



# Sustainability Website 2025

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# Message on Sustainability from the CEO

Message on Sustainability from the CEO

## Growing Together with Local Communities Through Synergy Born from Resonance

**Atsushi Osaki**

Representative Director, President and CEO

### The Environment Around the SUBARU Group

The automotive industry is currently at a turning point, described as a once-in-a-century transformation. Furthermore, geopolitical risks, inflation in major economies, and the change of administration in the United States—a key market for the SUBARU Group—are leading to greater uncertainty not only for the automotive industry and the SUBARU Group, but for society as a whole. However, we feel that it is precisely because of this uncertain environment that stronger expectations are being placed on the SUBARU Group by our stakeholders. We stand at a juncture where we must think more deeply than ever before about what we can do to not only grow the SUBARU Group's business but also link that growth to the sustainability of society, and demonstrate the unique value we have to offer.

### Connection Between the SUBARU Group's Sustainable Growth and Local Communities

We place emphasis on two key points that link the SUBARU Group's growth and the sustainable development of society. One is the bonds between SUBARU and its customers, and the other is being "One SUBARU."

#### • Bonds between SUBARU and its customers

I believe the relationship between SUBARU and its customers is something special, transcending the typical dynamic between manufacturers (or retailers) and consumers. A symbolic example of this is Subaru of America, Inc. (SOA)'s Love Promise in the United States. The Love Promise is an initiative by SOA and SUBARU dealerships across the U.S., collaborating with charitable organizations to carry out activities such as environmental protection and community support. A key feature of this initiative is that it allows customers, dealerships, and SUBARU to work together to address community challenges. For example, SOA runs an annual campaign where customers buying a SUBARU vehicle can select a charity aligned with their interests for SUBARU to donate to. SUBARU was ranked third among over 3,000 brands in the U.S. in the 2025 Best Brands for Social Impact published by U.S.-based Forbes magazine (ranked second in both 2023 and 2024). We believe one reason for this recognition is our contribution to local communities across the U.S. through our Love Promise activities. The SUBARU Group aims first and foremost to be an automaker whose customers cherish their vehicles. We also strive to use the bond between our customers and SUBARU to aid societal sustainability, becoming a presence that stays close to our customers throughout their lives. This is also true in Japan. We also aim to develop the Cherishing Every Life Project initiative by SUBARU and its domestic dealerships into activities that serve as a point of connection between customers, SUBARU, and society, similar to the Love Promise.

## • One SUBARU

The other pillar is being “One SUBARU.” This refers to not only collaboration among employees and affiliated companies, but also with our business partners. As part of this, I have been actively breaking down internal organizational barriers, such as those between the development and manufacturing sides, to foster cross-departmental dialogue. Furthermore, we are inviting our business partners to join these efforts, working together to advance various initiatives. Within Japan, many of our business partners operate in the vicinity of the SUBARU Gunma Plant. This physical proximity is a strength and forms the foundation for the SUBARU Group to grow together in close collaboration with the local community. Going forward, we aim to deepen collaboration across the entire supply chain, including logistics and sales, to expand the potential for sustainable growth.

## Sustainability Progress in FYE March 2025

In FYE March 2025, the SUBARU Group evolved its previous Six Priority Areas for CSR to Six Priority Areas for Sustainability. The purpose of this revision is to contribute to the sustainability of both the SUBARU Group and society, building on our CSR perspective of solving social issues as a company, while further leveraging SUBARU's unique value and strengths. Our vision for the Six Priority Areas for Sustainability was defined to indicate a more universal direction without setting a specific timeframe. To achieve this, we have set priority themes, goals, and KPIs, and will strengthen each initiative. I believe this has also reaffirmed the SUBARU Group's commitment to sustainability both internally and externally.

### Six Priority Areas: Peace of Mind

Our global goal for the Peace of Mind area is to aim for zero fatal traffic accidents\*<sup>1</sup> in 2030. To steadily advance initiatives toward this goal, we have established the KPI of the proportion of fatal traffic accidents\*<sup>2</sup> in the U.S. avoidable with SUBARU's latest technology.

Based on our All-Around Safety philosophy of delivering the world's highest standard of safety and peace of mind for all passengers, we recognize the need to address more severe accident scenarios and will tackle this challenge accordingly. Moving forward, the SUBARU Group intends to address broader challenges, such as what we can do to achieve zero traffic accidents for society as a whole and what strategies are available to achieve this.

\*<sup>1</sup> Aim for zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

\*<sup>2</sup> Excluding accidents involving violation of traffic rules or significant dangerous behavior by the other party.

### Six Priority Areas: Diversity, Equity & Inclusion (DE&I)

SUBARU's strengths lie in its people. I believe that an organization where every employee can fully express their diverse individuality and thrive is one that is resilient to change, fosters innovation, and enables sustainable growth. To date, we have respected the diverse values of all employees while advancing the creation of a workplace environment that is facilitative for many different kinds of individuals. As one such initiative, we have set the number of female managers as a KPI and established the goal of doubling the number by the end of FYE March 2026 versus FYE March 2022. This goal has already been achieved as of April 2025. Building on this success, we have set the new goal to have 100 or more female managers by FYE March 2031. The vision we are working toward is to enable women working at the SUBARU Group to realize their desired career paths and lead fulfilling professional lives, while also increasing the number of women who aspire to work at the SUBARU Group. Our efforts here are not limited to women. We are lucky to have many different kinds of employees. Our desire is to nurture these resources to create innovation, and evolve into “One SUBARU.”

### Six Priority Areas: Environment

From initiatives previously advanced internally as the Environment Action Plan, we have designated mitigating climate change, realizing a circular economy, and coexisting with nature as priority themes. For mitigating climate change, we have also set the goal of achieving carbon neutrality along the entire product lifecycle. For Scope 3 emissions—which account for the majority of GHG emissions across the SUBARU Group's entire value chain, particularly those from use of sold products—we position the market introduction of electric technologies as a key measure. In FYE March 2025, we announced the Crosstrek

equipped with SUBARU's unique next-generation hybrid system for the Japanese market, and the new Forester for both the Japanese and U.S. markets. For BEVs, SUBARU plans to introduce a total of eight models to the market: four SUVs by the end of 2026, followed by four additional models by the end of 2028. Among the planned BEV launches, the new Trailseeker, the second model jointly developed with Toyota Motor Corporation, was unveiled in April 2025, followed by the new Uncharted, the third such model, in July. While offering customers diverse choices such as electric vehicles and hybrids, we will advance our efforts to achieve environmental goals with flexibility and expandability.

## Creating Synergies with Our Stakeholders

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I want to connect with our customers and local communities through our products and services, enriching their lives. In addition, I would like to make SUBARU a brand that shines brightly as we work together to solve social issues.

To achieve this, collaboration based on resonance with our customers and local communities is essential. By sharing the SUBARU Group's values and combining our respective knowledge, skills, and experience to create synergies, I believe we can realize our vision of being a company "Delivering Happiness to All." Driven by the smiles of everyone involved with the SUBARU Group, we aim to realize an enjoyable and sustainable society and achieve the sustainable growth of the SUBARU Group.



Representative Director, President and CEO



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# SUBARU's Vision/policy

## SUBARU's Vision —Delivering Happiness to All—

In May 2021, SUBARU consolidated the multiple corporate principles into three key pillars.



Our corporate statement is “We aim to be a compelling company with a strong market presence built upon our customer-first principle.” The value we deliver to our customers is “Enjoyment and Peace of Mind.” This was established at the same time as the said corporate statement. We recognize that this is a value we must deliver to our customers to deepen our SUBARU Difference, not influenced by changes in the times or external environment, and further enhance our brand. Our vision is “Delivering Happiness to All.” We established this vision when we changed our company name to SUBARU CORPORATION in 2017. This vision came to us from watching what our customers do: We learned what SUBARU should do from our customers. Based on these concepts, we aim to sustainably grow SUBARU into an appealing global group in both the Automotive Business and Aerospace Business, fostering empathy for our business activities among all stakeholders. Through this approach, we strive to achieve the sustainable growth of the SUBARU Group and create an enjoyable and sustainable society.

## SUBARU Global Sustainability Policy

Until recently, the SUBARU Group promoted various initiatives in line with its CSR Policy, revised in June 2009. However, to cope with changes in the social environment and in relationships with our stakeholders, we established the SUBARU Global Sustainability Policy in April 2020 as a guideline to be shared by all Group employees on a global basis.

This policy is applied to SUBARU CORPORATION and all its subsidiaries.

### SUBARU Global Sustainability Policy

We, the SUBARU Group, are committed to sustainable business practices designed to promote harmony between people, society and the environment in the following ways:

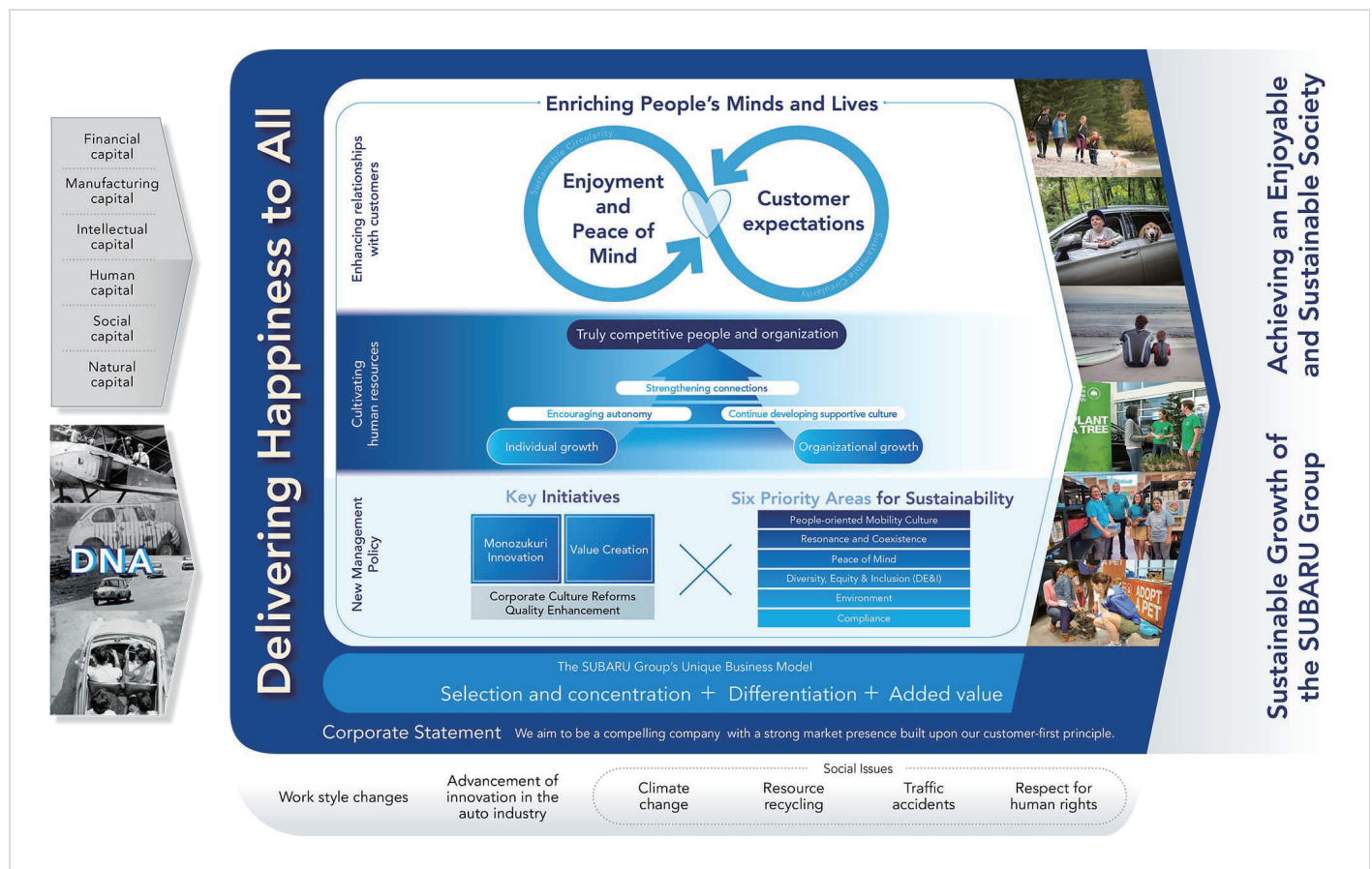
1. Through our business activities, we will contribute to the resolution of various social issues, including the protection of the global environment, and to the creation of a sustainable society.
2. Respecting the quality and originality of our products, we will continue to provide SUBARU's unique value using advanced technologies, and enrich the lives of all those involved with the SUBARU Group.
3. As a good corporate citizen in the international community, we respect human rights, diverse values and individuality, and treat all stakeholders with sincerity in every interaction.
4. We strive to maintain and advance the workplace environment so that employees can work safely in peace, and with a sense of satisfaction.
5. We respect international rules and the laws and regulations of each country and region, as well as local culture and customs, and pursue fair and transparent corporate governance.
6. We make use of dialogue with stakeholders to make management decisions, and disclose corporate information in a timely and proper manner.



# About the SUBARU Group's Sustainability

## About the SUBARU Group's Sustainability

We envision becoming a company "Delivering Happiness to All." To achieve this, we are promoting sustainability based on the SUBARU Global Sustainability Policy by incorporating the concepts of the Six Priority Areas for Sustainability and sharing our commitment across the Group and globally. To empower each employee as a driving force for growth, we invest in our talent, linking the individual growth to the organizational growth. This enables us to further evolve our value proposition of enjoyment and peace of mind while deepening our relationships with customers. In addition, we will aim to achieve both the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.



> [The Subaru Difference](#)

> [SUBARU New Management Policy](#)

> [Six Priority Areas for Sustainability](#)

> [Social > Human Resources: Approach to Human Capital](#)

# Sustainability Promotion System

## Sustainability Promotion System

The Sustainability Committee, established as a forum for discussing all kinds of sustainability initiatives by the SUBARU Group, meets twice a year. The Sustainability Committee's chair is selected by the Board of Directors and is currently the President and Representative Director. All of SUBARU's executive officers are members of this committee, which considers business issues from a social perspective and works to strengthen sustainability efforts.

The committee discusses important sustainability issues and checks and reviews the PDCA status of each committee and department. This information is shared and coordinated with specialized departments and committees responsible for quality, risk management, compliance, and other areas, thereby establishing a cross-departmental promotion system. In addition, the results of the committee's discussions and deliberations are submitted and reported to the Board of Directors, which oversees the Sustainability Committee. The Board of Directors reviews these in the context of their contribution to enhancing medium- to long-term corporate value.

Within SUBARU, we are strengthening information sharing and coordination regarding details from Sustainability Committee meetings and for promoting sustainability through sustainability managers appointed by each division, department, and company. In coordination with Group companies and dealerships in Japan, we share information with sustainability managers and relevant departments at each company.

### Organizations related to the Sustainability Committee

#### Environment Committee

The Environment Committee was established to formulate the environmental strategy and policies of the SUBARU Group, as well as to evaluate and discuss efforts aimed at achieving environmental targets. In principle, the committee conducts regular reviews at least once a year. Details of discussions by the committee are reported to the Sustainability Committee.

> [Environment](#) > [Environmental Management](#) > [Management System](#)

#### Social Contribution Committee

SUBARU established the Social Contribution Committee to advance community engagement activities with the aim of making these activities an integral part of the SUBARU Group's corporate culture and becoming a company that is trusted by stakeholders. The committee meets twice a year. Details of discussions by the committee are reported to the Sustainability Committee.

> [Social](#) > [Community Engagement](#) > [Management System](#)





## Initiatives to Embed Sustainability

### Instilling Group-wide Understanding and Messaging Internally and Externally

In the SUBARU Group, we are taking various steps for each employee to gain a deeper understanding of sustainability in order to promote initiatives in this area. SUBARU provides educational opportunities for directors, audit & supervisory board members, as well as rank-specific training for new managers, new associate managers, and new recruits.

We share SUBARU's perspectives with Group companies in Japan and overseas through meetings and other means. Also, we share our unique tools for promoting understanding with Group members and dealerships in Japan to facilitate awareness. Furthermore, the various activities we conduct in the Group are communicated and disclosed in a responsible and transparent manner, both internally and externally, through channels such as the Sustainability section of our website, our Integrated Report, and our digital in-house magazine, leading to further enhancement of the SUBARU Group's sustainability initiatives.

#### VOICE

#### Feedback from employees after sustainability-related e-learning

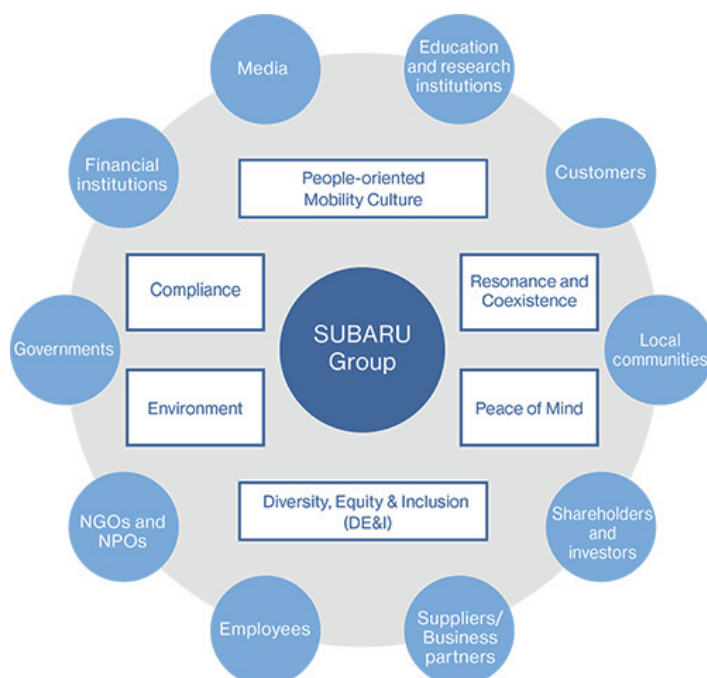
- I believe that by being mindful of initiatives and ideas related to carbon neutrality and environmental issues in my work, I can contribute to the SDGs.
- I felt that for the sustainable growth of our Automotive Business Unit, a people-oriented car culture as well as resonance and coexistence with stakeholders are essential.
- I reaffirmed the importance of focusing on quality during development to ensure safety and peace of mind for our customers.
- I want to consciously engage in sustainable activities for the environment and conservation with confidence, while humbly addressing areas that need improvement.
- I have come to understand that being aware that each individual represents the company and conducting corporate activities with integrity is essential to compliance.

# Stakeholder Engagement

## 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 important. 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 Sustainability



### 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 (annually), issue reports, and publish information online. Hold interviews with institutional investors and investor briefings. Hold factory tours.
Suppliers / Business partners	Hold procurement policy briefings, practice regular exchange of information, and recognize suppliers that are making major contributions in technology, quality, etc.
Employees	Hold labor-management consultations, carry out stress checks and the employee attitudes survey, and conduct educational training by profession and rank.

Stakeholders	Communication Method
<b>NGOs and NPOs</b>	Respond to questionnaires and surveys, implement regional and local community engagement activities, and make donations to support shared philosophies.
<b>Governments</b>	Participate in economic and industry associations' conference bodies, and have discussions and exchanges with local governments.
<b>Financial institutions</b>	Publish information online, provide explanations at account settlement, and hold monthly discussions.
<b>Media</b>	Hold financial reporting briefings for media and analysts (quarterly), and publish information online.
<b>Education and research institutions</b>	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 2025.

# Stakeholder Engagement Activities

## Stakeholder Engagement Activities

### Customers

The SUBARU Group strives to put the customer first in all business activities. SUBARU is promoting activities to reflect customer feedback in our products and services, so that customers continue to choose our brand for “Enjoyment and Peace of Mind.”

> Customers



“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.

Going forward, we will continue to focus on the four fields of community engagement initiatives and conduct further community-based activities in line with evolving needs.



SUBARU Monozukuri Classes  
(Tokyo Office)

### Shareholders

SUBARU strives to build long-term relationships of trust with our shareholders and investors through emphasis on constructive dialogue to achieve sustainable growth and medium- to long-term enhancement of corporate value. Mutual understanding is deepened through active dialogue at the General Meeting of Shareholders, financial results briefings by the CEO, CFO, and other members of senior management, overseas presentation events, and business and technology briefings. Going forward, we will also work to strengthen opportunities for dialogue and points of contact with our shareholders and investors so that they can further deepen their understanding and resonance for the business activities of the SUBARU Group.

Opinions and suggestions obtained through dialogue with shareholders and investors are reported to the Board of Directors and relevant departments in a timely and appropriate manner, depending on their content, and are utilized to further enhance information disclosure and dialogue.

For a summary of past events for individual shareholders, please see the link below.

<https://www.subaru.co.jp/ir/individualinvestors/return.html> (in Japanese only)

## 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.

In particular, in order to steadily implement our quality-first philosophy, the SUBARU Group places great importance on dialogue with our dealerships around the world, who are in direct contact with our customers on a daily basis. Through technical liaison meetings held twice a year for the Japanese market, main dealerships service meetings held once or twice a year in overseas markets, and block conferences held in the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America, we make decisions on matters such as optimum means of addressing quality problems that inconvenience our customers, while incorporating the views of dealerships.

In addition, SUBARU is involved in the Cherishing Every Life Project together with dealerships as an activity to expand the circle of Resonance and Coexistence through contributions to society. In this project, with its DNA as an aircraft manufacturer, SUBARU continues to practice a human-oriented approach to Monozukuri, where it places top priority on safety. Based on its longstanding core value of the protection of life, we are expanding our initiatives alongside customers and local communities.



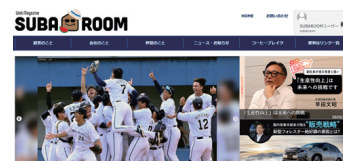
Meetings with SUBARU dealerships

[> Cherishing Every Life Project](#)  (Japanese version only)

## Employees

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 FYE March 2023, we transitioned to the digital in-house magazine, SUBAROOM, to enhance real-time information dissemination and enrich content with features such as videos. Employees can conveniently read the magazine thanks to its accessibility from their personal computers and smartphones. In SUBAROOM, we publish a variety of internal information, as well as timely presentations and messages from executive officers and department managers regarding the state of our businesses, helping to establish a better understanding among employees.

Furthermore, we have launched the SUBARU Communication Park on our company network, offering a forum where employees of many different positions can communicate with each other. We also publish SUBAROOM MAGAZINE with the aim of broadly communicating SUBARU's policy to employees of Group companies, as well as dealerships in Japan.



Digital in-house magazine, SUBAROOM

# Six Priority Areas for Sustainability

## Six Priority Areas for Sustainability

### Identification Process for the Six Priority Areas for Sustainability

Previously, the SUBARU Group had promoted initiatives in 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 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.

Now, we have evolved these Six Priority Areas for CSR into the Six Priority Areas for Sustainability in response to the changing social environment and shifting mindsets toward sustainability. To contribute to the sustainability of the SUBARU Group and society, we will go beyond CSR perspectives to further leverage SUBARU's values and strengths.

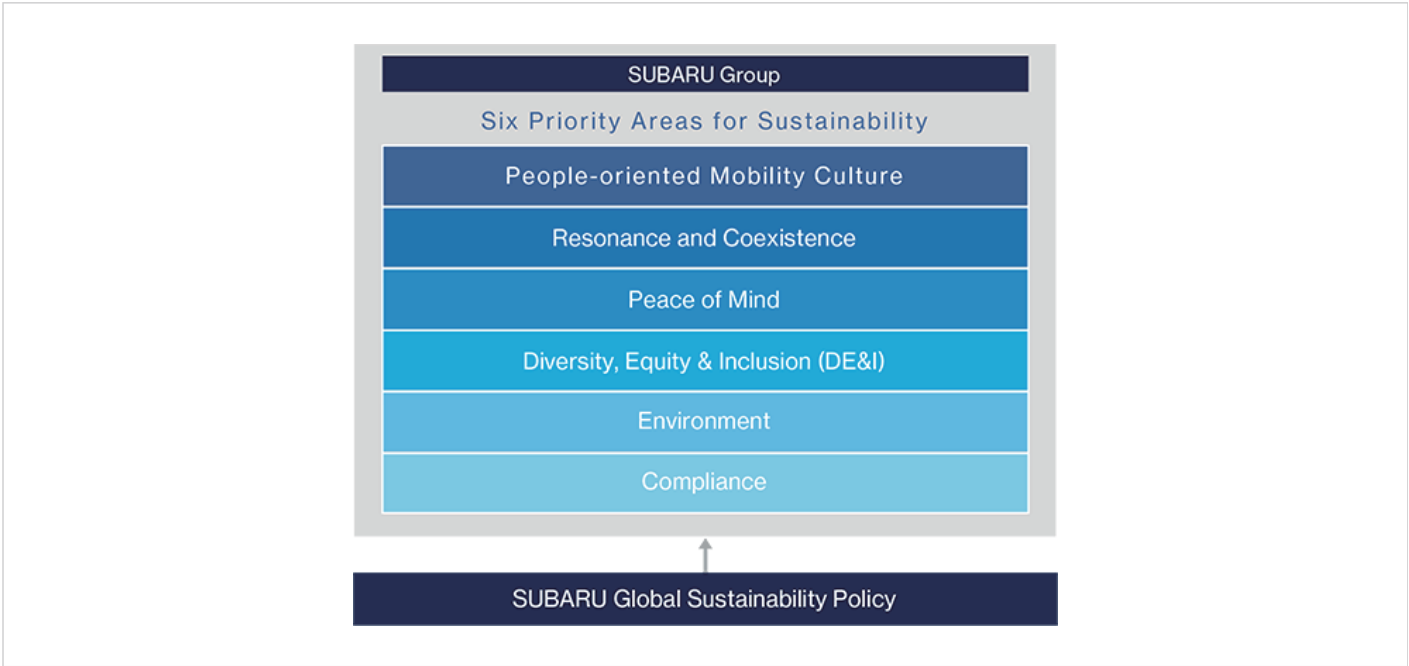
This evolution also updates our People-oriented Car Culture to a People-oriented Mobility Culture, while Diversity is updated to Diversity, Equity & Inclusion (DE&I).

In our People-oriented Mobility Culture, we aim to become a company whose presence and appeal differentiate from its competitors by expressing the diversity of products as the SUBARU Group, including the aerospace business. Also, we will provide a means of transportation based on SUBARU's DNA in response to the changing times. In terms of Diversity, Equity & Inclusion (DE&I), we will develop our organization to maximize the diverse individuality of our workforce and create comfortable workplace environments. These efforts to create an environment of equity where everyone can access fair opportunities will lead to innovation, allowing diverse individuals to collaborate to create SUBARU's unique sustainable value.

In addition, we will further deepen our efforts by setting new visions, priority themes, goals and KPIs for each area. Within this, the vision will not include a time frame so as to express the SUBARU Group's unchanging direction from a longer-term perspective. Meanwhile, the priority themes will be items to be addressed with a focus on the SUBARU Group's strengths, and goals and KPIs will be set to promote medium- to long-term initiatives.

The SUBARU Group will share its commitment to sustainability with all employees in the Group and globally based on the SUBARU Global Sustainability Policy. We will pursue value creation for "Delivering Happiness to All" through initiatives based on the Six Priority Areas for Sustainability.

Six Priority Areas for Sustainability



## Activities in the Six Priority Areas for Sustainability

The SUBARU Group seeks to become an organization that is trusted by society by fulfilling its social responsibility as a corporate group, aiming for sustainable growth and contributing to the creation of an enjoyable and sustainable society. To achieve our vision of being a company “Delivering Happiness to All,” we will incorporate the Six Priority Areas for Sustainability and work toward the Sustainable Development Goals (SDGs) that the international community is pursuing for 2030. One example of this is our efforts connected to the SUBARU Group's target of aiming for zero fatal traffic accidents\* in 2030, which contribute to Target 3.6 of the SDGs: “By 2020, halve the number of global deaths and injuries from road traffic accidents.” We will continue to contribute to the achievement of the SDGs by leveraging our business strengths and responding to the demands of society while pursuing value creation unique to the SUBARU Group.

\* Aim for zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

### Vision / Priority Themes / Goals / KPIs in the Six Priority Areas for Sustainability

Six Priority Areas	Vision	Priority Theme	Target	KPI	Target/KPI-related Initiatives
People-oriented Mobility Culture	Offer unfading emotional value from spending time with SUBARU and become a company that enriches people's lives and minds as a partner	Offer mobility services and experiences that provide “Enjoyment and Peace of Mind”	-	-	-
Resonance and Coexistence	Broaden the circle of person-to-person communication and become a company that widely resonates and coexists with society	Offer mobility services and experiences that provide “Enjoyment and Peace of Mind”	-	-	-
		Promotion of activities that lead to solutions to issues faced by local communities			
Peace of Mind	Become a company that provides the utmost peace of mind to all stakeholders	Be close to customers and pursue activities that always offer peace of mind	Aim for zero fatal traffic accidents* <sup>1</sup> in 2030	Ratio of fatal traffic accidents* <sup>2</sup> avoidable with SUBARU's latest technologies introduced into the market	<a href="#">&gt; Social &gt; Making Safe Vehicles</a>
Diversity, Equity & Inclusion (DE&I)	Continuously create innovation and values through spontaneous networking of the individual with the organization	Develop an organization where diverse individuals can demonstrate their abilities and work together respecting each other	Achieve 70% of engagement score by FYE March 2029	Employee attitudes survey (SUBARU) Engagement score	<a href="#">&gt; Social &gt; Human Resources: Approach to Human Capital</a>



Six Priority Areas	Vision	Priority Theme	Target	KPI	Target/KPI-related Initiatives
Diversity, Equity & Inclusion (DE&I)	Continuously create innovation and values through spontaneous networking of the individual with the organization	Develop an organization where diverse individuals can demonstrate their abilities and work together respecting each other	Achieve 100 number of female managers by FYE March 2031	Number of Female Managers (SUBARU)	<a href="#">&gt; Social &gt; Human Resources: Diversity, Equity &amp; Inclusion (DE&amp;I)</a>
			Achieve 3.0% of employees with disabilities by FYE March 2031	Employment rate of people with disabilities (SUBARU, SUBARU Living Service Co., Ltd., and SUBARU BLOOM Co., Ltd.)	
Environment	Cherish and protect the environment –the earth, the sky and nature– through Group-wide activities	Mitigating climate change (Achieve carbon neutrality in the entire life cycle)	Reduce Scope 1 and 2 emissions by 60% by FYE March 2036, compared with FYE March 2017 (total volume basis)	CO2 emissions versus the base year	<a href="#">&gt; Environment &gt; Mitigating Climate Change</a>
		Realizing a circular economy (Aim for zero environmental impact from resource extraction and disposal)	Reduce the total amount of waste by 1% annually versus BAU*3 emissions	Amount of waste generated	<a href="#">&gt; Environment &gt; Realizing a Circular Economy</a>
			Achieve zero emissions*5 at production plants in Japan and overseas*4	Amount of final disposal	
			Aim for a 25% use rate of recycled plastics by FYE March 2031	Use rate of sustainable materials	
		Coexistence with nature (Aim for net zero impact on the natural environment)	Proper management of environmental impacts on the natural environment	Violations of regulation values/voluntary standard values	<a href="#">&gt; Environment &gt; Coexistence with Nature</a>
			Expansion of protected areas aimed at reducing environmental impact	Number of protected areas aligned with management levels	
		Compliance	Act in good faith and become a company that is trusted by and resonates with society	Permeating “Insightful Compliance”	Maintain zero serious compliance violations*6
Supplier CSR survey	<a href="#">&gt; Social &gt; CSR Procurement</a>				

\*1 Aim for zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

\*2 Excluding accidents involving violation of traffic rules or significant dangerous behavior by the other party, etc.

\*3 Emissions under the current policy without further action (business-as-usual).



\*4 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant; Group companies in Japan: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K.; and Group companies overseas: Subaru of Indiana Automotive, Inc.

\*5 Final disposal amount (total amount of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total amount of waste (total amount of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste).

\*6 Compliance violations that could shake the foundations of SUBARU's business.

## The SUBARU Group's Initiatives Connected to Priority Themes in the Six Priority Areas / Relevant SDGs / Why It Is Important to Us


### Priority Area: People-oriented Mobility Culture

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Offer mobility services and experiences that provide “Enjoyment and Peace of Mind”	Development of technology to enhance predictability of vehicle behavior through the driver's five senses	 9.1
	Development of products in accordance with market needs and changing times	
	Research and development of air mobility technology	
	Development of high-quality accessories integrated with new models	 11.2
	Design of parts that can be used in multiple vehicle models	
	Provision of digital services (MySubaru, SUBAROAD, etc.)	
	Planning of customer services using vehicle data	
Why It Is Important to Us		
<p>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.</p> <p>The SUBARU Group will continue to connect vehicles with changing lifestyles and life stages, and cherish the human emotions of “Enjoyment and Peace of Mind” experienced by each and every one of our customers. We will play a role in the development and spread of a people-led mobility culture through the provision of comfortable transportation spaces.</p>		



## Priority Area: Resonance and Coexistence

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Offer mobility services and experiences that provide “Enjoyment and Peace of Mind”	Promotion of Monozukuri through plant tours and exhibitions	 11.2
Promotion of activities that lead to solutions to issues faced by local communities	Planning and promotion of plans to realize sustainable local communities	 17.16
	Continued Love Promise activities in the U.S.	
	Proactive engagement in the Cherishing Every Life Project in Japan	
	Review of work assignments to reduce the burden on logistics workers	
	Road traffic safety awareness activities	
	Conducting community support activities during disasters and pandemics	
	Planned delivery of disaster prevention and rescue helicopters, etc.	
Why It Is Important to Us		
<p>At SUBARU Group, when it comes to our business activities, we regard customers and local communities as some of our most important stakeholders.</p> <p>Over the years, SUBARU Group 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.</p> <p>SUBARU Group 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 Group's corporate activities resonate with and are trusted by the local communities in which they take place.</p>		



## Priority Area: Peace of Mind

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Be close to customers and pursue activities that always offer peace of mind	Instilling a customer-centric and quality-first mindset among employees	 3.6
	Further provision of customer-oriented quality	
	Development of technologies aimed at zero fatal traffic accidents and integration of these technologies into vehicles	
	Sale and popularization of EyeSight-equipped vehicles	
	Provision of high-quality maintenance and service by dealerships	
	Provision of peace of mind from being watched over by connected technology	
	Pursuit of flight safety through autonomous technology	
Why It Is Important to Us		
<p>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 aim for the goal of zero fatal traffic accidents in 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.</p> <p>Creating safe workplace environments that offer all SUBARU Group workers peace of mind is also essential.</p> <p>Furthermore, SUBARU will contribute to resolving the problem of traffic accidents and other social issues associated with cars. SUBARU Group will aspire to become a company that provides customers, local communities, employees, and all other stakeholders with the utmost peace of mind.</p>		

## Priority Area: Diversity, Equity & Inclusion (DE&I)

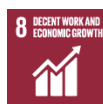

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Develop an organization where diverse individuals can demonstrate their abilities and work together respecting each other	Promoting women's empowerment	 5.5 5.5.2
	Promoting employment of people with disabilities	
	Support for senior employees to take on more active roles	
	Promotion of DEIB in the U.S.	 8.5
	Examination and promotion of creating workplaces where female employees in production departments can play an active role	
	Examination and promotion of a workplace environment that pays due consideration to non-Japanese human resources	
	Examination and promotion of a workplace environment that pays due consideration to LGBTQ+ persons	
	Fostering employee resonance and acceptance of management direction and initiatives	
	Construction and implementation of flexible work styles and systems	
Why It Is Important to Us		
<p>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.</p> <p>Achieving this requires diversity of perspective among those who work for the SUBARU Group.</p> <p>SUBARU Group aims to create an organization that makes the most of the individuality of its workers and maximizes their potential, to develop a facilitative workplace, to create an equitable environment where everyone has fair opportunities, and to proactively innovate in a way that is unique to SUBARU.</p>		

## Priority Area: Environment

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Mitigating climate change (Achieve carbon neutrality in the entire life cycle)	Expansion of electric vehicle models, especially BEV development	 13.1 13.2
	Improvement of fuel/power efficiency	
	Initiatives for the popularization of low-carbon fuel	
	Energy conservation through facility upgrades	
	Generation of renewable energy (on-site/off-site)	
	Purchase of carbon-neutral electricity (use of certificates, etc.)	
Realizing a circular economy (Aim for zero environmental impact from resource extraction and disposal)	Design for recycling	 12.2 12.5
	Effective use of resources (recycled resins/biomass/recycled materials)	
	Recycling and achieving zero emissions	
	Proper treatment processing of end-of-life vehicles	

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Coexistence with nature (Aim for net zero impact on the natural environment)	Compliance with environmental laws and regulations	
	Water discharge quality management	
	Utilization of the Landscaping Guidelines	
	Promoting green space conservation activities	
Why It Is Important to Us		
<p>In its Environmental Policies, SUBARU states that our fields of business are “the earth, the sky and nature” and focuses on efforts aimed at coexistence with nature.</p> <p>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.</p> <p>With the concept that sustainability of both society and SUBARU only becomes possible with the existence of a rich environment, that is “the earth, the sky and nature,” the entire SUBARU Group will make the greatest possible efforts to undertake environmental conservation activities.</p>		

#### Priority Area: Compliance

Priority Theme	The SUBARU Group's Initiatives	Relevant SDGs
Permeating “Insightful Compliance”	Updating regulations and rules, and strengthening compliance with them	 8.7 8.8   16.5 16.5.2
	Continued activities to promote autonomous employee behavior	
	Promoting proper business practices	
	Promoting initiatives to respect human rights	
	Conducting CSR surveys and awareness-raising activities for suppliers	
	Responsible raw material procurement	
	Compliance with various laws and regulations	
	Enhancing employee cybersecurity literacy	
	Strengthening cybersecurity measures in systems	
Why It Is Important to Us		
Having reflected on the previous lack of awareness of social 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.		



# Environment

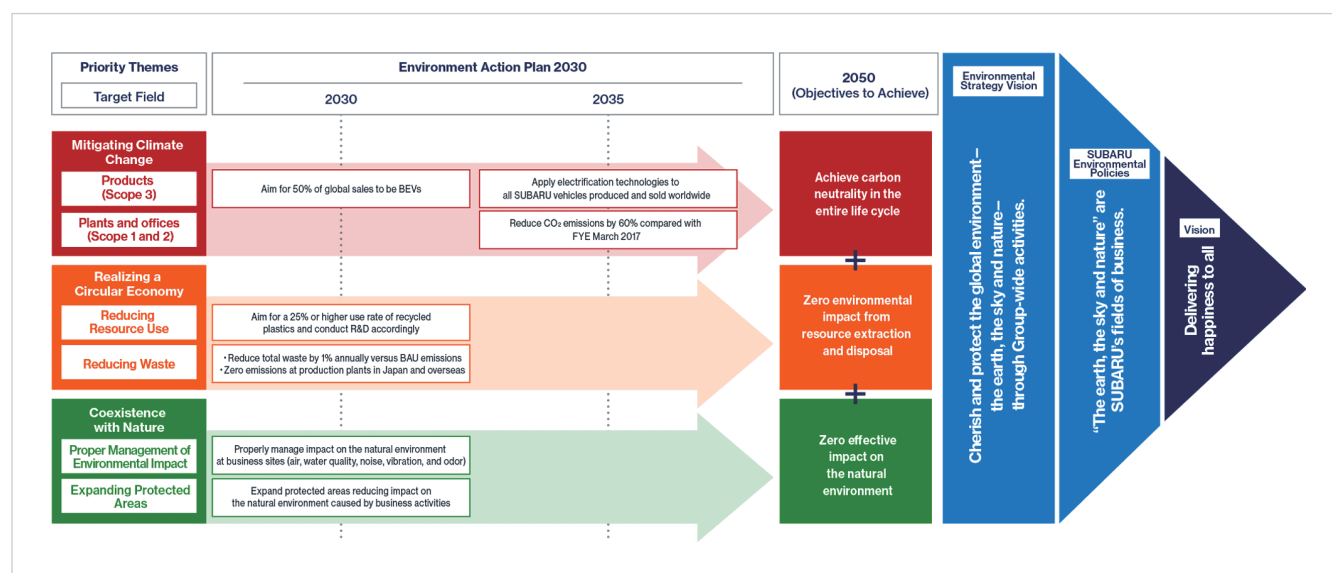
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- 81 Coexistence with Nature

# Environmental Management

## Our Approach

### Vision and Roadmap

In its Environmental Policies, SUBARU states that our fields of business are “the earth, the sky and nature” and focuses on efforts aimed at coexistence with nature. Furthermore, the Group has defined the Environment as one of our Six Priority Areas for Sustainability, and considers activities for the environment as key to the continuation of our business. The SUBARU Group has set its vision for the environment as “Cherish and protect the environment—the earth, the sky and nature—through Group-wide activities.” Within this, we have identified the three priority themes of mitigating climate change, realizing a circular economy, and coexistence with nature. By addressing these environmental issues, we aim to ultimately reduce the environmental impact on the natural world to virtually zero, and to go even further to make a positive impact.



### SUBARU Environmental Policies

#### SUBARU Environmental Philosophy

**“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 SUBARU. We align our business strategy to enhance these global goals in all of our operations.

**1. We develop and deliver products to meet social 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 CO<sub>2</sub> 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 life cycle environmental impacts of our products.

**Procurement:** Our procurement 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 social needs and by publicizing our activities as Team SUBARU.



# Management System

## Environmental Management System

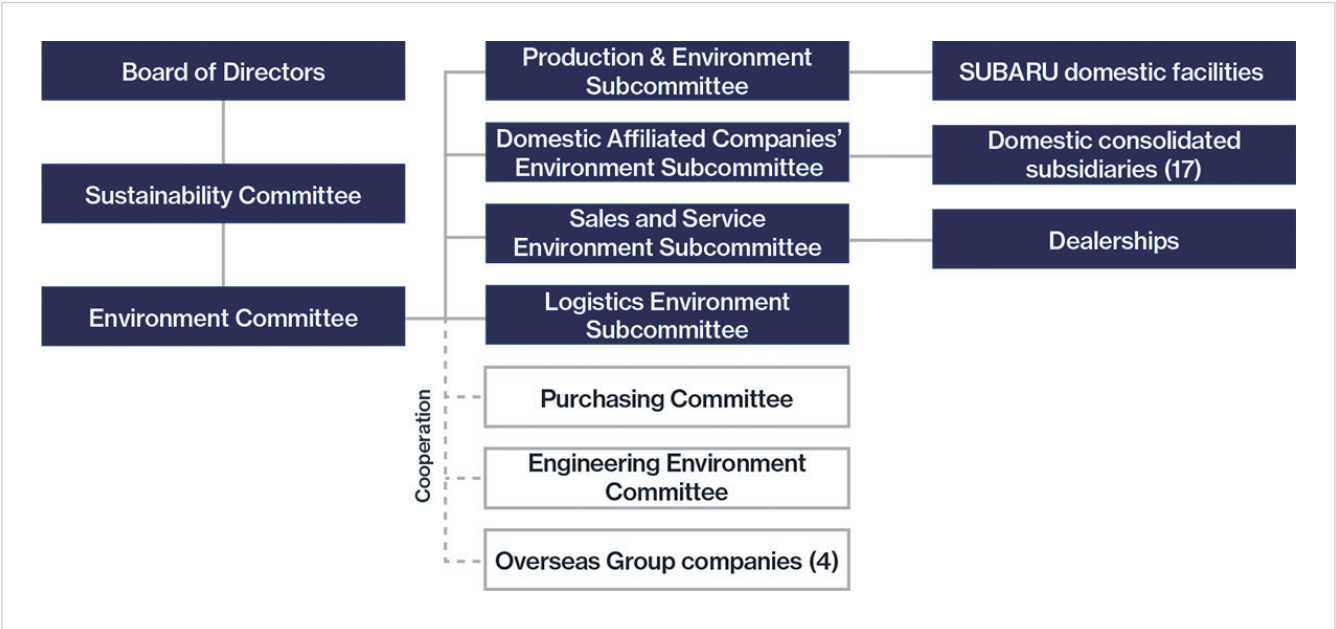
SUBARU has established a cross-organizational environmental management system centered on two pillars, the Environment Committee and the environmental management system (EMS), to comprehensively manage the direction and progress of its environmental measures. Leveraging this structure, we promote various environmental management activities across the entire SUBARU Group, including formulating and implementing measures to achieve medium- to long-term environmental targets, ensuring compliance with environmental laws and regulations, and aggregating environmental performance data.

## Environment Committee

SUBARU has established the Environment Committee, which discusses measures (e.g., targets) from broad and medium- to long-term perspectives that accommodate future environmental standards required by society, and evaluates the progress of related implementations and achievements. The Environment Committee is chaired by the Executive Officer in charge of the Sustainability Division appointed by the Board of Directors. Details of discussions by the Environment Committee are reported to the Sustainability Committee. Important matters are also brought to the attention of and reported to the Board of Directors, which oversees the Sustainability Committee.

In addition, four subcommittees have been created under the Environment Committee, with participation from major Group companies and comprising the SUBARU Group's environmental management organization.

Furthermore, we cooperate with the Purchasing Committee, the Engineering Environment Committee, and overseas Group companies as necessary on relevant topics.



## Environmental Management System

The SUBARU Group has established an environmental management system (EMS) covering its sites, Group companies in Japan and overseas, domestic dealerships, and business partners.

Five domestic consolidated subsidiaries, excluding SUBARU and Ichitan Co., Ltd., have obtained ISO 14001 group certification and operate an integrated EMS by sharing information through regular meetings and conducting mutual internal audits between secretariats.

In addition, three overseas consolidated subsidiaries, Subaru of Indiana Automotive, Inc., Subaru of America, Inc., and Subaru Canada, Inc. have obtained ISO 14001 certification, and Subaru of Indiana Automotive, Inc. obtained ISO 50001 certification, an international standard for energy management systems (EnMS), in 2012.

Furthermore, all 23 dealerships in the scope of consolidation and 10 dealerships outside the scope of consolidation in Japan have acquired Eco Action 21 certification. Under the certification system, they promote their EMS and carry out environmental audits on a regular basis for environmental conservation and compliance with environmental laws and regulations.

Compliance with the SUBARU Green Procurement Guidelines is also considered a necessary criterion for selecting business partners, and we request that they establish an EMS based on acquisition of third-party ISO 14001 certification.

	SUBARU domestic facilities	Domestic consolidated subsidiaries	Overseas consolidated subsidiaries		Dealerships	Business partners
<b>Management system</b>	ISO14001	ISO14001	ISO14001	ISO50001*1	Eco Action 21*2	ISO 14001, Eco Action 21 or self-certification*3
<b>Target</b>	Gunma Plant Tokyo Office Utsunomiya Plant Head Office	Fuji Machinery Co., Ltd Kiryu Kogyo Co., Ltd. Yusoki Kogyo K.K Subaru Logistics Co., Ltd. FAS Corporation Ichitan Co., Ltd.	Subaru of Indiana Automotive, Inc. Subaru of America, Inc. Subaru Canada, Inc.	Subaru of Indiana Automotive, Inc.	Dealerships 33 companies in total	Business Partners

\*1 International standard applicable to all organizations that sets the requirements to be met by business operators when conducting activities to build an energy management system, including the formulation of policies, targets, and plans for their energy use and the determination of management procedures

\*2 Environmental conservation activity promotion program formulated by Japan's Ministry of the Environment in which SMEs work on three themes: EMS, environmental measures, and environmental reporting

\*3 Environmental management system based on self-certification, in which business partners are deemed to have passed if they answer "yes" or "not applicable" to 43 or more of the 47 items in the SUBARU-drafted voluntary assessment report based on our EMS, and answer "yes" to all three items related to legal compliance

## Management of Chemical Substances

Internationally, there is a growing movement calling for the understanding, proper management and handling, and information disclosure of chemical substances contained in products.

To minimize the impact of chemical substances used by SUBARU in automobiles on people and to help preserve the environment through reduced impact, we use IMDS\*<sup>1</sup> as a method to manage our entire supply chain in order to identify which chemical substances are used in what amount in each of the several tens of thousands of parts that comprise our automobiles. Furthermore, we use SUBARU's proprietary chemical substance management system to substitute and/or manage elimination of substances prohibited under laws and regulations such as the REACH regulation\*<sup>2</sup>, the ELV Directive\*<sup>3</sup>, the U.S. Toxic Substances Control Act, and Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and to appropriately disclose information on controlled substances required by the WFD\*<sup>4</sup> and other regulations. This work to manage chemical substances also aids in the SUBARU Group's work toward resource and other recycling.

SUBARU is also actively working to reduce environmentally hazardous substances in its vehicles, working in cooperation with its business partners from the design and development stages of its next-generation vehicles. We maintain achievement of the environmentally hazardous substance reduction targets for lead, mercury, hexavalent chromium, and cadmium set by Japan Automobile Manufacturers Association, Inc. (JAMA) for all new models released in and after 2008. Furthermore, in order to ensure compliance with chemical substance regulations enforced across the world, we are further reducing the use of lead and replacing environmentally hazardous substances such as flame retardants and UV absorbers that have been confirmed to be harmful.

\*1 IMDS: International Material Data System, an international materials database for the automobile industry

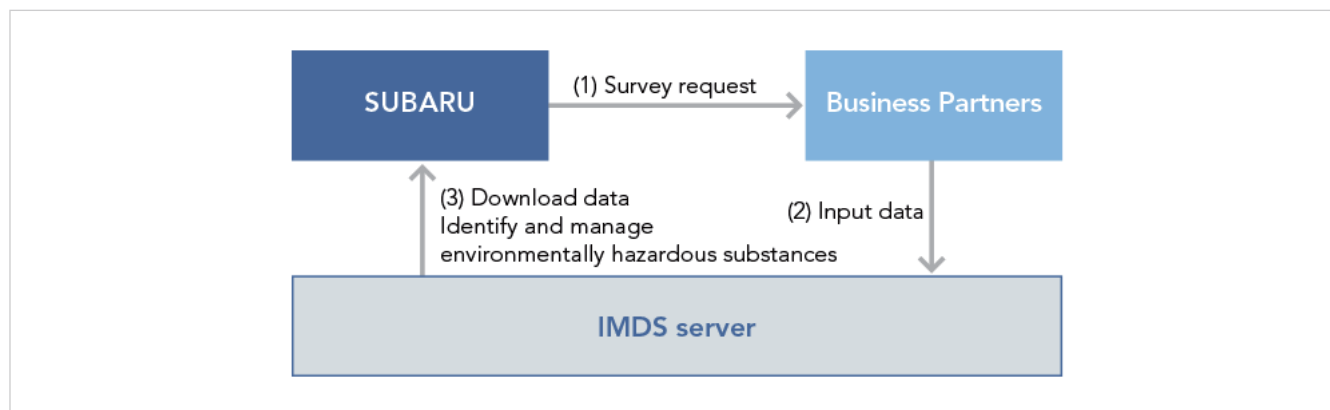
\*2 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation: A European regulation requiring all chemical substances to be subject to management or restriction measures commensurate to the risk that they pose to humans and the environment

\*3 ELV (End-of-Life Vehicles) Directive: A European automotive disposal directive requiring reduction of environmental impact from vehicles that are no longer used

\*4 WFD (Waste Framework Directive): A European directive requiring waste control and management

## International Material Data System

### Management of Chemical Substances through the IMDS



## Targets and Results

### Revision of the Environment Action Plan 2030

The SUBARU Group has revised its Environmental Action Plan 2030 to set three priority themes and corresponding objectives, and to establish medium-term goals for achieving them. The SUBARU Group aims to realize its vision to “Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.” To this end, we will promote initiatives that will lead to the realization of our vision, focusing on actions set for our medium-term goals, with the ultimate goal of reducing our environmental impact on the natural world to zero, and to go on even further to make a positive impact.

Priority Themes	Target Fields	Environment Action Plan 2030
Mitigating Climate Change	Products (Scope 3)	By 2030, aim to make 50% of SUBARU global sales BEVs.
		Apply electrification technologies*1 to all SUBARU vehicles*2 produced and sold by the early 2030s
	Plants and offices (Scope 1 and 2)	Reduce CO2 emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)
Realizing a Circular Economy	Reducing Resource Use	Pursue research and development targeting the use of recycled materials*3 for more than 25% of the plastic used in new models
	Reducing Waste	Reduce total amount of waste by 1% annually versus BAU*4 emissions
		Zero emissions*5 at production plants in Japan and overseas*6 (zero landfill waste either directly or indirectly)
Coexistence with Nature	Proper Management of Environmental Impact	Properly manage impact on the natural environment at business sites (air, water quality, noise, vibration, and odor)
	Expanding Protected Areas	Expand protected areas reducing impact on the natural environment caused by business activities

\*1 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others

\*2 Excluding models that receive OEM supply from other companies

\*3 Including material and chemical recycling

\*4 Emissions under the current policy without further action (business-as-usual)

\*5 Final disposal amount (total amount of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total amount of waste (total amount of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste)

\*6 Parent company: Gunma Plant, Tokyo Office, Utsunomiya Plant; Subsidiaries: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc.

## Key Initiatives related to the Environment Action Plan 2030

Here, we list the key initiatives related to the Environmental Action Plan 2030, which was in effect until FYE March 2025.

### Climate Change

#### I. Key Initiatives related to the Environment Action Plan 2030

Field	Long-Term Goals	Environment Action Plan 2030					
		Medium-Term Goals (Primary Category)				Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
			Facilities		Goals by facility	Primary Initiatives	
Scope 1 and 2 (plants and offices)	Target carbon neutrality by FYE March 2051.	Reduce CO2 emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)	Plants	Reduce CO2 emissions from plants in Japan.	Reduce CO2 emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)	<ul style="list-style-type: none"><li>• Upgrade cogeneration equipment.</li><li>• Switch to LED lighting.</li><li>• Expand solar power generation facilities.</li><li>• Upgrade equipment.</li><li>• Consolidate production lines.</li><li>• Improve the energy efficiency of existing facilities.</li><li>• Reduce standby power.</li><li>• Purchase CO2-free electricity.</li></ul>	<ul style="list-style-type: none"><li>• Switch to LED lighting.</li><li>• Upgrade equipment.</li><li>• Improve the energy efficiency of existing facilities. (Reduction in heating power consumption by reducing the number of cleaning fluid refills for parts washing machines, reduction via utilizing air leak detectors, improving conditioner efficiency (CONTINEWM), etc. at the Oizumi Plant)</li><li>• Reduce standby power.</li><li>• Purchase CO2-free electricity.</li></ul>
						<ul style="list-style-type: none"><li>• Continue energy-saving activities.</li><li>• Share best practices.</li><li>• Initiate reduction strategy studies.</li></ul>	<ul style="list-style-type: none"><li>• Introduce CO2-free electricity.</li><li>• Purchase Green Power Certificates.</li><li>• Continue energy-saving activities and introduce energy-saving facilities.</li></ul>

Field	Long-Term Goals	Environment Action Plan 2030					
		Medium-Term Goals (Primary Category)			Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025	
			Facilities		Goals by facility		Primary Initiatives
Scope 1 and 2 (plants and offices)	Target carbon neutrality by FYE March 2051.	Reduce CO2 emissions by 60% in FYE March 2036 compared with FYE March 2017 (total volume basis)		Reduce CO2 emissions from plants overseas.		<ul style="list-style-type: none"><li>• Switch to LED lighting.</li><li>• Expand solar power generation facilities.</li><li>• Improve the energy efficiency of existing facilities.</li><li>• Initiate additional reduction strategy studies.</li></ul>	<ul style="list-style-type: none"><li>• Continue consideration of introducing a VPPA (CO2-free electricity purchase).</li><li>• Replace aging 7D compressors.</li><li>• Installation of control valves for cooling water circulators in progress.</li><li>• Encourage switch to LED lighting in plants.</li><li>• Add solar power generation to office expansion plan (to be installed during FYE March 2026).</li></ul>
			Head Office	Reduce CO2 emissions from the Head Office*1.	Reduce CO2 emissions to net zero.	<ul style="list-style-type: none"><li>• Continue energy-saving activities.</li><li>• Purchase CO2-free electricity.</li></ul>	Zero CO2 emissions at the Ebisu Subaru Building.
			Dealership	Reduce CO2 emissions from dealerships in Japan.	Aggregate information and upgrade systems to reduce CO2 emissions.	<ul style="list-style-type: none"><li>• Continue energy-saving activities.</li><li>• Share best practices.</li><li>• Initiate reduction strategy studies.</li><li>• Switch to CO2-free electricity.</li></ul>	For dealerships we have invested in, confirm that they will aim to achieve our CO2 reduction targets by switching to CO2-free electricity Group-wide by FYE March 2026. (Provisional estimates for FYE March 2025: Approximately 44% reduction compared with FYE March 2017; target expected to be achieved in FYE March 2027)

Field	Long-Term Goals	Environment Action Plan 2030					
		Medium-Term Goals (Primary Category)			Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025	
			Facilities	Goals by facility	Primary Initiatives		
Scope 3 (products)	On a well-to-wheel* <sup>2</sup> basis, we will pursue our goal of reducing the average CO <sub>2</sub> emissions from new vehicles (in operation) sold worldwide by at least 90% by 2050, compared with 2010* <sup>3</sup> .	<ul style="list-style-type: none"><li>Aim for 50% of total vehicle sales to be BEVs in 2030</li><li>Apply electrification technologies*<sup>4</sup> to all SUBARU vehicles*<sup>5</sup> produced and sold by the early 2030s</li></ul>	Automobiles	Improve fuel economy and equip vehicles with electrification technology.	<ul style="list-style-type: none"><li>Begin marketing strong hybrid electric vehicles (S:HEVs).</li><li>Increase models equipped with electrification technology.</li><li>Improve the fuel efficiency of internal combustion engines.</li></ul>	<ul style="list-style-type: none"><li>Mass production of S:HEVs</li><li>Conduct research to add EVs to lineup.</li><li>Equip more vehicles with environmentally responsible engines.</li></ul>	<ul style="list-style-type: none"><li>Start mass production of Next-generation e-BOXER S:HEVs.</li><li>Start research of future HEVs.</li><li>Complete development to expand deployment of S:HEVs to S-series.</li></ul>
				Clean energy use.	<ul style="list-style-type: none"><li>Conduct research and development to launch BEVs.</li><li>Begin marketing BEVs.</li></ul>	<ul style="list-style-type: none"><li>Mass production and marketing of BEVs.</li><li>Advancement of research on BEVs.</li></ul>	<ul style="list-style-type: none"><li>In-house BEV mass production development progressing on track.</li><li>In-house BEV advance development to test vehicle production progressing on track.</li></ul>
				Road traffic improvement – IT technology (Self-driving technology and preventive safety technology).	Develop driving assistance technology and preventive safety technology centered on the EyeSight Advanced Driver Assistance System and expand into more markets.	Enhance recognition performance of next-generation EyeSight to alleviate traffic congestion and improve traffic flow. Begin marketing and expand use of highly functional driver assist controls.	Advance development of next-generation EyeSight to be installed in in-house BEVs progressing on track.

\*1 Ebisu Subaru Building

\*2 Well-to-Wheel: Approach to calculating CO<sub>2</sub> emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles

\*3 Reduce total CO<sub>2</sub> 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

\*4 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others

\*5 Excluding models that receive OEM supply from other companies

## II. Other Key Environmental Initiatives

Field	Item	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
Logistics	Implement measures to reduce CO <sub>2</sub> in line with the Energy Saving Law.	Reduce CO <sub>2</sub> emission intensity by 1% every year, using FYE March 2007 as a benchmark.	<ul style="list-style-type: none"> <li>Continuously promote improvement activities, such as higher loading rates, review of transportation routes, and joint transportation.</li> <li>CO<sub>2</sub> emissions for finished vehicles per unit for FYE March 2025 was 27.20 kg/unit, achieving the target of 28.26 kg per unit (1% reduction every fiscal year from the FYE March 2017 benchmark).</li> </ul>

## Resource Recycling

### I. Key Initiatives of Environment Action Plan 2030

Field	Long-Term Goals	Environment Action Plan 2030		
		Medium-Term Goals	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
			Components of Primary Initiatives	
Products (Automobiles)	Contribute to resource recycling and carbon neutrality.	<ul style="list-style-type: none"> <li>Pursue research and development targeting the use of recycled materials*<sup>1</sup> for more than 25% of the plastic used in new models*<sup>2</sup> by 2030</li> <li>Adopt carbon-free materials such as biomass plastic.</li> <li>Proactively adopt plastic materials*<sup>3</sup> that have less environmental impact.</li> </ul>	Establish milestones for SUBARU's 2030 targets, and determine outlook for achieving initial milestones. Further support achievement of targets with ongoing studies to expand scope of encompassed parts.	<ul style="list-style-type: none"> <li>On track to achieve initial milestones (through 2025), with progress proceeding as planned.</li> <li>Complete identifying target parts necessary for achieving the final stage (by 2030) goals and setting target recycled plastic content rates for each material.</li> <li>Share the above target parts and target values with business partners.</li> </ul>
Production	Help create a recycling-oriented society with clean production plants.	Achieve zero emissions* <sup>4</sup> at production plants* <sup>5</sup> in Japan and overseas (zero landfill waste either directly or indirectly).	Maintain zero emissions at production plants in Japan and overseas (zero landfill waste either directly or indirectly).	<p>Japan:</p> <ul style="list-style-type: none"> <li>Maintain zero emissions at production plants in Japan and overseas. As part of resource recycling initiatives, we reanalyzed waste, identified recyclable resources contained in industrial waste, requested cooperation in sorting from the departments responsible for waste discharge, and improved the material recycling rate.</li> </ul> <p>U.S.:</p> <ul style="list-style-type: none"> <li>Obtain zero-landfill-waste certification from a third-party certification organization for waste management.</li> <li>Continue to encourage our business partners to take part in zero-emissions activities using the environment scorecard.</li> <li>Continue efforts to reduce hazardous waste in collaboration with manufacturing departments.</li> <li>Participate in and continue support for packaging reduction activities using PT disposable packaging materials.</li> </ul>



Field	Long-Term Goals	Environment Action Plan 2030		
		Medium-Term Goals	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
			Components of Primary Initiatives	
		Appropriately manage water use at both domestic and overseas production plants.		<ul style="list-style-type: none"> <li>• Manage actual amount of water, report and verify at biannual meetings, and implement necessary measures as appropriate.</li> <li>• Identify chemical mixtures that allow sludge to settle more easily in the sedimentation tank during wastewater treatment, reducing adhesion to equipment.</li> </ul>

\*1 Excluding models supplied by OEMs

\*2 Including material, chemical, and plastic recycling

\*3 Materials and suppliers with lower CO<sub>2</sub> emissions and environmental pollution at the manufacturing stage

\*4 Final disposal amount (total amount of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total amount of waste (total amount of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste)

\*5 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant; Group companies: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc.

## II. Other Key Environmental Initiatives

Field	Item	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
Products (Automobiles)	Recyclability improvement	<ul style="list-style-type: none"> <li>• Continue to implement measures to comply with the Automobile Recycling Law.</li> <li>• Continue to implement measures to make parts and materials more detachable, separable, and sortable.</li> <li>• Contribute to a 95% recycling efficiency rate.</li> <li>• Make efforts for CFRP recycling technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to educate employees to raise awareness of design for recycling.</li> <li>• Based on the internal Design for Recycling Guidelines, continue initiatives to improve the recycling efficiency rate by making it easier to remove parts and sort materials.</li> <li>• Continue to achieve a recycling efficiency rate of more than 95%.</li> </ul>
	Promotion of life-cycle assessment	Promote disclosure of life-cycle assessment (LCA) data.	Disclose LCA for the new Forester featuring a strong hybrid system.
Production	Waste control and proper disposal	Continue to control waste generation through means such as improving yield and packing style, and properly dispose of waste.	Manage actual amount of water, report and verify at biannual meetings, and implement necessary measures as appropriate.

## Pollution Prevention and Reduction of Hazardous Chemical Use

### I. Key Initiatives related to the Environment Action Plan 2030

Field	Long-Term Goals	Environment Action Plan 2030		
		Medium-Term Goals	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
			Components of Primary Initiatives	
Production	Coexist with communities with production plants that are socially and environmentally responsible.	Target zero serious environmental accidents*.	<ul style="list-style-type: none"> <li>Zero environmental accidents, complaints, or violations of statutory standards.</li> <li>Set voluntary standards above statutory levels.</li> </ul>	<ul style="list-style-type: none"> <li>Set voluntary standards for coliform bacteria count in accordance with revision to the Water Pollution Prevention Act.</li> <li>Continue safety training for construction workers and construction management departments.</li> </ul>

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

### II. Other Key Environmental Initiatives

Field	Item	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
		Components of Primary Initiatives	
Products (Automobiles)	Promote the introduction of low-emission vehicles to improve air quality.	Japan: Expand vehicles compliant with particle number (PN) regulations.	Mass produce vehicles compliant with PN regulations.
		Overseas: Introduce low-emission vehicles to improve air quality in countries and regions.	<ul style="list-style-type: none"> <li>Obtain certification for vehicles compliant with LEV4 and SULEV20 regulations in the U.S.</li> <li>Have development address tighter regulations in countries outside our major markets.</li> </ul>
	Promote the management and reduction in the use of environmentally hazardous substances.	Improve management of chemical substances contained in products.	Deploy the Industry Standards Tool for Management of Chemicals in Products by Japan Automobile Manufacturers Association, Inc. (JAMA) to partner companies and request its use.
		Promote switching to substances with lower environmental impact.	<ul style="list-style-type: none"> <li>Complete switch from newly-regulated polychlorinated flame retardant (DP) and UV absorber (UV-328).</li> <li>Began switch from medium-chain chlorinated paraffins (MCCP), which is to be regulated.</li> </ul>
Production	Further reduce per unit of volatile organic compound (VOC) emissions (g/m <sup>2</sup> ) at production lines.	Reduce unit VOC emissions.	Actual performance of 49.9 g/m <sup>2</sup> , achieving our target of 50.72 g/m <sup>2</sup>
	Continue to reduce emissions of Pollutant Release and Transfer Register (PRTR) substances into the environment.	Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances.	Conduct identification, management, and reporting only.

## Disclosure and Discussion of Coexistence with Communities and Environmental Information

### Key Initiatives related to the Environment Action Plan 2030

Field	Medium-Term Goals	Environment Action Plan 2030	
		Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
		Components of Primary Initiatives	
Management	Coexist with communities through activities to preserve nature.	<ul style="list-style-type: none"> <li>• Build relationships with residents through means including plant opening events.</li> <li>• Collaborate with local governments and environmental preservation groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in the Oizumi Town Environmental Fair and hold a workshop to make goods using waste materials.</li> <li>• Conduct ecological surveys around the North Plant.</li> </ul>
	Earn greater trust from society through environmental information disclosure and dialogue.	<ul style="list-style-type: none"> <li>• Continuously enhance disclosure information (non-financial information → stronger messaging as the strategic story).</li> <li>• Collaborate with external evaluation organizations.</li> <li>• Promote constructive dialogue with investors, etc., strengthen participation in related events, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose environmental targets in integrated reports, notices of convocation, securities reports, etc.</li> <li>• Hold dialogues with analysts and institutional investors (SR investor engagements with 21 companies).</li> <li>• Deepen understanding of SUBARU's initiatives through S:HEV test drives, Kitamoto Plant briefings, etc.</li> </ul>

### Collaborate with Customers and Promote Environmental Management

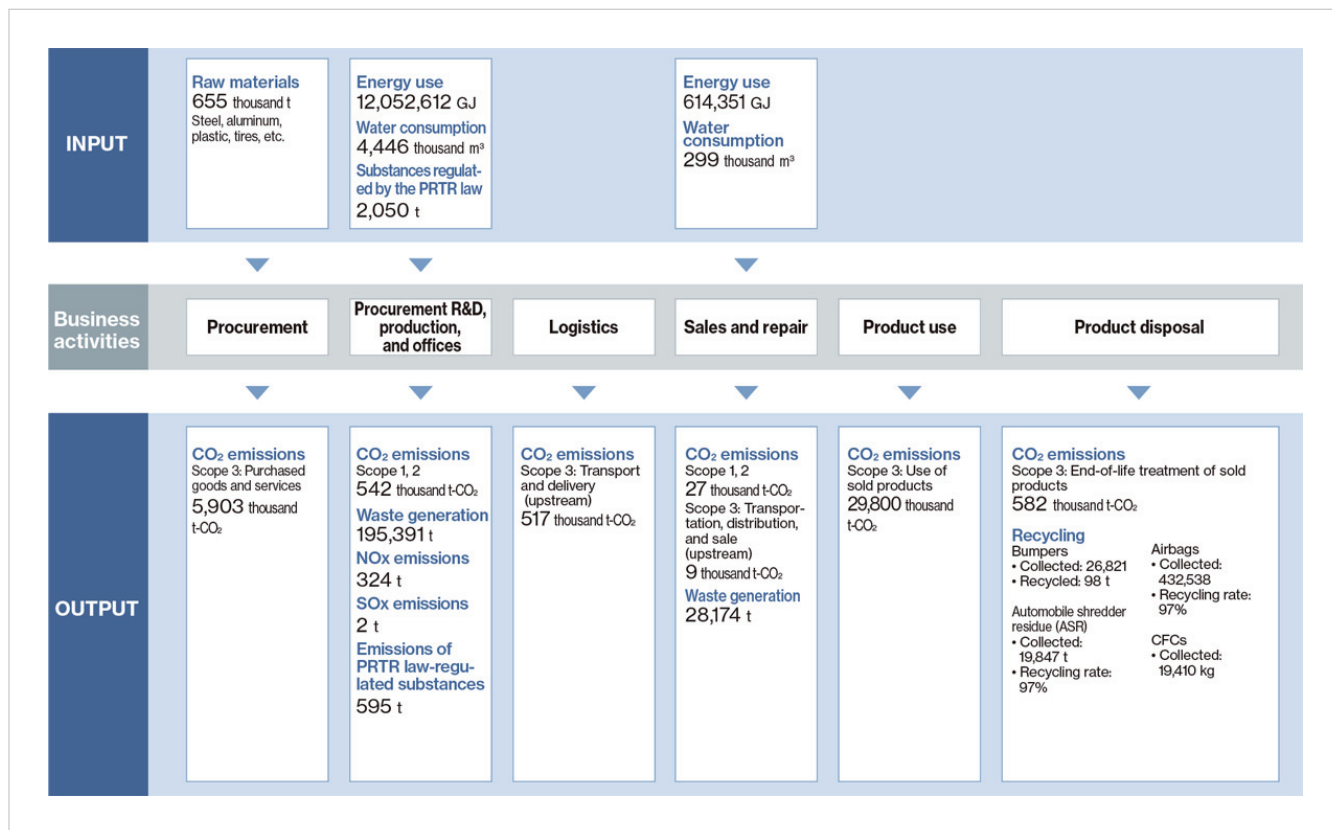
#### Other key environmental initiatives:

Field	Item	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
Procurement	Request business partners in Japan and overseas to build, maintain, and strengthen an EMS.	<ul style="list-style-type: none"> <li>• Continue to establish and maintain the EMS including with new business partners.</li> <li>• Request that the entire supply chain improve environmental management throughout the product life cycle.</li> </ul>	<ul style="list-style-type: none"> <li>• Confirm maintenance of EMS establishment by 338 mass production business partners.</li> <li>• Continue to conduct surveys on the total CO<sub>2</sub> emissions of business partners. As a new initiative, request the submission of roadmaps and conduct interviews.</li> <li>• Conducted training for business partners on the theme of circular economy (resin recycling and related regulations) with the cooperation of the Material Research Department and the Material Section, aiming to disseminate.</li> </ul>
	Reduce environmentally hazardous substances.	Expand management and promote the reduction of environmentally hazardous substances, including their prohibition, contained in parts and raw materials at suppliers.	<ul style="list-style-type: none"> <li>• Continue to request that business partners register with the IMDS.</li> <li>• Conduct surveys on medium-chain chlorinated paraffins (MCCP) subject to new regulations</li> </ul>
	Apply the SUBARU Supplier CSR Guidelines and Green Procurement Guidelines.	Revise the guidelines according to changes in the social environment and Company policy, and request suppliers to deploy, disseminate, and comply with the guidelines.	<ul style="list-style-type: none"> <li>• Revised the CSR Guidelines and strengthened the cooperation system by requesting that business partners submit a Letter of Pledge confirming their understanding and commitment to comply with the guidelines.</li> </ul>
Sales (Automobiles)	Provide support to SUBARU dealerships' environmental activities.	<ul style="list-style-type: none"> <li>• Support all dealerships for maintaining Eco Action 21* certification.</li> <li>• Support maintenance of voluntary environmental initiatives such as energy saving and waste reduction utilizing Eco Action 21.</li> </ul>	<ul style="list-style-type: none"> <li>• Check certification renewal status and continue D-SPECS system maintenance.</li> <li>• With the update of D-SPECS, launch the new EcoAssist system to more accurately grasp environmental performance and utilize data.</li> </ul>

Field	Item	Short-Term Initiatives (1–3 Years)	Major Results in FYE March 2025
Management	Operate and upgrade EMS.	• Maintain ISO 14001 integrated certification for all facilities.	• Maintain ISO 14001 integrated certification at all facilities.
		• Make continuous improvements to the EMS.	• Make continuous improvements to the EMS.

\* Environmental conservation activity promotion program formulated by Japan's Ministry of the Environment in which SMEs work on three themes: EMS, environmental measures, and environmental reporting

## SUBARU Group Material Flow



### Scope

#### [Procurement]

SUBARU: Gunma Plant, Utsunomiya Plant

#### [R&D and production]

SUBARU: Gunma Plant, Utsunomiya Plant, Tokyo Office, Ebisu Subaru Building, Accessory Center, Subaru Research and Experiment Center, Subaru Test & Development Center Bifuka Proving Ground, SUBARU Training Center, Omiya Subaru Building

Group companies in Japan: 16 domestic consolidated subsidiaries

Overseas Group companies: Subaru of Indiana Automotive, Inc., North American Subaru, Inc.

#### [Logistics]

Land transport (in Japan) and marine transport

#### [Sales and repair]

23 dealerships that are consolidated subsidiaries, Subaru of America, Inc. and Subaru Canada, Inc.

#### [Product use and disposal]

Sold SUBARU vehicles

# Environmental Investment

## Calculation Method

SUBARU has its own guidelines for calculating and tabulating the amount of environmental investments made by the Company. These guidelines are aligned with SUBARU's environmental conservation organization.

## Calculation Results

Environmental investment in FYE March 2025 increased 795 million yen year on year to 3,336 million yen.

SUBARU Group Environmental Investment

(Millions of yen)

Item	Category	Consolidated			
		FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
(1) Cost in the business area	(i) Pollution prevention cost	259	797	999	1,054
	(ii) Global environment conservation cost	155	648	455	395
	(iii) Resource recycling cost	7	0	5	5
(2) R&D cost	R&D cost to reduce environmental impact	2,849	1,526	1,082	1,881
(3) Environmental remediation costs	Costs for remediating soil and groundwater pollution	0	0	0	0
Grand total		3,271	2,970	2,541	3,336

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

Scope

SUBARU: SUBARU CORPORATION

Group companies in Japan:

Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd.

Overseas Group companies:

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

## Environmental Education

The SUBARU Group deems it important for employees to conduct business and environmental activities with a strong awareness of environmental issues and the importance of environmental efficiency. Based on this recognition, we provide employees with a range of environmental education according to rank and job type.

### New Employee Training

This program covered topics such as the SUBARU Group's Six Priority Areas for Sustainability to become a sustainable company and the SUBARU Global Sustainability Policy.

### Training on Environmental Laws and Regulations

SUBARU provides training on environmental laws and regulations as necessary to ensure compliance with such laws and regulations. In FYE March 2025, as part of our efforts to comply with environmental laws and regulations, we held training sessions on chemical substance management, which is an ongoing issue. We will plan appropriate training on environmental law and regulations based on legal and regulatory issues and questionnaire surveys in this field.

### ISO 14001 New Internal Auditors Training Seminar

We also held the ISO 14001 New Internal Auditors Training Seminar, taught by external lecturers in an online format, to enhance the internal auditing system for our ISO 14001-certified EMS and to strengthen environmental conservation activities conducted at our workplaces. In FYE March 2025, the 151 participants worked hard to gain the knowledge required of internal auditors.

### Dealerships

In FYE March 2025, a total of 604 people participated in training on environmental laws and regulations, targeting dealership head office managers and personnel, and workshops to help dealerships acquire industrial waste management licensing for practical personnel at dealership head offices and locations. In addition, we are developing materials as necessary regarding amendments made to laws and regulations. Through these efforts, we are deepening understanding of environmental laws and regulations at our dealerships in Japan.

### Subaru Logistics Co., Ltd.

Subaru Logistics Co., Ltd. conducts in-house training on environmental laws and regulations in order to ensure compliance with environmental laws and regulations. In FYE March 2025, we held web-based training for all employees on our environmental initiatives in conjunction with Environment Month (June 2024) as designated by the Japanese government. This training is part of our efforts to raise awareness among employees about our environmental initiatives.



Training session

### Subaru Canada, Inc.

Subaru Canada, Inc. has organized events and activities for e-Waste Week to promote awareness and education about the importance of environmental conservation, including major spring cleaning. For Clean Air Day in Canada, Subaru Canada also held a breakfast meeting and a unique commuting challenge for all employees who walk/run to work or otherwise commute by bicycle, by public transport, or by carpooling.

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## External Partnerships

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### Alliance with Toyota

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SUBARU and Toyota are working together to create ever-better cars by bringing together their respective strengths in technology and expertise, with engineers from both companies engaging in mutual learning and collaboration. Following joint development by the two companies, the new Trailseeker, one of four battery electric vehicles to be added to the lineup by the end of 2026, was unveiled worldwide at the New York International Auto Show in April 2025. SUBARU will continue to accelerate its efforts toward electrification and other initiatives with the aim of helping to bring about a carbon-neutral society.

### Japan Automobile Manufacturers Association, Inc. (JAMA)

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SUBARU is a member of the climate change committee of Japan Automobile Manufacturers Association, Inc. (JAMA). Also, the President is a JAMA director responsible for the body's executive decision making, and decisions made by JAMA are reflected in SUBARU's management.

### Environmental Innovation Consortium

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Gunma Prefecture has set a target of zero greenhouse gas emissions by 2050 in its Gunma Five Zero Declaration, and is promoting green innovation initiatives that aim to achieve both a sustainable, self-sufficient, decentralized society and economic growth. To this end, it launched the Environmental Innovation Consortium in 2022.

SUBARU has been a member of the Consortium since its inception, participating in the Manufacturing Subcommittee. Through proposals and study sessions aimed at achieving carbon neutrality in electricity and fuel within Gunma Prefecture, SUBARU is fostering enthusiasm among local companies and working to build a supply chain.

### Initiative based on the Declaration of Biodiversity by Keidanren (Japan Business Federation)

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SUBARU has endorsed the Declaration of Biodiversity by Keidanren and Action Policy and participates in the Initiative based on the Declaration of Biodiversity by Keidanren, reporting our initiative policy regarding biodiversity.

### Task Force on Climate-related Financial Disclosures (TCFD)

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SUBARU recognizes that climate change is one of the most pressing global issues, and supports the recommendations of the TCFD. We have also joined the TCFD Consortium, which promotes joint initiatives among domestic companies, financial institutions, and others. Information on SUBARU's disclosure of the TCFD's recommended items is provided in our TCFD Content Index (<https://www.subaru.co.jp/en/csr/tcfd/>).



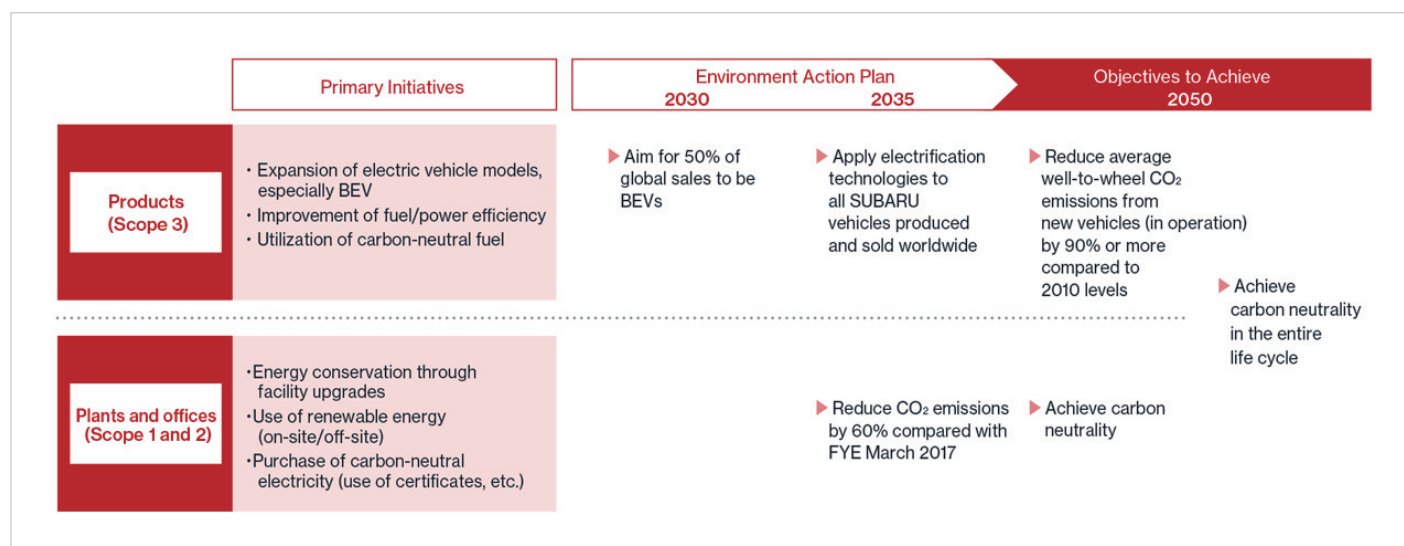
# Mitigating Climate Change

## Our Approach

SUBARU recognizes that climate change is a pressing global issue. About 80% of the SUBARU Group's CO<sub>2</sub> emissions (Scope 1, 2, and 3) are from the use of sold products. SUBARU Group's efforts to respond to electrification by strengthening its BEV business and HEV products, as well as its use of carbon neutral fuels, will lead to a reduction in CO<sub>2</sub> emissions during product use, ultimately contributing to the mitigation of climate change. Although CO<sub>2</sub> emissions directly attributable to SUBARU Group business activities (Scope 1 and 2) account for only a small percentage of total CO<sub>2</sub> emissions, we believe that taking the initiative in reducing direct CO<sub>2</sub> emissions will lead to the enhancement of activities throughout the entire value chain through an all-SUBARU approach.

Based on this concept and toward its target of achieving carbon neutrality by 2050, SUBARU has set long-term goals and medium-term goals as its intermediate milestones, and will reduce CO<sub>2</sub> emissions from its products, factories, and offices to help decarbonize society, working to mitigate climate change.

### Mitigating Climate Change: Roadmap

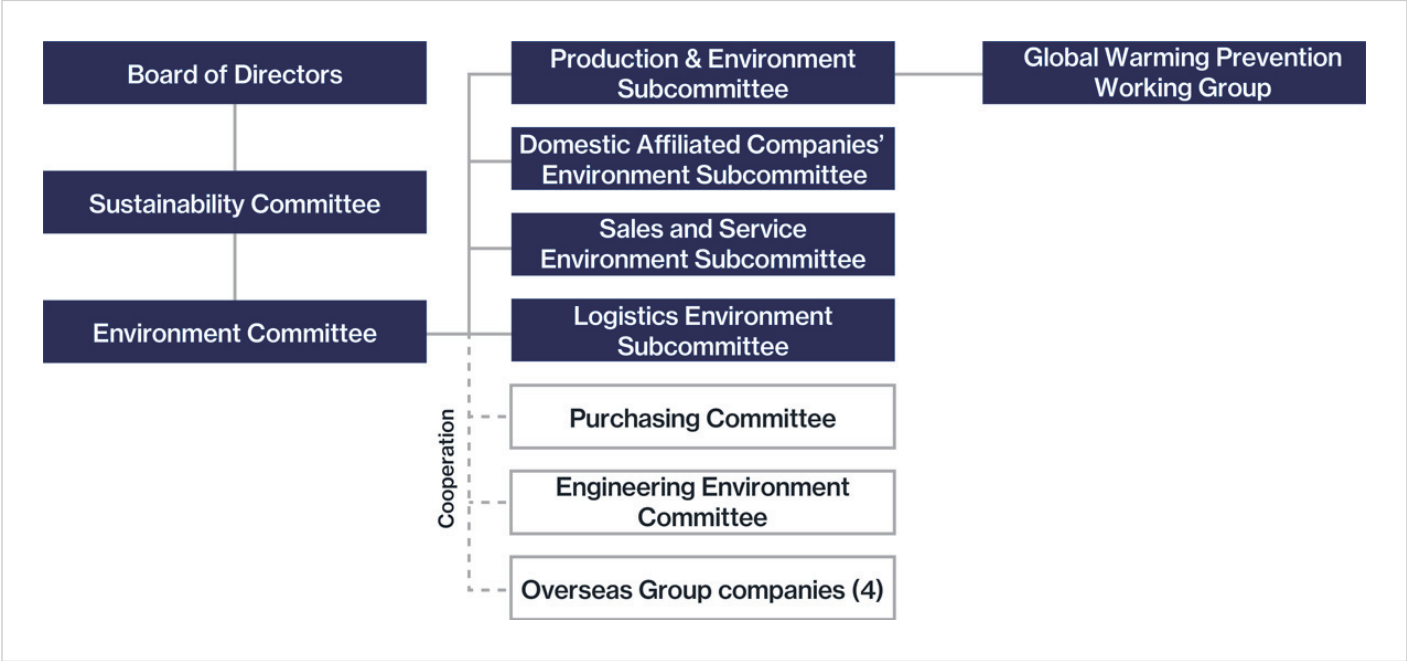


# Management System

SUBARU has established the Environment Committee, which discusses measures (e.g., targets) from broad and medium- to long-term perspectives that accommodate future environmental standards required by society, and evaluates the progress of related implementations and achievements. The Environment Committee is chaired by the Executive Officer in charge of the Sustainability Division appointed by the Board of Directors. Details of discussions by the Environment Committee are reported to the Sustainability Committee. Important matters are also brought to the attention of and reported to the Board of Directors, which oversees the Sustainability Committee.

In 2025, the CN Promotion Meeting was dissolved. Now, efforts to decarbonize the entire value chain, including products, factories, offices, procurement, transportation, and disposal, will be promoted by each subcommittee or other relevant organization, with overall activities overseen by the Environment Committee.

## Governance Structure for Climate Change



## Risks and Opportunities Identified

SUBARU defines and identifies risks and opportunities associated with climate change to achieve sustainable business activities.

We have identified a number of risks associated with climate change. Initiatives to address climate change may be inadequate or abnormal weather may cause delays in procurement, production, and distribution. In addition, transition risks and physical risks may have impacts and outcomes that are currently extremely difficult to predict. Increased R&D expenses, lost sales opportunities due to reduced customer satisfaction and brand image, and delays in procurement, production, and distribution due to abnormal weather are among the potential impacts of these risks. These risks could have a material impact on the operating results and financial position of the SUBARU Group.

On the other hand, effective initiatives to address climate change could lead to opportunities to create new markets and employment and also use capital and energy more efficiently.

### Main Risks Identified

#### Business Management in General

##### Reputational risk

- (1) If SUBARU fails to implement adequate initiatives to achieve low-carbon/zero-carbon outcomes, its brand value could be harmed, which could affect the Company's sales and recruiting ability. Capital costs could also rise, due to increased difficulty in obtaining financing from medium- and long-term investors.

##### Regulatory risk

- (2) There is an argument that nationally determined contributions (NDCs) need to be expanded to be able to achieve the Paris Agreement's "well below 2°C" target, and thus countries may revise their NDCs to set more stringent targets. Such revisions could have a significant impact on SUBARU's business activities.

##### Acute physical risk

- (3) As an impact of climate change, extreme torrential rain will frequently cause floods in various locations, which could pose risks of SUBARU's operations being affected by disrupted supply of raw materials and submerged factories.

#### Products

##### Regulatory risk

- (1) If SUBARU fails to meet fuel economy regulations imposed in Japan, the U.S., Europe, and China, the Company could incur additional costs or losses related to negative incentives, such as fines or non-penal fines for legal violation, and credit purchase for unmet standards. Also, some of our products could fail to satisfy certain fuel economy standards, resulting in restrained sales opportunities.

##### Market risk

- (2) At present, it is difficult to predict technological progress and price optimization for electrification, which will likely cause a substantial gap with the real state of market needs. In such a situation, SUBARU could incur unnecessary and excessive R&D costs while facing a decline in customer satisfaction, resulting in unexpected losses and reduced sales opportunities as well as hampered advancement of the Company's electrification efforts.
- (3) SUBARU views electrification as a steady medium- to long-term trend, and also anticipates the possibility of its swift and sweeping penetration of the market at some stage. SUBARU could be unprepared for such prospect in terms of technology and timely product lineups, and thus suffer from a resultant loss of product sales opportunities.

#### Technology risk

- (4) To promote electrification, it is crucial to ensure profitability for the entire product cycle ranging from procurement and use to disposal. Thus, it is essential to involve SUBARU's upstream and downstream partners in exerting efforts toward this end. Failure to do this could render the Company unable to meet the profitability goal for the entire product life cycle.

#### Chronic physical risk

- (5) There is a possibility that SUBARU might suffer from shortages of natural resources used for tires and metal resources, such as materials for automotive batteries, for electrification technologies.

### Production Phase

#### Regulatory risk

- (1) If SUBARU continues to use energy derived from fossil fuels, it could incur rising costs, due not only to geopolitical factors associated with petroleum and the like, but also to carbon taxes, emission quotas, and other government policies and regulations.

#### Technology risk

- (2) If use of renewable energy does not grow as expected, SUBARU could face slower progress in achieving its Scope 1 and 2 emissions reduction goals

### Main Opportunities Identified

#### Market opportunity

- (1) If SUBARU advances its efforts to make products more environmentally friendly as planned and global climate change mitigation/adaptation efforts progress adequately, the Company will be able to maintain its key markets while at the same time potentially expanding in markets receptive to its offer of "Enjoyment and Peace of Mind."
- (2) Through contributing to addressing climate change issues, SUBARU could increase its brand value, thereby enhancing its sales and recruiting ability. This could make it easier for the Company to obtain financing from investors, thereby lowering capital costs.

#### Energy-related opportunity

- (3) Regarding energy use during the production phase, by transitioning to renewable energy while at the same time giving due consideration to cost-effectiveness, SUBARU could overcome the risk of being exposed to price fluctuations involved in energy derived from fossil fuels, thereby preventing future cost increases.

Note: The risks and opportunities described above are based on past facts and currently available information, and may change significantly due to such factors as future economic trends and the business environment facing SUBARU. The opportunities described represent those for SUBARU's products to contribute to climate change adaptation and do not anticipate climate change-related deterioration

### Examples of scenarios and their risks/measures

The SUBARU Group explores climate change-related countermeasures in consideration of a variety of scenarios, including its own scenario assuming carbon neutrality by 2050 (equivalent to the 1.5°C scenario), based on policy trends in various countries relating to the regulation of fuel economy and other areas and information published by the International Energy Agency and other organizations. This exploration also incorporates risks and opportunities recognized with respect to sustainable business activities.

For example, we are working to formulate measures for the transition to electrification and responding to water-related disasters, taking into consideration scenarios such as one in which the percentage of EVs sold in the market increases significantly, as well as one in which the market penetration of EVs increases modestly, and one in which measures to address climate change do not progress and natural disasters become more severe.

Scenario	Example scenario risks of particular importance		Measures considering risks and opportunities
Penetration of electrification	Products	Risk of limited product sales opportunities due to failure to meet certain fuel economy standards	Building a production system that can dynamically adapt the production ratio between BEVs, hybrids, and ICE vehicles, keeping a close eye on environmental regulations and market trends
		Risk of market need diverging from electrification technology	
Increasing severity of natural disasters	Business management	Risk of operations being affected by disrupted supply of raw materials and submerged factories as a result of frequent flooding in various locations from extreme torrential rain	<ul style="list-style-type: none"> <li>• Taking measures against flooding by installing rainwater collection tanks and strengthening drainage capacity</li> <li>• Organizing a system for restoration support activities in the event of a contingency at business partners and assessing the risk of water-related disasters</li> </ul>

> Risk Management: BCP

## Strategy

As part of our medium- to long-term efforts to achieve carbon neutrality, we are looking to the BEV business to become a mainstay of our operations in the future. On the other hand, with growth in the BEV market currently in a slowdown, we expect that reaching a 50% BEV sales ratio may be delayed past the 2030 target. This is given various external factors such as the spread of charging stations, environmental regulations in various countries, and revisions of subsidies and tax incentives for BEVs. In addition to this situation, we are currently in the process of refining our efforts toward 2030 in light of U.S. policy trends, and we will make another announcement on this topic.

At this stage, it is difficult to foresee the future direction of electrification. Therefore, while keeping a close eye on the trends in regulations and the market, SUBARU is taking various actions based on the recognition that it is extremely important to ensure flexibility and expandability, using this concept to adapt to such changes flexibly and to expand at once when the direction of the shift becomes clear.

### Flexibility in Product Development in the BEV Early Transition Stage

We have explored various options for the development of BEVs, including in-house development and alliance cooperation, but for the four BEVs planned for our lineup by the end of 2026, we are developing them jointly with Toyota Motor Corporation. In this development, we are working together under the slogan, “to make ever-better cars,” by bringing together our respective strengths in technology and expertise, with engineers from both companies engaging in mutual learning and collaboration. Joint development has led to the accumulation of technology and expertise in preparation for the era when BEVs are mainstream, as well as to curbing development costs for both companies.

The first jointly developed model, the Solterra, was unveiled in November 2021, and in April 2025, we unveiled the second model as the new Trailseeker, which deftly combines the driving performance of a BEV with the practicality of a crossover utility vehicle. The Trailseeker is scheduled to be launched to the U.S. market in 2026 or thereafter. In July 2025, the third model, Uncharted, was unveiled, combining the driving performance of a BEV with highly practical ease of use and handling, despite its compact size. This model is also planned to be launched to the U.S. market in 2026 or thereafter.

In this BEV early transition stage, SUBARU also believes that HEVs will be of extreme importance, and we have been developing the Next-generation e-BOXER, SUBARU's unique HEV based on the TOYOTA Hybrid System. This has featured in the mainstay Foresters and Crosstreks from their 2024 model year, launched to great acclaim in the Japanese and North American markets. Among many choices, the final decision is, ultimately, made by the customer. To provide more options to our customers, we believe it is important to provide flexibility in our products by offering not only BEVs but also a wide range of ICE-based products.



The new Trailseeker (U.S.-specification model)



The new Uncharted (U.S.-specification model)

### Flexibility in Production System in the BEV Early Transition Stage

Through mutual production and supply of BEV models jointly developed alongside Toyota Motor Corporation, we will ensure flexibility in our production areas, and mitigate risks together in these times when it is difficult to foresee the future. In addition to the Solterra that has already been launched in the market, BEVs produced at Toyota Motor Corporation's U.S. plant will also be supplied to SUBARU. Furthermore, around 2025, BEVs produced at the Yajima Plant within the Gunma Plant (SUBARU model: Trailseeker) will be supplied to Toyota Motor Corporation. SUBARU plans to practice mixed production that includes ICE products, through which we will adjust our produced models flexibly in response to demand trends, allowing us to maintain operations.

In addition, in fall 2024 the Kitamoto Plant, which was previously the production and sales base for the Industrial Products Business, was renovated and the production of transaxles, a core component of the Next-generation e-BOXER, was launched there. The Next-generation e-BOXER was first installed in vehicles produced at our plants in Japan, and is to be installed in vehicles produced by Subaru of Indiana Automotive, Inc. starting in 2026. In response to the recent increase in demand for HEVs, we will increase the production capacity of the Next-generation e-BOXER core unit at the Kitamoto Plant from 180,000 units to just under 300,000 units by 2027. This approach is aimed at maximally utilizing production capacity in Japan and the U.S. by ensuring a production system that can flexibly respond to demand fluctuations and environmental regulation trends, and is in consideration of plans to supply BEVs produced at the Yajima Plant to Toyota Motor Corporation.

### Aim to Halve Development Days, Production Processes, and Number of Parts while Implementing Planned CO2 Emission Reduction Measures in Plants and Offices

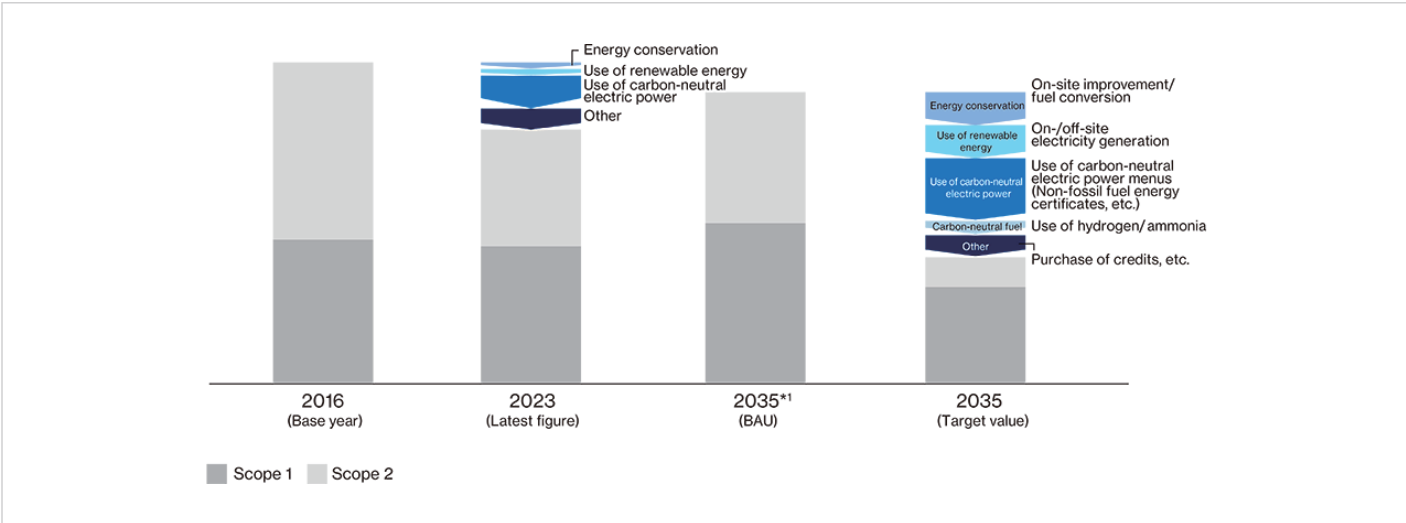
SUBARU will strive to achieve world-leading Monozukuri by cutting the development lead time in half, the configuration and number of parts in half, and the production process in half. In our current operations, each functional domain, such as product planning, design, and production, waits for the previous process to complete its work, and then passes the work on to the next process like a relay. Through our “Monozukuri Innovation” initiatives, we will make the process agile, which will lead to a 50% reduction in Monozukuri time.

At the same time, by continuously advancing these initiatives, we will reduce the process and lead time for product development and production and strengthen our ability to respond to domains experiencing non-linear transformation in this age of uncertainty.

SUBARU aims to halve development lead times, the production process, and the configuration and number of parts, while also aiming to reduce CO2 emissions from plants and offices (Scope 1 and 2 emissions) by 60% in 2035 versus FYE March 2017 levels on a total volume basis. SUBARU will take actions toward energy self-sufficiency and efficiency and therefore accelerate the reduction of CO2 emissions through streamlining in a dual approach for both the manufacturing process and product structure.

The SUBARU Group will systematically implement measures to reduce Scope 1 and Scope 2 emissions by 2035, including energy-saving measures, the introduction of carbon-neutral fuel such as hydrogen and ammonia, and the use of in-house and purchased carbon-neutral power generation, with the aim of achieving its targets.

### Illustration of Scope 1 and 2 Emission Reduction Measures and Impact up to 2035



\*1 Assuming the electricity emission coefficient in Japan decreases to 0.25 t-CO2 per thousand kWh



## Risk Management

The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure by ensuring the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group must boost its measures to minimize its human, social, and economic losses. Amid this environment, it is essential to strategically conduct risk management throughout the Group to conduct business activities. We therefore believe it is important to create a SUBARU Group that has an infrastructure that is resilient to risk to enhance our corporate value. As the environment surrounding the SUBARU Group continues to experience disruptive and non-linear changes at an unprecedented pace, we are working to further strengthen our risk management, including the use of a new Risk Map formulated through management-level discussions that take into account external changes and the current environment, in addition to the important risks of each division, in order to more reliably achieve the New Management Policies.

To address climate change-related transition risks in policy and regulation, technology, markets, and other items, dedicated departments at SUBARU gather information from a wide range of sources and work to identify uncertain climate change-related risks from future projections. These transition risks are proposed and discussed during the Executive Meeting, and particularly significant matters are subject to deliberation within the Board of Directors before decisions are made.

The physical risks associated with climate change include flooding and other natural disasters. The Risk Management and Compliance Office plays a pivotal role in establishing regulations in response to these operational risks as part of the BCP system. During emergencies, the office centrally grasps Group-wide information, establishing a system to manage Group-wide response.

> [Risk Management](#)

## Medium- to Long-term Goals (Long-term Vision and Milestones)

In order to contribute to a decarbonized society, SUBARU has set long-term goals (long-term vision) for 2050 and medium-term goals (milestones) regarding products (Scope 3) and plants and offices (Scope 1 and 2). These medium-term goals are reviewed as necessary according to the business environment, which is experiencing rapid, disruptive changes. In 2023, the medium-term goal for plants and offices (Scope 1 and 2) has been set as reducing CO<sub>2</sub> emissions by 60% in FYE March 2036 versus FYE March 2017. The medium-term goal for products (Scope 3) has been re-established as aiming to make BEVs 50% of all automobiles sold in 2030.

SUBARU is investigating compliance with relevant policies including the fuel efficiency regulations of the countries it serves. We formulate our own scenarios and plans for achieving our medium- to long-term goals based on policy trends and scenario-specific information published by the International Energy Agency and others.

Category	Target Year	Goal
Products (Scope 3)	2050	Reduce average well-to-wheel CO <sub>2</sub> emissions from new vehicles (in operation) by 90% or more compared to 2010 levels
	Early 2030s	Apply electrification technologies to all SUBARU vehicles produced and sold worldwide
	2030	Aim for 50% of global sales to be BEVs
Plants and offices (Scope 1 and 2)	FYE March 2051	Achieve carbon neutrality
	FYE March 2036	Reduce CO <sub>2</sub> emissions by 60% compared with FYE March 2017 (total volume basis)



## Initiatives

For FYE March 2025, SUBARU has reported a total of 38,067 thousand t-CO<sub>2</sub> of supply chain greenhouse gas emissions (Scope 1, 2, and 3). Out of the total amount, 98.5% is related to Scope 3, the majority of which stems from the use of sold products. Although the Group's direct CO<sub>2</sub> emissions (Scope 1 and 2) constitute only a marginal portion of the total (including Scope 3), we are making proactive efforts to diminish direct emissions, which we believe will encourage the entire SUBARU value chain to work as a team and in greater earnest.

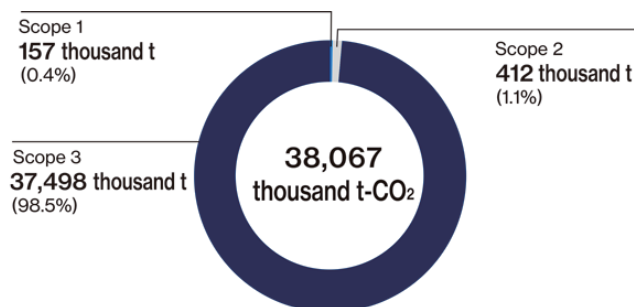
As for FYE March 2025 results regarding products, EVs accounted for 7.9% of global sales, and BEVs accounted for 1.9%. We will grow our earnings base in the BEV era by strengthening our supply capacity for EVs, including the start of in-house BEV production in the mid-2020s in conjunction with the reorganization of our domestic production system, the launch of the Next-generation e-BOXER, and the addition of dedicated BEV production lines in the late 2020s. As we do this, we will work to ensure a high level of financial soundness, taking actions in a sustainable structure.

In addition, the FYE March 2025 results for plants and offices showed Scope 1 and 2 emissions of 569,337 tons based on market standards, representing a 17% reduction compared to FYE March 2017 (566,234 tons based on location standards). Furthermore, renewable energy in FYE March 2025 accounted for 10.0% of the energy consumption of the entire SUBARU Group and 22.8% of its total electricity consumption. All of the electricity purchased at the six SUBARU locations of Gunma Main Plant, Utsunomiya South Plant and 2nd South Plant, the Handa West Plant (including Yusoki Kogyo K.K.), the Iseaki Plant, and the Ebisu Subaru Building, and at the two Group companies in Japan of Subaru Finance Co., Ltd. and Kiryu Kogyo Co., Ltd. is carbon-neutral electric power.

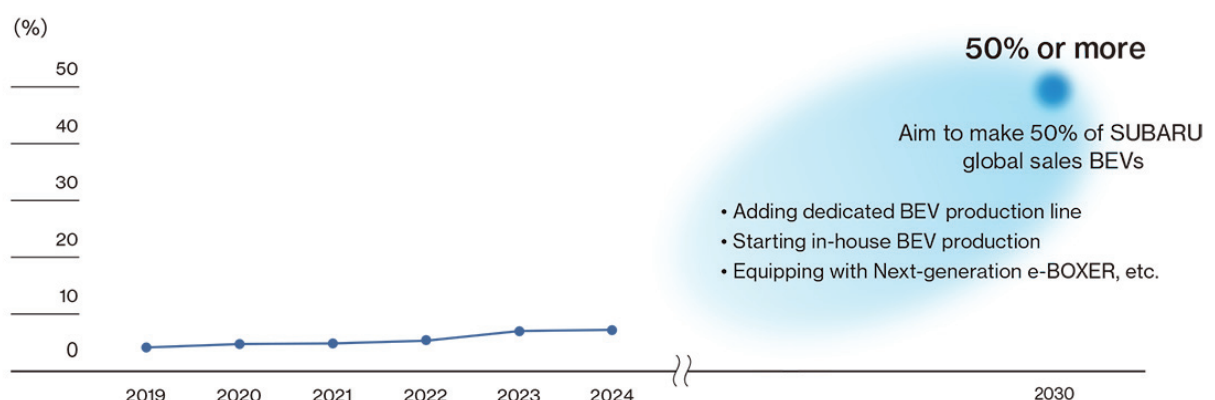
Scope 1: Direct emissions of greenhouse gases from a company's own facilities

Scope 2: Indirect emissions of greenhouse gases from the use of purchased or acquired electricity, heat, and/or steam supplied by another company

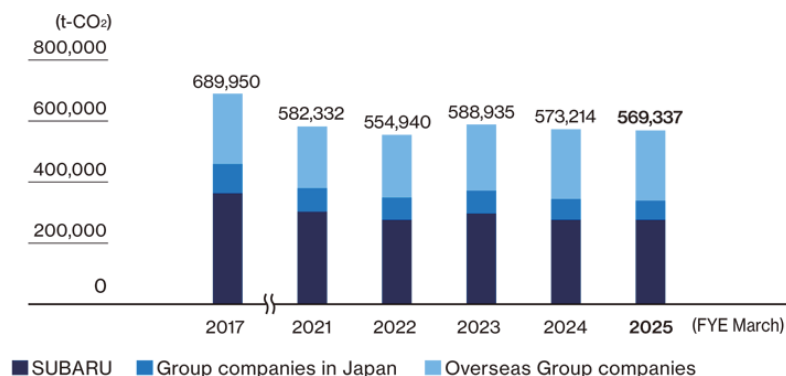
Scope 3: All indirect emissions other than Scope 1 and 2 emissions, including those arising from the procurement of raw materials, transport, product use, and the disposal process, as well as arising from employee commuting, business travel, etc.



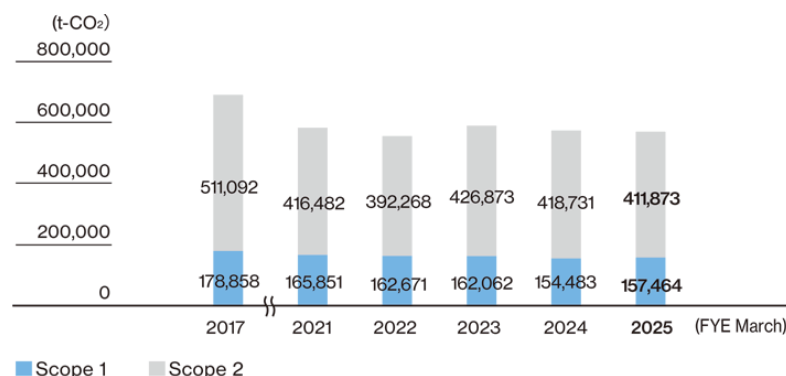
### Results and future plan of percentage of EVs sold (retail sales basis)



## Scope 1 and 2 emissions (by organization)



## Scope 1 and 2 emissions (by scope)



### Scope

**SUBARU: SUBARU CORPORATION**

**Group companies in Japan:**

39 domestic consolidated subsidiaries (including 23 SUBARU domestic dealerships that are consolidated subsidiaries)

**Overseas Group companies:**

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

The scope of data for domestic Group companies is that for consolidated subsidiaries, and the confirmation for Scope 1 and 2 emissions is 99% (based on proportion of workforce)

### Scope 1 and 2 emission calculation method

Scope 1 emissions = Fuel consumption × Unit calorific value × Carbon emission coefficient × 44/12

Sources of calorific values and carbon emission coefficients Japan: Ministry of the Environment, "Greenhouse Gas Emissions Calculation and Reporting Manual" and "List of Emission Coefficients by Gas Utility"; U.S. and Canada.: Values published by the U.S. Environmental Protection Agency

Scope 2 emissions = Electricity use × CO<sub>2</sub> emissions per unit of electricity use

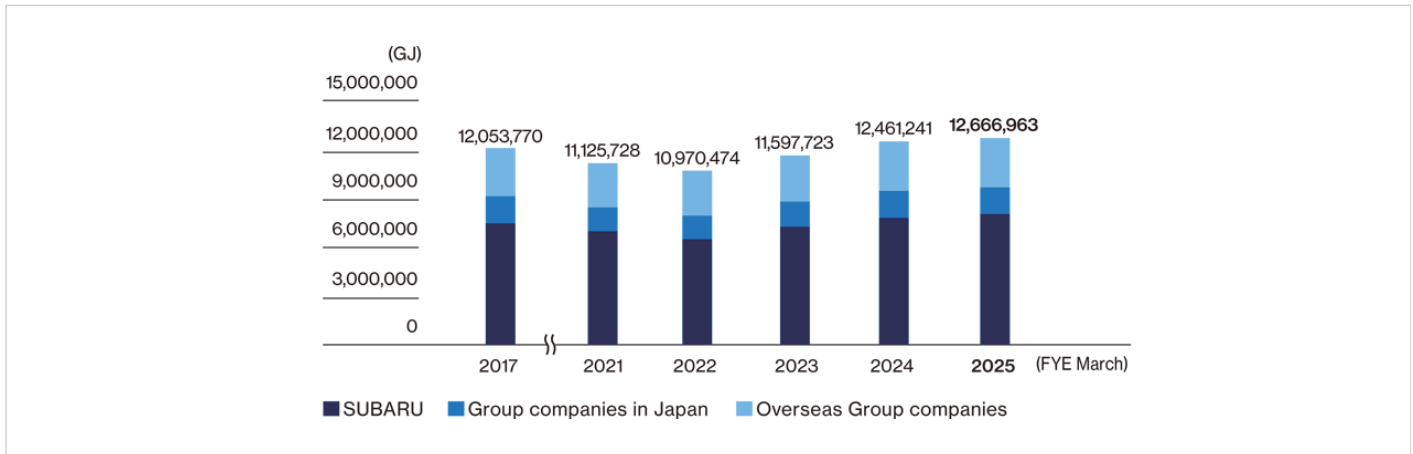
Sources of CO<sub>2</sub> emissions per unit of electricity use

Market-based Japan: Ministry of the Environment, "List of Emission Coefficients by Electric Utility"; U.S. (Subaru of Indiana Automotive, Inc.): Values published by the Edison Electric Institute; U.S. (three companies excluding Subaru of Indiana Automotive, Inc.): Values published by the U.S. Environmental Protection Agency; Canada: Values published by the Canadian government

Location-based Japan: Replacement values from the Ministry of the Environment, "Greenhouse Gas Emissions Calculation and Reporting Manual"; U.S.: Values published by the U.S. Environmental Protection Agency; Canada: Values published by the Canadian government

In addition, errors were found in the aggregated data, and corrections were made for previous fiscal years

## Energy use (by organization)



### Scope

SUBARU: SUBARU CORPORATION

Group companies in Japan:

39 domestic consolidated subsidiaries (including 23 SUBARU domestic dealerships that are consolidated subsidiaries)

Overseas Group companies:

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

SUBARU calculates energy consumption (GJ) based on the Act on the Rational Use of Energy

In addition, errors were found in the aggregated data, and corrections were made for previous fiscal years

## CO<sub>2</sub> Emissions (Scope 3)

Category		Greenhouse Gas Emissions (t-CO <sub>2</sub> )				
		FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
1	Purchased goods and services	5,136,697	4,339,656	5,018,874	5,861,321	5,902,914
2	Capital goods	282,713	260,567	402,915	549,384	577,752
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	91,851	89,627	95,352	54,958	55,697
4	Transport and delivery (upstream)	601,167	506,604	426,929	500,914	516,878
5	Waste generated in operations	26,446	24,888	28,733	8,608	26,081
6	Business travel	4,689	4,798	4,878	4,900	4,923
7	Employee commuting	14,245	14,576	14,818	14,885	14,954
8	Leased assets (upstream)	N/A	N/A	N/A	N/A	N/A
9	Transportation, distribution, and sales (downstream)	3,893	4,750	4,043	3,521	9,295
10	Processing of sold products	N/A	N/A	N/A	N/A	N/A
11	Use of sold products	27,442,228	23,102,609	27,453,385	31,859,417	29,799,828
12	End-of-life treatment of sold products	509,850	437,960	512,716	602,519	582,477
13	Leased assets (downstream)	7,355	7,487	7,376	6,259	6,852
14	Franchises	N/A	N/A	N/A	N/A	N/A

Category		Greenhouse Gas Emissions (t-CO <sub>2</sub> )				
		FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
15	Investments	N/A	N/A	N/A	N/A	N/A
	Total	34,121,134	28,793,522	33,970,018	39,466,686	37,497,651

#### Calculation Method [^](#)

Category		Calculation Method
1	Purchased goods and services	CO <sub>2</sub> emissions per unit in the manufacture of materials and components × Annual sales volume - Scope 1 and 2 emissions of Group companies responsible for parts manufacturing
2	Capital goods	SUBARU Group capital investment × CO <sub>2</sub> emissions per unit of capital investment
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	Σ (Energy use for each type × CO <sub>2</sub> emissions intensity for each energy type)
4	Transport and delivery (upstream)	Domestic transportation in Japan: Calculated in accordance with the calculation standards as a specified consignor under the Act on Rationalization of Energy Use and Shift to Non-fossil Energy
		Marine transportation at the time of export: Σ (Number of units exported to each country × Weight of product × Transportation distance) × CO <sub>2</sub> emissions intensity of marine transportation
5	Waste generated in operations	Σ (Emissions of each kind of waste × CO <sub>2</sub> emissions intensity of each kind of waste)
6	Business travel	Number of SUBARU Group employees × CO <sub>2</sub> emissions intensity of business travel activities
7	Employee commuting	Number of SUBARU Group employees × Number of working days × CO <sub>2</sub> emissions intensity during commuting
8	Leased assets (upstream)	N/A
9	Transportation and distribution (downstream)	Scope 1 and 2 emissions of non-consolidated dealerships
10	Processing of sold products	N/A
11	Use of sold products (Well to Wheel)	Well to Tank: Fuel and electricity costs × Number of units sold × Lifetime mileage × CO <sub>2</sub> emissions intensity of fuel and electricity production Tank to Wheel: Number of units sold × Lifetime mileage × Fuel costs × CO <sub>2</sub> emissions intensity of fuel
12	End-of-life treatment of sold products	CO <sub>2</sub> emissions per unit at time of disposal × Number of units sold
13	Leased assets (downstream)	Scope 1 and 2 emissions from buildings leased to other companies under a tenant business
14	Franchises	N/A
15	Investments	N/A

#### Guidelines and Databases Referenced:

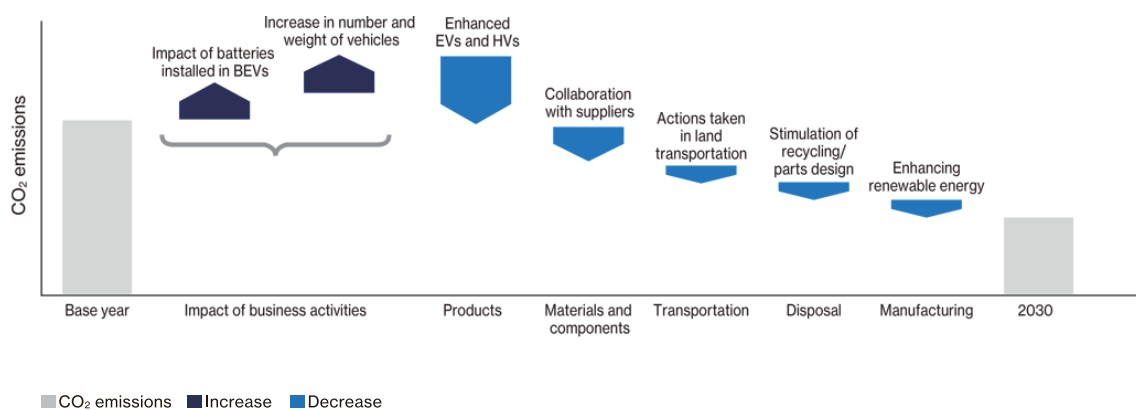
1. Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.3 (December 2017) by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
2. Emissions Unit Value Database Ver. 3.5 (March 2025) by the Ministry of the Environment
3. SUBARU's Life-cycle Assessment (LCA) Calculation Criteria

Note: Retroactive correction has been made to data from previous years due to revisions to the calculation method for "12 End-of-life treatment of sold products" and "13 Leased assets (downstream)"

## Life-cycle Assessment

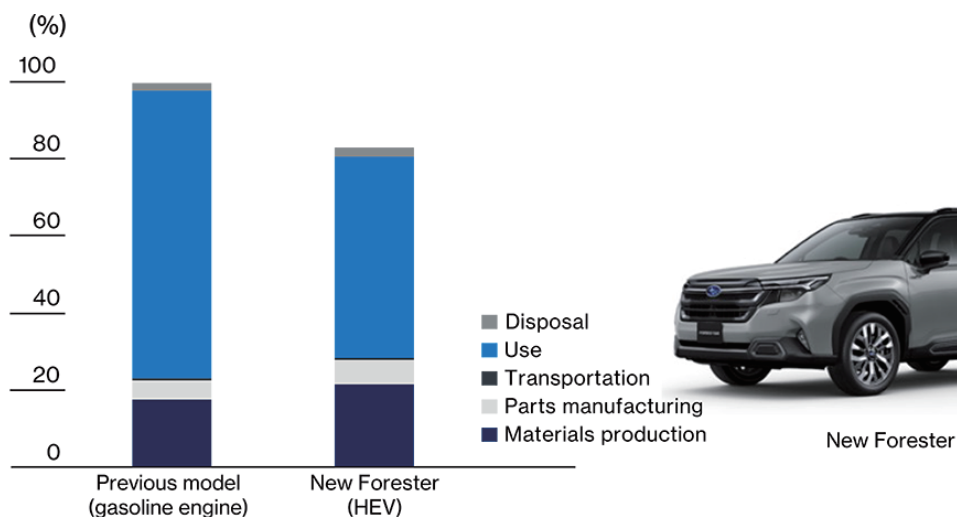
SUBARU aims to achieve a decarbonized society by reducing CO<sub>2</sub> emissions throughout the entire life cycle, from material production to disposal, rather than just CO<sub>2</sub> emissions from products in operation. We have designated departments in charge for five main areas—products, materials and components, transportation, disposal, and manufacturing—each of which is formulating plans and implementing measures to reduce CO<sub>2</sub> emissions. Progress in each area is monitored Group-wide at the Environment Committee, which meets twice a year.

### Approach to CO<sub>2</sub> emissions reduction from an entire life cycle perspective



SUBARU conducts LCA\* to evaluate CO<sub>2</sub> emissions during the entire life cycle of automobiles. We will quantify the environmental impact of automobiles and proactively develop automobiles taking into account the need for decarbonization from the design stage. The new Forester, launched in April 2025, adopts the Next-generation e-BOXER, enhancing safety features such as a pedestrian protection airbag that also protects cyclists, while achieving a reduction in CO<sub>2</sub> emissions compared to the previous model.

\* Life-cycle assessment (LCA) is an environmental impact assessment method that comprehensively evaluates environmental load at every stage of the life cycle of products and services from raw material procurement to manufacturing, transportation, product use, and disposal



## Product Initiatives

SUBARU's approach is that BEVs are a promising option for achieving carbon neutrality, but the pace of transition is unclear, and demand for ICE products is expected to persist to a degree. We will shift our focus to BEVs, which allow us to build a production structure from scratch on a vacant lot and start development methods and processes from scratch, in order to achieve "Monozukuri Innovation" and "Value Creation" and apply the results to ICE products. The key point of our management policy is to develop the flexibility to adapt to market changes in this way.

SUBARU also recognizes that there is a diverse range of technologies capable of leading us to carbon neutrality and that flexible and diverse action is required to show options unique to SUBARU to customers and society toward carbon neutrality. In order to keep horizontally-opposed engines shining in the carbon-neutral era, we are working to utilize carbon-neutral fuels.

### Efforts to Reduce CO<sub>2</sub> Emissions for New Models

SUBARU is naturally working to improve the fuel efficiency of gasoline-powered vehicles while turning its attention to expanding its lineup of EV models, especially the development and supply of BEVs. We believe it will be especially important to steadily promote the expansion of the above initiatives in order to reduce the amount of CO<sub>2</sub> emitted from automobiles.

#### Battery Electric Vehicles (BEVs)

In May 2022, SUBARU launched the Solterra as another step toward the era of the electric car. Its first global BEV, the Solterra is designed to achieve coexistence with nature. It utilizes the e-SUBARU Global Platform, a dedicated EV platform we jointly developed with Toyota Motor Corporation ("Toyota"), as well as the AWD technology we have developed for many years and Toyota's outstanding electrification technology, thus bringing together the strengths of both companies and efficiently leveraging our development investments. In addition to the Solterra, we plan to launch three new BEVs to the SUV category by the end of 2026. Of these, one model will be produced at SUBARU's Yajima Plant and supplied to Toyota Motor Corporation as well. Like with our existing vehicles, we will bring SUVs featuring the unique appeal of SUBARU's BEVs to Japan, the U.S. and Canada, Europe, China, and other markets, aiming to further strengthen the value we offer with the goal of being a brand that is "different" from others. We are also planning to add four more models to our BEV lineup by the end of 2028.

At SUBARU, we will continue to help protect the environment as we consider practical functions and customer preferences in enhancing our lineup in the markets we serve with environmentally friendly vehicles that are unique to SUBARU.

#### Hybrid Electric Vehicles (HEVs)

SUBARU has been increasing the number of vehicles equipped with its mild hybrid Next-generation e-BOXER engine that combines a horizontally-opposed engine and electrification technology, and to reduce CO<sub>2</sub> emissions has implemented initiatives such as creating its own PHEV using HEV expertise from Toyota's vehicles. In addition, from 2025, we have begun Next-generation e-BOXER production that incorporates THS<sup>\*1</sup> technology to deliver vehicles that feature the SUBARU Difference while offering high-level environmental performance. For the Next-generation e-BOXER, we have evolved the model from a parallel system for transmitting engine and motor power in parallel to a more efficient series-parallel system. In addition, the power control unit is mounted on top of the engine to ensure a large fuel tank capacity and a competitive cruising range. This Next-generation e-BOXER has been installed in the Crosstrek and Forester. By steadily expanding our product lineup of EVs, we will help reduce CO<sub>2</sub> emissions for new models.

<sup>\*1</sup> THS: TOYOTA Hybrid System

#### Gasoline-Powered Vehicles

We will continue to meet demand for conventional gasoline-powered vehicles from customers. HEVs, which we are expanding to include more models, are made by combining gasoline engines with electrification technology, and engines need further

technological improvements to boost fuel efficiency. The 1.8-liter BOXER DIT<sup>\*2</sup> combines the unique driving pleasure of a SUBARU with outstanding environmental performance. Installed in the Levorg, Forester, and Layback models, it is a New-generation BOXER engine with a turbo system that generates high torque at low RPM. Its lean combustion technology produces more energy with less fuel. Combined with the expanded Lineartronic shift range, this engine offers even more powerful acceleration off the line and superb fuel efficiency when cruising at high speed. In addition, SUBARU is continuing to pursue the potential offered by engines in the era of carbon neutrality by participating in races with vehicles that use carbon-neutral fuel, as well as participating in the Research Association of Biomass Innovation for Next Generation Automobile Fuels.

<sup>\*2</sup> DIT: Direct injection turbo

## Initiatives for the popularization of low-carbon fuel

### Addressing and testing low-carbon fuel<sup>\*1</sup>

SUBARU is working to utilize bioethanol, which is attracting attention as a fuel derived from renewable energy sources. In order to diversify automotive fuels and realize a carbon neutral society, all gasoline and diesel vehicles sold by SUBARU worldwide are now fully and reliably functional with E10 fuel (E3 fuel in Japan) and B7 fuel.

In addition, in conjunction with the Fuji 24 Hours Race in 2022, we held a test drive for the media to verify the practicality of synthetic fuels. By showing firsthand that there is no difference in driving performance and sensation between high-octane gasoline and synthetic fuel in the SUBARU BRZ, we successfully and widely communicated the message of practicality and future potential for synthetic fuel.

In addition, in cooperation with the Ministry of Economy, Trade and Industry, SUBARU has been discussing the early introduction of highly concentrated bioethanol (up to E20 fuel) and synthetic fuels, and we are also working to address low-carbon fuels from a technological standpoint. Going forward, we will continue to address the spread of low-carbon fuels, including bioethanol, from a technological standpoint and help improve the environmental performance of internal combustion engines.

<sup>\*1</sup> Low-carbon fuel: Refers to bioethanol fuel and synthetic fuel (e-fuel). For example, E10 fuel is ordinary gasoline mixed with 10% bioethanol, while B7 fuel is a 7% biodiesel fuel blend

### Development of new engines for the electrification era

SUBARU, along with Toyota Motor Corporation and Mazda Motor Corporation, have each committed to developing new engines tailored to the era of electrification. In these new engines, each company will seek to optimally combine with electric units such as motors and batteries, as well as achieve carbon neutrality in internal combustion engines through innovations in vehicle packaging through more compact engines and by making them compatible with various carbon-neutral fuels<sup>\*2</sup>.

<sup>\*2</sup> Fuels with net zero CO<sub>2</sub> emissions into the atmosphere across their lifecycle, from manufacture to use. These include e-fuel, made from hydrogen and carbon dioxide, and biofuels derived from biomass (plants, etc.)

### Demonstration of low-carbon fuels and human resource development through motorsports

SUBARU has been participating in the Super Taikyu Series since 2022 as a challenge to expand the possibilities of internal combustion engines, and is conducting a series of demonstration tests using vehicles powered by synthetic fuels. Synthetic fuels are clean liquid fuels made from hydrogen derived from renewable energy sources and CO<sub>2</sub>, and can contribute to reducing CO<sub>2</sub> emissions from internal combustion engines while utilizing existing social infrastructure. Until 2024, we have been racing with European synthetic fuels to accumulate knowledge on fuel performance and vehicle compatibility under real-world driving conditions. Since the 2025 Fuji 24 Hours Race, we have competed with our HIGH PERFORMANCE X FUTURE CONCEPT vehicle, which uses low-carbon gasoline (E20) provided by ENEOS Corporation. E20 is a fuel that is being considered for future introduction in Japan, and through its use in harsh racing environments, we are working to identify the practicality of the fuel and issues that need to be



Members of Team SDA Engineering



addressed before it can be widely used.

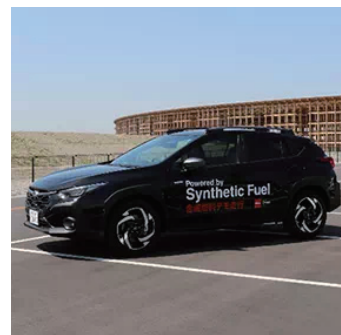
SUBARU employees are deeply involved in this initiative, from technical verification to our engineers leading development, plus drivers from the Subaru Driving Academy. By taking their skills into the field for real-world practice, we are striving for growth in both areas of agile development and human resource development.

## **Establishment and Initiatives of the Research Association of Biomass Innovation for Next Generation Automobile Fuels**

SUBARU, together with ENEOS, Suzuki, Daihatsu Motor, Toyota Motor and Toyota Tsusho, established the Research Association of Biomass Innovation for Next Generation Automobile Fuels to improve efficiency in the fuel production process. Currently, seven companies, including Mazda, are participating in this association to advance technological research for the efficient production of bioethanol fuel for automobiles in order to realize a carbon-neutral society.

## **Providing Vehicles Using Synthetic Fuel at Expo 2025 Osaka, Kansai, Japan**

SUBARU provided vehicles for officials at the Expo 2025 Osaka, Kansai, Japan, using synthetic fuel produced by ENEOS. Synthetic fuels are clean liquid fuels made from hydrogen derived from renewable energy sources and CO<sub>2</sub>, and are expected to help reduce CO<sub>2</sub> emissions from internal combustion engines while utilizing existing infrastructure.



SUBARU: Crosstrek S:HEV

## **Conducted a Helicopter Test Flight Using Sustainable Aviation Fuel (SAF)\*<sup>3</sup>**

In March 2024, SUBARU successfully conducted a test flight using SAF in a Group-owned helicopter. As an aircraft manufacturer, Subaru will continue to develop decarbonization technologies to contribute to the realization of a sustainable society.

\*<sup>3</sup> Sustainable aviation fuel is produced from resources such as plants and waste cooking oil. Plants, which are the main raw material, absorb carbon dioxide from the atmosphere during photosynthesis, thus achieving a balance between absorption and emission, offering reduction in greenhouse gas emissions compared to conventional fossil fuel-based aviation fuels. In addition, the reuse of used oils such as waste cooking oil leads to reduced waste and effective utilization of resources, and is expected to further reduce environmental impact



Test flight



## Site Initiatives

Toward the medium-term goals for FYE March 2036, the SUBARU Group will implement energy-saving measures along with other initiatives, such as in-house generation or purchase of carbon-neutral electric power and introduction of hydrogen, ammonia, and other carbon-neutral fuels, as part of systematic Scope 1 and 2 emissions reduction.

### FYE March 2025 Reduction Measures and Impact (Compared with FYE March 2017)

Measure	CO2 reduction impact (t-CO2)
Energy conservation through facility upgrades	6,212
Generation of renewable energy (solar power generation)	5,213*
Purchase of carbon-neutral electricity	84,902*
Use of Green Power and Green Heat Certificates	5,262
Total	101,589

\* CO2 emission reductions are calculated by multiplying the amount of electricity use derived from renewable energy sources by the CO2 emission coefficient of TEPCO Energy Partner, Inc.'s residual rate options for the relevant fiscal year

### Topics Introduction of an Off-Site Corporate PPA

SUBARU has concluded a three-party off-site PPA\* with TEPCO Energy Partner, Inc. and Fuji Technical Co., Ltd. Through this project, starting in February 2025, TEPCO Energy Partner has supplied SUBARU's Tokyo Office and others with electricity generated at Fuji Technical's solar power plant. Furthermore, an agreement will be concluded whereby renewable electricity generated by power generation facilities installed based on existing agreements and newly constructed solar power plants will be supplied by TEPCO Energy Partner to SUBARU's Yajima Plant and Tokyo Office from February 2026 onward. By further expanding the use of renewable electricity through this initiative, it is expected that approximately 10% of the electricity used at the Yajima Plant and 14% at the Tokyo Office will be switched to carbon neutral electricity.

\* Off-site corporate power purchase agreement (PPA): a long-term contract for renewable electricity generated at the facilities of a power producer to be supplied to a consumer via a retail electricity provider

## Energy Conservation Through Facility Upgrades

To reduce greenhouse gas emissions and improve energy efficiency, the SUBARU Group is promoting measures such as the introduction of cogeneration facilities and high-efficiency equipment, the use of heat-shielding and heat-insulating building materials, and the introduction of energy management systems to improve production equipment efficiency.

### List of energy conservation initiatives through facility upgrades

Measure	Site/Group company	Main initiatives
Improving the efficiency of production equipment	Gunma Plant	<ul style="list-style-type: none"><li>• Introduction of high-efficiency air-conditioning systems (centrifugal chillers/heat pumps)</li><li>• Introduction of cogeneration equipment</li></ul>

Measure	Site/Group company	Main initiatives
Improving the efficiency of production equipment	Utsunomiya Plant	<ul style="list-style-type: none"> <li>• Introduction of cogeneration equipment with blackout start function</li> <li>• Acquiring Nearly ZEB* certification at the Main Administration Building</li> </ul>
	Tokyo Office	LED lighting in the entire facility and insulated glass and building materials
	Fuji Machinery Co., Ltd.	Switching from kerosene to electricity for heating energy
	Subaru of Indiana Automotive, Inc.	Installing air conditioning control valves, LED lighting in the entire facility, introducing motion sensors

\* Nearly ZEB is a building that achieves at least a 75% reduction in primary energy consumption compared to a reference building and is very close to achieving Net Zero Energy Building certification



Tokyo Office

Utsunomiya Plant  
The Main Administration Building

## Use of Renewable Energy (Solar Power Generation)

The SUBARU Group is proactively promoting the installation of solar power generation facilities. At our various facilities, including the Gunma Plant, Tokyo Office, and Utsunomiya Plant, we have achieved significant reductions in CO<sub>2</sub> emissions by incorporating equipment plans into new buildings from the design stage and installing equipment on the roofs of existing buildings. In addition, we are promoting measures such as selling solar power generated on idle land and at other property, as well as the conversion of energy from kerosene to electricity, steadily expanding the scope of utilizing renewable energy. As of FYE March 2025, the SUBARU Group has installed approximately 11 MW of solar power generation facilities, and approximately 12,000 MWh of the electricity generated from these facilities is used in-house.



Fuji Machinery Co., Ltd. (Oizumi Plant)



After introduction of solar power generation facilities (Ichitan Co., Ltd.)



Gunma Plant (Oizumi Plant)

## Purchase of carbon-neutral electricity

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The SUBARU Group is actively working to purchase carbon-neutral electricity. All of the electricity purchased at the six SUBARU facilities of Gunma Main Plant, Utsunomiya South Plant and 2nd South Plant, the Handa West Plant (including Yusoki Kogyo K.K.), the Isesaki Plant, and the Ebisu Subaru Building, and at the two Group companies in Japan of Subaru Finance Co.,Ltd. and Kiryu Kogyo Co., Ltd. is carbon-neutral electric power.

At the Utsunomiya Plant, we have introduced the Tochigi Furusato Denki program\*, which utilizes hydroelectric power generated by Tochigi Prefecture, and at the Gunma Plant, we plan to supply hydroelectric power via a local production for local consumption PPA (Gunma Model) from FYE March 2026, among other efforts to both reduce environmental impact and contribute to local communities.

\* Electricity service program co-hosted by the Tochigi Public Enterprise Bureau and TEPCO Energy Partner, Inc. Supplies electricity generated by eight hydroelectric power stations run by the Tochigi prefectural government. Hydropower users can claim to be emitting no CO<sub>2</sub> from using the electricity, on the grounds of its CO<sub>2</sub>-free generation process

## Use of Green Power and Green Heat Certificates

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The SUBARU Group is reducing CO<sub>2</sub> emissions by utilizing green power certificates and other green power and heat certificates at its manufacturing plants and related facilities throughout Japan. In FYE March 2025, the Group purchased certificates equivalent to 12,000 MWh of electric power, equivalent to 5,262 t-CO<sub>2</sub> of emissions, through Japan's Green Power Certification System.

## Sales Initiatives

### Dealerships in Japan

As awareness of the environment grows, dealerships in Japan are working toward carbon neutrality by converting to CO<sub>2</sub>-free electricity (carbon-neutral power plans). As of FYE March 2025, approximately 60% of electric power consumption has been converted to CO<sub>2</sub>-free electricity. At present, a total of 16 dealerships, including non-consolidated dealerships, have completed their conversion. We aim to complete conversion at all consolidated dealerships\*<sup>1</sup> by the end of FYE March 2026.

\*<sup>1</sup> Excluding some facilities where conversion is physically difficult due to tenant use or restrictions on available power plans



Supply Certificate  
(Kanagawa Subaru)

### Subaru of America, Inc.

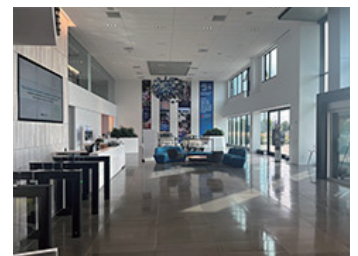
Subaru of America, Inc.'s headquarters and National Service Training Center have acquired silver LEED certification,\*<sup>2</sup> which is higher than standard certification. In 2021, the company enhanced energy efficiency by installing automated equipment and comprehensive air conditioning systems at its headquarters building and National Service Training Center.

In addition, at the headquarters building, the company utilizes 100% renewable energy and has upgraded to LED lighting. In 2021, the headquarters lobby was designed to efficiently incorporate natural light, thereby reducing the electricity consumption for lighting.

\*<sup>2</sup> Leadership in Energy and Environmental Design (LEED) certification is a green building certification system developed and operated by the U.S. Green Building Council (USGBC). It provides objective environmental performance data on buildings through evaluation of energy conservation and environmental impact reduction abilities for a range of project stages from overall planning and design to construction, management, and maintenance. Acquisition of the certification is becoming popular in the U.S. and in other countries



Subaru of America, Inc.'s  
headquarters and training center



Subaru of America, Inc.'s  
headquarters foyer, which  
harnesses sunlight with new  
daylight harvesting technology

### Subaru Canada, Inc.

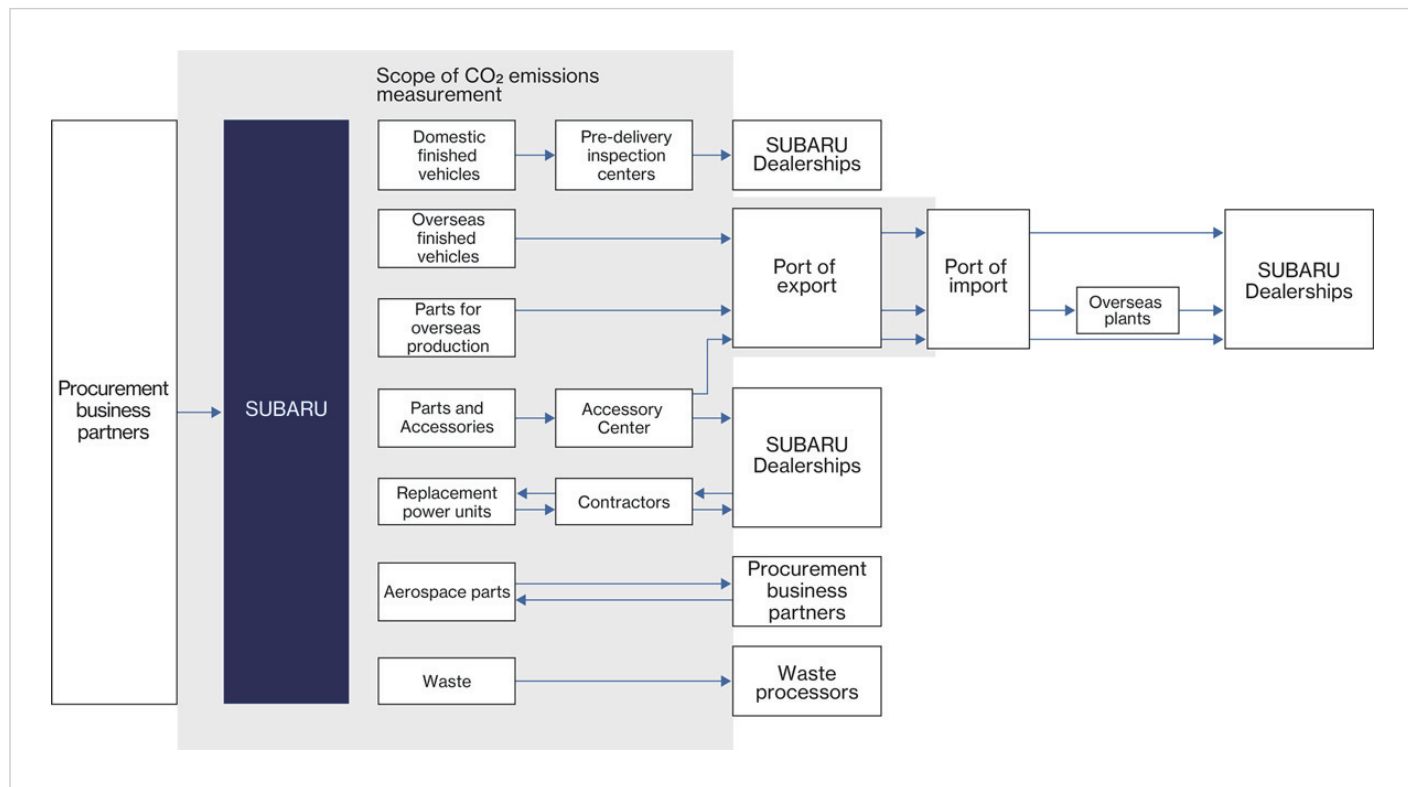
The building that houses Scott Subaru, a retailer in Canada, is designed for high energy efficiency, which includes eliminating the need for heating and cooling facilities. It has received certification as a "passive house," or energy-efficient building.

## Logistics Initiatives

SUBARU is collaborating across the entire Group, including with logistics companies, dealerships, as well as with other automotive industry players to reduce CO<sub>2</sub> emissions in logistics operations by an annual 1% through increased transport efficiency for finished vehicles and export parts.

In addition, we are working to strengthen governance aimed at reducing environmental impact in the logistics field through the activities of the Logistics Environment Subcommittee, which coordinates all logistics-related departments within SUBARU. SUBARU believes that strengthening its supply chain will lead to achieving carbon neutrality by 2050, and we will continue efforts to increase the accuracy of CO<sub>2</sub> emissions calculations and expanding their calculation scope, in addition to our reduction activities.

### SUBARU's logistics system



### Transport of Finished Vehicles

SUBARU is establishing optimal standard routes for finished vehicles, flexibly accommodating shipping of a wide range of vehicle types and sizes (particularly large cars), improving loading efficiency, and promoting modal shift.<sup>\*1</sup> We also request that our logistics partners help to minimize the environmental impact of their finished vehicle transport operations, taking actions such as practicing eco-conscious driving by installing digital tachographs<sup>\*2</sup> and dash cams, as well as improving fuel efficiency by fitting aerodynamic panels and other devices.

Per unit CO<sub>2</sub> emissions from transportation of vehicles in FYE March 2025 declined 26.07% from the FYE March 2007 level, against the target of a 18% reduction from the base year. We will continue with our efforts to pursue further reductions.

<sup>\*1</sup> For cargo transportation, switching transportation modes from trucks to those imposing less environmental burden, such as railway and seaborne systems

<sup>\*2</sup> Fitted to a vehicle as a tool for driving management in commercial vehicle operation to automatically record its journey information, including driving time and speed, and store the information in the installed recording medium, such as a memory card. As the system can present clear data of recorded events, including sudden acceleration and deceleration, fuel-wasting engine idling, and dangerous driving, it is expected to help drivers increase their awareness of safe driving and fuel economy

## Export Parts

In the transport of parts for overseas production, we are making ongoing efforts to improve the container fill rate through measures such as utilizing unused upper space in high cube containers, improving packing modes, and employing lighter-weight packaging materials. As a result, we achieved a fill rate of 98% in FYE March 2025. We will continue to actively work toward reducing CO<sub>2</sub> emissions through other initiatives such as round use<sup>\*3</sup> to streamline container transportation, utilization of inland container depots<sup>\*4</sup>, and the reuse of import containers used by other companies in the Gunma area.

<sup>\*3</sup> Using import containers for export instead of returning them empty to port, thereby reducing the transport of empty containers from ports

<sup>\*4</sup> Depot located inland for consolidation of container cargo

## Parts and Accessories

### • Joint distribution initiative with Toyota Mobility Parts Co., Ltd.

To resolve complexities and inefficiencies in parts of our transport system, we began joint distribution of maintenance parts with Toyota Mobility Parts Co., Ltd. in FYE March 2021. As of the end of FYE March 2025, we had started joint distribution to nine dealerships (27 retail locations and external business partners in various regions). We aim to work toward joint distribution in other regions going forward.

By switching to joint distribution, we have in the case of some dealerships achieved a reduction of lead time by one day and a cut in transport costs of approximately 25%.

### • Switch to forklift trucks with electric drive option

The Accessory Center in Gunma is making a phased switch when replacing liquefied petroleum gas (LPG)-operated forklift trucks to models that can be operated electrically (two units in FYE March 2025). In FYE March 2026, as part of our forklift reduction activities, we will utilize hour meters to reduce the number of low-utilization forklifts and improve overall utilization rates.

## Subaru of America, Inc.

The company is promoting the use of rail to reduce CO<sub>2</sub> emissions in the distribution process. We are also working to reduce emissions from marine transportation to dealerships in Alaska through the use of LNG. These efforts have resulted in a 25% reduction in CO<sub>2</sub>, a 95% reduction in NO<sub>x</sub>, and a 100% reduction in SO<sub>x</sub>. In addition, the use of LNG vessels has reduced greenhouse gas emissions by up to 21%.

## Procurement Initiatives

We have set out a code of conduct that requires supplier selection and management mechanisms relating to climate change issues, and share the code with our suppliers, asking them to take appropriate actions when providing orientation sessions. By encouraging business partners to obtain ISO 14001 certification, we are working to prevent environmental accidents and mismanagement events in the supply chain and reduce the risk of infringement of environmental laws and regulations. In addition, we request that business partners cooperate in decarbonization during our procurement policy briefings. In FYE March 2025, we shared our reduction targets with our business partners and asked for their cooperation. As a new initiative, we have requested that each company submit a roadmap and are identifying specific initiatives and issues through interviews. For business partners near the Gunma Plant, a major plant receiving supplier materials at the SUBARU Group, we also assessed the risk of water-related disasters at more than 1,200 sites, including Tier 2 sites. In addition to sharing the results of these risk assessments with business partners, we work with them on initiatives such as checking contingency actions using a sheet for checking BCP initiative status as well as conducting mock drills and confirming subsequent corrective measures.

## Other Climate Change Initiatives

### Carbon Pricing

#### Emissions Trading Systems

As businesses operating in the jurisdictions of the Tokyo metropolitan and Saitama prefectural governments, our Tokyo Office, Kitamoto Plant, and Stellar Town Omiya are covered by the Tokyo Metropolitan Environmental Security Ordinance, which promotes greenhouse gas reduction and emissions trading for large businesses, and the Saitama Prefecture regulation on target-based emissions trading. Our business sites are responding through compliance with the relevant emissions trading systems.

In addition, SUBARU has endorsed the GX League Basic Concept announced by Japan's Ministry of Economy, Trade and Industry, and has joined the GX League as of 2024.

#### Internal Carbon Pricing

SUBARU introduced internal carbon pricing in FYE March 2023. In the internal consultative plan on capital expenditures at business sites, the monetary value of the CO<sub>2</sub> reduction accompanying the introduction of the relevant facilities is set at 6,000 yen/t-CO<sub>2</sub>. By accounting for CO<sub>2</sub> reduction impact in terms of its cost reduction impact, we ensure its inclusion as a factor in assessing capital expenditures. The introduction of internal carbon pricing, which comes under the category of shadow pricing, is intended not only to raise awareness of CO<sub>2</sub> reduction among facility managers but also to promote investment in facilities with a high CO<sub>2</sub> reduction impact.

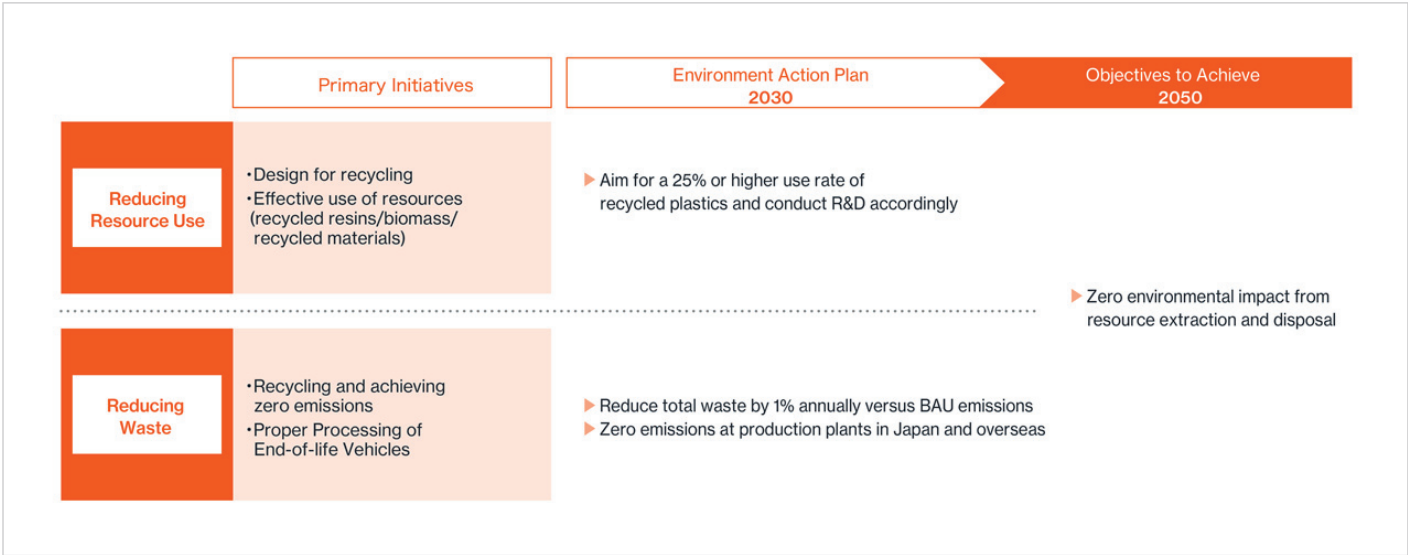


# Realizing a Circular Economy

## Our Approach

The SUBARU Group considers it very important for manufacturing companies to help realize a society where materials are recycled continuously and the sustainability of business is assured through recycling to maximize resource efficiency. Therefore, we have established “Realizing a Circular Economy” as an important environmental theme. Furthermore, we have set zero environmental impact from resource extraction and disposal as our target for FYE March 2051, and have established an Environment Action Plan 2030 with medium-term goals to be achieved by FYE March 2031.

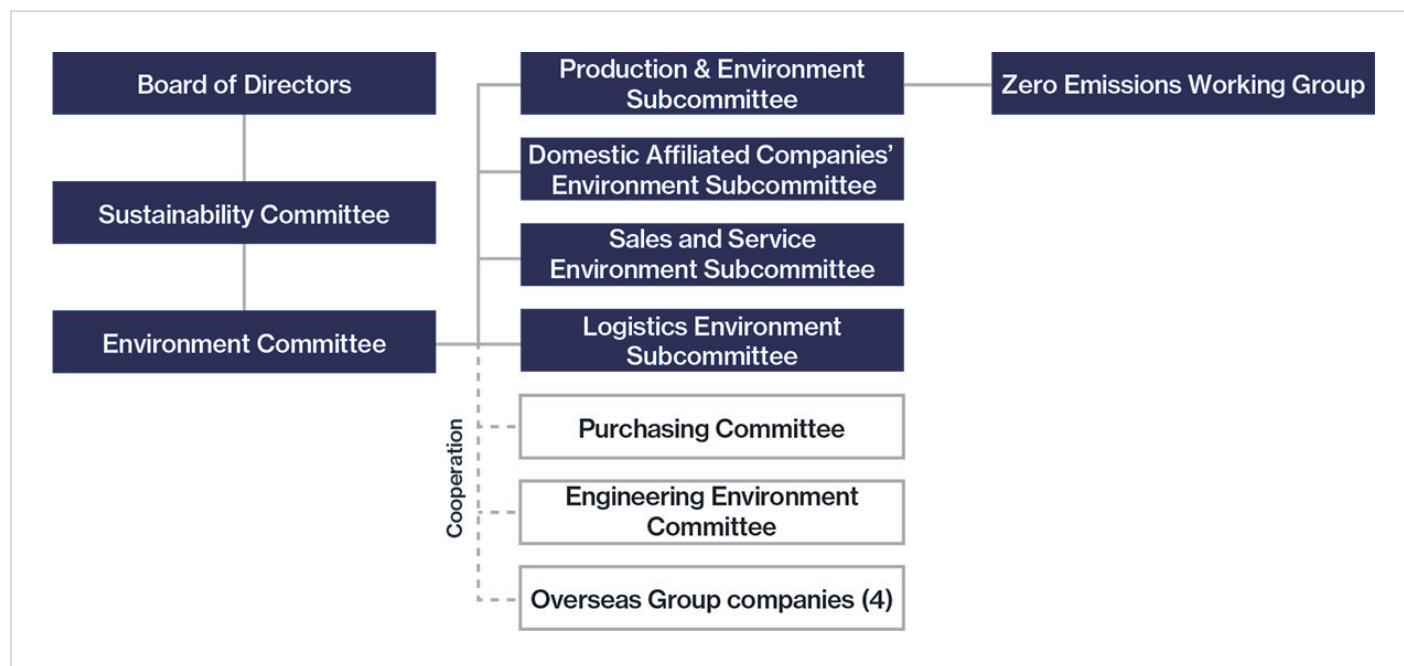
### Roadmap for Realizing a Circular Economy





## Management System

### Circular Economy-related Management Organization



### Medium-Term Goals

Furthermore, we have set the target of proceeding with research and development with the goal of using recycled materials<sup>\*5</sup> for more than 25% of the plastics used in new models released worldwide by 2030 to help address the global waste plastic problem. To achieve this target, we are working to establish quality standards for recycled plastics and a raw material recovery scheme. In addition to our production target of achieving zero emissions at production plants<sup>\*4</sup> in Japan and overseas (zero landfill waste either directly or indirectly), we have newly set an annual 1% reduction target in our total waste versus BAU emissions<sup>\*6</sup> at business sites.

Category	Target Year	Goal
Products	2030	Pursue research and development targeting the use of recycled materials <sup>*1</sup> for more than 25% of the plastic used in new models <sup>*2</sup> by 2030 <ul style="list-style-type: none"> <li>• Adopt CO<sub>2</sub>-free materials<sup>*3</sup> such as biomass plastic.</li> <li>• Proactively adopt plastic materials that have less environmental impact.</li> </ul>
Reduce total waste at business sites by 1% annually versus BAU emissions <sup>*4</sup>		Zero emissions <sup>*5</sup> at production plants in Japan and overseas <sup>*6</sup>

\*1 Including material, chemical, and plastic recycling

\*2 Excluding models supplied by OEMs

\*3 Materials and suppliers with lower CO<sub>2</sub> emissions and environmental pollution at the manufacturing stage

\*4 Emissions under the current policy without further action (business-as-usual)

\*5 Final disposal amount (total amount of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total amount of waste (total amount of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste)

\*6 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant; Group companies in Japan: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K.; and Group companies overseas: Subaru of Indiana Automotive, Inc.

# Initiatives

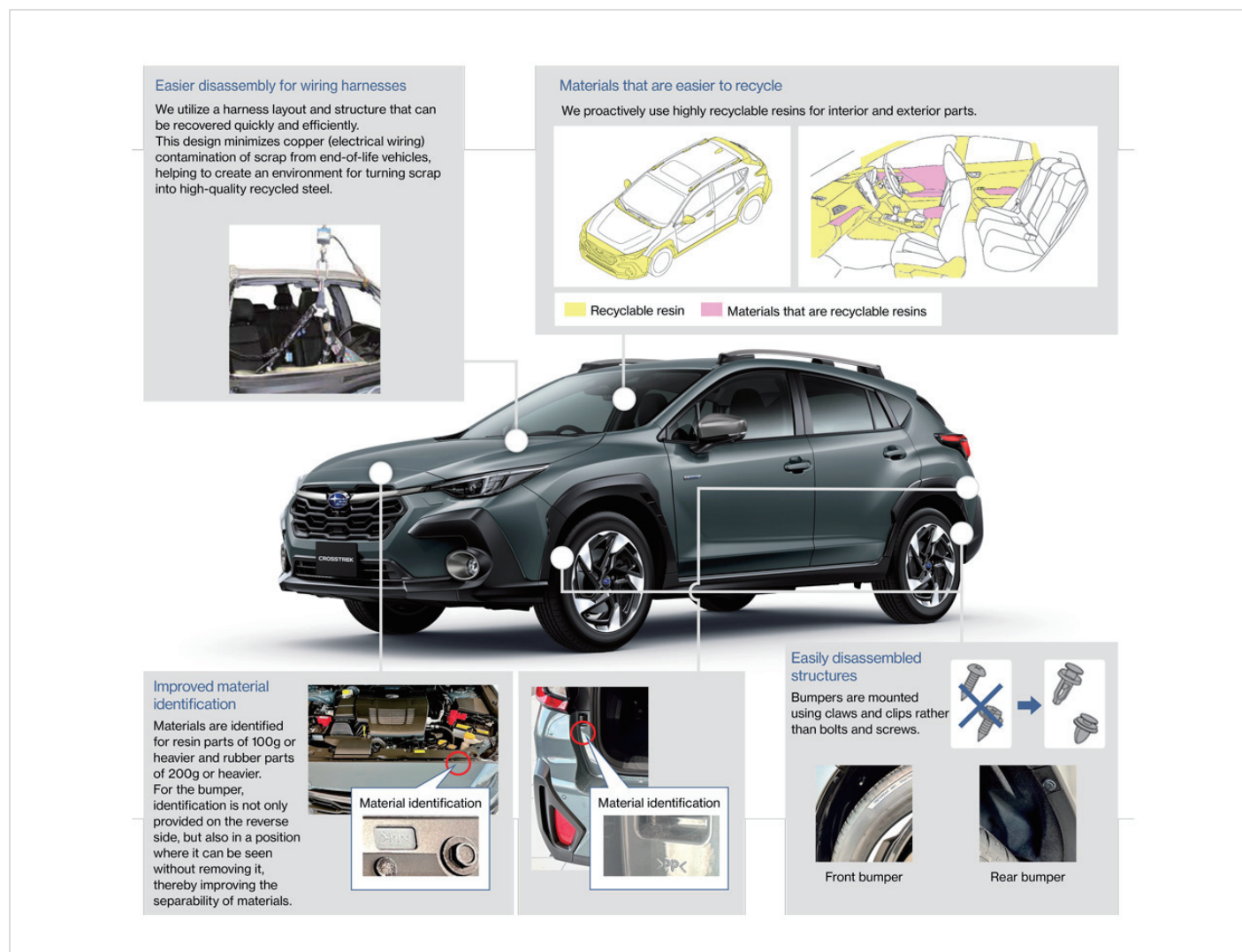
SUBARU promotes vehicle manufacturing with recycling in mind to make effective use of limited resources, working on resource efficiency throughout the entire lifecycle of automobiles, from raw material procurement and manufacturing to disposal.

In addition to continuing to promote the use of recycled materials and push for zero landfill at production sites both in Japan and overseas, we are also advancing research on the use of diverse sustainable new materials and developing upcycled products using scrap materials.

## Product Initiatives

### Design for Recycling

SUBARU incorporates recyclability into its automobile design process to make effective use of limited resources. In addition to providing a structure for easy disassembly and separation using an easy-to-disassemble wiring harness layout and visibility-oriented material identification, we use easy-to-recycle materials for parts in the interest of recycling.

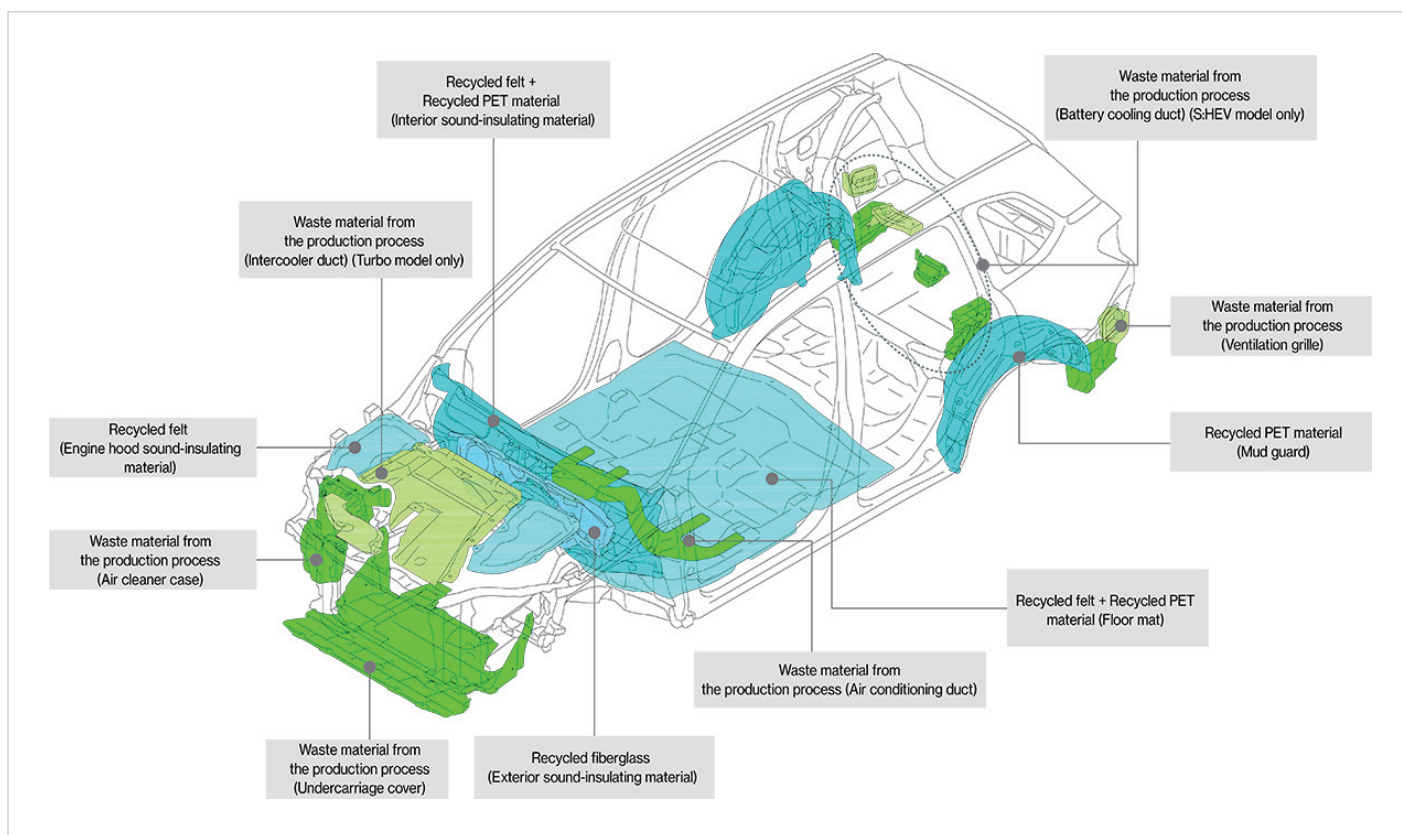


### Effective Use of Resources

#### Use of Recycled Materials

To contribute to realizing a resource-recycling society and a decarbonized society, SUBARU is proactively using recycled materials for resin parts and sound-insulating materials currently used in automobiles.

## Example: 2025 Forester



## Utilization of Biomass

### Research on Plant-derived Materials such as Food Processing Residue

Mixing post-juicing fruit residues and thinned wood into resins allows us to cut down on petroleum-based resin use. This waste until now had to be incinerated in food processing and other areas, making it a social issue. By effectively utilizing this waste as raw materials for automobile parts, we are not only recycling resources but also advancing research into plant-derived materials so that people can resonate with the significance of using these materials and their natural feel.



New leather made from fruit residues  
(Prototype)



New components utilizing thinned wood powder and bamboo powder  
(Prototype)

## Utilizing Other Recycled Materials

### Utilization of recycled materials in floor mats (Subaru of America, Inc.)

Subaru of America, Inc. has developed environmentally friendly accessories, specifically floor mats made from materials recycled from marine debris. Both the surface and backing consist of 100% eco-friendly materials. Through the sale of these floor mats, we were able to use approximately 440 tons of recycled materials in 2024.



Floor mats made from recycled materials

## Research on High-performance Recycled Materials

In collaboration with SUBARU's Team SDA\* Engineering, the team leading our entry in the Super Taikyu Series of races, the SUBARU HighPerformanceX Future Concept, our vehicle for the competition, utilizes a carbon fiber rear wing, roof, door, and other items made of recycled carbon fiber from composite waste generated in aircraft parts manufacturing. This has reduced not only the vehicle's weight but also its environmental impact.

The Super Taikyu Series is also carrying out an all-Japan co-challenge, transcending the boundaries between manufacturers to use motorsports as a platform to contribute to a sustainable society. As part of this co-challenge, recycled carbon fiber is also used for the hood of the MAZDA SPIRIT RACING MAZDA3 Bio concept, Mazda's entry vehicle in the Super Taikyu Series.

In addition, the development of materials using recycled carbon fibers that approach the material properties of original carbon fibers as closely as possible and the construction of optimal design methods using recycled carbon fiber composite materials are being carried out in collaboration with other institutions. The research on the technology of continuous production of recycled carbon fiber and its application to aircraft has been adopted as a research program of the New Energy and Industrial Technology Development Organization (NEDO), a national research and development corporation. In this program, we are working to apply this technology to aircraft parts, while identifying technical issues and developing technology through industry-academia collaboration.

\* Acronym for SUBARU Driving Academy, a human resources development initiative to raise driving and evaluation skills of SUBARU engineers



The SUBARU HighPerformanceX Future Concept vehicle utilizing recycled carbon fiber

## Upcycling Initiatives to Recycle Production Scrap Materials into New Goods

In the concept of upcycling, items that were once disposed of are transformed into products of attractive value. SUBARU is focusing on scrap materials generated in the manufacturing process to create new value beyond the boundaries of automobiles, through its own initiatives as well as collaboration with peer companies.

### Coin case made from cowhide scraps

SUBARU is helping to bring about a sustainable society by creating new value through upcycling activities, focusing on cowhide, normally used for steering wheels and interior trim, specifically parts of cowhide that are difficult to commercialize.

In 2024, we collaborated with FUJISUBARU Co., Ltd. and local universities, holding multiple workshops on making coin cases using cowhide scraps. We will continue these upcycling activities to enhance the effective use of resources and raise environmental awareness.



Coin cases using cowhide scraps



### Aprons made from leftover cloth and cotton waste from factories (Takihyo Co., Ltd.)

SUBARU aims to enrich lifestyles and conserve the global environment through its goods. A direct outcome of connecting this idea to product development is our partnership with Takihyo Co., Ltd. to collect leftover cloth and cotton waste from factories and use the re-spun fabric to make aprons. These are designed with ample thought given to pocket location, combining design and environmental performance.



Aprons produced in collaboration with Takihyo Co., Ltd.

### Eco-Friendly Shopping Bags Made from Leftover Fabric (TOYODA GOSEI Co., Ltd.)

SUBARU has created an eco-friendly bag (product name: Marche Bag) that is essential for everyday life by making use of scrap materials that would have been discarded during the production process of airbag fabric. As part of SUBARU's commitment to safety, Marche Bag uses a patented reflective material that glows in the dark, enhancing safety on roads at night. Furthermore, we have used ergonomic theory to adjust the thickness of the handle so that even when carrying heavy loads, the weight does not put a strain on the arms. Furthermore, we have used ergonomic theory to adjust the thickness of the handle to eliminate strain on the arms.



Marche Bag made from leftover fabric

### Key Straps Made from Upcycled Fishing Net Waste (CANVAS CO., LTD.'s PoLER brand)

SUBARU collaborated with CANVAS CO., LTD. to address marine pollution by producing key straps made from discarded fishing nets. Portions of the straps are made from recycled fishing nets processed into a material called reamids. By using this reamids derived from used fishing nets, SUBARU contributes to resolving the marine debris problem while also reducing CO<sub>2</sub> emissions compared to the use of virgin materials.



Key straps made in collaboration with the POLeR brand made by CANVAS CO., LTD.

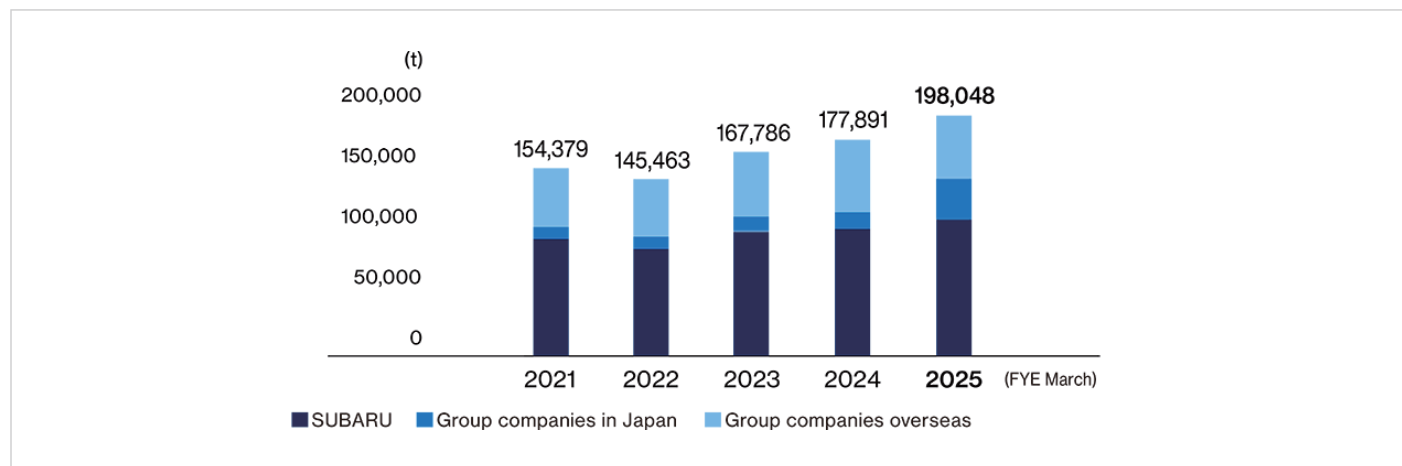
## Site Initiatives

We have improved the accuracy of data through the introduction of an environmental performance aggregation system to ascertain the actual amount of valuable resources at Group companies in Japan. As waste is also an important resource, we have maintained zero emissions since FYE March 2015 through appropriate waste disposal, including recovery, reuse, and recycling. As part of its measures to deal with waste plastic, SUBARU has begun exploring waste plastic material recycling, including the reuse in automotive parts and other applications of reject bumpers from the manufacturing process.

### Primary waste products and their recycled products

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

### Waste Generation



#### Scope

##### SUBARU:

Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant, Ebisu Subaru Building, Accessory Center, SUBARU Training Center

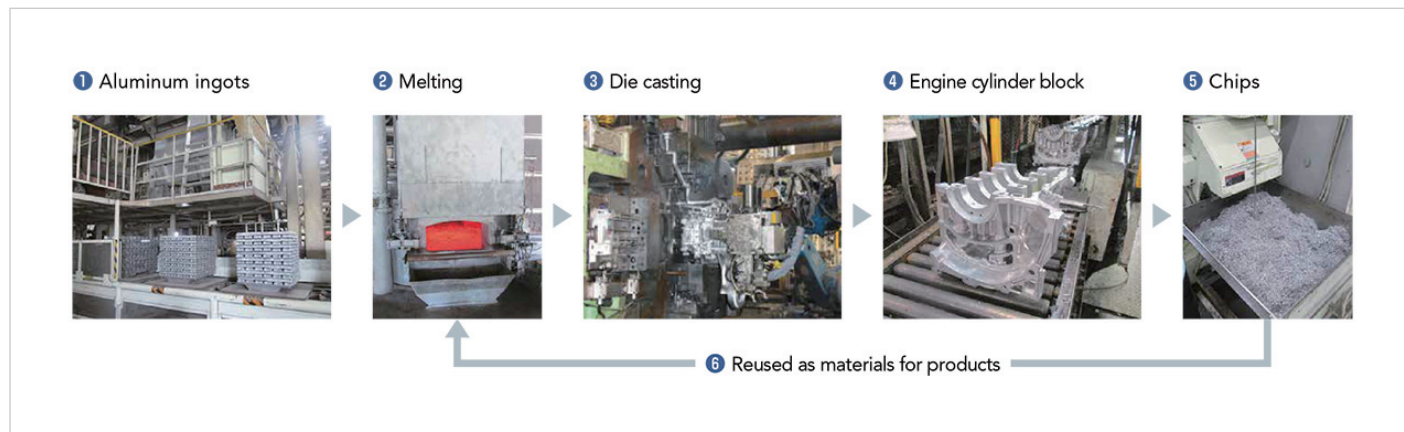
##### Group companies in Japan:

Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd., Subaru Kohsan Co., Ltd., Subaru Finance Co., Ltd., HBC Co., Ltd., FUJI AVIATION MAINTENANCE CO., LTD., SUBARU AUTO ACCESSORIES LTD.

##### Overseas Group companies:

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

## Recycling of aluminum chips



## Employee Participation in Recycling Waste (Subaru of Indiana Automotive, Inc.)

Every year, Subaru of Indiana Automotive, Inc.'s employees bring in waste from their homes for proper recycling and disposal. In 2024, we recycled approximately 14 tons of hazardous waste, from oil and paint to electronic equipment and pharmaceuticals.

## Initiatives at the Headquarters Building (Subaru of America, Inc.)

The SOA headquarters building has acquired silver LEED certification, and the company is making efforts to use recycled materials, such as using recycled wood for the lobby and café wall decorations and using recycled materials for some of the employee workstations and carpets. Many recycled materials are used in the construction of the entire building, from the steel frame and metal parts to the precast panels and finishes.

## Eco Friendly Retailers (Subaru of America, Inc.)

SOA has launched the Eco-Friendly Program in collaboration with its retailers across the U.S. to promote the reduction of environmental impacts related to energy, water, and waste. To obtain certification under the program, retailers must meet standards in areas such as energy efficiency and recycling. As of 2024, 255 retailers, representing 40% of the program, have participated. In 2024, as part of the resource circulation initiatives under the program, approximately 3,750 tons of waste generated by the dealerships were processed for recycling.

## Sustainable Subaru Gear (Subaru of America, Inc.)

Subaru of America, Inc. works with Staples Corporate to utilize 100% recycled plastic bags and recyclable shipping boxes at the time of sale. In 2024, more environmentally friendly products were added, accounting for approximately 42% of the total products offered.

In addition, Staples Corporate continued its partnership with EcoVadis, a sustainability rating agency, and maintained its Silver status, ranking in the top 25% of companies and industries evaluated. Staples Corporate also launched a responsible procurement in 2023, which is driving continuous improvement in the supply chain.

## Food Waste Reduction Activities (Subaru of America, Inc.)

SOA has partnered with hospitality partner Eurest to strategically place scrap containers throughout the office to collect employees' food waste. In FYE March 2025, approximately 4.3 tons of food waste was repurposed as animal feed and compost.

## E-waste (Subaru of America, Inc.)

One of Subaru of America, Inc.'s initiatives is to appropriately recycle e-waste (waste from electric and electronic devices) from employee homes. In its 2024 Earth Day event, approximately 6 tons of e-waste was collected and processed for recycling.



**Achieving a High Recycling Rate and Practicing Environmental Conservation (North American Subaru, Inc.)**

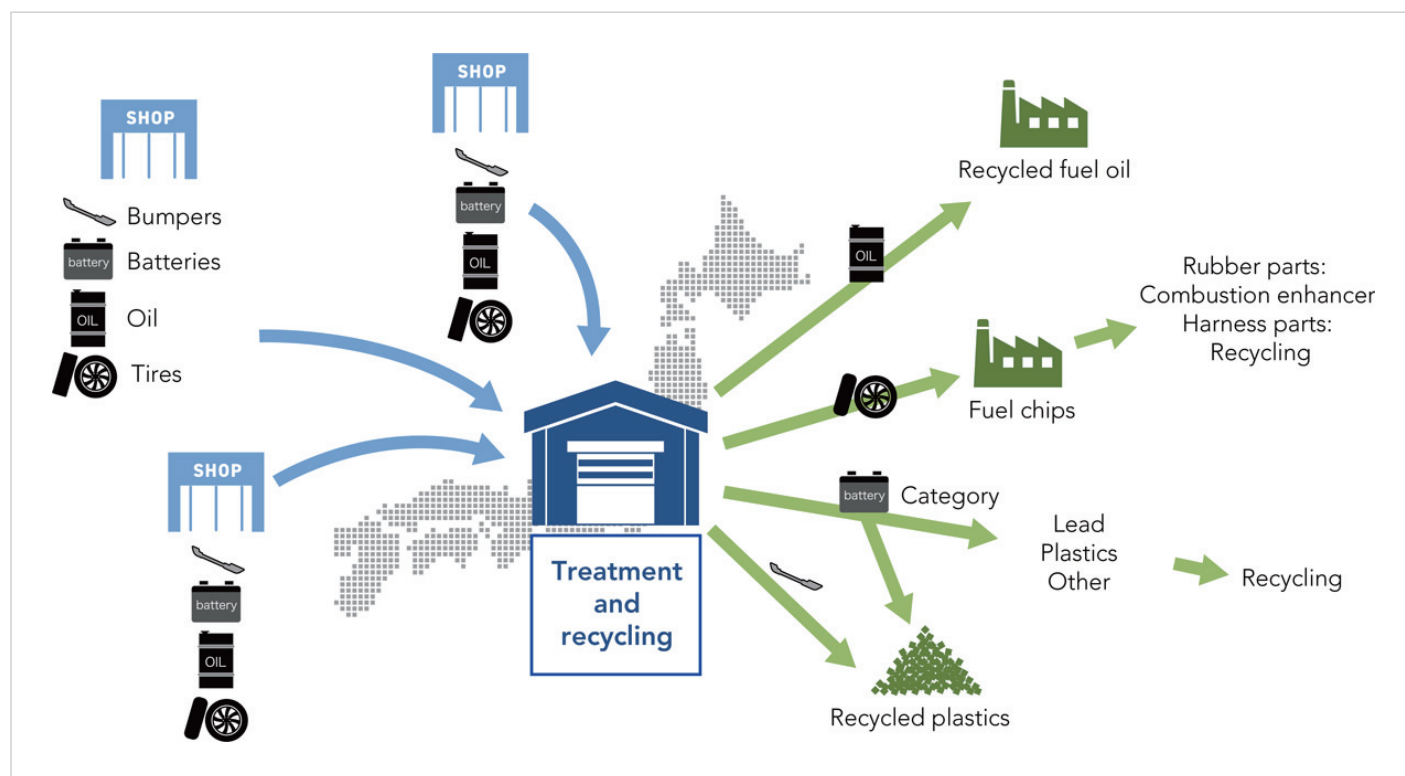
North American Subaru, Inc. is actively promoting recycling activities through collaboration with local companies to help protect the environment and build a sustainable society. We partner with Green Beings in Detroit for the recycling of glass, plastic, and light metals, and with Advanced Computer Recycling for the recycling of electronic devices, thereby supporting the local economy and promoting resource recycling.

## Sales Initiatives

### Recycling and Achieving Zero Emissions

#### Zero Emissions of Waste from SUBARU Dealerships in Japan

Dealerships in Japan are committed to the proper management of waste generated from their business activities and to recycling to achieve zero emissions in Japan. In FYE March 2025, these initiatives resulted in the collection of 26,821 used bumpers, 156,172 lead batteries (containing 2,149 tons of lead material), 4,966 kL of oil, and 206,801 tires. Zero emission initiatives led by dealerships, which work most closely with customers, are activities that will contribute more directly to environmental conservation in local communities. The initiatives are expected to help promote proper processing, recycling, and the effective use of resources.



#### Recycling of used bumpers



## Recycling of Waste Oil

Waste oil generated at SUBARU dealerships in Japan during oil changes is converted to recycled fuel oil to replace conventional fuel oil through SUBARU's zero waste emissions scheme. As an example, flower farmers in Yamagata Prefecture grow beautiful poinsettia and cyclamen every year using this recycled fuel oil to heat their greenhouses.

Waste cooking oil discharged by the operator of the employee cafeteria at the Subaru Logistics Co., Ltd. headquarters is recycled under the Fry To Fly Project scheme, which aims to convert the oil into sustainable aviation fuel (SAF). In FYE March 2025, this oil was converted to biodiesel fuel, and from April 2025, it has been recycled into SAF.

## Zero Landfill Waste Joint Initiative in U.S. National Parks (Subaru of America, Inc.)

SOA has leveraged its expertise in zero landfill waste at Subaru of Indiana Automotive, Inc. (SIA), collaborating with suppliers, the National Parks Conservation Association, the National Park Service, and others since 2015 to reduce waste from three national parks: Yosemite National Park (California), Denali National Park and Preserve (Alaska), and Grand Teton National Park (Wyoming). To date, over 10,000 tons of waste has been diverted from landfills to recycling and composting. SOA received the Silver Halo Award and the Corporate Stewardship Award in 2020 in recognition of zero landfill initiatives in national parks. Furthermore, in 2024, we supported waste reduction in more than 60 national parks, contributing to sustainable environmental conservation activities.

## Subaru Park Zero Landfill (Subaru of America, Inc.)

Subaru Park, a soccer stadium in Chester, Delaware County, Pennsylvania, supported by Subaru of America, Inc, has become the first Major League Soccer Stadium to achieve zero-landfill status since 2021. In 2024, approximately 260 tons of waste generated at Subaru Park was processed for recycling.

## Zero landfill initiative at Subaru of Mississauga

In collaboration with the local business U-PAK DISPOSALS, we collect and recycle waste material through the Energy from Waste program. In FYE March 2025, approximately 170 tons of waste was collected and effectively utilized as resources through this program.

## Proper Processing of End-of-life Vehicles

SUBARU is participating and collaborating actively in the building of an automotive recycling system to reduce the environmental impact of end-of-life vehicles. SUBARU is also focusing on promoting the development of easy-to-recycle vehicles, aimed at promoting the proper processing and raising the recycling rate of ASR, airbags, and CFCs.

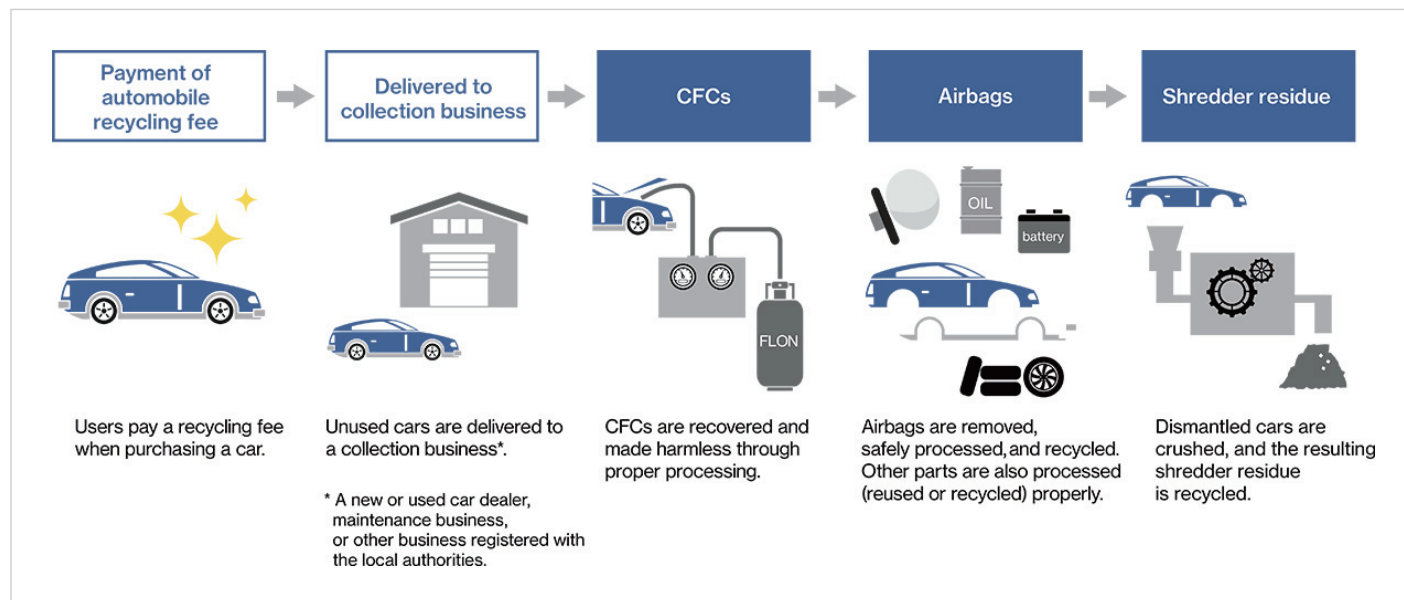
In FYE March 2025, the ASR recycling rate was 96.8%, achieving the legal target of 70% for FYE March 2016 and thereafter. The airbag recycling rate was 96.5%, exceeding the legal target of 85%, and all CFCs recovered were processed properly. Detailed information on the level of progress with these recycling initiatives and SUBARU's other activities based on the Act on Recycling, etc. of End-of-Life Vehicles is disclosed separately on the web page indicated below.

> [About the Act on Recycling, etc. of End-of-Life Vehicles](#) (Japanese version only)

> [Automobile shredder residue Recycling Promotion Team \(ART\)](#)  (Japanese version only)

## Recycling Automobiles

### Automobile Recycling Process



### Act on Recycling, etc. of End-of-Life Vehicles

Under the Act on Recycling, etc. of End-of-Life Vehicles of Japan, car manufacturers are required to fully recover and properly recycle automotive shredder residue (ASR), airbags, and chlorofluorocarbons (CFCs) from their end-of-life vehicles. SUBARU has been promoting the smooth, proper, and efficient recycling of ASR through the Automobile Shredder Residue Recycling Promotion Team (ART).<sup>\*</sup> We also ensure proper processing of airbags and CFCs through operations of Japan Auto Recycling Partnership Ltd., established jointly with Japanese automakers and importers.

<sup>\*</sup> A team to promote the recycling of ASR, organized by 12 domestic automobile manufacturers and importers in 2003. The team plans the smooth, proper, and efficient recycling of ASR, a waste product that is classified as one of the Parts Specified for Recycling as defined by the Act on Recycling, etc. of End-of-Life Vehicles and required to be recycled under the law

### Battery Recycling

Lithium-ion drive batteries that have been distributed in the Japanese market are being collected appropriately through a collection scheme by Japan Automobile Manufacturers Association, Inc. (JAMA). Nickel-hydrate batteries installed in older vehicles are being properly collected and disposed of through SUBARU's cross-regional certification scheme.

### Use of Rebuilt Items

#### Use of Rebuilt Items (Subaru of America, Inc.)

Toward realizing a recycling-oriented society, Subaru of America, Inc. is promoting the use of rebuilt items to replace engines, transmissions, and other large parts to reduce environmental impact and ease the cost burden on customers. These rebuilt items<sup>\*</sup> are reused after all replacement parts, such as seals and gaskets, have been removed and replaced with parts that meet the same high quality standards as genuine parts installed at the factory.

<sup>\*</sup> Repair parts such as engines, etc., for which consumable parts are replaced and usable parts are reused in accordance with inspection standards

## Logistics Initiatives

### Logistics

#### Reuse of Packaging Materials

Subaru Logistics Co., Ltd., which handles packaging and transport for complete knockdown (CKD) parts of SUBARU automobiles, has been actively working on reducing its environmental impact, focusing on the reuse of packaging materials. In FYE March 2025, the volume of reused materials handled exceeded 1,000 tons for the second consecutive year. Going forward, we will continue to promote the reuse of materials to reduce environmental impact.

(FYE March)

	2019	2020	2021	2022	2023	2024	2025
Amount reused (t)	776	1,020	661	786	852	1,023	1,055
Intensity (kg/vehicle)	2.8	2.4	2.7	2.8	2.8	3.1	2.1

#### Reduction of Wrapping Materials on Bumpers for U.S. Market

At Subaru of America, Inc., non-colored bumpers imported from Japan are re-wrapped for protection during transport within the U.S. In FYE March 2021, we have launched an initiative to remove the need for re-wrapping in the U.S. by applying high-strength wrapping material with high shape stability before export from Japan.

#### Distribution Centers (Subaru of America, Inc.)

Subaru of America, Inc.'s regional distribution centers use returnable containers to reduce the amount of cardboard and wood used when transporting parts. In addition, we have introduced a nationwide e-waste recycling program to reduce final disposal of electronic waste. In 2024, we achieved an overall recycling rate of 90.8%.

#### Utilizing Environmentally Friendly Packaging Materials

The Company's Parts Distribution Center has been working to utilize environmentally friendly packaging materials since FYE March 2022, including exploring a range of measures such switching from cardboard to paper packaging, use of packaging materials with 10% content of biomass plastic material, and switching from resin to cardboard pallets. In addition, we are switching from wood to cardboard as a packaging material on shipment for large parts such as bumpers, engines, and transmissions. In addition, from FYE March 2024, we are working to eliminate excessive quality (e.g., eliminating, reducing size of, and adjusting thickness of materials) in order to eliminate plastic use.

# Procurement Initiatives

SUBARU reuses remnant materials and scrap generated during production as well as end-of-life products that have been collected and other reusables as resources for materials, such as iron, aluminum, and plastics, which account for a large proportion of materials used. Through these efforts, we are promoting closed-loop recycling\* to reduce natural resource consumption and waste generation.

\* A method by which waste and scrap generated during production along with end-of-life products are recycled as materials for parts of the same quality and then reused to make products of the same kind

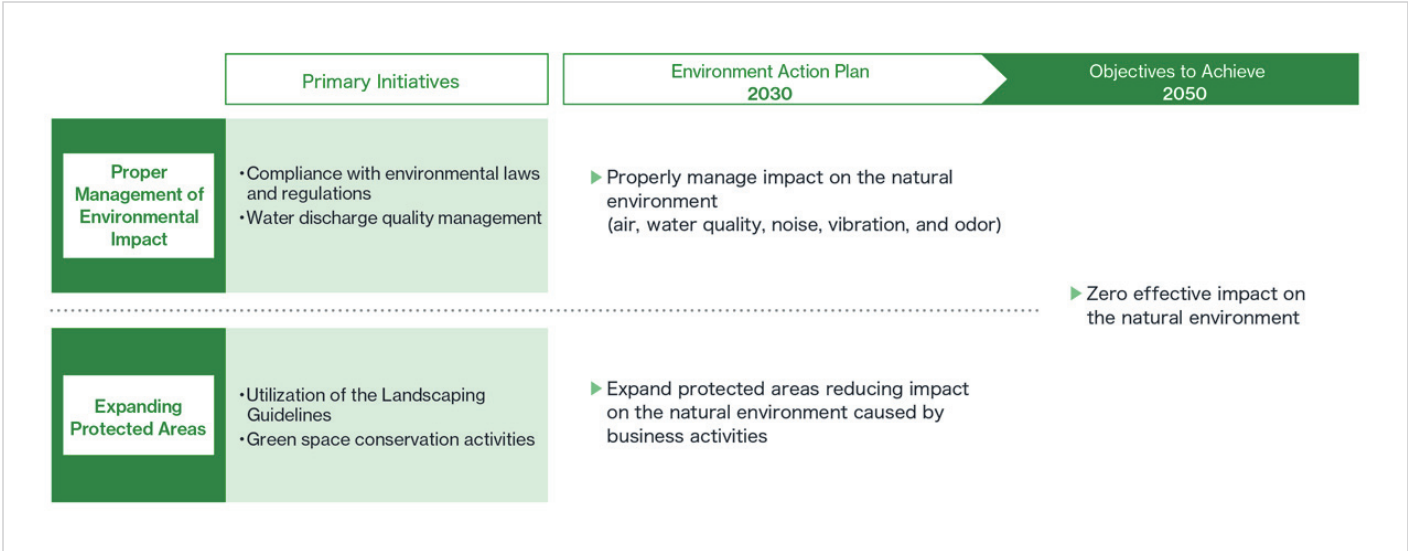
Raw Materials Used in Automobiles in FYE March 2025		Recycling Method
Iron	620,126t	Delivered to dealerships in the form of iron scrap for reuse
Aluminum	29,934t	Re-melted at plants and reused almost entirely
Plastics	26,052t	Crushed again at plants and reused partially

# Coexistence with Nature

## Our Approach

With the automotive and aerospace businesses as the pillars of SUBARU’s operations, our fields of business are the earth, the sky and nature. The SUBARU Group’s vision for the environment is to “Cherish and protect the environment— the earth, the sky and nature—through Group-wide activities.” We have identified coexistence with nature as one of our important environmental themes and set a direction to aim for zero effective impact on the natural environment. Furthermore, the SUBARU Group instituted the SUBARU Guidelines on Biodiversity in April 2019, which serve as the basis for its approach to biodiversity. The guidelines were formulated with reference to the government’s Guidelines for Private Sector Engagement in Biodiversity (Ministry of the Environment) and the Declaration of Biodiversity by Keidanren: Guide to Action Policy, as well as by taking into account international trends in biodiversity management, in order to ensure that their effectiveness and continuity can be guaranteed.

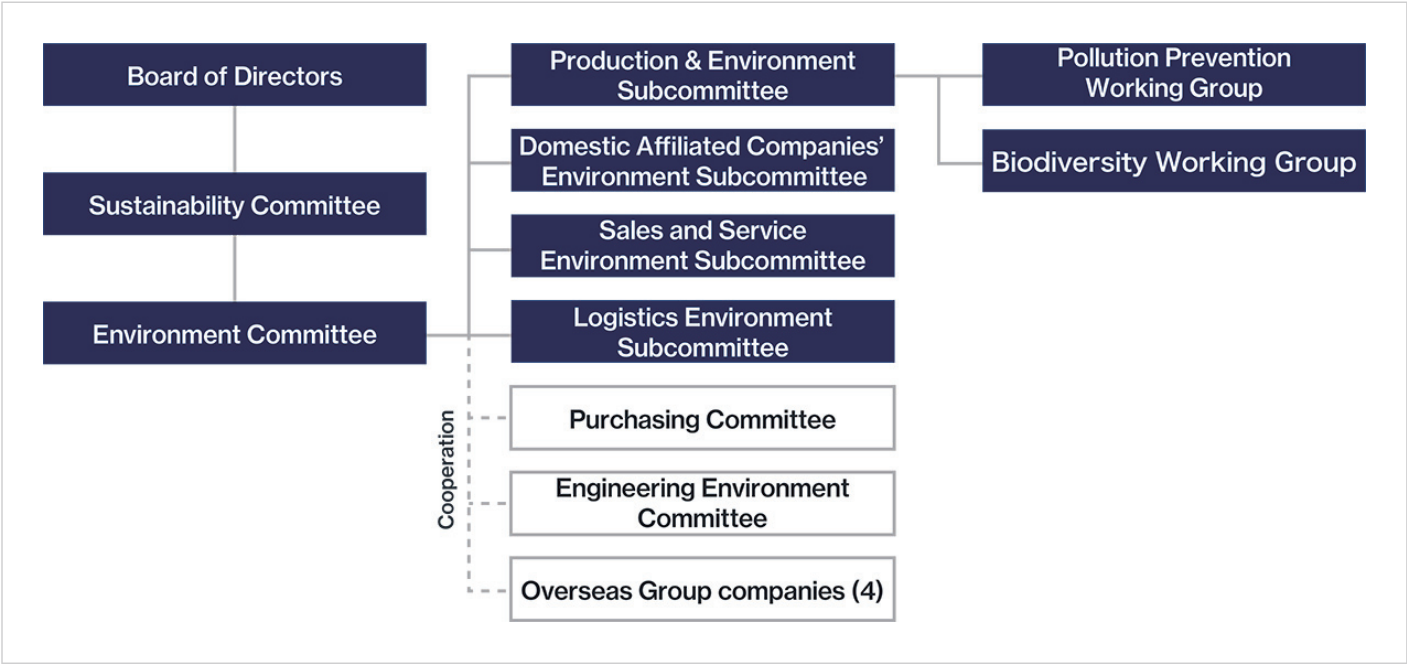
### Coexistence with Nature: Roadmap



# Management System

Efforts related to the medium-term goals of proper management of environmental impact and expansion of nature conservation areas on owned land are managed by the Pollution Prevention Working Group and the Biodiversity Working Group, which are subordinate organizations of the Production & Environment Subcommittee. These efforts are regularly reported to the Environment Committee to manage the progress of initiatives related to the Environment Action Plan.

## Organizational Structure for Coexistence with Nature





## Medium-Term Goals

The SUBARU Group has revised its Environment Action Plan 2030 in line with the three newly established priority themes. We have identified coexistence with nature as an environmental theme of particular focus and have set a target of zero effective impact on the natural environment by FYE March 2051. In business activities that are eligible for efforts to reduce impact on the natural environment, we are focusing on proper management of environmental impact and expansion of nature conservation areas on owned land. Given this, we have newly set forth two medium-term goals to be achieved by FYE March 2031: proper management of environmental impact on the natural environment (air, water quality, noise, vibration, and odor) at business sites, and expansion of protected areas reducing impact on the natural environment caused by business activities.

## Proper Management of Environmental Impact

### Compliance with Environmental Laws and Regulations and Related Initiatives

In addition to complying with environmental laws and regulations, SUBARU has set its own voluntary environmental standard values, which are 20% stricter than the regulatory values set by law. We are committed to never exceeding the regulatory and voluntary thresholds and striving to achieve the goal of zero environmental complaints and zero environmental accidents. In FYE March 2025, one air-related, three water quality-related, and one noise-related violations of statutory standards were confirmed at the Gunma Plant, while two water quality-related and one noise-related violations of statutory standards were confirmed at the Utsunomiya Plant. For these issues, we are identifying the causes through equipment inspections and exploring and implementing countermeasures and improvements, such as introducing measurement instruments and modifying systems.

In addition, we identify the causes of environmental accidents that occur on and off our premises and environmental complaints we receive, and strive to prevent their recurrence.

### Compliance with Environmental Laws and Regulations and Major Results in FYE March 2025

	Number of Cases
Violations of laws and regulations	8
Environmental accidents (emissions into the environment)	3
Environmental accidents (emissions on-site)	8
Environmental complaints	4

### Noise, Vibration, and Offensive Odors

The Gunma Plant conducts daily patrols premised on the fact that people and measuring instruments respond to odors and noise very differently, and we are continuing our efforts to improve production facilities, among others.

## Soil and Groundwater

We started our voluntary soil and groundwater tests at our locations in 1998 and have since implemented purification measures and groundwater monitoring as required. Since the Soil Contamination Countermeasures Act came into effect in 2003, we have also filed reports and conducted tests in accordance with the law.

## PCB Waste

SUBARU is auditing and treating polychlorinated biphenyl (PCB) waste as planned. We are currently conducting a final survey of the status of PCB waste treatment at each SUBARU base and at Group companies and Dealerships in Japan, and the SUBARU Group plans to complete the disposal of PCB waste by FYE March 2028.

## Hazardous Waste

SUBARU has had no significant spillage, nor has it transported waste deemed hazardous under the terms of Annex I, II, III, and IV of the Basel Convention\*.

\* International treaty on the control of movements of hazardous wastes between nations and their disposal procedures

## Water discharge quality management

### Gunma Plant

At the Gunma Plant, wastewater is treated and then discharged into rivers after passing through an oil-water separation tank, where it eventually merges into the Tone River. Appropriate wastewater treatment is provided to ensure the water after it merges into the Tone River is safe during use for agricultural and domestic purposes in the downstream areas.

### Utsunomiya Plant

In the Utsunomiya area, after treating wastewater from surface treatment processes we discharge it into the sewer system, and discharge rainwater and cooling water into the river after checking its quality in the final water quality monitoring tank. In addition, we dispose of wastewater from the painting process in the Handa area as industrial waste, and treat domestic wastewater in septic tanks prior to discharging it into Kinuura Port and the Agui River.

### Stormwater Management (Subaru of America, Inc.)

Subaru of America, Inc. (SOA) is addressing the risk of flooding on its premises by raising existing site grades by up to approximately 1.5 meters and planting wetland vegetation in areas with poor drainage, taking into account the importance of stormwater management.

Its Subaru rain garden plays a role in mitigating the risk of flooding in the nearby Cooper River by temporarily storing stormwater.



SUBARU Rain Garden

## Business Activity and Coexistence with Nature

SUBARU supports the Declaration of Biodiversity by Keidanren (Japan Business Federation) and has established the SUBARU Guidelines on Biodiversity to continue business activities with consideration for biodiversity, including efforts such as the SUBARU Forest conservation initiative.

### SUBARU Guidelines on Biodiversity

Our society is supported by biodiversity, which is the source of various blessings from nature.

On the other hand, “biodiversity” is rapidly being lost on a global scale.

We promote biodiversity preservation through our business activities and contribute to the environmental protection of our planet while aiming to coexist with the earth, the sky and nature.

1. We grasp the impact of business activities on biodiversity and reduce their impact. We also promote initiatives leading to further recovery.
2. We strive to raise awareness of biodiversity.
3. We respect international rules concerning biodiversity.
4. We cooperate with stakeholders and strive for preservation of biodiversity.
5. We proactively disclose information on activities regarding biodiversity.

Established in April 2019

### Landscaping Guidelines

SUBARU has formulated the Landscaping Guidelines, in the belief that in order to establish itself in a community and conduct business activities while being loved by community members, it is necessary to be mindful of the environment, history, and climate of each community and aim to create sites that are well-rooted locally. The Landscaping Guidelines stipulate that in addition to the procedures for formulating planting lists, each site must follow the three principles for the prevention of damage by invasive alien species set forth by the Ministry of the Environment, namely “do not introduce, release, or spread” in order to conduct business activities that do not have a negative impact on biodiversity.

#### Procedures for Formulating Planting Lists from the Landscaping Guidelines

1. Formulate a planting list from species endemic to the area around the site, referring to plants in facilities that have maintained nature since ancient times, such as shrines, temples, and natural parks in the surrounding area, as well as guidelines and lists issued by each local government for selecting native species as available.
2. If it is difficult to formulate a planting list of species endemic to the area around the site, a planting list should be formulated based on plants other than those listed as invasive alien species as published by the national government and local governments.
3. Formulate a planting list from plants selected in the first two steps. Consider consulting with construction companies when formulating this list.

## Sites Conducting Planting Activities Based on the Landscaping Guidelines and Their Initiatives

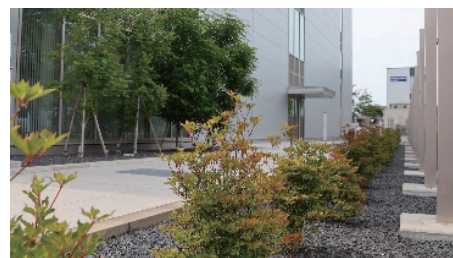
Site	Initiative Overview
Kitamoto Plant, Gunma Plant	When planting in the vicinity of the plant building's entrance, we selected mixed shrubbery based on the Landscaping Guidelines.
Oizumi Plant, Gunma Plant	When planting in the vicinity the new cafeteria and office building, we selected plants with a focus on mixed shrubbery and ground cover plants taking into consideration the appropriate density of tall and medium-height trees plus shrubbery based on the Landscaping Guidelines.
Tokyo Office	At the Tokyo Office, we maintain and manage bamboo-leaf oak, East Asian beautyberry, and other species native to the Musashino area within the office's premises to enhance the landscape and biodiversity.
Utsunomiya Plant	When planting trees during the construction of the administration building, native Japanese species were selected based on the Landscaping Guidelines.



Planting around the Gunma Plant's Kitamoto Plant building entrance



Planting around the Gunma Plant's Oizumi Plant new cafeteria and office building



Planting around the Utsunomiya Plant Main Administration Building

## Initiatives for Coexistence with Nature

### Donations to fund environmental conservation activities at Matsuyama Marsh

SUBARU has utilized the corporate version of a hometown tax donation program—the government's tax incentive scheme—to encourage companies to support regional revitalization—to donate to the Hokkaido government's Matsuyama Marsh\* Forest Project, primarily for boardwalk improvements in Matsuyama Marsh. With this donation, the aging information boards and walking paths were improved.



A beautiful Matsuyama Marsh landscape



Repaired walking paths around Matsuyama Marsh

\* Matsuyama Marsh (Bifuka Town): Japan's northernmost high-altitude wetland situated 797 meters above sea level. As the marsh is home to around 200 distinctive plant species, including ferns and mosses, the Ministry of the Environment has selected it as one of Japan's 500 most important wetlands

## Greenery Conservation and Creation

Since the SUBARU Group's business locations are closely linked to the neighboring natural environments and ecosystems, we make a variety of contributions to the conservation of biodiversity in each area.

### SUBARU Forest Bifuka in Hokkaido

In a forest of approximately 115 hectares located on the premises of SUBARU Test & Development Center Bifuka Proving Ground, SUBARU started forest management and conservation activities in FYE March 2018, including tree-planting, thinning, and nature conservation. We aim to carry out these activities in

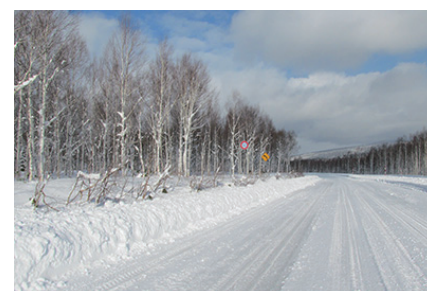
collaboration with local communities such as Bifuka Town with a long-term plan to create a forest through artificial afforestation in 50 years. In FYE March 2025, we conducted a literature survey on wild animals and plants (plants, mammals, birds, amphibians, reptiles, insects, aquatic animals, and terrestrial mollusks) that are likely to inhabit or grow in the surrounding area, and identified approximately 1,280 species.

Along with utilizing wood from thinning during forest maintenance projects as biomass fuel, we have also been purchasing J-Credits (BIFUKA AIR Bifuka Town Forest Credits) since FYE March 2022 in line with climate change countermeasures. In addition, as of FYE March 2020, Bifuka Town has acquired the international SGEC-FM forest certification\* for town-owned forests, including SUBARU Forest Bifuka, in order to achieve effective use of forest resources.

\* Forest Management Certification by the Sustainable Green Ecosystem Council (SGEC)

### Sponsorship of a Tree-Planting Ceremony at Bifuka Town

In 2018, Bifuka Town and SUBARU signed an agreement on implementation of forest conservation activities in order to carry out tree planting, forest thinning, nature conservation, and other activities in a forest of about 115 hectares on the SUBARU Test & Development Center Bifuka Proving Ground site as part of SUBARU Forest Project activities, as well as to conduct activities in partnership with local communities. As part of these activities, SUBARU sponsors an annual tree-planting ceremony. In FYE March 2025, 350 clean larch trees were planted as part of this ceremony.



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



Planted clean larches (a tree species  
developed in Hokkaido by crossing Kurile  
larch and Japanese larch)

### SUBARU Friendship Forest Akagi in Gunma

In April 2018, SUBARU obtained the naming rights to a prefectural forest park in Gunma Prefecture, where its automotive plants are located, renaming the park—once called Gunma Prefectural Akagi Forest Park—"SUBARU Friendship Forest Akagi" and supporting the conservation and maintenance of the prefectural forest. Based on the SUBARU Friendship Forest Akagi Forest Management Project Agreement signed in 2023, support was provided for forest management activities such as thinning and the development of walking trails. In recognition of these efforts, a ceremony was held in September 2024 to present SUBARU with a letter of appreciation for its donations to the forest management project.



(Left: Mr. Kurosawa, Director of Forestry,  
Gunma Prefecture Environment and  
Forestry Department; Right: Ms.  
Takabayashi, General Manager of General  
Administration Department, Gunma Plant)

On the day of the presentation ceremony, the 2024 Mt. Akagi Painting Workshop & Drum Circle was held at SUBARU Friendship Forest Akagi (Gunma Prefectural Akagi Forest Park). SUBARU also supported this event and co-sponsored a thinned wood coaster workshop, which was attended by a total of 173 people over two days.





The event's painting workshop, drum circle, and coaster workshop



### Kitamoto Plant, Gunma Plant

The Kitamoto Plant in Kitamoto City has been nurturing and taking care of cherry trees growing on the site since they were received from the city in 2003. The trees are descendants of the Ishito Kabazakura cherry tree, estimated to be 800 years old, at Tokoji Temple in the city. Ishito Kabazakura was designated as a natural monument of Japan in 1922 and is classified as one of Japan's five great cherry trees.



Cherry trees at the Kitamoto Plant

### Oizumi Plant, Gunma Plant

Ecological surveys (birds, mammals, plants, aquatic organisms, and insects) were conducted in a reservoir area and open ditches at the Oizumi Plant. The survey results showed that the wetland and aquatic environments are maintained throughout the year, and successfully identified several important and desirable species for conservation. Based on the survey results, we will continue to manage the site based on the maintenance and preservation of the existing wetlands and aquatic environment, and aim to register the site as a Nationally Certified Sustainably Managed Natural Site.

### Tokyo Office

At the Tokyo Office, we maintain and manage bamboo-leaf oak, East Asian beautyberry, and other species native to the Musashino area within the office's premises to enhance the landscape and biodiversity. We also participate in activities to protect the natural features of the region and share opinions with industry, government, academia, and the private sector.



Landscape as seen on the premises



Bamboo-leaf oak



East Asian beautyberry

## Overseas

### Subaru of Indiana Automotive, Inc.

Subaru of Indiana Automotive, Inc. (SIA) has developed water retention areas and surrounding green spaces on plant premises with consideration for local wildlife habitats. As a result, wild Canada geese and herons use this area for feeding and resting, and a significant population of deer also resides in and around the plant site, which is surrounded by a rich natural environment. In 2003, the National Wildlife Foundation designated the site as a supportive wildlife habitat, marking the first such designation for an automotive production plant in the U.S.



Wild Canadian geese



SIA's rich natural

### Subaru of America, Inc.

The SOA headquarters building has acquired silver LEED certification, with environmentally friendly planting incorporated into its environmental protection efforts. Specifically, the site features a Pennsylvania Horticultural Society-designed landscape including native perennials, hardwoods, and grasses to create a drought-resistant location. This well-maintained landscape provides a diverse habitat for wildlife. The company has also introduced stormwater management initiatives, such as raising construction site grades, planting wetland species in areas with poor drainage, and installing a rain garden.

### Pollinator Garden (North American Subaru, Inc.)

North American Subaru, Inc. has replaced a portion of the grassy plot on its premises with a pollinator garden of approximately 10,117 m<sup>2</sup> in size. The goal of the Pollinator Garden is to create a natural planting garden that supports the work of pollinators (insects and other pollen carriers) and enhances their habitat. Additionally, by establishing this natural planting, the need for pesticides is eliminated, and this initiative is expected to save approximately 170 m<sup>3</sup> of water per year.



The on-premises pollinator garden



## Other Key Initiatives

### Natural Life

With its DNA as an aircraft manufacturer, SUBARU has always prioritized safety and focused attention on protecting life with an approach based on People-oriented Monozukuri. We have launched the Cherishing Every Life Project as an initiative that centers on this approach to expand our activities together with our customers and local communities. Under the project's two themes of human life, which is irreplaceable, and natural life, which is rich forests and animal life, we are engaged in activities to support people who, like us, have a strong belief in the protection of life and are working day by day to protect and connect life to a future full of happiness.

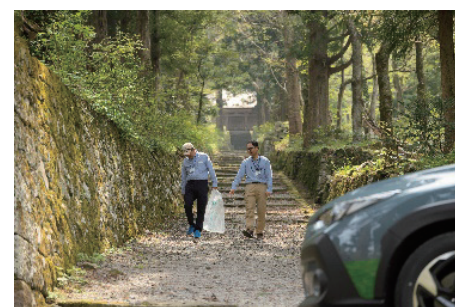
As part of our initiatives for natural life, we have formed partnerships with the Shiretoko Nature Foundation, the Yakushima Environmental and Cultural Foundation, and the Natural Parks Foundation to support conservation activities in the World Heritage Sites of Shiretoko and Yakushima, as well as in 15 national parks across Japan, with the aim of passing on nature to future generations. For details on each activity, please visit our dedicated website page about this project.



[> Cherishing Every Life Project](#)  (Japanese version only)

#### TOPICS

### Topic Support for the Natural Parks Foundation, Tottori Branch, Mt. Daisen Project Area through the Natural Life Side of the Cherishing Every Life Project



The Daisen-Okii National Park Mt. Daisen Project Area has been provided with patrol cars by SUBARU CHUSHIKOKU CORPORATION, a SUBARU dealership, to support the foundation's activities. These funds are used for managing park facilities in the Daisen Masumizu Highland, removing invasive plants that have entered the special protection zone of the national park, conducting awareness campaigns and patrols to prevent illegal collection of plants and animals within the park, and collecting litter.

### Water Resource Management

The Production & Environment Subcommittee manages the SUBARU Group's water usage at each site, and both the total amount and amount used per unit of sales are maintained at a constant level.

In addition, the SUBARU Group has conducted a water risk survey of its major business locations and found no high water risk at any location. We will continue to conduct periodic water risk surveys as well as promote initiatives to reduce water consumption.

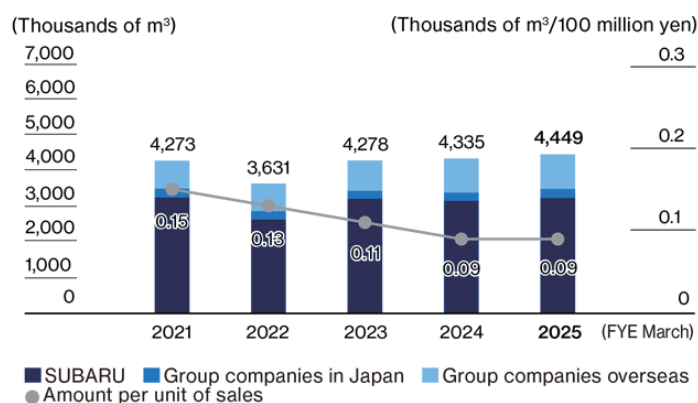


## Water Risk

The SUBARU Group uses a third-party expert to implement water risk assessments to ensure the sustainable use of water. In FYE March 2024, we conducted an in-house water risk assessment using the World Resources Institute (WRI) Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter, confirming that water risk is generally below moderate, consistent with past surveys.

In addition, the SUBARU Group carries out disaster risk response for its business partners in Japan. When organizing the system for restoration support activities in the event of a contingency at our suppliers, we have also introduced a system to share information on disaster risks to both parties.

## Water Consumption



### Scope

#### SUBARU:

Gunma Plant, Tokyo Office, Utsunomiya Plant, Ebisu Subaru Building, Accessory Center, SUBARU R&E Center (SKC), SUBARU R&E Center Bifuka Proving Ground, SUBARU Training Center

#### Group companies in Japan:

Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd., HBC Co., Ltd.

#### Overseas Group companies:

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

## Water Consumption by Source (Thousands of m³)

Scope	Tap Water	Industrial Water	Groundwater FYE March 2025	Source of Water Intake
Japan	427	2,448	604	Tone River, Watarase River
North America	962	0	0	Groundwater from the Teays Valley aquifer
<b>Total</b>	<b>1,389</b>	<b>2,448</b>	<b>604</b>	

### Scope

#### Japan:

Gunma Plant, Tokyo Office, Utsunomiya Plant, Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd., HBC Co., Ltd.

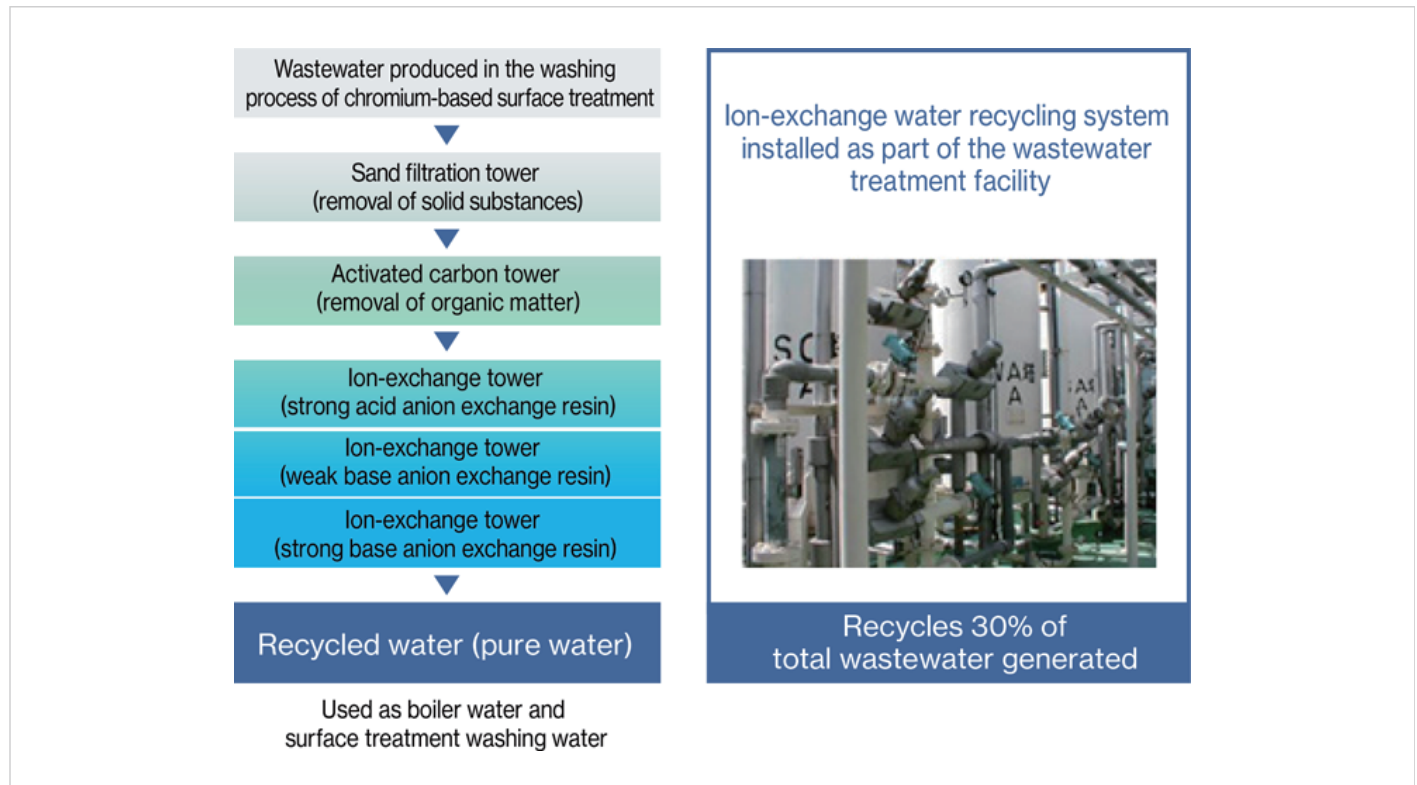
#### North America:

Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., North American Subaru, Inc.

## Utsunomiya Plant

The Utsunomiya Plant has introduced a surface treatment facility equipped with an ion-exchange water recycling system that converts wastewater into pure water. In FYE March 2025, 24,243 m<sup>3</sup> (15.3%) of the total of 158,048 m<sup>3</sup> of water used in the surface treatment facility was recycled and utilized at the plant as washing water for the facility.

### Representative Surface Treatment Wastewater Processing and Recycling



## Initiatives for Paper Use

SUBARU is taking actions to go paperless by fully digitizing payment guides for our business partners to be available online and achieving paperless processing of internal accounting documents related to maintenance parts and vehicle accessories. In addition, Subaru of America, Inc. is working to reduce paper usage through the use of FSC-certified paper and the introduction of electronic platforms.

### Forest Conservation Through FSC-Certified Paper (Subaru of America, Inc.)

SOA uses Forest Stewardship Council (FSC) certified paper whenever possible. FSC-certified paper is recognized for its role in promoting activities that protect forests, such as maintaining their stable carbon storage volumes.

### Paperless Initiatives through Introduction of DocuSign (Subaru of America, Inc.)

Subaru of America, Inc. has introduced the DocuSign electronic signature service to move away from its traditional paper-based business style and establish a system that allows all procedures, such as contracts and approvals, to be completed online. By utilizing DocuSign, we were able to reduce paper usage by approximately 223,000 sheets in FYE March 2025.

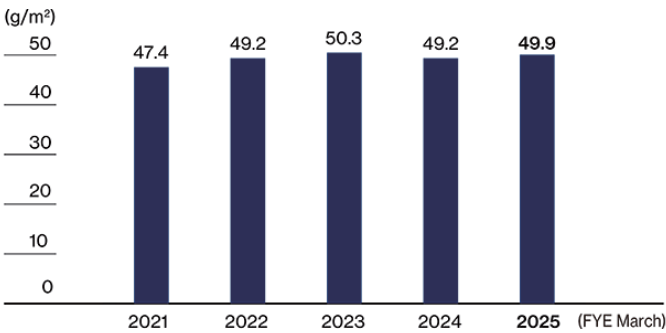
## Emission of VOCs/Chemical Substances Regulated by the Pollutant Release and Transfer Register (PRTR) Act and NOx and SOx Emissions

### VOC

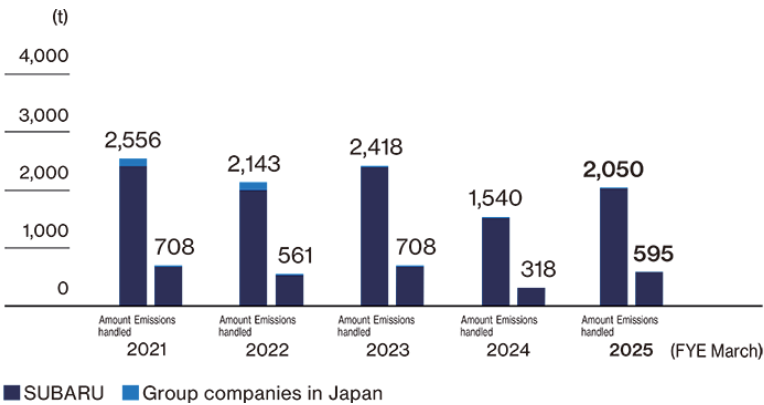
SUBARU manages volatile organic compounds (VOCs) emissions during the automobile painting process using an emissions per unit coating area calculation method. FYE March 2025 emissions increased 1.4% compared with the previous fiscal year to 49.9 g/m<sup>2</sup>. We are reducing the amount of cleaning thinner used in the automobile painting process and increasing recovery as a measure to reduce VOC emissions during painting.

In the automobile coating processes at Subaru of Indiana Automotive, Inc., an ad-hoc upgrade was made to painting robots equipped with high-efficiency applicators, contributing not only to improved quality but also to reduced paint sludge and VOC emissions.

### VOC Emissions During the Automobile Painting Process



### Chemical Substances Regulated by the Pollutant Release and Transfer Register (PRTR) Act



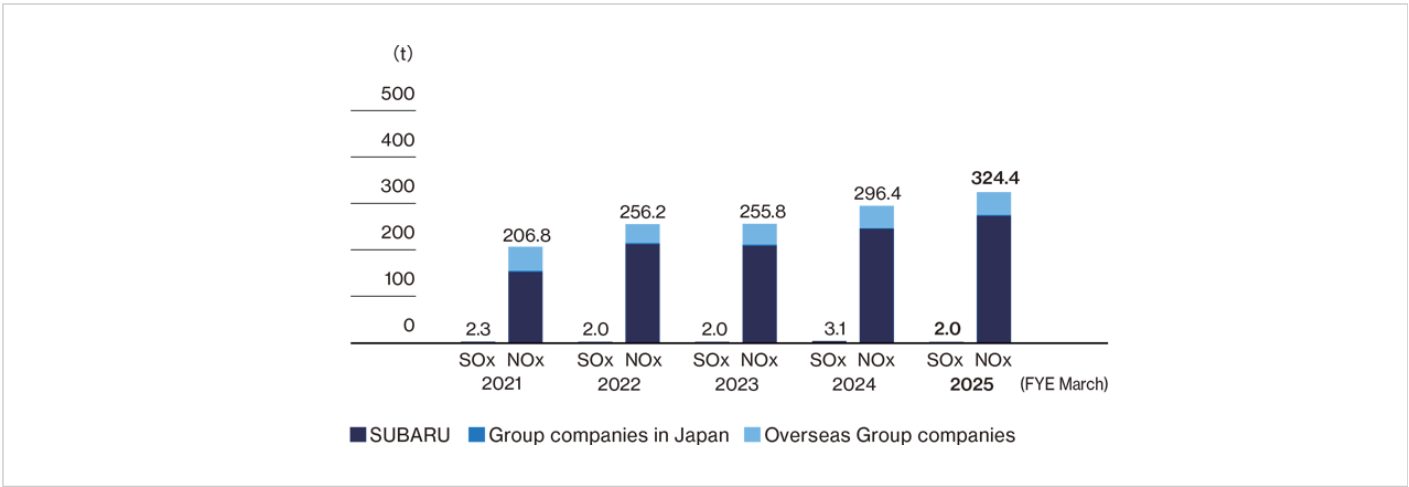
#### Scope

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant

#### Group companies in Japan:

Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd., Fuji Aviation Maintenance Co., Ltd.

NOx and SOx Emissions



Scope

SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant

Group companies in Japan:

Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Kogyo Co., Ltd., Subaru Logistics Co., Ltd.

Overseas Group company:

Subaru of Indiana Automotive, Inc.



# Social

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# Respect for Human Rights

## Our Approach

The SUBARU Group puts people first and engages in people-oriented manufacturing. Based on the belief that respect for the rights and characteristics of individuals is an important management issue for SUBARU, the SUBARU Group established its Human Rights Policy in April 2020. This policy respects and aligns with the human rights stipulated in international norms such as the Universal Declaration of Human Rights (UDHR), International Covenants on Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. It also applies to SUBARU CORPORATION and all its subsidiaries, as well as to business partners, and other stakeholders. The policy states that we do not tolerate any discrimination based on race, age, sex, gender identification or expression, sexual orientation, national origin, ethnicity, religion, creed, profession, disability, family relations, or any other status protected by applicable law.

This policy was formulated with full consideration to stakeholders' expectations, incorporating discussions with outside experts and overseas subsidiaries. It was officially established after agreement by the second meeting of the CSR Committee\* for FYE March 2020 and reported to the Board of Directors in March 2020. This policy is run globally and appropriately, being ready to address future environmental changes.

\* Renamed in FYE March 2022 from the CSR Committee to the Sustainability Committee

### Human Rights Policy

#### Principle of Respect for Human Rights

The SUBARU Group, through its automotive and aerospace businesses, puts people first and engages in people-oriented manufacturing.

Respect for the rights and characteristics of individuals is an important management issue for SUBARU. Based on this policy, the SUBARU Group clarifies its responsibilities to respect human rights based on the United Nations Guiding Principles on Business and Human Rights.

#### 1. Compliance with Laws and Regulations to Respect Human Rights

##### (Scope and Management Structure)

- This policy applies to the SUBARU Group worldwide—SUBARU CORPORATION and its all subsidiaries, expects and encourages our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy. To realize these goals, we have appointed Representative Director, President and CEO as a director who is responsible for leading the process of developing this policy and assigning resources as needed for its implementation and continued improvement.

##### (Related Laws and International Norms)

- We will comply with the relevant laws and regulations of each country, and respect the human rights stipulated in international norms such as The Universal Declaration of Human Rights (UDHR), International Covenants on Human Rights (International Covenant on Economic, Social and Cultural Rights, and International Covenant on Civil and Political Rights), and the ILO Declaration on Fundamental Principles and Rights at Work. If the standards set forth in the international norms exceed those set forth in applicable law, we will aim to adhere to the international norms.

#### 2. Implementation of Human Rights Due Diligence

##### (Response to Human Rights Risks)

- We will identify potential or actual human rights risks linked to our business and establish and continuously operate mechanisms to prevent or mitigate such risks.

**(Corrective Actions)**

- We will strive to remedy any adverse human rights impact that we have caused or are involved in. We will also establish and maintain our grievance mechanism to do so.

**(Training)**

- To ensure that this policy is understood and practiced by all the members of the SUBARU Group, we conduct regular training and awareness-raising programs for executives, employees, and other stakeholders to respect human rights.

**(Dialogue and Consultation)**

- We engage in dialogue and consultation with relevant stakeholders in order to improve our commitment to respect for human rights.

**(Information Disclosure)**

- We will annually report on our commitments and the actions we have taken to respect and promote human rights pursuant to this policy.

Revised in March 2022

**Human Rights Policy Appendix****Priority Human Rights Issues in SUBARU Group's Businesses**

The SUBARU Group's manufacturing is supported not only by our own factories, but also by an extremely large number of people working in the multilayered supply chains. We also have contact with a variety of people in areas such as marketing, sales, and after-sales service through distributors and dealers all over the world. In order to respect human rights, and the numerous irreplaceable lives of all those involved in the SUBARU Group, we will actively address the following as priority issues identified so far.

We will regularly review the priority issues in this Appendix based on changes in social demands, including laws and regulations, technical progress, and the business operations of the SUBARU Group.

**(Respect for Rights to Human Life and Property)**

- In order to protect the basic rights of people and their families who interact with SUBARU Group's products and services, such as drivers, passengers, and pedestrians, we aim to eliminate all traffic accident deaths that involve SUBARU vehicles.
- We will promote the humanitarian use of the SUBARU Group's various products and services, including disaster relief, and strive to avoid inhumane use.

**(Respect for Individuals, Diversity and Inclusion)**

- We value the unique characteristics of our employees, our business partners, and the members of the communities in which we operate and strive to create an environment of diversity and inclusion.
- We will conduct our business activities with full respect for privacy, including protecting the personal information of not only our customers and employees, but also those involved with the SUBARU Group.

**(Zero Tolerance for Discrimination and Harassment)**

- We do not tolerate any discrimination based on race, age, sex, gender identification or expression, sexual orientation, national origin, ethnicity, religion, creed, profession, disability, family relations, or any other status protected by applicable law among all persons involved in the SUBARU Group. Moreover, we do not tolerate any harassment that harms human dignity.

- We will carefully consider potential human rights risks in our marketing and other communication activities, and do not tolerate expressions that are discriminatory or may adversely affect children.

#### **(Respect for the Workers' Rights in SUBARU Group and Encouraging Our Supply Chains)**

- We do not tolerate child labor, forced labor, slave labor, and human trafficking.
- We do not expose young workers to hazardous work.
- We will give due consideration to the human rights of foreign workers and migrant workers.
- We respect freedom of association and the right to collective bargaining, which are fundamental workers' rights. We are committed to engagement with employees to ensure a positive working environment.
- We will maintain a worthwhile, safe, and hygienic working environment.
- In order to promote the well-being of workers, we will pay appropriate wages more than the minimum and living wages, and manage working hours appropriately.
- We expect and encourage our supply chains to respect the rights of workers.

#### **(Respect for the Rights of Vulnerable People in Local Communities)**

- We engage in responsible procurement practices including those related to conflict minerals.
- We will give special consideration to respect for the human rights of women, children, people with disabilities, social minorities, ethnic minorities, indigenous peoples, and other vulnerable groups.

#### **(Contributions to Respect for Human Rights)**

- We will actively contribute to human rights protection worldwide through the SUBARU Group's corporate citizenship activities.

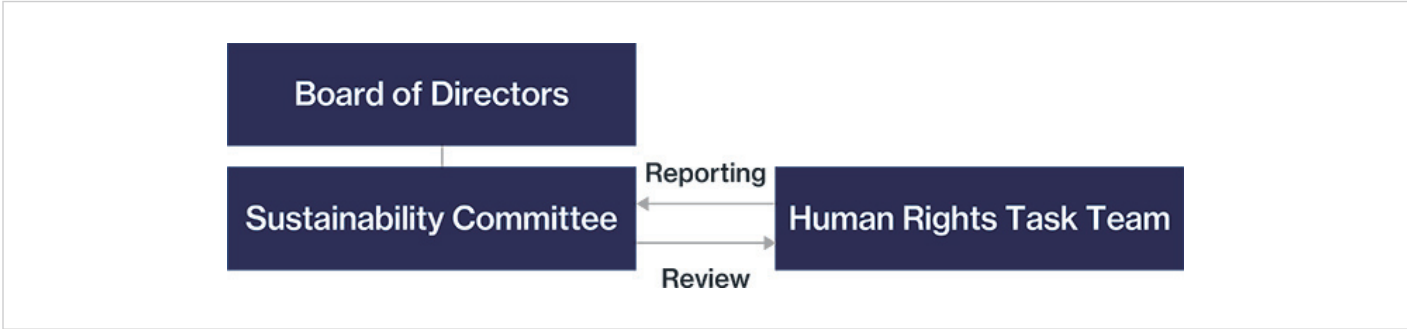
Established in April 2020

> [SUBARU Supplier CSR Guidelines](#)  



## Management System

To strengthen and advance its initiatives for human rights, the SUBARU Group has appointed the Representative Director, President and CEO as a director who is responsible for leading the process of developing this policy and assigning resources as needed. Specifically, we formed the Human Rights Task Team comprised of management personnel including the General Managers from the Human Resources Department, IR Department, Sustainability Promotion Department, Risk Management and Compliance Office, Global Purchasing Planning Department, the Gunma Plant General Administration Department, and the Aerospace Company Procurement Department. This team regularly examines human rights issues and their countermeasures and implements the plan-do-check-act (PDCA) cycle. The content of examinations within the team is regularly reported and deliberated upon in the Sustainability Committee, chaired by the Representative Director, President and CEO. The details are then submitted and reported to the Board of Directors, which oversees the Sustainability Committee; at the Board, they are monitored for their impact on the SUBARU Group's business and appropriately addressed.



### Reports and discussions related to human rights in the Sustainability Committee and the Board of Directors

FYE March	Description
2020	Establishment of the Human Rights Policy
2021	Human rights risks and corresponding measures in the SUBARU Group
2022	<ul style="list-style-type: none"><li>Progress update on measures addressing human rights risks</li><li>Newly identified human rights risks and corresponding measures</li></ul>
2023	<ul style="list-style-type: none"><li>Human rights initiatives in the SUBARU Group</li><li>Progress update on measures addressing human rights risks</li></ul>
2024	<ul style="list-style-type: none"><li>Progress update on measures addressing human rights risks</li><li>Additional measures addressing human rights risks (Examination of human rights risks and measures)</li></ul>
2025	<ul style="list-style-type: none"><li>Progress update on measures addressing human rights risks</li><li>Additional measures addressing human rights risks (Expansion of examination of human rights risks and measures)</li></ul>

For specific human rights risks and measures, please see [Initiatives](#).

## Targets and Metrics

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The SUBARU Group puts people first and engages in people-oriented manufacturing. SUBARU is working to embody its belief that respect for the rights and characteristics of individuals is an important management issue.

In addition, we will publish the latest status of our efforts to respect human rights, including the progress of our measures in this area, on this website once a year.

## Risks and Measures in Initiatives for Respect of Human Rights

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At the SUBARU Group, we recognize that the area of respect for human rights presents risks related to industries and business activities.

If the SUBARU Group or its business partners or other affiliated parties engage in activities that violate regulations regarding labor environments and occupational health and safety, or activities constituting any kind of harassment, infringement of workers' rights and opportunities, or procurement that violates human rights, we believe that this is not just a violation of relevant laws and regulations. Beyond this, we believe that this could result in a loss of customer trust and confidence, lead to a damaged brand image due to flagging opinions and reputations in society, impede sales, lead to turnover in human resources, make it difficult to procure materials and funds, or other negative outcomes, which could have a significant impact on our business foundation and our business performance and financial position.

The SUBARU Group has established the Human Rights Policy, and based on this policy, we carry out human rights due diligence to identify business-related human rights risks and formulate and implement measures to address them. Of these risks, we are steadily implementing measures to address those of particular importance to the SUBARU Group, and we are continuously working to mitigate risks. In addition, we are advancing initiatives for the respect of human rights in encouraging our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy.

# Initiatives

## Establishment of the Human Rights Policy

Based on the belief that respect for the rights and characteristics of individuals is an important management issue for SUBARU, the SUBARU Group established its Human Rights Policy in April 2020. This policy was developed through discussions with external experts, consultations with specialists, and deliberations with overseas subsidiaries, taking into full consideration the expectations of stakeholders. It sets forth that the SUBARU Group's universal sense of purpose in acting for the good of people not only applies to our customers and employees but also extends across the entire value chain. This policy is published on our website in Japanese and English for stakeholders in each country and region.

Based on the Human Rights Policy, the SUBARU Group, in order to fulfill its social responsibility in its global business activities, will respect the human rights of all stakeholders associated with the Group and continue managing its operations in line with respect for human rights, working to prevent and mitigate potential negative impacts on human rights.

## Activities to Raise Awareness of Human Rights

SUBARU has held seminars and taken other measures to encourage understanding every year since FYE March 2021 aimed at helping employees obtain knowledge about business and human rights. Specifically, the seminars aim to foster awareness of the importance of respecting human rights in one's own duties and everyday business activities by understanding the changing external landscape and real-life instances of human rights issues, while recognizing the SUBARU Group's stance on respect for human rights through the Human Rights Policy.

In FYE March 2025, during Human Rights Week in December, SUBARU sent out messages on human rights on our intranet and in-house web magazine, and conducted personnel training related to DE&I. In addition, during December, which is also No Workplace Harassment Month, we conducted training for managers on creating a workplace free of harassment and improving workplace management skills. In addition, the video-based harassment prevention education conducted for all SUBARU employees in FYE March 2024 was expanded to six domestic Group companies in FYE March 2025.

We also raise awareness of human rights initiatives among our suppliers through measures such as procurement policy briefings and business partner CSR briefings.



Harassment prevention education materials

## Seminars on Business and Human Rights/Measures to Encourage Understanding

	Eligible participants	Program period
FYE March 2021	SUBARU human resource departments' manager-class employees	September 2020
	All SUBARU procurement departments' employees	September 2020
FYE March 2022	All SUBARU executives	January 2022
FYE March 2023	SUBARU Gunma Plant's manager-class employees	March 2023
FYE March 2024	All SUBARU employees	September 2023 to March 2024
FYE March 2025	All SUBARU employees and some Group companies in Japan	July 2024 to March 2025

> [Supplier CSR Briefing and CSR Survey](#)

## Stakeholder Engagement


In the SUBARU Group, we strive to accurately grasp stakeholder expectations related to human rights. To ensure timely response, we hold discussions with experts and maintain communication with institutional investors and external assessment organizations as required.

In FYE March 2025, we held seminars for executives to review and discuss legal regulations related to human rights with experts. In addition, we met with multiple institutional investors in Japan and overseas to explain SUBARU's perspective and specific initiatives regarding human rights. Institutional investors expressed positive expectations for further initiatives by the SUBARU Group, such as broader efforts to identify potential risks, including within our supply chain.

We also actively shared the latest information on our initiatives to external evaluating organizations, and expectations and suggestions raised by each organization are reported to the Sustainability Committee and shared among all executives.

## Human Rights Due Diligence

The SUBARU Group carries out human rights due diligence in accordance with the procedures stipulated in the United Nations Guiding Principles on Business and Human Rights. We will actively work on this initiative together with our suppliers.

From FYE March 2021 to FYE March 2022, with cooperation from LRQA Sustainability Co., Ltd. (<https://www.lrqa.com/> ), an organization with specialized knowledge on business and human rights, we identified and conducted impact assessments for human rights risks in the domains of human resources and procurement, identifying particularly key risks for the SUBARU Group. We have also formulated measures to address each of these risks. These are agreed upon by the Sustainability Committee and reported to the Board of Directors.

Beginning in FYE March 2023, we put into action measures to mitigate risks, while concurrently monitoring the progress and challenges through the Human Rights Task Team. This procedure includes presenting reports to the Sustainability Committee and the Board of Directors, thus establishing the PDCA cycle.

### ・ Identifying human rights risks

In FYE March 2021, we held study groups on business and human rights for SUBARU employees in each of the domains of human resources and procurement as well as workshops with representatives from hands-on teams. Through these workshops, we identified potential human rights issues, and based on these issues, we conducted interviews and factory inspections with stakeholders in each domain, identifying human rights risks. In FYE March 2021, the workshop identified risks encompassing the human resource domain at the Gunma Plant and the procurement domain in the Automotive Business, with the scope expanded in FYE March 2022 to include the human resource domain at the Head Office, Tokyo Office, and Utsunomiya Plant, and the procurement domain in the Aerospace Business.

In FYE March 2024, we re-examined the human rights risks and measures in the human resource domain that we identified in FYE March 2021 from the perspective of automobile manufacturing through a sampling survey, including on-site inspections and interviews with relevant personnel by LRQA Sustainability Co., Ltd. at the Gunma Main Plant. As a result, from the perspective of compliance, there were no issues identified that required improvement or that posed an immediate risk of harm to the people being interviewed. In FYE March 2025, we expanded examinations to the Gunma Plant's Yajima Plant and Oizumi Plant. This resulted in findings that industrial accidents and forced labor among foreign workers pose risks from the perspective of automobile manufacturing.

### ・ Conducting impact assessments and identifying particularly key risks

Human rights risks identified in each domain were considered mainly along the axes of magnitude of impact and likelihood of occurrence. Though a detailed analysis of the results of the human rights risk survey revealed no significant risks requiring urgent action or violations of local laws or international norms, particularly key risks for the SUBARU Group were identified.

#### Particularly key human rights risks

Human resources domain	Long working hours, occupational accidents, harassment of workers, forced labor among foreign workers
Procurement domain	Human rights violations among suppliers, responsible mineral procurement (e.g., conflict minerals, cobalt), harassment of suppliers

• Formulation of measures to address key risks

For each of the human rights risks identified in each domain, we formulated measures to prevent and mitigate potential negative impacts. In addition, we have formulated new measures for further improvement and more thorough preparation in response to risks in the human resource domain that were re-examined from the perspective of automobile manufacturing in FYE March 2024 and FYE March 2025. All of these measures have been reviewed by LRQA Sustainability Co., Ltd.

• Implementation and monitoring of measures

The departments in charge of each domain are implementing measures for each risk identified, with the Human Rights Task Team monitoring the progress of the measures. In addition, we ensure continuous monitoring by regularly reporting the progress to the Sustainability Committee and the Board of Directors, aiming to mitigate the risks. For measures in the procurement domain, we collaborate with our business partners to advance initiatives based on the SUBARU Supplier CSR Guidelines.

> SUBARU Supplier CSR Guidelines  

Example measures implemented

	Human rights risks	Example measures implemented	FYE March 2025 results	Issues
Human resources domain	Harassment of workers	Conducting harassment prevention workshops and training for management	<ul style="list-style-type: none"> <li>Conducting video-based harassment prevention education</li> <li>Conducting harassment prevention awareness-raising lectures</li> </ul>	Preventing harassment and fostering greater awareness among employees
		<ul style="list-style-type: none"> <li>Operating a harassment consultation service</li> <li>Early detection of risk issues using 360-degree evaluations for managers</li> </ul>	<ul style="list-style-type: none"> <li>Informed employees about and encouraged use of consultation services and informed employees about the secretariat system</li> <li>Identified high-risk individuals from evaluation results and conducted follow-ups with target workplaces</li> </ul>	
	Forced labor among foreign workers	Collaborating with supervisory bodies based on memorandums of understanding* regarding foreign trainee workers, and preventing misconduct and unfair treatment through regular audits	Conducting regular audits every three months and workplace patrols every month, increasing opportunities for meetings with supervisory bodies	Enhancing collaboration with supervisory bodies and staffing agencies
		* SUBARU bears the cost of recruitment expenses (such as travel and training fees)		
	Infringement of rights of vulnerable people in local communities (automobile manufacturing perspective)	Ensuring installation of sanitary boxes in women’s restrooms at factories	Confirmed installation and planned specification improvements (replacement). Measures completed at Gunma Main Plant (excluding some development units), Yajima Plant, Oizumi Plant	Measures planned and completed (July 2025) at Gunma Plant Kitamoto Plant and development units in FYE March 2026

	Human rights risks	Example measures implemented	FYE March 2025 results	Issues
Procurement domain	Human rights violations among suppliers	Carrying out of supply chain human rights due diligence	Continued to carry out business partner CSR briefings and CSR surveys	Improving the accuracy and efficiency of supply chain and human rights due diligence
		Building a supply chain grievance mechanism	Maintained a worker consultation service via JP-MIRAI's collaborative program	Growing usage and entrenching consultation and remediation services
	Responsible Mineral Procurement	Human rights measures for conflict minerals (gold, tin, tantalum, and tungsten)	Continued to implement conflict mineral surveys	Continuing to gather information and prepare for compliance with new international laws and regulations
		Human rights measures for non-conflict minerals	<ul style="list-style-type: none"> <li>Expanded cobalt surveys</li> <li>Added new mica surveys</li> </ul>	
	Harassment of suppliers	Partnership Formation Oath (in Japanese only)	Implemented the provisions of the Oath	Promoting and increasing awareness of fair trade throughout the supply chain
		Compliance with the JAMA Voluntary Action Plan	Conducting discussions on fair pricing with business partners	

[> CSR Procurement](#)

## Prevention of Harassment

The SUBARU Group has identified harassment of workers as a particularly key risk, and in our Human Rights Policy, we clearly state that there is “zero tolerance for discrimination and harassment.” Seeking to prevent all forms of harassment, we prohibit such behavior in our work regulations, and it is also mentioned in the Compliance Manual and spread among all Group companies, not just SUBARU.

SUBARU has also formulated the Harassment Explanatory Booklet and is working to create an environment in which harassment does not occur in workplaces overall. Also, SUBARU has formulated and distributes the Harassment Explanatory Booklet and holds study groups for all managers and supervisors to exchange opinions and discuss cases from both inside and outside the Company, in an effort to create an environment where harassment does not occur in workplaces overall.

Additionally, for instances where harassment or similar issues have been identified, we use training sessions for rectification led by the Risk Management and Compliance Office to prevent any future occurrences.

[> Compliance Hotline](#)

## Contact for Opinions and Consultation Services

The SUBARU Group has established a system for hearing voices from a range of stakeholders.

Diverse inquiries, feedback, and grievances, including those pertaining to human rights, are handled appropriately and confidentially through respective channels, with confidentiality and anonymity assured. There shall be absolutely no retaliation for any kind of complaint that may be made through this system.

### • For employees

We have set up a Compliance Hotline and a Harassment Advice Line internally and externally, creating an environment in which all employees, including those at Group companies, can receive advice. In particular, the Compliance Hotline provides consultation services in four languages (English, Chinese, Portuguese, and Spanish). We also introduced confidential online consultations in October 2022. We encourage open conversations through an easily approachable consultation system and

focus on early identification and resolution of issues through internal assessments and discussions with relevant parties and stakeholders.

[> Compliance Hotline](#)

#### • For customers

SUBARU Customer Center: SUBARU Call has been established as a system for promptly sharing information on customer opinions and comments with relevant departments and utilizing this information to make improvements.

We respond earnestly to inquiries about products and services as well as various other opinions and concerns. If requested by the individual submitting the inquiry, we treat the matter as confidential, and we share the feedback received from individuals with the relevant departments in an effort to resolve matters.

[> SUBARU Call for Japanese Customer](#)

#### • For business partners (suppliers)

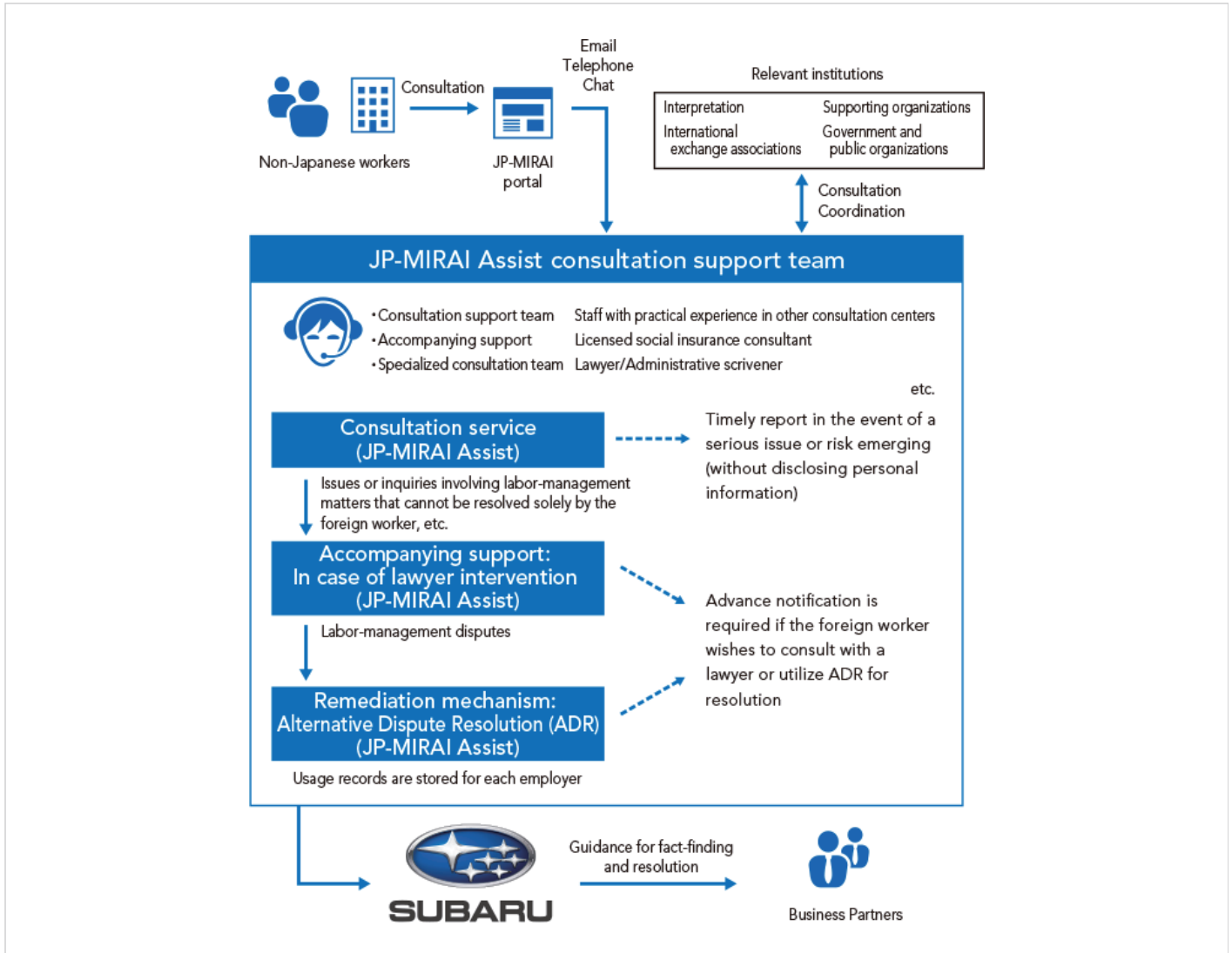
At SUBARU, we are taking actions to promote fair trade based on the Automobile Industry Fair Trade Guidelines. As part of this effort, we have established a consultation service for promoting fair trade for business partners in SUBARU's supply chain, with the aim of early detection, prevention, corrective measures, and preventing recurrence of compliance issues. In FYE March 2023, we endorsed and cooperated with the supply chain human rights initiative, Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI), on the establishment of a consultation service for foreign workers in the supply chain in Japan. As background to this, employees of the Purchasing Division, including the general manager in charge, took part in JP-MIRAI's "Consultation and Relief Pilot Project for Foreign Workers." We continued our participation with the "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers," which marked the full-fledged implementation of the program in FYE March 2024, targeting local business partners.

We provide support in 22 languages\* for the consultation service, the area of the program that SUBARU is involved in. This service is available not only for non-Japanese but also Japanese workers employed by business partners. The consultation service covers a wide range of topics, from gathering information about daily life in Japan to addressing concerns related to human rights and labor issues. For matters that cannot be resolved through the consultation service, we provide accompanying support through consultations with specialists such as lawyers, or utilize the Tokyo Bar Association's Alternative Dispute Resolution (ADR) for added assistance. This ensures a fair and transparent approach through third-party involvement. In addition to the consultation service, we offer a portal site that compiles various information for foreign workers, available as a smartphone app, making it accessible to anyone with ease. We promote awareness of the consultation service for workers by distributing flyers with QR codes to business partners and organizing briefings to explain the usage process.

The overall program, including the consultation service, has been developed by taking into account the feedback and input from companies and stakeholders, including suppliers, that participated in the pilot project.

\* Easy Japanese, English, Chinese, Korean, Thai, Vietnamese, Indonesian, Malay, Tagalog, Nepali, Myanmar, Khmer, Mongolian, Sinhalese, Hindi, Bengali, Portuguese, Spanish, German, French, Italian, and Russian

## JP-MIRAI consultation service



> [Consultation service for promoting fair trade](#) (Japanese version only)

> [JP-MIRAI's "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers"](#)



# Quality: Automotive Business

## Our Approach

Quality is the foundation of “Enjoyment and Peace of Mind,” SUBARU’s core value. With “quality first” as our slogan, we are working to provide high-quality products and services.

### Quality Policy

**At SUBARU, quality is our highest priority as we earn the trust of our customers.**

1. We will deliver long-lasting products that our customers can use with peace of mind.
2. We will continually improve our products and services by always listening closely to our customers' voice.
3. We will be a good corporate citizen in all markets where we do business by ensuring compliance with all internal rules, local laws, regulations and social norms.

# Management System

At the SUBARU Group, quality assurance activities for all Group companies and affiliates, both in Japan and overseas, are overseen by the CQO (Chief Quality Officer), with the President bearing ultimate responsibility. In addition, we have established a Quality Assurance Management Office to oversee and manage quality assurance. Under the purview of the CQO, the Chief General Manager of the Customer First Innovation Division oversees quality assurance activities for the Automotive Business, while the president of the Aerospace Company oversees quality assurance activities for the Aerospace Business. We have established a system that enables us to respond quickly and consistently to quality issues across the entire Group, thereby increasing the speed and effectiveness of global quality improvement.



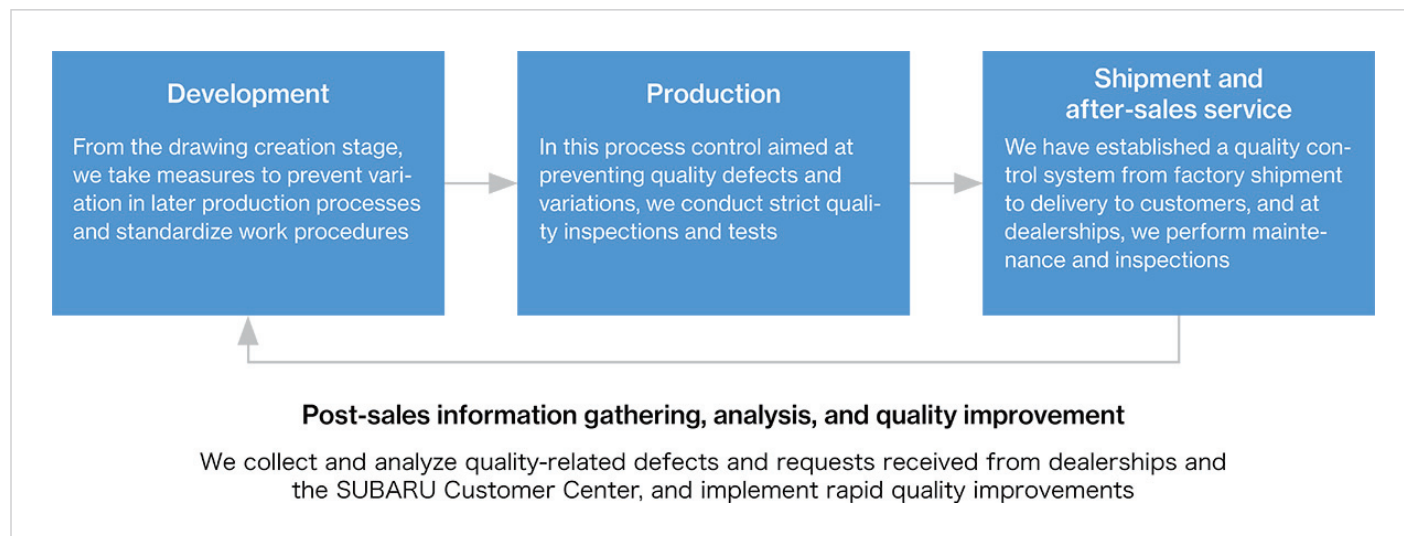
## Automotive Business

To meet the expectations and trust placed in us by customers regarding quality, we are working to provide high-quality SUBARU products and services that will impress our customers in all processes, from the product planning stage to procurement of parts from suppliers, production and shipping at factories, and after-sales service.

## Quality Management System

We have established the Automotive Business Quality Manual based on ISO 9001 standards and have built and operated a quality management system (QMS). Since 2006, we have undergone audits by external audit organizations and have continuously obtained ISO 9001 certification. We aim to improve quality and customer satisfaction by assuring that products will comply with both customer requirements and applicable statutory and regulatory requirements, as well as by improving our operations.

## Quality Management Cycle



## Quality Improvement Committee

The Quality Improvement Committee is the highest body for promoting quality improvement in the Automotive Business. It is attended by responsible persons in planning, development, procurement, production, sales, customer service, quality assurance, and other departments. Chaired by the Chief General Manager of the Customer First Innovation Division, the committee meets monthly in principle to discuss all quality issues related to all operations in the Automotive Business Unit. In addition to the above-mentioned departments, the North America Quality Improvement Committee meets on a semi-annual basis to discuss issues related to the North American market, and includes representatives from dealerships in the United States and Canada, as well as SUBARU's North America plants.

## Development Quality Assurance System

In order to deliver quality products to our customers, it is of utmost importance to improve quality at the point of development. To achieve this, we are strengthening the Innate Quality part of our Quality Enhancement activities that we launched in 2018, and are working to ensure quality throughout all vehicle development processes, from the initial planning and conceptualization stages to development, production, and distribution. We have compiled a database of defects that have occurred in the market in the past, and we conduct general inspections to ensure that measures to prevent their recurrence are incorporated into the vehicles we develop. These include identifying newly adopted parts and changes from vehicles produced in the past to prevent defects before they occur. In addition, the quality responsibilities of persons responsible for new vehicle development have been clarified and their authority has been strengthened. Furthermore, the development process puts stage gate management of quality targets first to enhance Innate Quality.

## Manufacturing Quality Assurance System

At SUBARU, the customer-first principle is at the heart of all our factory operations as we strive for production at "the world's highest quality, most efficient, clean, and comfortable factories." The underlying concept of this desire is "own-process assurance." In this concept, each process views the next process as the customer, aiming to deliver high-quality products to the end customer by assuring the quality of our own processes and preventing defective products from being passed on to the next process. We have established the Subaru Manufacturing Way (SMW) as our factory management philosophy, based on three pillars: own-process assurance; variable-mix, variable-volume, short-run production; and transfer of technical skills. Under the SMW, we are implementing Total Productive Maintenance (Management) (TPM) activities with the participation of all employees.

## Market Quality Improvement System

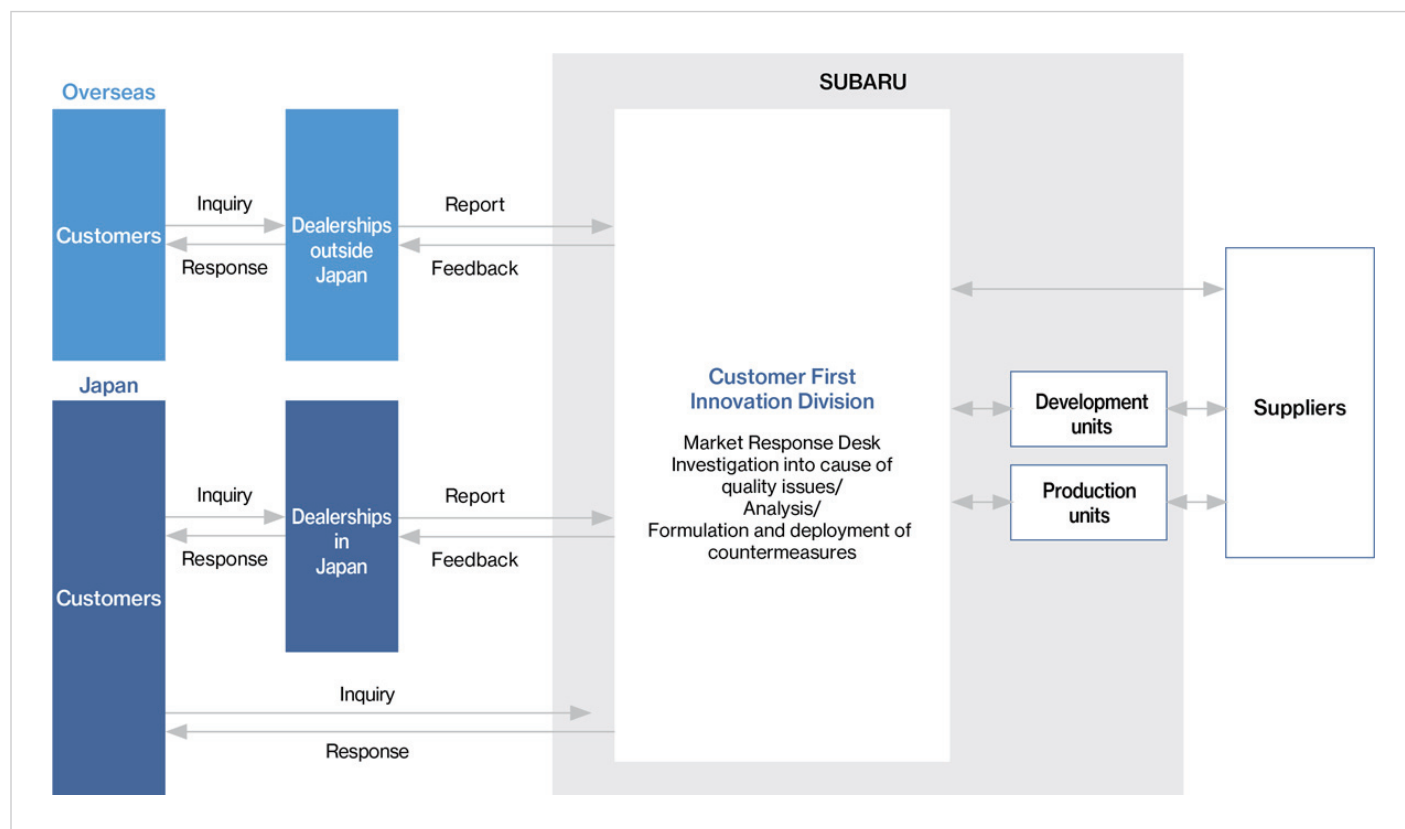
The SUBARU Group aims to maintain a quality improvement system that quickly analyzes after-sales quality issues and customer requests to rapidly take measures and achieve higher-quality product development and production. Based on customers' opinions collected from around the world, SUBARU works with the relevant in-house departments and suppliers in identifying quality issues, investigating their cause, and planning countermeasures.

For more details on our recall responses, please see "[Response to Recalls](#)."

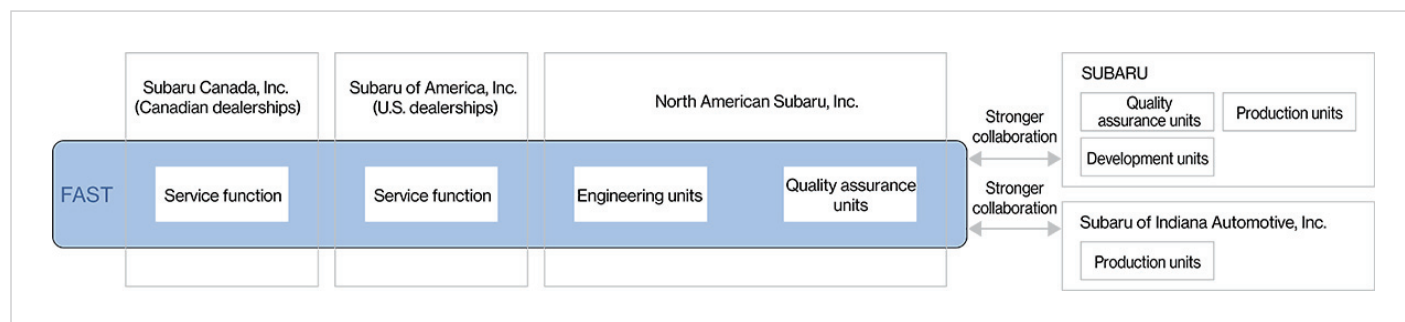
In January 2021, we established FAST (Fast Action & Solution Team), a North American quality improvement team where quality assurance and development units at local affiliated companies in the U.S. work together with service units at dealerships in the U.S. and Canada. By strengthening cooperation between departments, immediate decisions can be made on-site, and market demands can be met more speedily.

As of April 2025, SUBARU has integrated its Customer Service Division, Parts & Accessories Division, and Quality Assurance Division into a new Customer First Innovation Division. By integrating our after-sales service departments, we will further accelerate quality improvement and embody our customer-first principle.

### Quality Improvement System



### Structure of the FAST North American Quality Improvement Team



## Collaborative System with Suppliers

In order to maintain and improve the quality of SUBARU vehicles, it is also important to ensure the quality of externally purchased parts. We are engaged in unified efforts with our suppliers to ensure the quality of externally purchased parts. First, we have compiled standards and rules for building and ensuring stable quality into a manual, and by rolling it out to all of our suppliers and working to ensure that everyone understands and adheres to it, we are building a foundation on which both sides can work together based on a common understanding. In addition, we hold annual briefing sessions on our Quality Policy for suppliers at the beginning of each fiscal year to share information about quality-related situations. Furthermore, we have set quality targets and key quality indicators, and we present quality improvement measures, key points for enhancing quality, and other information as concretely as possible. Furthermore, by following the Advanced Product Quality Planning (APQP) process, our activities also encourage our suppliers to make their own improvements, contributing to overall quality improvement. In recent years, where the external environment has become extremely uncertain amid large-scale natural disasters, shifting world affairs, and other developments, parts supplies issues have become more likely. Amid this situation, we have also established support systems for our suppliers in order to help quickly restore parts supplies in the event of an emergency. In addition, we conduct quality checks and confirmations regarding environmental and human rights issues for our suppliers, and introduce these initiatives in information about our CSR procurement.

[> CSR Procurement](#)

## Approach to Risks and Opportunities in Quality Assurance

Quality is an important element directly related to the survival of a company. While providing high-quality products enhances the credibility of the SUBARU brand, defects that reach the market bring us face-to-face with the risk of loss of customer confidence, a risk that can cause tremendous damage to corporate finances and reputation. Therefore, it is essential to continuously maintain and improve quality, and we believe that improving the quality of each employee's work will lead to the improvement of SUBARU's quality.

SUBARU conducts internal training on quality and holds events called Quality Caravans every year. Quality Caravans are conducted with the aim of fostering quality awareness through an accurate understanding of the current state of quality at SUBARU. In addition, internal audits are conducted by qualified employees to check that business is being conducted properly. We then undergo an audit by an external auditing organization to ensure our continued ISO 9001 certification.

As for our suppliers, we support regular voluntary audits of quality assurance systems and quality management systems and provide advice from a third-party perspective. In addition to regular audits, SUBARU directly observes suppliers' manufacturing processes and production sites. Here, we conduct audits and process checkups on an ad-hoc basis, offer proposals for productivity improvement, and otherwise engage collaboratively to further improve quality.

As a result of these quality maintenance and improvement activities, SUBARU ranked first among 22 automakers in the 2024 reliability evaluation (for new vehicles up to the third model year) by Consumer Reports in the United States, and also ranked first among 32 companies in the overall brand evaluation, which includes performance evaluations.

## Initiatives

### Quality Assurance Training

In order to deliver high quality products to our customers, we believe it is important for each and every employee to work with an awareness of quality. The SUBARU Group provides quality education to all employees. Quality education is provided on an ongoing and regular basis tailored to employee knowledge and experience levels, including their year of entry into the Company and their position. This instills a customer-centric, quality-first awareness, educating each and every employee so that they put quality first in their actions.

We also recognize cases at our automotive manufacturing business units where a heightened focus on quality has resulted in the prevention of issues with a quality excellence award. Information on award recipients and their achievements is disseminated throughout SUBARU via the intranet and other platforms.

### Global Quality Meeting

In order to steadily implement our quality-first philosophy, the SUBARU Group places great importance on dialogue with our dealerships around the world, who are in direct contact with our customers on a daily basis. Through technical liaison meetings held twice a year for the Japanese market, main dealerships service meetings held once or twice a year in overseas markets, and block conferences held in six regions,\* we make decisions on matters such as optimum means of addressing quality problems that inconvenience our customers, while incorporating the views of dealerships. In FYE March 2026, these meetings are to be held in a combination of on-site and web-based sessions.

In addition, in order to listen to the voice of the market and speed up quality improvement, the Quality Improvement Committee, chaired by the Chief General Manager of the Customer First Innovation Division, holds meetings on a monthly basis (in principle) to discuss quality at the executive level in all departments. Furthermore, the North America Quality Improvement Committee, which is comprised of the North America CQO and heads of North American subsidiaries, focuses on quality in the North American market and is held several times a year.

\* Six regions refers to the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America. Block conferences are held in a country in each of these regions. Their participants include representatives from dealerships' service departments and expatriates working in the region.



Global Quality Meeting

### Quality Caravan

Since FYE March 2019, we have been holding an annual event called the Quality Caravan for all SUBARU employees to inform participants about the quality status of SUBARU products and customer feedback. In FYE March 2025, these were held for a total of 42 days, including the following activities.

- Presentation of recent quality issues from the customer's perspective
- Presentation of interview videos with customer call center staff in Japan
- Presentation of videos explaining how cars are used in North America, presented by the president of a North American dealership



Quality Caravan

Through these efforts, we are encouraging a sense of ownership of quality issues and fostering a customer-centric, quality-first mindset. In addition, we provide shared information to many suppliers. Furthermore, Subaru of Indiana Automotive, Inc., SUBARU's production base in the U.S., has also been organizing Quality Caravan events to raise global awareness of quality across the entire SUBARU Group.

## Pre-Shipment Inspection

At SUBARU, rigorous inspections are conducted before shipment to prevent any defects from leaving the facility. In 2018, the operation of vehicle inspections was spun off from the traditional manufacturing organization to form the Vehicle Inspection Department under the Quality Assurance Division (currently the Customer First Innovation Division) in order to ensure thorough inspections from a customer perspective. In addition, we set up two new facilities for final vehicle inspections to establish an environment conducive to accurate inspections through clearly defined processes. The first facility started operations in August 2022, with the second becoming operational in August 2023. We provide environments with standardized lighting facilitating easier detection of anomalies and inspection processes at undercarriage using a lowered floor. We conduct rigorous inspections in these environments utilizing digital technologies, aiming to deliver high-quality products that customers can use with peace of mind.



Pre-Shipment Inspection

## Investigation of Defective Parts

SUBARU set up the Quality Assurance (QA) Lab to internally investigate defective parts for the swift resolution of any issues that arise. In the event of a defect, development and manufacturing departments lead efforts to determine causes and implement solutions. In cases where pinpointing the cause is especially difficult, quality assurance units expedite defect resolution by conducting independent analysis and investigation of defective parts in the QA Lab.



QA Lab

## Response to Recalls

The SUBARU Group takes measures to cope with recalls in order to prevent accidents, in accordance with our highest priority placed on customer safety.

We have established the Recall Committee to determine specific measures to be taken in the event of product defects that can infringe on safety or laws and regulations. This committee is chaired by the CQO, and was established based on customer suggestions and defect information from around the world and in accordance with internal regulations. Any recalls are promptly reported to the relevant authorities. Affected customers are contacted by direct mail and other methods from our dealerships to encourage them to have their car repaired free of charge, with their safety and peace of mind as our top priority. We monitor the progress of market measures to ensure that improvements can be made quickly.

As of April 2025, SUBARU had no cases of violating laws and in-house regulations in regard to information provision on quality and safety.

At SUBARU, we are advancing "parts traceability" by linking the individual vehicle number with the individual part number. In the unlikely event of a recall, we strive to minimize the impact on our customers and shorten the response time by quickly and accurately identifying vehicles equipped with defective parts, thereby reducing the scope of the defect and accelerating our response.



Recalls of SUBARU Cars

(Number of units: Thousand units)

	FYE March 2021		FYE March 2022		FYE March 2023		FYE March 2024		FYE March 2025	
	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units	Number of Cases	Number of Units
Japan	8	177	9	311	13	391	13	359	5	47
North America	5	217	7	1,380	11	378	11	304	1	22
Other	2	6	6	376	9	266	12	40	3	8
Total	15	400	22	2,067	33	1,035	36	703	9	77

Note:

1. Information presented is internal data and may differ from data published by the respective authorities.
2. Identical recalls conducted across multiple countries/regions are combined to count as one recall.
3. Number of recalls includes those for OEM vehicles.

Takata Airbag Recall Progress

SUBARU’s recall progress related to the Takata airbag recall exceeds the industry average of 88.2% in the U.S.

Takata Airbag Recall Progress in the U.S.

No.	Automotive manufacturer	Progress
1	U.S. company A	99.4%
2	European company B	98.1%
3	Japanese company C	95.7%
4	Japanese company D	95.3%
5	Japanese company E	95.0%
6	U.S. company F	94.8%
7	Japanese company G	94.8%
8	European company H	93.9%
9	SUBARU	93.4%
10	European company J	93.4%
	. . .	. . .
	Industry average	88.2%

Note: From National Highway Traffic Safety Administration (NHTSA) data published April 2024.



# Quality: Aerospace Business

## Our Approach

Quality is the foundation of “Enjoyment and Peace of Mind,” SUBARU’s core value. With “quality first” as our slogan, we are working to provide high-quality products and services.

### Quality Policy

**At SUBARU, quality is our highest priority as we earn the trust of our customers.**

- 1. We will deliver long-lasting products that our customers can use with peace of mind.
- 2. We will continually improve our products and services by always listening closely to our customers’ voice.
- 3. We will be a good corporate citizen in all markets where we do business by ensuring compliance with all internal rules, local laws, regulations and social norms.

## Management System

At the SUBARU Group, quality assurance activities, including for all affiliated companies in Japan and overseas, are overseen by the CQO (Chief Quality Officer), with the President bearing ultimate responsibility. In addition, we have established a Quality Assurance Management Office to oversee and manage quality assurance. Under the purview of the CQO, the Chief General Manager of the Customer First Innovation Division oversees quality assurance activities for the Automotive Business, while the president of the Aerospace Company oversees quality assurance activities for the Aerospace Business. We have established a system that enables us to respond quickly and consistently to quality issues across the entire Group, thereby increasing the speed and effectiveness of global quality improvement.



## Aerospace Business

At SUBARU's Aerospace Company, we maintain and promote the quality management system (QMS) based on our Quality Policy and JIS Q 9100 standards, and work on improving the system to enhance quality.

Under the direction of the Group's CQO, the president of the Aerospace Company has overall responsibility for establishing, implementing, and continuously improving the quality management system from a customer-focused perspective, and leads the entire Aerospace Company in this effort.

## Management of Product Safety and Quality

The Aerospace Company has obtained certification for its quality management system. The effectiveness of the system is maintained through regular internal audits and renewal inspections by a third-party certification body.

- JIS Q 9100 Quality Management Systems—Requirements for Aviation, Space and Defense Organizations

Scope of certification: All plants (Utsunomiya Main Plant, South Plant, South Second Plant, Handa Plant, Handa West Plant, Kisarazu Office, Head Office)

Additionally, we have been certified by the Ministry of Land, Infrastructure, Transport and Tourism as a facility meeting the technical standards for aircraft manufacturing, and we undergo renewal inspections at intervals specified by law.

- Certified workplaces based on Article 20 of the Civil Aeronautics Act

(Certified capabilities) Capabilities to design aircraft and inspect the completed design, capabilities to manufacture aircraft and inspect the completed aircraft, capabilities to perform maintenance on aircraft and inspect the performed maintenance, capabilities to perform maintenance or alteration on aircraft, capabilities to manufacture components and inspect completed components, capabilities to perform repair or alteration on components

The following are currently undergoing audits for certification by the Acquisition, Technology & Logistics Agency.

- Ministry of Defense Directive No. 32, Directive on Ensuring Safety of Aircraft: Design organization approval under Article 25

## Quality Meetings

The Aerospace Company holds Quality Meetings at least once a year to ensure that the quality management system achieves its intended results. Based on various analysis results regarding product and operational processes, such as internal audits conducted within the Aerospace Company, external assessments (customer satisfaction, audit findings, etc.), and audit results from third-party organizations, the company deliberates on changes to the Quality Management System (QMS), resource requirements, and strategies for addressing identified risks.

## Quality is Our Promise to Customers

Ensuring flight safety is the top priority for the Aerospace Company. Risks with the potential to compromise flight safety include parts falling off, loss of control, and engine failure. These risks could lead to crashed planes and, in the worst cases, affect human life.

In order to minimize such risks, the Aerospace Company thoroughly checks product safety as early as the aircraft parts manufacturing stage, including rigorous inspection of inherent product quality and process quality on assembly lines, as well as flight tests on completed aircraft.

"Inherent product quality" refers to the functionality and safety that can be confirmed by inspecting finished aircraft parts and other items. "Process quality" refers to the standardization of manufacturing procedures (work, inspections), their implementation in accordance with those standards, and the recording of the results of manufacturing. We believe that satisfying both of these requirements is the way to fulfill the trust placed in us by our customers, as stated in our Quality Policy. We act on this with the understanding that it is our promise to our customers.

In order to fulfill our promise to our customers, the Aerospace Company is committed to improvement, one of the principles of the JIS Q 9100 standards regarding quality management system, and is also engaged in training the necessary human resources.

In addition, since aircraft manufacturing requires cooperation from many business partners, the Aerospace Company is engaged in quality control not only within the company but also with respect to its business partners.

# Initiatives

## Improvement Initiatives

The Aerospace Company carries out improvement activities tailored to the characteristics of its operations and processes to correct, prevent, or mitigate undesirable effects.

Item	Description
Methods and activities for making improvements	<ul style="list-style-type: none"><li>• Risk management, error proofing, failure mode and effects analysis (FMEA), etc.</li><li>• Utilization of information on product issues reported from external sources</li><li>• Process improvement activities</li><li>• Issuance of monthly QC pamphlets summarizing quality-related topics</li></ul>
Tools for making improvements	Electronic corrective action system (in operation since 2010; more than 5,000 corrections made)
Sharing of improvement activities	Improvement activity debriefing sessions: Held once a year for the Aerospace Company (employees with excellent activities participate in SUBARU-wide debriefing sessions)

## Providing Human Resource Training: Quality-Related Training

We conduct quality assurance-related training for all Aerospace Company employees or those involved in specific departmental tasks. We also provide training for product warranty inspectors.

	Course Topic	Target	Frequency
Quality-related training	Quality refresher training	All employees	Twice a year
	QMS consolidation training	All employees	Twice a year
	Compliance training	All employees	Twice a year
	Training on Quality Month events	All employees	Once a year
	Training on Compliance Month events	All employees	Once a year
	Human factor training	Mainly employees working at Civil Aeronautics Act-certified workplaces	Once a year
	Aeronautical safety training	Mainly employees working at Civil Aeronautics Act-certified workplaces	Once a year
	Education for employees in certified workplaces	Mainly employees working at Civil Aeronautics Act-certified workplaces	Once a year
Training for inspectors	New accreditation/periodic renewal training	Inspectors	Upon accreditation / every 3 years
	Basic manners training for inspectors Techno-school	Inspectors	Once a year

Course Topic		Target	Frequency
Training for inspectors	Skills enhancement training for inspectors	Inspectors	Once a month
	Skills training Techno-school	Inspectors	Ten times a year

## Initiatives for Ensuring Flight Safety

We have established a flight safety campaign period to raise employee awareness on the topic. In addition, we conduct aviation rescue drills to enable us to respond quickly in the event of an accident.

Name	Description	Frequency
Flight safety campaign	Monthly events such as flight safety-related training and simultaneous site inspections	Twice a year
Aviation rescue drills	Drills to respond to aircraft accidents	Once a year

In addition, as a safety requirement, we maintain a safety management system (SMS) required by the Ministry of Land, Infrastructure, Transport and Tourism based on standards set by the International Civil Aviation Organization (ICAO). The Aerospace Company applies the SMS to certified workplaces under Article 20 of the Civil Aeronautics Act. The company holds four internal meetings a year to review the status of activities in accordance with the SMS and confirm compliance with SMS requirements.

## Quality Management for Business Partners

Manufacturing aircraft requires cooperation from many business partners. In addition to initial inspections at the time of contract signing, we conduct quality audits every four years (or every two years, depending on the business partner) for each business partner, and take prompt corrective measures if any problems are found. We are working to maintain and improve quality throughout the supply chain by providing training opportunities on quality improvement and following up on corrective guidance.

Name	Description	Frequency
Quality audit	SUBARU quality requirements (standard requirements) based on AS/EN/JIS Q 9100	<ul style="list-style-type: none"> <li>On new registration</li> <li>After new registration, once every four years (in principle)</li> <li>If contract details change, as necessary</li> </ul>
Training	Seminars on quality improvement, etc	Three times a year
Corrective measures	Quality improvement activities when a downward trend in quality or other issue is confirmed	Ad-hoc
	Corrective measures using the electronic corrective action system used by the Aerospace Company	Ad-hoc when correction is necessary

# Making Safe Vehicles

## Our Approach

The SUBARU Group believes 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.

SUBARU's DNA comes from our origin as an aircraft manufacturer, and has a focus on people. We think about what is important to people who use cars, and develop products with the necessary functions and performance.

"Focus on people. Think about what is important to people who use cars. And create new value with cars." We believe that this is what the SUBARU Difference means.

Having roots in the aircraft industry, we have, for more than half a century, consistently engaged in automotive manufacturing with maximum emphasis on safety performance, attaching particular importance to protecting lives in order to ensure that each and every one of our customers experiences "Enjoyment and Peace of Mind." In our pursuit of vehicle safety performance from all perspectives, we are honing our unique safety technologies in the four areas of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, plus Connected Safety, based on SUBARU's overall safety philosophy, which focuses on delivering the world's highest standard of safety and peace of mind for all passengers. In the future, we will further evolve this intelligence and combine advanced sensing technologies with the judgment capability of AI, improving safety in all situations.

The SUBARU Group's goal of Making Safe Vehicles will be achieved through an advanced fusion of our initiatives for Peace of Mind and People-oriented Mobility Culture, two of our Six Priority Areas for Sustainability. We are making efforts to enhance safety and peace of mind by setting a target of aiming for zero fatal traffic accidents in 2030\*. As such, we are engaged in the development of vehicles that will enable us to eliminate traffic accident deaths.

\* Aim for zero fatal traffic accidents among occupants of Subaru vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

## Management System

In order to further accelerate its new technology development, including safety technology and electrification for making products more environmentally friendly, SUBARU's development systems are based on SUBARU's overall safety philosophy, which focuses on delivering the world's highest standard of safety and peace of mind for all passengers. This marks a pivot from a system based on functional organizations (e.g., vehicle bodies and power units) to an organic combination along value and functional axes.

## Risks and Opportunities

The SUBARU Group aims to further expand sales and enhance its status as a brand of safety by building technologies that comply with each country's safety laws and regulations, ensuring safety in new technologies such as electrification, and developing technologies to support driver error in operation. In this area, the SUBARU Group's Engineering Environment Committee and other organizations regularly monitor risks that impede these efforts.

Aim for Zero Fatal Traffic Accidents in 2030

At the root of SUBARU’s safety technologies is a unique safety philosophy that has been refined over many years. SUBARU has four safety areas. Primary Safety involves design that allows for a good field of vision and does not make the driver or passengers feel tired. Active Safety is controllability that allows a driver to avoid an obstacle that is in front of them, and to continue driving after avoiding it. Preventive Safety refers to pre-crash braking, as represented by EyeSight. And Passive Safety involves damage mitigation to protect the driver and passengers in the event that an accident does occur. By polishing these four safety areas, we intend to achieve a low rate of fatal traffic accidents in the real world.

SUBARU’s intention does not lie in changing everything to automatic, but rather in “Respect of what humans are good at and leave what humans are not good at to automobiles for safe transportation.” With this idea, SUBARU has polished our driver assist technology. Going forward, the evolution of Advanced Driver Assistance System (ADAS) will make it possible to slow down and avoid collisions in high-speed zones and on large bends, which is expected to be of further assistance in preventing and mitigating accidents. At the same time, the current situation reveals an issue where approximately 30% of fatal traffic accidents, primarily caused by no-fault accidents, remain unsolved. We also recognize the challenge of responding to more severe forms of accidents, such as collisions involving cyclists.

Facing these problems, SUBARU is aiming to achieve zero fatal traffic accidents in 2030 by applying our intelligence technologies in the fields of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, plus Connected Safety. This initiative has its own KPIs to measure its progress. Though SUBARU has achieved a lower fatal traffic accident rate than any other brand or manufacturer in the U.S. and Japan, we will not remain content just to stay as we are, but instead use KPIs to make even safer vehicles.

We will also promote efforts to educate users about accidents that cannot be solved with vehicles alone, propose rules, and encourage the improvement of the road environment.

KPI	Ratio of fatal traffic accidents avoidable with SUBARU's latest technologies* introduced into the market
Ratio (%)	<div>Number of fatal accidents involving SUBARU vehicles that are assumed to be avoidable through technologies already introduced into the market</div> <div>Total number of fatal accidents involving SUBARU vehicles that actually occurred in the U.S. from 2017 to 2022</div>
Actual figures (2024)	24.7%

\* Excluding accidents involving violation of traffic rules or significant dangerous behavior by the other party, etc.

## Initiatives

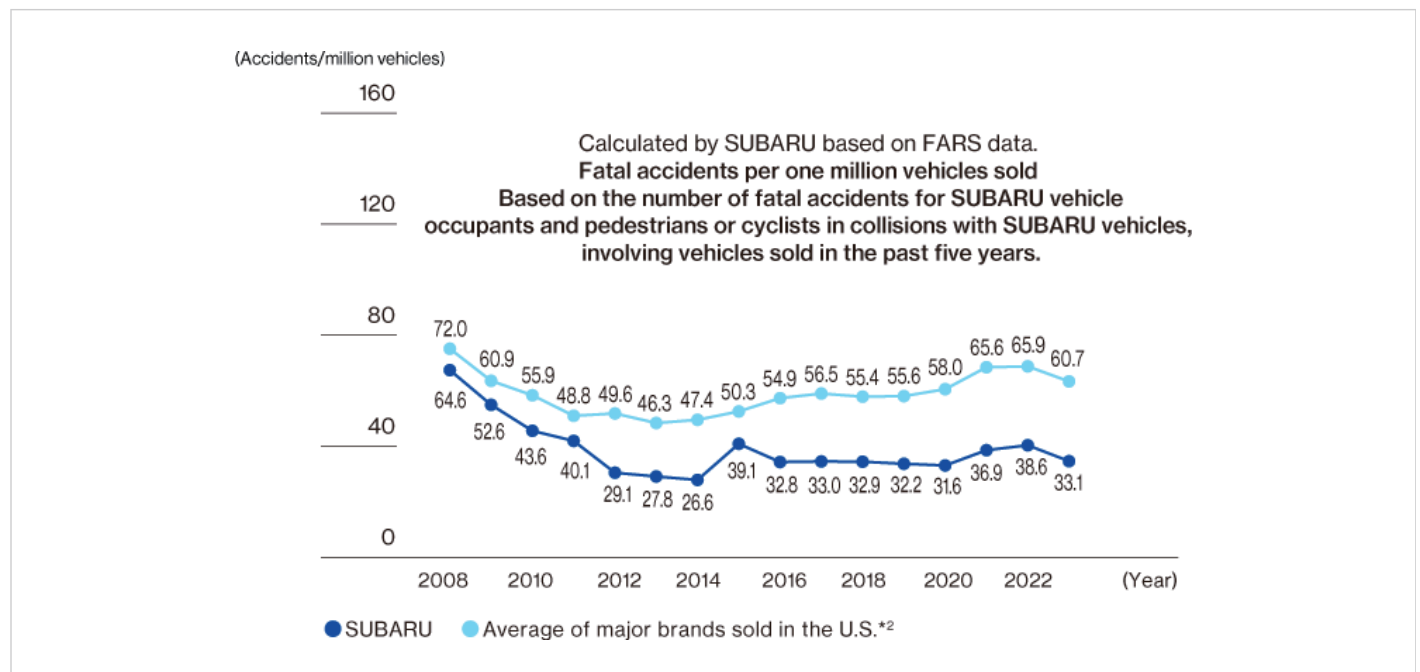
### Achieving a Low Rate of Fatal Traffic Accidents in the U.S. and Japan

From 2008 to 2023, we carried out an investigation on the number of fatal traffic accidents involving SUBARU cars sold in the U.S., a major market, and those sold in Japan. In the U.S., SUBARU cars have maintained a rate of fatal traffic accidents that is lower than the average for major selling brands in the U.S. for 16 consecutive years\*<sup>1</sup>. In Japan, SUBARU cars also show a rate of fatal traffic accidents that is lower than the average for other auto manufacturers in the country for 15 consecutive years since 2009.

\*<sup>1</sup> These calculations were made independently based on data from the Fatality Analysis Reporting System (FARS) of the U.S. and the Institute for Traffic Accident Research and Data Analysis (ITARDA) of Japan.

[> SUBARU's Overall Safety > EyeSight](#)  (Japanese version only)

#### Facts about Fatal Traffic Accidents in the U.S.



Calculated by SUBARU based on FARS data. Fatal accidents per one million vehicles\*<sup>3</sup> sold in the last five years.  
Average of 16 major brands sold in the U.S.\*<sup>4</sup>, excluding SUBARU (excluding trucks and large SUVs)

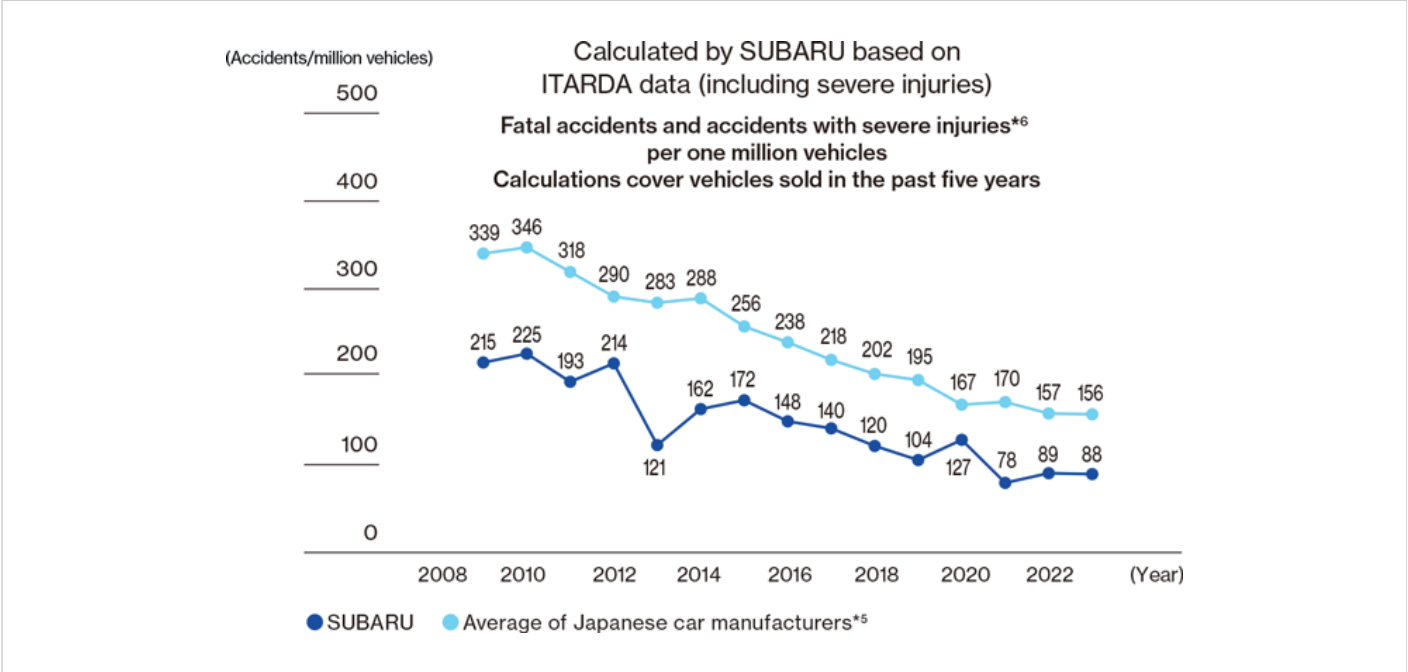
\*<sup>2</sup> As of this fiscal year's report, the "average of major brands sold in the U.S." has been calculated as the average number of fatal accidents for major brands per one million vehicles.

\*<sup>3</sup> Fatal accidents: In the U.S., incidences where the victim died within 30 days of the initial event.

\*<sup>4</sup> Brands in scope have been changed as of this report in line with recent changes in sales volume of other brands.



Facts about Fatal Traffic Accidents and Severe Injures in Japan



Calculated by SUBARU based on ITARDA data (including severe injuries)  
Fatal accidents and severe injuries\*<sup>6</sup> per one million vehicles sold in the last five years  
Average of seven Japanese car manufacturers, excluding SUBARU (including light vehicles but not trucks)

\*<sup>5</sup> As of this fiscal year's report, the "average of Japanese car manufacturers" has been calculated as the average number of fatal accidents for major brands per one million vehicles.

\*<sup>6</sup> Fatal accidents: Incidences where the victim died within 24 hours of the initial event.  
Severe injuries: Includes general cases of severe injury.

Primary Safety

SUBARU's predecessor was an aircraft manufacturer. With aircraft, it is necessary to pursue "accident-free vehicle" design, as even a slight error in operation or judgment can cause a severe accident. Inheriting the philosophy of safety, SUBARU focuses on the primary design such as surface and operation, thereby we pursue clear, useful, and comfortable space where the driver can concentrate on driving easily.

Visibility Optimized for Every Condition

Early detection of danger can help avoid accidents. SUBARU has concentrated efforts on minimizing blind spots and improving visibility even under difficult conditions such as driving in rain or at night.

Optimal Driving Position

Optimal driving position allows drivers to move naturally, reducing fatigue and helping to improve safety and comfort while driving. It also helps the driver to steer the car precisely for taking evasive action when the risk of an accident occurs. SUBARU's cockpit is designed to be adjusted so that every driver can find their optimal driving position.

Intuitive Interface

Drivers can sometimes have a lapse in concentration when checking the navigation screen or adjusting the air conditioning. To prevent this from happening, SUBARU has designed an interface layout that is easy to use. For example, the navigation screen is placed so that the driver does not need to shift their line of vision too far, while the air-conditioning system and audio controls use switches that allow for intuitive operation so that drivers do not have to take their eyes off the road.

## Digital Multi-View Monitor

The digital Multi-View Monitor is a function that contributes to primary safety by displaying the vehicle's surroundings and reduces the size of blind spots.

It has particular value in that it synthesizes digital camera footage from front, rear, left, and right perspectives, allowing for a comprehensive view of the vehicle's surroundings on a single screen. We have prepared two types of screen display that allow drivers to see the entire area around the vehicle: a top view that displays the surrounding area as if looking straight down at the car, and a 3D view that allows the driver to choose from eight different angles to display the area as if looking at the car from above at an angle.

This technology is installed to the Crosstrek and Impreza as of FYE March 2023, the Ascent as of FYE March 2024, and the Forester as of FYE March 2025.

Furthermore, in addition to the aforementioned functions, the FYE March 2024 Levorg and WRX (for the Japanese market) and Levorg Layback will be the first SUBARU models to feature the new Auto Mode function.

This function automatically displays the front view and partial top view (the front part of the top view) at low speeds, so even in situations where there are many blind spots and/or a succession of narrow intersections, as often found in residential areas, drivers can check blind spots ahead at a glance.

[> SUBARU's All-Around Safety](#)  (Japanese version only)

## Active Safety

For SUBARU, “driving” means more than simply delivering enjoyment. It is an important factor in increasing safety.

To make it possible to avoid the situation safely if an accident occurs. To be able to drive safely in various weather conditions and road surfaces, the same way as during normal conditions. Furthermore, to improve predictability so that the driver can receive various stimuli and information from the car while driving, and seamlessly link them to appropriate braking and steering in response to the car's behavior.

SUBARU has fine-tuned all the basic functions of a vehicle—driving, turning, and stopping—as well as increased predictability to develop vehicles that offer exceptional stability and predictable control in the most challenging conditions, which makes cars safer and more trustworthy.

### Driving Stability

On the foundation of outstanding core performance, SUBARU tempers the body and suspension of its vehicles along with employing vehicle control devices that increase drivability, creating stable driving that provides peace of mind to drivers and passengers.

### Line Traceability

Imagine being able to drive into a slippery corner on a snowy or rainy day without unpredictable car movement, turn exactly as intended through the corner, and head out of the corner smoothly. SUBARU includes a number of functions that make smooth cornering a reality.

### Braking Performance

Braking performance is directly related to a car's safety, particularly its hazard avoidance capabilities. SUBARU goes beyond polishing such performance, also placing great focus on peace of mind. Brakes that provide peace of mind work as predicted every time. SUBARU repeatedly tests in all environments and on all road surfaces in our quest to deliver brakes that are easy to operate regardless of weather and that react quickly at the critical moment.

[> SUBARU's All-Around Safety](#)  (Japanese version only)

## Preventive Safety

Our ultimate goal is to eliminate traffic accidents. To achieve this goal, SUBARU has spent more than 20 years developing driver assistance systems. The inexpensive and highly practical EyeSight has become widespread in markets around the world, pioneering advanced safety technology. In 2020, EyeSight was reborn to help aid our goal of zero fatal traffic accidents in 2030.

### EyeSight Core Technology

We have revamped our stereo cameras at the core of EyeSight's driver assistance. In this upgraded system, viewing angles are wider and image recognition is improved, giving it better-than-ever capabilities to distinguish cars, pedestrians, road lines, and other elements while driving. Thanks to improved control performance, driving SUBARU cars is now smoother and safer than ever before. Furthermore, with these new stereo cameras as a core driver and combined with four radar sensors on the front and rear of the vehicle, plus rear sonar, our system can monitor the car's entire surroundings. This offers support to drivers in a greater variety of situations and a higher level of safety. Beginning with the Levorg in FYE March 2021, we have expanded the lineup of vehicles equipped with this technology, including the WRX, Outback, and Forester in FYE March 2022, the Crosstrek and new Impreza in FYE March 2023, the Levorg Layback in FYE March 2024, and the new Forester in FYE March 2025.

### Collision Avoidance Support

Our new stereo cameras greatly expand the usable scope of pre-crash braking. It protects drivers and passengers in tense situations on the road, like oncoming vehicles, crossing pedestrians, or crossing bicycles during a turn, or vehicles approaching from the front. Approximately 40% of vehicle-to-vehicle accidents occur in situations like these. We believe our system significantly mitigates these traffic accidents.

To further improve our collision avoidance performance, we have newly adopted a wide-angle single-lens camera in the Outback, Ascent, Crosstrek, and new Impreza. Utilizing an even broader field of view than the new stereo camera, the wide-angle single-lens camera enables collision avoidance and reduces the potential for harm in scenarios involving head-on encounters with cyclists and incidents involving pedestrians. The system has been incorporated in the Levorg, WRX, and Levorg Layback as of FYE March 2024, and has been incorporated in the new Forester as of FYE March 2025.

The EyeSight system has also been equipped in the BRZ manual transmission model in FYE March 2024. By offering high-performance collision avoidance assistance to a broader range of customers, we have taken a significant step toward aiming for zero fatal traffic accidents in 2030.

### Reducing Operating Burden

SUBARU believes that reducing operating burden leads to greater safety.

In 2020, EyeSight X was born, an evolutionary advance from our EyeSight system. This new system combines high-precision 3D maps and satellite positional data to recognize road conditions well ahead of the vehicle, beyond the detection range of stereo cameras and radar. These high-precision 3D maps constitute an important element technology at the heart of next-generation driver assistance. SUBARU was one of the first among automotive companies to apply this technology and bring it to market. It helps reduce driver burden especially on long hauls, offering a luxurious touring experience. It does this through a variety of features, including speed control at optimal levels just before curves and toll booths, active lane change assistance, and assistance during traffic congestion, including hands-off and start-and-stop support. Our ongoing efforts to expand the integration of the EyeSight X system included its implementation across all grades of the Outback for the Japanese market in FYE March 2022 and for all grades of the Levorg, WRX, and Levorg Layback, also for Japan, in FYE March 2024. We are committed to offering comfortable transportation to a wider range of customers.

### Support for Safe Driving

We are also expanding the implementation of the Driver Emergency Support System to prepare for unforeseen circumstances. If the driver's hands come off the steering wheel for a long time while Active Lane Keep is engaged, or when the system detects a distracted or drowsy driver while hands-off congestion driving assistance is active, it will warn the user. If the driver does not move the steering wheel even after the warning, the system determines that an emergency situation is underway, activating

hazard lights and the car horn to inform nearby vehicles of the situation and gradually slowing the vehicle to a stop. Introduced for the first time in the Levorg released for the Japanese market in FYE March 2021, this system was also incorporated into the WRX and Outback for Japan in FYE March 2022.

The Crosstrek and new Impreza for the Japanese market are equipped with features that are integrated with SUBARU STARLINK. When the Driver Emergency Support System is activated, it automatically connects to a call center, allowing for quicker response in an emergency.

In the new Forester for FYE March 2025, we are strengthening the Driver Monitoring System integration. Even if the driver is operating the steering wheel, it will activate if it detects that the driver is looking away from the road or falling asleep. A pulse brake warning has also been added to give the driver a physical warning of an abnormality.

[> SUBARU's All-Around Safety](#)  (Japanese version only)

## Passive Safety

Since the time of “Subaru 360,” when we started mass production, SUBARU has positioned safety as one basic function that cars should have. Also, we have been performing our own original damage mitigation tests that include protecting pedestrians since the 1960s—a time before thinking regarding damage mitigation had yet to be fully instilled. SUBARU's damage mitigation functions take into consideration not only the driver and passengers but also pedestrians as well as the possibility of harm to the occupants of other vehicles. These functions have received high evaluations both in Japan and around the world.

### New Ring-Shaped Reinforcement Frame

SUBARU has a uniquely safe body design. In the cabin, the pillar and frame combine to form a “cage.” The purpose of this is to protect from deformation regardless of the angle from which the vehicle is struck. A relatively crushable zone is provided to disperse and absorb the shock of a powerful impact. This gives SUBARU vehicles high collision absorption performance against impacts from any direction.

### Front-end/Rear-end Collisions

Even small components can become as deadly as weapons when receiving the powerful force of a collision. Based on that fact, SUBARU equips its vehicles with a horizontally-opposed engine, which has the advantage of being able to effectively absorb the energy from a collision. During a front-end collision, not only can it easily slip under the floor, but the frame that absorbs the shock can extend symmetrically as well as straight. Each component of the cabin is made of shock-absorbing materials in order to protect lives.

### Side Collisions/Rollovers

To protect the driver and passengers during a side collision, an extremely rigid side door beam is installed in the door. In addition to that, the new high-rigidity Ring-Shaped Reinforcement Frame protects the cabin space during a collision or rollover. Furthermore, several kinds of airbags and energy-absorbing materials line the entire car, protecting every person inside the cabin.

### Protecting Pedestrians

SUBARU strives to protect not only our drivers and passengers but also pedestrians.

For example, our horizontally-opposed engines have a wide energy absorption space between the front hood and engine unit. This reduces damage from being struck by the top of the hood, which is a highly probable head injury for pedestrians.

Furthermore, our cars are designed to absorb the shock from components such as the hinge and hood stay. SUBARU's four safety areas, which take into consideration all forms of safety, can be found in all of our designs and initiatives, and have been carried over to our BEV. As an example, we were the first Japanese automobile manufacturer to install pedestrian protection airbags, which have now been equipped in seven models.

### Safety Recognized around the World

SUBARU’s damage mitigation features have received high evaluations in safety assessments from countries all around the world.

> [SUBARU’s All-Around Safety](#)  (Japanese version only)

### Connected Safety

We use connection technology and data based on SUBARU’s four safety areas of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, and develop new technologies and services to further pursue safety. Our vehicles feature the Advanced Automatic Collision Notification (AACN\*) system. In the event of a collision that triggers the airbags, it automatically connects to a call center and coordinates with the police, emergency services, and medical institutions, aiding in more speedy rescue activities. D-Call Net, an element of this system, is installed in vehicles for the Japanese market. When a vehicle is involved in a traffic accident, information such as the direction of impact, speed, severity of impact, and whether or not the occupants were wearing seatbelts is immediately sent to the D-Call Net server. From this information, the severity of the injuries to the occupants is automatically estimated, and if necessary, a request is made for a medical helicopter. In addition, SUBARU’s mass market car models are equipped with the Driver Monitoring System, which attentively watches over the state of the driver. It detects when the driver looks away or shows signs of sleepiness, and sends an alert. Going forward, we will couple it with various controls.

\* This system estimates the severity of injuries to passengers in the event of a traffic accident involving a car equipped with an event data recorder (EDR) in its airbag system, and notifies the fire department and/or medical helicopter service base hospital, based on data sent automatically from the EDR and using a certain algorithm.

### Car Assessments

SUBARU undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP\*1 in Japan, IIHS\*2 and U.S. NCAP\*3 in the U.S., Euro NCAP\*4 in Europe, and ANCAP\*5 in Australia, and has gained the highest rank of assessment in most of them.

For FYE March 2025, as of May 2025, one of SUBARU’s 2025MY (model year) vehicles had won the IIHS’s 2025 TOP SAFETY PICK+ (TSP+) Award, and two vehicles had won its 2025 TOP SAFETY PICK (TSP) Award. In the U.S. New Car Assessment Program (NCAP), eight 2025MY models received 5-Star Safety Ratings in the overall vehicle score. Euro NCAP gave three SUBARU models a five-star rating in its 2024 assessment. As of July 2025, ANCAP gave three SUBARU models a five-star rating in its 2024 assessment.

\*1 Japan New Car Assessment Program (JNCAP): An assessment operated by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims’ Aid (NASVA) to evaluate automobile safety performance.

\*2 IIHS: Insurance Institute for Highway Safety

\*3 U.S. NCAP: U.S. New Car Assessment Program for assessing safety performance operated by the National Highway Traffic Safety Administration (NHTSA).

\*4 Euro NCAP: European New Car Assessment Programme, a safety information disclosure program for automobiles in Europe.

\*5 ANCAP: The Australasian New Car Assessment Program, a safety performance assessment program conducted by an independent organization created by Australian and New Zealand transit authorities.

Awards Won by Current Models

Country/Region		Japan	U.S.		Europe	Australia
Car Assessments		JNCAP	IIHS	U.S. NCAP	Euro NCAP	ANCAP
Model	Outback	Best Award 2021 Five Star Award 2021	2024 TSP Award (2025MY)	Five stars*1 (2025MY)	2021 Five-star rating	2021 Five-star rating
	Legacy	—*2	—	Five stars*1 (2025MY)	—*2	—*2
	Crosstrek	Best Award 2023 Five Star Award 2023	—	Five stars*1 (2025MY)	2024 Five-star rating	2024 Five-star rating
	Impreza		—	Five stars*1 (2025MY wagons)	2024 Five-star rating	2024 Five-star rating
	Forester	—*3	2024 TSP Award (2025MY)	Five stars*1 (2025MY)	2024 Five-star rating	2024 Five-star rating
	Levorg	Best Award 2020 Five Star Award 2020	—*2	—*2	—*2	—*3
	WRX		2024 TSP Award (2025MY)	Five stars*1 (2025MY)	—*2	—*3
	BRZ	—	—	—*3	—*3	—*3
	Ascent	—*2	2024 TSP Award (2025MY)	Five stars*1 (2025MY)	—*2	—*2
	Solterra	Five Star Award 2022	2025 TSP+ Award (2025MY)	Five stars*1 (2025MY)	2022 Five-star rating	2022 Five-star rating

\*1 Overall Vehicle Score

\*2 Not sold in this region

\*3 Not evaluated

Safety Is Our DNA

Since its founding, the core of the SUBARU Group, an organization with roots in the aircraft industry, has been to put people first and to engage in Human-Oriented Monozukuri. We believe that safety is the most critical basic function for cars. Since the launch of Subaru 360 more than half a century ago, we have passed this belief on as an element of our company DNA, making relentless efforts in every era to perfect the most essential functions of a car—driving, turning, and stopping—reflected in our unique engineering know-how, including all-around safety performance. Looking to the future, SUBARU will continue to engage in automotive manufacturing with a philosophy of “All-Around Safety” and maximum emphasis on safety performance.

> [The technology that makes Subaru different: enjoyment and peace of mind](#) 

SINCE 1917

Ensuring Safety for Pilots

Our DNA of Safety is Inherited from Aircraft Development

At the core of SUBARU’s safety development expertise lie traits acquired from developing aircraft. With aircraft, the implementation of ideas and countermeasures within the vehicle’s basic structure prevents the onset of danger. One indispensable safety feature of aircraft 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 1960

## Ensuring Safety for Drivers

**Going ahead of the Times: Developing a Vehicle Body for Collision Safety Based on All-Around Safety**

Subaru 360 had played an important role in expanding the popularization of automobiles during the period of high economic development. 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 the driver and passengers with a cabin structure of robust strength—since that period. SUBARU pushed forward independent research on car body structure and how it affects human body, and pursued superior collision safety technologies ahead of the times.



SUBARU 360

## SINCE 1970

## Ensuring Safe Driving, Turning, and Braking

**Developing Proprietary Technologies for Enhanced Driving Safety**

Fundamental automobile performance in terms of driving, turning, and braking differs significantly depending on the location of the center of gravity and the type of drive train. A low center of gravity and a drive train that delivers power to all of the wheels give constant stability when driving.

In 1966, we launched the Subaru 1000—a FWD vehicle with a horizontally-opposed engine—and, in 1972, the 4WD Subaru Leone. Since that time, SUBARU has continued to pursue safe and stable driving performance with our proprietary technologies.



Horizontally-opposed engine (Boxer engine)



4WD



4WD SUBARU Leone



SUBARU 1000



**IN THE 1980s & 1990s****Ensuring Safety for Drivers and Passenger****Legacy Launched. Development of Driving Assistance Systems**

Our flagship Legacy model set a world speed record in January 1989 for 100,000 km of continuous driving, demonstrating both reliable driving performance and mechanical endurance. Furthermore, SUBARU commercialized Active Driving Assist (ADA), a driving assistance system using stereo cameras which was the predecessor of our current EyeSight technology.

**IN THE 2000s & 2010s****Ensuring Safety for Everyone****Commercialized EyeSight****Making the Latest Advanced Safety Features Standard Equipment on All Vehicles**

SUBARU commercialized our EyeSight technology, featuring stereo cameras constantly surveying the area forward of the vehicle and warnings and pre-crash braking functions for mitigating damage from accidents. In 2017, we began fitting vehicles with the new Touring Assist function, extending the minimum speed at which Lane Keep Assist can operate from 60 km/h to 0 km/h.

Moving forward, SUBARU is engaging in development for even more leading-edge technologies.

**The SUBARU Global Platform****Achieving new levels of both comfort and maneuverability**

The SUBARU Global Platform 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.

**FROM THE 2020s****Next-Generation EyeSight, EyeSight****Evolutionary innovation in EyeSight**

The next-generation EyeSight system enables 360-degree sensor capabilities from the wide-angle stereo camera and four radar units located at the front and rear of the vehicle. This contributes to safe driving in an even wider range of situations, like encounters with vehicles, pedestrians, and bicycles at intersections with poor visibility and when turning left or right. Stereo cameras, which can measure distance in the same way as the human eye, can distinguish between vehicles, pedestrians, and road lines. The system boasts high recognition performance with its wide viewing angle and viewing distance. 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, executing these in a manner that fits the situation, supporting safe driving with peace of mind and comfort. EyeSight X achieves a new dimension of advanced safety technology with its newly developed system utilizing the QZSS “Michibiki” satellite system, GPS, and high-precision map data. Starting with the 2022 release of the Crosstrek, the addition of an ultra-wide-angle single-lens camera significantly reduces blind spots while driving. With EyeSight functioning as a third eye, this development takes another step toward a future of zero fatal traffic accidents. The EyeSight system is also equipped in the BRZ manual transmission model since 2023. We have implemented collision avoidance and operating load reduction functions that are tailored to the characteristics of manual transmission vehicles, and have achieved practical driving support even for highly sporty vehicles. In 2025, EyeSight X was rolled out to the North American market, the first such initiative outside Japan.

Furthermore, in 2020 we established the AI development hub, SUBARU Lab, in Shibuya-ku, Tokyo, where we are actively engaged in research and development to enhance safety by integrating the judgment capability of AI into stereo camera technology. In 2025, we also opened a second SUBARU Lab in Shibuya-ku, Tokyo, to expand software development in the CASE area beyond EyeSight alone.

## EyeSight Performance

Cumulative global sales of vehicles equipped with EyeSight reached five million units\*<sup>1</sup> in June 2022.

With the superior recognition capabilities of its stereo camera technology, EyeSight has consistently been awarded top safety ratings by independent agencies from Japan, the U.S., Europe and other places and has contributed to strengthening Subaru's preventive safety performance over the years. A study by SUBARU based on data from Japan's Institute for Traffic Accident Research and Data Analysis (ITARDA) has revealed the accident rate of EyeSight-equipped vehicles is as low as 0.06% in Japan\*<sup>2</sup> while a study conducted by Insurance Institute for Highway Safety (IIHS) has found the system reduces rear-end crashes with injuries by up to 85% in the U.S.\*<sup>3</sup>

In April 2024, it was announced that the company would adopt AMD's Versal™ AI Edge Series Gen 2 as the SoC\*<sup>4</sup> to be used in the next-generation EyeSight, and that it would begin collaborating with AMD on circuit design to optimize the SoC in order to achieve cutting-edge AI inference performance and ultra-low latency computing at a low cost. By combining AI inference processing with the recognition processing of stereo cameras that SUBARU has cultivated over many years, we are working to further improve preventive safety performance and are moving forward with the incorporation of this technology into the next-generation EyeSight in the second half of the 2020s.

\*<sup>1</sup> Based on 2021 global sales. Excludes OEM vehicles from other companies.

\*<sup>2</sup> Calculated by SUBARU based on the number of SUBARU vehicles equipped with EyeSight (Ver.3) sold from 2014 through 2018 (456,944 units) and ITARDA data (259 rear-end crashes).

\*<sup>3</sup> Based on IIHS reporting data as of January 2017 from MY2013–2015 SUBARU models equipped with EyeSight through 2014 in the U.S.

\*<sup>4</sup> SoC: System on a Chip. Refers to a single semiconductor chip featuring a number of functions.

### FROM THE 2020s

## Evolution of the SUBARU Global Platform

### Evolving ourselves to the next stage, in pursuit of our ideals

In order to bring the performance of the SUBARU Global Platform to an even higher level, we have adopted new full inner frame construction technology to enhance rigidity across the entire body. This has dramatically improved body rigidity. Following the philosophy of the SUBARU Global Platform, we have adopted the newly designed EV-dedicated platform, e-SUBARU Global Platform, starting from the 2022 release of the Solterra. Based on a chassis with a symmetrical layout, we have integrated SUBARU's expertise into components such as suspension and electric power steering. This approach ensures that from the moment it sets into motion, everyone can experience SUBARU's unique agile and comfortable driving feel, providing "Enjoyment and Peace of Mind" in our BEV.

Going forward, we are also working to evolve the very basis of our vehicles, that being the platform that leads to all kinds of performance improvements, such as driving performance, comfort, and passive safety.

# Making Safe Vehicles: Initiatives in the Aerospace Business

## Our Approach

SUBARU has created a future vision and technology roadmap for obstacle detection and avoidance systems and lightning-resistant technology with the aim of developing safety technology for aircraft to detect and avoid obstacles and lightning strikes. Moving forward, we will continue to provide safety and peace of mind in the skies through our obstacle detection and avoidance systems and lightning-resistant technology.

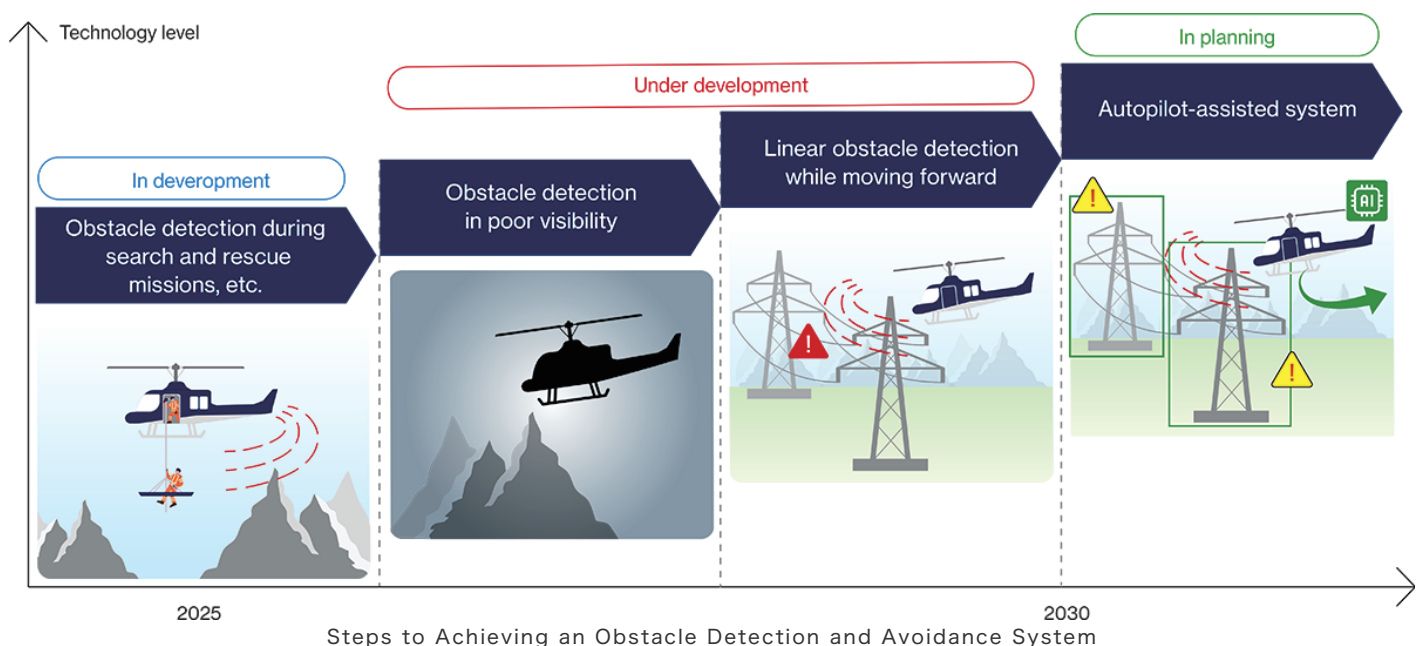
## Initiatives

### Obstacle Detection and Avoidance System

Factors contributing to helicopter collisions include contact with obstacles below or behind the aircraft that are not visible to the pilot, contact with linear obstacles such as power lines and wires that are difficult for the pilot to see, and contact with obstacles in poor visibility conditions such as rain or fog. Various safety devices are incorporated into helicopters, enabling them to detect a range of hazards. However, even with these devices, they may not cover all potential risks.

Therefore, SUBARU is conducting research and development on an obstacle detection and avoidance system that detects dangerous obstacles during flight, alerts pilots to hazards with intuitive displays and warning sounds, and enables them to safely avoid obstacles, with the aim of achieving zero helicopter accidents caused by collisions with obstacles.

By FYE March 2026, we plan to commercialize a system that alerts pilots to obstacles around the aircraft during search and rescue missions. Currently, we are working on the next step, which involves detecting obstacles in poor visibility and detecting linear obstacles while the aircraft is moving forward. Furthermore, we aim to commercialize an autopilot-assisted system that automatically avoids obstacles when approaching them.

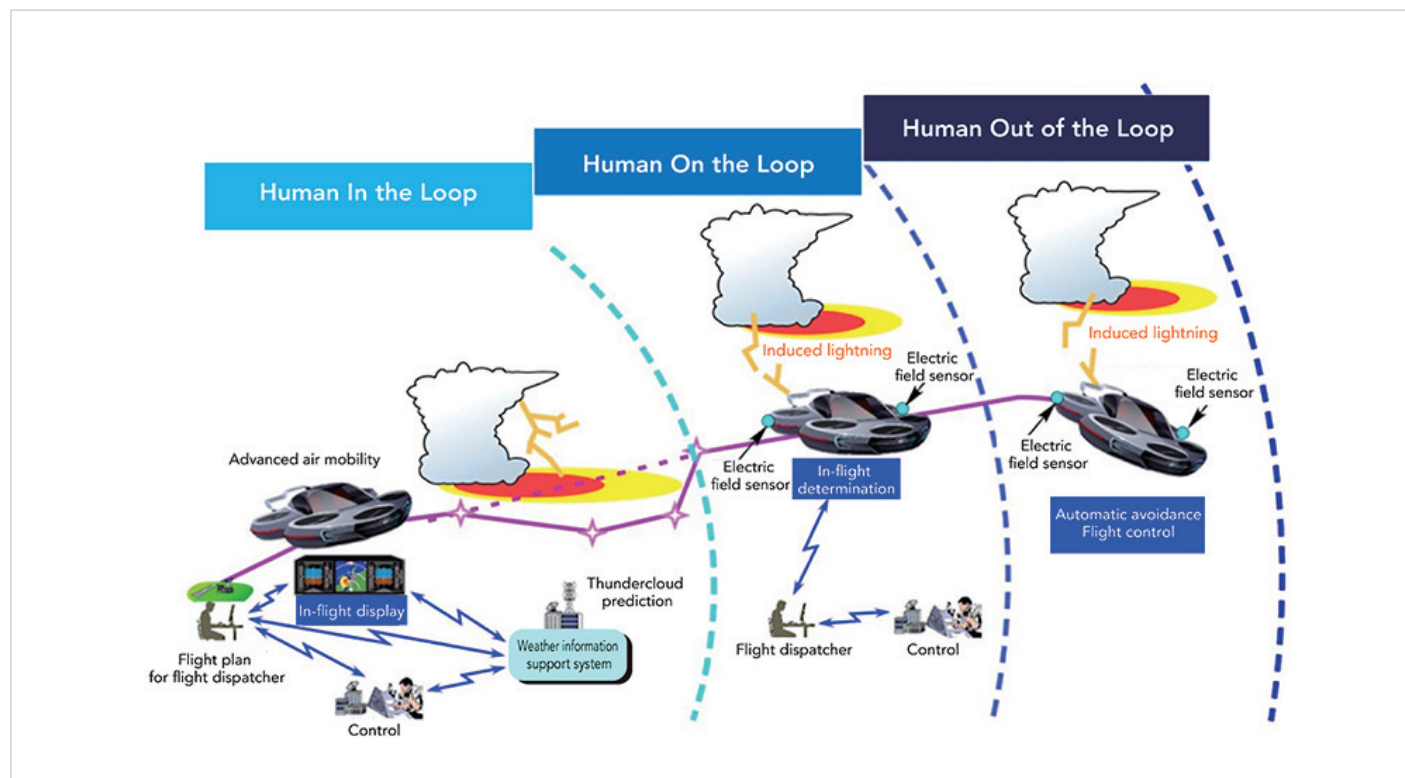


## Research on Lightning Avoidance Systems for Aircraft and Next-Generation Mobility

In recent years, there has been a growing emphasis on the development of advanced air mobility projects, such as flying cars and drone deliveries, contributing to a potential increase in airborne mobility. However, as cars also take to the skies, approaching thunderclouds can lead to an increase in electric fields, raising the potential for lightning strikes. Modern aircraft are engineered to maintain safe flight even in the event of lightning strikes. Nevertheless, the areas impacted by lightning strikes necessitate repairs, prompting the pursuit of technologies that either mitigate damage or prevent lightning strikes entirely. SUBARU is actively engaged in research aimed at avoiding lightning strikes, which can also be applied to advanced air mobility solutions.

Weather data may detect the distribution of thunderclouds, but accurately predicting where lightning will strike remains challenging. As a result, there is a growing need for aircraft to possess systems capable of preemptively detecting and avoiding lightning. SUBARU partnered with Japan Aerospace Exploration Agency (JAXA) to conduct experiments and analyses on discharge characteristics concerning aircraft model simulations. This research revealed the potential for variations in the susceptibility of lightning strikes based on the direction of lightning, the aircraft's angle, and the generation of static electricity on the aircraft. In addition, an algorithm has been developed that uses sensor information installed on the aircraft to predict lightning strikes on the aircraft's surface. Moving forward, the focus will be on verifying this algorithm and refining it to offer supportive information to pilots. Additionally, the aim is to develop and offer aircraft designed to avoid lightning strikes by controlling the aircraft's state, encompassing advanced air mobility solutions.

### Steps from Lightning Prediction to Lightning Avoidance



## Proposed Revision of International Standards for Collision Avoidance of Unmanned Aircraft

Small unmanned aircraft, commonly referred to as drones, and larger, medium-sized unmanned aircraft are already being used widely in the agricultural sector and other areas, and are also expected to be used for transporting goods during disasters, searching for people in distress, and for logistics infrastructure. However, there have been reports of near misses between unmanned aircraft and manned aircraft such as helicopters in Japan, and how to avoid collisions with other aircraft is an urgent issue toward the safe use of these unmanned aircraft. Collision avoidance is also an indispensable technology for achieving flight outside of line-of-sight and flight over third-party entities, which are key elements for the social implementation of unmanned aircraft.

SUBARU, together with Japan Radio Co., Ltd. and ACSL Ltd. proposed the revision of international standards for the technical operation of collision avoidance procedures between unmanned aircraft and other aircraft, or between unmanned aircraft, based on the results of development in the New Energy and Industrial Technology Development Organization (NEDO)'s Drones and Robots for Ecologically Sustainable Societies project (DRESS project), and this revised standard was adopted and issued by the International Organization for Standardization (ISO).

With the standardization of collision avoidance procedures, systems to detect and avoid other aircraft as a necessary means of avoidance, as well as standardization of testing methods, are expected to further ensure air safety.

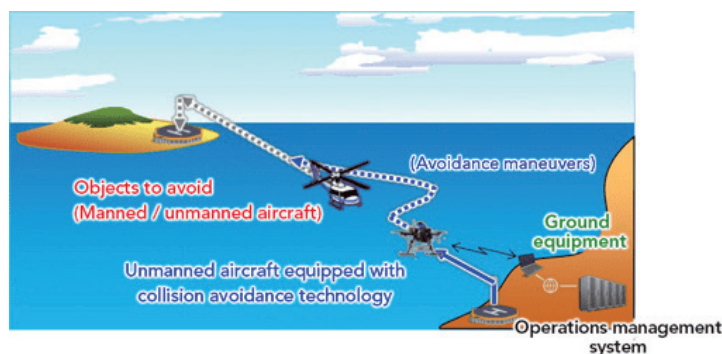
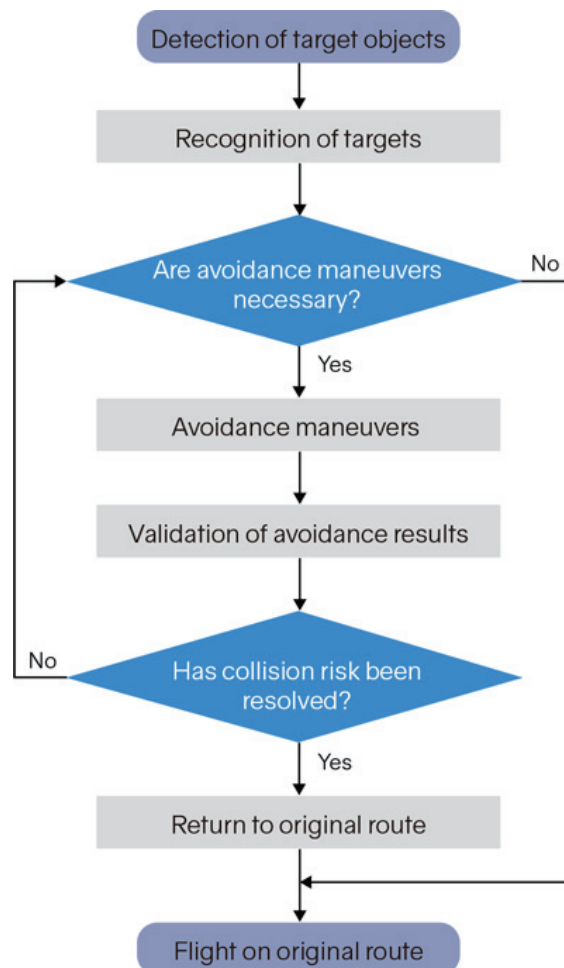


Illustration of Developed Collision Avoidance Technology

## Details of International Standard Revision

ISO 21384-3, first published in November 2019, standardized operational procedures for unmanned aircraft, but did not specify procedures for avoiding collisions with other aircraft or between unmanned aircraft.

In the new revision, Concept of Operations (CONOPS) for collision avoidance was added as a chapter, which defines the basic procedure consisting of six steps: object detection, target recognition, avoidance maneuvers, confirmation of avoidance results, return to the original route, and flight on the original route. Going forward, this international standard will serve as a guideline for unmanned aircraft, which will follow these six steps and take uniform avoidance actions.



Collision Avoidance Basic Procedures

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# Approach to Human Capital

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## Our Approach

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Our aim is to create human resources who will provide “Enjoyment and Peace of Mind” to customers, and therefore “Delivering Happiness to All.”

In the rapidly changing business environment, the SUBARU Group is committed to human capital management with the approach that human resources are the driving force for us to enhance competitiveness and achieve sustainable growth. We have defined our vision as “toward truly competitive people and organization.” Specifically, this refers to a state where human resources demonstrate varying abilities to the maximum extent, where we are focusing on essential operations and producing results swiftly, where we operate with an awareness of total optimization and can easily act in a way going beyond organizational boundaries, and where the organization has a culture encouraging and supporting employees to take on challenges. Fulfilling this vision will enable flexible adaptation to change and achieve world-leading “Monozukuri Innovation” and “Value Creation” outlined in our New Management Policy.

To date, in pursuing our vision, we have focused on fostering individual growth—cultivating talent capable of thought and action on their own initiative—and organizational growth—helping diverse individuals to thrive—while advancing various initiatives. Furthermore, we recognize that the physical and mental well-being of our employees is at the foundation of all things, and we have been working to create workplaces that offer safety and peace of mind. Going forward, while continuing and deepening these initiatives, we will also take a further step toward strengthening connections. This is to ensure not only that diverse individuals are respected, but also that we collaborate more effectively and enable each other to further draw out our capabilities.

[> SUBARU New Management Policy](#) 

## Risks and Opportunities

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Future risks include the inability to secure human resources due to a tight labor market, intensifying competition for human resources, including from other industries, and labor problems that could lead to compliance issues, as well as turnover. Similarly, inadequate human resource development or the inability to create a workplace environment in which everyone can play an active role and in which employee diversity is respected may also affect the SUBARU Group's business activities. On the other hand, opportunities include enhancing employee engagement and fostering innovation in business by building organizations that respect diverse individuals and enable them to maximize their capabilities.



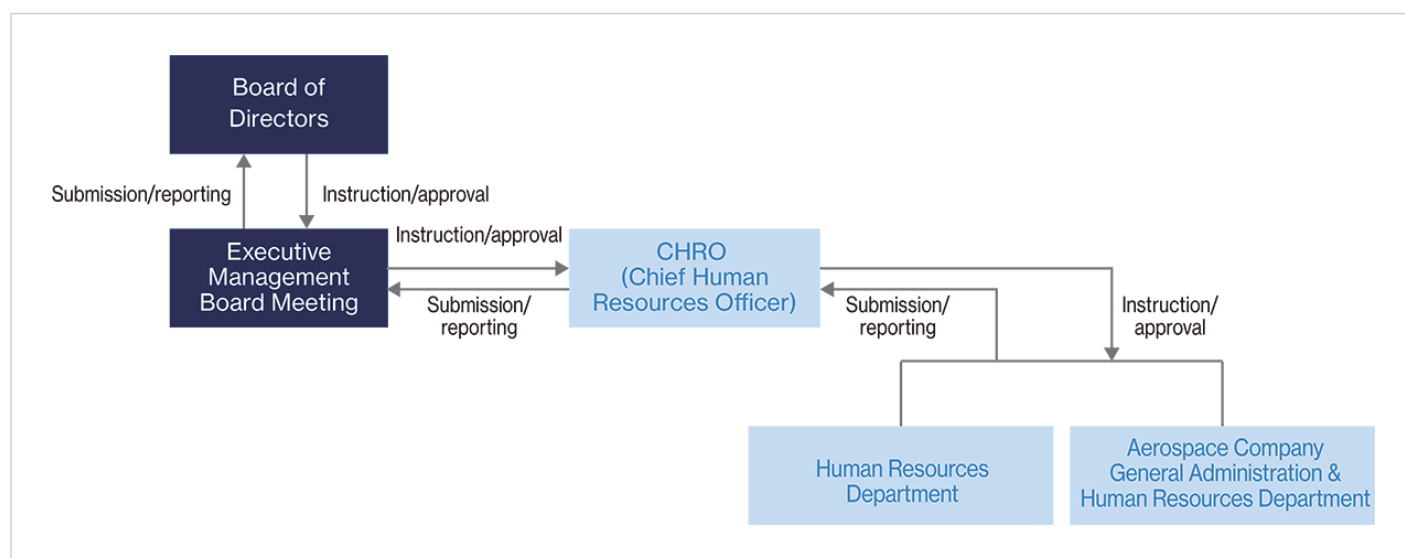
## Management System

### Human Resource Strategy Promotion System

SUBARU is advancing various human capital management initiatives based on its personnel strategy aimed at realizing our vision of “toward truly competitive people and organization.” These initiatives include securing and cultivating human resources, fostering corporate culture, and creating workplaces with safety and peace of mind.

These matters are managed and advanced under the Executive Officer in charge of human resources, and are submitted for deliberation and reported to the Executive Management Board Meeting and other bodies responsible for reviewing business execution, according to their level of importance. Furthermore, important matters are individually submitted to and reported to the Board of Directors, ensuring a system where supervision by the Board is appropriately maintained.

Additionally, effective April 2025, we have newly established the position of CHRO (Chief Human Resources Officer). Under the leadership of the CHRO, we will accelerate initiatives to build the human resources and organizations capable of creating sustainable corporate competitiveness.



### Targets and Metrics

SUBARU has set a target engagement score\* of 70% for FYE March 2029 as an indicator for advancing human capital management. This targets achieving the global average level of engagement scores as of FYE March 2024. In the survey conducted in FYE March 2025, the engagement score was 51%.

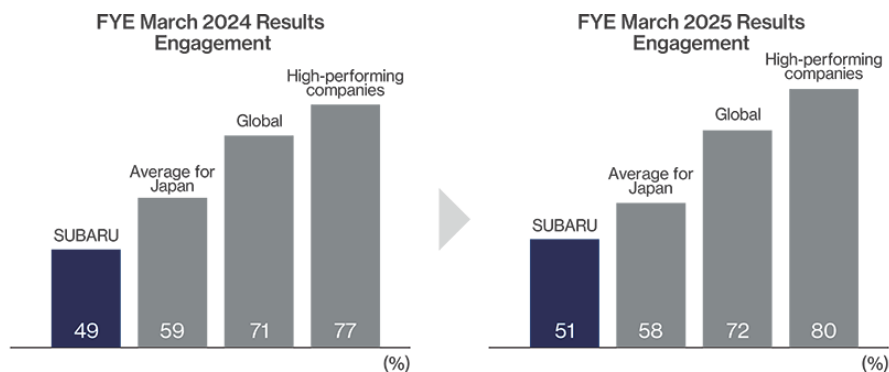
\* Refers to the percentage of employees who provided positive responses to five questions assessing their motivation to contribute to the company, loyalty, and will to make voluntary effort.

## Initiatives

### Employee Attitudes Survey

SUBARU regards the employee engagement score as one of the key management indicators for evaluating company initiatives, and has been conducting the annual Employee Attitudes Survey since FYE March 2018 to use it as a tool for addressing organizational issues. The survey results are utilized in personnel policies and corporate culture reform efforts, as well as to identify issues and formulate countermeasures at each workplace. Since FYE March 2023, the improvement rate in the employee engagement score has been used as a qualitative (non-financial) evaluation criterion for executive compensation.

From FYE March 2024, we have adjusted the survey, modifying the calculation method for the engagement score with the aim of making it easier to analyze the survey results and compare them with other companies, and to clarify SUBARU's strengths and challenges. These changes allow us to focus on planning countermeasures, and by adding indicators that could not be measured before, we are working to visualize the penetration of management strategies and the status of improvements in business processes across teams.



In the survey conducted in FYE March 2025, the engagement score was 51%, an improvement of two points versus the FYE March 2024 score. This is a statistically significant improvement, with scores improving across all comparable categories from the previous assessment. In particular, the positive response rate for the education and training category reached a level statistically significantly higher than the average for Japan.

However, the overall comparison to the average Japan shows that a gap remains, revealing the need for continued efforts. The survey results showed that the percentage of positive responses to questions in categories such as strategy and direction, collaborative systems, and business processes was low, and that there was a divergence from the average for Japan.

### Challenges and Actions

We are addressing the results of the Employee Attitudes Survey and proceeding with issue analysis and improvement.

#### Strategy and Direction Category

Our analysis reveals that there is uncertainty about the feasibility of the unprecedented challenges we will tackle according to the SUBARU New Management Policy, as well as a lack of clear direction in an uncertain business environment. In response, the President and Deputy President are continuing to hold dialogue sessions to directly communicate their thoughts and ideas to employees. In FYE March 2025, we held dialogue sessions with the heads of departments who oversee each workplace to

discuss the issues faced by each workplace in order to motivate putting the policies into practice. These dialogue sessions focus on having small-group discussions to engage attentively with each individual, and we are striving to use these as a way to spur the entire workplace to take on challenges with a sense of urgency.

Collaborative Systems Category

Challenges highlighted here were found in the areas of communication and collaborative systems across organizations. As overall business grows and complexity increases, the areas that need to be addressed are becoming more diverse, and with advancing specialization, we have analyzed that one contributing factor in the areas above is the lack of communication between organizations. We see these as major issues that must be overcome as we work to become “one SUBARU” in order to achieve the SUBARU New Management Policy. Therefore, we are conducting training for approximately 4,000 leaders across the Company to encourage collaboration across organizational boundaries, thereby invigorating efforts to build collaborative systems.

Business Process Category

Challenges highlighted here were found in the areas of timeliness of decision-making and innovativeness in work processes. Amid accelerating changes in the business environment and technological advancements, we are continuing discussions on the key challenges requiring focused attention. To date, we have implemented measures including a comprehensive restructuring of business processes through significant organizational realignment, the launch of Company-wide IT training programs, and the hosting of Company-wide events to foster greater interest in and engagement with AI. We will continue to advance initiatives toward challenge resolution from all angles, including training and corporate culture reform.

Initiatives for Further Growth

A result of our actions in various individual categories has been the gradual increase in the number of employees who think and act independently. Workplaces where people proactively engage their colleagues and take on unprecedented challenges are also growing. On the other hand, there remains a disparity in enthusiasm between individuals and workplaces, and there are barriers remaining before small changes at the workplace level can ripple out into Company-wide reform. Further analysis of employee feedback given this situation has revealed that the root cause lies in an organizational structure that stifles the seeds of ambition. To eliminate this stifling structure, we believe that strengthening connections is crucial. By strengthening the connections between management and the front lines, between organizations, between individuals, and between scattered challenges, we believe our destination becomes clear, ambition to take on challenges emerges Company-wide, the circle of supportive colleagues grows, and momentum spreads throughout the entire organization. To foster such a virtuous cycle, we plan to introduce metrics to visualize and support workplace activities on a company level going forward. We will score major Company-wide activities using two axes: “employee participation rate relative to target numbers” and “perceived level of support.” As a result of more invigorated activities, scores will increase, and companies will provide ongoing support.

# Human Resource Development

## Our Approach

The SUBARU Group focuses on individual growth to cultivate talent capable of thought and action on their own initiative, and organizational growth to help diverse individuals to thrive with the aim of realizing people and organizations capable of achieving world-leading “Monozukuri” and “Value Creation.”

## Management System Human Resource Development

### • SUBARU

SUBARU has established a system and environment that encourages individual growth and organizational growth, providing employees with a wide range of training opportunities.

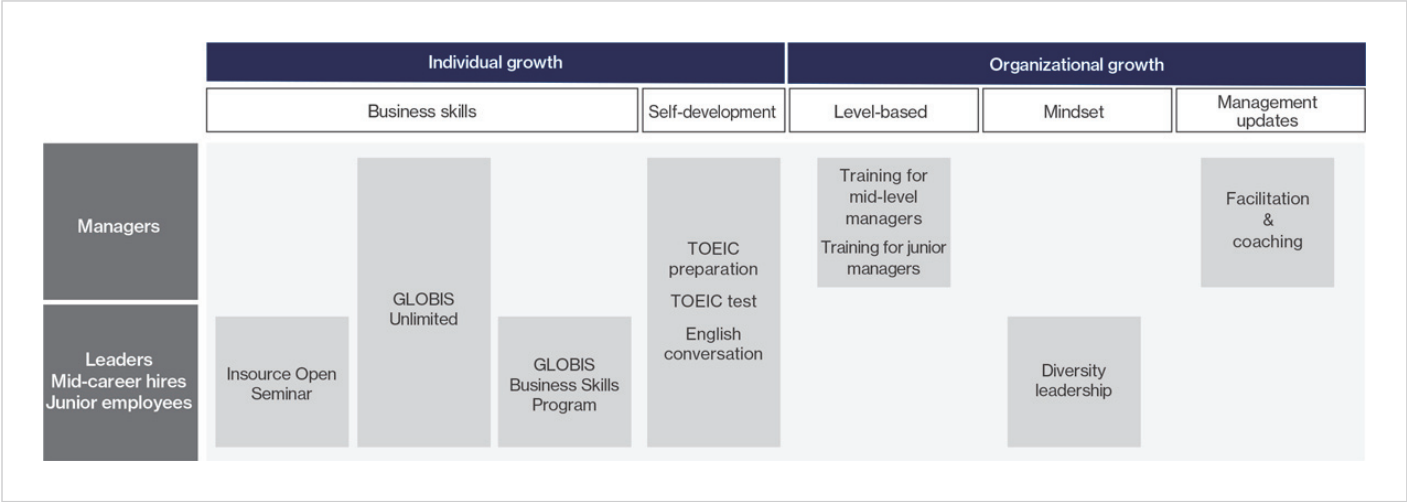
With respect to individual growth, we provide career development support and programs that enable employees to acquire a variety of business skills so that each employee can acquire skills according to their own career plan. In FYE March 2025, we also introduced a system that allows employees to autonomously seek learning opportunities with full support from the Company to further underpin the growth of individuals.

In terms of organizational growth, beginning in FYE March 2025, we have been implementing a program to strengthen management skills at the managerial level to maximize individual strengths, and a large-scale training program to help us become “One SUBARU” through collaboration across divisions and teams. This is designed to elicit both vertical and horizontal organizational growth.

### • Group companies in Japan

Based on the concept of shared Group human resource development, we are taking development actions through training and exchanges across the Group.

Like SUBARU, Group companies in Japan operate training programs focused on individual growth and organizational growth. In the area of individual growth, we have established mechanisms to support people who take on challenges, centering on voluntary participation and elective programs. As for organizational growth, we have introduced measures to maximize results generated by organizations and teams, with a focus on managers who lead these organizations.



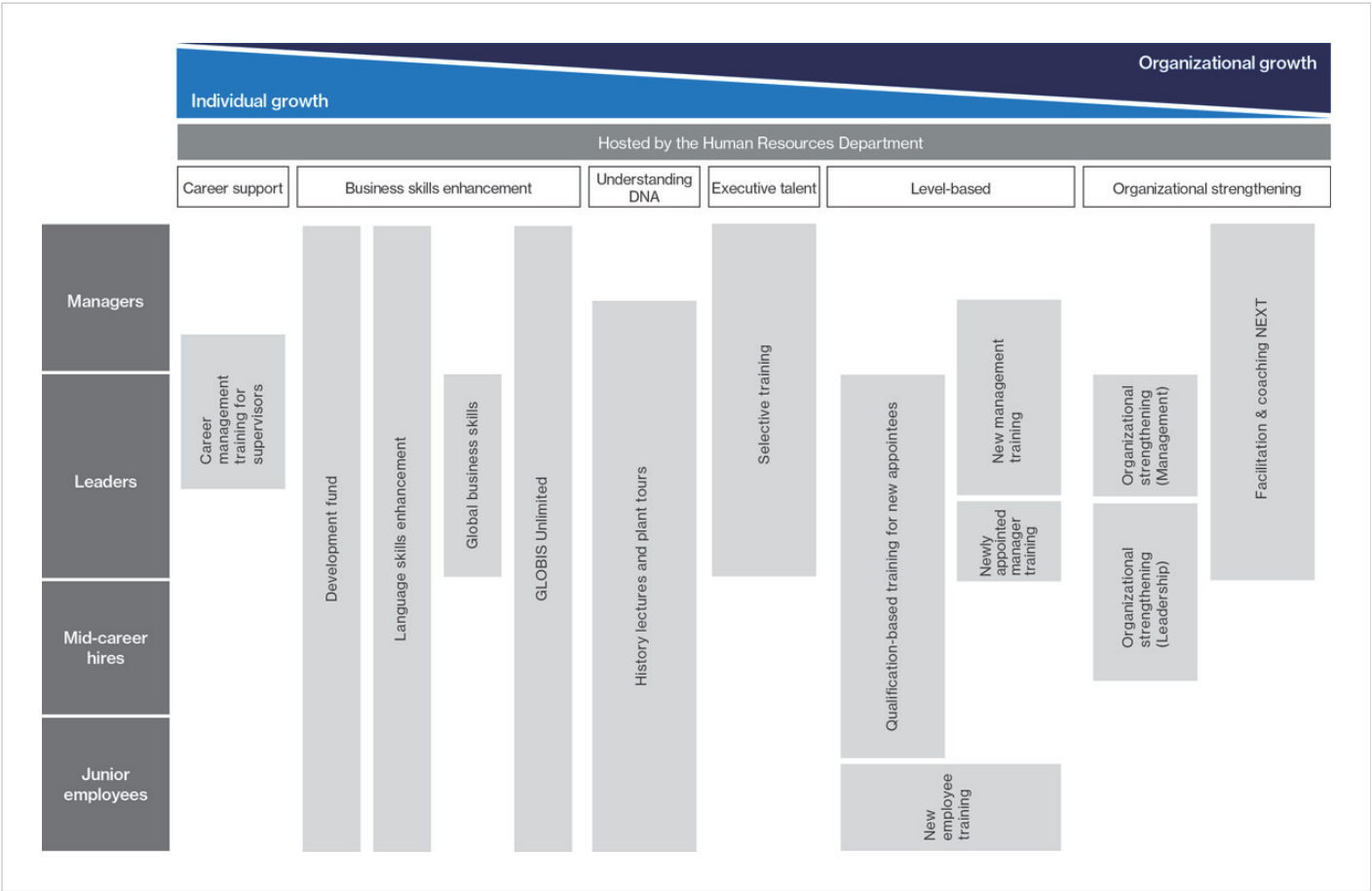
### • Overseas Group company

We support the development of Group company employees outside Japan by providing talent development programs connected to capabilities needed and specialized skill development, based on regional systems, business content, and other factors.

# Initiatives

## SUBARU's Training Programs

SUBARU provides programs according to level and objectives based on the following diagram.



### Major Measures

#### 1. Career Support

As part of efforts to support employees in self-driven career development, we have created a Career Design Sheet that provides employees with opportunities to think independently about their careers, and conduct career interviews with their supervisors using this sheet.

In addition, to enable supervisors to address individual staff members’ careers and support their future, we conduct career management training for newly appointed managers to improve the awareness and skills of those at the management level.

#### 2. Strengthening Business Skills

All employees are offered a choice of various business skill development support programs in accordance with their individual levels, goals, and career plans. We offer a variety of programs, including on-demand programs that allow employees to learn in their spare time, as well as online and face-to-face programs with outside instructors.

The Cultivation Fund, which was introduced in June 2024, is a program that not only provides educational opportunities

directly from a SUBARU entity, but also allows employees to seek out learning opportunities that will lead to the evolution of their work. If their educational endeavors are approved, they can receive monetary support from the company. We will strive to become the best-in-class worldwide in each field and to improve our true competitiveness by having our employees return their learning to the growth of the organization.

### 3. Understanding SUBARU's DNA

Our onboarding program is designed to promote understanding and resonance with our values and culture (DNA) so that mid-career hires can develop a sense of identity and pride in being a member of SUBARU and integrate with the organization at an early stage. Through these programs, we seek to increase participants' motivation and foster engagement in their work.

- History lecture: Participants deepen their understanding of our corporate culture by learning about SUBARU's history, from its founding to the present day, and the background of its management philosophy and values.
- Plant tours: These foster an awareness of the connection with the workplace through tours of actual manufacturing sites, where participants can experience the passion and commitment to quality that goes into the creation of products.

### 4. Executive Talent Development

SUBARU offers training for selected manager and leader class employees with the aim of continually fostering the next generation of Executive talent.

### 5. Rank-specific Training

Participants systematically learn the roles, mindsets, and skills required for each qualification and position. Training for managers includes practical skills such as logical thinking, evaluator skills, and authority delegation skills to solve organizational problems and drive transformation.

### 6. Enhancing Organizational Capabilities

The Facilitation & Coaching NEXT Training program is designed to promote collaboration across divisions and job functions, and to enhance the sense of unity and productivity of the entire organization. In this training, participants will acquire communication skills to promote consensus building and mutual understanding through dialogue.

From FYE March 2025 to the first half of FYE March 2026, all members of the management level completed this training. In the future, we will further expand the scope of the program to lower levels and stimulate unification to become "One SUBARU" that transcends organizational barriers.

We also offer voluntary participation training programs, including one focused on Enhancing Organizational Capabilities to learn leadership and management skills to create results as a team. We are working to cultivate managers who can maximize the abilities of diverse human resources and strengthen their organizations.

### Results from the Major Training Programs (SUBARU)

(FYE March)

Item	2023	2024	2025
Average training hours per employee:	9.7	8.1	9.9
Training expenses per employee:	62,000 yen	79,000 yen	85,000 yen
Total training hours*:	510,935	326,830	357,141

\* This is a compilation of training sessions hosted by the Human Resources Department at each business site. In addition to the above table, each department plans and operates its own training for its employees to acquire the knowledge and skills required for work.

## Other Major Human Resource Development Measures

### 1. Engineer Development

SUBARU believes that in order to maintain sustainable competitive advantage as a corporation, it is essential that we cultivate engineers capable of creating technological value that captures market changes and meets customer expectations. In this period of great transformation in the automobile industry, SUBARU is strengthening its unique technological capabilities by adding new capabilities (skills) that capture changes in the times in addition to the capabilities we have cultivated up to now. SUBARU is actively working toward this “upskilling” of its employees in the software domain, particularly for its engineering human resources.

Given that areas related to software will greatly influence a company’s car manufacturing and functional values, we launched the Software Human Resource Development Project in FYE March 2023. This project aims to cultivate human resources capable of understanding and developing both vehicles and software, direct drivers of greater product strength and “Monozukuri Innovation.” In this project, we have set up programs for new employees and existing employees, offering educational courses for each level. For new employees, we have set up two courses: the Embedded Systems Course, which applies software technology to product development, and the AI/DX Course. As of FYE March 2024, all 350 new employees who joined the engineering department have taken these courses, with around 20 of them progressing to the advanced level. At the advanced level of the Embedded Systems Course, we are working to develop core human resources who can develop infrastructure software through training that is in line with the actual work of the development site. In the advanced level of the AI/DX Course, students are assigned to the SUBARU Lab, which leads the development of advanced technologies that combine EyeSight and AI, and they acquire practical and advanced AI development skills. Furthermore, through education that takes into account the needs of each workplace, we aim to apply the results of education to actual work, and contribute to improving the productivity of the entire organization and driving technological innovation. For existing employees, we provide an introductory-level AI/DX Literacy Course for all 4,000 people in the engineering department. Furthermore, of these, more than 200 people from those who were recommended based on technical strategies and those who wished to do so based on their own volition have stepped up to the next level and are improving their technical capabilities. These initiatives are now more than just a way to improve skills, becoming an important driving force for organizational transformation and strengthening competitiveness. Going forward, we will continue to aim for qualitative improvement in these initiatives.

### 2. Open-Call Job Rotation System

SUBARU introduced an open-call job rotation system in FYE March 2022 as a scheme to support employees in the career plans they have developed for themselves.

Under this system, employees voluntarily apply for open positions offered by each department, and if conditions are met for both sides, the employee is transferred.

In the four years since introduction of this system, more than 300 employees have gained new career opportunities.

Users have commented on how rewarding it is, how it gives them a sense of tackling new challenges, and how it broadens their perspectives.

The purpose of the system is to strengthen individual capabilities through career plan support, while also strengthening the organization through benefits from mobility of human resources.

### 3. Transferring Skills

#### Technical Training for New Hires

Newly hired employees in manufacturing departments, regardless of their employment status, are provided with introductory training at the SUBARU Training Center. The two-week training program provides opportunities to learn and train in the rules, manners, and morals of manufacturing sites, as well as the basic skills of automobile manufacturing and specialized skills for each assignment.

Training is provided in the form of shift work so that trainees can quickly adapt to the way of working at a manufacturing site. The SUBARU Training Center began full-scale operations in January 2024, and a total of 2,749 new employees have taken this training so far.

#### Technician Development

Technician development, which is focused on the Monozukuri Division, aims to develop ideal human resources who can think and act autonomously, and who can solve problems by involving other departments from a QCDS perspective (quality,



cost, delivery, and safety). We are conducting education based on five core areas of introduction, basics, skills, improvement, and management. Among these, the rank-specific training conducted as part of basic training aims to help employees understand their roles and acquire problem-solving skills. In FYE March 2025, 1,310 employees took part in this training. In addition, to pass on skills that require human intuition, we are operating a system called the Special Skills Transfer Course. In FYE March 2025, 49 trainees completed this course.

### ■Taking on the National Skills Competition\*1

SUBARU participates in the National Skills Competition, which is designed to cultivate talent with advanced technical skills and who can lead in the workplace.

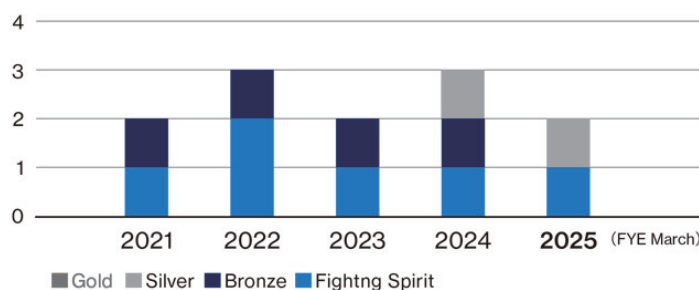
Each year, SUBARU employees compete to be the best in Japan in three categories—lathe work, plastic molding, and automobile sheet metal. For about three years from when they join the Company, competitors strive every day to hone their skills, concentration, and endurance so that they can do their best at this national competition.

SUBARU has participated in the National Skills Competition for over 20 years. In 2017, our participants won the gold medal in the automobile sheet metal category, and have continued to win awards every year since then. In the 62nd competition, held in 2024, SUBARU representatives won the Silver and Fighting Spirit Awards. Including this achievement, we have won a cumulative total of 59 medals\*2.

\*1 The National Skills Competition is an event sponsored by the Japan Vocational Ability Development Association for young technicians (in principle, up to 23 years old) in Japan, with the aim of providing young technicians with a goal to strive for through skill competitions, and providing opportunities to come in contact with skills, etc., to appeal broadly to the general public about the importance and necessity of skills, and to help build momentum toward respect for technical skills.

\*2 Total awards (54) include 1 Gold Award, 3 Silver Awards, 14 Bronze Awards, and 36 Fighting Spirit Awards.

### SUBARU Awards in the National Skills Competition



# Diversity, Equity & Inclusion (DE&I)

## Our Approach

The SUBARU Group has set Diversity, Equity & Inclusion (DE&I) as one of its Six Priority Areas for Sustainability, and has set its vision as “Continuously create innovation and values through spontaneous networking of the individual with the organization.”

We believe that when the capabilities cultivated based on the diverse personalities, values, experiences, and backgrounds of all Group employees are fully utilized, and when these diverse individuals unite as one, innovation is created. This, in turn, creates SUBARU's unique and sustainable value creation. We respect diversity in terms of gender, nationality, culture, and lifestyle, and aim to realize the world's most advanced “Monozukuri” and “Value Creation” by creating an organization and a comfortable work environment where everyone can make the most of their uniqueness, and by providing fair opportunities for all.

- Diversity: Recognizing and respecting the diverse backgrounds, identities, and perspectives of individuals
- Equity: Addressing disparities in starting conditions and ensuring fair treatment based on demonstrated abilities
- Inclusion: Fostering a culture of belonging where all individuals can thrive in their own ways

## Management System

### Promotion System

At SUBARU, the DE&I Promotion Office within the Human Resources Department oversees diversity, equity & inclusion (DE&I). The office has designated main activity themes as “women's empowerment,” “employment of people with disabilities,” “supporting senior employees to take on more active roles,” “recruitment of non-Japanese employees,” and “LGBTQ+.” Among them, SUBARU has placed particular emphasis on women's empowerment. In supporting women's empowerment through top-down initiatives, we established a Women's Empowerment Promotion Meeting in FYE March 2024, with participation from all Executive Officers, including the President. This meeting advances discussions on challenges and countermeasures for cultivating female talent across the company, linking them to concrete initiatives in each department.

### Targets and Metrics

#### Employee Attitudes Survey

SUBARU carries out initiatives in a way that links DE&I to its human capital strategy. Similar to human capital strategy, SUBARU also uses employee engagement as an indicator for DE&I, with a target engagement score of 70% by FYE March 2029. In the survey conducted in FYE March 2024, the engagement score was 51%. For more details, please see the following link.

[> Human Resources: Approach to Human Capital > Employee Attitudes Survey](#)

## Women's Empowerment

Based on diverse career perspectives, we prioritize empowering each female employee to thrive in a way unique to themselves. To diversify our decision-making ranks and as one indicator for advancing women's participation, we focus on the number of female managers.

So far, we have been working toward doubling the number of female managers by FYE March 2026 compared to FYE March 2022. As of April 2025, through new promotions to management positions and other measures, women accounted for 52 out of a total of 1,168 managers (4.5%), achieving the target by reaching 2.2 times the FYE March 2022 figure. Furthermore, we continue to promote women's empowerment as an important topic. As a new target for the future, we have set the target of having 100 or more female managers by FYE March 2031.

## Employment of People with Disabilities

The SUBARU Group established its Human Resources Department Policy on Employment of People with Disabilities in 2023. Additionally, we have set the target of a 3.0% employment rate of people with disabilities by FYE March 2031. As of June 2025, SUBARU has 368 employees with disabilities, a percentage of employees with disabilities of 2.60%. These employees are mainly active in the areas of production and development.

### Human Resources Department Policy on Employment of People with Disabilities

#### 1. Proactive Inclusivity of Diversity

By working to employ people with disabilities, we aim to become a flexible and imaginative company in which diverse human resources can demonstrate their abilities.

#### 2. Greater Ownership

In working to employ people with disabilities, we will build a greater sense of ownership toward realizing a society where these employees and their colleagues can enjoy safe and consistent work.

#### 3. Fulfillment of Social Responsibility

We will fulfill our social responsibility to resolve social issues and realize a sustainable society in the employment of people with disabilities.

Established in April 2023

## Initiatives

### Promoting Active Roles for Female Employees

We are building an environment that enables women to continue working and take active roles throughout various life events. Our initiatives are centered around four pillars: Hiring, systems, support for career development, and fostering of culture.

#### Hiring

In FYE March 2025, the ratio of new female hires for administrative career-track employees reached 42%. To expand the hiring of women in science fields, we are implementing initiatives such as strengthening recruitment efforts by female recruiters, offering office tours for female university students in science fields, and holding round-table discussions led by female employees. Additionally, we host office tours for female junior high and high school students to increase the number of future applicants.

#### Systems

Supporting the balance between work and childcare is a key initiative for us, and we offer various systems such as childcare leave and short working hours in accordance with standards that exceed legal requirements.

For more details, please see the following link.

[> Human Resources: Work-Life Balance](#)

Furthermore, our evaluation system focuses on efforts and results rather than the number of hours worked, and we have introduced a system that rewards accordingly. This fosters an environment where employees can thrive regardless of life events.

#### Supporting Career Development

We implement the Women's Leadership Program for female employees who are close to assuming management positions, focusing on each individual to promote tailored development. The eligible female employees, their supervisors, and their human resources department collaborate to clearly define development points for each individual. This leads to concrete actions such as participation in training programs, thereby boosting the motivation of female employees. Additionally, through programs like Life Career Training and Women's Networking Events, which aim to raise awareness about how life events impact careers and challenge women's own assumptions, we support individuals in discovering their own unique way of living and shaping their career paths.

#### Fostering of Culture

We are fostering a culture that promotes the active participation of diverse individuals through training programs for managers on skills to leverage diverse talent and on unconscious bias, as well as by featuring workplace diversity initiatives in our in-house magazine. Additionally, at the Gunma Plant, we have been engaged in the Women's Empowerment Working 4's Project since 2022. This initiative, centered around female members in manufacturing, aims to foster an environment where women can thrive. It includes round-table discussions featuring female role models and seminars addressing women's health concerns.

[> Second Action Plan based on the Act on the Promotion of Women's Active Engagement in Professional Life](#)  

Status of Female Employees (SUBARU)

	April 2021	April 2022	April 2023	April 2024	April 2025	Target by FYE March 2026	Target by FYE March 2031
Total number of female managers	24 (2.2%)	27 (2.4%)	31 (2.8%)	43 (3.8%)	52 (4.5%)	Two times or more female managers compared to FYE March 2022	100 or more female managers
Results vs. target by FYE March 2026	-	1.1x	1.3x	1.8x	2.2x		
Female general managers	3 (1.2%)	4 (1.7%)	5 (2.0%)	5 (1.9%)	6 (2.3%)		
Female managers	21 (2.4%)	23 (2.7%)	26 (3.1%)	38 (4.4%)	46 (5.1%)		

Note: Numbers in parentheses indicate share of women.

Creating Facilitative Workplaces with Universal Design

In order to ensure compliance with the Guidelines for the Creation of Comfortable Working Environment\*, SUBARU makes improvements to the working environment, work methods, environmental facilities, and others in an organized and planned manner. We proactively adopt universal design for our common areas, such as breakrooms, restrooms, and cafeterias, thereby providing all employees with comfortable workplaces.

\* "Guidelines for the Creation of Comfortable Working Environment" as stated in the Industrial Safety and Health Act of Japan.

Promoting Employment of People with Disabilities

The SUBARU Group aims to create an environment where employees with disabilities can shine through their work. We will improve our corporate value by creating more facilitative working environments for employees with disabilities, making them better places for everyone to work. To ensure that all employees have a proper understanding of people with disabilities, regular seminars are held and information is posted on our intranet throughout the year. Additionally, for those in charge of hiring persons with disabilities at Group companies, we share information on the status of employment of persons with disabilities in the SUBARU Group and future efforts toward the legally prescribed employment rate. We also encourage participation in seminars to deepen their understanding.



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

Special Subsidiary Company SUBARU BLOOM Co., Ltd.

In 2024, SUBARU celebrates the 10th anniversary of the establishment of SUBARU BLOOM Co., Ltd. (SBC), its special subsidiary company, as a core company for the employment of people with disabilities. The number of people employed by SUBARU BLOOM has increased from eight at the time of establishment to 92 in FYE March 2026. In addition to cleaning duties at SUBARU’s company housing facilities and factories in Gunma, we will begin new parts packaging operations starting in FYE March 2026, aiming to expand our scope of work to increase employment opportunities. In FYE March 2023, we received the Gunma Prefecture Governor’s Award as an excellent employer of people with disabilities in recognition of our efforts and achievements to date. In recognition of proactively employing people with disabilities, SUBARU BLOOM has also registered with Gunma Prefecture’s Supporter Company for Employment of People with Disabilities program. In expanding employment, it is essential to collaborate not only with employees but also with their families and local

support organizations. We will continue to advance DE&I management centered on coexistence with communities while creating workplaces where people with disabilities can thrive.

• Vision and Mission

We aim to create a society of diversity, helping individuals to bloom and have joyful experiences

Employees: Helping individual qualities to bloom, creating empowered members of society.

Company: With the power of many empowered individuals, blooming into a company loved by those in the SUBARU family.

Society: Using Bloom's activities to help realize a diverse society by expanding the circles of its influence and support.

Status of Employment of People with Disabilities (SUBARU, SUBARU Living Service Co., Ltd., and SUBARU BLOOM Co., Ltd.)

	June 2021	June 2022	June 2023	June 2024	June 2025
Employees with disabilities (Persons)	306	321	328	354	368
Employment rate of people with disabilities (%)	2.37	2.43	2.47	2.59	2.60

Note: The employment rate listed in the table is the actual employment rate based on the employment status of people with disabilities as reported to the Ministry of Health, Labour and Welfare on June 1 each year.

Supporting Senior Employees to Take on More Active Roles

In FYE March 2022, SUBARU implemented its SUBARU Business Staff Program and SUBARU Partner Program as part of revisions to its reemployment programs for employees after retiring at the mandatory age of 60. This revision and these programs are designed to help energize senior citizens with valuable skills and support their active participation. We operate our programs so that all those who want to be reemployed can work for SUBARU and other Group companies.

We also offer personal finance planning and career planning training for employees in their 40s and 50s who may be beginning to consider their plans after reaching the retirement age, providing them with opportunities to think about their future life plans.

Reemployment Rate (SUBARU) (FYE March)

	2020	2021	2022	2023	2024
Retirees (Persons)	97	130	225	264	338
Applicants for Reemployment (Persons)	72	111	179	219	280
Reemployed (Persons)	72 (19)	87 (24)	179 (23)	219 (44)	280 (48)
Reemployment Rate (%)	100	100	100	100	100

Note: Figures within parentheses indicate the number of rehired employees at Group companies.

Promoting the Recruitment of Non-Japanese Employees

The SUBARU Group hires human resources best suited to the policies and business activities of each location, regardless of their nationality. SUBARU employs 129 non-Japanese employees as of the end of March 2025. Of these, there are four non-Japanese employees in managerial posts at manufacturing and engineering departments.

In order to help non-Japanese employees to deepen their understanding of their work, we prepare our safety and quality policy-related documents, work manuals, and other documents in multiple languages. At the Gunma Plant, where we employ a particularly large number of non-Japanese employees, interpreters in English, Portuguese, Spanish, Chinese, and other languages are stationed at each of the facilities to ensure smooth communication between Japanese and non-Japanese employees.

Furthermore, we also conduct language training and overseas training programs for Japanese employees. This helps them to enhance their cross-cultural communication and understanding abilities, contributing to revitalizing the company and securing human resources in a stable manner.

As for foreign trainee workers, we basically provide them with education on safety and quality under the Technical Intern Training Program and also implement other measures to develop them into human resources who can utilize their abilities for their own countries after returning home. Our affiliated companies independently employ human resources and work to secure human resources in line with their own policies and business details.

## Strengthening Mid-career Recruitment

SUBARU is actively pursuing mid-career recruitment to incorporate new insights and values and achieve sustainable growth. There were 4,747 mid-career hires working as regular employees as of the end of March 2025, and 240 of them were in management positions.

SUBARU is also strengthening its recruitment of experienced professionals in the IT field. SUBARU Lab, our software development hub established in Tokyo's Shibuya area, where a cluster of IT companies are located, is at the forefront of SUBARU's software development. It also plays a crucial role in recruiting IT engineers who possess both advanced expertise and extensive practical experience.

## LGBTQ+

The SUBARU Group's Human Rights Policy prohibits discrimination based on gender, gender identity, expression, and sexual orientation. To ensure that all employees have a proper understanding of sexual diversity, we conduct employee awareness activities and increase the number of allies (LGBTQ+ supporters) throughout the year. In FYE March 2023, online seminars were streamed to all SUBARU employees and Group companies. This has led to 287 people registering as allies and a growing circle of people supporting those identifying as LGBTQ+. On the employee welfare side, we have established an external consultation service for individual consultation, including about preferred identification within the organization and changing room considerations. Furthermore, from FYE March 2023, we have revised our benefit systems (use of company housing, allowances, leave, etc.) to cover same-sex partners. In recognition of these efforts, the Company received Gold certification in the 2024 PRIDE Index for the second year in a row, which is used by support organization work with Pride Association to evaluate corporate initiatives for LGBTQ+ employees.



Gold certification in the PRIDE Index



External consultation service informational cards distributed to employees



## Flexible and Wide-Ranging Systems

### Regular Employment System for Temporary Workers

SUBARU has a regular employment system for temporary workers. We offer an opportunity to sit for an examination for regular employment to temporary workers who want to become regular employees and whom we have comprehensively judged to be qualified to take the examination based on the recommendations from their workplaces and other information. This system contributes to increasing the motivation and vigor of temporary workers.

Number of Temporary Workers Who Became Regular Employees (SUBARU) (FYE March)

	2021	2022	2023	2024	2025
Number of Those Who Became Regular Employees (Persons)	267	181	184	150	76

### Reemployment Support System

SUBARU has established a reemployment support system for employees who resigned for reasons beyond their control, such as the relocation of their spouse.

### Leave of Absence System for Accompanying Overseas Assignments

Starting in FYE March 2024, SUBARU has introduced a new system for employees accompanying their spouses on overseas assignments, offering them an option to take a leave of absence. Employees who would have been forced to retire under the previous system can now choose to continue their careers at SUBARU.

#### Initiatives at Subaru of America, Inc.

Subaru of America, Inc. (SOA) is strongly aware of the importance of diversity. Diversity, equity, inclusion and belonging (DEIB)\* are core to its culture as it strives to create a space for belonging and an environment where all people feel a sense of opportunity, from its employees and retailers to local communities where its employees live and work.

SOA is committed to engaging with the SUBARU community so that all feel they are treated fairly and with understanding and compassion as it works to achieve the Love Promise vision. Going forward, SOA will continue its diversity initiatives to create opportunities for various stakeholders to realize their full potential.

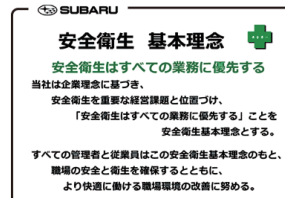
\* DEIB is the concept that inclusivity of diverse human resources and making the best use of their abilities is essential for the sustainable growth of a company, and that this requires not only respect for all people, but also a sense of belonging, including the correction of unfair competitive environments and the provision of psychological safety, which greatly affects performance.

> SOA Diversity, Equity, Inclusion & Belonging 

# Occupational Health and Safety

## Our Approach

SUBARU regards occupational health and safety as a critical management issue. Our fundamental philosophy in this area is “SUBARU makes health and safety the first priority in all our work,” and we have formulated the Basic Health and Safety Policy based on this. Furthermore, each of SUBARU’s affiliated companies in Japan and overseas establishes their own occupational health and safety policies in line with their business details, regional characteristics, and local laws and regulations, and implements initiatives based on these policies.



Health and Safety Philosophy



Yajima Plant, Gunma Plant

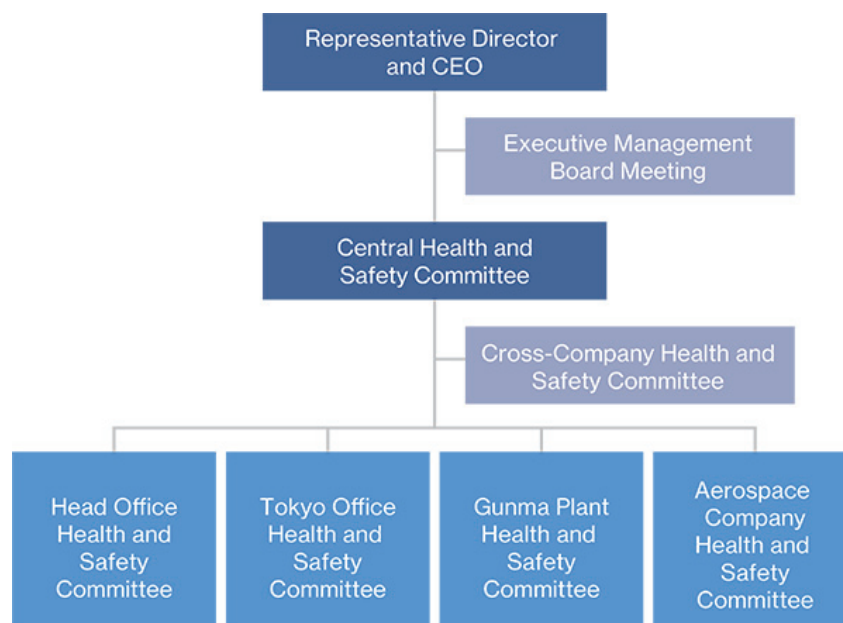
### Basic Health and Safety Policy

With the aim of reducing industrial accidents, traffic accidents, diseases, fires, and other disasters to zero, every individual will strive to create a safe, comfortable workplace through efforts to improve facilities, environments, and work methods, and to enhance management and awareness, based on a shared recognition of the importance of health and safety.

Established in April 2002

## Management System

### Health and Safety Organization Chart



## Central Health and Safety Committee

SUBARU and its affiliated companies have established the Central Health and Safety Committee with the aim of preventing industrial accidents and illness, and improving the working environment for all employees (including temporary employees). The committee fosters occupational health and safety activities as well as initiatives for health management. The committee is chaired by the executive officer in charge of the Human Resources Department (as of March 31, 2025), and the vice-chairperson is elected from the labor union. In addition, managers in charge of health and safety at each site are also members of the committee. The committee meets for deliberations three times a year, primarily deliberating on occupational safety, occupational health, traffic safety, and fire and disaster prevention.

Topics in FYE March 2025

- Occupational safety: Sharing examples of industrial accident prevention measures at each site and their effects
- Occupational health: Sharing of activities in technological development departments, which saw significant improvements in mental health in FYE March 2024
- Other: Issues and actions regarding the complete smoking ban on our premises starting in April 2025

## Site Health and Safety Committee

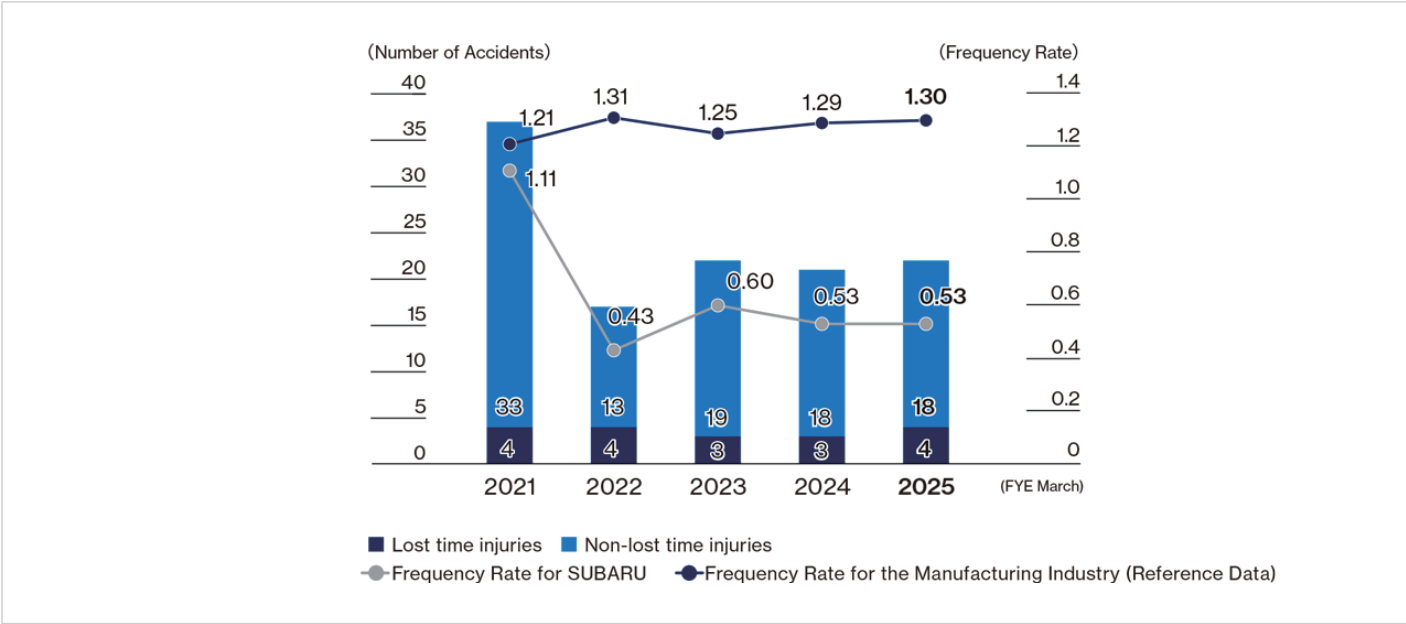
Each site has established a health and safety committee linked to the Central Health and Safety Committee. At meetings of each of these health and safety committees, SUBARU employees, affiliated companies and resident contractors on our premises under their purview are provided with relevant information for the promotion of their occupational health and safety activities.

At the Gunma Plant, we also provide support for overseas occupational health and safety activities through regular information sharing meetings on health and safety with Subaru of Indiana Automotive, Inc. and affiliated companies responsible for doing business overseas.

## Targets and Metrics

With regard to industrial accidents and traffic accidents, we will continue to promote initiatives aimed at reducing the number of incidents (non-lost time/lost time injuries) and the frequency rate as key indicators.

### Occurrence of Industrial Accidents and Accident Frequency Rate (SUBARU)



## Initiatives

At the start of every fiscal year, SUBARU notifies managers and supervisors about the health and safety policies for the fiscal year through Health and Safety Committees at each site. This is so that all employees can share the health and safety activity targets and plans and raise their awareness about the prevention of industrial accidents, road safety, and health management.

### Prevention of Industrial Accidents

#### Wearing of the Safety Declaration Badge

In order to elevate safety awareness among all SUBARU employees, each of us wears the safety declaration badge, on which it is clearly stated, "I always check for safety before performing any action."



Safety declaration badge

#### Promoting the Practice of Pointing and Calling

For the prevention of mistakes and human error, we urge employees at all our sites to practice pointing and calling at the crosswalks and other places on the premises as the basis for occupational health and safety, thereby raising their awareness about the importance of safe behaviors and increasing the accuracy of their safety checks.

### Occupational Health and Safety Education

#### Hands-on Safety Dojo

At the Gunma Plant's Hands-on Safety Dojo, the SUBARU Group is providing health and safety education not only to its own full-time and part-time employees, but also to temporary employees, employees of contractors and outsourcing companies working on our premises, employees involved in construction work on our premises, and employees of suppliers. In FYE March 2025, approximately 3,400 employees annually participate in simulator safety training, reproducing conditions that would occur in the event of accidents such as a fall, cut, pinch, or entrapment. In addition, we are taking actions to cultivate hazard sensitivity by introducing employees to protective gear used in the field and teaching them the rules about equipment use from the time they join the Company.

#### Training Center

At the Gunma Plant, we provide health and safety education at the plant's Training Center when employees begin assignments there.

The 10-day curriculum includes practical skills training using mock lines corresponding to trainees' assigned processes, providing education to cultivate hazard sensitivity in an environment that allows trainees to visualize real disasters. Approximately 2,000 employees participate in this education each year before assignment to their respective workplaces.

#### Health and Safety Slogan Contest

SUBARU invites all employees to submit safety slogans to be used in the following fiscal year with the aim of raising awareness of health and safety. Slogans are solicited under four themes: occupational safety, occupational health, traffic safety, and health management. In FYE March 2025, around 16,825 slogans were received.

## Prevention of Industrial Accident Recurrence

As for industrial accidents and close calls that happened at our sites and affiliated companies, the department that has experienced the incident shall disclose related information to other departments on the premises and affiliated companies via the department in charge of health and safety at the site.

The main cause of industrial accidents in FYE March 2025 was decreased awareness of danger due to familiarity with work. Therefore, in FYE March 2026, we will promote back-to-basics safety activities to reinforce safety awareness, such as pointing and calling, personal safety declarations, and rigorous elimination of near misses.

At development and production sites, it is always necessary to improve productivity and take on challenges, but safety cannot be neglected. Going forward, we will continue to strengthen our daily accident prevention activities.

## Road Safety

In order to prevent employees from getting involved in any traffic accidents while working, commuting, or enjoying their private time, we are implementing a range of measures as follows:

- Conduct awareness-raising activity, including introducing the cases of past accidents and showing a video on traffic safety, before the start of a long vacation, targeting all plant and site employees, many of whom commute by car.
- Organize a lecture by the chief of the local police station to improve employees' driving manners.
- Provide new employees with hands-on road traffic safety training using actual vehicles in partnership with driving schools. Participants experience the risks of dangerous driving and traffic accidents firsthand, raising their awareness of accident prevention.
- Conduct psychological driving aptitude tests and use a driving recorder to help employees recognize their driving habits.

## Unifying Initiatives at the Group Level

We have established the SUBARU Safety and Environment Council which we operate in collaboration with our business partners to ensure that all parties, including our Group companies in Japan, can strengthen health and safety in unison. The council is especially active in strengthening and enhancing occupational safety, occupational health, traffic safety, and fire and disaster prevention, including through an annual general meeting, information sharing in the event of a disaster or traffic accident involving lost time injuries, and training for new employees, supervisors, and full-time managers.

### Initiatives at Subaru of Indiana Automotive, Inc.

Since its inception, Subaru of Indiana Automotive, Inc. has been committed to workplace safety as a top priority alongside quality, and maintains one of the lowest occupational illness rates in the U.S. automotive industry. The company obtained ISO 45001 (occupational health and safety management systems) certification in August 2024 to provide employees with a safe and healthy working environment and prevent industrial accidents and illnesses.

# Health Management

## Our Approach

SUBARU believes that the happiness of its employees and their families are the driving force to achieve its vision of becoming a company “delivering happiness to all,” and that a workplace where each employee can enjoy ample opportunities for challenge and growth, in good health, is the foundation of all its business activities. This is the underlying concept behind SUBARU’s health management initiatives. SUBARU partners with units within the Human Resources Department to support the physical and mental health of its employees as well as to build a healthy organization and promote flexible working styles, and more. By doing this, it creates the underpinnings of a more comfortable working environment necessary for greater employee engagement.

### Subaru Health Declaration

Based on our Global Sustainability Policy of “striving to maintain and advance the workplace environment so that employees can work safely in peace, and with a sense of satisfaction,” SUBARU CORPORATION, the Subaru Labor Union, and the Subaru Health Insurance Association jointly released the Health Declaration in October 2020 with the intent that the three parties work in unison toward health management.

#### Health Declaration

To build happiness for our employees and their families, we need a foundation of mental and physical health. SUBARU works with its employees to promote health and preventive care, taking on the challenge of building workplaces full of smiles and enabling growth.

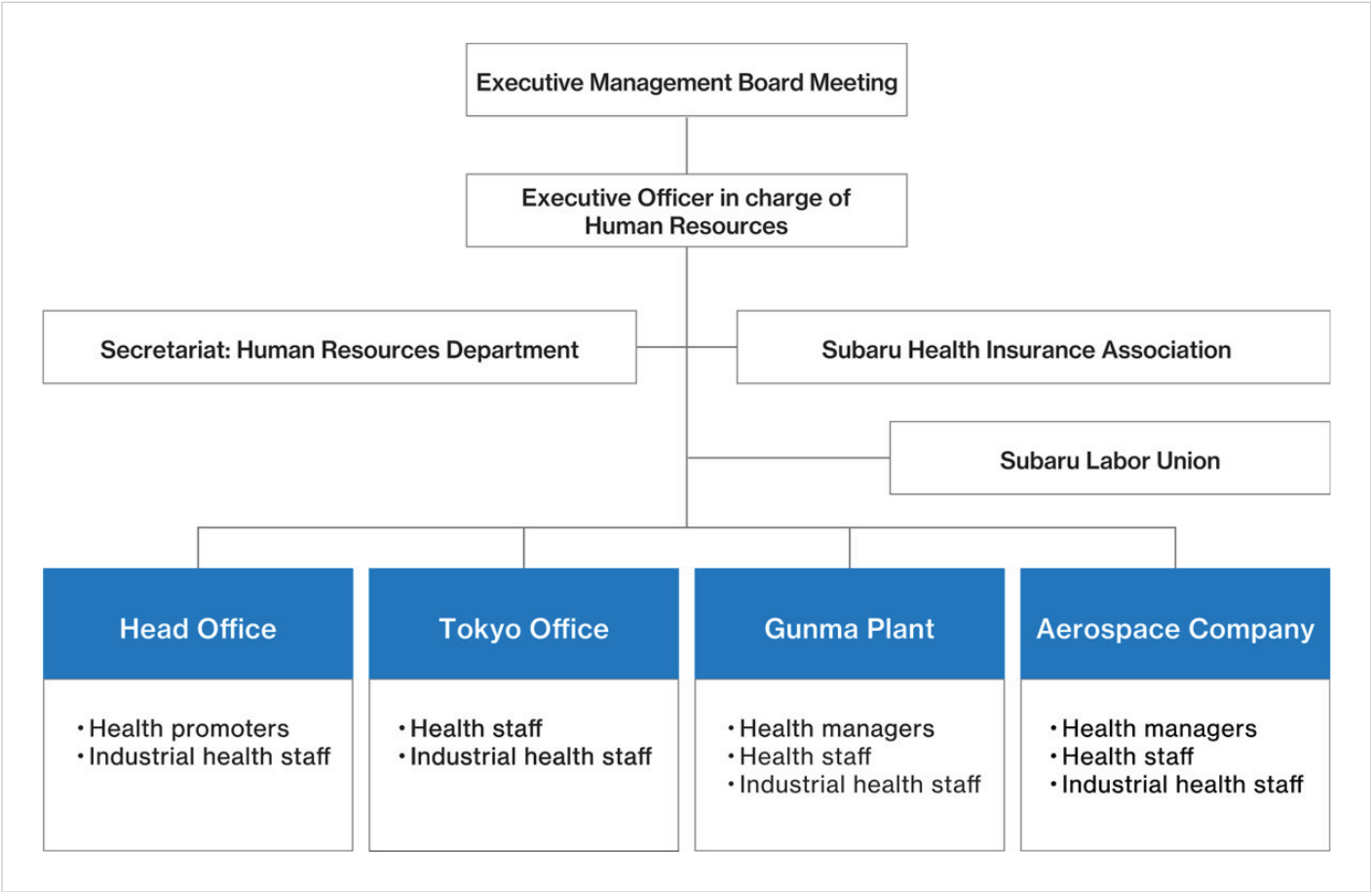
Representative Director, President and CEO, SUBARU CORPORATION  
Executive Chairman, Subaru Labor Union  
President, Subaru Health Insurance Association

Established in October 2020

# Management System

SUBARU considers health promotion activities to be a management issue, and as of FYE March 2021, we have been reporting on health management issues and measures at the Executive Meeting, Executive Management Board Meeting, and at the Board of Directors, discussing these and operating a PDCA cycle. SUBARU is also advancing collaborative health in partnership with its labor union and its health insurance association. The Employee Health Promotion Section has served as a core driver of our unified SUBARU health promotion measures since FYE March 2022. This dedicated organization within the Human Resources Department coordinates weekly regular meetings with stakeholders such as the health insurance association, health promotion managers at our sites, industrial physicians, and other staff in charge of industrial health.

Health Promotion Framework Diagram

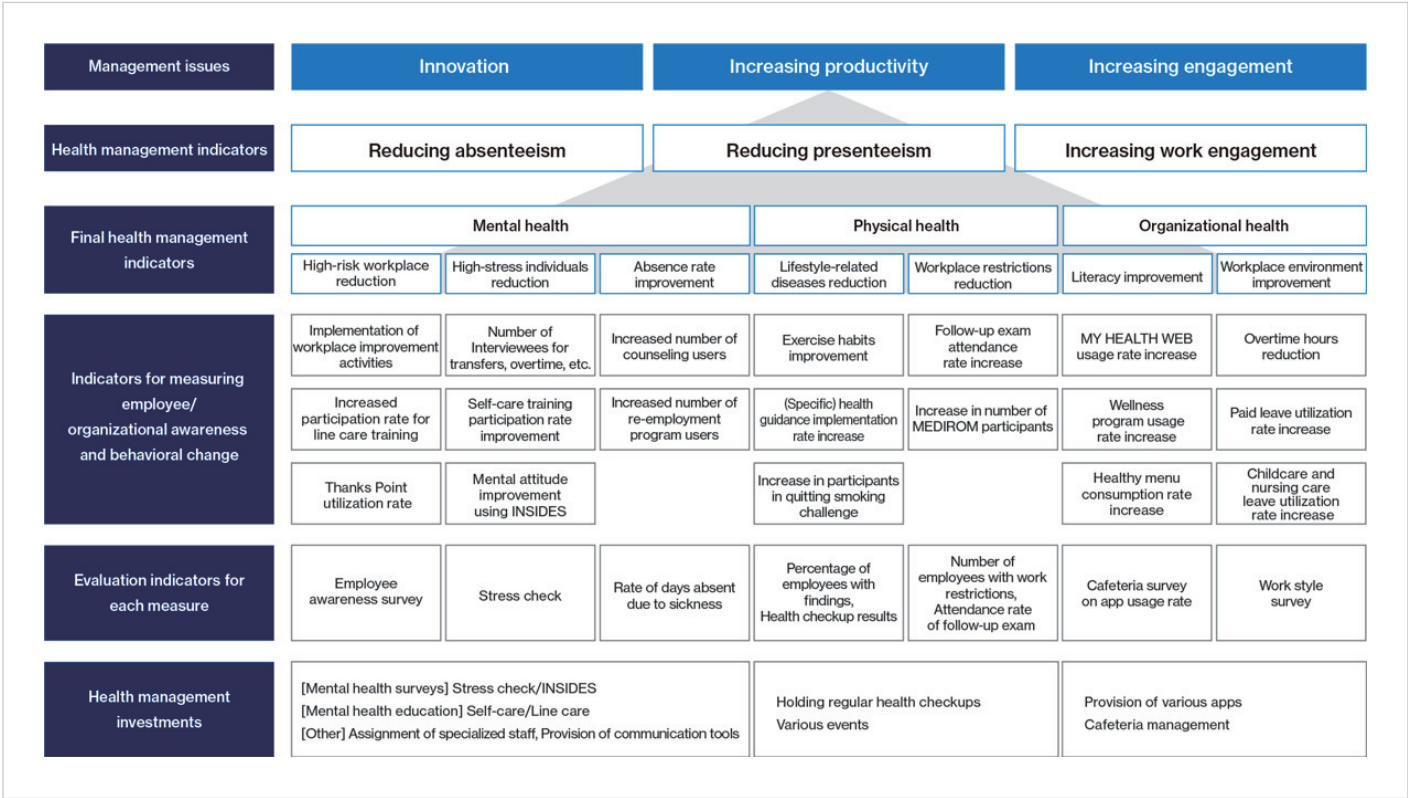


## Targets and Metrics

SUBARU has set three indicators for health management as part of its efforts to contribute to management issues: reducing presenteeism, reducing absenteeism, and increasing work engagement. Health activities and company-led initiatives are classified into physical health, mental health, and organizational health. We support employee-led health initiatives and systematically implement company-led initiatives, utilizing the PDCA cycle.



Health Management Strategy Map



Final Health Management Targets and Metrics (SUBARU) (FYE March)

Category	Indicator	Results			
		2023	2024	2025	Most recent number of individuals surveyed (response rate)
Mental health Physical health Organizational health	Reducing absenteeism (mental)	0.84	0.93	0.92	All employees (100%)
	Reducing presenteeism	67%	76.2%	77.6%	19,570 (94.1%)
	Improving work engagement	-	47.4pt	48.0pt	19,570 (94.1%)

[Measurement methods for target indicators]

Absenteeism: A state in which work becomes difficult due to tardiness, early departure, or absence from work due to physical or mental illness.  
Percentage of days of absence due to mental illness as a share of the number of scheduled working days.

Presenteeism: A state in which a person is working while suffering from some kind of illness or symptom, and their ability to perform their work or their productivity is reduced.  
Measured using the 80-item version of the new occupational stress check (The University of Tokyo, Single-Item Presenteeism Question).

Work engagement: Measured using the 80-item version of the new occupational stress check.

Target Values and Results for Major Measures (SUBARU)

(FYE March)

Indicator	Results			Target values
	2023	2024	2025	
Health checkup rate	99.9%	99.8%	99.9%	100%
Improving the rate of employees with strong fitness habits	32.0%	33.6%	33.8%	40% or more
Improving the rate of non-smokers	68.7%	64.3%	68.8%	75% or more
Stress check participation rate	93.9%	95.0%	94.1%	95% or more
Reducing the rate of mental health-related leave days	0.84	0.93	0.92	No more than 0.8
Rate of high-stress individuals	12.8%	14.0%	16.0%	No more than 12.5%
Reducing the number of high-risk workplaces	-	66	55	At or below the previous fiscal year's level

## Initiatives

### Mental Health (Prevention of Mental Disorders)

For the prevention and early detection of mental illness among employees, we regularly implement stress checks and other measures that promote both “self-care” and “line care.” We have also set up a consultation service so that employees can receive follow-ups from industrial health staff, and for employees who took leave due to mental illness, we proactively support them when they return to their workplaces.

#### Stress Checks

SUBARU not only conducts surveys (stress checks) required by law, but also uses the results to improve the workplace. Stress check results are used to first provide feedback to each workplace, capturing an opportunity for managers to understand and improve the workplace environment. Furthermore, based on the risks calculated from the survey results for each workplace, industrial health staff and others intervene to improve workplaces identified as high risk. In FYE March 2025, we held seminars on workplace improvement, targeting departments with significant issues, and created action plans for departments deemed to be particularly high risk.

#### Self-care

We utilize self-care training and stress checks so that participants can learn how to self-manage their mental health, provide new employees with training, and provide young employees with education using internet-based cognitive behavioral therapy (iCBT).

#### Line Care

We have formulated the Line Care Guidelines and include line care training in the twice-annual collective training for managers.

In order to further reduce absences and leave due to mental illness, starting in FYE March 2026, we will expand the scope of this training to include associate managers and other responsible positions, and will disseminate information on communication methods and ways to collaborate with industrial health staff to a wider range of employees.

### Return to Work Program (for Return to Work on a Trial Basis and Gradual Return to Full-time Work), Recommending Mental Support Programs for Returning to Work

We have implemented a program to support the smooth return to the workplace for employees who have taken leave due to mental health issues. In this program, employees can return to work on a trial basis and gradually step up their hours as they return to full-time work. We also proactively encourage employees to participate in mental support programs for returning to work and strive to prevent the need to take mental leave again.

### Physical Health

By encouraging employees to undergo regular health checkups, and by determining the rate of employees with checkup findings and supporting them in better dietary and exercise habits, we are striving to promote better habits and prevention of lifestyle-related diseases among employees.

## Initiatives for Regular Health Checkups and Reexaminations

In addition to regular health checkups, we recommend 100% of employees who are subject to reexamination or require detailed examination to undergo medical checkups, supporting our employees in receiving appropriate medical treatment. We use the high-risk approach to provide those determined to be at high health risk with advice from public health nurses and provide guidance to raise their health awareness.

## Activities for Better Physical Fitness and Dietary Habits

We use the population approach\* in our preventive activities, mainly for lifestyle diseases, and have introduced body composition analyzers at all sites to visualize not only BMI but also muscle mass and fat mass. We are also expanding activities throughout SUBARU to make people aware of the importance of balanced physical fitness. In addition, we have implemented a total health promotion plan (THP), visualizing physical fitness and proposing a variety of physical exercise programs for employees derived from this information, while also holding seminars to help them improve their dietary habits.

\* The act of working to promote health and prevent disease to reduce the health risks to the population as a whole.

## Increasing Employees' Health Awareness at the Canteens

At all our canteens, we provide healthy dishes prepared under the supervision of registered dietitians so that employees can enjoy meals with a strong nutritional balance. We also provide low-salt, low-fat, high-protein, and low-sugar dishes alternatively from day to day, with a view to helping employees raise their health awareness by eating at the canteens.



Healthy dishes prepared under the supervision of registered dietitians

## Measures Against Smoking

As of FYE March 2022, we have launched a series of measures against smoking at SUBARU. Through FYE March 2025, we completely separated smoking areas from non-smoking areas at our sites, set a target ratio of smokers to below 25%, and have been systematically reducing the smoking rate.

Since April 2025, smoking has been prohibited on the premises of all our sites. We have closed smoking areas in all workplaces and will further promote measures to prevent secondhand smoke inhalation and improve the health of smokers.

## Measuring Physical Fitness

Physical fitness testing is conducted at each business site to maintain and improve physical fitness so that employees can work vigorously for many years to come. Approximately 1,164 employees took part in testing in FYE March 2025. By starting with new, young employees, we are working to prevent industrial accidents and to maintain and improve future productivity by quickly identifying physical fitness issues and promoting the maintenance of physical fitness.



Physical fitness testing

Organizational Health (Improving Psychological Safety)







We are carrying out praise, acknowledgment, and appreciation activities to improve employees’ intrinsic motivation and psychological safety. Using IT tools, we are working to create workplaces where employees can work with greater peace of mind and where they can take on challenges in their own unique way by strengthening peer bonds between employees and visualizing the exchange of appreciation in the workplace.

Improving Employee Health Literacy

SUBARU is also working to improve the health literacy of each and every employee. We have introduced an app that allows employees to view past health checkup results and watch free seminars, as well as an app for recording health behavior, and are actively encouraging employees to use these.

In addition, particularly for items with a deep connection to individual employees’ performance, it is important not only for the company to support its employees, but also for employees to autonomously think about and act regarding their own health. In order to promote the health of both employees and the organization, we have created SUBARU Health Six Stars and have been informing employees of this program since FYE March 2025. In FYE March 2026, we designated a Health Improvement Month with the aim of raising awareness among more employees and promoting independent health-conscious behavior.

SUBARU Health Six Stars

Six Key Health Indicators	Indicator Definitions
<div>  <div>Exercise</div> </div>	Engages in light exercise that causes light sweating for 30 minutes or more, at least 2 days per week
<div>  <div>Non-smoking</div> </div>	Does not habitually smoke
<div>  <div>Healthy weight</div> </div>	Has a BMI between 18.5 and under 25
<div>  <div>Diet</div> </div>	Eats breakfast 4 or more days a week, and finishes dinner at least 2 hours before going to bed.
<div>  <div>Stress management</div> </div>	Can control stress.
<div>  <div>Rest</div> </div>	Gets adequate rest through sleep.

## External Assessments

For the fifth consecutive year, SUBARU has been recognized as a Certified Outstanding Organization of KENKO Investment for Health Program in the large enterprise category for 2025 by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council). In addition, SUBARU was recognized for its support and promotion of sports activities for health promotion, and was certified as a Sports Yell Company for the first time in FYE March 2025.

Going forward, we will continue to accelerate a variety of health promotion activities with the purpose of improving the health of our employees—the people who bring happiness to our customers—and their families.



2025 Certified Outstanding Organizations of KENKO Investment for Health Program (large enterprise category)



Sports Yell Company

# Work-Life Balance

## Our Approach

As a precondition to making our customers happy, the SUBARU Group believes it is vital to provide employees with workplaces where they can work with vigor and peace of mind and demonstrate their abilities to the fullest. Of course, our basic principles are compliant with labor-management agreements in Japan such as the Article 36 Agreement, laws and regulations in each country and region, and founded in reducing overtime work and curbing excessive labor. Furthermore, we work to help our diverse employees maintain their work-life balance.

## Management System

At SUBARU, the Labor Policy Group of the Human Resources Department plays a central role in improving workplace environments, supporting employees' balancing of work and family, addressing diversifying work styles, and expanding systems through repeated discussions between labor and management.

## Initiatives

### SUBARU's Response to the Act on the Arrangement of Related Acts to Promote Work Style Reform\*

Item	Description
<b>Accurate calculation of employees' working hours</b>	In July 2018, introduced an attendance management system for the central management of all electromagnetic records (computer log times and building entry/exit times) within SUBARU for the accurate calculation of employees' working hours.
<b>Encouraging employees to take at least five days of paid leave per year as stipulated by law</b>	In FYE March 2020, began implementing measures for all employees, including an initiative to encourage employees who are newly entitled to take 10 or more days of annual paid leave to take at least five days off within seven months after the entitlement. Also established operational rules to ensure that all employees can take at least five paid days off per year.
<b>Imposing an upper limit on overtime working hours</b>	Set and enforced unique overtime limits of less than 590 hours per year and less than 79 hours per month, which are lower than the limits specified in the Article 36 Agreement based on the Labor Standards Act (less than 720 hours per year/100 hours per month).
<b>Equal pay for equal work</b>	Implemented a compensation system without discrimination based on gender or age.
<b>Work-from-Home System</b>	Conducted a test implementation starting in FYE March 2021, with full rollout to all sites beginning in FYE March 2022.
<b>Abolishing mandatory core hours in the flex-time system</b>	Full rollout to all sites beginning in FYE March 2022.

\* Labor law enacted in June 2018 to update laws related to fostering the promotion of work style reform in Japan.



## Creating an Environment in which Employees Can Work with Peace of Mind, Vigor, and Enthusiasm

### Appropriate Management of Working Hours

SUBARU implemented a new attendance management system in FYE March 2019. This system enables exact time management down to the minute, allowing employees and their supervisors to check attendance records entered by the employee, and differences versus building entry/exit times and computer log times.

### Reduction of Long Working Hours

SUBARU established in FYE March 2016 “ultra no-overtime day,” on which all managers and general employees leave work on time across its sites. Moreover, mainly targeting the staff of the development and administrative departments of the Gunma Plant and the development department of the Tokyo Office, we make it a rule to lock the doors on the office floor at 10:00 p.m., thereby making all those working on the floor leave before the doors are locked. By clearly imposing limits on overtime work, we are helping employees to be more conscious about their working hours.

In addition, we are implementing measures against overwork to prevent health problems, such as consultations with industrial physicians for employees who have worked long hours in excess of a defined level.

### Flex-time System

SUBARU introduced the flex-time system in FYE March 1999. In FYE March 2022, we abolished mandatory core working hours, building an environment where employees can work more flexibly and independently. Employees now have greater discretion than before in their work hours, contributing to improved productivity and richer private lives.

### Hybrid Work

SUBARU has introduced work from home as one work style at all of its sites. By combining office work and work from home, we enable each employee to carry out their duties efficiently and flexibly. This is also part of our efforts to improve productivity and strengthen the growth of individual employees and corporate capabilities. Responses to regular employee surveys have indicated that hybrid work arrangements are beneficial in that they allow for more efficient execution of duties and improved work-life balance and productivity.

Survey question: Are you working in a way that maximizes your productivity  
(office work/work from home)?

■ Yes ■ No

93%

7%

Note: Survey conducted in February 2025.

### Leave of Absence System for Accompanying Overseas Assignments

Starting in FYE March 2024, SUBARU has introduced a system that allows employees to take a leave of absence in the event that they are unable to work for a certain period of time due to accompanying their spouses on overseas assignments. The purpose of this program is to contribute to expanding available options and assisting in the career development of employees who are considering retirement due to unavoidable necessity of accompanying their spouses on overseas assignments.

Paid Leave

SUBARU grants employees annual paid leave in the number of days commensurate with their length of service. In addition, at each of our sites, labor and management cooperate to encourage employees to take the leave.

- Initiative Examples: Ultra-long holidays (three consecutive days of paid leave)  
Encouraging leave on national holidays  
Encouraging leave once a month

Annual Paid Leave Utilization Rate\* (SUBARU) (FYE March)

	2021	2022	2023	2024	2024
Proportion of paid days off taken by employees (%)	95.4	88.7	97.6	96.8	93.4

\* Percentage of the number of days off taken by employees of the total number of annual paid days off granted to them.

Support for the Maintenance of Balance between Work and Elderly Care

At SUBARU, we believe that for employees to continue working with peace of mind, it is important to help mitigate the concerns and burdens of employees and their families concerning the care of the elderly family members. Internally, we have established a system to support long-term care, helping to reduce the burdens imposed on employees. Based on this belief, SUBARU has also posted the Elderly Care Support Handbook to its intranet to inform employees of the related systems available internally and externally and of the contacts through which they can ask for advice.

Systems Available

System	Outline
Long-term care leave	May take leave for up to three installments for a total of one year per eligible family member
Special leave	May take leave for up to five days per year per eligible family member, up to 10 days per year for two or more family members * Special leave is paid up to the fifth day of leave, and unpaid from the sixth day
Short working hours for long-term care	May shorten working hours up to three hours per day up to a period of three years while providing long-term care
Exemption from overtime and holiday work	May be exempted from overtime work or work on holidays when requested by the employee
Limitations on overtime work	There shall be no overtime work exceeding 24 hours per month or 150 hours per year if requested by the employee
Reemployment registration system	Employees requesting retirement due to long-term care can indicate their desire for reemployment to the company

Number of Employees Who Took Long-term Care Leave (SUBARU) (FYE March)

		2021	2022	2023	2024	2025
System for employees to take leave to take care of the family member in need of long-term care	Employees who took this leave (Persons)	3	4	8	8	10

## Support for the Maintenance of Balance between Work and Childcare

At SUBARU, we believe it is important to provide employees with an environment that both allows them to continue developing their careers while raising their children and facilitates a balance between job satisfaction and a fulfilling personal life. Accordingly, we formulated a voluntary action plan in line with the Act on Advancement of Measures to Support Raising Next-Generation Children\*. At present, SUBARU has received three stars in the "Kurumin" certification from the Japanese Minister of Health, Labour and Welfare, and is taking action based on our 8th Action Plan.

[> 8th Action Plan](#)  

\* This law was enacted for the provision of an environment where people can have and raise children, who are the next generation of leaders, in a sound manner.



"Kurumin" mark

As a result of establishing a support system based on criteria that are stricter than the legal obligations, the number of employees who quit their jobs for childcare has decreased to almost zero at our administrative departments. We are now stepping up the measures to support employees in achieving career advancement while raising their children. For the production departments of the Gunma Plant, we have been fostering measures to help employees return to their shift work smoothly.

Specifically, in FYE March 2019 we began making the conference rooms available for the children of employees, where they can wait until their nursery schools are opened. We also started to provide employees with an early-morning childcare service by qualified nursery teachers on a trial basis. Then, in FYE March 2020, we conducted a full rollout of these measures at sites neighboring the plant. In FYE March 2022, we opened an early-morning childcare facility on the premises of the plant, and in FYE March 2023, we began accepting children for nighttime and late-night childcare services.

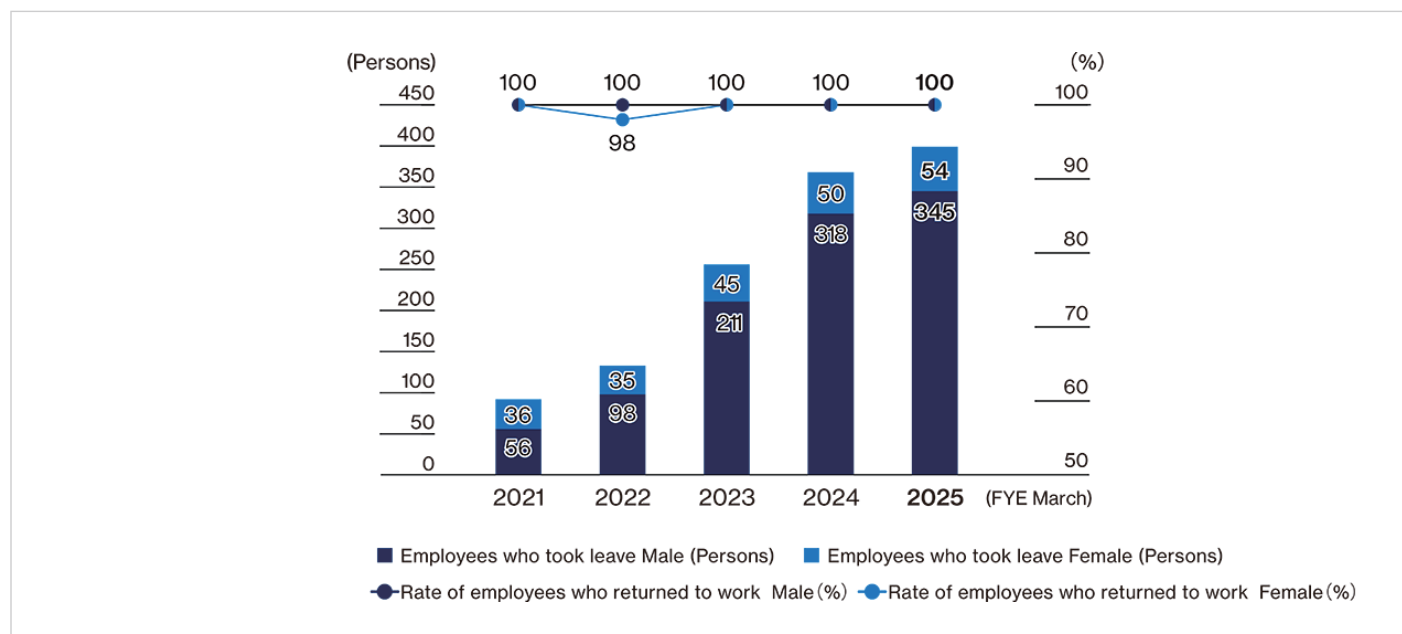
Separately, we are working to raise awareness and promote usage of the various systems available to employees, such as making the Maternity Leave and Childcare Support Handbook available on our intranet and holding training to encourage male employees to take childcare leave.

### Systems and Initiatives for Childcare Leave

SUBARU's employees can extend the period of childcare leave to the end of the first April after the child becomes two years old. As of FYE March 2023, both fixed-term and non-fixed-term employees who have been with the Company for less than one year will be able to take leave, making the system even easier to use.

In addition, we have initiated efforts to ensure that, when an employee submits a notice about their spouse's pregnancy or childbirth, the employee's managers and supervisors in the reporting line as well as human resources personnel have individual informational exchanges with the employee and confirm their intentions.

## Number of Employees Who Took Childcare Leave (SUBARU)



Note: Due to changes in calculation methods (or categories), figures for 2022 and earlier differ from previously disclosed figures.

## Status of Childcare Leave and Special Childcare Leave Taken by Male Employees

In FYE March 2025, 345 of SUBARU's male employees took childcare leave, at a rate of 65%. Also, under the special childcare leave system, which allows employees to take up to five days off at the birth of their children, 100% of male employees eligible for this leave took at least one day of leave. We will continue to provide workplaces where employees can take this leave in addition to childcare leave.

## Status of Childcare Leave/Special Childcare Leave Taken by Male Employees (SUBARU)

(FYE March)

		2023	2024	2025
Parental leave	Male employees taking leave (Persons)	211	318	345
	Average days of leave taken (Days)	62.4	68.0	66.8
	Largest number of days of leave taken (Days)	366	365	389
	Utilization rate (%)	38.5	58.0	65.0
Special childcare leave*	Male employees taking leave (Persons)	528	545	430
	Average days of leave taken (Days)	3.0	3.0	3.0
	Utilization rate (%)	93.2	99.4	100.0

\* Up to five days.

## Short Working Hours System for Childcare

SUBARU has significantly expanded the period of eligibility for short working hours for childcare from FYE March 2026 in order to provide longer-term support for employees balancing childcare and work. The period of eligibility, which was previously until the child began the fourth grade of elementary school, has been extended to until the child reaches the age of 18. This enables flexible working arrangements even during the junior high and high school years when childcare responsibilities continue, and provides a support system that accommodates a wider range of life stages.

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# Labor-Management Communication

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## Our Approach

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SUBARU and its labor union have been on good terms with each other based on mutual understanding and trust. The Company acknowledges that the union has the right to unite and engage in collective bargaining and other collective actions, while the union recognizes that the Company has the right to manage the business, and the two parties uphold the terms of collective bargaining agreements and respect the legitimate use of their mutual rights.

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## Initiatives

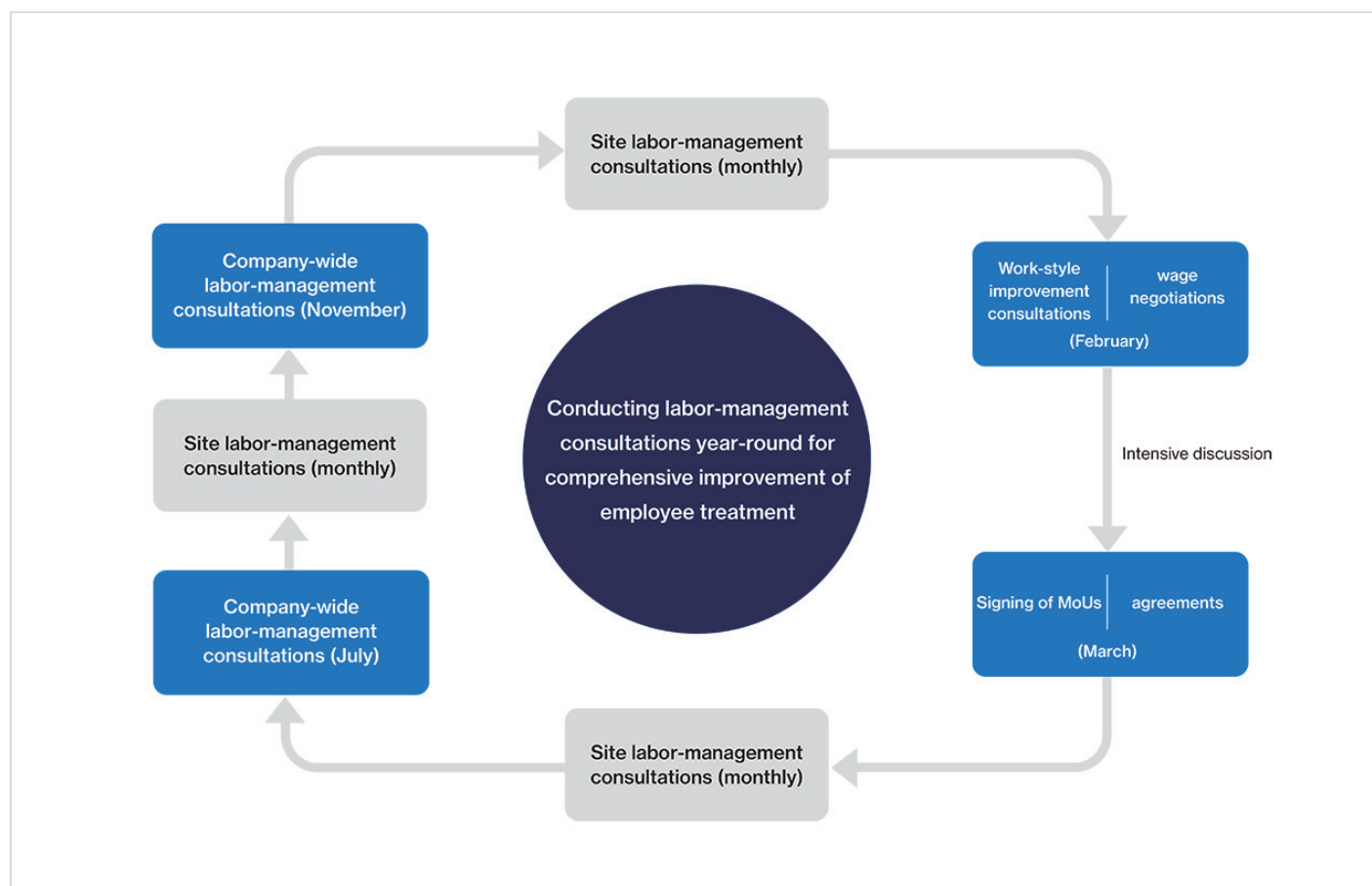
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The Labor and Management Council regularly holds meetings for mutual labor-management communication. Specifically, participants exchange opinions regarding the management policies, outline of the business results, and production and sales, and also discuss issues such as labor conditions, challenges concerning work styles, and the occupational health and safety policies. In the labor-management negotiations on the revision of wages (salaries and bonuses) and other labor conditions, the two parties work to reach an agreement for revision or the establishment of new rules. For issues that might have a significant impact on employees, the parties discuss them fully before informing employees of the results.

## Status of Labor-Management Dialogue

In order to unite labor and management in resolving issues, SUBARU holds around 50 labor-management consultations on an annual basis. These include monthly labor-management consultations at each workplace and site and general labor-management council meetings to discuss major issues for SUBARU. The content of these dialogues is summarized in a video and shared with all employees via SUBARU's intranet to ensure transparency in labor-management dialogue.

### Year-Round Labor-Management Consultations



In FYE March 2025, we held discussions on the implementation of 11 items agreed upon by labor and management, including heat countermeasures at manufacturing sites and the promotion of interdepartmental cooperation, and carried out improvement activities as a joint labor-management effort throughout the year.

In FYE March 2026,

- **Returning authority to the field**
- **Building connections and breaking down organizational barriers**
- **Eliminating work to create more free time**

have been set as the three main themes, and labor and management have agreed to review work styles in order to improve productivity and make employee compensation commensurate with performance and contributions.

Going forward, based on the strong relationship of trust built between labor and management, we will continue to work together to support the autonomy and growth of employees who resonate with our initiatives.

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## Number of Employees Belonging to the Labor Union

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The following shows the data for FYE March 2025\*.

- Members of the Subaru Labor Union: 16,759, 97.1% membership rate
- Members of the Confederation of Subaru Affiliated Labor Unions: 28,808

\* As of January 1, 2025



# Employee Data

## Employee Data

Number of Employees

(As of the end of each fiscal year)

		2021	2022	2023	2024	2025
Employees (Consolidated) (Persons)	Total	36,070	36,910	37,521	37,693	37,866
Employees (SUBARU) (Persons)	Total	16,478	16,961	17,228	17,347	17,885
	Male	15,287	15,711	15,941	16,037	16,479
	Female	1,191	1,250	1,287	1,310	1,406
Temporary employees (SUBARU) (Persons)	Total	6,129	5,519	5,448	5,666	6,285

Note: The number of employees refers to regular employees (not including Executive Officers). Temporary employees include fixed-term employees, part-time workers, external workers dispatched to SUBARU, support staff, and guest engineers.

Composition of Employees (SUBARU)

(FYE March)

		2021	2022	2023	2024	2025
Male to female ratio (%)	Male	93	93	93	92	92
	Female	7	7	7	8	8
Average age		39.0	39.1	39.3	39.6	39.8
Average length of service (Years)		16.0	16.0	16.1	16.1	15.9
Managers (Persons)	Male	1,062	1,089	1,057	1,055	1,080
	Female	21	24	27	31	42
New graduate hires (Persons)	Male	561	548	498	451	478
	Female	71	84	62	68	62
Mid-career hires (Persons)	Male	182	115	90	118	166
	Female	13	19	14	16	24
Turnover (Persons)		354	332	404	434	459

Note: Does not include retirees, seconded employees retaining their original affiliation, and seconded employees changing their affiliation.

Composition of Employees by Age (SUBARU)

(FYE March)

	2023			2024			2025		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total
Younger than 30 (Persons)	4,461	509	4,970	4,399	507	4,906	3,889	491	4,380
30 to 39 (Persons)	3,948	236	4,184	4,029	246	4,275	4,372	306	4,678
40 to 49 (Persons)	3,978	342	4,320	3,994	333	4,327	4,079	301	4,380
50 and older (Persons)	3,554	200	3,754	3,615	224	3,839	4,139	308	4,447

Composition of Mid-career Hires by Age (SUBARU)

(FYE March)

	2023			2024			2025		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total
Younger than 30 (Persons)	36	8	44	48	6	54	47	12	59
30 to 39 (Persons)	49	4	53	57	6	63	89	9	98
40 to 49 (Persons)	4	2	6	11	4	15	28	3	31
50 and older (Persons)	1	0	1	2	0	2	2	0	2

Comparison of Fixed Wages between Male and Female Employees (SUBARU)

(FYE March)

	2023	2024	2025
Male : Female (Ratio)	1 : 0.76	1 : 0.76	1 : 0.77

Note: Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of September 4, 2015). Gender pay gaps are not present for equivalent work, and primarily arise from differences in headcount structure within qualifications and job titles.

Employee Stock Ownership Association Status

SUBARU's regular and contract employees are eligible for the Employee Stock Ownership Association.

	As of March 2025
Participants	4,798
Participation rate	26.82% (4,798 participants / 17,885 eligible participants)
Number of shares held	2,623,693

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# Customers

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## Our Approach

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The SUBARU Group strives to put the customer first in all business activities. SUBARU is promoting activities to reflect customer feedback in our products and services, so that customers continue to choose our brand for “Enjoyment and Peace of Mind.”

In addition, we cooperate with overseas dealerships around the world in the areas of human resource training and supporting operations at dealerships, enabling them to provide uniformly high-level service that meets the needs of our customers.

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## Management System

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As of April 2025, we have integrated the Customer Service Division, Quality Assurance Division, and Parts & Accessories Division to establish a new Customer First Innovation Division with the aim of enhancing customer experience value, which is the source of our connection with customers through our products.

### Risks and Opportunities in Communication with Customers

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Providing a high and uniform level of service that meets the needs of our customers is an important initiative that has a direct impact on corporate credibility and customer satisfaction. Failure to meet customers’ expectations may result in the loss of customers for SUBARU.

On the other hand, good communication with customers serves to benefit us in many areas, such as building trust with customers, increasing brand loyalty, expanding related businesses such as car inspections, insurance, and accessories, and promoting recycling.

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## Initiatives

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### Providing Information for Use of SUBARU Vehicles with Safety and Peace of Mind

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In order to ensure that all of our customers can use our vehicles with safety and peace of mind, all vehicles are equipped with an instruction manual. We are also working to ensure that our products’ safety features and operating procedures are easy to understand, including clearer and multilingual content. Furthermore, we are going digital in order to improve customer convenience and reduce environmental impact, including by posting vehicle manuals on our website.

## Customer Consultation Service (Japan)

In order to be close to our customers and address their inquiries and difficulties, we are enhancing the methods for communication with our customers, such as call centers and websites.

At the SUBARU Customer Center, we received the highest three-star rating in the “Customer Service (by telephone)” category of the 2024 HDI Benchmark\*1, an international assessment conducted by HDI-Japan. The SUBARU Customer Center received this award for its efforts to provide customers with the information they need in a timely manner, while also valuing the time it spends with customers, and for its warm support that prioritizes building relationships with customers and enhances trust in the brand. It was also recognized for providing customers with enjoyable conversations and a sense of satisfaction by communicating the appeal of the cars and the benefits of visiting the dealerships.

\*1 HDI's rating benchmark is a system focused on evaluating the quality of a company's customer support and call centers from the customer's perspective. Evaluations are based on HDI's international standards. HDI-Japan is the local Japanese subsidiary that operates this mechanism.



Our three-star award in the 2024 HDI rating benchmark

## SUBARU Customer Center (Japan)

For inquiries about your vehicle, please have documentation on your vehicle prepared (serial number, registration number, and date of registration), model name, grade, mileage, and name of the dealership that sold your vehicle to ensure a smooth response.

- Inquiries regarding malfunctions and repairs require diagnosis of the product's condition. Please start by contacting the location where you purchased your product or your nearest SUBARU dealership.
- For information on genuine parts (part number, price, delivery date, etc.), please bring relevant documentation for your vehicle to your nearest SUBARU dealership.

**SUBARU Customer Center:  
SUBARU Call**



**0120-052215**

(Toll free within Japan)

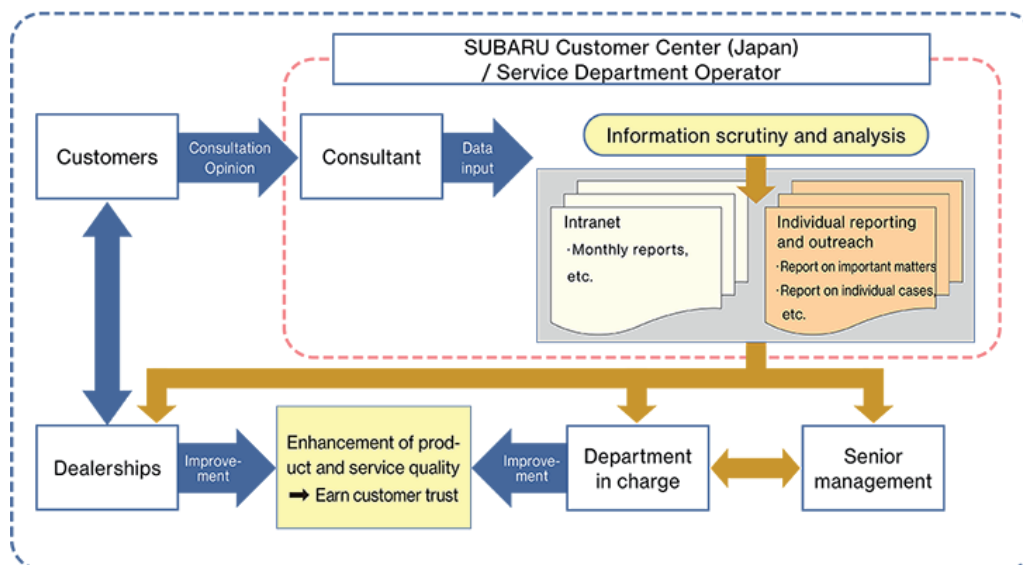
Note: Calls are recorded to improve the quality of SUBARU's services.  
Thank you for your understanding.

Hours of  
operation:

9:00 a.m. to 5:00 p.m. (Weekdays)

9:00 a.m. to noon, 1:00 p.m. to 5:00 p.m.  
(Saturdays, Sundays, and holidays)

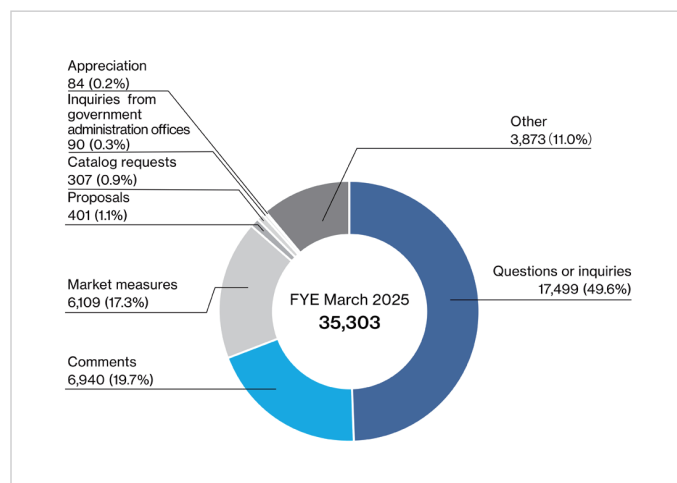
## Reflect customer feedback to enhance the quality of products, sales, and services.



## SUBARU Customer Center call intake rate\*2: 90.6% (FYE March 2025 results)

\*2 The call intake rate is the ratio of the number of calls received by operators to the number of inquiry calls from customers.

## Breakdown of Inquiries

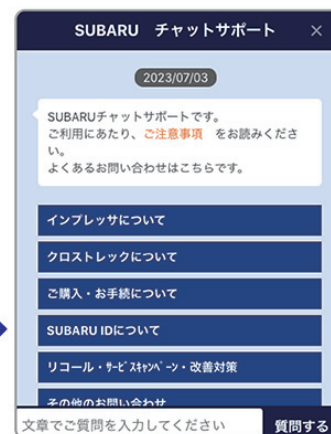


## Enhancing Customer Inquiry Touchpoints (Japanese Website Only)

In 2021, we updated the Q&A section under the Inquiries and Frequently Asked Questions page of the Japanese version of our official website in light of the recent increase in inquiries via the internet. In addition, to achieve even more convenience, we are working to regularly update the Q&A section based on search status and data from inquiries received by our Customer Center.

Furthermore, we introduced an automated response chatbot service in 2022 as a system that allows us to provide support for customer needs 24 hours a day, 365 days a year. We also initiated staffed chat support during the operating hours of our SUBARU Customer Center in April 2023.

We will expand our contact points with customers through various inquiry channels as well as our information provision in support of customers resolving their own issues, utilizing these to improve customer satisfaction, develop new products, and provide services.



Chatbot service and the Q&A section under Inquiries and Frequently Asked Questions page

## Initiatives by the Customer Advocacy Department in the U.S.

### ■ Vision

The role played by Subaru of America, Inc.'s Customer Advocacy Department (CAD) is more than that of a simple customer service center.

CAD is committed to helping customers grow to like and love the community that extends across SUBARU vehicles, dealerships, and the SUBARU company as a whole.

In addition, we always strive to provide peace of mind to our customers without causing them any inconvenience, by placing the utmost importance on responding to their needs with a customer-oriented approach.

### ■ The CAD teams

CAD has established three specialized teams to continuously improve the experience of our customers and everyone involved with SUBARU.

1. Training Team: Provides trainings to customer center operators so that they can provide optimal support to customers.
2. Communication Team: Provides constant support to operators so that they can provide customers with the information they need at the right time.
3. Strategy Team: Explores future-oriented plans and initiatives to further nurture our customers' love for SUBARU.

### ■ CAD operations

CAD responds to various inquiries from customers, SUBARU dealerships, and field staff.

These include, for example, questions about SUBARU products and services, owner information and updates, and questions about Subaru of America, Inc.'s initiatives.

As a reliable partner, we provide thoughtful support to each and every inquiry when customers need support the most, fostering their loyalty to SUBARU.

## ■ Inquiry form

### Email Us

#### 1. Select a Topic

\* = Required

**Topic \***

- ☐ Vehicle
- ☐ In-Car Technology
- ☐ MySubaru
- ☐ Recalls
- ☐ Warranty
- ☐ Retailer Experience
- ☐ Ownership Update
- ☐ Subaru Mobility Assist
- ☐ Added Security® Extended
- ☐ Service Agreements
- ☐ General Request

#### 2. Your Contact Information

\* = Required

**Are you a Subaru Owner? \***

☒ No ☐ Yes

**First Name \***

**Last Name \***

**Address \***

**City \***

**State \***

Select ▼

**Zip Code \***

**Country \***

USA ▼

**Email Address \***

**Confirm Email Address \***

Please enter email again to confirm.

#### 3. How Can We Help You?

\* = Required

**Subject \***

**Comments \***

### Contact Us

[Find a Retailer](#)

[Email Us](#)

[Call Us](#)

#### Hours of Operation

**Monday through Thursday**  
8:00 a.m. - 8:00 p.m. (EST)

**Friday**  
10:30 a.m. - 5:00 p.m. (EST)

**Saturday**  
8:30 a.m. - 5:00 p.m. (EST)

**Sunday**  
Closed

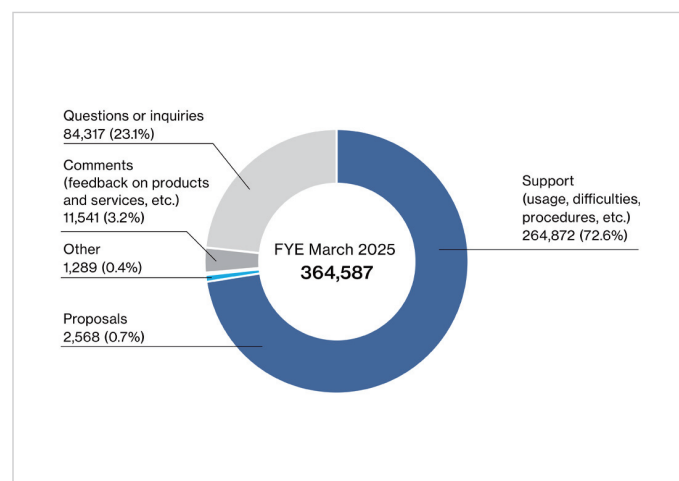
**Canada**  
Website: [www.subaru.ca](http://www.subaru.ca)

**Hawaii**  
Website: [www.subaru-hawaii.com](http://www.subaru-hawaii.com)

**Distributors outside the U.S.**  
Website: [www.subaru-global.com](http://www.subaru-global.com)

> Customer Support 

## ■ Breakdown of inquiries to CAD





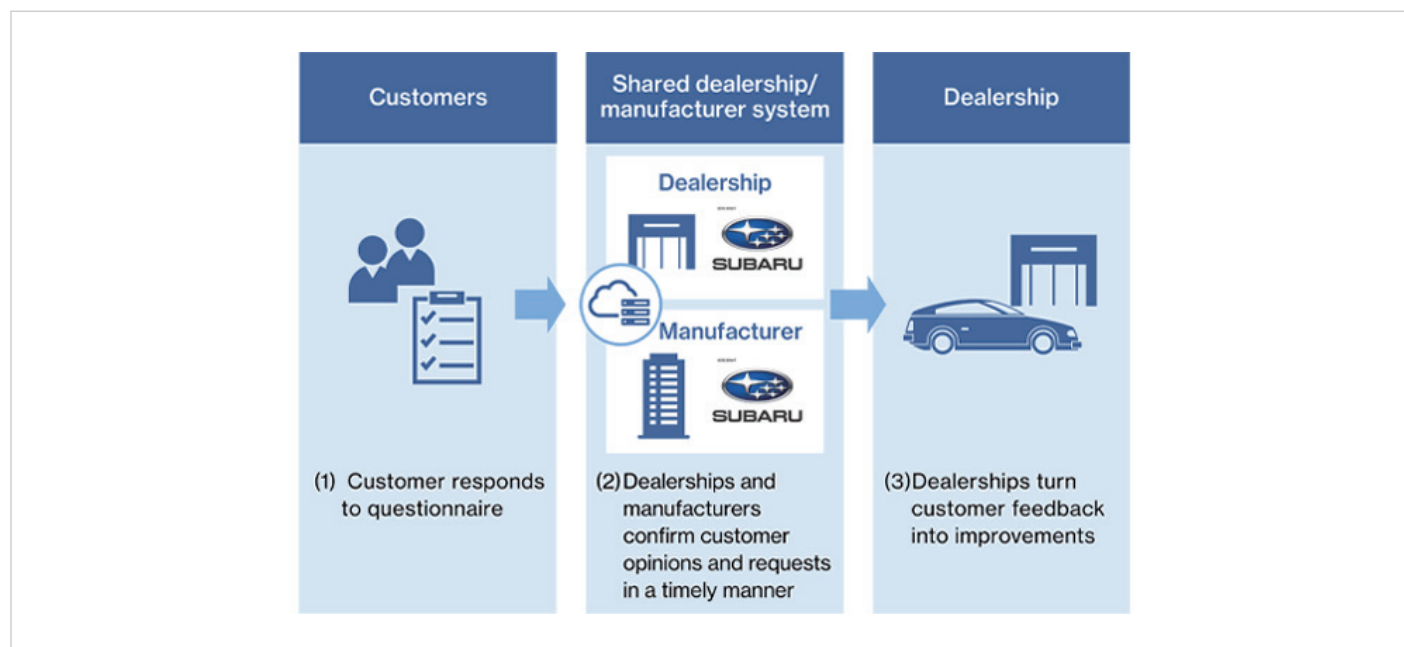
## Gathering and Relaying Customer Feedback

Opinions, requests, and suggestions received from customers in the U.S., SUBARU's largest market, as well as from those in Japan, are published on our intranet for access by relevant departments. The Customer First Innovation Division analyzes these and relays feedback for product and service development and quality improvement.

## Customer Satisfaction Survey

Seeking to offer ever better service at our sales outlets, SUBARU conducts the SUBARU Customer Questionnaire directed at customers who bought a SUBARU vehicle at our dealerships. In order to take the customers' comments and requests learned from the survey results seriously, we have established a system in which our dealerships share those comments and requests so that they can respond to customer expectations, leading to improvements.

### Customer Satisfaction Survey



Note: We started use of the shared system in FYE March 2018.

### Number of Valid Responses

(FYE March)

	2021	2022	2023	2024	2025
Number of responses	47,970	59,391	63,158	63,231	80,251

### Evaluation of Achievements in FYE March 2025

Customers who have purchased a new or used car at our dealerships are selected at random to provide evaluations. We have received responses from approximately 80% of our customers that they are satisfied with the service they receive at our dealerships, but SUBARU and SUBARU dealerships take the views of our customers seriously and will work together on activities aimed at achieving further improvements.

Human Resource Training at Dealerships

In order to be a brand that responds flexibly to diversifying customer needs and social changes, and yet remains close to the lives of its customers, SUBARU is working to improve the skills of its dealership staff.

We have established the SUBARU Academy, a facility for training human resources at our dealerships in Japan and overseas. For dealerships in Japan, it provides education for all staff members, including those in the sales and service departments. For overseas companies, it provides education for service staff members, meeting specific regional needs.

In addition to training, we support the human resource training of dealership staff through a systematic approach that includes support for self-study through e-learning, and by certifying skills through a certification system.

Collective Training/Online Training (Japan)

We offer training programs that have been optimized for dealership staff. Depending on the purpose, we offer collective training, online training, and hybrid training that combines elements of both. In addition, our training programs are designed to allow participants to learn the training content in depth by setting multiple training dates and providing periods of practical application between training sessions. We also combine prior learning through e-learning to maximize learning efficiency and effectiveness.

Training Participants (Japan)

(Persons)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Collective Training	3,774	644	297	190	420	358
Online Training	-	-	579	1,904	2,123	1,972
Hybrid Online + Collective Training	-	-	-	-	-	77
Total	3,774	644	876	2,094	2,543	2,407



Online Training

Use of a Learning Management System\*1 (Japan)

In FYE March 2023, we introduced a learning management system. About 10,000 staff members from 34 SUBARU dealerships in Japan are registered for approximately 1,700 units of e-learning content as of May 2025.

\*1 A learning management system is a system for the integrated management of learning material delivery, course history, performance, and other information necessary for implementing e-learning

STARS Sales Professional Certification Program (Japan)

To demonstrate that staff have the ability to propose “Enjoyment and Peace of Mind” to customers and support them, SUBARU has established STARS\*2, a sales professional certification program.

\*2 SUBARU Staff’s Training and Rating System, which helps salespersons develop themselves through repeated Off-JT (study), OJT (practice), and qualification tests (challenge)

### Sales STARS (as of March 2025)

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

(Persons)

Level 1	Level 2	Level 3
58	773	985

### Service STARS (as of April 2025)

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

In addition to the front counter and mechanics, we also provide skill certification for specialized operations such as those including parts, and strive to improve customer service skills throughout the entire dealership.

(Persons)

	Level S	Level 1	Level 2	Level 3	Level 4
Front counter service levels	46	1,032	976	4,522	-
Mechanical levels	30	1,166	1,564	1,386	731
Parts staff	-	0	217	113	-

Note: The parts staff level certification has been newly established as of March 2025. The number of people at each level is the number of people as of the time of transitioning from the old certification system to the new system

### Service Staff Training (Overseas)

The SUBARU Group offers various training programs for service staff with the aim of improving service quality. In our training programs, in addition to on-site training for all SUBARU employees, we offer online training, increasing opportunities for employee participation. Moreover, SUBARU assigns external trainers certified by us to countries with annual sales of at least 1,000 SUBARU cars with the aim of further enhancing service.

## Training Programs

Name	Description	Program frequency
Subaru Technician Education Textbook (STET)	STET is an advance online learning program for SPAT certification exam candidates. This program motivates participants for self-study.	Twice a year
Subaru Premium Award Test (SPAT)	This online certification exam is designed to improve basic technical skills of service staff (technicians).	
Subaru Technician Education Program (STEP)	This training program is designed to improve the technical skills of service staff. Educational content is set according to three certification levels: Technician (beginner), Senior Tech (intermediate), and Master Tech (advanced). For those who have completed Master, we recommend that they take STEP Trainer Training (STT), the program for developing SUBARU-certified trainers.	Ad-hoc
STEP Trainer Training (STT)	A training program to develop certification trainers who will provide "STEP" training.	Ad-hoc
Advanced Technical Training (ATT)	A technical training program for overseas certified trainers. Participants learn new technologies, advanced control techniques, and more.	Once a year or more as necessary



ATT

## Status of Training Programs for Trainers

	Until FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
STT	Held a total of 23 sessions since 2011, providing STT training to 179 trainers in 29 countries	Not held due to COVID-19 pandemic	Implemented twice for 24 trainers from eight countries	Implemented twice for eight trainers from seven countries	Implemented once for 12 trainers from 10 countries
ATT	Held a total of 15 sessions from April 2015 to March 2020, providing ATT training to a cumulative total of 206 certification trainers in 28 countries	Held the two EyeSight and e-BOXER programs online, providing ATT training to a cumulative total of 96 certification trainers in 28 countries	Started training for EyeSight, vehicle communication systems, and direct fuel injection system, and implemented for 57 trainers from 25 countries	Held training on the topics of electric vehicle power units and Subaru Safety Sense for 30 trainers from two countries	Held three training sessions on the topics of electric vehicle power units, Subaru Safety Sense, and EyeSight for 29 trainers from 14 countries

## Support for Human Resource Development through Secondment to SUBARU (Japan)

At SUBARU, we have established the SUBARU Service Career Development Course. In this program, SUBARU brings in staff from dealerships, developing them into human resources with a broader perspective through work experience at SUBARU and absorbing SUBARU's approaches. Conversely, SUBARU collects field know-how from staff seconded from dealerships and utilizes it to improve various service operations in order to meet customer expectations.

## Activities to improve service quality at dealerships

SUBARU and its dealerships are working in unison to improve after-sales service so that customers can continue to use their vehicles with peace of mind even after purchase.

Specifically, we are promoting the introduction of an IT-based malfunction diagnostic system, initiatives to improve service quality, and initiatives to respond quickly to recalls.

### Development and Introduction of a Malfunction Diagnostic System

With the computerization, intelligence, and implementation of telematics\* in vehicles, malfunction diagnostic systems are becoming increasingly important each year.

In addition, proper repairs with proper diagnostics not only ensure customer safety and peace of mind, but also reduce the workload of mechanics and energy consumption.

\* Telematics refers to a system that uses communication technology to provide real-time information on vehicle location, driving conditions, and driving data

### Initiatives to Enhance Service Quality

Providing a high and uniform level of service all across the world is an important requirement for maintaining confidence in the SUBARU brand.

SUBARU has established clear service quality standards and works with dealerships in each country to continuously monitor local conditions, thereby establishing a system for improvement and promoting the maintenance and enhancement of service quality.

### Rapid Response to Vehicles Subject to Recall

When a decision is made to implement a recall, we engage as the entire SUBARU Group. We have a system in place to ensure smoothness across the entire recall process, including notification to authorities, contacting customers, and repair. In addition, we work closely with dealerships in each country to ensure that repairs are completed quickly and reliably by supplying repair parts in a timely manner.

## Responding to Customer Needs in Diverse Markets

The SUBARU Group is introducing products tailored to each local environment in collaboration with local dealerships in all regions around the world.

In recent years, we have introduced the Solterra BEV in Europe, where electrification is advancing, and have been expanding into other regions such as Oceania and Asia. In addition, starting in 2025, we plan to launch a new strong hybrid model of the Forester globally in response to growing market demand. Going forward, we will continue to identify the needs of each market and introduce the most suitable products to each region, while working closely with our customers to contribute to the realization of a carbon-neutral society.

## Popularizing Welfare Vehicles

SUBARU aspires toward sharing the happiness and freedom of living through cars for everybody. As such, SUBARU is working to popularize welfare vehicles so that people with physical handicaps and the elderly can travel by car in comfort and with peace of mind.

SUBARU started selling welfare vehicles in 1980, now well known as the “TRANSCARE series,” including the Chiffon and Samber Dias minicars. Going forward, we will continue to take actions so that we can provide “Enjoyment and Peace of Mind” to more of our customers.

> [Welfare Vehicles: TRANSCARE | SUBARU](#)  (Japanese version only)

## Initiatives for Customers in the Aerospace Business

In the Aerospace Business, we continue efforts to swiftly resolve issues with customers after product delivery in order to maintain the continued operating condition of the aircraft we supply to the Japan Self-Defense Forces, government agencies, and others. We periodically visit customers and take questionnaires in order to confirm the effectiveness of this initiative. Our questionnaires evaluate various aspects of our services, including product quality, service, documentation, emergency response, and on-site support, on a five-step scale. Here, we are working to sincerely address customer opinions and further improve our quality and services.

Also, SUBARU’s maintenance, inspection, and technical staff involved in manufacturing visit the land, sea, and air units of the Japan Self-Defense Forces across Japan that use our products. They exchange information on use and maintenance, develop a better understanding of the operations, and communicate extensively, leading to the improvement of their work. Going forward, we will continue to listen carefully to customer requests and work to deliver happiness to our customers through the maintenance and operation of SUBARU products and services.

Questionnaire Evaluation Results

(FYE March)

	2021	2022	2023	2024	2025
Japan Self-Defense Forces, etc.	4.0	4.0	3.8	4.1	4.1

Note: We compile evaluations for each category from customers and rate them on a five-point scale.

# CSR Procurement

## Our Approach

The SUBARU Group has established the Six Priority Areas for Sustainability and is promoting various initiatives for the realization of a sustainable society. Amid this, we believe that in order to resolve various environmental and social problems facing today's global society, such as climate change and human rights violations, it is essential to take action not only on our own but across the entire supply chain, including at our suppliers.

At the SUBARU Group, with the goal of a global sustainable society, we establish relationships with our business partners based on equality, trust, mutual benefit, and dedication to continuous improvement, we work to improve the traceability of supply chains, and we work to ensure transparency in information disclosure.

### Fundamental Procurement Policy

The SUBARU Group has been promoting activities for sustainable procurement under the following basic policy.

#### 1. CSR Procurement

We engage in procurement activities in a way to harmonize people, society and the environment, and carry out our corporate social responsibilities in such ways as conducting transactions paying due care to observe legal and social rules and to protect human rights and 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 seven perspectives: quality, cost, delivery, technical development, management, environment and society (QCDDMES).

Revised in April 2020

[> Respect for Human Rights](#)

[> Environment](#)

[> Governance](#)

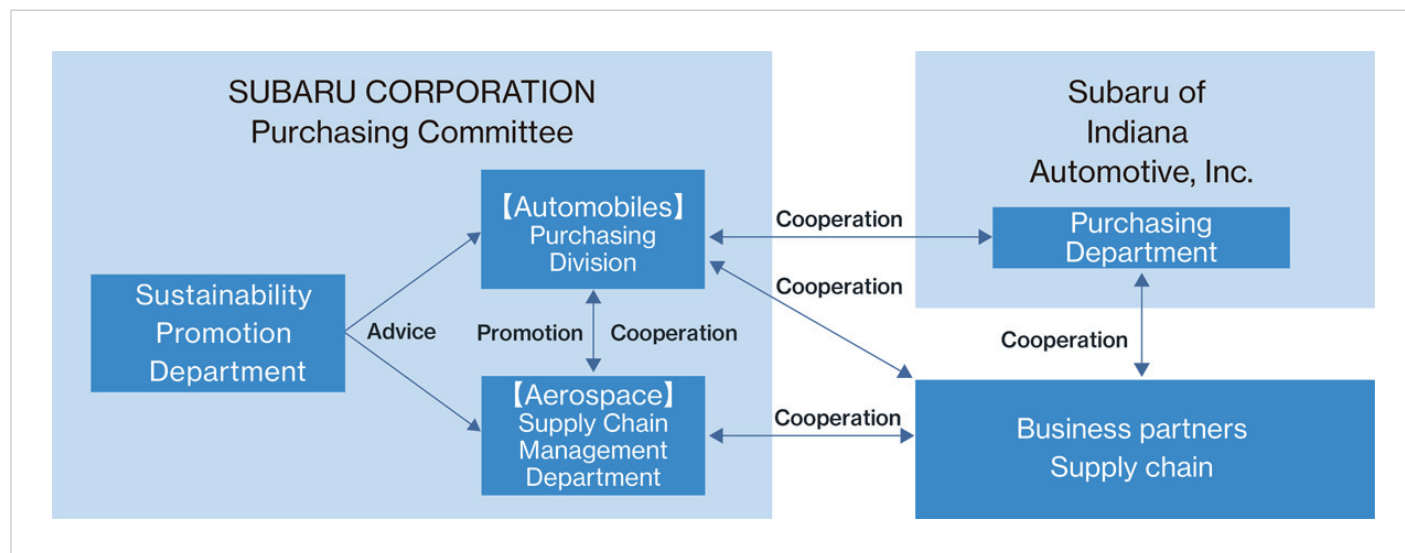


## Management System

SUBARU promotes CSR procurement activities through the Purchasing Committee, which is composed of the procurement departments of the Automotive Business and Aerospace Company, and chaired by the Managing Executive Officer and Chief General Manager of the Purchasing Division.

The action policy of the Purchasing Committee is to facilitate fair procurement practices and encourage CSR at suppliers. The committee oversees efforts to address environmental, social, and governance (ESG) issues in procurement and shares the latest relevant information. By integrating any management issues identified into our action plans and implementing a plan-do-check-act (PDCA) cycle, we help to ensure fair trade between SUBARU and its business partners as well as cooperative CSR procurement throughout the supply chain. We have also been promoting CSR procurement on a global scale in collaboration with Subaru of Indiana Automotive, Inc. (SIA), our local production plant in the U.S.

### CSR Procurement System



### Targets and Metrics

The SUBARU Group is strengthening its CSR initiatives in cooperation with business partners toward sustainable procurement on a global scale.

- Building relationships with business partners from CSR perspectives

We aim to strengthen our relationship by conducting due diligence in accordance with international standards such as the OECD Due Diligence Guidance for Responsible Business Conduct and by establishing and operating a grievance mechanism.

- Promotion of fair trade on a continuous basis

We are promoting initiatives for fair trade by thoroughly disseminating our voluntary action plan and thoroughness plan.

- Conducting conflict minerals, mica, and cobalt surveys

We conduct investigations in compliance with international norms and standards, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## Approach to Risks and Opportunities

The SUBARU Group procures parts and materials from numerous suppliers, and we recognize that the stability of our procurement activities is an important foundation for our business operations. Fluctuations in raw material prices in cases where the Group is dependent on specific raw materials and suppliers, as well as disruptions in the supply chain and tight supply-demand balance in the event of emergencies such as natural disasters, fires, and cyberattacks suffered by suppliers, could affect the Group's management and financial position. Therefore, the SUBARU Group strives to ensure stable procurement by reducing the impact of fluctuations through adjusting the amount of raw materials used, checking suppliers' quality assurance capabilities and management conditions, and building a procurement business continuity plan (BCP). However, procurement is not limited to securing supplies. It is also closely related to corporate social responsibility and sustainability. When human rights violations or unethical conduct occur in the supply chain, there is a risk of violating international regulations and damaging our brand. Therefore, we have established the SUBARU Supplier CSR Guidelines and are working to identify risks and support improvements through awareness-raising and due diligence for our suppliers. We are taking actions to establish a sustainable procurement system that includes responsible mineral procurement and consideration for biodiversity.

Furthermore, through these initiatives, strengthening relationships of trust with our suppliers and actively addressing human rights and environmental issues contribute to enhancing the trust of our customers and investors both in Japan and overseas. This also leads to the creation of business opportunities, such as the joint development of new technologies and materials through collaboration with business partners and the development of products with high environmental performance. The SUBARU Group views procurement not only as a conduit for risk management but also as a starting point for value creation, and is working to achieve sustainable manufacturing.

# Initiatives

## Promoting Fair Trade

SUBARU maintains compliance with laws and regulations such as the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. SUBARU also carries out fair trade promotion initiatives based on Automobile Industry Fair Trade Guidelines. As part of these efforts, SUBARU conducts regular education for its employees and has set up a consultation service targeting suppliers in its supply chain to spread awareness. In 2020, we took the Partnership Formation Oath for the purpose of coexistence and prosperity of both large companies and SMEs. The Aerospace Company conducts a survey for its business partners regarding satisfaction with its Purchasing Department. This allows better understanding of the current status of fair and proper transactions, including human rights considerations such as the conduct of those in charge of procurement at SUBARU, from the standpoint of its business partners. For employees, we provide legal and regulatory training and other programs for those in charge of procurement to elevate their understanding of proper business practices.

## FYE March 2025 Training on Fair Trade and ESG

The SUBARU Group is working to build a sustainable supply chain by ensuring fair trade and strengthening education programs that incorporate environmental, social, and governance (ESG) perspectives. In particular, we believe it is important to establish systematic programs tailored to the roles of both our suppliers and internal procurement staff.

### (1) Education for suppliers

In accordance with the SUBARU Supplier CSR Guidelines, the SUBARU Group strives to enhance educational opportunities with its business partners with the aim of sharing value and building sustainable business relationships.

- Procurement Policy Briefings: Briefings on our CSR procurement policies for management of suppliers (once a year)
- Responsible Mineral Procurement Briefings: Briefings on responsible mineral procurement when requesting mineral surveys (once a year)
- CSR Procurement Briefings: Briefings on CSR procurement during Supplier CSR Surveys (once a year)

(Companies)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Procurement Policy Briefings	0 (due to the pandemic)	298	300	304	305
Responsible Mineral Procurement Briefings	*The number of eligible business partners is listed in the "Responsible Mineral Procurement" paragraph.				
CSR Procurement Briefings	*The number of eligible suppliers is listed in the "Supplier CSR Briefing and CSR Survey" paragraph.				

### (2) Internal education (for procurement departments)

SUBARU Group has established a training system, including the following, tailored to different ranks and positions with the aim of fostering appropriate business practices and ESG awareness among procurement staff:

- Training for new employees: Understanding our CSR procurement policies, basics of human rights, environment, and compliance, basics of fair trade (annual)
- Training for transferees: Same as above (ad-hoc)
- All ranks: CSR education (sharing of CSR education content with suppliers) (once a year), comprehension tests for compliance, Sustainability Newsletter (ad-hoc)
- Education for CSR procurement promoters: External training at the United Nations Development Programme "B+HR Academy" and other institutions (at least once a year)

We will continue to review and enhance these educational systems on an ongoing basis as a means of building trust with suppliers and strengthening the entire supply chain.

### Automotive Business Purchasing Division

(Employees)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Training for new employees	9	8	12	6	8
Training for transferees	22	17	54	16	19
Comprehension tests for compliance	226	214	239	243	249
CSR education	170	228	283	279	271
(External training for CSR procurement promoters) United Nations Development Programme "B+HR Academy"	-	-	1	1	1

### Aerospace Company Supply Chain Management Department

(Employees)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Training for new employees	4	1	0*	0*	1
Training for transferees	2	0*	7	0*	8
CSR education	82	85	84	91	88

\* Years with zero employees are those with no new graduate hires or new transferees.

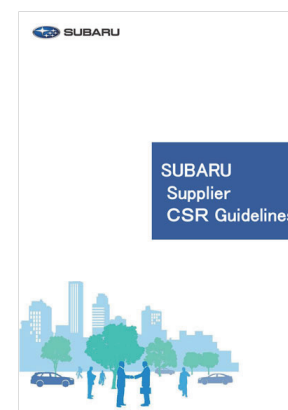
> [Consultation service for promoting fair trade](#)   (Japanese version only)

> [Partnership Formation Oath](#)   (Japanese version only)

## SUBARU Supplier CSR Guidelines

To promote SUBARU's CSR procurement and help our suppliers conduct CSR activities, we created, and in FYE March 2012 began application of, the SUBARU Supplier CSR Guidelines. They are based on the CSR Guidelines for Suppliers of Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our CSR policy.

At SUBARU, compliance with these guidelines is one of the criteria in our supplier selection. We request that our direct suppliers (Tier 1) manage risks related to human rights, the environment, and corporate governance throughout the entire value chain, including upstream suppliers (Tier 2), to address a wide range of sustainability risks.



SUBARU Supplier CSR Guidelines

Guideline Formulation/Major Revision History

FYE March	Description
2012	Guidelines formulated
2014	Guidelines made company-wide and global, including for all suppliers of the Aerospace Company
2016	Content revised to incorporate the non-use of raw materials that engender social problems, such as conflict minerals*1. Also revised guidelines in the form of a joint edition with overseas affiliate Subaru of Indiana Automotive, Inc., confirming the integration of our procurement policy
2021	Incorporated the SUBARU Global Sustainability Policy, Human Rights Policy*2, and Fundamental Procurement Policy (revised edition)
2023	Formulated and published the Responsible Mineral Procurement Policy
2025	Requested all Tier 1 suppliers to submit an agreement to comply with the guidelines

\*1 Conflict minerals: Minerals for which there is concern regarding participation in unjust acts, such as support for non-governmental armed groups, human rights violations, or illegal acts. In Dodd-Frank Act of the U.S., tin, tantalum, tungsten, and gold are specified as minerals for which there is concern that they may be a source of funding for armed groups in the Democratic Republic of the Congo and surrounding countries.

\*2 Identifying and addressing human rights risks in the supply chain is part of SUBARU Group's Company-wide efforts based on its Human Rights Policy. An overview of the policy, system, and monitoring is disclosed in "Respect for Human Rights."  
[> Respect for Human Rights](#)

[> SUBARU Supplier CSR Guidelines](#)  

## Six 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
- Compliance with the law on remuneration
- 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 biodiversity

### (4) Responsible Raw Material Procurement

- Avoidance of raw materials that cause social problems

### (5) Compliance

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

### (6) Information Disclosure

- Disclosing information to stakeholders

## Supplier CSR Briefing and CSR Survey

At the Supplier CSR Briefing, we present corporate policies such as the SUBARU Supplier CSR Guidelines in keeping with the OECD Due Diligence Guidance for Responsible Business Conduct. At these briefings, we clearly communicate SUBARU's approach to sustainable procurement, including human rights, the environment, and compliance, and provide English-language materials to promote understanding among our major global suppliers. We take care to ensure that briefings are not just one-way distributions of our CSR Guidelines, but rather lead to substantial support for their practice through explanation and dialogue.

In addition, through our Supplier CSR Survey, we monitor and evaluate any negative impacts on human rights, labor, the environment, and compliance at our suppliers, and provide improvement support and follow-ups as necessary.

This series of processes is an important practical element of supply chain CSR due diligence within the SUBARU Group. It was launched in FYE March 2016 and has been conducted continuously every year since FYE March 2018.

In FYE March 2025, we targeted 605 automobile-related suppliers (including 396 in parts and raw materials, and 209 in equipment and jig tools) to attend CSR briefings. All target suppliers provided responses to the survey.

In June 2024, we also conducted a briefing and survey for our suppliers focused on climate change.

The details and results of our actions are as follows.

## Number of Suppliers Assessed in the CSR Survey Conducted in the Automotive Business Unit

(Companies)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Direct materials (parts and raw materials)	367	388	396	388	396
Indirect materials (equipment and jig tools, etc.)	191	210	223	234	209
Total	558	598	619	622	605

## Supplier CSR Briefing

In the Suppliers CSR Briefings held with suppliers, we presented the importance of promoting CSR in addition to human rights and environmental preservation, details about the SUBARU Group's CSR-related policies and activities, and made specific requests such as compliance with the SUBARU Supplier CSR Guidelines.

## Supplier CSR Survey (Monitoring/Corrective Support)

The Supplier CSR Survey consists of the following three types of surveys, which evaluate the CSR initiatives of our suppliers from multiple perspectives.

### • SUBARU supplier CSR check sheet

Surveys are conducted via SUBARU supplier CSR check sheets, evaluating suppliers' CSR systems, CSR initiatives for their suppliers, and compliance with the SUBARU Supplier CSR Guidelines covering human rights, labor, and the environment. In FYE March 2025, we identified four suppliers with potential compliance issues in their initiatives, and conducted follow-up interviews that confirmed that the suppliers were taking appropriate actions to address these issues. The above survey and evaluation results are referenced in supplier selection.

### • Survey on employment of non-Japanese skilled workers in Japan

We conducted a survey regarding the employment of non-Japanese personnel by our suppliers, examining wage levels, payment methods, working hours, Article 36 Agreement on overtime work and working on holidays (Labour Standards Act) in Japan, insurance, pensions, health checkups, living conditions, passport possession, Japanese language education, daily life guidance, and industrial accidents. Six suppliers were identified as having potential issues. Follow-up investigations were conducted with the six companies. In all cases, the conclusion was that there were no issues with treatment regarding non-Japanese worker human rights and labor.

### • Survey on human rights initiatives

We conducted a survey on the implementation of human rights due diligence by our suppliers and within the supply chain, information on the origin of high-risk raw materials in case risk has been identified through due diligence, including country, region, ethnicity, company name, other specific details, and the results of addressing these risks. This survey identified one supplier with potential issues. Follow-up interviews with said supplier confirmed that there were no problems with the content of their initiatives.

In the Aerospace Company, we continued to conduct the Supplier CSR Survey for suppliers in FYE March 2024 and confirmed that there were no issues.

We will continue our activities in FYE March 2026 and beyond.

Consultation Service for Non-Japanese Workers

In addition to our existing consultation service for promoting fair trade, in FYE March 2023 we endorsed and cooperated with the supply chain human rights initiative, Japan Platform for Migrant Workers towards Responsive and Inclusive Society (JP-MIRAI), on the establishment of a consultation service for foreign workers in the supply chain in Japan. As background to this, employees of the Purchasing Division, including the general manager in charge, took part in JP-MIRAI's "Consultation and Relief Pilot Project for Foreign Workers."

We continued our participation with the "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers," which marked the full-fledged implementation of the program in FYE March 2024, targeting local business partners. We provide support in 22 languages\* for the consultation service, the area of the program that SUBARU is involved in. This service is available not only for non-Japanese but also Japanese workers employed by business partners.

The consultation service covers a wide range of topics, from gathering information about daily life in Japan to addressing concerns related to human rights and labor issues. For matters that cannot be resolved through the consultation service, we provide accompanying support through consultations with specialists such as lawyers, or utilize the Tokyo Bar Association's Alternative Dispute Resolution (ADR) for added assistance. This ensures a fair and transparent approach through third-party involvement.

We held a briefing for relevant business partners on the procedures for using the consultation service and requested that they disseminate the information among their employees.

This program, including the consultation service, is designed to be an effective and reliable complaint handling channel that reflects the opinions of stakeholders (suppliers, worker organizations, etc.) gained from dialogue.

\* Easy Japanese, English, Chinese, Korean, Thai, Vietnamese, Indonesian, Malay, Tagalog, Nepali, Myanmar, Khmer, Mongolian, Sinhalese, Hindi, Bengali, Portuguese, Spanish, German, French, Italian, and Russian

> [JP-MIRAI's "Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers"](#)

Responsible Mineral Procurement

The SUBARU Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. As a member of the Japan Automobile Manufacturers Association (JAMA), we have been actively participating in collaborative efforts addressing conflict minerals since FYE March 2015.

In FYE March 2025, we conducted a conflict minerals survey with 401 suppliers of components and raw materials for automotive mass production and repair. In addition, we expanded the scope of our cobalt survey, which had been conducted for some business partners until 2023, to include mica as a new target mineral, and conducted mica and cobalt surveys expanding the number of companies surveyed to the same 401 business partners as in the conflict minerals survey. We will work to roll out surveys regarding minerals other than these conflict minerals (tin, tantalum, tungsten, and gold).

We codified our Responsible Mineral Procurement Policy in May 2022 as follows. Going forward, SUBARU's policy is to work toward "No use of materials engendering social problems" in partnership with our customers and suppliers as our social responsibility in procurement activities.

Number of Business Partners Assessed in the Conflict Mineral Survey Conducted in the Automotive Business Unit

	(Companies)				
	2020	2021	2022	2023	2024
Direct materials (parts and raw materials)	215	361	394	402	401



## Responsible Mineral Procurement Policy

- The SUBARU Group aims for non-use of raw materials that engender social problems, such as infringement of human rights and environmental destruction.
- We will clearly state this approach in the SUBARU Supplier CSR Guidelines and request that those in our supply chain comply with these.
- As one of our initiatives, we will conduct an annual conflict minerals survey targeting the direct material supply chain.
- In this survey, we referenced the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, using the Conflict Minerals Reporting Template (CMRT), a questionnaire provided by the Responsible Minerals Initiative (RMI), and other information. We used this to trace through the supply chain and identify smelters, working to avoid procuring raw materials from smelters that are linked to the infringement of human rights or sources of funding for armed groups in conflict and high-risk areas, such as countries around the Democratic Republic of the Congo.
- In addition, for minerals other than conflict minerals (tin, tantalum, tungsten, and gold) such as cobalt, for which child labor is a concern in some mining, we will use the Extended Minerals Reporting Template (EMRT) questionnaire provided by the RMI, as well as other tools, to conduct due diligence. If any problems are found, we will take necessary corrective measures.
- In our activities, we will cooperate with our customers, business partners, industry bodies, and other stakeholders, and strive to disclose information.

Established in May 2022

## Environmental Policy Initiatives for Business Partners

We distribute the SUBARU Supplier CSR Guidelines and SUBARU Green Procurement Guidelines to our business partners and ask them to familiarize themselves with and comply with our basic environmental policies. Furthermore, when selecting new business partners, we confirm that they have established an environmental management system based on our guidelines. We also held internal study groups on decarbonization for Purchasing Division staff to familiarize them with SUBARU's environmental policies.

## SUBARU Green Procurement Guideline

The SUBARU environmental policies state that "Our procurement activities reflect consideration for biodiversity and other aspects of environmental protection." Accordingly, we promote the procurement of parts, materials, and services from business partners who implement business activities that consider the environment. In addition, SUBARU has expressed in the SUBARU Green Procurement Guidelines its expectations for business partners regarding environmental initiatives. The guidelines primarily request cooperation in the following nine areas:

## Requirements for Suppliers

### Requirements for the Suppliers' Environmental Management

1. Compliance with Environmental Laws and Regulations
2. Establishment of Environmental Management System (EMS)
3. Submission of Environment Manager Registration Forms
4. Improvement of Environmental Performance

### Requirements for the Suppliers' Environmental Activities

5. Mitigating Climate Change
6. Realizing a Circular Economy
7. Coexistence with Nature

### Requirements for delivery of the Parts, Materials, and Services Supplied to SUBARU

8. Management of Substances of Concern
9. Reduction of CO<sub>2</sub> Emissions and Packaging and Wrapping Materials in Logistics

Compliance with these guidelines is considered a necessary criterion for selecting business partners, and we request that they establish an environmental management system based on acquisition of third-party ISO 14001<sup>\*1</sup> certification. We recommend new business partners to acquire ISO 14001 certification. For those facing difficulty acquiring ISO 14001, we review their compliance status by having them submit voluntary assessment reports based on our EMS. Currently, all Tier 1<sup>\*2</sup> business partners have ISO 14001 certification or equivalent environmental management systems in place. To those business partners who have passed our voluntary examination, SUBARU makes inquiries or performs audits as necessary and requests them to continue efforts toward early acquisition of third-party certification for environmental management.

<sup>\*1</sup> International standard for environmental management systems (EMS) established by the International Organization for Standardization (ISO). It is a management system standard to certify that an organization considers the environment and has built a system for continuously reducing environmental impact.

<sup>\*2</sup> Companies that directly supply parts to car manufacturers. They are primary business partners. Tier 2 business partners are companies that supply Tier 1 with those parts that make up the Tier 1 company parts.

> [SUBARU Green Procurement Guidelines](#)  

> [Green Procurement Guidelines Aerospace Company version<sup>\\*3</sup>](#)  

<sup>\*3</sup> The SUBARU Green Procurement Guidelines and the Green Procurement Guidelines Aerospace Company version are concrete forms of topic "(3) Environment" in the SUBARU Supplier CSR Guidelines.



SUBARU Green Procurement Guidelines

## Climate Change Initiatives

With the aim of decarbonizing our supply chain, we continued to receive reports on total CO<sub>2</sub> emissions from 294 business partners in FYE March 2025, and we have also received roadmaps for achieving carbon neutrality. As a result, a 45% reduction in emissions is expected by FYE March 2036 compared to FYE March 2017. To achieve this, we also conducted on-site interviews with some of our business partners about their plans to understand the status of their specific initiatives, share information on issues they face, and reconfirm SUBARU's commitment to working together with them to address their requests.

## 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<sup>\*1</sup> and ELV Directive<sup>\*2</sup>. 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-regulations such as industrial norms to alternative materials, and are working to reduce environmentally hazardous substances.

In addressing the REACH regulation, we disclose information about substances of very high concern (candidate substances for regulation) on our homepage for users of SUBARU vehicles in Europe.

<sup>\*1</sup> REACH regulation: European regulation on chemical substances requiring all chemical substances to be subject to management or restriction measures commensurate to the risk that they pose to humans and the environment.

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

## Procurement with Consideration for Biodiversity

SUBARU surveys the use of biological resources, including cowhide and plant-derived materials, to ensure no negative impact on the ecosystem during procurement of raw materials. In FYE March 2025, we conducted due diligence through interviews with one rubber part manufacturer.

## Communication with Suppliers

In our Automotive Business, we host online Policy Briefings every spring to share policies on development, quality, procurement, and production with our suppliers. At subsequent events with suppliers, we hold face-to-face meetings to update information and listen to unfiltered opinions from them, which leads to improvements in our initiatives.

During FYE March 2025, the Aerospace Company held the SUBARU Status Report Meeting for our suppliers in May, and a New Year's business briefing for 312 suppliers in January.

During FYE March 2026, we held the SUBARU Aerospace Company Overview Briefing in May. A SUBARU Aerospace Company Partner Conference is scheduled for October, and we will continue our activities to deepen cooperation with our suppliers.

# Community Engagement

## Our Approach

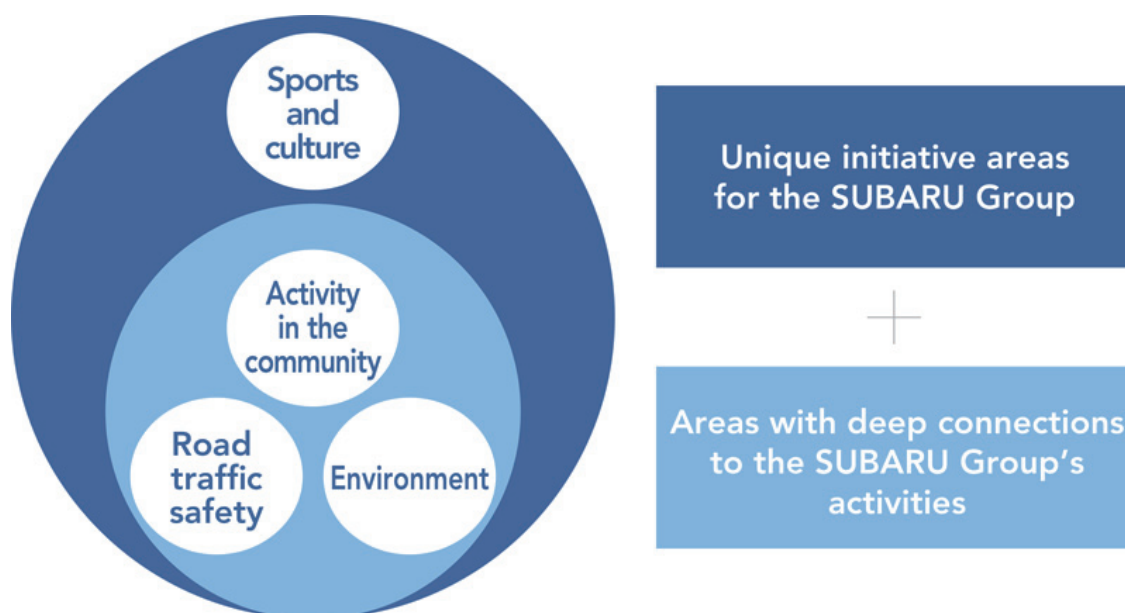
The SUBARU Group has developed its social contribution policy in the hope of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice. In accordance with the policy, we promote social contribution activities in the four fields—activity in the community, environment, road traffic safety, and sports and culture—which we have selected as befitting a socially responsible transportation equipment manufacturer.

### 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.

Established in March 2005

### The Four Fields of Community Engagement Initiatives



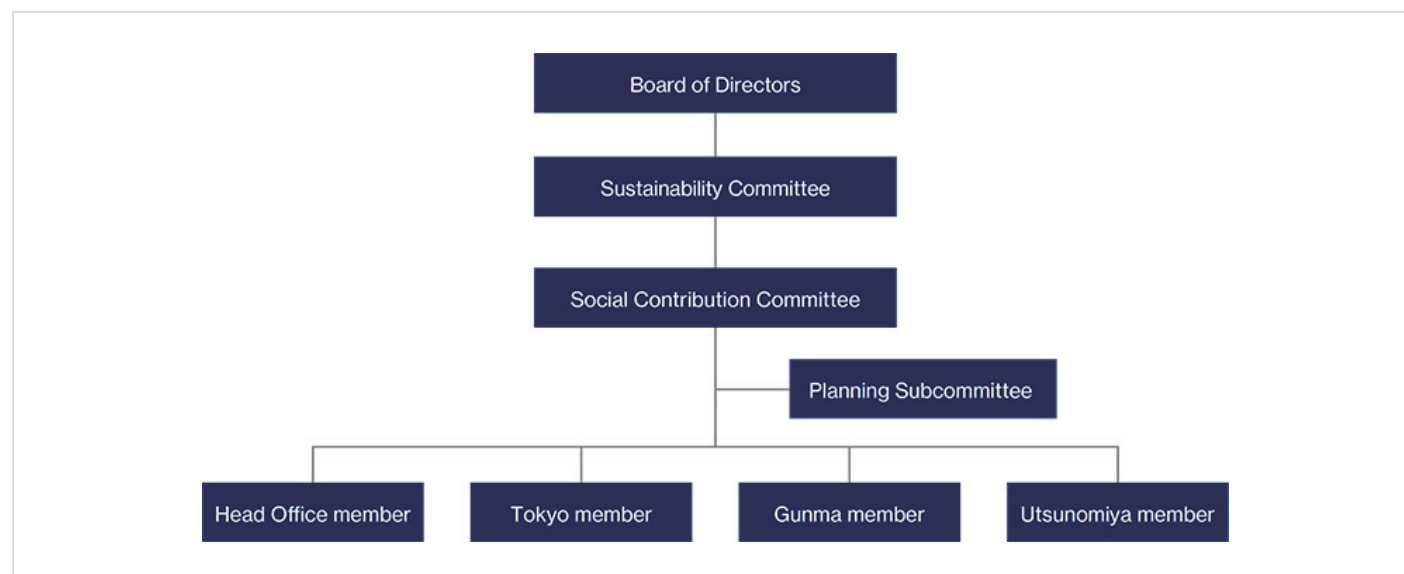
## Management System

SUBARU has established the Social Contribution Committee to advance community engagement activities with the aim of making these activities an integral part of the SUBARU Group's corporate culture and becoming a company that is trusted by stakeholders. With participation of business site directors, the committee works to advance community engagement initiatives. Under the committee, the cross-organizational Planning Subcommittee has been created to discuss issues related to company-wide activities, ranging from planning and preparation to implementation, evaluation, and review. The committee meets every six months to compile reported activity results and issues for the SUBARU Group, and discuss improvement plans to invigorate efforts. In addition, the contents of discussions held by the Social Contribution Committee are reported to the Sustainability Committee, and important issues are submitted and reported to the Board of Directors, which oversees the Sustainability Committee.



Social Contribution Committee

### Social Contribution Committee: Organization Chart



### Targets and Metrics

In FYE March 2020, we established a community engagement Vision for 2025 to promote efforts toward “Delivering Happiness to All.”

#### Vision for 2025

1. The background and reasons that the four fields were selected for social contribution initiatives are fully understood and ingrained across the SUBARU Group.
2. The SUBARU Group is developing activities in consideration of the four fields.
3. The SUBARU Group's entire workforce is fully aware of the importance of community engagement.

## Risks in Community Engagement Activities

Pandemics, such as the one brought about by COVID-19, present a risk to our community engagement efforts. In situations like these, we will be collaborative and dynamic in order to put participant safety first, including adapting initiative content and carrying out infection prevention measures.

We also recognize that among the issues we currently face is the need to further raise awareness of community engagement among our employees. By strengthening employee participation initiatives and collaborating with Group companies, we will strive to raise awareness throughout the SUBARU Group.

## Initiatives

### Activity in the Community: In Japan

#### Communication with Communities

SUBARU strives to communicate with people living in districts where its offices, plants, and company housing facilities are located, aiming to become a corporate citizen open to the community.

We also hold regular dialogue sessions with local governments and residents, educational institutions, and other parties to exchange opinions on traffic safety, the environment, disaster response, and other issues, and to identify local needs.

At the Gunma Plant, we send representatives to town council member homes every month to exchange information and explain the Company's current situation and its environmental activities.

The Utsunomiya Plant supports local community development projects through consultation with local governments and various forms of sponsorship. Through events held in our local communities, we maintain communication with residents in our areas. In addition, for construction work that involves noise and vibration, we consult with neighborhood associations in advance to gain their understanding, and in some cases, we also notify residents directly.

At our Head Office, we participate in the local Ebisu Cultural Festival, sponsor Christmas concerts, and support a flower garden project at JR Ebisu Station. In addition, we provide our first-floor lobby as a temporary storage space for the portable shrine used in local festivals, demonstrating our commitment to community involvement. In addition, to accommodate people who are unable to return home during disasters and to prepare for recent extreme heat, we provide our 1st floor showroom as a place for residents to cool off, making it the first private facility in Shibuya Ward to offer a "cool share spot."

#### Factory Tours (Gunma Plant, Utsunomiya Plant)

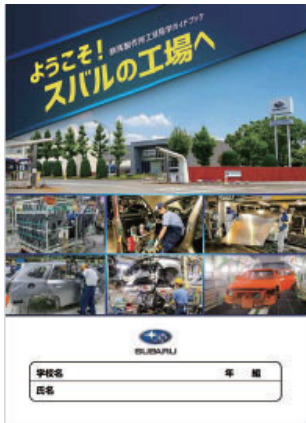
##### Gunma Plant

The Gunma Plant welcomes general visitors to factory tours, and also hosts elementary school field trip programs. We accommodate either remote or site tours in response to the requests of elementary schools. Starting in FYE March 2025, we have introduced VR equipment\* to enable visitors to experience the manufacturing process with greater realism, including the interior of presses and the painting process, which are not available in the usual factory tours.

In FYE March 2025, 4,804 students participated in remote tours for elementary school students and 20,613 students (including accompanying teachers) participated in site tours. An additional 6,600 people attended general public tours, and feedback was positive from those who toured the car-making and plant facilities.

\* Equipment using virtual reality (VR) goggles to experience virtual space as if it were real





Factory tour leaflet



Online factory tour

## Utsunomiya Plant

We welcome field trip programs from neighboring elementary schools as part of their social studies curriculum every year. In FYE March 2025, 58 schoolchildren attended such programs at our facilities. The program creates opportunities for children to grow their interest in society by talking to them about aircraft during a tour of our exhibition models, as well as by introducing the plant's environmental initiatives, such as the promotion of recycling and technologies for fuel-efficient manufacturing.



Field trip learning activities

## Instructor Dispatch to Educational Institutions (Gunma Plant, Utsunomiya Plant)

Since FYE March 2023, the Gunma Plant has been dispatching instructors to neighboring elementary, junior high, and high schools to provide opportunities to deepen students' understanding of society and work. Instructors introduce SUBARU's business activities and its efforts to become a company "Delivering Happiness to All", as well as their own career and how they came to occupy their current position. Students have consistently been eager to hear these real stories of people in the working world, inspiring them to think about their future career paths and increasing their interest in society.



Instructor Dispatch (Gunma Plant)

Since FYE March 2022, the Utsunomiya Plant has been supporting the Instructor Dispatch Project sponsored by the Tochigi Association of Corporate Executives. In FYE March 2025, the Chief General Manager of the Utsunomiya Plant was dispatched as an instructor to a local junior high and high school. He introduced the plant's business activities to students, and also discussed important points for the work they do there. In addition, six employees were dispatched as interview committee members for the selection examination for newly hired public school teachers in Tochigi Prefecture.



Instructor Dispatch (Utsunomiya Plant)

## Community Cleanup Activities (Gunma Plant, Utsunomiya Plant, Head Office)

As part of its community engagement initiatives, SUBARU carries out cleanup activities on a regular basis in districts where its offices and plants are located.

In addition to the twice-monthly cleanup activities outside the Gunma Main Plant, the Yajima Plant and Oizumi Plant also conduct simultaneous large-scale clean-up activities outside the buildings before long holidays and similar occasions.

Every June, the Utsunomiya Plant holds a volunteer cleanup activity called the "Cleanup Campaign."

In FYE March 2025, a total of 267 employees and their family members participated in picking up trash scattered around the vicinity of the facility. In addition, 15 SUBARU employees participated in a local cleanup activity hosted by another company, and carried out cleanup activities around nearby stations while interacting with local companies and other organizations.

In FYE March 2025, six local cleanup activities were conducted in total by the Head Office. A total of 75 SUBARU employees and employees from affiliated companies participated in trash cleanup activities around the Ebisu Subaru Building.



Cleanup Campaign (Utsunomiya Plant)



Local cleanup activities  
(Utsunomiya Plant)



Trash cleanup around the  
Ebisu Subaru Building (Head  
Office)

## Disaster Response Countermeasures

### • Providing Training Grounds (Tokyo Office)

For the comprehensive earthquake fire drill, which is held at all fire stations in the jurisdiction of the Tokyo Fire Department, we provided some facilities and locations in our Tokyo Office as a training site for the Mitaka and Musashino district fire stations.



Fire drills

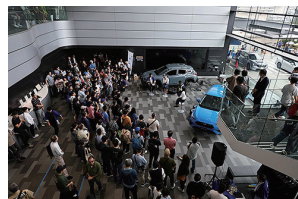
## Local Community Events

In order to build a better relationship with the local communities adjacent to our business sites, SUBARU invites local residents to join events or exhibitions it holds on its premises or at local public facilities.

### • Subagaku\* Festival (Gunma Plant)

With the aim of building a safe and secure future together with our communities, SUBARU held the Subagaku Festival at its Main Plant to share the "Enjoyment and Peace of Mind" that it values with local residents and customers.

The approximately 1,600 visitors attending on the day of the event viewed exhibits showcasing SUBARU's commitment to manufacturing and safety, and participated in various hands-on programs.



Venue



Visitors on a Main Building  
reception room tour

\* Subagaku: SUBARU's official fan community website



### • AEON MALL Ota and Gunma Plant Open the “Egao no Asobiba” (Gunma Plant)

In partnership with AEON MALL Ota, we opened the “Egao no Asobiba” (Playground for Smiles) facility to foster “Enjoyment and Peace of Mind” for children in society at large in November 2024. This playground incorporates sustainable materials made from fruit pulp left over from food processing. By effectively utilizing waste that would have otherwise been incinerated before, we are reducing waste and promoting resource recycling. In this project, our aim was to create a space that is not only safe for children to play in, but also one that is environmentally friendly.

In addition, the playground features numerous illustrations and objects inspired by historic SUBARU cars, creating a space where parents and children can enjoy the unique world sculpted by our brand. Users have told us the space has been fun for children while providing peace of mind.



The “Egao no Asobiba”  
playground

### • SUBARU Stargazing Party (Tokyo Office)

Since FYE March 2024, SUBARU, which gets its name from the Japanese word for the Pleiades star cluster, in collaboration with Mitaka City and the National Astronomical Observatory of Japan (NAOJ), an association of star professionals, hosts the annual SUBARU Stargazing Party in Mitaka City, under the theme of “Let’s see Subaru (Pleiades) from SUBARU.” Approximately 100 people took part in FYE March 2025. After a lecture on the night sky by the Director of the NAOJ’s Public Relations Center, participants used special binoculars provided by NAOJ to observe the stars from the parking lot of the Tokyo Office. Even though the event was held within the Tokyo metropolitan area, it was possible to clearly see Saturn, Jupiter, and of course Subaru, the Pleiades six-star cluster, to the delight of the participants.



SUBARU Stargazing Party



### • Participation in the 51st Anniversary Ceremony of the Establishment of the Japan Ground Self-Defense Force Camp Kitautsunomiya (Utsunomiya Plant)

At an event held at the Ground Self-Defense Force base in Utsunomiya City, where SUBARU’s factory is located, the SUBARU Group exhibited its FUJI-BELL 205B helicopter. Our exhibition at this event was intended to introduce SUBARU as a member of local industry to residents living near our plant and to contribute to the revitalization of the local community by providing a place for interaction between SUBARU and residents. Approximately 6,500 people, including families and aviation enthusiasts, attended the event. We were able to bring smiles to the faces of those who visited the SUBARU booth by providing authentic pilot helmets and parachutes for commemorative photos.



The SUBARU booth



UH-2 utility helicopter

### • Exhibition at Kids Career Fair (Utsunomiya Plant)

We exhibited at a career fair for children organized by a local event company. At the event, 45 kid engineers experienced the design, procurement, assembly, and flight processes. In addition, employees participated as event staff, providing an opportunity to give local children a deeper understanding of the joys of flying and manufacturing.



Venue

### • Sponsorship of Yokogawa Festival 2024 (Utsunomiya Plant)

We sponsored the Yokogawa Festival held at an elementary school event near the Handa Plant. The participating children, under the theme of “making a paper airplane for the Guinness Book of World Records,” learned about lift and propulsion, the forces necessary for an airplane to fly. They then built model airplanes and flew them, deepening their understanding of airplanes.



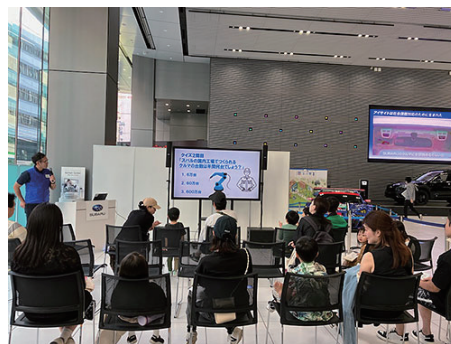
Venue

### • Exhibiting at the Ebisu Cultural Festival (Head Office)

We have been exhibiting at the Ebisu Cultural Festival starting in 2019. In FYE March 2025, we provided easy-to-understand presentations on how SUBARU manufactures its products through videos showing the process by which SUBARU cars are manufactured and by holding a quiz contest. A total of 246 visitors experienced our exhibition over the two-day event. As a member of the local community, we will continue our efforts to revitalize the Ebisu area.



The SUBARU booth at the Ebisu Cultural Festival



## Activity in the Community: Overseas

### Sponsoring Boy Scouts Event (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. annually sponsors the local Pinewood Derby races organized by the Boy Scouts of America Sagamore Council. At these events, children race model cars they have built from kits containing wooden blocks and plastic wheels.



Model car races

## Camping Event (North American Subaru, Inc.)

In FYE March 2025, North American Subaru, Inc. hosted a one-night, two-day camping event for SUBARU vehicle owners. A record-high number of approximately 140 people, including customers and employees, participated in this event. During the day, the event featured rough road driving experiences and consultation sessions on problems related to everyday driving. In the evening, the participants gathered around a bonfire for conversation and customers shared their thoughts on SUBARU. Customers who attended expressed their gratitude for the event and said they looked forward to the next one.



Camping

## Environment: In Japan

### SUBARU Forest Project

Since FYE March 2018, SUBARU has been working on the SUBARU Forest Project, an initiative that is directly linked to biodiversity conservation and embodies the idea of coexistence with nature included in the SUBARU Environmental Policies.

[> Coexistence with Nature SUBARU Forest Project](#)

### Donating Unwanted Shoes to an NPO (Gunma Plant)

At the Gunma Plant, we sponsor the Hachioji Hill Fun Trail in Ota running event. Event participants were asked to donate shoes that were still wearable but no longer worn, resulting in the collection of 136 pairs of shoes in FYE March 2025. The collected shoes were recycled and donated to an NPO that supports children in need overseas.



Collection of unwanted shoes

### Donation of Wooden Benches and Wooden Bike Racks and Maintenance Support (Utsunomiya Plant)

In 2020, we donated benches and bike racks made from thinned wood to Utsunomiya City, and they were installed in Utsunomiya City Forest Park. The Utsunomiya Plant, in support of the Association to Protect Mt. Kogashi, a nonprofit organization working to protect Mt. Kogashi, where the Forest Park is located, donated preservatives to be applied to wooden benches and provided activity support.



Donated benches and bike racks



Preservation activities



## Teaching a School Class (Utsunomiya Plant)

Starting from FYE March 2007, the Utsunomiya Plant sends employees to local elementary and junior high schools to teach classes designed to increase children's interest in the field of aerospace and the environment, seeking to raise their environmental awareness and present a future career option. Our programs contain lectures and experiments to learn about global warming, primarily major causes and the significance of stopping the phenomenon, as well as the principles of aircraft flight and environmentally friendly manufacturing. Having taught 23,701 students in total at 363 schools in Utsunomiya and Handa districts over the years, this project has become an essential local community activity.



Teaching a school class



## Environment: Overseas

### Sponsoring Community Tree Planting (Subaru of Indiana Automotive, Inc.)

To celebrate Earth Day, Subaru of Indiana Automotive, Inc. (SIA) annually partners with Tree Lafayette to sponsor and help plant trees in the community. In 2024, SIA employees planted 15 trees at a local park.



Planting



## Road Traffic Safety

### Traffic Safety Awareness Activities (Gunma Plant, Utsunomiya Plant)

#### Gunma Plant

SUBARU consistently conducts traffic safety awareness activities in cooperation with local communities with the aim of raising traffic safety awareness.

The Gunma Plant, in conjunction with National Traffic Safety Campaign, distributed in the shape of sports uniforms and SUBARU 360-designed reflectors at nearby stations with the cooperation of the SUBARU baseball team, track and field team, and local companies, calling on station users to practice traffic safety.

In addition, during Autumn National Traffic Safety Campaign, Paris Paralympics silver medalist Kenya Karasawa, a member of the track and field team, served as "Police Chief for a Day" in Ota City and promoted the importance of traffic safety to the local community.

Furthermore, as part of the traffic safety sign installation project for school routes that began in FYE March 2019, a total of 29 signs have been installed on utility poles in Ota City as of April 2025. Through these activities, we contribute to creating a safe environment for children to commute to school.



Traffic safety awareness activities at train stations



Reflectors distributed during traffic safety awareness activities



Kenya Karasawa as Police Chief for a Day



Installing Traffic Safety Signs (Gunma Plant)

## Utsunomiya Plant

At the Utsunomiya Plant, as part of Autumn National Traffic Safety Campaign, we conducted traffic safety awareness activities at the intersection near the Main Plant. In addition, we entered the No Accidents, No Violations Challenge 2024 campaign run by local FM radio station RADIO BERRY, contributing to raising awareness of traffic accidents and violations prevention. Other activities include our work with the Tochigi Prefecture Association of Driving Safety Supervisors; we contribute to traffic safety activities in the southern Utsunomiya branch area in cooperation with community associations located around the plant and the Utsunomiya Minami Police Department.



Traffic safety awareness activities on the roads



Association of Driving Safety Supervisors in session

## Traffic Safety Support (Kiryu Kogyo Co., Ltd.)

We conduct traffic safety support for children commuting to school near our plant in cooperation with local stakeholders on the third Tuesday of every month (excluding August due to summer vacation).



Traffic safety support

## Sports and Culture: In Japan

### SUBARU's Baseball Players and Track and Field Team Members Coach Children (Gunma Plant)

The Gunma Plant values its connections with the local community and is active in sports-based community engagement. In FYE March 2025, we conducted a total of 59 community engagement activities, including running and baseball clinics, as well as lectures by Wataru Okutani, the coach of the track and field team, and Kenya Karasawa, a silver medalist at the Paris Paralympics.

In particular, with the cooperation of the Ota City Board of Education, we conducted outreach classes for the city's elementary schools. The track and field team held a running technique class for older elementary school students, with six athletes and two staff members participating as instructors. Approximately 70 students learned basic running techniques and practical training, experiencing the joy of sports.

In addition, the baseball team held a batting and throwing technique class for approximately 180 younger elementary school students, conveying the joy of sports and physical activity, providing valuable experience, and encouraging students to learn through physical activity, thereby increasing their interest in sports.



Running clinic



Baseball clinic

## Supporting Sporting Organizations and Sporting Events

SUBARU supports the activities of the Ski Association of Japan, the Japan Canoe Federation, and the Japan Cycling Federation as an official sponsor, and also provides operational vehicles for sporting events such as the New Year Ekiden relay race and the Tokyo Marathon.



## Holding the STI Circuit Drive (Subaru Tecnica International)

Subaru Tecnica International holds this workshop each year for owners of SUBARU vehicles, with the aim of linking the learning and growth gained through participatory motorsports to the joy of life. In FYE March 2025, as a result of the online application process, approximately 100 cars and their owners gathered at this workshop. Not only did they experience the fun of driving, but they also learned about driving etiquette and safety, such as proper driving position, eye contact, and pedal work on the accelerator and brake from professional drivers, invited as lecturers.



Driving course using our circuit



## Sponsoring a Christmas Concert (Head Office)

The Takofes Christmas Concert was held by the Higashi Ebisu Store Association at the EBiS303 (Ebisu Subaru Building). This concert, celebrating its eighth year since launching in 2016, was held free of charge with the joint support of local residents and companies, including SUBARU as a local corporate sponsor. In FYE March 2025, the 448 attendees enjoyed a thrilling and captivating performance from the professional orchestra.



Christmas concert performance

## Sponsoring Arts Saitama Kitamachi Festival Vol. 11 (Subaru Kohsan Co., Ltd.)

The Northern Heart Kitamachi Development Association\*, of which Subaru Kohsan Co., Ltd. serves as the secretariat, sponsored an art event organized by the Arts Saitama Kitamachi Festival Executive Committee. Contemporary art works were exhibited at various locations in Stellar Town, a large shopping mall, under the theme of "Vending Machines, but Sometimes a Bicycle." The event was well received, with around 1,500 visitors of all ages.



Artwork



\* A voluntary organization that works to improve and revitalize the attractiveness of the town.

## Sports and Culture: Overseas

### Drive-in Movie Event (Subaru Canada, Inc.)

Subaru Canada, Inc. held a drive-in movie viewing for SUBARU owners. In FYE March 2025, viewers in approximately 220 cars enjoyed a drive-in cinematic experience. The event has been well received by participants as an opportunity to deepen exchanges among SUBARU drivers.



Drive-in movie event

The Subaru Love Promise®

At Subaru of America, Inc. (SOA), The Subaru Love Promise® is the vision to show love and respect to all people at every interaction with SUBARU. SOA believes every day gives us an opportunity to positively impact the world around us—by how we support each other, our customers, and our community. Together, SOA is committed to making the world a better place. The Subaru Love Promise® is made up of five individual promises that we practice to build up trust from our stakeholders. The Love Promise is what makes SOA More Than a Car Company® and a SUBARU dealership in the U.S. More Than a Car Dealer.

- > Integrated Report 2025: Our Goal of Being More Than a Car Company®: Love Promise® Initiatives
- > The Subaru Love Promise® | More Than a Car Company®

The Five Promises and Primary Initiatives

Subaru Loves to Help®



Support for those in need



- In partnership with Operation Warm®, dealerships donated new coats, shoes, and socks to more than 750,000 children
- In FYE March 2025, 70 employee volunteers provided a total of 173 hours of volunteer service in a single day, providing goods to more than 100 households in the community

Subaru Loves the Earth®



Activities to protect the Earth



- Through a partnership with the Arbor Day Foundation®, established the largest corporate tree distribution program in the United States, distributing and planting more than 1.1 million seedlings to date
- Conducted 13 local cleanup activities in FYE March 2025

Subaru Loves to Care®



Support for people battling illness



- In collaboration with the Leukemia & Lymphoma Society®, helped approximately 60,000 people facing cancer to date through blankets, care kits, and financial assistance
- In FYE March 2025, employee volunteers contributed a total of 621 hours of service, donating snacks and kits containing messages of hope to medical professionals

Subaru Loves Learning®



Support for education



- In partnership with Adopt AClassroom.org®, helped provide school supplies to more than 262,000 students in need so far
- In FYE March 2025, dispatched 180 employee volunteers to 15 schools to help teachers prepare their classrooms for the new school year

Subaru Loves Pets®



Animal welfare



- Donated over U.S.\$60 million to date to national and regional organizations and provided adoption, shelter, transportation, and health care support for over 504,000 animals
- In FYE March 2025, dealerships provided a total of U.S.\$3.2 million in grants to animal shelters across the United States, helping more than 105,000 animals. In addition, through the Animal Welfare Association's Vets on Wheels program, 104 employee volunteers administered free vaccinations to 1,420 animals

- Subaru Loves to Help®
- > Subaru Loves to Help - 2024 Subaru Corporate Impact Report
- Subaru Loves the Earth®
- > Subaru Loves the Earth - 2024 Subaru Corporate Impact Report
- Subaru Loves to Care®
- > Subaru Loves to Care - 2024 Subaru Corporate Impact Report
- Subaru Loves Learning®
- > Subaru Loves Learning - 2024 Subaru Corporate Impact Report
- Subaru Loves Pets®
- > Subaru Loves Pets - 2024 Subaru Corporate Impact Report



## Conducting The Subaru Share the Love® Event

SOA has been running the Love Campaign since 2008. This initiative was born in response to customers' passionate sentiments expressed in the phrase "I love my Subaru." It is a campaign that aligns with the feelings and values of customers who express their deep affection for SUBARU vehicles using the word "love" rather than "like." That approach is especially represented during the year-end holiday season by the Share the Love® Event initiative. While large discounts are the norm during this season, the Share the Love® Event gives customers buying a SUBARU vehicle during this period the chance to select a charity aligned with their interests for SUBARU to donate to. This initiative aligns with the values of our customers who prioritize community engagement. This initiative has been conducted annually since 2008, fulfilling SOA's social responsibility while deepening its connection with the local community. In FYE March 2025, a total of U.S.\$31.7 million was donated to national and local charities, bringing the cumulative total since 2008 to U.S.\$319.8 million.

[> The Subaru Share the Love® Event](#) 

## Cherishing Every Life Project

SUBARU is involved in the Cherishing Every Life Project together with SUBARU dealerships as an activity to expand the circle of Resonance and Coexistence through contributions to society. In this project, with its DNA as an aircraft manufacturer, SUBARU continues to practice a human-oriented approach to Monozukuri, where it places top priority on safety. Based on its longstanding core value of the protection of life, we are expanding our initiatives alongside customers and local communities.

Under the two project themes of human life, which is irreplaceable, and natural life, which is rich forests and plant and animal life, SUBARU is working to support people who have a strong belief in the protection of life and are working day by day to protect and connect life to a future full of happiness.



[> Cherishing Every Life | Cherishing Every Life Project](#)  (Japanese version only)

## Human Life: Partnering with Dealerships to Support the Work of the Japan Lifesaving Association

As part of our initiatives for human life, SUBARU has entered into an official partnership with Japan Lifesaving Association to support its goal of "Free from Drowning." In FYE March 2021 we started providing vehicles called "SUBARU Lifesaving Cars" for monitoring activities and transport of emergency rescue equipment at beaches in Kanagawa, Chiba, and Shizuoka prefectures, and then in FYE March 2025 we expanded area of activity to include the coasts of 30 prefectures across Japan. Here, 27 SUBARU dealerships provided 36 vehicles in contribution to beach patrols and rescue and relief efforts during the summer. Of these, 21 SUBARU dealerships held Basic Life Support (BLS: first aid for cardiac arrest or respiratory arrest) training sessions led by lifeguards, and five dealerships held hands-on lifeguard activity sessions to promote actions that protect lives. In conjunction with its sponsorship of the 50th All Japan Life Saving Championships, a total of 158 SUBARU Group employees and their family members conducted a cleanup activity at the tournament venue, Katase Nishihama Beach. In this way, we contributed to actions that protect lives near the sea.

[> Human Life | Cherishing Every Life Project](#)  (Japanese version only)



BLS training session



Hands-on lifeguard activity session



Cleanup activity

## Natural Life: Partnerships with Environmental Organizations, Including Those Managing National Parks

As part of our initiatives for natural life, SUBARU has entered into partnerships with the Shiretoko Nature Foundation\*<sup>1</sup>, the Yakushima Environmental and Cultural Foundation\*<sup>2</sup>, and the Natural Parks Foundation\*<sup>3</sup>, supporting people engaged in protecting natural life.

We have provided the Shiretoko Nature Foundation with two patrol cars to be used for park management, monitoring to ensure an appropriate distance between wildlife and people, as well as for reforestation activities to restore the rich and diverse forest that once existed on the former Shiretoko settlement site. SUBARU Group employees volunteer for reforestation activities, engaging in activities that go beyond simply providing vehicles. The Yakushima Environmental and Cultural Foundation is expected to use a Solterra BEV provided by SUBARU as a power supply vehicle in the event of a disaster. This initiative is our way of supporting the foundation's activities and Yakushima Island's efforts to create an environment that promotes decarbonization. In the Nasu Heisei-no-mori Forest and the Kamikochi area, both managed by the Natural Parks Foundation, we provide vehicles meeting activity objectives to support the operation and management of each park. At Nasu Heisei-no-Mori, which is in Nikko National Park, and at Kamikochi, which is in Chubusangaku National Park, we held experience events for customers to enjoy nature at national parks and Kamikochi respectively. We provide activities that allow participants to learn about the depths of nature and what it means to protect natural life.



Shiretoko Nature Foundation



Yakushima Environmental and Cultural Foundation



Nasu Heisei-no-mori Forest managed by the Natural Parks Foundation



Kamikochi managed by the Natural Parks Foundation

\*1 A foundation whose mission is to protect the nature in and around the Shiretoko World Heritage Site in Shiretoko National Park and pass it on in a better form to future generations

\*2 A foundation dedicated to protecting the outstanding natural environment of Yakushima Island, Japan's first World Natural Heritage Site, and creating a unique environment where nature and people coexist

\*3 A foundation managing 15 of Japan's 34 national parks

[> Coexistence with Nature > Natural Life](#)

[> Natural Life | Cherishing Every Life Project](#)  (Japanese version only)

## Donation, Volunteer Activities, etc.: In Japan

### Employee Volunteer Award Program

Based on the concept of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice, SUBARU has established a volunteer award program to encourage each employee to participate in volunteer activities and to raise awareness of social contribution activities.

This award is given annually, and the Social Contribution Committee deliberates and selects winners from among the applicants. Submissions for the 20th round of awards in FYE March 2025 covered a wide range, including lifesaving and sports instruction. Award winners are engaged in their activities with the mindsets of wanting to do something to benefit the world and to inform more people about the activities they are engaged in.

## Voluntary Employee Donation System

SUBARU has implemented a system where employees can easily use the company welfare program to donate to important causes. In the event of a disaster, we also offer easy donation through temporary special contact points to support the affected areas.

### Tohoku Reconstruction Support Festival (Gunma Plant, Tokyo Office, Head Office)

SUBARU participates in the Tohoku Reconstruction Support Festival organized by Keidanren (the Japan Business Federation) to support the recovery from the Great East Japan Earthquake. We hold events in-house with participation from the three prefectures of Iwate, Miyagi, and Fukushima, all of which were severely damaged by the earthquake. These events are held under the theme of direct employee action. In FYE March 2025, internal sales events were held at the Tokyo Office and Head Office, and in addition to helping with the sale of special products from each prefecture, these events also offered a place where they can provide information about recovery status and tourist attractions. Approximately 1,000 employees visited our internal sales events.

Furthermore, special dishes using ingredients from Tohoku were served at the company cafeterias of the Gunma Plant, Tokyo Office, and Head Office.



SUBARU internal sales event



Promotional poster

### Donations of Free Samples to Charitable Organizations (Gunma Plant, Utsunomiya Plant, Tokyo Office)

Since FYE March 2015, SUBARU has been selling free samples received from business partners licensed to commercialize SUBARU minicars and similar products at local events and charity bazaars at various company sites. Proceeds from sale are donated to organizations supporting children orphaned by traffic accidents. In FYE March 2025, the Gunma Plant, Utsunomiya Plant, and Tokyo Office carried out one in-house charity bazaar each. Additionally, starting in FYE March 2024, we began donating some free minicar samples to organizations supporting children orphaned by traffic accidents.

In FYE March 2026, we received a letter of appreciation from the Scholarship Foundation for Traffic Accident Orphans, one of our donation recipients, for our long-standing donations.



In-house Charity Bazaar



Letter of appreciation



## Welcoming Public Health Nursing Practicum Students (Utsunomiya Plant)

At the request of a university in Tochigi Prefecture, the Utsunomiya Plant hosted a lecture on occupational health as part of the university's public health nursing science practicum, one of its corporate training programs. By providing a forum to learn about worker health management and occupational health, we are broadening students' knowledge and contributing to the development of medical professionals. In May 2024, we welcomed students from the Dokkyo Medical University School of Nursing, and in January 2025, students from the Jichi Medical University School of Nursing.



Course on occupational health



## Donating Food to a Local NPO (Utsunomiya Plant)

We donated 750 servings of disaster relief stockpile meals with an upcoming expiration date to Food Bank Utsunomiya, a local NPO. Donated food is provided free of charge to children's cafeterias and people in need, helping to build a secure social safety net.

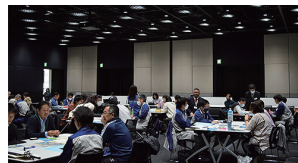


Food bank donation

## Holding Disability Equality Training (DET) (Gunma Plant)

With the cooperation of DET Gunma\* and Gunma Prefecture, we held a training session on eliminating disability-based discrimination at the Gunma Plant. With the participation of local residents, we invited people with disabilities as lecturers to learn about barriers that exist in daily life and society, and how to provide reasonable accommodations.

In addition, a lecture was given by Kenya Karasawa, a member of the track and field team and silver medalist at the Paris Paralympics, to raise awareness toward building a society of coexistence.



Training session



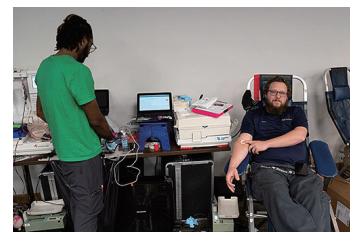
Group photo with participants

\* An organization promoting Disability Equality Training (DET) in Gunma Prefecture

## Donation, Volunteer Activities, etc.: Overseas

### Blood Drive (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) has been hosting a blood drives twice a year since 1991. In 2024, SIA employees donated 776 units of blood, helping to save up to 2,328 lives. Over more than three decades, SIA employees have provided approximately 18,000 units of blood to more than 80 hospitals in Indiana.



Employees making a blood donation

### Donations to Children and Communities (North American Subaru, Inc.)

Since FYE March 2021, North American Subaru, Inc. (NASI) has consistently provided financial support to the Japan Business Society of Detroit (JBSD), a Japanese business organization in the state of Michigan. These contributions have been utilized to fund scholarships and promote cultural initiatives. Furthermore, in FYE March 2025, NASI extended its efforts by donating to Japanese language schools in Philadelphia, Princeton, Indiana, and Dallas. These donations were made with the intent of fostering improved educational environments for children and supporting the sustainable development of local communities.



# Governance

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# Corporate Governance

## Basic Policy

SUBARU has articulated the vision “Delivering happiness to all” and 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 its stakeholders by achieving sustainable growth and improving its corporate value over the medium to long term.

〈Vision〉	Delivering happiness to all
〈Value Statement〉	“Enjoyment and Peace of Mind”
〈Corporate Statement〉	We aim to be a compelling company with a strong market presence built upon our customer-first principle.

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. In addition, SUBARU seeks to ensure proper decision making and the oversight of corporate management and the execution of business operations as well as enhance its risk management system and compliance system through the monitoring of its management and operations and advice provided by outside officers. We also implement proper and timely disclosure of information in order to improve the transparency of management. SUBARU has created the Corporate Governance Guidelines with the objective of clarifying the basic concept, framework, and operating policy of its corporate governance.

- > [Corporate Governance Guidelines](#)  PDF/690kB (September 5, 2025)
- > [Corporate Governance Report](#)  PDF/1.1MB (November 28, 2025)
- > [Action to Implement Management That Is Conscious of Cost of Capital and Stock Price](#)  PDF/322kB (March 15, 2024)

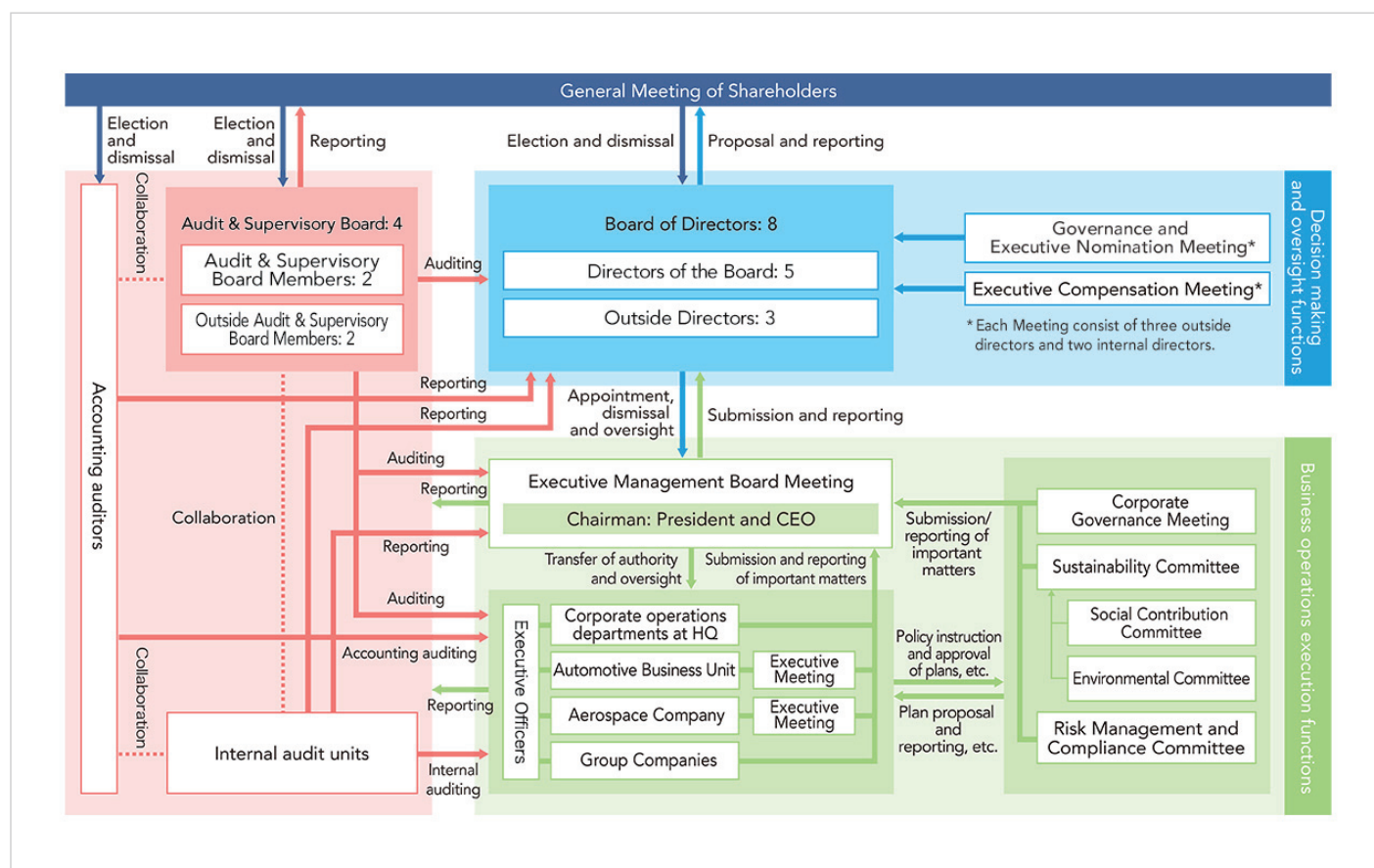
## Management System

SUBARU have adopted an Audit & Supervisory Board system as a corporate governance system, in which Board of Directors performs decision making and oversight of execution of important business operations while paying attention to separation of supervision and execution, and at the Audit & Supervisory Board, Audit & Supervisory Board Members discuss and make decisions regarding key matters pertaining to audit. The Board of Directors was comprised of eight members of whom three were highly independent outside directors. The Audit & Supervisory Board is composed of four members, two of whom are highly independent outside Audit & Supervisory Board members. This system is designed to ensure soundness and efficiency of operations by enhancing effectiveness of monitoring of business operation through the involvement of highly independent outside directors and outside Audit & Supervisory Board members.

At the Board of Directors Meeting held on May 20, 2025, SUBARU changed the name of the Executive Nomination Meeting to the Governance and Executive Nomination Meeting to strengthen discussions regarding governance overall.

As of the resolution of the 94th Ordinary General Meeting of Shareholders held on June 25, 2025, SUBARU's corporate governance structure and the composition of the Board of Directors, Audit & Supervisory Board, Governance and Executive Nomination Meeting, and Executive Compensation Meeting are as follows.

### Corporate Governance Structure





## Composition of FYE March 2026 Board of Directors, Governance and Executive Nomination Meeting, Executive Compensation Meeting, and Audit and Supervisory Board Members

Position	Name	Board of Directors	Governance and Executive Nomination Meeting	Executive Compensation Meeting	Audit and Supervisory Board Members
Representative Director	Atsushi Osaki	○	○	○	
Representative Director	Fumiaki Hayata	○			
Director	Tomomi Nakamura	◎	◎	◎	
Director	Tetsuo Fujinuki	○			
Director	Shinsuke Toda	○			
Independent Outside Director	Miwako Doi	○	○	○	
Independent Outside Director	Fuminao Hachiuma	○	○	○	
Independent Outside Director	Shigeru Yamashita	○	○	○	
Standing Audit & Supervisory Board Member	Hiromi Tsutsumi	○			◎
Standing Audit & Supervisory Board Member	Jinya Shoji	○			○
Independent Outside Audit & Supervisory Board Member	Yuri Furusawa	○			○
Independent Outside Audit & Supervisory Board Member	Yasumasa Masuda	○			○

◎ and ○ indicate attendance of the chairman and other members, respectively.

## Major Items Deliberated in FYE March 2025

The main activities of the Board of Directors, the Executive Nomination Meeting, and the Executive Compensation Meeting are as follows.

# Board of Directors

## Board of Directors

In FYE March 2025, the Board of Directors consisted of eight directors, including three independent outside directors, and met 13 times, chaired by Director and Chairman Tomomi Nakamura. The board's business during the fiscal year included overall oversight of Company management and determinations on important business execution.

In addition to the number of Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation.

## Major Themes

- Determination of candidates for directors and Audit & Supervisory Board members, as well as the CEO and other members of the management team
- Matters pertaining to repurchase and cancellation of own shares
- Revision of the executive compensation system and the policy for determining details of the compensation for individual directors, and determination of delegating matters regarding the determination of compensation for individual directors and executive officers based on the executive compensation system to the Executive Compensation Meeting
- Discussions on reports related to medium- and long-term management issues, including the EV strategy, IR/SR activities, the Sustainability Committee, and the Risk Management and Compliance Committee
- Revision of the rules of the Board of Directors in order to strengthen the monitoring function of the Board of Directors

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## Initiatives for improving effectiveness of the Board of Directors

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The Company provides information and knowledge regarding its business activities that is necessary to oversee the corporate management on an ongoing basis to corporate officers. To constantly provide its outside officers with information related to its corporate statement, corporate culture, business environment, and other matters, the Company offers opportunities such as operations briefings by business divisions and key business site tours in Japan and abroad for deepening their understanding of the business. It also strives to enhance information sharing and opinion exchange among the officers.

### Management Roundtable Discussions

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The directors and Audit & Supervisory Board members (12 in total) participate in discussions and share information and exchange opinions regarding important management themes. They met three times in FYE March 2025.

### Major Themes

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- The approach to human resources strategy for realizing business strategies
- Progress in discussions on electrification strategy
- The concept of the Company's Board of Directors and governance
- Quality improvement initiatives
- Result of the evaluation of effectiveness of the Board of Directors

## Executive Nomination Meeting

The Executive Nomination Meeting is comprised of three highly independent outside directors (Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita) and two internal directors (Tomomi Nakamura and Atsushi Osaki). Chaired by Director and Chairman Tomomi Nakamura, it met six times in FYE March 2025.

### Major Themes

- Development of CEO and other executive human resources through discussions of the succession plans for the CEO and others, implementation of 360-degree evaluation of executives, the skills matrix for executives, and other means
- Deliberations regarding the Company's officer structure, personnel matters, the division of duties as well as on executive appointment proposals for major subsidiaries, and others

\* At the Board of Directors Meeting held on May 20, 2025, SUBARU changed the name of the Executive Nomination Meeting to the Governance and Executive Nomination Meeting to strengthen discussions regarding governance overall. At the same time, the Board of Directors resolved to add an Outside Audit & Supervisory Board Member as an observer to raise subjectivity and transparency of the meeting body.

## Executive Compensation Meeting

The Executive Compensation Meeting is comprised of three highly independent outside directors (Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita) and two internal directors (Tomomi Nakamura and Atsushi Osaki). Chaired by Director and Chairman Tomomi Nakamura, it met five times in FYE March 2025.

### Major Themes

- Consideration of executive compensation levels using external survey data, incentive design, etc.
- Determination of individual performance-linked compensation amounts for directors (excluding outside directors) and executive officers based on their evaluations
- Determination of individual base amounts, etc., for restricted stock compensation

\* At the Board of Directors Meeting held on May 20, 2025, SUBARU resolved to add an Outside Audit & Supervisory Board Member as an observer to raise subjectivity and transparency of the meeting body.

## Membership, Meetings Held, and Attendance for the Board of Directors, Executive Nomination Meeting, and Executive Compensation Meeting, and Audit and Supervisory Board Members for FYE March 2025

Position	Name	Board of Directors	Executive Nomination Meeting	Executive Compensation Meeting	Audit and Supervisory Board Members
Representative Director	Atsushi Osaki	○ 100% (13 of 13 meetings)	○ 100% (6 of 6 meetings)	○ 100% (5 of 5 meetings)	
Representative Director	Fumiaki Hayata	○ 100% (13 of 13 meetings)			
Director	Tomomi Nakamura	◎ 100% (13 of 13 meetings)	◎ (6 of 6 meetings)	◎ (5 of 5 meetings)	
Director	Katsuyuki Mizuma	○ 100% (13 of 13 meetings)			
Director	Tetsuo Fujinuki	○ 100% (13 of 13 meetings)			
Independent Outside Director	Yasuyuki Abe	○ 100% (3 of 3 meetings)* <sup>1</sup>	○ 100% (1 of 1 meetings)* <sup>1</sup>	○ 100% (2 of 2 meetings)* <sup>1</sup>	
Independent Outside Director	Miwako Doi	○ 100% (13 of 13 meetings)	○ (6 of 6 meetings)	○ (5 of 5 meetings)	
Independent Outside Director	Fuminao Hachiuma	○ 100% (13 of 13 meetings)	○ (6 of 6 meetings)	○ (5 of 5 meetings)	
Independent Outside Director	Shigeru Yamashita	○ 100% (10 of 10 meetings)* <sup>2</sup>	○ 100% (5 of 5 meetings)* <sup>3</sup>	○ 100% (3 of 3 meetings)* <sup>3</sup>	
Standing Audit & Supervisory Board Member	Yoichi Kato	○ 100% (13 of 13 meetings)			◎ 100% (12 of 12 meetings)
Standing Audit & Supervisory Board Member	Hiromi Tsutsumi	○ 100% (13 of 13 meetings)			○ 100% (12 of 12 meetings)
Independent Outside Audit & Supervisory Board Member	Yuri Furusawa	○ 100% (13 of 13 meetings)			○ 100% (12 of 12 meetings)
Independent Outside Audit & Supervisory Board Member	Yasumasa Masuda	○ 100% (13 of 13 meetings)			○ 100% (12 of 12 meetings)

◎ and ○ indicate attendance of the chairman and other members, respectively.

- \*1 Independent Outside Director Yasuyuki Abe (retired in June 2024) attended all meetings held prior to his retirement: three Board of Directors meetings, one Executive Nomination Meeting, and two Executive Compensation Meetings.
- \*2 Independent Outside Director Shigeru Yamashita is counted for Board of Directors meetings held after the 93rd Ordinary General Meeting of Shareholders on June 19, 2024, at which he was appointed as a director of SUBARU.
- \*3 Independent Outside Director Shigeru Yamashita is counted for Executive Nomination Meeting and Executive Compensation Meeting held after the Board of Directors resolution on June 19, 2024, at which he was appointed as a member of both committees.

## Evaluation Results of the Effectiveness of the Board of Directors

The Board of Directors every year conducts analysis and evaluation on the effectiveness of the Board of Directors ("BoD") in accordance with Article 23 of the Corporate Governance Guideline, and reviews and implements improvement measures for the issues identified.

In the fiscal year ended March 31, 2025, aiming to apply the results of the evaluations toward enhancing the BoD's functions, the BoD confirmed efforts to address issues recognized by the previous fiscal year, reorganized the evaluation items on the survey and implemented interviews with certain directors, and assessed and analyzed the reasons and underlying factors behind differences in the recognition of issues. The results of this process are reported below.

### Methods of evaluation and analysis

- (1) Timing: December 2024 – February 2025
- (2) Methods: Self-evaluation questionnaire survey prepared by a third-party body and interviews
  - Survey respondents: Eight directors and four Audit & Supervisory Board members for a total of 12 respondents
  - Interviewees: Chair of the BoD, representative director and president, representative director and deputy president, and three outside directors for a total of six interviewees
- (3) Process
  - Third-party body conducts anonymous self-evaluation questionnaire survey of directors and Audit & Supervisory Board members
  - Third-party body conducts interviews with the chair of the BoD, representative director and president, representative director and deputy president, and outside directors
  - Third-party body aggregates and analyzes survey responses and interviews
  - BoD and Management Roundtable Discussions verify and discuss reports received from the third-party body
- (4) Evaluation items on the survey
  - i. BoD roles and functions
  - ii. BoD composition
  - iii. BoD operation
  - iv. BoD support system
  - v. BoD culture and communication
  - vi. BoD risk management and internal control
  - vii. Executive Nomination Meeting and Executive Compensation Meeting operation
  - viii. Shareholder dialogue
  - ix. Continued BoD improvements

Respondents evaluated themselves on a four-point scale in response to questions relating to the evaluation items. They were also free to add their own thoughts on the characteristics of the BoD and points that they felt would be necessary in enhancing the effectiveness thereof. Upon completing their responses, they then submitted their surveys directly to the third-party body.

### Evaluation results

Based on the third-party body's report detailing its aggregation and analysis, the BoD discussed and confirmed the following points.



## (1) General evaluation

The evaluation confirmed that the Company's BoD is effective in general.

## (2) Characteristics of the Company's BoD

Item	Summary
BoD conducive to free and open discussion	It has a culture in which the members, irrespective of internal or outside, respect each other and engage in constructive and transparent discussions in an environment with a high degree of psychological safety.
BoD with high awareness of shareholder dialogue	Contents of dialogue with shareholders and investors are fed back to the BoD on a regular basis and it constantly engages in discussions for further enhancing the dialogue.

## (3) Status of responses to the issues pointed out in the previous fiscal year

Item	Summary
Further bolstering the support system for outside directors (improvement made)	The Company offered opportunities for outside directors to visit important business bases and other sites to deepen their understanding of the business and grasp market trends. It also worked to enhance opportunities for them to have dialogue with top executives and Audit & Supervisory Board members.
Sharing awareness regarding key agenda items related to medium- to long-term strategies and the approach to monitoring (improvements still in progress)	There were enhanced discussions as a result of flexible utilization of the Management Roundtable Discussions, which further deepened deliberations regarding the essence of governance. We will further improve agenda setting corresponding to the progress in management strategies among other measures.
Further strengthening of the functions of Executive Nomination Meeting (improvements still in progress)	The BoD engaged in discussions for further evolving the nurturing and selection process of CEO and other officers. It also began discussing detailed evaluation specifying individuals, indicating steady evolution of the process. The topic for future discussions is the visualization of the full picture of the nurturing plan for CEO as well as other top management and next-generation management layer.

## (4) 4. Overview of the Management Roundtable Discussions for further enhancement of the effectiveness of the BoD

The Management Roundtable Discussions were centered on the following points based on the results of the third-party evaluation and the issues pointed out in the evaluation.

Item	Summary
Roles required of the BoD in an uncertain business environment	The Company is driving forward the management and business strategies under the banner of "Aiming to become the world's leading company in Monozukuri and Value Creation" to continue to thrive in a competitive landscape in the future by overcoming the once-in-a-century transformation of the automotive industry. The BoD is sought to appropriately monitor the implementation of strategies by the execution side and make appropriate judgment regarding risks. To this end, it needs to increase the time spent on discussions and other such measures to improve the operations of the meeting.
Clarification of roles of various meeting bodies and enhancement of discussions	To enhance the discussion time by utilizing the limited opportunities, we need to redefine the roles of the BoD, Executive Nomination Meeting, Executive Compensation Meeting, and off-site meetings including Management Roundtable Discussions and change the meeting operations to meet that objective and further strengthen sharing of management information, which is the base of discussions, especially for outside officers.
Further strengthening of monitoring framework throughout the Group	Aim to enhance opportunities to discuss strengthening of management structure and monitoring framework that oversee the entire Group.

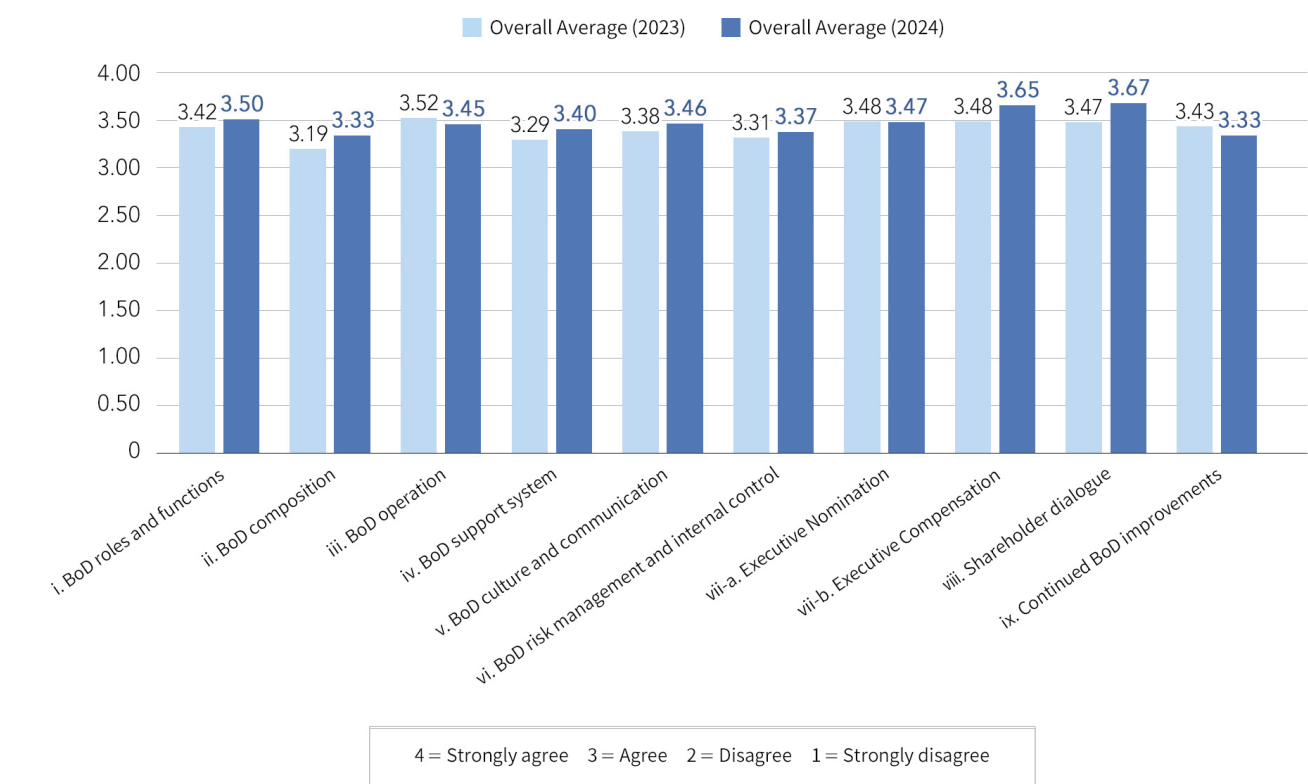
## Survey results

### (Reference) Survey question items

Evaluation Item	
i. BoD roles and functions	Recognition of the roles and functions of the BoD
	Delegation of authority to execution
	Reporting system
	Supervision of corporate management
ii. BoD composition	Size of the Board of Directors
	BoD composition (proportion of inside and outside directors)
	Composition of the BoD (diversity and expertise)
iii. BoD operation	Frequency, length, and time allocation of meetings
	Relevance of agenda items
	Timing of proposals and discussions
	Quality and quantity of documents
	Timing of document distribution
	Prior explanation
	Content of explanations and reports
	Discussions by the BoD
	Leadership by the Chair
iv. BoD support system	Environment and systems for the provision of information
	Provision of information to outside officers
	Training of outside officers
	Training of inside officers
v. BoD culture and communication	Diverse values
	Stakeholder perspectives
	Directors and business divisions
	Inside and outside directors
	Directors and Audit & Supervisory Board members

Evaluation Item	
vi. BoD risk management and internal control	Risk management
	Group governance
	Internal control and compliance
vii. Executive Nomination Meeting and Executive Compensation Meeting operation	
viii. Shareholder dialogue	Supervision of proper disclosure of information to shareholders and investors
	Sharing the views of shareholders and investors
	Enhancing dialogue with shareholders and investors
ix. Continued BoD improvements	Status of improvements based on the previous fiscal year's effectiveness evaluation

(Reference) Survey results



Note: The survey uses a four-point rating scale from 1 to 4.

## Approach to the CEO Succession Plan

In order to hand over the business to the right person, the Board of Directors, as part of its essential duties, develops succession plans that can convince all stakeholder groups. To ensure objectivity and transparency in the process for deciding on the replacement and selection of the CEO, the Board of Directors appropriately supervises the preparation of proposals by the current CEO through discussions at the Governance and Executive Nomination Meeting.

The Board of Directors and Governance and Executive Nomination Meeting meet on a regular basis to review the list of essential qualities and skills required of the CEO, which may include removing and adding items, in consideration of perception of current trends, changes in the business environment surrounding the Company, and the future direction of the Group's business strategies.

To ensure the objectivity of the successor selection process and increase the effectiveness of its supervision by the Board of Directors and Governance and Executive Nomination Meeting, it is important to have effective selection criteria in place, particularly for use by independent outside directors. To this end, SUBARU discloses two sets of criteria: "Abilities required of the SUBARU Group's CEO" and "Five key qualities required of the SUBARU Group's CEO." These criteria serve as a guide for evaluating candidates in light of quality, competency, experience, track record, specialized expertise, personality, and other factors, which have been discussed and decided on by the Board of Directors and Governance and Executive Nomination Meeting.

### Abilities required of the SUBARU Group's CEO

The SUBARU Group's CEO must be able to: properly understand the business environment surrounding SUBARU, its corporate culture and philosophy, business growth stages, and medium- to long-term management strategies and challenges; facilitate collaboration appropriately with various stakeholders; and lead all executives and employees to work together to maximize corporate value.

### Five key qualities required of the SUBARU Group's CEO

1. Integrity
2. Broad perspective
3. Character
4. Tireless spirit or revolutionary leadership skills
5. Person of action

## Executive Officer Training

Category	Training Policy / Major Ongoing Programs	
Directors Audit & Supervisory Board Members	Policy	SUBARU provides its directors and auditors with information and knowledge regarding its business activities that is necessary for them to fulfill their responsibilities to oversee and audit directors and auditors on an ongoing basis.
	Training	<ul style="list-style-type: none"> <li>• Refresher courses focusing on information regarding the Companies Act and other laws and regulations related to corporate governance</li> <li>• Opportunities for participation in seminars and programs hosted by government agencies, Japan Federation of Economic Organizations, Japan Association of Corporate Directors, Japan Audit &amp; Supervisory Board Members Association, etc.</li> </ul>
Outside directors Outside audit & supervisory board members	Policy	SUBARU provides its outside officers on an ongoing basis with information relating to the Company's corporate statement, corporate culture, business environment, and other matters, mainly through arranging appropriate opportunities, such as operations briefings from business divisions and factory tours, as well as creating an environment for officers to share information and exchange opinions more easily.
	Training	<ul style="list-style-type: none"> <li>• The following programs are provided to outside Board members at the time of appointment and subsequently to keep them updated               <ul style="list-style-type: none"> <li>- Opportunities for discussions with and briefings from responsible executive officers about the corporate statement, corporate culture, business environment, and the performance, situation and issues of each business division/department</li> <li>- Inspection tours at manufacturing/R&amp;D/distribution sites</li> <li>- Discussions with directors and audit &amp; supervisory board members on management issues</li> <li>- Social gatherings with directors and audit &amp; supervisory board members</li> <li>- Participation in Company-wide business events, such as improvement activity debriefing sessions</li> </ul> </li> </ul>
Executive officers	Policy	SUBARU gives executive officers similar opportunities as those given to directors and audit & supervisory board members, for the purpose of developing human resources to lead its management in the future.
	Training	<ul style="list-style-type: none"> <li>• Opportunities for participation in external programs aimed at fostering the mindset required for executive management and motivating self-improvement actions</li> <li>• Lectures by invited experts in specific topics to share and increase literacy in the related field (legal affairs, compliance, IT, the SDGs, media response, etc.)</li> <li>• Strategy-building camps for all executive officers</li> <li>• Recommendation and support for participation in appropriate external seminars and programs</li> </ul>

Note: Expenses to be incurred for offering the above training to directors and auditors, including outside officers and executive officers are borne by the Company.

Category	Programs provided in FYE March 2024
All executives	• Newly appointed directors and executive officers participated in external seminar programs
	• Held a total of three classroom lectures by invited experts on management issues such as adapting to electrification and sustainability
Outside directors Outside audit & supervisory board members	• Operations briefings offered by executive officers and others, and related discussions
	• Held a total of three discussions with directors and audit & supervisory board members on management issues
	• Outside directors and outside audit & supervisory board members participated in external presentations and exhibits about future technologies and quality solutions

# Outside Directors, and Outside Audit & Supervisory Board Members

## Nomination Criteria

- The outside directors are expected to perform a monitoring function independent from the management team and provide appropriate advice on management on the basis of a wide range of sophisticated knowledge.
- The outside audit & supervisory board members are expected to perform a management oversight function independent from the management team and undertake their role of auditing from the viewpoint of legality and appropriateness on the basis of broad and advanced knowledge.
- SUBARU has established criteria for independence of outside officers in addition to the criteria for independence established by the Tokyo Stock Exchange, and appoints outside directors and outside audit & supervisory board members who meet those criteria.

## Reasons for Appointing the Independent Outside Officers and Major Activities in FYE March 2025

Name	Reasons for Appointing	Significant concurrent positions*
<b>Miwako Doi</b> Independent Outside Director Appointed June 2020	<p>As a researcher and supervisor in the field of information technology at Toshiba Corporation, Ms. Miwako Doi has accumulated vast experience and made many achievements in this field over many years. In addition, she has held successive positions, mainly in government committees, owing to her high level of expertise and extensive experience and knowledge.</p> <p>In June 2020, the Company appointed her to the position of independent outside director. Given that she has been providing beneficial advice to the Company's management for the generation of new innovation, we appointed Ms. Doi with the expectation that she will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an outside director of the Company and that she will continue to appropriately perform her duties as an independent outside director of the Company.</p>	<p>Auditor, National Institute of Information and Communications Technology (NICT) (part-time)</p> <p>Outside Director, NGK Spark Plug Co., Ltd.</p>
<b>Fuminao Hachiuma</b> Independent Outside Director Appointed June 2023	<p>Mr. Fuminao Hachiuma has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business at Ajinomoto Co., Inc. and its group companies as well as promotion of strengthening of corporate governance and management reform of J-OIL MILLS, INC. as Representative Director and President.</p> <p>In June 2023, the Company appointed him to the position of independent outside director. Given that he has been providing frank opinions on the Company's management, we appointed Mr. Hachiuma with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company and that he will continue to appropriately perform his duties as an independent outside director of the Company.</p>	<p>Outside Director, Seven &amp; i Holdings Co., Ltd.</p> <p>Outside Audit &amp; Supervisory Board Member, YKK AP Inc.</p>
<b>Shigeru Yamashita</b> Independent Outside Director Appointed June 2024	<p>Mr. Shigeru Yamashita has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business at Pigeon Corporation and its group companies. After being appointed as the representative director of the company, he worked to promote management reform, strengthen corporate governance, and led initiatives to maximize corporate value.</p> <p>Since his appointment as Independent Outside Director in June 2024 and during the fiscal year under review, he has provided honest opinions on the Company's overall management based on his deep insight into the social responsibilities of businesses. We expect him to continue offering valuable advice and oversight on general management matters from an independent standpoint as an Outside Director of the Company, and therefore have proposed him again as a candidate for Outside Director.</p>	



Name	Reasons for Appointing	Significant concurrent positions*
<b>Yuri Furusawa</b>  Independent Outside Audit & Supervisory Board Member Appointed June 2022	Ms. Yuri Furusawa has held key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and has been involved in the promotion of work style reform, active participation by women and diversity in the Cabinet Secretariat, as well as in the overseas business development in the private sector, giving her a broad perspective and a high level of insight. In light of this, the Company has appointed Ms. Furusawa with the expectation that she will appropriately perform her duties as an independent outside audit & supervisory board member of the Company.	Outside Director, Kubota Corporation
<b>Yasumasa Masuda</b>  Independent Outside Audit & Supervisory Board Member Appointed June 2023	Mr. Yasumasa Masuda has served as CFO at Astellas Pharma Inc. and has deep insight in overall management with focus on financial and accounting. He has also served as Independent Non-Executive at Deloitte Tohmatsu LLC and Outside Director and Chairman of the Audit Committee at Olympus Corporation, giving him a broad perspective and a high level of insight. In light of this, the Company has appointed Mr. Masuda with the expectation that he will appropriately perform his duties as an independent outside audit & supervisory board member of the Company.	

\* The status of "Significant Current Positions" is as of July, 2025.

## Compensation for Directors

### Matters Concerning the Policy for Determining Details of Compensation for Individual Directors

SUBARU deliberated and decided on the proposal of the policy for determining details of compensation for individual directors approved by the Executive Compensation Meeting at the Board of Directors meeting held on May 15, 2024. The Board of Directors has judged that the content of the compensations for individual directors for the fiscal year under review adhere to the decision policy, as the Executive Compensation Meeting has been delegated by the Board of Directors to decide the details of the compensations, and they have been decided after sufficient deliberations by the meeting members including outside directors.

Below is the summary of the decision policy regarding the content of compensation, etc. for individual directors.

#### Policy for Determining Details of Compensation for Individual Directors

##### 1. Basic policy

As a basic policy, compensation for directors of the Company is determined in view of the following items:

- (1) Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.
- (2) The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources. Specifically, compensation for Directors, excluding Outside Directors, will consist of base compensation, annual performance-linked bonus, and compensation in restricted stock (for non-residents, phantom stock, instead of restricted stock). For outside directors, the Company pays only basic compensation in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position. The total amount of compensation for individual directors and the levels of each compensation item are set for every position depending on difference in responsibility by utilizing the research data compiled by outside specialized agencies.

##### 2. Policy for determining the amount of monetary compensation excluding performance-linked compensation (hereinafter, the “Fixed Monetary Compensation”), performance-linked compensation, and non-monetary compensation (including the policy for determining the timing or conditions for granting such compensation)

###### (1) Policy for the Fixed Monetary Compensation

Directors receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors is determined based on their positions, taking into consideration elements such as the business environment.

###### (2) Policy for Performance-linked Compensation

Directors, excluding Outside Directors, shall receive annual performance-linked bonus by cash at a certain time of the year. The specific amount is determined according to a compensation table by position prepared based on the consolidated profit before tax for the current fiscal year as a key performance indicator (KPI).

In addition, in order to facilitate the achievement of the Group's medium- and long-term strategy targets, a portion of the restricted stock compensation to be granted as non-monetary compensation (see (3) below) will be set as Performance Share Units (hereafter, “PSUs”), in which the number of shares granted is linked to the degree to which target business results are achieved. To set KPIs for PSUs, the Company will adopt consolidated return on equity

(ROE), a key financial indicator in the mid-term strategy, and total shareholder return (relative TSR, compared to the TOPIX growth rate including dividends), which contributes to improvement in corporate value in the medium to long term, as financial indicators as well as employee engagement as a non-financial indicator.

The Board of Directors at its meeting deliberate and decide annual performance-linked bonus and KPIs for PSUs and composition ratio of each KPI in response to changes in the environment based on the proposal approved by the Executive Compensation Meeting.

### **(3) Policy for Non-monetary Compensation**

The Company grants restricted stock units to Directors (excluding Outside Directors) for the purpose of strengthening the incentive for sustained improvement of the Company's corporate value and further value sharing with the shareholders.

A portion of the restricted stock compensation shall be granted as fixed compensation and the remainder as variable compensation, both of which shall be prohibited from being transferred during the term of office and the restriction on transfer shall be lifted upon retirement.

Restricted stock compensation in the form of fixed compensation (RS) shall be granted as shares of the Company's common stock that are equivalent to a standard amount determined by taking into consideration the Company's business performance, the scope of each Director's responsibilities, and various other circumstances at a certain time of the year.

At a certain time of the year, the Company shall grant restricted stock compensation in the form of variable compensation (PSU) in a number of units (1 unit = 1 share) that are equivalent to a standard amount determined by taking into consideration the Company's performance, the scope of each Director's responsibilities, and various other circumstances. After the evaluation period (the single fiscal year that includes the date on which units are granted), shares of the Company's common stock shall be granted in a number calculated by multiplying the number of units by a payment ratio that is determined in conjunction with the degree to which the target business performance indicators have been achieved.

The total number of shares of the Company's common stock to be allocated to Directors as restricted stock compensation as part of RS and PSUs shall be limited to 150,000 shares per year. In addition, the Company and Directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Directors shall not, for a set period of time period during his/her term of office as an officer of the Company, transfer, create a security interest on, or otherwise dispose of the shares of the Company's common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur. In the event of a Director engaging in certain acts of misconduct and certain events occur by the day on which three years elapse after the expiration of the restricted transfer period, the Board of Directors, based on a resolution taking into account the deliberation and decision at the Executive Compensation Meeting, may demand he/she return all or part of the said shares in common stock or pay the equivalent fair value of the said shares (clawback).

Compensation for a Director who is a non-resident at the time of granting shares will be paid in the form of a phantom stock equivalent to the said stock compensation instead of restricted stock compensation, thereby being treated in accordance with the restricted stock allotment agreement.

### **3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc. for individual directors**

The Company shall appropriately determine the proportion of compensation by type of directors excluding outside directors in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company's overall salary level and social situations. The following proportions are generally used as rough standards (for performance-linked compensation, the proportions are those of the base amount).

	Breakdown				Rate	
	Basic compensation	Annual performance-linked Compensation	Restricted stock compensation		President	Average of Directors other than the President
			RS	PSU		
Fixed monetary compensation	●				1	1
Performance-linked compensation		●		●	1	0.9
Non-monetary compensation			●	●	0.7	0.6

The Company shall appropriately review the compensation level and compensation mix in consideration of the Company's business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on the contents of the proposal approved by the Executive Compensation Meeting.

#### 4. Matters concerning the determination of details of compensation, etc. for individual directors

To ensure fairness and transparency of the executive compensation determination process, the Board of Directors shall establish the Executive Compensation Meeting, a voluntary committee which is structured so that the majority of its members are independent outside directors. The chairman of the Executive Compensation Meeting shall be appointed by a resolution of the Board of Directors.

The Executive Compensation Meeting, by a resolution by the General Meeting of Shareholders and that by the Board of Directors, is delegated by the Board of Directors to determine specific amounts of basic compensation, annual performance-linked bonus, restricted stock compensation, etc. for Directors, and their payment schedule, following sufficient deliberation by its members including independent outside directors. For restricted stock units, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on the standard amount decided by the Executive Compensation Meeting.

With regard to revisions of the executive compensation system and other matters pertaining to compensation overall, the Board of Directors deliberates and makes decision taking into consideration the content of proposal approved by the Executive Compensation Meeting.

## Overview of executive compensation system

### Basic Compensation

Directors and executive officers receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual executive officer is determined based on their positions, taking into consideration elements such as the business environment.

### Annual Performance-Linked Bonuses (Short-Term Incentive)

We have set up a compensation table more closely linking compensation to annual performance the higher the rank, based on the KPI of consolidated profit before tax for the fiscal year under review. Based on this table, cash compensation is paid at a certain time of each year. For senior managing executive officers, managing executive officers, and executive officers, specific amounts will be determined after taking into consideration annual performance and level of contribution to human resource development. Such compensation will not be paid to outside directors.

Restricted Stock Compensation (Medium-and Long-Term Incentive)

Fixed compensation type(RS)

Shares of the Company’s common stock are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company’s business performance, responsibilities of each director and executive officer, and other factors.

Variable compensation type restricted stock compensation (PSU)

Units (one unit = one share) are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company’s business performance, responsibilities of each director and executive officer, and other factors. After an evaluation period, shares of the Company’s common stock are granted at an amount equivalent to the number of units multiplied by a payout ratio determined in accordance with achievement levels for each performance indicator target.

<KPI for PSU in FYE March 2025>

To set KPIs for PSUs, the Company will adopt consolidated return on equity (ROE), a key financial indicator in the mid-term strategy, and total shareholder return (relative TSR, compared to the TOPIX growth rate including dividends), which contributes to improvement in corporate value in the medium to long term, as financial indicators as well as employee engagement as a non-financial indicator.

Compensation System for Directors (Representative Director, President and CEO)

Fixed portion		Short-term incentives	Medium- and long-term incentives	
Basic compensation		Annual performance-linked bonuses	Restricted stock compensation	
			Variable compensation type (PSU)	Fixed compensation type (RS)
(Composition*)	1	0.5	0.5	0.2

\*The ratio of annual performance-linked bonuses and restricted stock compensation (variable/fixed compensation types) are indexed to a basic compensation of 1.

Matters concerning the resolutions of the General Meetings of Shareholders on compensation, etc. for Directors and Audit & Supervisory Board members

By a resolution passed at the 85th Ordinary General Meeting of Shareholders, held on June 28, 2016, the maximum total amount of annual compensation, etc., for directors is 1.2 billion yen (including 200 million yen for outside directors). The number of directors was eight (including two outside directors) at the end of the meeting. By a resolution passed at the 93rd Ordinary General Meeting of Shareholders on June 19, 2024, the total amount of monetary compensation related to restricted stock units is required to be within the above maximum total and up to 200 million yen annually. The number of directors (excluding outside directors and non-resident directors) pertaining to the provisions of the said resolution was five. By a resolution passed at the 93rd Ordinary General Meeting of Shareholders, held on June 19, 2024, the maximum total amount of annual compensation, etc., for Audit & Supervisory Board members is 200 million yen. The number of Audit & Supervisory Board members was four at the end of the meeting.

Status of the activities of Executive Compensation Meeting

The Company has set up an Executive Compensation Meeting, a voluntary committee, in order to enhance the effective governance structure based on the existing organizational design (the details of its authority are described in the Policy for Determining Details of Compensation for Individual Directors 4.). To ensure fairness and transparency of the executive compensation determination process, the Executive Compensation Meeting shall, by a resolution of the Board of Directors, be structured so that the majority of its members are outside directors, and its chairman shall be appointed by a resolution of the Board of Directors.

## Total Compensation for Directors and Audit & Supervisory Board Members for FYE March 2025

(Millions of yen)

Classification		Basic compensation (Paid in fixed monthly installments)	Short-term Performance-linked Compensation	Restricted Stock Compensation		Total
				PSU	RS	
Directors: 9	Internal directors: 5	230	260	61	61	612
	Outside directors: 4	39	—	—	—	39
Audit & Supervisory Board Members: 4	Internal Audit & Supervisory Board Members: 2	71	—	—	—	71
	Outside Audit & Supervisory Board Members: 2	26	—	—	—	26
Total: 13		366	260	61	61	748

\*1 Figures in the above table include one outside director who resigned before the last day of the fiscal period under review. At the end of the period, there were eight directors, including three outside directors, and four Audit & Supervisory Board members, including two outside Audit & Supervisory Board members.

\*2 The total amount of the above indicates the amount recorded as an expense at the end of the period and includes undetermined compensation (phantom stock granted to non-residents, PSU, etc.).

\*3 The amounts of phantom stock and PSU were calculated using the closing price of the shares in the Company's common stock on Prime Market of the Tokyo Stock Exchange on March 31, 2025. When they are granted in reality, the Company will apply the share price as of the issuance.

## Matters regarding performance-linked remuneration

The table below shows the results of key performance indicators (KPIs) used to calculate the annual performance-linked bonus amounts and the number of PSUs granted corresponding to the financial results for the fiscal year under review (the calculation method is described in the Policy for Determining Details of Compensation for Individual Directors 2. (2)). The Company decides the annual performance-linked bonuses for individual directors based on the consolidated profit before tax by setting a compensation table in which the higher his/her position is, the more closely his/her compensation is linked to annual performance. In addition, in order to facilitate the achievement of the Group's medium- and long-term strategy targets, the Company has adopted the Performance Share Units (PSU), in which the number of shares granted is linked to the degree of achievement of the targets for key financial indicator (ROE and relative TSR [compared to the TOPIX growth rate including dividends]) and non-financial indicator (employee engagement), for a portion of the restricted stock compensation to be granted as non-monetary compensation. Annual performance-linked bonuses and restricted stock compensation are not granted to outside directors in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position.

Performance indicators (KPI)	Results
Consolidated profit before tax	448.5 billion yen
ROE	12.8%
Relative TSR (compared to the TOPIX growth rate including dividends)	86.4%

## Details of non-monetary compensation

The Company grants restricted stock units to Directors (excluding Outside Directors) for the purpose of providing them an incentive for sustained improvement of the Company's corporate value and further value sharing with the shareholders, and provides monetary compensation for that (hereinafter, "Restricted Stock Compensation Plan"). Based on the resolution of the Board of Directors, Directors shall wholly contribute the monetary compensation claim paid as above in the form of properties contributed in kind, and shall, in return, receive shares of the Company's common stock through issuance or disposal. In addition, for the issuance or disposal of shares of the Company's common stock, the Company and eligible Directors shall enter into a restricted stock allotment agreement that includes provisions such as the one to restrict the transfer of the shares for the period starting from the date of allotment through the date the Director retires from the position (however, if the Director is consecutively appointed the Company's corporate vice president after retiring from the Director's position, the period through the date of retirement as corporate vice president).

## Preventing Conflicts of Interest

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).

## Audit & Supervisory Board

The Audit & Supervisory Board, as an independent organization entrusted by shareholders, is responsible for ensuring the sound and sustainable growth of SUBARU and establishing a high-quality corporate governance system that can be trusted by society by performing audits of the execution of duties by directors, passing resolutions on the contents of proposal items regarding the appointment and dismissal, or non-reappointment, of accounting auditors that are to be submitted to the General Meeting of Shareholders, and performing business audits, accounting audits, and other matters prescribed by laws and regulations.

The number of Audit & Supervisory Board members is stipulated to be up to five in the Articles of Incorporation, and as of the conclusion of the 94th Annual General Meeting of Shareholders held on June 25, 2025, the board consists of four members (including two independent outside audit & supervisory board members). The chairman is a standing audit & supervisory board members, and the board held 12 meetings in FYE March 2025.



## Auditing

### Auditing by Audit & Supervisory Board Members

In addition to attending important meetings such as the Board of Directors, the Company's audit & supervisory board members engage in activities that include exchanging opinions with executive officers and communicating individually with the directors and audit & supervisory board members of Group companies. Through these efforts, they gather extensive information on business execution, including the development and operational status of internal controls across the Group, as well as verify their effectiveness. Additionally, necessary advice and recommendations are provided based on the observations obtained from these audit activities.

### Activities in FYE March 2025

#### Major Activities of the Audit & Supervisory Board Members

##### Confirming management monitoring and execution

Each audit & supervisory board member attended important meetings, including those of the Board of Directors, Executive Management Board Meeting, and Risk Management and Compliance Committee. When in attendance, they monitored management decision-making processes, sought explanations as necessary (including through opportunities other than those meetings), and actively expressed their opinions.

Through exchanges of opinions with directors, executive officers, and others, as well as visits to and inspections of major business establishments and Group companies, and collaboration with the directors and corporate auditors of Group companies, the audit & supervisory board members confirmed the status of business execution, including the development and operation of the Group's internal controls.

##### Meetings with Internal Control-Related Departments

Through regular meetings with the Legal Department, Risk Management and Compliance Office, and Internal Audit Department, the audit & supervisory board members confirmed the status of risk management practices across the Group.

##### Cooperation in the three-party audit system

Audit & Supervisory Board Members conducted regular reporting sessions with the Internal Audit Department and accounting auditors, facilitating information sharing and exchanges of opinions that fostered close cooperation in the three-party audit system. By implementing coordinated audit activities, they carried out mutual verification of the effectiveness of internal controls across the Group.

#### Audit & Supervisory Board Number of Meetings Held: 12

##### Main matters for resolution

- Audit policy, audit plan, and division of audit duties for the fiscal year under review
- Consent to agenda items for the General Meeting of Shareholders (appointment of Audit & Supervisory Board members)
- Preparation of the audit report
- Evaluation and selection / dismissal of the accounting auditor
- Consent to the audit fee for the accounting auditor

## Main matters for reporting and sharing

- Reports on the results of visiting audit of the Company's business establishments and affiliated companies as well as observations
- Sharing of information regarding important matters of the Company's Executive Management Board Meeting, Executive Meeting, etc. by Standing Audit & Supervisory Board Member with outside Audit & Supervisory Board Members
- Reports from the responsible departments on risk management issues internally and in the industry that require special care from a preventive audit perspective

## Internal Auditing

SUBARU has established an Internal Audit Department consisting of 15 members that reports directly to the President. This department evaluates the development and operational status of internal controls and the effectiveness of risk management from an independent and objective standpoint, while providing advice and proposals for improvement regarding business execution at SUBARU and its Group companies in Japan and overseas.

As part of efforts to ensure the effectiveness of internal audits, the department formulates an annual business audit plan at the beginning of each fiscal year, taking into account the Group's overall risk and internal control status, and conducts audits in a planned manner. Audit reports on business execution are presented directly to the President at a monthly reporting meeting and distributed to all directors, corporate auditors, and relevant departments. In addition, reports are submitted semiannually to the Board of Directors and quarterly to a joint meeting composed of all executive officers.

The Internal Audit Department and corporate auditors work closely together to strengthen audit functions, as described in the "Collaboration within the Three-Tier Audit System" section of the Major Activities of the Audit & Supervisory Board Members of the Activities in FYE March 2025.

The department also shares information with accounting auditors on a quarterly basis regarding audit plans and results to enhance audit effectiveness. Furthermore, the department regularly exchanges information with internal audit departments of Group companies to promote collaboration. The Internal Audit Department conducts annual self-assessments of its activities and undergoes periodic evaluations by external experts to ensure that audit operations are being appropriately carried out.

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## Internal Control

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### Management System

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With the aim of increasing the effectiveness of internal controls and risk management, the Internal Audit Department was made independent of the Risk Management Group (overseen by the Chief Risk Management Officer (CRMO)) to ensure a higher level of independence of internal audit units in the organization and to enhance the effectiveness of internal controls.

### Internal Control System

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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.

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## Internal Control System Related to Financial Reporting

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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 and 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, 2025 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.

› [Annual Securities Report and Internal Control Report for FYE March 2025 \(Japanese version only\)](#) 

› [Financial Report for the Fiscal Year Ended March 31, 2025](#) 

## SUBARU Group Governance

The SUBARU Group has established a Group-wide governance stance that contributes to the sound business operations of the Group's global companies in order to maintain and enhance brand value and enhance the overall strength of the Group in response to social demands, including for sound corporate governance.

### Group Companies (Affiliates in Japan, Excluding SUBARU Dealerships)

In the SUBARU Group, the Business Administration Department of SUBARU manages each Group company and their businesses to promote more unified activities. In addition, we have created a system in which SUBARU's corporate departments support these activities. Alongside ongoing efforts to deepen communication between SUBARU and Group companies, we are further enhancing the effectiveness of Group governance.

#### 1. Accelerating the group collaboration system

In the corporate domain, which is the cornerstone of governance, SUBARU and its Group companies have established a forum for interactive discussions on major Group issues to help resolve problems and enhance governance effectiveness. Through these efforts, we are working to further improve the quality of Group governance and productivity.

##### ■ Deepening communication with the Business Administration Department

We have introduced and implemented a system where Group companies and the Business Administration Department review the goals and outcomes of the year's business activities and governance initiatives throughout the year and operate a PDCA cycle.

##### ■ Enhancing support for Group companies

SUBARU's corporate departments are working together to study and develop support initiatives for Group companies. As an example, SUBARU is continuing to explore and implement corporate-related measures, including activities in which the Finance & Accounting Department shares information and provides support in financial and accounting domains for each company individually, promotes the introduction of core operational systems, and enhances education and training programs.

#### 2. Initiatives to enhance the effectiveness of governance

We continue to stimulate interactive communication with Group companies as a basic governance activity. As part of these efforts, our meetings of Group company presidents examine and provide direction on issues at the management level, with a focus on governance-related themes. In addition, the Management Department Steering Committee shares information and acts at the practical level, while Group Review Meetings, launched in FYE March 2024, conduct intensive discussions on corporate domain issues focused on specific themes, utilizing Group-wide subcommittees as well. In addition, we are also focusing on employee education as part of efforts to enhance the quality of Group human resources. Through these efforts, we are working to further improve the effectiveness of Group governance.

##### ■ Initiatives in FYE March 2025

- Held meetings of Group company presidents (three meetings in May and November 2024, and March 2025)
- Held Management Department Steering Committee meetings (six meetings from April and then every other month, covering 35 topics)

- Held Group Review Meetings and Group-wide subcommittee meetings to foster collaborative discussions between SUBARU and its Group companies regarding key corporate challenges (eight meetings)
- Information dissemination through a dedicated portal site for Group companies
- Held workshops for newly appointed executives (once in April)
- Employees from the Finance & Accounting Department share information and provide support to individual companies
- Promoting introduction of core operational systems to Group companies
- Optimizing SUBARU's educational program for Group company employees
- Dispatched personnel from the Business Administration Department of SUBARU to play a part in the management of Group companies by serving as part-time directors
- Enhanced the quality of auditing through appropriate assignment of standing corporate auditors to Group companies (13 as of March 31, 2025)

## Dealerships

Enhancing governance at SUBARU dealerships involves the Japan Sales & Marketing Division assuming the responsibilities of the Business Administration Department. This enables close communication between SUBARU and its dealerships, advancing initiatives that contribute to the Group's sustainable growth and medium- to long-term enhancement of corporate value.

### Initiatives for SUBARU dealerships

- Established the Risk Management and Compliance Committee
- Developed regulations and established and enhanced operation of an internal control system for audits, etc., conducted by the auditing departments of dealerships
- Held General Meeting of Shareholders and Board of Directors' meetings
- Enhanced the quality of auditing through appropriate assignment of full-time corporate auditors (introduced full-time corporate auditors at 10 companies)

Note: Parentheses indicate information as of April 2025.

### Efforts to deepen communication between SUBARU and its dealerships

- Held monthly Leadership Meetings with 10 key dealerships we have invested in  
Note: From FYE March 2026, the meeting body will be reorganized to include non-financed dealerships.
- Held Specialist Committee meetings in four areas (sales, service, pre-owned vehicles, and IT) (at least once every six months)  
Note: From FYE March 2026, the committee has been reorganized into two bodies: one to handle themes related to sales, service, and used cars in a cross-functional manner, and the other to handle themes related to administration departments.
- Meetings of the Internal Audit Department Liaison Committee (held twice a year)
- Implemented dealership audits through SUBARU's Audit Department
- Dispatched part-time directors from SUBARU to 10 dealerships
- Implemented training for newly appointed executives at SUBARU dealerships
- Established and enhanced operation of an internal control system for audits, etc. based on J-SOX, (Japan's version of the Sarbanes-Oxley Act) conducted by the auditing departments of dealerships
- Enhanced the quality of auditing through appropriate assignment of full-time corporate auditors (introduced full-time corporate auditors at 10 companies)

Note: Parentheses indicate information as of April 2025.

## Cross-Shareholding

### (1) Policy for cross-shareholding

SUBARU holds listed stocks as cross-shareholdings and engages in dialogues with the companies in question. Each year, SUBARU's Board of Directors quantitatively measures and compares benefits from holding, using dividend yield, and the capital cost involved, using weighted average cost of capital (WACC), in order to verify each. The Company will maintain these holdings only if it deems, based on the results of this verification, that the shares will contribute to its medium- to long-term management and business strategies in a qualitative manner.

### (2) Verification details for cross-shareholding

Based on the above policy, SUBARU has steadily reduced the number of listed stocks held as cross-shareholding. As a result, 60 issues held at the end of March 2015 decreased to 2 issues at the end of March 2021. During the fiscal year under review, the number of issues the Company holds as cross-shareholding increased by one to three issues, as a company that was unlisted listed its shares on the Growth Market of Tokyo Stock Exchange on March 27, 2025. At this point, the Company judges that retaining cross-shareholdings in the three issues for the reason described in below, and it will continue to hold discussions with these companies at least once a year and the Board of Directors will evaluate and examine the cross-shareholdings every year and judge whether or not to retain them.

As of March 31, 2025

Issues	Number of shares	Amount reported on the balance sheet (Millions of yen)	Purpose of holding, impact of holding, and reason for increase in number of shares
The Gunma Bank, Ltd.	2,850,468	3,510	The Gunma Bank, a local bank of the area where the Company's main factory resides, is supporting not only SUBARU but also local supplier sites in Japan and abroad through its financial services. As the bank has been the Company's important partner, the Company will continue to hold the bank's shares to promote fair and smooth financial transactions.
Mizuho Financial Group, Inc.	372,097	1,507	The Mizuho Financial Group firms have been supporting SUBARU with financial transactions and other services. In particular, the Mizuho Bank has long been the Company's most important financial partner, providing support in a broad area of management. The Company will continue to hold the group's shares to promote fair and smooth transactions.
Dynamic Map Platform Co., Ltd.	10,000	15	SUBARU carries out research and pioneering development of autonomous driving and advanced driver assistance using high-precision 3D maps for automated driving offered by Dynamic Map Platform Co., Ltd. The Company will continue to hold the company's shares to promote smooth transactions. Dynamic Map Platform Co., Ltd. listed its shares on a stock exchange and therefore is subject to disclosure starting the fiscal year under review.

### (3) Criteria for exercising voting rights for cross-shareholding

With regard to the exercise of voting rights for listed stocks held as cross-shareholding, the Board of Directors deliberates on and determines the criteria for exercise with evaluation items such as whether the company is consistently exhibiting poor performance, whether a sufficient number of independent outside directors are in place and if management is supervised appropriately, and whether there are any corporate governance issues present. Although these are our general principles, we hold dialogues at least once a year with companies whose stock we hold to avoid making blanket decisions. Accordingly, we exercise our voting rights appropriately in light of the performance, management policies, and medium- to long-term

management plans of the companies in question, as well as from the perspectives of corporate value enhancement, corporate governance, and social responsibility.

In addition, we will continue to verify whether or not our criteria for exercise of voting rights warrant review.



# Compliance

## Our Approach

At SUBARU, compliance is positioned as one of our most important management issues in our Corporate Governance Guidelines. All officers and employees of the SUBARU Group are deeply ingrained with the commitment to adhere to the Compliance Manual, laws, internal regulations, and social ethics and norms, making it an integral part of their behavior at all levels. In the unlikely event of a violation of set standards, not only could the Company incur damages in accordance with legal regulations, but such incidents could erode the trust and confidence of customers, business partners, clients, shareholders, and broader society. Through the establishment and operation of a compliance system and organization, as well as various training activities, we are working to ensure that all employees have a strong awareness that thorough compliance throughout SUBARU forms the foundation of our management, and that each and every employee thinks about compliance, engages in dialogue, and takes action to permeate “Insightful Compliance.”

## Rules for Compliance

In striving to enhance its compliance-related initiatives, SUBARU has established various rules related to compliance, including the Group-wide Risk Management and Compliance rules, which stipulate its compliance-related structures, organizations, and enforcement methods.

In pursuing our goal of “Delivering Happiness to All,” we have also established the Compliance Guidelines as a code of conduct to follow in daily business activities. Furthermore, the Compliance Manual (available in Japanese, English, and Chinese) has been prepared as a systematic manual for all SUBARU officers and employees to act in accordance with laws, regulations, compliance rules, and other internal rules, as well as social ethics and norms, and is disseminated to relevant parties. Furthermore, we have drafted the Compliance Manual: Essential Version to provide a clearer explanation of compliance.



Compliance Manual

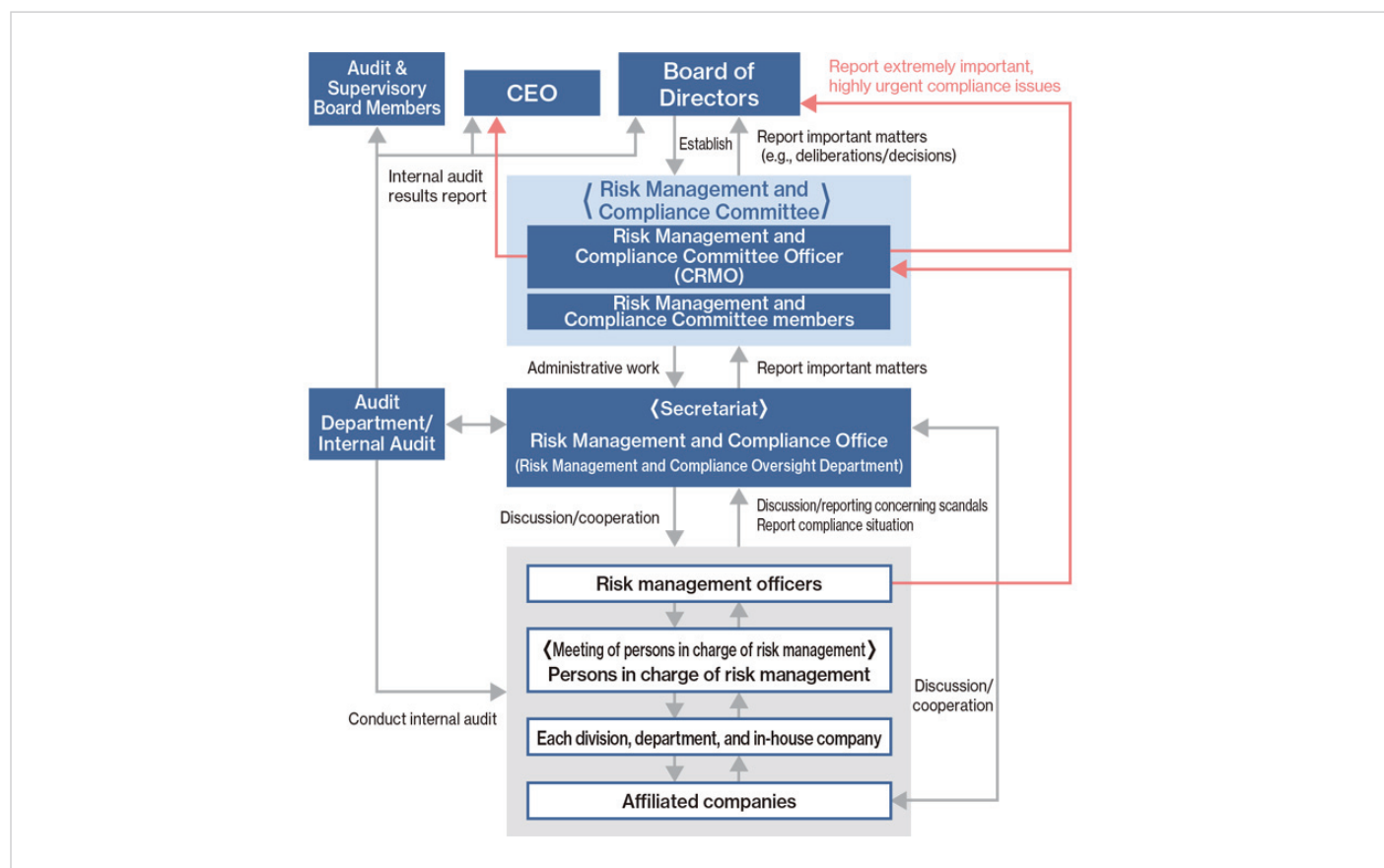


Compliance Manual: Essential Version

## Management System

SUBARU has established the Risk Management and Compliance Committee as an organization designed to promote compliance. The Chief Risk Management Officer (CRMO), appointed by the Board of Directors, serves as chair of this committee, with the Risk Management and Compliance Office serving as its secretariat. Under the chair's direction, the committee conducts comprehensive oversight of compliance and executes global and Group-wide compliance initiatives. In addition, the committee is responsible for the formulation of various policies, etc., and deliberating and deciding on important compliance matters, such as the status of Group-wide compliance activities and the operation of the internal reporting system, as well as for information exchange and liaison. The content of the committee's activities is deliberated and reported on at meetings of the Board of Directors, which supervises the Risk Management and Compliance Committee. We also employ a PDCA cycle, with each department creating its own compliance program each fiscal year to enhance compliance. This involves consistent, structured independent actions for legal compliance management and to foster employee compliance awareness, as well as subsequent verification of compliance status.

### Compliance System



### Compliance Hotline

When regular or temporary employees of SUBARU and its Group companies in Japan detect a problem related to compliance in the Group, they can consult with our Internal Reporting Desk by using the Compliance Hotline.

The Internal Reporting Desk is staffed by employees designated as engaged persons under the Whistleblower Protection Act, who investigate and respond to reports received by telephone, websites, mail, and other methods. We have established a

desk outside the Company staffed by external third-party specialists who have no conflict of interest to increase the hours in which service is available and to increase the confidentiality and security of those contacting the desk. Furthermore, we provide consultation services in four languages (English, Chinese, Portuguese, and Spanish) for foreign workers.

Consultations received through these channels are thoroughly examined by the Risk Management and Compliance Office General Manager, following our internal rules, to ensure swift resolution. Also, the Internal Reporting Desk reports to the proper management members and the Risk Management and Compliance Committee, working toward preventive measures through actions such as awareness-raising activities targeted through analysis and identification from incident trends. Moreover, we have established a mechanism that enhances the reliability and effectiveness of the internal reporting system by conducting third-party evaluations, led by legal experts, on reported cases and the subsequent actions taken. Through initiatives to raise awareness of this system, SUBARU has improved awareness of compliance and fostered an atmosphere where employees can consult even about trivial matters, resulting in many consultations received. Since more than 80% of consultations are interpersonal relationship or labor-related, this system also contributes to corporate culture reforms as a desk for taking up and resolving workplace issues.

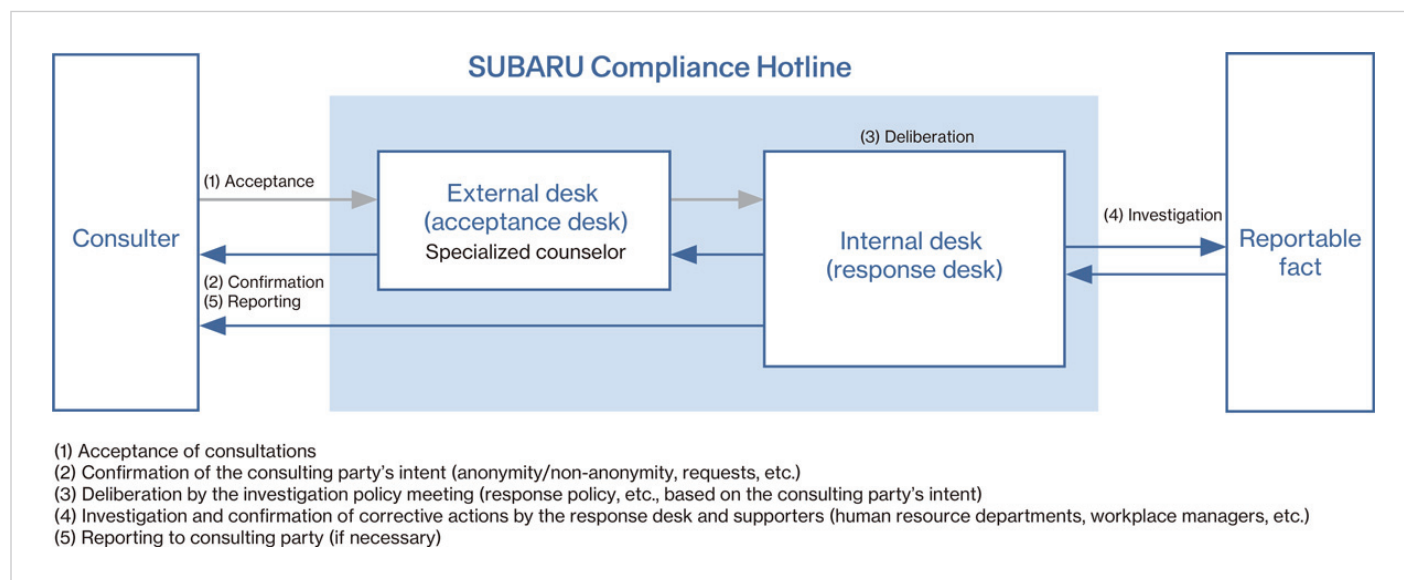
In FYE March 2025, we received 250 consultations. Of these, there were 23 suspected violations or violations of compliance, but none of these constituted serious violations. In addition, four of the 23 consultations involved conduct that was identified as harassment, such as abuse of power, but there were no cases of violations of the Labor Standards Act. Although these cases did not constitute serious compliance violations, we confirmed the facts of the major cases and took corrective measures such as alerting the relevant parties and re-educating them on procedures and rules.

We have also established internal reporting systems at our overseas Group companies.

In addition, we have established a separate consultation service for customer opinions and consultations regarding our products and services, as well as inquiries from our business partners. Please refer to the "Contact for Opinions and Consultation Services" section of "Respecting for Human Rights" for more information.

#### [> Contact for Opinions and Consultation Services](#)

### Compliance Hotline (Consultation and resolution procedure)



Breakdown of Compliance Hotline Consultations and Trend over Time

(Consultations)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Suspected violation or violation	19	26	24	34	23
Labor-related grievances and requests	65	67	59	52	34
Interpersonal relationship grievances and requests	143	111	178	219	169
Others	9	10	9	12	24
Total	236	214	270	317	250

## Initiatives

### Training

In enforcing thorough compliance, we believe that initiatives in which the entire SUBARU Group acts in concert are necessary. We conduct compliance training, training for legal affairs in practical business, and other programs for all employees of SUBARU and its Group companies in Japan organized by our Legal Department, Risk Management and Compliance Office, and human resource and education departments.

In FYE March 2025, SUBARU conducted compliance training for new employees, skilled employees, and those of manager level and above at the Aerospace Company.

In addition, to promote the understanding of key laws and regulations, the Legal Department leads training for legal affairs in practical business for SUBARU and employees of Group companies in Japan. In FYE March 2025, we conducted such training within nine programs covering topics that included various national security trade controls, the Act on the Protection of Personal Information, the Subcontract Act, and anti-monopoly laws outside Japan. In addition, to complement compliance enlightenment training, study groups are held at each department and affiliated company based on their compliance program, covering critical and important laws and regulations related to their work. These include export controls, the Act on the Protection of Personal Information, the Antimonopoly Act, the Political Funds Control Act, and harassment prevention.

### Compliance Implementation Support Tools

In order to promote compliance in everyday work, we create and provide various implementation support tools other than the Compliance Manual, such as in areas of specialization at affiliated companies.

To make knowledge of the Compliance Hotline common, we distribute cards containing information on the framework of the system and the contact address for consulting services, and also put up posters in all workplaces. We have designed the information cards and posters to deliver a message that encourages employees to proactively use the system even for things that feel only slightly suspicious.

We are making efforts for the timely report of highly urgent information and to call all Group entities in Japan's attention to such matters.



Compliance training (Gunma Plant)

### Bribery Prevention

At SUBARU, we consider the prevention of bribery in connection with our businesses as an important issue. We have established company-wide Bribery Prevention Rules and the following standards of conduct in the Compliance Guidelines, which we post and disseminate via our intranet, and are also implemented across our Group companies in Japan. We are committed to ensuring that specific actions are rigorously communicated and enforced through the Compliance Manual.

- Prohibition of providing, offering, or promising improper entertainment, gifts, favors, or other economic benefits to public officials or persons in similar positions, whether in Japan or abroad
- Prohibition of providing or receiving an amount in excess of socially accepted norms in dealings with business partners and customers who do not constitute public officials or similar persons
- Prohibition of receipt of personal gain as a result of using information obtained in the course of business, establishing boundaries between public and private life

To supplement the Compliance Guidelines and Group-wide Risk Management and Compliance Rules, SUBARU has also established the Company-wide Bribery Prevention Rules, which clarify prohibited and non-prohibited acts when dealing with

public officials. Furthermore, SUBARU has established the Political Funding Company-wide Rules, which aim to ensure proper operation and execution of donations related to political activities by SUBARU in compliance with related laws and regulations, in order to control such donations.

SUBARU Group companies overseas have also established guidelines on anti-bribery in consideration of local laws and regulations to clarify the conduct required of employees and executives. In China, taking into consideration unique social conditions, we created the Bribery Prevention Guidelines (with a Chinese translation included). It is distributed throughout our Chinese subsidiaries and forms the official rules of the relevant companies. Also, anti-corruption is identified as an important issue in the Compliance Manual (available in Japanese, English, and Chinese) issued to Group companies in Japan and overseas. We not only require proper conduct regarding bribery to government workers but also pursue thorough fairness in transactions with private-sector customers and partners.

SUBARU has established the SUBARU Supplier CSR Guidelines, which clearly state our policy for preventing corruption, and requests that our suppliers also thoroughly implement fair trading practices in order to contribute to the implementation of CSR.

Under the monitoring system for bribery prevention, SUBARU collects information to ascertain the presence of cases that may constitute compliance violations through company-wide fact-finding investigations. It also strives to detect cases early via business audits conducted by internal audit departments. 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. In FYE March 2025, there were no fines, penalties, or settlement payments related to violations of anti-corruption laws and regulations within the SUBARU Group, and no individuals were subject to disciplinary dismissals for such violations.

[> SUBARU Supplier CSR Guidelines](#)  

## Security Export Control

SUBARU, seeking to preserve the peace and safety of the international community, performs independent export control in accordance with the Foreign Exchange and Foreign Trade Act so that consumer products and technology that could be repurposed for military use, including weaponry, do not fall into the hands of countries developing weapons of mass destruction or terrorists (non-state entities). Group-wide regulations have been established for the purpose of appropriate management in this area, and the Export Control Committee meets at least once a year to deliberate on Group-wide initiatives. The committee is comprised of executives from all departments involved in exports, chaired by the executive in charge of the Legal Department.

With the goal of improving the level of its management and controls, SUBARU also promotes PDCA cycles, including review of related rules, with a focus on the following initiatives.

- Annual training for managers (including members of the Export Control Committee) by external experts and training twice a year for practitioners by the Legal Department (FYE March 2025 participants: 490)
- Export controls utilizing IT systems: regular system enhancements to improve controls/annual training to familiarize employees with the relationship between company-wide rules and systems (FYE March 2025 participants: 170)
- Strengthening audits by the Internal Audit Department in addition to self-audits by export-related departments and audits by the Legal Department

In addition, we are expanding our deemed export control management in departments that handle sensitive technologies to confirm compliance with not only the Foreign Exchange and Foreign Trade Act but also U.S. Export Administration Regulations and to ensure proper management.

## Enactment of the Tax Policy

The SUBARU Group enacted its Tax Policy in June 2020. This basic policy sets forth our posture and way of thinking toward the tax laws we should comply with when paying the appropriate amount of tax.

In promoting tax strategy and risk management, SUBARU's Finance & Accounting Department reports on these matters to the Chief Financial Officer (CFO), who must approve them before submission to SUBARU's Executive Management Board Meeting and the Board of Directors. Such matters are also reported to the accounting auditors during their audits and to Audit &

Supervisory Board Members upon request by the respective parties as appropriate.

SUBARU received a “Good” rating from the National Tax Agency for 2023 in relation to efforts to promote the enhancement of corporate governance on tax matters\*.

\* Regarding the National Tax Agency’s policies for efforts to promote the enhancement of corporate governance on tax matters (Japanese version only):

<https://www.nta.go.jp/taxes/tetsuzuki/shinsei/shinkoku/hojin/sanko/cg.htm> 

## Tax Policy

The SUBARU Group is able to conduct its business operations thanks to support from society, and it strongly recognizes the importance of returning profits to society. The SUBARU Group considers fulfilling its tax obligations to be an essential element of this.

The SUBARU Group strives to ensure compliance with the tax laws and regulations of each country and jurisdiction, pursuant to the international rules and standards set out by international organizations, thereby fulfilling its social obligations through appropriate tax payment, while aiming for sustainable growth through sound business activities.

### 1. Compliance with tax laws and tax-related regulations

The SUBARU Group undertakes applicable tax return filing and tax payment procedures in compliance with the tax laws and tax-related regulations of each country, and relevant tax treaties.

### 2. Tax corporate governance

The SUBARU Group establishes and implements a structure to appropriately identify, manage and report tax risk. In order to respond to changes in its businesses, and in light of complex tax operations, the SUBARU Group enhances this structure by assigning to it employees with tax expertise. Furthermore, the SUBARU Group raises awareness and provides guidance and consultation regarding tax compliance to SUBARU Group companies, making use of external professionals, and properly fulfills its tax payment obligations.

### 3. Appropriate intercompany transaction prices (Transfer Pricing)

The SUBARU Group conducts inter-group transactions and transactions with unrelated parties applying economically rational (arm’s length) prices, and does not inappropriately set prices through arbitrary manipulation.

### 4. Compliance with Anti-Tax Haven Rules

The SUBARU Group does not establish entities that are unnecessary for its business with the aim of tax avoidance, and the SUBARU Group pays taxes pursuant to the substance of its businesses in accordance with the tax laws and regulations.

### 5. Relationship with tax authorities

The SUBARU Group strives to maintain trust with tax authorities by dealing with the authorities in a good faith manner; for example, by providing fact-based information in an appropriate and timely manner in response to requests.

Established in June 2020

## Political Donations

No SUBARU employee shall make donations related to political activities to anyone other than political parties and political funding organizations. When providing support for activities of political funding organizations, we will respond appropriately in accordance with the Political Funds Control Act, the Public Offices Election Act, and other relevant laws and regulations.



# Risk Management

## Our Approach

The SUBARU Group is undertaking risk management as one of its key priority management issues, not only to address emergency situations when they arise but also to deal with various risks that have a serious impact on daily corporate activities, as well as to minimize damage when risks emerge.

The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure and ensure the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group must boost its measures to minimize its human, social, and economic losses. Amid this environment, it is essential to strategically promote risk management throughout the Group to conduct business activities. We therefore believe it is important to make the SUBARU Group resilient to risk enhance our corporate value.

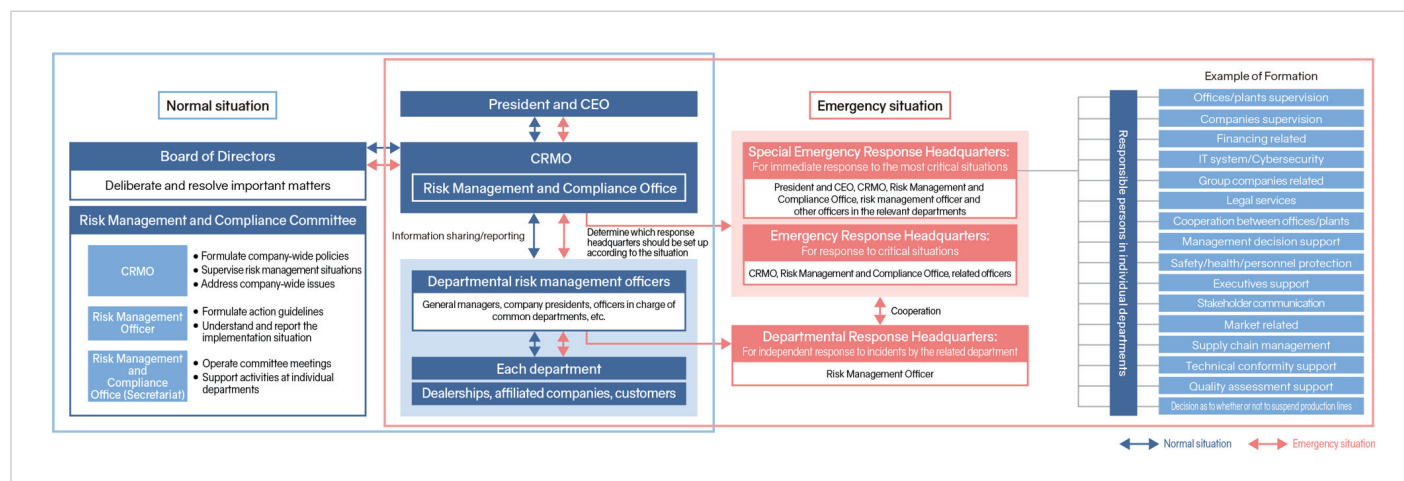
## Management System

To prevent the emergence and expansion of risks to the SUBARU Group, the Chief Risk Management Officer (CRMO) appointed by the Board of Directors leads risk management and compliance activities, reporting their status to the Board of Directors.

As a system to promote risk management, SUBARU has appointed risk management officers (job grade of Chief General Managers) for each department and established the Risk Management and Compliance Committee. This committee is chaired by the CRMO, and its vice-chairperson is the vice president in charge of the duties of the Risk Management Group, comprised of the Risk Management and Compliance Office and the Legal Department. At this committee, members deliberate, discuss, make decisions, and exchange/communicate information on important matters. Depending on the level of importance, matters are submitted to the Board of Directors, which oversees the Risk Management and Compliance Committee.

The CRMO leads corporate Group-wide efforts to enhance risk management with professional support from experts in corporate departments, such as the Risk Management and Compliance Office and the Legal Department. In this leadership role, the CRMO works closely with the Corporate Planning Department, which performs division-encompassing functions, as well as different divisions and companies. The Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

### Risk Management System



## Risks Associated with Business Activities

The SUBARU Group is undertaking risk management as one of its key priority management issues, not only to address emergency situations when they arise but also to deal with various risks that have a serious impact on daily corporate activities, as well as to minimize damage when risks emerge.

The major business risks are listed below. Please note that this is not an exhaustive list of all risks relating to the SUBARU Group.

### Risks related to changes in the economic and financial environments

- (1) Economic trends in major markets
- (2) Exchange rate fluctuations
- (3) Financial markets fluctuations
- (4) Change in raw material costs

### Risks related to industries and business activities

- (5) Focus on specific businesses and markets
- (6) Changes in the demand and competitive environment in the market
- (7) Responsibility related to products, sales and services
- (8) Supply chain disruptions
- (9) Intellectual property infringement
- (10) Cybersecurity
- (11) Compliance
- (12) Legal proceedings, e.g., lawsuits
- (13) Stakeholder communication
- (14) Respect for human rights
- (15) Secure and train human resources
- (16) Climate change

### Risk of regulations and events in various countries that impact other business activities

- (17) Political, regulatory and legal procedures in various countries that impact business activities
- (18) Geopolitical and geoeconomic disasters (international conflicts, terrorism risk)
- (19) Damage related to natural disasters
- (20) Outbreak of infectious diseases, etc.

## Initiatives

In FYE March 2025, the Risk Management and Compliance Committee, as part of its initiatives during times of normalcy, promoted activities for controlling risks during daily operations. It did this by identifying major risks for each department and prioritizing high-impact issues under our Group-wide Risk Management Policy and Risk Management Code of Conduct formulated for each department.

We are working to further strengthen our risk management, including the use of a new Risk Map formulated through management-level discussions that take into account external changes and the current environment, in addition to the important risks of each department, in order to more reliably achieve the SUBARU New Management Policy published in 2023. In addition, we conducted risk management workshops to optimize risk management and improve its effectiveness, with the aim of enhancing risk literacy and invigorating committee activities.

Furthermore, to reduce key risks for the SUBARU Group, we conducted cyber incident drills led by risk owners responsible for each risk area, thoroughly promoted fair trade with affiliated companies, and enhanced our business continuity plan (BCP) for natural disasters, and the Risk Management and Compliance Committee regularly followed up on these efforts to improve their effectiveness.

In addition, we are promoting direct risk management activities with important overseas subsidiaries. Specifically, we are implementing regular risk assessments, sharing risk mitigation measures, and strengthening risk management in line with local laws, regulations, and culture.

We also conduct regular drills in our Safety Confirmation System in preparation for information sharing in the event of disasters that may affect SUBARU.

# Risk Management: BCP

## Our Approach

In the SUBARU Group, we place focus on initial response during an emergency in accordance with our Emergency Response Policy. In such instances, crisis management headquarters are set up when a serious incident occurs and a response system is promptly and precisely developed. This facilitates rapid business recovery as per our business continuity plan (BCP).

### 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.

## Emergency Response

### Emergency Response System

The Risk Management and Compliance Office plays a pivotal role in establishing regulations as part of the emergency response system, and the Chief Risk Management Officer (CRMO) centrally collects information from the entire SUBARU Group, establishing a system to manage Group-wide responses. When emergency situations arise, we prioritize initial response within a system based on the crisis level of the situation.

### Initiatives for Emergency Preparedness

During times of normalcy, we work to enhance the speed and accuracy of risk recognition and identification when emergency situations arise to the best of our ability by clarifying the roles of each department and the domain of management responsibilities. Especially with the growing threat of large-scale natural disasters, we have formulated initial response guidelines as action standards to ensure appropriate initial response that prioritizes human life above all. This ensures preparedness from times of normalcy with efforts made to share and enhance awareness of these action principles. At the SUBARU Group, we regularly prepare and update our rules and regulations, conduct training sessions, and take other daily action to ensure business continuity. Furthermore, each business site works to enhance its own BCP, including specifying key operations and establishing an emergency contact system. In close collaboration with SUBARU corporate departments, we are implementing measures to ensure business continuity as well as swift and precise operational recovery. In addition, we have established a Safety Confirmation System based on the Emergency Response Basic Manual to ensure the sharing of information in the event of a disaster.

## Approach to Risks in the BCP

A BCP is intended to address uncertainties in contingencies due to incomplete plans, lack of resources, changes in the external environment, technical problems, lack of training, and other factors. To mitigate these risks, we view it as important to regularly review our BCP and ensure the effectiveness of the plan by providing thorough education and training for employees.

## Initiatives at Each Site and Group Company

### Gunma Plant

Since the disaster caused by Typhoon Hagibis (Typhoon No. 19 of 2019), we have carried out construction work to bolster storm water drainage capacity and increase water storage capacity within each factory (Main Plant, Yajima Plant, and Oizumi Plant). As a result, flood damage within the plants has been minimized. The measures also helped to combat flooding of the surrounding area.

In addition, a portion of the SUBARU Oizumi Plant premises was apportioned, three tennis courts were built there, and the land was donated to Oizumi Town. At that time, a 3,800 m<sup>2</sup> storm water detention tank was installed under the tennis courts to help prevent flooding of the adjacent National Highway No. 354 bypass during periods of rainfall.



Construction of the storm water detention tank



Donated tennis courts

### Utsunomiya Plant

As a disaster response countermeasure, we conducted work to bolster storm water drainage capacity, and the plant has suffered no flood damage. The measures also helped to combat flooding of the surrounding area.

SUBARU also registered for Utsunomiya City's Registration System for Disaster Prevention Cooperation, building a cooperative system with the local community for times of disaster. Furthermore, SUBARU introduced a cogeneration system that can generate electricity using city gas even during lengthy power outages at the Main Plant. The plant's cafeteria is capable of housing over 600 people, and the office building can house over 1,200, creating a safe environment as a temporary shelter in an emergency. This exemplifies our commitment to both employee well-being and regional cooperation.

In addition, we formulated a BCP for major disasters for the Aerospace Company in preparation for large-scale disasters. When devising this plan, the unique attributes of each site (Utsunomiya, Handa, and Kisarazu) were considered, and the fundamental principles of ensuring employee safety, sustaining supply chain management and business continuity, and contributing to the local community's recovery were set in place.

We have introduced a disaster prevention radio system (Hazard Talk) that uses LTE lines to build a robust communication network.

This enables real-time visualization of the situation at the scene of an emergency, enabling rapid emergency response and other actions.



Flood prevention measure (drainage grid) (Utsunomiya Plant)

## Subaru of America, Inc.

In preparation for severe disasters, Subaru of America, Inc. (SOA) has established stormwater management infrastructure, which includes raising existing site grades by approximately 1.5 m and planting wetland vegetation in areas with poor drainage. SOA's rain garden helps reduce flooding in the nearby Cooper River through on-site retention of a portion of stormwater.

## Supporting Restoration at Suppliers Stricken by Disaster

Providing support to suppliers during times of emergency is a major pillar of SUBARU's BCP and is an essential measure for SUBARU, which aims to achieve coexistence and co-prosperity with its suppliers.

In FYE March 2022, SUBARU dispatched a cumulative total of more than 500 workers from the Gunma Plant and supporting companies to provide support for restoration work to business partners affected by factory fires during the period immediately after the fires until the end of April 2021. Support work was primarily focused on cleaning areas where fires had occurred and restoring equipment damaged by soot and extinguishing water discharged to stop the fires. In response to these activities, we clarified the organizational structure for factory restoration in the event of a large-scale disaster, and deployed equipment necessary for restoration at each plant (Main Plant, Yajima Plant, and Oizumi Plant). We also dispatched 90 employees for two months from mid-October 2021 to support the production of a supplier whose production system had been affected by semiconductor supply problems.

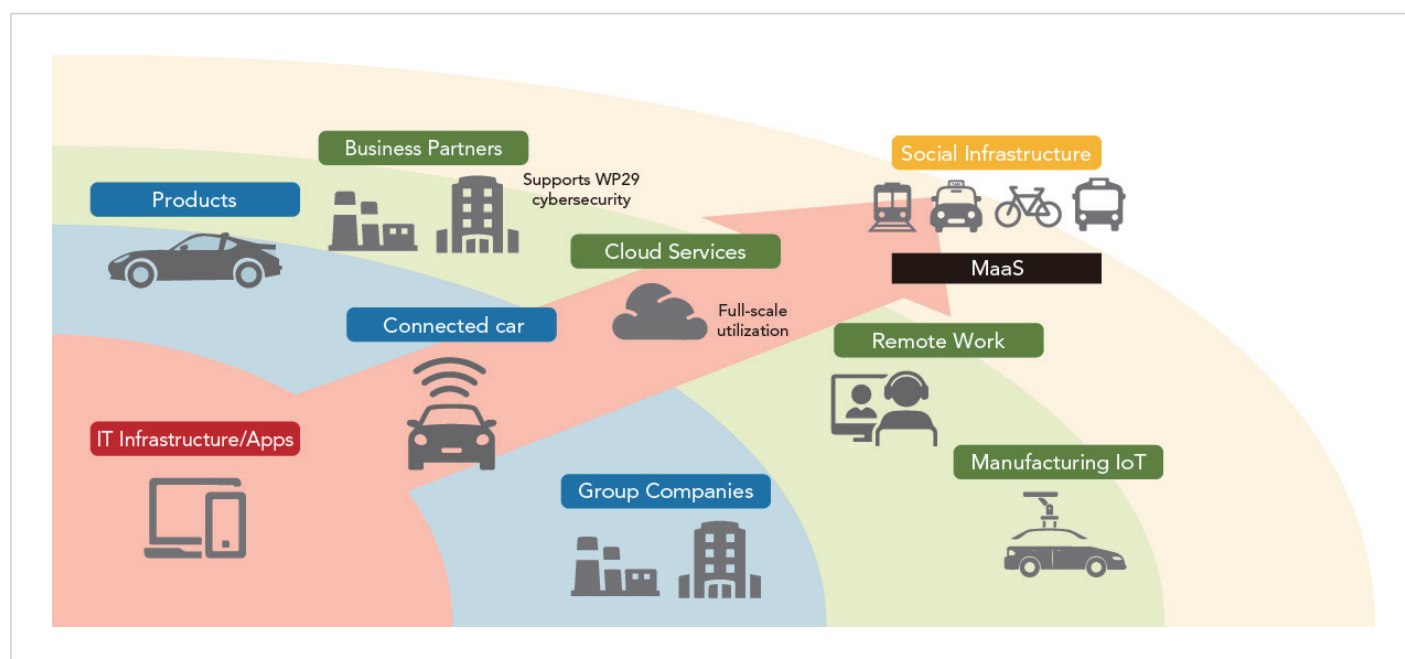
In addition to these emergency response measures, SUBARU has also been working during times of normalcy to establish a BCP system to enhance the business continuity of the entire supply chain. In particular, we began full-scale development of a procurement BCP in response to Typhoon Hagibis (Typhoon No. 19 of 2019). By comparing the Ministry of Land, Infrastructure, Transport and Tourism's hazard maps with our business partner location information, we have visualized the risk of natural disasters such as flooding and landslides. For high-risk locations, we have worked with our business partners to deepen their understanding of the risks and confirm their BCP.

# Risk Management: Cybersecurity

## Our Approach

The use of digital data is essential for SUBARU in the course of its business activities. The use of digital data is not limited to traditional information systems but covers diverse realms, including facilities, products, and a whole range of services offered by SUBARU. Being aware of our social responsibility to handle digital data in these realms safely, we are undertaking cybersecurity protection activities Group-wide. In addition, in light of the current situation regarding the use of digital data, the Basic Cybersecurity Policy was revised in July 2024.

### Scope of Cybersecurity for the SUBARU Group



### Basic Cybersecurity Policy

#### Objective

SUBARU CORPORATION and its Group companies (hereinafter referred to 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, and standards, as well as security-related contractual obligations to our customers.

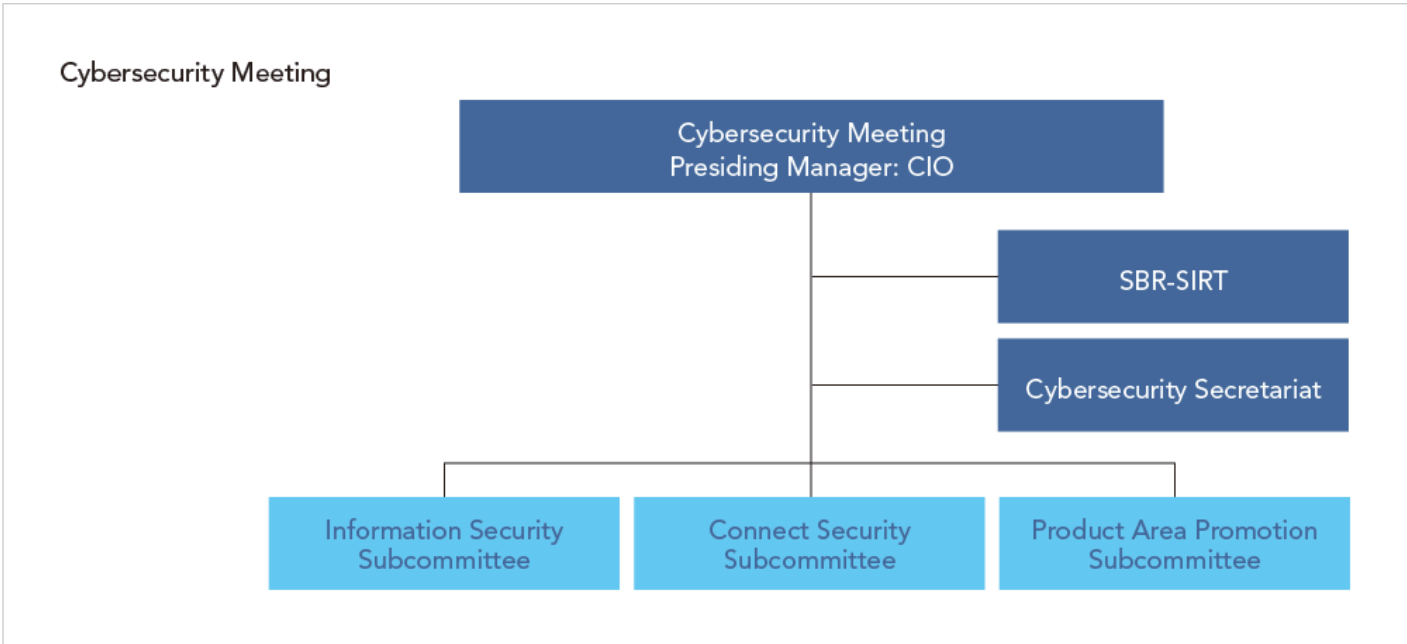


2. The SUBARU Group will put in place and operate management systems and internal regulations concerning cybersecurity.
3. The SUBARU Group will establish cybersecurity measures tailored to our information assets and strive to prevent and minimize cybersecurity risks.
4. The SUBARU Group will conduct monitoring for cybersecurity threats. Should a cybersecurity incident occur, SUBARU will address it swiftly and appropriately, taking steps to prevent recurrence.
5. The SUBARU Group will strive to ensure cybersecurity by providing both executives and employees with education and training, as well as undertaking other efforts to raise their awareness of this issue.
6. The SUBARU Group will continually review and strive to improve the aforementioned activities.

Revised in July 2024

## Management System

SUBARU has established an organizational structure for the entire Group to maintain and improve cybersecurity. This includes appointing a Chief Information Officer (CIO) selected by the Board of Directors and the formation of the Cybersecurity Meeting with the CIO as its presiding manager. The Cybersecurity Meeting deliberates on cybersecurity activities discussed by each subcommittee and decides how to respond to cybersecurity issues in the SUBARU Group, formulate cybersecurity audit plans, and review rules and policies. In addition, the SUBARU Security Incident Response Team (SBR-SIRT) monitors threats to protected assets of the SUBARU Group in times of normalcy, and in an emergency, works to quickly and appropriately protect and restore protected assets. These activities include a series of response procedures covering incident detection, reporting, recovery, and prevention of recurrence. In the event of a serious incident, reports are made to management and external agencies are contacted.



## Targets and Metrics

Based on the belief that cybersecurity is the foundation of optimal governance, the SUBARU Group is engaged in the following activities to protect all stakeholders.

- (1) Expanding the scope of SUBARU policies and rules to the supply chain
- (2) Continuously strengthening cyber-resilience to support value creation
- (3) Strengthening factory security to support manufacturing reforms
- (4) Reinforcing vehicle cybersecurity to keep pace with vehicle development and complying with laws and regulations of each country

## Recognition Cybersecurity Risks

Within cybersecurity, we recognize that security, especially in the supply chain, is an important risk directly related to the overall safety and sustainability of a company. Inadequate security at this level could lead to the leakage of confidential information, the suspension of a business partner’s business, or even the suspension of SUBARU’s business, as well as product quality issues and a loss of trust. Therefore, it is critical to strengthen security measures throughout the entire supply chain. SUBARU Group will continue to provide customers with “Enjoyment and Peace of Mind” and prevent damage to the SUBARU brand value by strengthening cooperation with business partners, effectively managing these risks through regular security assessments and risk management, and increasing the resilience of the supply chain.

## Initiatives

### Support for Cybersecurity

#### Training Programs and Drills

In FYE March 2025, SUBARU conducted e-learning and video training programs and drills based on cybersecurity management systems in the three domains of In-Car (interior systems), Out-Car (exterior systems), and information systems. In particular, in the area of information systems, we conduct targeted attack email drills at least once a year on an ongoing basis.

In the same area, we conducted cybersecurity incident response drills, including for management. We plan to continue conducting cybersecurity-related drills at least once a year.

Objective: Promote understanding of cybersecurity and mitigate practical security risks

Program details: Education and drills on internal rules requiring compliance in each of the three domains

Course participants:

For in-car system developers: 208

For in-car ECU developers: 28

For general employees and those related to information systems: 12,072

Targeted attack email drills for SUBARU dealerships: 9,134

Cybersecurity incident response drills, including for managers: 19

#### Conducting Internal Audits and Strengthening Security at Business Partners

As well, we regularly carry out internal audits based on our management system on an ongoing basis.

We have been strengthening collaboration with overseas Group companies since FYE March 2022 through regular information sharing and carrying out improvement activities in response to assessments based on Company-wide cybersecurity regulations.

In recent times, due to the significant impact of cybersecurity at the supply chain level on SUBARU's business continuity, we interview business partners once a year about the status of their security measures and provide advice on how to strengthen security when necessary.

### Personal Information Protection Initiatives

Within the SUBARU Group, to comply with personal data protection regulations, such as Japan's Act on the Protection of Personal Information and the EU General Data Protection Regulation (GDPR), we have established management regulations, established systems, and publicly disclosed our privacy policy. Under this system, the officer in charge of the Legal Department serves as the chief privacy officer and the chairperson of the Personal Information Protection Committee, which is composed of executive officers from relevant departments and meets at least once a year. The committee reviews the SUBARU Group's personal information protection activities, promoting the PDCA cycle in these activities.

In FYE March 2025, we revised SUBARU's management regulations and reviewed the roles of executive officers and the criteria for submitting matters to the Personal Information Protection Committee in order to further enhance the efficiency and effectiveness of our personal information protection activities.

We are also promoting activities across Group companies worldwide to establish management frameworks that enable the responsible utilization of personal information in compliance with our personal information protection regulations.

## Key Initiatives in FYE March 2025

### (1) Compliance with Japan's Act on the Protection of Personal Information

- Specialized training for SUBARU's executive officers, as well as employees of SUBARU, its Group companies, and dealerships (FYE March 2025 participants: 897)
- Verification and improvement of the handling of personal information domestically by SUBARU and dealerships
- Verification and improvement of compliance with relevant regulations across all SUBARU departments
- Verification and improvement of the management of personal information by SUBARU and dealerships' outsourced personal information handling contractors (domestic)

### (2) Compliance with overseas personal information protection regulations

- Specialized training for SUBARU's executive officers, as well as employees of SUBARU and its Group companies (FYE March 2025 participants: 201)
- Inspection and verification of the handling of personal information overseas by relevant SUBARU departments

In FYE March 2026, we will continue to monitor developments toward the enforcement of laws in Japan and other countries, as well as the implementation policies of those laws by relevant authorities to enhance the personal data protection efforts of SUBARU and our Group companies and dealerships worldwide.

# Risk Management: Intellectual Property Protection

## Our Approach

The SUBARU Group, after identifying its strengths and weaknesses, has put together a vision for its intellectual property activities with aims to achieve brand management with the SUBARU Difference. The following is the three-point basic policy being carried out.

### Basic Intellectual Property Policy

1. Function as a compass for business and R&D strategies using the IP landscape\*
2. Throughout SUBARU, we will dedicate ourselves to creating intellectual properties that originate from the market and appropriately manage our intellectual property portfolio to protect and enhance its brand
3. SUBARU will respect the intellectual property rights of others and work thoroughly for patent clearance in product development

\* In combination with market information on intellectual properties, analyzes the business environment and supports strategic plans

In addition, to aid in minimizing intellectual property risk through business activities that respect the Group's intellectual property, protecting, expanding and securing an advantage in business, and protecting the SUBARU brand and maximizing its value, we have established the SUBARU Group Intellectual Property Policy to set guidelines for the following activities.

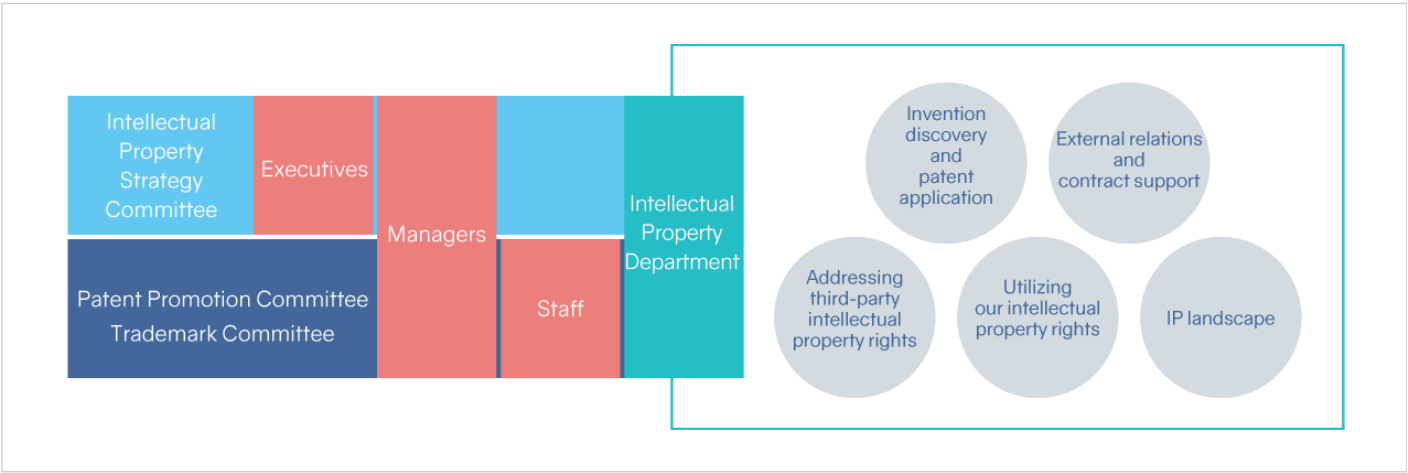
### SUBARU Group Intellectual Property Policy

1. Business Activities That Respect Intellectual Property  
The SUBARU Group shall use and manage intellectual property appropriately, ensure full compliance with the intellectual property rights of other companies, and conduct business activities that respect the intellectual property of both our own and other companies.
2. Management and Effective Utilization of Intellectual Property  
The SUBARU Group shall, in principle, use and manage its intellectual property appropriately by fostering information sharing and collaboration between the SUBARU Intellectual Property Department and each Group company. When necessary, it shall establish organizational structures or assign responsible individuals within Group companies to manage intellectual property-related matters.  
The SUBARU Group shall strive to maximize Group-wide benefits by effectively utilizing intellectual property within the Group, including through licensing of intellectual property rights.
3. Handling Lawsuits  
The SUBARU Group shall resolve disputes related to intellectual property in good faith and in a comprehensive manner through cooperation between the SUBARU Intellectual Property Department and each Group company being sure to gain the support of stakeholders and prioritize business sustainability.
4. SUBARU Corporate Brand Logo  
The SUBARU Group shall adhere to the regulations established by SUBARU, including company-wide regulations concerning corporate brand management and the Corporate and Brand Identification Manual, ensuring the proper use of the SUBARU corporate and brand logo.

# Management System

## Intellectual Property Promotion System

To ensure the protection and strengthening of our brand, meetings of the Intellectual Property Strategy Committee is held with attendance from officers to discuss intellectual property strategies, and a Patent Promotion Committee has been established in each division and company to plan and promote intellectual property activities. For trademarks, we have a committee for sharing and discussion of trademark issues consisting of representatives of departments involved in branding and naming.



## Recognition of Risks in Intellectual Property Protection

The SUBARU Group considers it necessary to take appropriate action to manage, protect, and utilize its intellectual property. We recognize that damage to brands due to the proliferation of counterfeit products through infringement of intellectual property rights, or the insufficient consideration of intellectual property rights held by a third party, could have a major impact on the SUBARU Group's business performance and financial position.

In product development (including collaborative development), development and intellectual property departments work together to secure appropriate clearance for intellectual property rights owned by third parties.

## Addressing Intellectual Property-Related Disputes

The SUBARU Group considers intellectual property-related disputes to be a management issue. Depending on the nature of the case, the Intellectual Property Department coordinates with relevant internal departments, consults with lawyers to assess risks, and formulates response policies to ensure appropriate measures are taken.

## Initiatives

At SUBARU, the Intellectual Property Department manages, protects, and utilizes intellectual property rights belonging to the SUBARU Group and also implements internal activities that aim to avoid infringing on the intellectual property rights of third parties. The following are specific activities being undertaken.

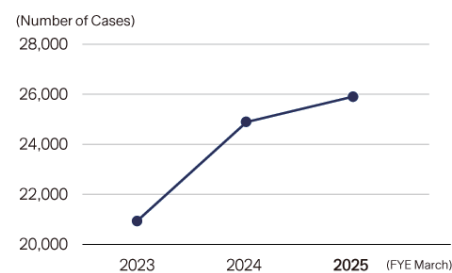
1. Support the proposal of strategies using the IP landscape
2. Acquire rights for intellectual properties, including technologies, trademarks, naming, and design, and adequately manage the intellectual property portfolio
3. Conduct a comprehensive survey on the existence of intellectual property rights which may hinder business operations and take measures to prevent and resolve such issues
4. Crack down on counterfeit goods globally, including for oversight of unauthorized online sales and protection measures at customs
5. Secure intellectual properties, ownership of data, and user rights in technology and business contracts
6. Share knowledge gained through collaboration with business partners as intellectual property and manage appropriately through cooperation
7. Support the management, protection, and utilization of intellectual property by each SUBARU Group company based on the SUBARU Group's Basic Intellectual Property Policy

### Counterfeit crackdown achievements

#### Crackdown methods

- Reporting products for deletion on e-commerce sites
- Crackdowns by police and customs officials
- Issuing warnings/legal proceedings against infringers

#### Crackdown cases



We consider counterfeit products to be a serious issue that not only damages our brand but also threatens the safety of our customers, and we are focusing our efforts on monitoring airbags and other parts. We will continue to strengthen our cooperation with law enforcement agencies such as the police and customs authorities to crack down on products bearing unauthorized brand logos and parts that pose safety risks.

### Awareness Activities

In the SUBARU Group, the Intellectual Property Department regularly undertakes awareness-raising activities to instill behavior in compliance with laws and regulations.

1. Implementing rank-specific training for employees involved in development, tailored to their year of entry into the Company and their position, and expanding on-demand education content to support autonomous learning by employees
2. Implementing awareness activities through the Patent Promotion Committee, an organization promoting the creation of inventions and patent application activities in each department
3. Development departments are surveying the intellectual property rights of third parties and conducting reviews to ensure patent clearance



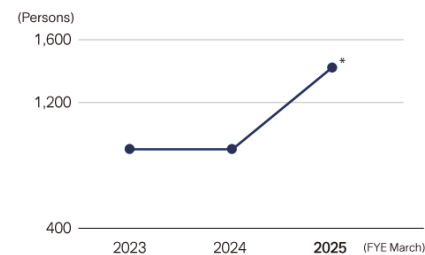
4. Dissemination of information aimed at enhancing communication regarding intellectual property with each SUBARU Group company

Rank-specific training

In rank-specific training, we review content and eligible participants annually based on legal revisions, the corporate environment, and basic policies. In addition, we are enhancing our on-demand content to respond to employees' desire for autonomous learning.

Target	Curriculum
Upon joining SUBARU	Understand intellectual property and employee invention system
Second year	Understand intellectual property and related activities
Mid-level employees	Acquire the intellectual property knowledge required for workplace leaders and supervisors
Managers	Understand SUBARU's intellectual property strategy and attain intellectual property management skills

Number of participants



\* Due to changes in the human resources system in FYE March 2025, the number of participants has been temporarily increased as the eligibility criteria have been revised

# Appendix

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Third-party Evaluations

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Editorial Policy

# Third-party Evaluations

## Third-party Evaluations

### Index Inclusion

#### FTSE Blossom Japan Index

This is an index created by the global index provider FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group. For six consecutive years since 2020, SUBARU has been selected as a constituent of this index, which has been adopted as an equity indicator for environmental, social, and governance (ESG) investment by the Government Pension Investment Fund (GPIF) of Japan.

> [FTSE Blossom Index Series](#) 



**FTSE Blossom  
Japan Index**

#### FTSE Blossom Japan Sector Relative Index

This is an index created by the global index provider FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group. Designed to be sector neutral, it reflects the performance of companies with relatively high ESG ratings in each sector. For four consecutive years since 2022, SUBARU has been selected as a constituent of this index, which has been adopted as an equity indicator for ESG investment by GPIF.

> [FTSE Blossom Index Series](#) 



**FTSE Blossom  
Japan Sector  
Relative Index**

#### S&P/JPX Carbon Efficient Index

This index uses the TOPIX, a standard index reflecting trends in the Japanese market, as the investment universe, assigning weights to constituent stocks according to their environmental disclosure practices and carbon efficiency (emissions per unit of sales). This index has been adopted as an equity indicator for ESG investment by GPIF.

> [S&P/JPX Carbon Efficient Index](#) 



### Other Sustainability-related Evaluations

#### MSCI ESG Ratings

Developed by Morgan Stanley Capital International (MSCI), this system analyzes a company's ESG initiatives and rates them on a seven-point scale from AAA, the highest rating, to CCC, the lowest rating. SUBARU has earned an A rating.



## CDP

CDP is a global non-profit organization encouraging environmental disclosure by corporations and local governments and evaluates their efforts to address important environmental issues. It is widely used around the world as an information platform to help investors and companies understand environmental risks and make sustainable decisions.

In addition to CDP's Climate Change and Water Security categories, SUBARU started to provide questionnaire responses to the Forests category in FYE March 2025, and received the following evaluation scores:

- Climate Change: B
- Water Security: B-
- Forests: C

[> CDP](#) 



# Editorial Policy

## Editorial Policy

The SUBARU Group (SUBARU CORPORATION and all its subsidiaries) seeks to become a company that is trusted by society by fulfilling its social responsibility as a corporate group, aiming for sustainable growth and contributing to the creation of an enjoyable, sustainable society.

This Sustainability website, in line with the SUBARU Global Sustainability Policy, outlines the SUBARU Group's approach, targets, and initiatives for sustainability. It aims to promote communication with our stakeholders, including customers, shareholders, suppliers and other business partners, local communities, and employees, and to further enhance our sustainability-related initiatives. The descriptions contained in this website regarding SUBARU's product specifications and equipment refer to Japanese specifications, unless otherwise stated.

### Scope of Reporting

In principle, the report covers the SUBARU Group (SUBARU CORPORATION and all its subsidiaries). In this website, the "SUBARU Group" or "the Group" refers to the SUBARU Group; "SUBARU" refers to SUBARU CORPORATION; "affiliated companies (affiliates)" refers to SUBARU's subsidiaries in Japan and overseas, including dealerships in the Automotive Business; and "Group companies" refers to SUBARU's subsidiaries in Japan, excluding dealerships in the Automotive Business.

### Reporting Period

- In principle, this report covers FYE March 2025 (April 1, 2024 to March 31, 2025); however, some information listed is from outside this reporting period.

Note: The departments, titles, etc. of the people introduced in this report are as of the time of writing.

### Guidelines Referenced

- GRI Sustainability Reporting Standards
- Environmental Reporting Guidelines 2018 by the Ministry of the Environment, Japan
- Task Force on Climate-related Financial Disclosures (TCFD) Recommended Disclosure Items

### Period Issued

- Previous issue: September 2024
- Current issue: September 2025
- Next scheduled issue: September 2026

## Special Notice on Prospects

This website includes a variety of statements regarding the prospects, plans, forecasts, etc. for the future of SUBARU and the SUBARU Group member companies. Since the statements contained here are based on past events and available information at the time of this report's drafting, please note that outcomes may differ from forecasts depending on future economic trends, the Group's business environment, and other factors.

# GRI Content Index/TCFD Content Index

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GRI Content Index

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TCFD Content Index



# GRI Content Index

In reference to the reporting requirements set forth by the GRI Sustainability Reporting Standards, the content index indicates where you can find the relevant information in the Sustainability Website, annual securities report, Corporate Governance Report, and others.


\* Not applicable (NA): Item that is irrelevant or has no cases in which we are involved on a material level.

\* -: Item we do not disclose.

## Universal Standards













Item Number	Disclosure	Corresponding Sections
GRI 1: Foundation		
Statement of use	The SUBARU Group reported in accordance with the GRI Standards for the period from April 1, 2024, to March 31, 2025.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard (s)	SUBARU will continue to comply with applicable sector standards as soon as they are released.	
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	<a href="#">&gt; Overview</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">&gt; Editorial Policy</a>
2-3	Reporting period, frequency and contact point	<a href="#">&gt; Editorial Policy</a>
2-4	Restatements of information	<a href="#">&gt; Editorial Policy</a>
2-5	External assurance	-
2. Activities and workers		
2-6	Activities, value chain and other business relationships	<a href="#">&gt; SUBARU at a glance</a> <a href="#">&gt; CSR Procurement</a> <a href="#">&gt; Facilities</a>
2-7	Employees	<a href="#">&gt; Human Resources: Employee Data</a>
2-8	Workers who are not employees	<a href="#">&gt; Human Resources: Employee Data</a>

Item Number	Disclosure	Corresponding Sections
<b>3. Governance</b>		
2-9	Governance structure and composition	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Management System</li> <li>&gt; Directors of the Board / Executive Officers</li> <li>&gt; Sustainability Promotion System</li> <li>&gt; Environmental Management &gt; Management System</li> </ul>
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Board of Directors</li> </ul>
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Board of Directors</li> </ul>
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Management System</li> <li>&gt; Sustainability Promotion System</li> </ul>
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Management System</li> <li>&gt; Sustainability Promotion System</li> </ul>
2-14	Role of the highest governance body in sustainability reporting	-
2-15	Conflicts of interest	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Preventing Conflicts of Interest</li> </ul>
2-16	Communication of critical concerns	<ul style="list-style-type: none"> <li>&gt; Sustainability Promotion System</li> <li>&gt; Respect for Human Rights &gt; Stakeholder Engagement</li> </ul>
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Executive Officer Training</li> <li>&gt; Sustainability Promotion System &gt; Initiatives to Embed Sustainability</li> </ul>
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Evaluation Results of the Effectiveness of the Board of Directors</li> </ul>
2-19	Remuneration policies	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Compensation for Directors</li> </ul>
2-20	Process to determine remuneration	<ul style="list-style-type: none"> <li>&gt; Corporate Governance &gt; Compensation for Directors</li> </ul>
2-21	Annual total compensation ratio	-

Item Number	Disclosure	Corresponding Sections
<b>4. Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>&gt; Message on Sustainability from the CEO</li> <li>&gt; SUBARU New Management Policy</li> </ul>
2-23	Policy commitments	<ul style="list-style-type: none"> <li>&gt; SUBARU's Vision/policy &gt; SUBARU Global Sustainability Policy</li> <li>&gt; Respect for Human Rights &gt; Human Rights Policy</li> <li>&gt; Environmental Management &gt; SUBARU Environmental Policies</li> <li>&gt; Quality &gt; Quality Policy</li> <li>&gt; Human Resources: Diversity, Equity &amp; Inclusion (DE&amp;I) &gt; Human Resources Department Policy on Employment of People with Disabilities</li> <li>&gt; Human Resources: Occupational Health and Safety &gt; Health and Safety Philosophy</li> <li>&gt; Human Resources: Occupational Health and Safety &gt; Basic Health and Safety Policy</li> <li>&gt; Human Resources: Health Management &gt; Health Declaration</li> <li>&gt; CSR Procurement &gt; Fundamental Procurement Policy</li> <li>&gt; CSR Procurement &gt; SUBARU Supplier CSR Guidelines  </li> <li>&gt; CSR Procurement &gt; Responsible Mineral Procurement Policy</li> <li>&gt; CSR Procurement &gt; SUBARU Green Procurement Guideline</li> <li>&gt; CSR Procurement &gt; Green Procurement Guidelines Aerospace Company version  </li> <li>&gt; CSR Procurement &gt; Partnership Formation Oath (Japanese version only)  </li> <li>&gt; Community Engagement &gt; Social Contribution Policy</li> <li>&gt; Compliance &gt; Tax Policy</li> <li>&gt; Risk Management: BCP &gt; Emergency Response Policy</li> <li>&gt; Risk Management: Cybersecurity &gt; Basic Cybersecurity Policy</li> <li>&gt; Risk Management: Intellectual Property Protection &gt; Basic Intellectual Property Policy</li> <li>&gt; Risk Management: Intellectual Property Protection &gt; SUBARU Group Intellectual Property Policy</li> </ul>
2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>&gt; Sustainability Promotion System</li> <li>&gt; Respect for Human Rights &gt; Management System</li> <li>&gt; Environmental Management &gt; Management System</li> <li>&gt; Quality: Automotive Business &gt; Management System</li> <li>&gt; Quality: Aerospace Business &gt; Management System</li> <li>&gt; Human Resources: Diversity, Equity &amp; Inclusion (DE&amp;I) &gt; Management System</li> <li>&gt; Human Resources: Occupational Health and Safety &gt; Management System</li> <li>&gt; Human Resources: Health Management &gt; Management System</li> <li>&gt; CSR Procurement &gt; Management System</li> <li>&gt; Community Engagement &gt; Management System</li> <li>&gt; Compliance &gt; Management System</li> <li>&gt; Risk Management: BCP &gt; Emergency Response</li> <li>&gt; Risk Management: Cybersecurity &gt; Management System</li> <li>&gt; Risk Management: Intellectual Property Protection &gt; Management System</li> </ul>
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>&gt; Compliance</li> <li>&gt; Respect for Human Rights &gt; Human Rights Due Diligence</li> <li>&gt; CSR Procurement &gt; Consultation Service for Non-Japanese Workers</li> </ul>
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>&gt; Respect for Human Rights &gt; Contact for opinions and consultation services</li> <li>&gt; CSR Procurement &gt; Consultation Service for Non-Japanese Workers</li> <li>&gt; Compliance &gt; Compliance Hotline</li> </ul>
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>&gt; Coexistence with Nature &gt; Proper Management of Environmental Impact</li> <li>&gt; Compliance &gt; Bribery Prevention</li> </ul>
2-28	Membership associations	-

Item Number	Disclosure	Corresponding Sections
<b>5. Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	> Stakeholder Engagement
2-30	Collective bargaining agreements	> Human Resources: Labor-Management Communication
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	> Six Priority Areas for Sustainability > Identification Process for the Six Priority Areas for Sustainability
3-2	List of material topics	> Six Priority Areas for Sustainability > About the SUBARU Group's Sustainability
3-3	Management of material topics	> Sustainability Promotion System > Six Priority Areas for Sustainability > Making Safe Vehicles > Human Resources: Approach to Human Capital > Human Resources: Diversity, Equity & Inclusion (DE&I) > Mitigating Climate Change > Realizing a Circular Economy > Coexistence with Nature > Compliance > CSR Procurement

## Topic-specific Standards

Item Number	Disclosure	Corresponding Sections
<b>GRI 200: Economic</b>		
<b>201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.90-96 [Consolidated Financial Statements] (Japanese version only)  </li> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.36 [Analysis of Financial Position, Business Performance, and Cash Flows by Top Management] (Japanese version only)  </li> </ul>
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> <li>➤ Mitigating Climate Change</li> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.34 [Business-related Risks (16) climate change] (Japanese version only)  </li> </ul>
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.97 [Notes to Consolidated Financial Statements] (Japanese version only)  </li> </ul>
201-4	Financial assistance received from government	<ul style="list-style-type: none"> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.48 [Corporate Information] (Japanese version only)  </li> <li>➤ Annual Securities Report and Internal Controls Report for the 94th Period P.90-96 [Consolidated Financial Statements] (Japanese version only)  </li> </ul>
<b>202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
<b>203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	-
203-2	Significant indirect economic impacts	-
<b>204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	-
<b>205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	-
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>➤ CSR Procurement &gt; SUBARU Supplier CSR Guidelines</li> <li>➤ CSR Procurement &gt; Business Partner CSR Briefing and CSR Survey</li> <li>➤ Compliance &gt; Training</li> </ul>
205-3	Confirmed incidents of corruption and actions taken	N/A

Item Number	Disclosure	Corresponding Sections
<b>206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	N/A
<b>207: Tax 2019</b>		
207-1	Approach to tax	<a href="#">&gt; Compliance &gt; Tax Policy</a>
207-2	Tax governance, control, and risk management	<a href="#">&gt; Compliance &gt; Tax Policy</a>
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">&gt; Compliance &gt; Tax Policy</a>
207-4	Country-by-country reporting	-
<b>GRI 300: Environmental</b>		
<b>301: Materials 2016</b>		
301-1	Materials used by weight or volume	<a href="#">&gt; Environmental Management &gt; SUBARU Group Material Flow</a>
301-2	Recycled input materials used	<a href="#">&gt; Realizing a Circular Economy</a>
301-3	Reclaimed products and their packaging materials	<a href="#">&gt; Realizing a Circular Economy &gt; Initiatives</a>
<b>302: Energy 2016</b>		
302-1	Energy consumption within the organization	<a href="#">&gt; Environmental Management &gt; SUBARU Group Material Flow</a> <a href="#">&gt; Mitigating Climate Change &gt; Energy use (by organization)</a>
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	-
302-4	Reduction of energy consumption	<a href="#">&gt; Mitigating Climate Change</a>
302-5	Reductions in energy requirements of products and services	<a href="#">&gt; Mitigating Climate Change &gt; Product Initiatives</a>
<b>303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	<a href="#">&gt; Coexistence with Nature</a>
303-2	Management of water discharge-related impacts	<a href="#">&gt; Coexistence with Nature &gt; Water discharge quality management</a> <a href="#">&gt; Coexistence with Nature &gt; Water Resource Management</a>
303-3	Water withdrawal	<a href="#">&gt; Coexistence with Nature &gt; Water Consumption by Source</a>
303-4	Water discharge	-
303-5	Water consumption	<a href="#">&gt; Coexistence with Nature &gt; Water Consumption</a>

Item Number	Disclosure	Corresponding Sections
<b>304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	-
304-3	Habitats protected or restored	<a href="#">&gt; Coexistence with Nature &gt; Business Activity and Coexistence with Nature</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
<b>305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">&gt; Mitigating Climate Change &gt; Initiatives</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">&gt; Mitigating Climate Change &gt; Initiatives</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">&gt; Mitigating Climate Change &gt; Initiatives</a>
305-4	GHG emissions intensity	-
305-5	Reduction of GHG emissions	<a href="#">&gt; Mitigating Climate Change</a>
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">&gt; Coexistence with Nature &gt; Emission of VOCs/Chemical Substances Regulated by the Pollutant Release and Transfer Register (PRTR) Act and NOx and SOx Emissions</a>
<b>306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">&gt; Realizing a Circular Economy</a>
306-2	Management of significant waste-related impacts	<a href="#">&gt; Realizing a Circular Economy</a>
306-3	Waste generated	<a href="#">&gt; Realizing a Circular Economy &gt; Waste Generation</a>
306-4	Waste diverted from disposal	<a href="#">&gt; Realizing a Circular Economy &gt; Initiatives</a>
306-5	Waste directed to disposal	-
<b>308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	<a href="#">&gt; CSR Procurement &gt; Environmental Policy Initiatives for Business Partners</a> <a href="#">&gt; CSR Procurement &gt; SUBARU Green Procurement Guideline</a>
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">&gt; CSR Procurement &gt; Climate Change Initiatives</a> <a href="#">&gt; CSR Procurement &gt; Management and Reduction of Environmentally Hazardous Substances Contained in Parts</a> <a href="#">&gt; CSR Procurement &gt; Procurement with Consideration for Biodiversity</a>



Item Number	Disclosure	Corresponding Sections
<b>GRI 400: Social</b>		
<b>401: Employment 2016</b>		
401-1	New employee hires and employee turnover	<a href="#">&gt; Human Resources: Employee Data</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
401-3	Parental leave	<a href="#">&gt; Human Resources: Work-Life Balance &gt; Support for the Maintenance of Balance between Work and Childcare</a>
<b>402: Labor / Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	-
<b>403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Our Approach</a> <a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Management System</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Prevention of Industrial Accidents</a>
403-3	Occupational health services	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Initiatives</a> <a href="#">&gt; Human Resources: Health Management &gt; Initiatives</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">&gt; Human Resources: Labor-Management Communication</a> <a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Management System</a>
403-5	Worker training on occupational health and safety	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Prevention of Industrial Accidents</a>
403-6	Promotion of worker health	<a href="#">&gt; Human Resources: Health Management</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">&gt; Respect for Human Rights &gt; Human Rights Due Diligence</a> <a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Unifying Initiatives at the Group Level</a>
403-8	Workers covered by an occupational health and safety management system	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Management System</a>
403-9	Work-related injuries	<a href="#">&gt; Human Resources: Occupational Health and Safety &gt; Occurrence of Industrial Accidents and Accident Frequency Rate</a>
403-10	Work-related ill health	<a href="#">&gt; Human Resources: Health Management</a>

Item Number	Disclosure	Corresponding Sections
<b>404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	<a href="#">&gt; Human Resources: Human Resource Development &gt; Results from the Major Training Programs</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">&gt; Human Resources: Human Resource Development</a>
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">&gt; Human Resources: Human Resource Development &gt; SUBARU's Training Programs</a>
<b>405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	<a href="#">&gt; Directors of the Board / Executive Officers</a> <a href="#">&gt; Human Resources: Employee Data</a>
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">&gt; Human Resources: Employee Data &gt; Comparison of Fixed Wages between Male and Female Employees</a>
<b>406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	<a href="#">&gt; Compliance &gt; Compliance Hotline</a>
<b>407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
<b>409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
<b>410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	-
<b>411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	-
<b>413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">&gt; Community Engagement</a>
413-2	Operations with significant actual and potential negative impacts on local communities	-

Item Number	Disclosure	Corresponding Sections
<b>414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	> <a href="#">CSR Procurement &gt; SUBARU Supplier CSR Guidelines</a>
414-2	Negative social impacts in the supply chain and actions taken	> <a href="#">CSR Procurement &gt; Business Partner CSR Briefing and CSR Survey</a> > <a href="#">CSR Procurement &gt; Responsible Mineral Procurement</a> > <a href="#">Quality: Automotive Business &gt; Collaborative System with Suppliers</a> > <a href="#">Quality: Aerospace Business &gt; Quality management for business partners</a>
<b>415: Public Policy 2016</b>		
415-1	Political contributions	> <a href="#">Compliance &gt; Political Donations</a>
<b>416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	> <a href="#">Making Safe Vehicles &gt; Initiatives</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	> <a href="#">Quality: Automotive Business</a>
<b>417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	> <a href="#">Quality: Automotive Business</a>
417-3	Incidents of non-compliance concerning marketing communications	> <a href="#">Quality: Automotive Business</a>
<b>418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-













# TCFD Content Index

The table below compares the disclosures recommended by the Task Force on Climate-related Financial Information Disclosure (TCFD) with SUBARU's Sustainability Website, and presents relevant responses to CDP Climate Change 2025.



















## Governance

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2025
a) The Board's oversight of climate-related risks and opportunities.	Mitigating Climate Change > <a href="#">Management System</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Management System</a>  	CDP 4.1.2
b) Management's role in assessing and managing climate-related risks and opportunities.	Mitigating Climate Change > <a href="#">Management System</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Management System</a>  	CDP 4.3















## Strategy

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2025
a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Environmental Management > <a href="#">Targets and Results</a>  Mitigating Climate Change > <a href="#">Risks and Opportunities Identified</a> > <a href="#">Medium- to Long-term Goals (Long-term Vision and Milestones)</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a>  	CDP 2.1, 3.1, 3.1.1, 3.6, 3.6.1
b) Impact of climate-related risks and opportunities on the organization's businesses and strategy.	> <a href="#">Message on Sustainability from the CEO</a>  Environmental Management > <a href="#">Targets and Results</a>  Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Medium- to Long-term Goals (Long-term Vision and Milestones)</a> > <a href="#">Initiatives</a>	Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a>   > <a href="#">Examples of Measures Considering Risks/Opportunities in Each Scenario</a>  	CDP 3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2, 5.14, 5.14.1
c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	> <a href="#">Message on Sustainability from the CEO</a>  Environmental Management > <a href="#">Targets and Results</a>  Mitigating Climate Change > <a href="#">Strategy</a> > <a href="#">Risk Management</a> > <a href="#">Medium- to Long-term Goals (Long-term Vision and Milestones)</a> > <a href="#">Initiatives</a>	> <a href="#">Message from the CEO</a>    Capital Strategy for Value Creation Natural Capital Mitigating Climate Change > <a href="#">Strategy</a>   > <a href="#">Examples of Measures Considering Risks/Opportunities in Each Scenario</a>  	CDP 5.1, 5.1.1, 5.1.2

## Risk Management

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2025
a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management <a href="#">&gt; Our Approach</a> <a href="#">&gt; Management System</a>	Management Infrastructure Supporting Value Creation Risk Management <a href="#">&gt; Our Approach</a>   <a href="#">&gt; Management System</a>   Capital Strategy for Value Creation Natural Capital Mitigating Climate Change <a href="#">&gt; Risk Management</a>  	CDP 2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8, 2.2.9
	Mitigating Climate Change <a href="#">&gt; Risk Management</a>		
b) Describe the organization's processes for managing climate-related risks.	Risk Management <a href="#">&gt; Our Approach</a> <a href="#">&gt; Management System</a>	Management Infrastructure Supporting Value Creation Risk Management <a href="#">&gt; Our Approach</a>   <a href="#">&gt; Management System</a>   Capital Strategy for Value Creation Natural Capital Mitigating Climate Change <a href="#">&gt; Risk Management</a>  	CDP 2.1, 2.2.1, 2.2.8, 2.2.9
	Mitigating Climate Change <a href="#">&gt; Risk Management</a>		
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management <a href="#">&gt; Our Approach</a> <a href="#">&gt; Management System</a> <a href="#">&gt; Initiatives</a>	Management Infrastructure Supporting Value Creation Risk Management <a href="#">&gt; Our Approach</a>   <a href="#">&gt; Management System</a>   Capital Strategy for Value Creation Natural Capital Mitigating Climate Change <a href="#">&gt; Risk Management</a>  	CDP 2.1, 2.2.1
	BCP <a href="#">&gt; Our Approach</a> <a href="#">&gt; Emergency Response</a>		
	Mitigating Climate Change <a href="#">&gt; Risk Management</a> <a href="#">&gt; Procurement Initiatives</a>		

## Metrics and Targets

TCFD Disclosure Recommendations	Relevant Articles		
	Sustainability Website	Integrated Report	CDP2025
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<b>Environmental Management</b> <a href="#">&gt; Targets and Results</a> <a href="#">&gt; SUBARU Group Material Flow</a>	<b>Capital Strategy for Value Creation</b> <b>Natural Capital</b> <b>Mitigating Climate Change</b> <a href="#">&gt; Metrics and Targets</a>   <a href="#">&gt; Initiatives and Achievements</a>  	CDP 7.52, 7.54, 7.54.1, 7.54.2
	<b>Mitigating Climate Change</b> <a href="#">&gt; Strategy</a> <a href="#">&gt; Risk Management</a> <a href="#">&gt; Medium- to Long-term Goals (Long-term Vision and Milestones)</a> <a href="#">&gt; Initiatives</a>		
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<b>Environmental Management</b> <a href="#">&gt; Targets and Results</a> <a href="#">&gt; SUBARU Group Material Flow</a>	<b>Capital Strategy for Value Creation</b> <b>Natural Capital</b> <b>Mitigating Climate Change</b> <a href="#">&gt; Strategy</a>   <a href="#">&gt; Examples of Measures Considering Risks/Opportunities in Each Scenario</a>   <a href="#">&gt; Metrics and Targets</a>   <a href="#">&gt; Initiatives and Achievements</a>  	CDP 7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3, 12.3
	<b>Mitigating Climate Change</b> <a href="#">&gt; Strategy</a> <a href="#">&gt; Risk Management</a> <a href="#">&gt; Medium- to Long-term Goals (Long-term Vision and Milestones)</a> <a href="#">&gt; Initiatives</a>		
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<b>Environmental Management</b> <a href="#">&gt; Targets and Results</a> <a href="#">&gt; SUBARU Group Material Flow</a>	<b>Capital Strategy for Value Creation</b> <b>Natural Capital</b> <b>Mitigating Climate Change</b> <a href="#">&gt; Metrics and Targets</a>   <a href="#">&gt; Initiatives and Achievements</a>  	CDP 7.53, 7.53.1, 7.53.2, 7.53.4, 7.54, 7.54.1, 7.54.2
	<b>Mitigating Climate Change</b> <a href="#">&gt; Strategy</a> <a href="#">&gt; Risk Management</a> <a href="#">&gt; Medium- to Long-term Goals (Long-term Vision and Milestones)</a> <a href="#">&gt; Initiatives</a>		