

The Subaru Group's CSR

In mid-term management vision "STEP," which was developed in 2018, we at SUBARU envision becoming a company "delivering happiness to all." To achieve this vision, we have adopted the "Six Priority Areas for CSR" and will promote initiatives based on the SUBARU Global Sustainability Policy and to fulfill our corporate social responsibilities, thereby providing "Enjoyment and Peace of Mind" to our customers and other stakeholders. The Subaru Group aspires to be a truly global company with sustainable growth driven by each and every one of its employees, and to contribute to the realization of an enjoyable, sustainable society.



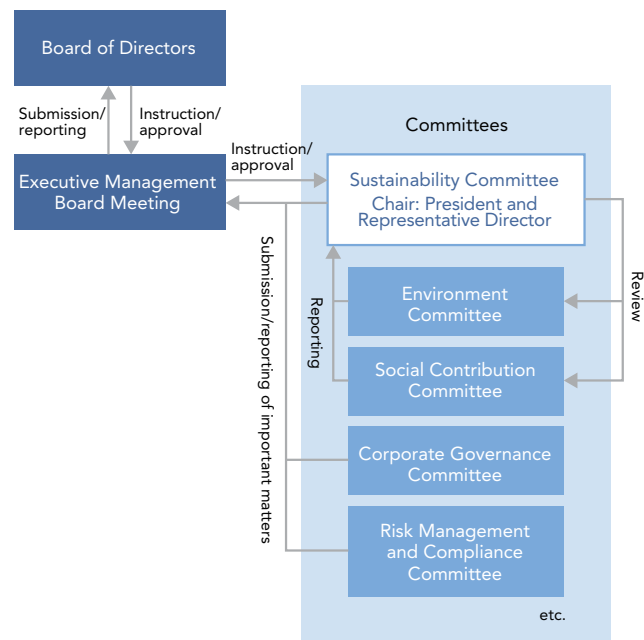
CSR Promotion System

The Subaru Group convenes its Sustainability Committee* twice a year as a venue to discuss our sustainability initiatives and confirms the status of PDCA operation of each related committee and division.

The membership of the Sustainability Committee, which is headed by the President and Representative Director, is composed of all executives. The Committee considers business issues from a social perspective and works to strengthen CSR efforts.

* Renamed in FYE March 2022 from the CSR Committee.

CSR Promotion System



Initiative for Widespread Adoption of CSR

Promoting Group-wide Understanding and Permeation

At the Subaru Group, in FYE March 2019, we provided opportunities for executives and managers to think about CSR, hoping to give each of them a deeper understanding of CSR in order to promote initiatives in this area. In FYE March 2020, we expanded these opportunities, introducing them into rank-specific education for new managers, associate managers, and new recruits. In FYE March 2021, we created CSR promotion videos for each division, designed to encourage them to take the lead in promoting deeper understanding. In addition, we started sharing information about the initiative progress and issues in the Six Priority Areas for domestic Group companies. As of FYE March 2022, we are providing opportunities for communication with domestic dealerships and overseas Group companies, and promote Group-wide efforts on a global basis, toward building a sustainable society.

In aiming for sustainability of society and the Subaru Group, we believe that it is important we tackle SUBARU's management issues and improve our management from both financial and non-financial aspects. With this in mind, we invited Professor Masayoshi Miyanaga of Tokyo University of Science's Graduate School of Management and Managing Director of the World Intellectual Capital/Assets Initiatives (WICI) Japan, for a seminar on integrated thinking management. Participants learned about the history and concepts behind integrated thinking management, and we held a discussion about SUBARU's vision for the practice as applied to our own organization.

Seminars Held

Content	Month/Year	Intended Participants
CSR	Oct 2020	New recruits
	Nov 2020	New associate managers
	Nov 2020	New managers
Integrated thinking management	May 2021	All executives in Japan



Seminar on integrated thinking management

VOICE

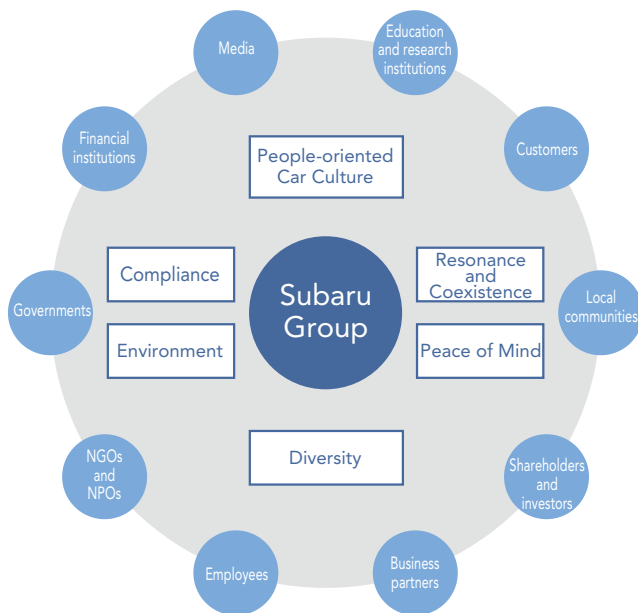
CSR Promotional Video Comments from viewers of the SUBARU Group's CSR Approach

- I was reminded that this is a field where there are strong demands to be mindful of CSR in planning, regardless of the topic, and that customers and society call for greater CSR action day by day. I would like to deepen my understanding of the group-wide approach and strategy and contribute to these through my own work.
- My own work of designing automobiles is connected to the development and spread of the People-oriented Car Culture CSR priority area. Also, in order for us to carry out our work in collaboration with colleagues having a diverse set of values, we should manage our organization with awareness to Diversity, another of the Six Priority Areas for CSR.
- After taking the course, I realized that not only the new things that we are doing, but also the things SUBARU has done are linked to CSR.
- Though I feel like it would be difficult, I felt like I could contribute, even if in a small way, if I could work to a standard encouraging social (people/global environment) sustainability in the future.

Stakeholder Engagement

The Subaru Group's CSR initiatives place importance on the relationship with stakeholders. The Subaru Group believes that disclosing information to stakeholders, engaging in dialogue with them, and reflecting their opinions and requests in the management of the business are all essential. In order to realize its vision of becoming "a compelling company with a strong market presence" as stated in the management philosophy, the Subaru Group will continue to make efforts to gain trust from its stakeholders, and to provide meaningful community engagement while at the same time increasing its corporate value.

Subaru Group's Stakeholders and Their Relationship with the Six Priority Areas for CSR



Methods to Communicate with Stakeholders at the Subaru Group

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

Note: Some activities were not held in FYE March 2021.

Stakeholder Engagement Activities

Customers

The Subaru Group strives to put the Customer First in all of its business activities. By adopting precision, speed, relevance, fairness, impartiality, and kindness as our basic principles of conduct in dealing with customers, we seek to make SUBARU a brand that customers will continue to choose for "Enjoyment and Peace of Mind." We also feed our customers' valuable opinions, requests, and comments back to the relevant departments, and use such feedback to improve our quality and products, make proposals, and upgrade our after-sales service.



"cartopia"
customer magazine

Local Communities

SUBARU is promoting communication with people in the communities where it operates, and strives to develop local communities and build relationships of trust. In Ota City, Gunma Prefecture, SUBARU and its business partners joined forces with residents of Ota and its surrounding area to launch the SUBARU Community Exchange Association in 1995 with the aim of promoting regional development and creating a more livable community. The association has since engaged in volunteer, cultural, educational, and civic activities.

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

Building on these activities, we will continue to conduct other



Gunma Plant: SUBARU Appreciation Festival (FYE March 2020)



Utsunomiya Plant: Friendship Festival (FYE March 2020)

community-based activities, focusing on "environmental activities" and "road safety activities" to respond to contemporary needs.

→ [Community Engagement](#)

Shareholders

SUBARU has conducted plant tours for shareholders since 2004, with the aim of giving shareholders a deeper understanding of our policies and business as well as production activities.

Our view is that these are important opportunities for shareholders to see what we do firsthand in places like our production plants and for us to communicate with them. These tours include time for question and answer sessions with Company executives. Opinions and comments received here are shared with the relevant internal stakeholders, including the management team, and utilized in our business and IR activities.

Although we suspended new tours in 2020 to help prevent the spread of COVID-19, we intend to take new measures to enhance communication with shareholders going forward while providing consideration to the COVID-19 situation.



Tour of Handa Plant, Aerospace Company (FYE March 2020)



Tour of Gunma Plant (FYE March 2020)



Q&A session (FYE March 2020)

Dealerships

With the aim of unified support of the SUBARU brand alongside dealerships, a variety of initiatives are ongoing for dealerships both inside and outside Japan. Aiming to ensure that the customer-first mindset runs through our quality in particular, SUBARU attaches

great importance to dialogue with dealerships, as they are responsible for dealing with customers across the globe. We work to take action that incorporates dealership views and improves customer satisfaction. These include twice-annual technical liaison meetings in Japan, while in overseas markets, we hold twice-annual major dealership service meetings, and block conferences in the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America (in FYE March 2021, all meetings and conferences, domestic and overseas, were held online).

Note that in FYE March 2021, some domestic meetings were held online to help prevent the spread of COVID-19; new methods such as archive video distribution were also introduced. Going forward, we will continue to engage in awareness activities, while enhancing the program and extending the duration, among other improvements.



Dealerships newsletter "SPICE magazine"

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.

In addition to the executive speech relay that has been ongoing since FYE March 2020, we have also launched the general manager dialogue relay for mid-career employees. We have also launched our SUBARU Communication Park on our company network, offering a forum where employees of many different positions can communicate with each other.



In-house magazine "Shuho"

Subaru Group's Six Priority Areas for CSR

Process of Identifying the Six Priority Areas for CSR

In accordance with SUBARU's mid-term management vision "STEP," the Subaru Group established the Six Priority Areas for CSR: People-oriented Car Culture; Resonance and Coexistence; Peace of Mind; Diversity; Environment; and Compliance.

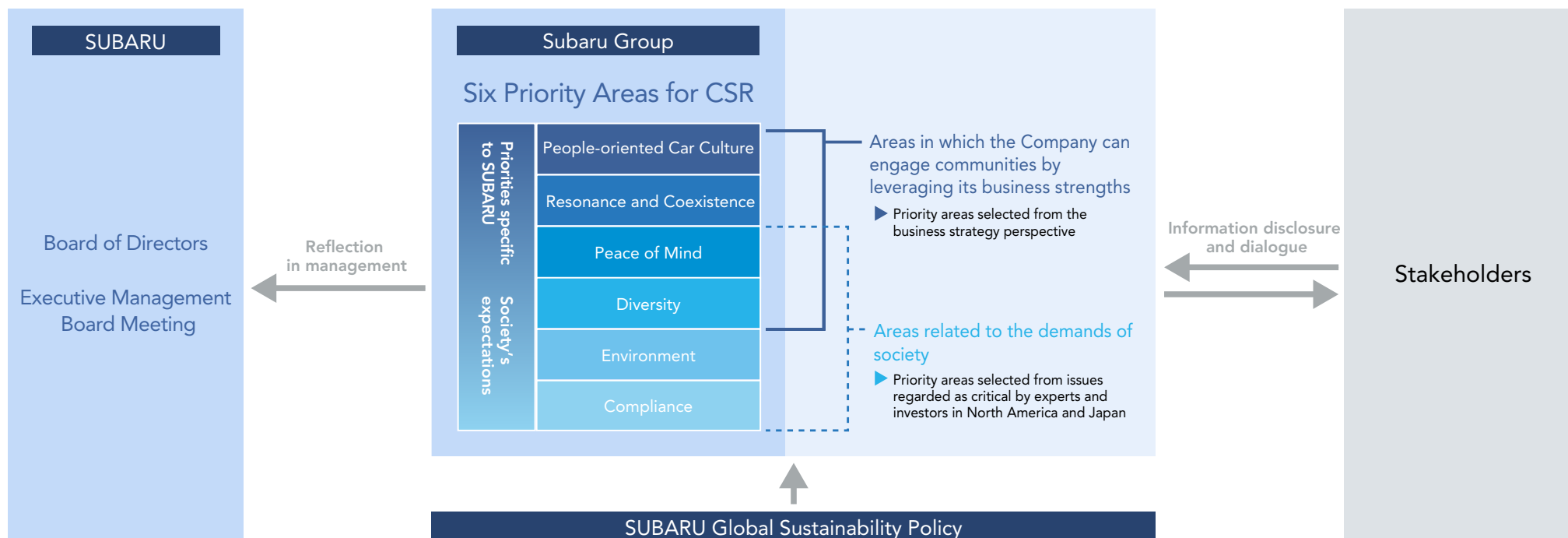
To select the priority areas, the Subaru Group first identified 41 CSR priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. The responses and

opinions we received were used in an assessment and exploration of these areas from two perspectives: areas in which we can engage the community by leveraging our business strengths, and areas related to the demands of society. As a result, the Subaru Group selected People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, and Diversity as the four areas where SUBARU could engage our communities by leveraging our business strengths, and Peace of Mind, Diversity, Environment, and Compliance as the four areas where the Subaru Group could work to meet the demands of society.

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 diversity in the community, but also to diversity in a broad sense, including in the products that the Subaru Group offers to customers.

In May 2021, SUBARU announced its progress report for mid-term management vision "STEP." Its priority areas in this vision are fundamentally unchanged. Based on the SUBARU Global Sustainability Policy, SUBARU will promote initiatives in the Six Priority Areas for CSR on a group-wide, global basis with the goal of becoming a company "delivering happiness to all."

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



Six Priority Areas for CSR: Basic Concepts and Vision for 2025

Six Priority Areas for CSR	Basic Concepts	Visions for 2025	Initiatives and SDGs	TOPICS
People-oriented Car Culture	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."	Become a company that enriches people's lives and minds as a partner.	→ P.13	→ P.19
Resonance and Coexistence	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.	Become a company that is widely trusted by, resonates and coexists with society.	→ P.14	→ P.21
Peace of Mind	SUBARU will become a company that provides all stakeholders with the utmost peace of mind.	Become a company that provides the utmost peace of mind to all stakeholders.	→ P.15	→ P.23
Diversity	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.	Promote businesses that create diverse forms of market values while respecting the diverse values of all people.	→ P.16	→ P.25
Environment	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.	Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.	→ P.17	→ P.27
Compliance	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.	Act in good faith and become a company that is trusted by and resonates with society.	→ P.18	→ P.29

Activities in the Six Priority Areas for CSR in Relation to SDGs



The Sustainable Development Goals (SDGs) for 2030 are development goals for achieving a sustainable future, and the Subaru Group recognizes the importance of responding to these goals.

By clarifying visions for 2025 regarding the Group's Six



Priority Areas for CSR, SUBARU will reinforce its efforts in each priority area and make positive contributions toward achieving the SDGs. Specifically, we acknowledge that the Subaru Group's initiative to achieve a goal of zero fatal traffic accidents* by 2030 contributes to Target 3.6 of the SDGs: "By

2020, halve the number of global deaths and injuries from road traffic accidents."

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

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 -FYE March 2031)	Relevant SDGs
			FYE March 2021	FYE March 2022-FYE March 2026		
People-oriented Car Culture	Customers	Enjoyment of driving a car	Evolution of SUBARU Global Platform and Integration with Intelligent Technology (Achieving a safe and enjoyable driving with peace of mind like a skilled driver)		Become a company that enriches people's lives and minds as a partner. ▶ KPI · Continue satisfaction surveys. (Improve customer satisfaction.)	 9.1  11.2
		Providing enjoyment of customization	Development of high-quality accessories matched with new models			
			Expansion of the lineup of high-performance, value-added items			
		Enhancing the brand image	Promotion of the brand strategy (SUBARU, the Beloved Brand: More than a Car Company)			
			Promotion of marketing activities that match the characteristics of each market			
			Promotion of motorsports and continuation of awareness-raising activities			
		Proposing new forms of mobility	Advancement of Subaru's "Dynamic x Solid" design identity to "bolder" expression			
	Proposing new forms of mobility and researching technology unique to SUBARU		Technology development toward realization			
	Local communities		Disseminating car culture	Dissemination of SUBARU's manufacturing practice and its endeavors for "Enjoyment and Peace of Mind"		


Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 –FYE March 2031)	Relevant SDGs	
			FYE March 2021	FYE March 2022–FYE March 2026			
Resonance and Coexistence	Customers	Strengthening relationship with customers		Enhancement of new ways of connecting with customers through IoT		Become a company that is widely trusted by, resonates and coexists with society. ▶ KPIs · Continue satisfaction surveys. (Improve customer satisfaction.) · Enhance connection with customers through IoT. (MySubaru, the next-generation system, telematics)	 11.2  17.16
				Enhancement of customer loyalty			
				Continuation of customer interaction programs			
				Providing products and services contributing to prosperous lifestyles			
		Establishing a new maintenance system	Development of a maintenance system for marketing EVs				
	Business partners	Coexistence and mutual prosperity with business partners		Building of relationships with business partners with CSR surveys, awareness-raising, and from CSR perspectives			
				Enhancing and strengthening the Group's telecommuting environment			
	Employees	Creating a safe working environment		Reinforcement of efforts for occupational health and safety, improvement of plant environments			
				Creation of a safe and rewarding workplace environment, building of a brand that is loved by employees			
				Continuation of production operations and maintenance of employment at each site			
				Utilization of athletic teams, boosting of employee morale			
	Local communities	Revitalizing relationships with local communities		Reinforcement of community exchange and partnership activities			
				Contribution and relationship-building through sporting activities			
				Contributing to local communities through stronger cooperation with non-profit organizations			
				Community support activities during disasters and pandemics			



Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 –FYE March 2031)	Relevant SDGs	
			FYE March 2021	FYE March 2022–FYE March 2026			
Peace of Mind	Customers	Improving safety functions	Advancement of Advanced Driver Assistance System (ADAS)		Become a company that provides the utmost peace of mind to all stakeholders. ▶ KPIs · Achieve a goal of zero fatal traffic accidents* by 2030. * Reducing to zero the number of fatal accidents occurring while a driver or passenger in a SUBARU vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a SUBARU vehicle. · Improve impact energy absorption ability to 1.4 times.	 3.6	
			Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions				
			Continuous enhancement of crash safety				
			Expanding enhanced safety functions since FYE March 2021				
			Developing autonomous flight control systems (collision avoidance technology, fault-tolerant system improvements)				
		Contributing to safe driving		Implementation of safe driving seminars for senior citizens on a continuous basis			
		Establishing and strengthening a reliable product supply system		Establishment of a timely and efficient supply system of spare parts and accessories			
				Strengthening product supply capacity (parts center capacity increase plans/parts supply system improvements)			
		Improving inspection and maintenance quality		Promotion of accurate, high-quality inspection and maintenance			
				Promotion of initiatives to produce vehicles of choice in terms also of quality			
	Securing and improving quality		Improvement of the quality of operations in all processes, from product planning to production, sales, and service				
			Placing of the highest priority on quality by implementing quality caravans and providing education for fostering quality awareness				
			Optimization of the span of management in manufacturing departments				
			Continuation and reinforcement of activities of the health and safety committees				
	Employees		Creating a safe workplace	Maintenance and enhancement of workplace health and safety, and promote a more comfortable workplace environment			
				Formulation and implementation of plans for health promotion initiatives	Reinforcement of health promotion efforts		
			Secure and create employment				
	Local communities		Contributing to safety of local communities	Promotion of plant environment improvement	Promotion of a sense of trust regarding stable operations		
				Protecting vulnerable groups in local transportation (town watcher activities)			
				Reduction of environmental impact and prevention of pollution			
Governments		Contributing to safe lives of people	Contribution to the creation of a society in which people's lives and property are protected and people can enjoy peace of mind				

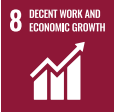

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 –FYE March 2031)	Relevant SDGs	
			FYE March 2021	FYE March 2022–FYE March 2026			
Diversity	Employees	Promoting active roles for female employees	Expanding the number of female managers (at least two times 2021 levels by 2025)		Promote businesses that create diverse forms of market values while respecting the diverse values of all people.	 5.5 5.5.2	
			Childcare support for female employees in direct departments				
		Respecting human rights and diversity for all					
		Review of the human resources system for senior employees		Operation of the human resources system for senior employees			
		Promotion of active roles for non-Japanese human resources					
		Examination and promotion of a workplace environment that pays due consideration to minorities in society					
		Compliance with the legally prescribed employment rate for persons with disabilities: 2.3% in and after FYE March 2021					
		Acquiring new knowledge through proactively recruiting external human resources					
		Promote diverse work styles		Diverse work styles: Support for labor management by introducing a new attendance management system and expansion of teleworking			
		Securing human resources at group companies		Maintenance and expansion of diverse forms of employment			
	Business partners	Efforts in cooperation with business partners	Building of relationships with business partners with CSR surveys, awareness-raising, and from CSR perspectives				
			Enhancement of the understanding of employees, promotion of cooperation with the National Association of Minority Automobile Dealers (NAMAD)				
	Customers	Providing a wide range of products	Incorporation of feedback on diverse market needs				
			Design parts that can be used in multiple vehicle models				
<p>▶ KPIs</p> <ul style="list-style-type: none"> · Increase female managers. (at least two times 2021 levels by 2025) · The number of participants in career development training · Achieve the legally prescribed employment rate. · 100% of those applying for reemployment 							

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 –FYE March 2031)	Relevant SDGs		
			FYE March 2021	FYE March 2022–FYE March 2026				
Environment	Customers	Popularizing vehicles that reduce environmental impact	Expansion of the sale of electric vehicles (HEVs and PHEVs)		Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.	 13.1 13.2		
			Development and marketing of electric vehicles (BEVs and SHEVs)					
			EV development	EV global rollout and sale				
	Customers	Environmental protection in cooperation with customers	Implementation of activities to protect outdoor fields on a continuous basis					
			Governments	Business to help reduce environmental impact	Introduction of solar power generation for self-consumption		▶ KPIs · Reduce direct emissions of CO ₂ by 30% from FYE March 2017 levels by FYE March 2031 (aggregate amount basis). · Make at least 40% of SUBARU global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs) by 2030. · Apply electrification technologies to all SUBARU vehicles produced and sold worldwide by the first half of the 2030s. · Formulate a resource circulation strategy including secondary batteries. · Enhance recycling rates.	
					Introduction of TEPCO's Aqua Premium			
	Energy conservation investment and effective utilization of facilities							
	Continuation of conservation efforts in cooperation with governments							
	Promotion of lighter, electric, and biofuel aircraft							
	Business partners	Environment activities in cooperation with business partners	Establishment and maintenance of an environmental management system		 12.2 12.5			
			Selection of business partner while considering transportation for overseas sites					
			Efficient parts storage and transportation, and reduction of transportation volume					
			Promotion of retailers' continuous efforts for energy saving, water quality conservation, and recycling					
			Optimization of logistics and CKD costs					

Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 –FYE March 2031)	Relevant SDGs	
			FYE March 2021	FYE March 2022–FYE March 2026			
Compliance	Governments	Ensuring comprehensive export control	Reinforcement of security and export control initiatives		Act in good faith and become a company that is trusted by and resonates with society. ▶ KPIs · Promote initiatives to respect human rights based on the Human Rights Policy; Communicate the policy throughout the entire supply chain. · Strengthen CSR procurement management. · Provide compliance and legal trainings.	 8.7 8.8	
			Continuation of compliance training and executive lectures				
		In-house education and dissemination	Promotion of compliance from the perspective of the Subaru Group				
			Establishment and dissemination of internal rules and manuals on laws and regulations				
	Employees	Protecting human rights of workers	Prevention of harassment				
			Maintenance and improvement of the workplace environment by promoting work style reform and complying with the Labor Standards Act				
			Establishment and dissemination of our Human Rights Policy, implementation of due diligence	Promoting initiatives to respect human rights			
	Business partners	Maintaining fair relationships	CSR surveys, awareness-raising, and stronger CSR initiatives in the supply chain with business partners				 16.5 16.5.2
			Promotion of fair trade on a continuous basis				
			Appropriate management of software licenses				

Development of products (vehicles) is based on a premise that they are equipped with the latest technologies yet affordably priced at the same time.

TOPICS

01

Six Priority Areas for CSR

People-oriented Car Culture

Become a company that enriches people's lives and minds as a partner.

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.

We believe that a car is more than just a means of transport, but rather a partner that enriches people's lives by understanding and meeting their expectations.

A Company "Delivering Happiness to All"

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.



TOPICS 01 Six Priority Areas for CSR People-oriented Car Culture

Evolving the SUBARU Difference

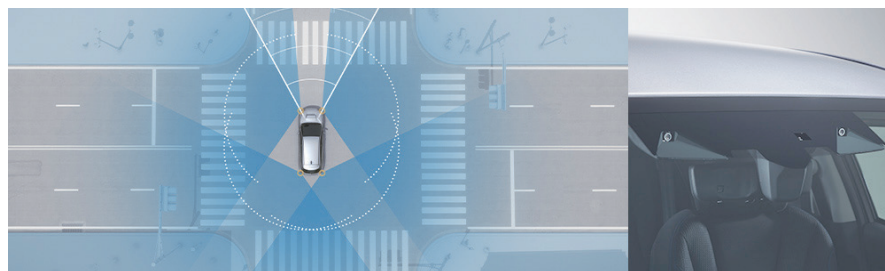
Zero Fatal Traffic Accidents* and Contributing to a Carbon-free Society

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

Toward a Car Society without Traffic Accidents

SUBARU seeks to eliminate traffic accidents, and with that desire in mind, it has been engaged in research and development of intelligent technology for many years. EyeSight, said to be the culmination of this technology, has brought about an evolution in innovation. The next-generation EyeSight system enables 360-degree sensor capabilities from the four radar units located at the front and rear of the vehicle, contributing to safe driving in an even wider range of situations. This core feature is enabled by EyeSight's enhanced recognition and control using stereo cameras. These cameras always monitor the situation ahead, and can measure distance in the same way as the human eye. They can also distinguish between cars, pedestrians, and road lines. The system boasts high cognition performance with its wide viewing angle and range of vision as well as color recognition capable of recognizing brake lights. The software, which functions as the "brain" of the system, takes this information and the state of the vehicle's operation to determine the necessary controls,

EyeSight contributes to safe driving in an even wider range of situations with 360-degree sensor capabilities



executing these in a manner that fits the situation as the "hands and feet" in each vehicle unit.

SUBARU is also working to evolve the very basis of its vehicles, that being the platform that leads to all kinds of performance improvements, such as driving performance, comfort, and passive safety. The Subaru Global Platform, a platform featuring all of SUBARU's knowledge and technological capabilities developed thus far, has brought about driving dynamics lending enjoyment to operating its vehicles. This has been achieved by top-class passive safety performance recognized by global safety assessments, as well as driving quality achieving new levels of comfort and maneuverability and top-class vibration reduction thanks to stability, as well as low noise.

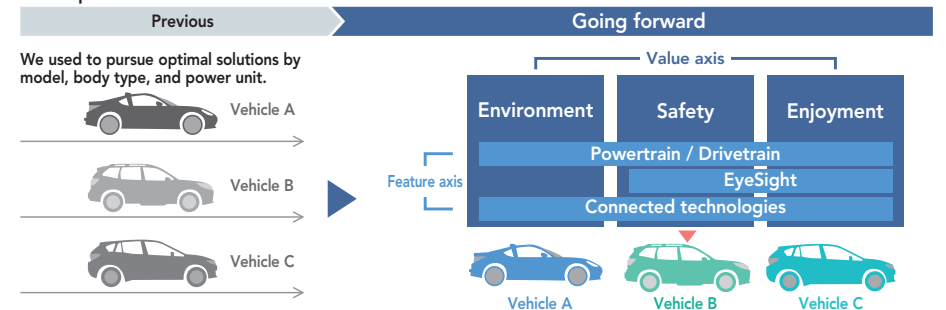
Going forward, SUBARU will continue to accelerate the fusion of intelligent technology and the SUBARU Global Platform, pursue accident-free vehicles and driving safety based on its overall safety philosophy, and evolve its "Enjoyment and Peace of Mind."

Strengthening the SUBARU Difference in the Era of Electrification

Amid dramatic changes in vehicle technology development domains, such as adoption of digital technologies and electrification for making products more environmentally friendly, SUBARU announced the Technology Roadmap for Reduction in CO₂ Emissions in January 2020, and is accelerating initiatives toward achieving carbon neutrality by 2050.

One measure SUBARU has taken to this end is to implement fundamental reforms in its development systems by further evolving its driving dynamics, thereby strengthening the SUBARU Difference even in the era of electrification, as well as cultivating, enhancing, and accumulating future-generation core technologies. Specifically, SUBARU has transitioned from its traditional organizational structure broken down by vehicle type and function, to an organic combination along the axes of value provided to the customer and function of the vehicle. SUBARU made this change with the aim of elevating its perspectives, from siloed divisional optimization to company-wide optimization, and creating a system that can flexibly adapt to future technologies. To achieve this, in January 2021, SUBARU established the CTO's (Chief Technology Officer's) Office, an organization designed to speed up decision-making and strengthen technology management. Furthermore, by deepening cooperation with procurement, manufacturing, and after-sales service, SUBARU will accelerate the Make-a-SUBARU project, a key priority in the mid-term management vision "STEP."

Enhancement of the organizational structure for future product development
We cultivate, enhance, and accumulate future-generation core technologies that will underpin SUBARU's future products.



TOPICS 02

Six Priority Areas for CSR
Resonance and Coexistence

Become a company that is widely trusted by, resonates and coexists with society.

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.



TOPICS 02 > Six Priority Areas for CSR Resonance and Coexistence

Especially in the face of difficulties, the SUBARU Difference of Resonance and Coexistence thrives even more. We will promote initiatives with a focus on Japan and the U.S.

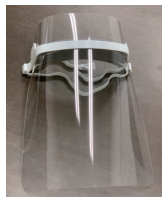
The Subaru Group seeks to become a company that is widely trusted by, resonates, and coexists with society. SUBARU believes that, especially in times where it faces difficulty like the current spread of COVID-19, it is important to be forthright in listening to the views of individual customers and society at large, and to think and act in concert with all stakeholders. In FYE March 2021, in order to overcome this significant difficulty together with its stakeholders, SUBARU promoted activities embodying the SUBARU Difference at its global locations, primarily those in Japan and the U.S., with first priority given to the safety and security of all its stakeholders: its customers, employees (including those at Group companies) and their families, business partners, and others.

Initiatives in Japan

In order to overcome the significant challenge of the spread of COVID-19 alongside its customers and local communities, SUBARU's employees each considered what the Company could do, and took a variety of actions leveraging SUBARU's unique technologies and human skills.

Production and Donation of Medical-use Face Shields

In cooperation with its corporate business partners, SUBARU produced 13,600 medical-use face shields with a team of around 500 people. This production of face shields was developed from employees asking what SUBARU could do to protect people's lives, and what SUBARU could do to help medical professionals. In answering these questions, the activity grew to encompass multiple business divisions and, eventually, business partners. The face shields were delivered to medical institutions in areas where SUBARU has business locations. Shields were also provided to boards of education in some regions. Through SUBARU's efforts, medical and educational sites gained better access to face shields. Face shields were also distributed to SUBARU dealerships, utilized to safeguard customers and employees during test drives, where social distancing is difficult, and during service intake, where customers require detailed explanations.



Medical-use face shields

Donating Specially Designed Anti-Droplet Vehicles

In September 2020, SUBARU donated a specially designed vehicle for transporting patients infected with COVID-19 to Ota Memorial Hospital, designated as the Gunma Plant's primary hospital in the event of a disaster. This transport vehicle's driver's seat and rear seats are separated by a special transparent film, and the driver's seat area is constantly pressurized in order to prevent secondary infection from the patient riding in a rear seat. This design allows drivers to transport sick patients with peace of mind.



The Forester transport vehicle

Donation of Hand Disinfection Stands

The Aerospace Company's Handa Plant produced 100 hand disinfection stands and donated them to Handa City (Aichi Prefecture). These donated hand disinfection stands were made by SUBARU employees with materials used for shelves and scaffolding at the aircraft plant. The stands are designed with hygiene in mind, allowing the users to step on a pedal to dispense disinfectant.



Donated hand disinfection stands

Initiatives in the U.S.

Subaru of America, Inc. (SOA) is engaged in various activities under the Subaru Love Promise, a vision to show love and respect for stakeholders.

Aiming to become more than just an automobile company, SOA strives to earn the trust of its stakeholders by following through on its five promises, showing integrity and compassion with the goal of exceeding their expectations.

The Five Promises



Subaru Loves to Help

SOA donated around 52 million meals through U.S. food bank Feeding America® in 2020, donating 100 million more in 2021 to help ease nutritional difficulties arising from the spread of COVID-19. The Company also partnered with the Meals on Wheels program to deliver meals to individuals unable to purchase or prepare their own meals, delivering more than 2.3 million meals to seniors in the U.S.



Support activities

Subaru Loves to Care

In 2020, when the urgency to support patients with intractable diseases and persons with disabilities became even greater amid significant impact from the spread of COVID-19, SOA further strengthened its partnerships and worked to support as many people as it could. The Company donated \$750,000 U.S. dollars to the Leukemia and Lymphoma Society, and also donated 19,000 blankets. It also provided \$250 U.S. dollars per eligible patient facing financial difficulties, offering additional support to the Leukemia and Lymphoma Society. In addition, SOA has expanded and promoted many activities, including strengthening the efforts of the American Red Cross's Ready 365 Giving program to support people affected by various disasters.



Donation activities

TOPICS 03

Six Priority Areas for CSR
Peace of Mind

Become a company that provides the utmost peace of mind to all stakeholders.

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 for a long period. Attaching particular importance to protecting lives, SUBARU will work to achieve our target of zero fatal traffic accidents^{*1} 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.

^{*1} Reducing to zero the number of fatal accidents occurring while a driver or passenger in a SUBARU and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a SUBARU vehicle.



TOPICS 03 Six Priority Areas for CSR Peace of Mind

Quality reforms and technological development unique to SUBARU, for "Enjoyment and Peace of Mind"

Evolutions in the Next-generation EyeSight System Improve Safety Performance

EyeSight, the core of SUBARU's Advanced Driver Assistance System (ADAS), creates a high-precision three-dimensional image from camera captures, identifying distance, speed, and position in demonstrating superior preventive safety performance. There are approximately 3,000 fatal accidents each year in Japan, but the number of fatal accidents involving SUBARU vehicles equipped with EyeSight is decreasing each and every year. In 2019, there were three fatalities*2 involving SUBARU registered vehicles that were first registered within the past five years.

All grades of the SUBARU Levorg released in 2020 are equipped with the next-generation EyeSight system, featuring a further evolution of the original EyeSight system's safety functions, as SUBARU works in earnest to eradicate all fatal traffic accidents. Among SUBARU's leading-edge safety performance, its EyeSight X Advanced Driver Assistance System for highway driving has garnered much attention. EyeSight X reduces anxiety and stress on motorways meeting a certain set of conditions, achieving a new dimension of advanced safety technology with its newly developed system utilizing satellite, GPS, and high-precision map data.

Furthermore, in the interest of achieving zero fatal accidents, SUBARU is evolving its preventive safety performance and passive safety performance with EyeSight and the SUBARU Global Platform at the core of its activities. It is also working to enhance the "connected safety" of its customers through linkage with its SUBARU STARLINK and other connected services, providing an additional layer of safety by keeping vehicles connected to SUBARU 24 hours a day, 365 days a year. SUBARU has also

adopted the Advanced Automatic Collision Notification (AACN) system, which automatically notifies a call center in the event of a collision accident where an airbag would deploy, and aids in the following rescue activities.

The new Levorg is the pride of SUBARU's safety efforts, bringing together all of these current safety performance technologies. This vehicle brings out the enjoyment of driving and its safety has been highly evaluated. As a result, it received the 2020-2021 Car of the Year Japan award and the JNCAP Best Award 2020*3 for safety.



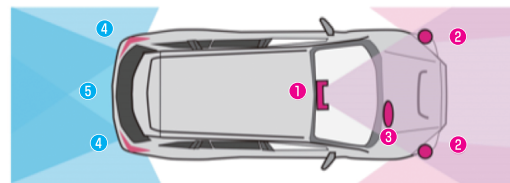
*2 Calculated by SUBARU based on ITARDA data

*3 The Levorg received the JNCAP Five Star Vehicle Safety Performance 2020 Award, the highest rating in the Japan New Car Assessment Program (JNCAP), operated by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA). In addition, the vehicle received the highest score at the awards with a total of 186.91 points (out of 190).

Device Layout in Next-Generation EyeSight ● New/Performance-Enhancing Devices ● Existing Devices

1 New Stereo Cameras

The next-generation EyeSight solution uses stereo cameras that can be affixed to glass to approximately double the angle of view versus the previous cameras. Image recognition and control software performance is also improved.



4 Rear Radar

Detects vehicles approaching from the rear.

5 Rear Sonar

Supports collision avoidance when backing up.

2 Front Radar

This radar was added to detect vehicles ahead approaching from side angles, which are hard to cover with human and stereo camera line of sight.

3 Electric Brake Booster

This newly-electric brake booster offers even faster collision avoidance and can handle objects suddenly jumping into the path of the vehicle.

Quality Reforms Through Quality-first Awareness and Stronger Frameworks and Processes

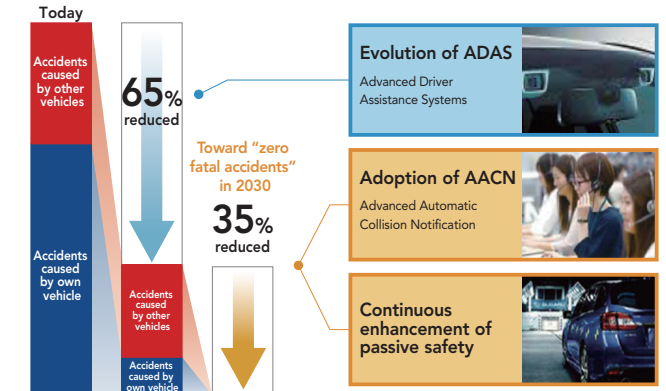
SUBARU is promoting the following three activity categories to achieve quality reform.

The first is thorough quality-first awareness and stronger frameworks as a foundation for quality reform. SUBARU takes continued, down-to-earth actions to instill a quality-first awareness among each and every employee. In April 2020, the Quality Assurance Management Office was established, reporting directly to the Chief Quality Officer (CQO), and SUBARU took other action toward reorganization. Meanwhile, the number of employees in the Quality Assurance Division grew by approximately 50% over the past three years, showing an ongoing push to strengthen both the organization and its personnel.

The second is manufacturing quality reform, with the goal of preventing defects reaching the general public in domains after the production preparation stage, where approximately 40% of quality issues occur. SUBARU is currently building a new final vehicle inspection wing, with operation to start for each production line beginning in FYE March 2023.

The third is reforming built-in quality, the source of the development process that spans from initial exploratory stages (where approximately 60% of quality issues occur) to development and design. SUBARU works to identify material points related to quality beginning from the most upstream stage of development, strengthening quality management in all manufacturing processes, from development to production to distribution.

Fatal traffic accidents of SUBARU cars (estimated from U.S. FARS data)



TOPICS 04

Six Priority Areas for CSR
Diversity

Promote businesses that create diverse forms of market values while respecting the diverse values of all people.

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.



TOPICS 04 > Six Priority Areas for CSR Diversity

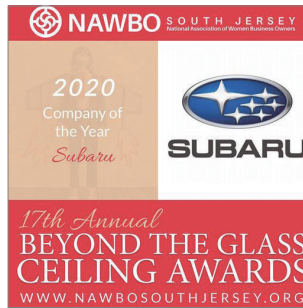
Building two kinds of diversity for creating unique SUBARU value

Employee Diversity

Subaru of America, Inc. (SOA) operates in North America, a core Subaru Group market. SOA believes that mutual learning and growth between employees with diverse experiences, perspectives, and values will lead to creation of the next generation of businesses, and in turn make the company stronger. With this in mind, SOA takes action with respect to the principles of diversity, equity, and inclusion, and with five employee groups at its core: Subaru Women's Network, BLENDS, Out + Ally, SARGE, and Evolve. In 2020, these five employee groups have worked together to take a variety of actions toward achieving true inclusion.

Subaru Women's Network

The Subaru Women's Network was established based on the idea that supporting female coworkers leads to a better workplace environment for all employees. In addition to creating opportunities for career advancement for all employees regardless of their gender, it is also a place for female employees to build their networks. In 2020, SOA was selected as the National Association of Women Business Owners (NAWBO) South Jersey 2020 Company of the Year in recognition of its efforts to support women and community organizations. SOA also participated in the Equity Across Our Communities Forum, held by the South Jersey Chamber of Commerce, presenting the history behind and examples of how the chamber and SOA have connected, worked together, and supported each other.



Selected as Company of the Year

Collaborative employee group activities

In 2020, these five employee groups took a variety of actions in collaboration with each other. Major initiatives here include joint donations from each group to organizations supporting young people facing a variety of difficulties in Camden, New Jersey, where SOA has a location. Also, the BLENDS and Out + Ally groups jointly held activities and events supporting the African-American community. Furthermore, during National Hispanic Heritage Month, Subaru Women's Network, Evolve, and BLENDS partnered to hold events and create a virtual art museum featuring local artwork.



Employee group making donations to charitable organizations

Diversity of Products

SUBARU works to promote product diversity by respecting diverse forms of market value and offering products that contribute to increasing options for its customers.

One lineup introduced to the market under this concept is products bringing together the enjoyment of driving uniquely found in SUBARU vehicles while providing the excellent environmental performance called for by the times.

These efforts have led to strong market recognition, including the new Levorg being awarded the 2021-2021 Japan Car of the Year and the JNCAP Best Award 2020. The new Levorg inherits SUBARU's long-held DNA of grand touring vehicles, embodied in the spirit of touring further, faster, more comfortably, and safer. This performance station wagon represents an innovative evolution of the three values of advanced safety, sporty, and station wagon value. Furthermore, in FYE March 2021 in the North America market, SUBARU accelerated its efforts toward stronger product diversity, including the announcement of the second-generation model of its SUBARU BRZ sports car, a car for the modern age stimulating the senses and bringing out the joy and enjoyment of driving. In FYE March 2022, SUBARU decided to name its first global electric vehicle the "SOLTERRA," a vehicle designed for coexistence with nature as the company enters the era of full-scale electrification. This SUV embodies the unique appeal of electric vehicles (EVs), and is scheduled to release in Japan, U.S., Canada, Europe, China, and other markets around the middle of 2022.



Levorg



SUBARU BRZ



SOLTERRA

Cherish and protect the global environment —the earth, the sky and nature—through Group-wide activities.

Why It Is Important to Us

In FYE March 2018, 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.



TOPICS 05 Six Priority Areas for CSR Environment

Using unique technology perspectives to create better cars with the SUBARU Difference

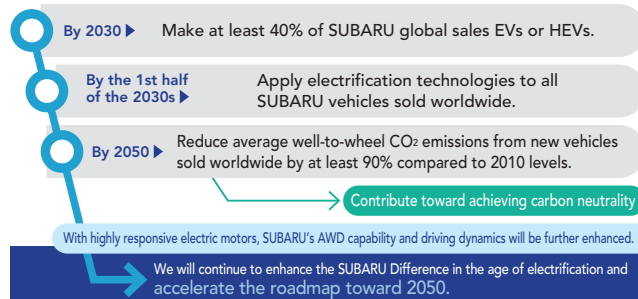
Globally Accelerating a Roadmap for a Carbon-free Society

SUBARU considers contribution to the realization of a carbon-free society as a critical corporate initiative, and works to reduce CO₂ using the uniqueness and technological innovation of the SUBARU Difference.

We have set the direction of targeting carbon neutrality around 2050, and formulated a long-term target to reduce average well-to-wheel^{*1} CO₂ emissions from new vehicles (in operation) sold worldwide by 90%^{*2} or more compared to 2010 levels. As a milestone toward this target, SUBARU set two medium-term targets: make at least 40% of SUBARU global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs) by 2030, and apply electrification technologies^{*3} to all SUBARU vehicles produced and sold worldwide^{*4} by the first half of the 2030s.

Environmental efforts with commitment to enhancing the SUBARU Difference

CO₂ reduction roadmap



In January 2020, SUBARU also announced a roadmap for electrification. Over the short term, SUBARU expects to increase its ratio of electrified vehicles, including electric and hybrid electric vehicles, replacing motors with electric motors in the future. The Company believes it can utilize its AWD control knowledge more effectively in motors with higher precision and responsiveness, leading to an even stronger SUBARU Difference of driving stability, dynamics, and enjoyment.

*1 Well-to-Wheel: Approach to calculating CO₂ emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles.

*2 Reduce total CO₂ emissions calculated based on the fuel efficiency (notified value) of all SUBARU automobiles sold across the world by 90% or more relative to the 2010 levels in 2050. Changes in the sales quantity due to changes in the market environment shall be taken into consideration, while minor changes in running distance shall not.

*3 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.

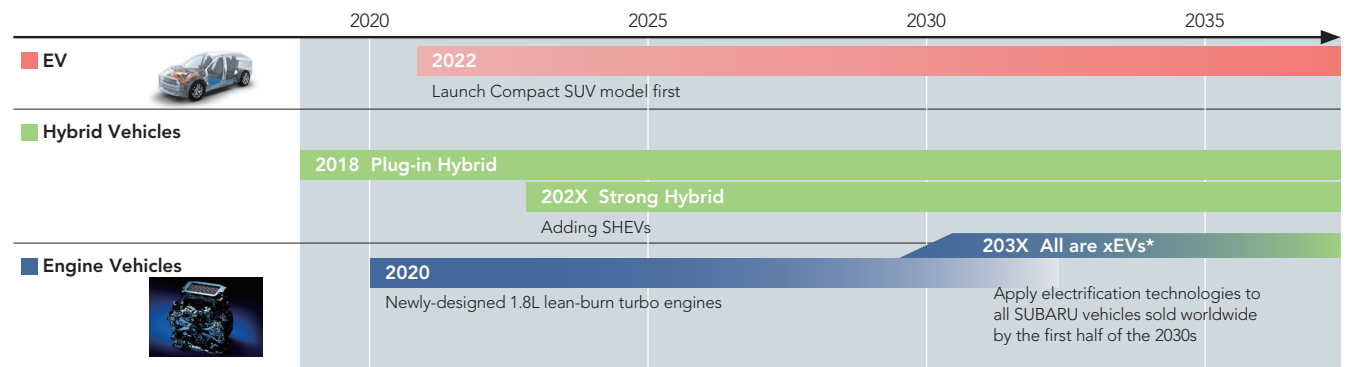
*4 Excluding models supplied by OEMs.

Creating Better Cars Through SUBARU's First Global EV

The SOLTERRA C-segment SUV, jointly developed with Toyota Motor Corporation, will become SUBARU's first electric vehicle launched globally on its release in mid-2022.

SUBARU's customers, in the U.S. and beyond, expect not only safety performance, but AWD driving stability in poor weather, and an enjoyable drive, among others. In developing SUBARU's first EV, SUBARU utilized its proprietary driving force distribution, adaptable to changing road conditions and founded in SUBARU's deep insights in AWD, and its highly responsive motor control to strengthen its handling stability even further, resulting in enjoyment and peace of mind commensurate with the SUBARU Difference. By using the jointly developed e-SUBARU GLOBAL PLATFORM dedicated to electric vehicles, SUBARU created a polished driving experience only found in its vehicles. The SOLTERRA will launch in the Japanese market, as well as in the U.S., Canada, Europe, China, and elsewhere. Going forward, SUBARU will continue to strive to create better cars through the development of EVs combining the enjoyment of driving and environmental performance.

Reducing CO₂ emissions with electrification technologies while further accentuating "SUBARU-ness" in the environmental era



* Vehicles with electrification technology.

TOPICS 06

Six Priority Areas for CSR
Compliance

Act in good faith and become a company that is trusted by and resonates with society.

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 change the 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 resonates with and inspires trust in our customers and all other stakeholders.



TOPICS 06 > Six Priority Areas for CSR Compliance

Changing each individual's awareness and actions. Then, creating an organization that collaborates in thought and action.

Toward Deeper Compliance Initiatives

At SUBARU, compliance is positioned as one of the most important management issues. SUBARU instills in each employee a strong awareness that they must observe all laws and internal regulations relevant to its business activities, that its corporate activities must be executed in manner that is fair and just and in conformance with general social ethics, common sense and standards, and that these principles should be reflected in their actions. To this end, SUBARU has created and operates a compliance system/organization, and carries out activities such as providing all kinds of training for these purposes.

In addition to actions that come from the existing compliance mindset of obeying laws and regulations, we are striving to instill sincere conduct based on social norms and ethics and making assertive, voluntary actions that come from an integrity mindset in executives and employees through education.

Furthermore, to promote future activities with the entire group, we have formulated and are enforcing a universal Compliance Policy for the Group, and are sharing information. October of every year has been designated as Compliance Month, and in order to raise compliance awareness, SUBARU conducts enlightenment campaigns and compliance training through in-house methods, such as internal newsletters.

In FYE March 2021, SUBARU implemented reforms to instill and execute the Think Compliance initiative. In order for each Subaru Group employee to take ownership and execute the Think Compliance initiative, in addition to the uniform company-wide training programs it has engaged in so far, SUBARU works to uncover each department's compliance issues, promoting the

Think Compliance initiative for drafting and executing response plans, and striving to instill self-sustaining initiatives. To do this, SUBARU is working to build thorough, active communication in workplaces that comes from an awareness of issues raised by all persons regardless of their positions and the wide ability to notice when something is wrong based on diversity, not only from a legal compliance perspective but also with regard to social norms. With regard to the execution of company-wide and division-based training programs in FYE March 2021, SUBARU explored and promoted the introduction of new training content and methods, such as moving to online-based compliance training, in light of work environment changes due to COVID-19. Going forward, it will continue to strive toward building more effective training content and methods.

In FYE March 2022, SUBARU will continue to promote uniform company-wide training efforts, and by further stimulating training programs held by each division, it will work to instill and execute the Think Compliance initiative among each individual Subaru Group member.



In-house magazine "Shuho"
October 2020 edition special
feature page

Monitoring Initiatives

In order to ensure the effectiveness of compliance activities, SUBARU also focuses on monitoring for each initiative. Specifically, in its monitoring for the prevention of bribery, SUBARU collects information to ascertain the presence of cases that may constitute compliance violations through company-wide compliance activities, its whistleblowing system, and other channels. Furthermore, it strives to use actions like the Internal Audit Department's business audits to detect cases early. Furthermore, SUBARU has established a system to report high-risk cases to the Risk Management and Compliance Committee and the Board of Directors, in an effort to strengthen oversight. SUBARU has established the Compliance Hotline system, where regular or temporary employees of the Subaru Group who have detected a problem related to compliance within the Group can consult with the Hotline Desk. Based on the relevant regulations, this Desk is where employees affiliated with the appointed Risk Management and Compliance Office directly receive mail, telephone calls, and e-mail, investigate facts, and provide response. The Desk works to quickly and flexibly address consultation matters, headed by the Risk Management and Compliance Office Manager. Also, it reports to the proper management members and the Risk Management and Compliance Committee, working toward preventive measures.

Sample Online Compliance Training Programs

- New employee training (after starting official employment)
- Rank-specific training (new managers and associate managers)
- Power harassment training for General Managers
- Training for managers at dealerships in Japan

Other self-guided/voluntary training by divisions and Group companies