilience Japan
Member of the EPE Subcommittee of the Japanese National Committee for ISO/TC207. Chair and member of various committees of the Ministry of the Environment, including Environmental Information Disclosure Platform Development Working Group (Chair), Tripartite Round Table on Environmental Business (TREB) of the Tripartite Environment Ministers Meeting among China, Japan and Korea (Head), Environmental Communication Award (Juror), Review Committee of Manual & Guidance for Environmental Reporting Guidelines 2018 (member), and Review Committee on Encouraging Private Enterprise to Adapt to Climate Change (member). Former GRI Board Member. Graduate of the University of Tokyo Faculty of Law.

Reading the 2018 CSR Report

It is no exaggeration to say that the automobile industry is in the midst of an era of unprecedented uncertainty.

Moves toward banning the sale of cars that run on fossil fuels are no longer a risk, a matter of uncertainty, but reality in a number of countries. Various cases of misconduct have occurred amid this situation. Corporate culture cannot be reformed overnight, but I earnestly hope that Subaru will turn this series of crises into a superb opportunity to resolve the problems that it faces. One thing that is absolutely necessary is to establish a medium- to long-term vision that identifies what your company aspires to be. I regard the Six Priority Areas for CSR as the preconditions for this. Furthermore, I feel that a change is necessary in the conceptual approach to design which is a precondition for those preconditions. Rather than the product-out approach that seems dominant in most of Japan's manufacturing sector, it needs to be shifted to the outside-in approach that puts the starting point at social implementation. I believe that Subaru's specific areas of focus in the six priority areas have a great affinity to the outside-in approach, so I hope that your company will be thorough in putting them into practice.

Another suggestion would be to tap into the Sustainable Development Goals (SDGs), as pursuing thorough adherence to them will tackle social issues in the process. Diversity is the wellspring of true innovation that means creative destruction and new connections.

In this sense, while I believe that the new mid-term management vision STEP is headed in a very positive direction, I think that 2025 is too soon to be the target year. I hope that you will look at what kind of company Subaru wants to be when you celebrate the 150th anniversary of its founding, for example, and then use backcasting method to work out where you want to be in 2040, even if you only express this in qualitative terms. In doing so, I believe that diversity will be crucial, incorporating the perspectives of young people, women, and foreign nationals, among others. Going forward, I believe that a medium- to long-term vision will also be essential to address the recommendations of the Financial Stability Board (FSB) task force TCFD.

I felt that Subaru's governance was a little weak on risk management. Risk management has three steps: identifying, assessing, and tackling risk. However, your risk management seems to involve tackling risk and it is hard to tell whether the identification and assessment steps are carried out regularly.

While the standard of Subaru's environmental initiatives is quite high, I am concerned about the rising number of accidents. I hope that you will look properly at this in the simultaneous company-wide general self-inspection. It is also difficult to tell whether environmental risk management has been integrated with the EMS.

While it is good to see that you have set targets for reducing CO2 by 2030, I hope that you will go further than this and consider the targets to be certified as science-based targets (SBT) and/or signing up to RE100. You could also start these initiatives in overseas operation at first.

While Subaru has almost reached the limits of 3R initiatives, the main focus is on output in the form of reducing waste to zero. The circular economy approach common in Europe attaches importance to the input side, focusing on resource efficiency. I hope that you will consider incorporating these keywords.

I believe that you should also consider integrating your Green Procurement Guidelines with your Supplier CSR Guidelines to create CSR Procurement Guidelines.

I would imagine that Subaru is moving forward with efforts to promote AI and the IoT, but there is no information about this. I hope that you will cover this in future, as I believe that proactive initiatives could serve as radical environmental protection measures. In addition, I believe you need to consider a kind of committee in regards to AI and ethics, as the use of AI in cars is likely to raise ethical issues in the future.

While Subaru deserves praise for its human resources and diversity-related initiatives, I would like to add that it is vital to fundamentally increase the number of women employed and to enhance your diversity management capabilities.

Response to the Third Party Opinion

Thank you for providing your opinion concerning the CSR Report 2018.

We have announced our intention to enhance our CSR initiatives with the establishment of our 6 Priority Areas for CSR. This process has provided us with an excellent opportunity to take a fresh look at what society expects of Subaru and what we ourselves should value.

Reflecting this intention in our new mid-term management vision STEP and giving thorough consideration to earn the trust of society through our efforts to enhance CSR, our executive team and employees are working as a cohesive whole to ensure that we contribute to the affluent society through our business.

You have bestowed some measure of praise on the Subaru Group for selecting the 6 Priority Areas for CSR and for the approach adopted in doing so. On the other hand, you have pointed out that we should confront head-on the social issues that have been growing of late and ceaselessly endeavor to achieve qualitative improvements in target-setting and actions from a variety of angles.

In particular, we are aware that further strengthening our diversity initiatives is a challenge of critical importance, given that the development of our business relies on the diversity of markets. Accordingly, we plan to devote considerable energies to this area. Furthermore, as we regard climate change as one of the most crucial global issues, we intend to undertake appropriate environmental initiatives from a medium- to long-term perspective. To this end, we have already begun formulating a new action plan: the Subaru Action Plan for the Environment.

Taking into account the views of various stakeholders, we intend to reflect on these matters and your other comments, and then address as many of them as possible. At the same time, we will continue to strive to disclose information in a timely and appropriate manner, so that we can secure the full understanding of all our stakeholders.

The automobile industry is facing a period of epochal transformation, of a kind seen only once in a century. Based on a sensitive perception of environmental changes and social expectations, we aim to promote CSR initiatives, contribute to the creation of a sustainable society, and be a company that people trust.

Yasuyuki Yoshinaga
Chairman of the Board; CSR Committee Chair
Subaru Corporation



Universal Standards

disclosures no.	disclosure	requirements	ISO26000	Reference on Subaru Website
Organizational profile				
102-1	Name of the organization	a. Name of the organization		> Corporate Overview
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.		> Corporate Overview
102-3	Location of headquarters	a. Location of the organization's headquarters.		> Corporate Overview
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.		> Business Sites and Affiliated Companies
102-5	Ownership and legal form	a. Nature of ownership and legal form.		> Corporate Overview
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.		> Business Sites and Affiliated Companies

102-7	Scale of the organization	<p>a. Scale of the organization, including:</p> <ul style="list-style-type: none"> i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided. 		<p>> Corporate Overview</p>
102-8	Information on employees and other workers	<p>a. Total number of employees by employment contract (permanent and temporary), by gender.</p> <p>b. Total number of employees by employment contract (permanent and temporary), by region.</p> <p>c. Total number of employees by employment type (full-time and part-time), by gender.</p> <p>d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.</p> <p>e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).</p> <p>f. An explanation of how the data have been compiled, including any assumptions made.</p>	<p>6.3.10 Fundamental principles and rights at work</p> <p>6.4.1-6.4.2 Labour practices</p> <p>6.4.3 Employment and employment relationships</p> <p>6.4.4 Conditions of work and social protection</p> <p>6.4.5 Social dialogue</p> <p>6.8.5 Employment creation and skills development</p> <p>7.8 Voluntary initiatives for social responsibility</p>	<p>> Employee Data</p>
102-9	Supply chain	<p>a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.</p>		<p>> Overall Image of Subaru’s Environmental Impact Concerning Automobiles</p>

102-10	Significant changes to the organization and its supply chain	<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>		-
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.		> Environmental Management
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.		> Message from the President > Initiatives toward Sustainable Development Goals
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.		-
Strategy				
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	4.7 Respect for international norms of behaviour 6.2 Organizational governance 7.4.2 Setting the direction of an organization for social responsibility	> Message from the President

102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.		<ul style="list-style-type: none"> > Message from the President > The Subaru Group's CSR > Crisis-level Risks > Risks Associated with Business Activities
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	4.4 Ethical behaviour 6.6.3 Anti-corruption	> The Subaru Group's CSR
102-17	Mechanisms for advice and concerns about ethics	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.		<ul style="list-style-type: none"> > Status of Development of Risk Management System > Compliance Hotline
Governance				
102-18	Governance structure	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.		> System of Corporate Governance
102-19	Delegating authority	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.		<ul style="list-style-type: none"> > System of Corporate Governance > The Subaru Group's CSR
102-20	Executive-level responsibility for economic, environmental, and social topics	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.		> System of Corporate Governance

102-21	Consulting stakeholders on economic, environmental, and social topics	<p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	<p>> The Subaru Group's CSR</p>
102-22	Composition of the highest governance body and its committees	<p>a. Composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation. 	<p>> System of Corporate Governance</p>
102-23	Chair of the highest governance body	<p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	<p>> System of Corporate Governance</p>
102-24	Nominating and selecting the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <ul style="list-style-type: none"> i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered. 	<p>> System of Corporate Governance</p>

102-25	Conflicts of interest	<p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. Cross-board membership;</p> <p>ii. Cross-shareholding with suppliers and other stakeholders;</p> <p>iii. Existence of controlling shareholder;</p> <p>iv. Related party disclosures.</p>		<p>› Preventing Conflicts of Interest Involving Members of the Board of Directors</p>
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</p>		<p>› Our Basic Approach to Corporate Governance</p> <p>› Corporate Governance Guidelines </p> <p>› Corporate Governance Report (Japanese version only) </p>
102-27	Collective knowledge of highest governance body	<p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	<p>6.2 Organizational governance 7.4.3 Building social responsibility into an organization's governance, systems and procedures 7.7.5 Improving performance</p>	<p>› The Subaru Group's CSR</p>
102-28	Evaluating the highest governance body's performance	<p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>		<p>› The Subaru Group's CSR</p> <p>› Corporate Governance Report (Japanese version only) </p>

102-29	Identifying and managing economic, environmental, and social impacts	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<p>> Corporate Governance Report (Japanese version only) </p> <p>> The Subaru Group's CSR</p>
102-30	Effectiveness of risk management processes	<p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	<p>> The Subaru Group's CSR</p>
102-31	Review of economic, environmental, and social topics	<p>a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	-
102-32	Highest governance body's role in sustainability reporting	<p>a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.</p>	<p>> Reflecting Subaru Group's Six Priority Areas for CSR in Management</p>
102-33	Communicating critical concerns	<p>a. Process for communicating critical concerns to the highest governance body.</p>	<p>> The Subaru Group's CSR</p>
102-34	Nature and total number of critical concerns	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p> <p>b. Mechanism(s) used to address and resolve critical concerns.</p>	<p>> Corporate Governance Report (Japanese version only) </p>
102-35	Remuneration policies	<p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <p>i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</p>	<p>> Executive Compensation Committee</p>

		<ul style="list-style-type: none"> ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. <p>b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p>	
102-36	Process for determining remuneration	<ul style="list-style-type: none"> a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization. 	> Executive Compensation Committee
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals. 	-
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. 	-
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. 	-

Stakeholder engagement				
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	5.3 Stakeholder identification and engagement	> Relationship to Stakeholders
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.		> Communication with Labor Union
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.		> Relationship to Stakeholders
102-43	Approach to stakeholder engagement	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.		> Relationship to Stakeholders
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.		> Relationship to Stakeholders
Reporting practice				
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.		> Financials
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.		> Editorial Policy

102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	<p>5.2 Recognizing social responsibility</p> <p>7.3.2 Determining relevance and significance of core subjects and issues to an organization</p> <p>7.3.3 An organization's sphere of influence</p> <p>7.3.4 Establishing priorities for addressing issues</p>	<p>> The Process of Formulating the Six Priority Areas for CSR</p> <p>The Subaru Group's 6 Priority Areas:</p> <ul style="list-style-type: none"> > People-oriented Car Culture > Resonance and Coexistence > Peace of Mind > Diversity > Environment > Compliance
102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.		No incident
102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.		No incident
102-50	Reporting period	a. Reporting period for the information provided.		> Editorial Policy
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.		> Editorial Policy
102-52	Reporting cycle	a. Reporting cycle.		> Editorial Policy
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.		> Editorial Policy
102-54	Claims of reporting in accordance with the GRI Standards	<p>a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:</p> <ul style="list-style-type: none"> i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. 		This Table

102-55	GRI content index	<p>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b. For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	<p>7.5.3 Types of communication on social responsibility</p> <p>7.6.2 Enhancing the credibility of reports and claims about social responsibility</p>	This Table
102-56	External assurance	<p>a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. The relationship between the organization and the assurance provider;</p> <p>iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.</p>		-

103 Management Approach

103-1	Explanation of the material topic and its Boundary	<p>For each material topic, the reporting organization shall report the following information:</p> <ol style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ol style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	<p>5.2 Recognizing social responsibility 6 Guidance on social responsibility core subjects 7.3.1 Due diligence 7.3.2 Determining relevance and significance of core subjects and issues to an organization</p>	<p>> The Process of Formulating the Six Priority Areas for CSR</p> <p>The Subaru Group's 6 Priority Areas:</p> <ul style="list-style-type: none"> > People-oriented Car Culture > Resonance and Coexistence > Peace of Mind > Diversity > Environment > Compliance
103-2	The management approach and its components	<p>For each material topic, the reporting organization shall report the following information:</p> <ol style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ol style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<p>7.3.3 An organization's sphere of influence 7.3.4 Establishing priorities for address 7.7.3 Reviewing an organization's progress and performance on social responsibility 7.7.5 Improving performance</p>	<p>> The Subaru Group's CSR</p>
103-3	Evaluation of the management approach	<p>For each material topic, the reporting organization shall report the following information:</p> <ol style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ol style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		-

Topic Specific Standards

disclosures no.	disclosure	requirements		Reference on Subaru Website
Economic topics				
201 Economic Performance				
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p>6.8.1-6.8.2 Community involvement and development</p> <p>6.8.3 Community involvement</p> <p>6.8.7 Wealth and income creation</p> <p>6.8.9 Social investment</p>	<p>> Financial Results</p>
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	<p>6.5.5 Climate change mitigation and adaptation</p>	<p>> Risks Associated with Business Activities</p>

201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	6.8.7 Wealth and income creation	-
201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <p>i. tax relief and tax credits;</p> <p>ii. subsidies;</p> <p>iii. investment grants, research and development grants, and other relevant types of grant;</p> <p>iv. awards;</p> <p>v. royalty holidays;</p> <p>vi. financial assistance from Export Credit Agencies (ECAs);</p> <p>vii. financial incentives;</p> <p>viii. other financial benefits received or receivable from any government for any operation.</p> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	-	-

202 Market Presence

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the organization’s activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for ‘significant locations of operation’.</p>	<p>6.3.7 Discrimination and vulnerable groups</p> <p>6.3.10 Fundamental principles and rights at work</p> <p>6.4.3 Employment and employment relationships</p> <p>6.4.4 Conditions of work and social protection</p> <p>6.8.1-6.8.2 Community involvement and development</p>	-
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for ‘senior management’.</p> <p>c. The organization’s geographical definition of ‘local’.</p> <p>d. The definition used for ‘significant locations of operation’.</p>	<p>6.4.3 Employment and employment relationships</p> <p>6.8.1-6.8.2 Community involvement and development</p> <p>6.8.5 Employment creation and skills development</p> <p>6.8.7 Wealth and income creation</p>	-

203 Indirect Economic Impacts

203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<p>6.3.9 Economic, social and cultural rights</p> <p>6.8.1-6.8.2 Community involvement and development</p> <p>6.8.7 Wealth and income creation</p> <p>6.8.9 Social investments</p>	-
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203-2	Significant indirect economic impacts	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	<p>6.3.9 Economic, social and cultural rights</p> <p>6.6.6 Promoting social responsibility in the value chain</p> <p>6.6.7 Respect for property rights</p> <p>6.7.8 Access to essential services</p> <p>6.8.1-6.8.2 Community involvement and development</p> <p>6.8.5 Employment creation and skills development</p> <p>6.8.7 Wealth and income creation</p> <p>6.8.9 Social investment</p>	<p>> Message from the President</p> <p>> Our Approach to CSR</p>
204 Procurement Practices				
204-1	Proportion of spending on local suppliers	<p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>	<p>6.4.3 Employment and employment relationships</p> <p>6.6.6 Promoting social responsibility in the value chain</p> <p>6.8.1-6.8.2 Community involvement and development</p> <p>6.8.7 Wealth and income creation</p>	-
205 Anti-corruption				
205-1	Operations assessed for risks related to corruption	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	<p>6.6.1-6.6.2 Fair operating practices</p> <p>6.6.3 Anti-corruption</p>	-

205-2	Communication and training about anti-corruption policies and procedures	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>6.6.1-6.6.2 Fair operating practices</p> <p>6.6.3 Anti-corruption</p> <p>6.6.6 Promoting social responsibility in the value chain</p>	<p>> Anti-corruption Initiatives</p>
205-3	Confirmed incidents of corruption and actions taken	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	<p>6.6.1-6.6.2 Fair operating practices</p> <p>6.6.3 Anti-corruption</p>	-

206 Anti-competitive Behavior

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>	<p>6.6.1-6.6.2 Fair operating practices</p> <p>6.6.5 Fair competition</p> <p>6.6.7 Respect for property rights</p>	-
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Environmental topics

301 Materials

301-1	Materials used by weight or volume	<p>a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <p>i. non-renewable materials used;</p> <p>ii. renewable materials used.</p>	6.5.4 Sustainable resource use	<p>> Overall Image of Subaru's Environmental Impact Concerning Automobiles</p>
301-2	Recycled input materials used	<p>a. Percentage of recycled input materials used to manufacture the organization's primary products and services.</p>	6.5.4 Sustainable resource use	<p>> Overall Image of Subaru's Environmental Impact Concerning Automobiles</p>
301-3	Reclaimed products and their packaging materials	<p>a. Percentage of reclaimed products and their packaging materials for each product category.</p> <p>b. How the data for this disclosure have been collected.</p>	6.5.4 Sustainable resource use	<p>> Overall Image of Subaru's Environmental Impact Concerning Automobiles</p>

302 Energy

302-1	Energy consumption within the organization	<p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</p> <p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</p> <p>c. In joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption <p>d. In joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold <p>e. Total energy consumption within the organization, in joules or multiples.</p> <p>f. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>g. Source of the conversion factors used.</p>	6.5.4 Sustainable resource use	<p>> Overall Image of Subaru's Environmental Impact Concerning Automobiles</p> <p>> Energy Consumption</p>
302-2	Energy consumption outside of the organization	<p>a. Energy consumption outside of the organization, in joules or multiples.</p> <p>b. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>c. Source of the conversion factors used.</p>	6.5.4 Sustainable resource use	-
302-3	Energy intensity	<p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p>	6.5.4 Sustainable resource use	-

302-4	Reduction of energy consumption	<p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</p> <p>b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>6.5.4 Sustainable resource use</p> <p>6.5.5 Climate change mitigation and adaptation</p>	<p>> Energy Consumption</p>
302-5	Reductions in energy requirements of products and services	<p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>6.5.4 Sustainable resource use</p> <p>6.5.5 Climate change mitigation and adaptation</p>	<p>> Environmentally Friendly Automobile</p>
303 Water				
303-1	Water withdrawal by source	<p>a. Total volume of water withdrawn, with a breakdown by the following sources:</p> <ul style="list-style-type: none"> i. Surface water, including water from wetlands, rivers, lakes, and oceans; ii. Ground water; iii. Rainwater collected directly and stored by the organization; iv. Waste water from another organization; v. Municipal water supplies or other public or private water utilities. <p>b. Standards, methodologies, and assumptions used.</p>	<p>6.5.4 Sustainable resource use</p>	<p>> Breakdown of Water Consumption by Water Source at Major Production Bases</p>

303-2	Water sources significantly affected by withdrawal of water	<p>a. Total number of water sources significantly affected by withdrawal by type:</p> <ul style="list-style-type: none"> i. Size of the water source; ii. Whether the source is designated as a nationally or internationally protected area; iii. Biodiversity value (such as species diversity and endemism, and total number of protected species); iv. Value or importance of the water source to local communities and indigenous peoples. <p>b. Standards, methodologies, and assumptions used.</p>	6.5.4 Sustainable resource use	> Implementation of Water Risk Assessment
303-3	Water recycled and reused	<p>a. Total volume of water recycled and reused by the organization.</p> <p>b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.</p> <p>c. Standards, methodologies, and assumptions used.</p>	6.5.4 Sustainable resource use	> Water Reuse
304 Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <ul style="list-style-type: none"> i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). 	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	> Biodiversity

304-2	Significant impacts of activities, products, and services on biodiversity	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	> Biodiversity
304-3	Habitats protected or restored	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	> Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	-

305 Emissions

305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ol style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	6.5.5 Climate change mitigation and adaptation	<p>> [TOPIC] Aiming for significant reduction in CO₂ Emissions</p> <p>> CO₂ Emissions (Scope 1, Scope 2)</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ol style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	6.5.5 Climate change mitigation and adaptation	<p>> Initiatives in Distribution</p> <p>> CO₂ Emissions (Scope 1, Scope 2)</p>

305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	6.5.5 Climate change mitigation and adaptation	› CO₂ Emissions (Scope 3)
305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	6.5.5 Climate change mitigation and adaptation	› The 6th Voluntary Plan for the Environment 
305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	6.5.5 Climate change mitigation and adaptation	› CO₂ Emissions (Scope 1, Scope 2)

305-6	Emissions of ozone-depleting substances (ODS)	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>6.5.3 Prevention of pollution</p> <p>6.5.5 Climate change mitigation and adaptation</p>	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <p>i. NOX</p> <p>ii. SOX</p> <p>iii. Persistent organic pollutants (POP)</p> <p>iv. Volatile organic compounds (VOC)</p> <p>v. Hazardous air pollutants (HAP)</p> <p>vi. Particulate matter (PM)</p> <p>vii. Other standard categories of air emissions identified in relevant regulations</p> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	6.5.5 Climate change mitigation and adaptation	<p>> NOx and SOx Emissions</p> <p>> VOC Emission</p> <p>> Atmosphere (Air Pollution Control Act, Prefectural Regulations)</p>
306 Effluents and Waste				
306-1	Water discharge by quality and destination	<p>a. Total volume of planned and unplanned water discharges by:</p> <p>i. destination;</p> <p>ii. quality of the water, including treatment method;</p> <p>iii. whether the water was reused by another organization.</p> <p>b. Standards, methodologies, and assumptions used.</p>	<p>6.5.3 Prevention of pollution</p> <p>6.5.5 Climate change mitigation and adaptation</p>	<p>> Water Resources</p> <p>> Water Quality (Water Pollution Prevention Act, Sewerage Act, Prefectural/Municipal Regulations)</p>

306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> i. Disposed of directly by the organization, or otherwise directly confirmed ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor 	6.5.3 Prevention of pollution	> Initiatives for Waste Reduction at Plants
306-3	Significant Spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <ul style="list-style-type: none"> i. Location of spill; ii. Volume of spill; iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). <p>c. Impacts of significant spills.</p>	6.5.3 Prevention of pollution	> Significant Spills > Environmental Compliance

306-4	Transportation of Hazardous Waste	<p>a. Total weight for each of the following:</p> <ul style="list-style-type: none"> i. Hazardous waste transported ii. Hazardous waste imported iii. Hazardous waste exported iv. Hazardous waste treated <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>	6.5.3 Prevention of pollution	<ul style="list-style-type: none"> > Transportation of Hazardous Waste
306-5	Water bodies affected by water discharges and/or runoff	<p>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <ul style="list-style-type: none"> i. the size of the water body and related habitat; ii. whether the water body and related habitat is designated as a nationally or internationally protected area; iii. the biodiversity value, such as total number of protected species. 	<p>6.5.3 Prevention of pollution</p> <p>6.5.4 Sustainable resource use</p> <p>6.5.6 Protection of the environment, biodiversity and restoration of natural habitats</p>	<ul style="list-style-type: none"> > Implementation of Water Risk Assessment
307 Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	4.6 Respect for the rule of law	<ul style="list-style-type: none"> > Status of Compliance with Environmental Laws and Regulations > Prevention of Soil and Underground Water Pollution > Status of Storage and Management of PCB Wastes > Significant Spills > Transportation of Hazardous Waste

308 Supplier Environmental Assessment

308-1	New suppliers that were screened using environmental criteria	a. Percentage of new suppliers that were screened using environmental criteria.	6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain 7.3.1 Due diligence	> Green Procurement
308-2	Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain 7.3.1 Due diligence	> Environmentally-conscious Procurement > Initiatives in Distribution

Social topics

401 Employment

401-1	New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	6.4.3 Employment and employment relationships	> Employee Data
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. <p>b. The definition used for 'significant locations of operation'.</p>	6.4.4 Conditions of work and social protection 6.8.7 Wealth and income creation	-
401-3	Parental leave	<p>a. Total number of employees that were entitled to parental leave, by gender.</p> <p>b. Total number of employees that took parental leave, by gender.</p> <p>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</p> <p>d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</p> <p>e. Return to work and retention rates of employees that took parental leave, by gender.</p>	6.4.4 Conditions of work and social protection	<p>> The Number of Employees Who Obtained Childcare Leave (Subaru non-consolidated)</p>
402 Labor/Management Relations				
402-1	Minimum notice periods regarding operational changes	<p>a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>	6.4.3 Employment and employment relationships 6.4.5 Social dialogue	<p>> Communication with Labor Union</p>

403 Occupational Health and Safety

403-1	Workers representation in formal joint management-worker health and safety committees	<p>a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.</p> <p>b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.</p>	6.4.6 Health and safety at work	-
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:</p> <ul style="list-style-type: none"> i. region; ii. gender. <p>b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:</p> <ul style="list-style-type: none"> i. region; ii. gender. <p>c. The system of rules applied in recording and reporting accident statistics.</p>	6.4.6 Health and safety at work 6.8.8 Health	> Work Related Accidents
403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.</p>	6.4.6 Health and safety at work 6.8.8 Health	-
403-4	Health and safety topics covered in formal agreements with trade unions	<p>a. Whether formal agreements (either local or global) with trade unions cover health and safety.</p> <p>b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.</p>	6.4.6 Health and safety at work	> Our Approach to Occupational Health and Safety

404 Training and Education				
404-1	Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	6.4.7 Human development and training in the workplace	<ul style="list-style-type: none"> > Senior Partner Program: Reemployment for Employees Over 60 Years Old > Initiatives to Transmit Skills
404-2	Programs for upgrading employee skills and transition assistance programs	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	> Fair Evaluations and Support for Development of Skills
404-3	Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	6.4.7 Human development and training in the workplace	-
405 Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	> Employee Data

405-2	Ratio of basic salary and remuneration of women to men	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	<p>6.3.7 Discrimination and vulnerable groups</p> <p>6.3.10 Fundamental principles and rights at work</p> <p>6.4.3 Employment and employment relationships</p> <p>6.4.4 Conditions of work and social protection</p>	> Fair Evaluations and Support for Development of Skills
406 Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	<p>a. Total number of incidents of discrimination during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. Incident reviewed by the organization;</p> <p>ii. Remediation plans being implemented;</p> <p>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. Incident no longer subject to action.</p>	<p>6.3.6 Resolving grievances</p> <p>6.3.7 Discrimination and vulnerable groups</p> <p>6.3.10 Fundamental principles and rights at work</p> <p>6.4.3 Employment and employment relationships</p>	-
407 Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining</p>	<p>6.3.3 Due diligence</p> <p>6.3.4 Human rights risk situations</p> <p>6.3.5 Avoidance of complicity</p> <p>6.3.8 Civil and political rights</p> <p>6.3.10 Fundamental principles and rights at work</p> <p>6.4.5 Social dialogue</p> <p>6.6.6 Promoting social responsibility in the value chain</p>	-

408 Child Labor

408-1	Operations and suppliers at significant risk for incidents of child labor	<p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <ul style="list-style-type: none"> i. child labor; ii. young workers exposed to hazardous work. <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <ul style="list-style-type: none"> i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor</p>	<p>6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work</p>	<p>> CSR Guidelines for Suppliers</p>
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409 Forced or Compulsory Labor

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <ul style="list-style-type: none"> i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	<p>6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.10 Fundamental principles and rights at work 6.6.6 Promoting social responsibility in the value chain</p>	<p>> CSR Guidelines for Suppliers</p>
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410 Security Practices

410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization’s human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>	<p>6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain</p>	-
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411 Rights of Indigenous Peoples				
411-1	Incidents of violations involving rights of indigenous peoples	<p>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. Incident reviewed by the organization;</p> <p>ii. Remediation plans being implemented;</p> <p>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. Incident no longer subject to action.</p>	<p>6.3.4 Human rights risk situations</p> <p>6.3.6 Resolving grievances</p> <p>6.3.7 Discrimination and vulnerable groups</p> <p>6.3.8 Civil and political rights</p> <p>6.6.7 Respect for property rights</p> <p>6.8.3 Community involvement</p>	-
412 Human Rights Assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	<p>6.3.3 Due diligence</p> <p>6.3.4 Human rights risk situations</p> <p>6.3.5 Avoidance of complicity</p>	-
412-2	Employee training on human rights policies or procedures	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<p>6.3.3 Due diligence</p> <p>6.3.4 Human rights risk situations</p> <p>6.3.5 Avoidance of complicity</p>	-
413 Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p>	<p>6.3.9 Economic, social and cultural rights</p> <p>6.5.1-6.5.2 The environment</p> <p>6.5.3 Prevention of pollution</p> <p>6.8 Community involvement and development</p>	<p>> Checking the Perimeter of our Factories for Odor, etc.</p>

		<ul style="list-style-type: none"> ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 		
413-2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> a. Operations with significant actual and potential negative impacts on local communities, including: <ul style="list-style-type: none"> i. the location of the operations; ii. the significant actual and potential negative impacts of operations. 	<ul style="list-style-type: none"> 6.3.9 Economic, social and cultural rights 6.5.3 Prevention of pollution 6.8 Community involvement and development 	-
414 Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> a. Percentage of new suppliers that were screened using social criteria. 	<ul style="list-style-type: none"> 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain 7.3.1 Due diligence 	> CSR Guidelines for Suppliers
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why. 	<ul style="list-style-type: none"> 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain 7.3.1 Due diligence 	> CSR Procurement

415 Public Policy				
415-1	Political contributions	<p>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. If applicable, how the monetary value of in-kind contributions was estimated.</p>	<p>6.6.1-6.6.2 Fair operating practices</p> <p>6.6.4 Responsible political involvement</p>	-
416 Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	<p>a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>	<p>6.7.1-6.7.2 Consumer issues</p> <p>6.7.4 Protecting consumers' health and safety</p> <p>6.7.5 Sustainable consumption</p> <p>6.8.8 Health</p>	<p>> Operation of Quality Management Cycle</p>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<p>4.6 Respect for the rule of law</p> <p>6.7.1-6.7.2 Consumer issues</p> <p>6.7.4 Protecting consumers' health and safety</p> <p>6.7.5 Sustainable consumption</p> <p>6.8.8 Health</p>	<p>> Response to Recalls</p> <p>> Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions</p>
417 Marketing and Labeling				
417-1	Requirements for product and service information and labeling	<p>a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:</p> <p>i. The sourcing of components of the product or service;</p>	<p>6.7.1-6.7.2 Consumer issues</p> <p>6.7.3 Fair marketing, factual and unbiased information and fair contractual practices</p>	-

		<p>ii. Content, particularly with regard to substances that might produce an environmental or social impact;</p> <p>iii. Safe use of the product or service;</p> <p>iv. Disposal of the product and environmental or social impacts;</p> <p>v. Other (explain).</p> <p>b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>	<p>6.7.4 Protecting consumers' health and safety</p> <p>6.7.5 Sustainable consumption</p> <p>6.7.9 Education and awareness</p>	
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<p>4.6 Respect for the rule of law</p> <p>6.7.1-6.7.2 Consumer issues</p> <p>6.7.3 Fair marketing, factual and unbiased information and fair contractual practices</p> <p>6.7.4 Protecting consumers' health and safety</p> <p>6.7.5 Sustainable consumption</p> <p>6.7.9 Education and awareness</p>	-
417-3	Incidents of non-compliance concerning marketing communications	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<p>4.6 Respect for the rule of law</p> <p>6.7.1-6.7.2 Consumer issues</p> <p>6.7.3 Fair marketing, factual and unbiased information and fair contractual practices</p>	-

418 Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <p>i. complaints received from outside parties and substantiated by the organization;</p> <p>ii. complaints from regulatory bodies.</p> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	6.7.1-6.7.2 Consumer issues 6.7.7 Consumer data protection and privacy	> Personal Information Protection Initiatives
419 Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	4.6 Respect for the rule of law 6.7.1-6.7.2 Consumer issues 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices	> Response to Recalls > Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions