



SUSTAINABILITY REPORT 2021



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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.

With this in mind, SUBARU has renamed this report from the CSR Report to the Sustainability Report, taking effect in 2021.

This report, 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, business partners, local communities, and employees, and to further enhance our sustainability-related initiatives. The descriptions contained in this report 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 report, 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 2021 (April 1, 2020 to March 31, 2021); however, some information listed is from outside this reporting period.

* 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: August 2020
- Current issue: October 2021
- Next scheduled issue: August 2022

Special Notice on Prospects

This report 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.

Contact Us

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SUBARU's Vision - Delivering happiness to all -

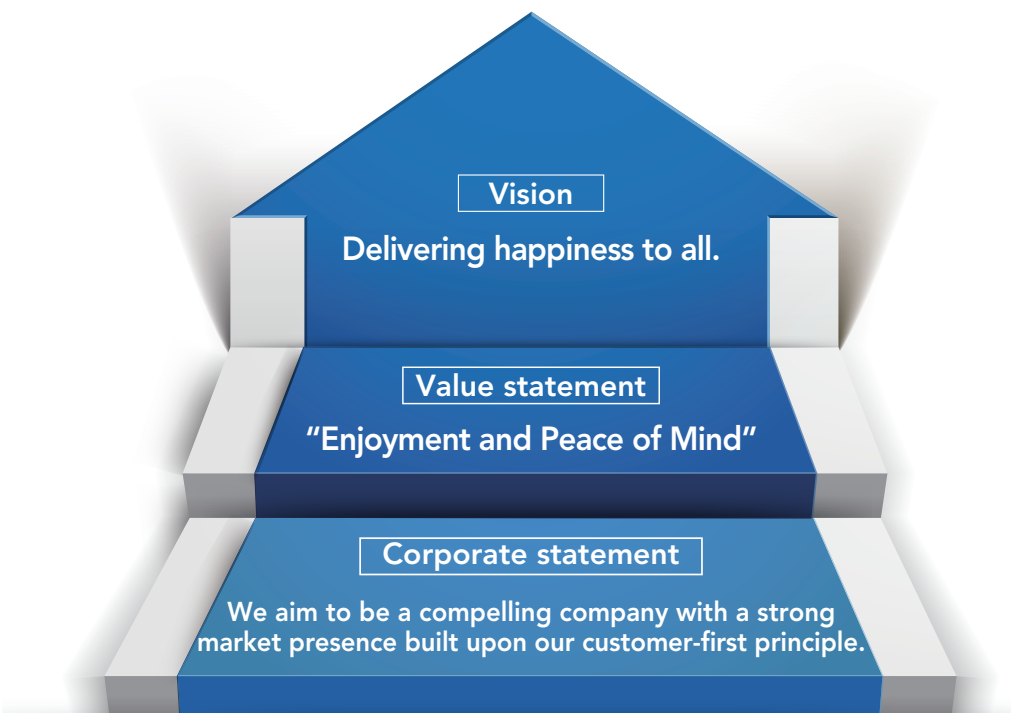
In the mid-term management vision progress briefing announced in May 2021, we integrated our principles into three key pillars.

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 is a value we must deliver to our customers in order to evolve the SUBARU Difference that is unwavering amid changing times and changing external environments, and in order to heighten our brand.

Our vision is "Delivering happiness to all." We established this vision when we changed our company name to SUBARU CORPORATION. This vision has come to us from watching what our customers do: we learned what SUBARU should do from our customers.

We will continue to pursue our goal of delivering happiness to people, society, and even Earth.



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.

Message from the President

Evolving the SUBARU Difference to become a company “delivering happiness to all”

Tomomi Nakamura

Representative Director of the Board,
President and CEO

Changing environmental and social issues, and accelerating our work to fulfill SUBARU's vision

Addressing dramatic environmental changes

Three years have passed since the announcement of mid-term management vision “STEP,” our vision for 2025. During this time, we have seen change in our environment at an unexpected pace. For the automotive industry, this is without a doubt a once-in-a-century period of transformation, calling for not only action taken toward climate change and other environmental issues, but also toward society's demands that we work to achieve the SDGs and toward technological innovation in the CASE^{*1} domain.

Beyond that, the global pandemic of COVID-19 is driving a faster transition toward new work styles, bringing into question the value that corporations bring to society, and their posture as well.

With the onset of the pandemic, the Subaru Group was swift to establish the Coronavirus Countermeasure Headquarters and strives to prevent the spread of infection and ensure safety as it continues its business activities. We have also worked to bolster our IT infrastructure and implement work style reforms in the era of the new normal, such as abolishing mandatory core hours in our flex-time system and taking other action to better our work rules. Going forward, we will continue to pay close attention to COVID-19 as we focus on ensuring the safety of our stakeholders, while simultaneously harnessing the positives in the many changes brought about by the virus, answering the expectations of our customers and the market.

*1 CASE: Connected, Autonomous, Shared & Service, Electric

Promoting CSR initiatives under our mid-term management vision "STEP"

For the past three years, the Subaru Group has been working in unison to advance three priority initiatives under the mid-term management vision "STEP"—corporate culture reforms, quality reforms, and evolving the SUBARU Difference. I feel that our down-to-earth efforts under the slogan of "change mindset, change actions, change the company" have led to real, palpable progress. We have also expanded our work and our systems toward meeting expectations on the Subaru Group's social responsibility and its contributions toward a sustainable society. At the Subaru Group, we are actively taking measures toward CSR with a focus on the Six Priority Areas^{*2} for CSR. These measures are aimed at leveraging SUBARU's strengths to find solutions to social problems, aiming to make the creation of a sustainable society and the continuous growth of the Subaru Group compatible. In FYE March 2021, we clarified the SDGs that we contribute to in each of the aforementioned Six Priority Areas for CSR. For the future, we will continue to seek to build an enjoyable, sustainable society alongside society and our customers while contributing to the achievement of the SDGs and treasuring the SUBARU Difference.

^{*2} The six areas of People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, Diversity, Environment, Compliance

Steadily advancing in CSR initiatives embodying the SUBARU Difference

Consistent progress in the Six Priority Areas for CSR

In order to contribute to solutions to social issues through our business activities and to understand changes in society and the world, it is important to promote and instill CSR initiatives on a global and Group-wide basis. To that end, we established the SUBARU Global Sustainability Policy in April 2020 as a guideline to be shared by all Group employees on a global basis, and accelerated our efforts in the Six Priority Areas for CSR.

Among these six areas is Peace of Mind; we are continuing to implement quality reforms here, one of the most important topics of the mid-term management vision "STEP." Quality is an important source of underpinning strength for the SUBARU brand, as well as a source of added value that we can provide to our customers. Therefore, we have taken steps to ensure a thorough mindset among each of our employees toward placing the highest priority on quality and to strengthen our systems, both serving as foundations for the priority area of quality reform. We are also working toward quality reforms in the two-pronged approach of reforming built-in quality, which is the source of the development process that spans from initial exploratory stages to development and design, and reforming manufacturing quality, where we work to take rapid action and to prevent defects reaching the public in domains after the production preparation stage. While both of these approaches are seeing steady progress, we are not yet done with our work. We will continue to march forward with these so that our customers and the market can see as soon as possible that there are fewer defects and quicker responses from SUBARU.



We are also taking sincere action toward zero fatal accidents^{*3} by 2030, and have made some steady progress toward this goal. Safety and peace of mind represent two of SUBARU's strengths, and by using our EyeSight preventive safety system and Subaru Global Platform, we have improved the passive safety performance of our vehicles. As a result, of the nearly 3,000 fatal traffic accidents each year in Japan, the number of these involving SUBARU vehicles equipped with EyeSight is decreasing each and every year. In 2019, there were three such fatal accidents^{*4} involving SUBARU registered vehicles that were first registered within the past five years. This represents our contribution to Target 3.6 of the SDGs: "By 2020, halve the number of global deaths and injuries from road traffic accidents." The new SUBARU Levorg released in 2020 is equipped with the next-generation EyeSight system, featuring further-evolved safety functions from the original EyeSight release. Also, we have strengthened our connected safety, dispatching emergency rescue in the event of a serious accident. In the future, we will further evolve this intelligence and combine advanced sensing technologies with the judgment-making capability of AI,

improving safety in all situations.

For the environment, we consider protecting SUBARU's fields of business—the global environment comprising earth, sky and nature—as an important topic for ensuring the sustainability of both SUBARU and society as a whole. To contribute to building a sustainable society, we have formulated our medium-term Environment Action Plan 2030, and have announced our milestones toward product electrification on the way to achieving carbon neutrality by 2050 at a technology briefing in January 2020. Over the short term, SUBARU expects to increase its ratio of electric and hybrid vehicles (EVs and HEVs), and motors are expected to be replaced with electric motors in the future. Even in this era of EVs, SUBARU's superiority in safety performance will remain; we believe we can utilize our all-wheel drive (AWD) control knowledge more effectively in motors with higher precision and responsiveness, leading to an even stronger SUBARU Difference of driving stability, dynamics, and enjoyment.

In addition, in order for the Subaru Group to continue offering value unique to the brand, we recognize that it is important to respect diversity and to create workplace environments where everyone can make a meaningful contribution. We see "diversity" as a characteristic both of people and products, and we believe that respecting diversity in our employees also leads to diversity in our products. Within employee diversity, I would like to highlight our work in supporting female employees to take on more active roles, an area of particularly high importance domestically in Japan. We were able to achieve our targets increasing the number of female managers ahead of schedule, and have therefore set a new goal to increase the number of female managers to two times 2021 levels by 2025. Within product diversity, we are working to meet the expectations of society as we strengthen

our SUBARU Difference even in the era of electrification. One example of these efforts is the mid-2022 launch of the SOLTERRA electric vehicle, jointly developed with Toyota Motor Corporation.

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

*4 Calculated by SUBARU based on ITARDA data.

Unwavering efforts toward respect of human rights

In FYE March 2021, we established the Human Rights Policy, which forms the basis of the Six Priority Areas for CSR. As the Subaru Group that "respects the rights and characteristics of individuals," we have taken actions to respect human rights. Specifically, our human resources and procurement departments have begun due diligence processes identifying human rights risks in our business and formulating and executing countermeasures against them. Going forward, however, we will also work with stakeholders, including business partners in the supply chain, in accordance with the aforementioned policy.

I feel we have truly made some strides in the past three years in our CSR initiatives, and that we have succeeded in instilling these in the Subaru Group. From 2014 to 2018, I was on assignment at Subaru of America, Inc. During that time, I was able to experience their initiatives in CSR and human rights, and directly feel the cultural differences between Japan and the United States, which is a multi-ethnic nation. Going forward, I will continue to leverage that experience, face issues head-on, and help us take initiatives embodying the SUBARU Difference on a Group and global level, as we work to achieve our 2025 vision.

Delivering happiness to people, society, and even the Earth

What we want to become as SUBARU is a company "delivering happiness to all."

This desire is also something we have learned from our customers' behavior. At SUBARU, we have evolved functional aspects such as safety, durability, and rough-road capability with "Enjoyment and Peace of Mind" as the unchanging value we offer our customers. Our efforts here have borne fruit; customers now talk about the value that SUBARU vehicles bring in light of their life experiences. For instance, some have said about our safety that "SUBARU vehicles have fewer accidents and offer more peace of mind when driving around with friends and the people I love." About durability, others have said "it won't waste resources; a SUBARU vehicle lasts a long time" and "I can build a lot of memories in my SUBARU with how many years they last." In other words, the functional value is sublimated into emotional value through the customer's experience, creating a deep relationship between SUBARU and the customer unlike others. This difference customers sense with SUBARU is a valuable asset for us.

We at SUBARU strive to put smiles on our customers' faces by polishing this SUBARU Difference they sense even further, and to bring those smiles to all our stakeholders, to society, and to the Earth itself. And so, we will continue to maintain dialogue with our stakeholders and strive to always make SUBARU a company you can love.

Tomomi Nakamura

Tomomi Nakamura

Representative Director of the Board,
President and CEO

The Subaru Group's CSR

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



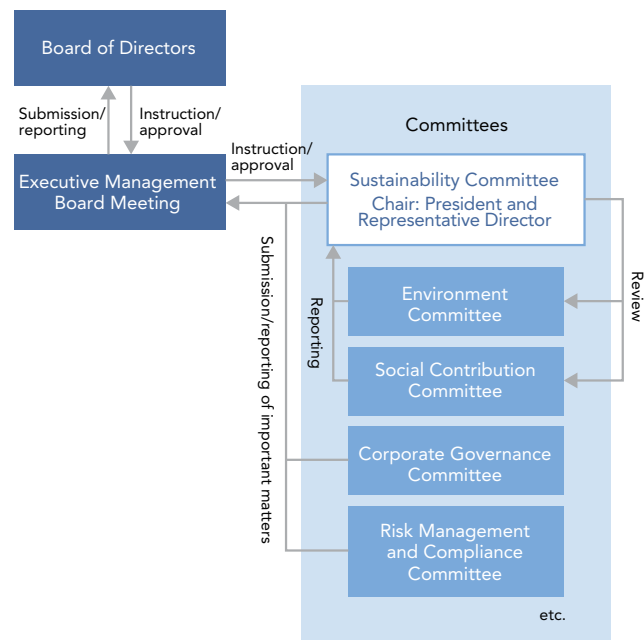
CSR Promotion System

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

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

* Renamed in FYE March 2022 from the CSR Committee.

CSR Promotion System



Initiative for Widespread Adoption of CSR

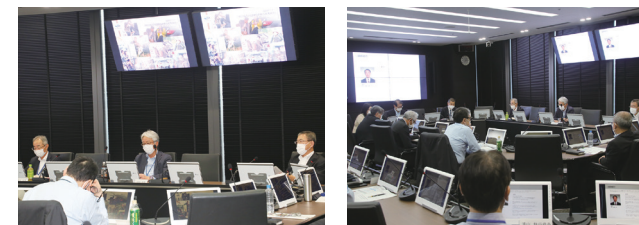
Promoting Group-wide Understanding and Permeation

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

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

Seminars Held

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



Seminar on integrated thinking management

VOICE

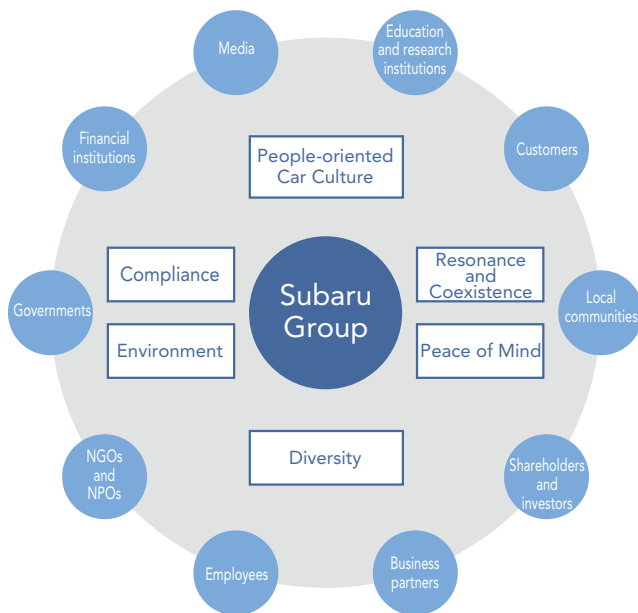
CSR Promotional Video Comments from viewers of the SUBARU Group's CSR Approach

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

Stakeholder Engagement

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

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



Methods to Communicate with Stakeholders at the Subaru Group

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

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

Stakeholder Engagement Activities

Customers

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



"cartopia"
customer magazine

Local Communities

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

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

Building on these activities, we will continue to conduct other



Gunma Plant: SUBARU Appreciation Festival (FYE March 2020)



Utsunomiya Plant: Friendship Festival (FYE March 2020)

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

→ [Community Engagement](#)

Shareholders

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

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

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



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



Tour of Gunma Plant (FYE March 2020)



Q&A session (FYE March 2020)

Dealerships

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

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

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



Dealerships newsletter "SPICE magazine"

Employees

Every month, SUBARU publishes an in-house magazine for the purpose of sharing information on corporate policies and initiatives as well as boosting the motivation of employees and promoting communication.

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



In-house magazine "Shuho"

Subaru Group's Six Priority Areas for CSR

Process of Identifying the Six Priority Areas for CSR

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

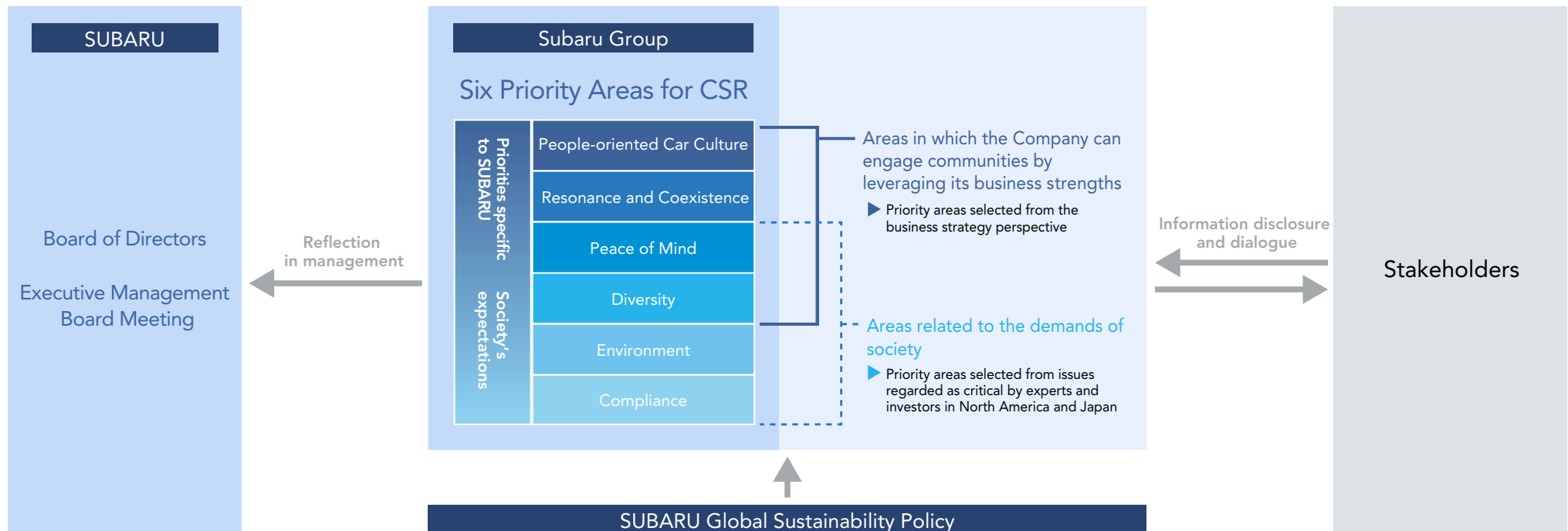
To select the priority areas, the Subaru Group first identified 41 CSR priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. The responses and

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

Peace of Mind and Diversity appear in both categories, because Peace of Mind is an area in which society's needs and the strengths of the Subaru Group's business coincide, while Diversity refers not only to diversity in the community, but also to diversity in a broad sense, including in the products that the Subaru Group offers to customers.

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

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



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

Six Priority Areas for CSR	Basic Concepts	Visions for 2025	Initiatives and SDGs	TOPICS
People-oriented Car Culture	SUBARU believes that a car is more than just a means of transport. SUBARU will foster a sustainable mobility culture by providing customers with added value in the form of products and services which make the car a partner that enriches people's lives and minds, while cherishing the human emotions of "Enjoyment and Peace of Mind."	Become a company that enriches people's lives and minds as a partner.	→ P.13	→ P.19
Resonance and Coexistence	SUBARU will become a company that is trusted by, and resonates and coexists with both individual customers and society as a whole by engaging seriously with their voices through greater person-to-person communication.	Become a company that is widely trusted by, resonates and coexists with society.	→ P.14	→ P.21
Peace of Mind	SUBARU will become a company that provides all stakeholders with the utmost peace of mind.	Become a company that provides the utmost peace of mind to all stakeholders.	→ P.15	→ P.23
Diversity	The Subaru Group's approach to promoting diversity has two key elements: offering products that respect diverse forms of market value, and respecting and reflecting the diverse values of all those who work for the Subaru Group.	Promote businesses that create diverse forms of market values while respecting the diverse values of all people.	→ P.16	→ P.25
Environment	In order to pass on "the earth, the sky and nature," Subaru's fields of business, to future generations, we provide utmost care to the environment with our company-wide activities.	Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.	→ P.17	→ P.27
Compliance	SUBARU will become a company that operates in accordance with laws, regulations, and societal norms, ensuring that our focus on compliance as a priority permeates throughout and is practiced by all those who work for the Subaru Group.	Act in good faith and become a company that is trusted by and resonates with society.	→ P.18	→ P.29

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



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

By clarifying visions for 2025 regarding the Group's Six

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

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


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

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



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

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



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

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

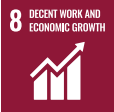
Activities in the Six Priority Areas for CSR in Relation to SDGs

Six Priority Areas	Relevant Stakeholders	Themes	Initiatives		Visions/KPIs (FYE March 2026 -FYE March 2021)	Relevant SDGs	
			FYE March 2021	FYE March 2022-FYE March 2026			
Diversity	Employees	Promoting active roles for female employees	Expanding the number of female managers (at least two times 2021 levels by 2025)		Promote businesses that create diverse forms of market values while respecting the diverse values of all people.	 5.5 5.5.2	
			Childcare support for female employees in direct departments				
		Respecting human rights and diversity for all					
		Review of the human resources system for senior employees	Operation of the human resources system for senior employees				
		Promotion of active roles for non-Japanese human resources					
		Examination and promotion of a workplace environment that pays due consideration to minorities in society					
		Compliance with the legally prescribed employment rate for persons with disabilities: 2.3% in and after FYE March 2021					
		Acquiring new knowledge through proactively recruiting external human resources					
		Promote diverse work styles		Diverse work styles: Support for labor management by introducing a new attendance management system and expansion of teleworking			
		Securing human resources at group companies		Maintenance and expansion of diverse forms of employment			
	Business partners	Efforts in cooperation with business partners	Building of relationships with business partners with CSR surveys, awareness-raising, and from CSR perspectives		▶ KPIs · Increase female managers. (at least two times 2021 levels by 2025) · The number of participants in career development training · Achieve the legally prescribed employment rate. · 100% of those applying for reemployment	 8.5	
			Enhancement of the understanding of employees, promotion of cooperation with the National Association of Minority Automobile Dealers (NAMAD)				
	Customers	Providing a wide range of products	Incorporation of feedback on diverse market needs				
			Design parts that can be used in multiple vehicle models				

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

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

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

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

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

TOPICS

01

Six Priority Areas for CSR

People-oriented Car Culture

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

Why It Is Important to Us

The Subaru Group has contributed to increasing customers' options by respecting people's diverse values and offering distinctive products tailored to diverse forms of market value.

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

A Company "Delivering Happiness to All"

Continuing to cherish the human emotions of "Enjoyment and Peace of Mind" experienced by each and every one of our customers, Subaru Group will develop and popularize a car culture that gives people the starring role by linking cars to changes in people's lifestyles and life stages.



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

Evolving the SUBARU Difference

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

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

Toward a Car Society without Traffic Accidents

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

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



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

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

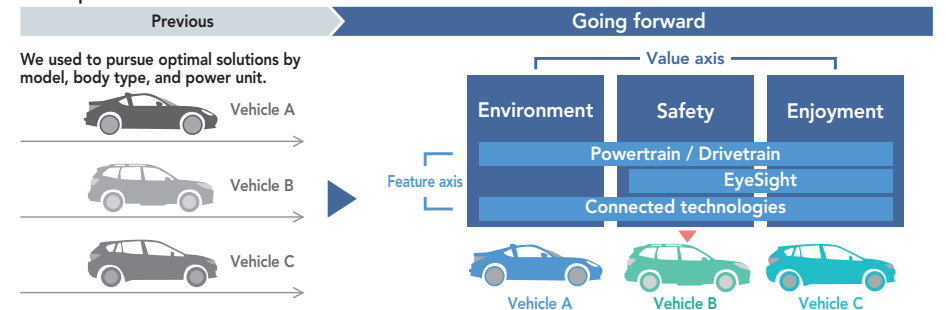
Going forward, SUBARU will continue to accelerate the fusion of intelligent technology and the SUBARU Global Platform, pursue accident-free vehicles and driving safety based on its overall safety philosophy, and evolve its "Enjoyment and Peace of Mind."

Strengthening the SUBARU Difference in the Era of Electrification

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

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

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



TOPICS 02

Six Priority Areas for CSR
Resonance and Coexistence

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

Why It Is Important to Us

At SUBARU, when it comes to our business activities, we regard customers and local communities as some of our most important stakeholders.

Over the years, SUBARU has been sustained not only by our own efforts to put the customer first, but also by the efforts of many people in the communities where we do business.

SUBARU will form communities of resonance and coexistence to secure our sustainable growth as a company through routine communication, ensuring that our products and services resonate with and are trusted by our customers, and that SUBARU's corporate activities resonate with and are trusted by the local communities in which they take place.



TOPICS 02 > Six Priority Areas for CSR Resonance and Coexistence

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

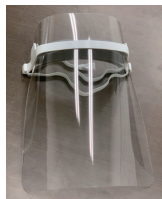
The Subaru Group seeks to become a company that is widely trusted by, resonates, and coexists with society. SUBARU believes that, especially in times where it faces difficulty like the current spread of COVID-19, it is important to be forthright in listening to the views of individual customers and society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

Initiatives in Japan

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

Production and Donation of Medical-use Face Shields

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



Medical-use face shields

Donating Specially Designed Anti-Droplet Vehicles

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



The Forester transport vehicle

Donation of Hand Disinfection Stands

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



Donated hand disinfection stands

Initiatives in the U.S.

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

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

The Five Promises



Subaru Loves to Help

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



Support activities

Subaru Loves to Care

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



Donation activities

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

Why It Is Important to Us

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

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



TOPICS 03 Six Priority Areas for CSR Peace of Mind

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

Evolutions in the Next-generation EyeSight System Improve Safety Performance

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

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

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

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

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



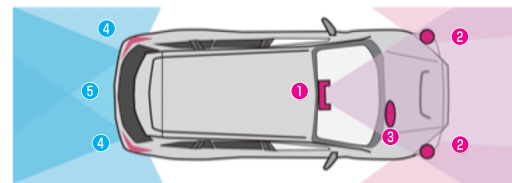
*2 Calculated by SUBARU based on ITARDA data

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

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

1 New Stereo Cameras

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



4 Rear Radar

Detects vehicles approaching from the rear.

2 Front Radar

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

5 Rear Sonar

Supports collision avoidance when backing up.

3 Electric Brake Booster

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

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

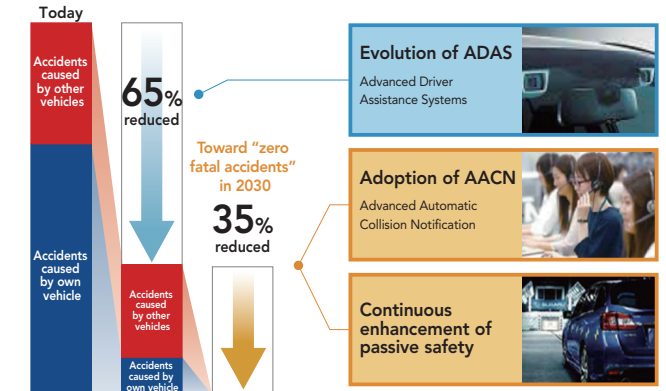
SUBARU is promoting the following three activity categories to achieve quality reform.

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

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

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

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



TOPICS 04

Six Priority Areas for CSR
Diversity

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

Why It Is Important to Us

Most companies today face social demand for diversity among their employees and diverse ways of working. SUBARU believes that continuing to offer products that contribute to increasing options for our customers and respecting diverse forms of market value will lead to sustainable growth for the company. Achieving this requires diversity of perspective among those who work for the Subaru Group.

Diversity for SUBARU therefore has two key meanings: diversity in products and diversity of employees. While pursuing diversity in products, SUBARU will promote diversity among all those who work for the Subaru Group.



TOPICS 04 > Six Priority Areas for CSR Diversity

Building two kinds of diversity for creating unique SUBARU value

Employee Diversity

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

Subaru Women's Network

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



Selected as Company of the Year

Collaborative employee group activities

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



Employee group making donations to charitable organizations

Diversity of Products

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

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

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



Levorg



SUBARU BRZ



SOLTERRA

TOPICS 05

Six Priority Areas for CSR
Environment

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

Why It Is Important to Us

In FYE March 2018, SUBARU revised its Environmental Policy, declaring that “the earth, the sky and nature” are Subaru’s fields of business, and made clear to strive for the coexistence with nature. These words encapsulate our desire to take the greatest possible care of “the earth, the sky and nature,” since they are the fields in which our automotive and aerospace businesses – the pillars of our enterprise – operate. With the concept that sustainability of both society and SUBARU only becomes possible with the existence of rich global environment, that is “the earth, the sky and nature,” the entire Subaru Group will make the greatest possible efforts to undertake global environmental conservation activities.



TOPICS 05 Six Priority Areas for CSR Environment

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

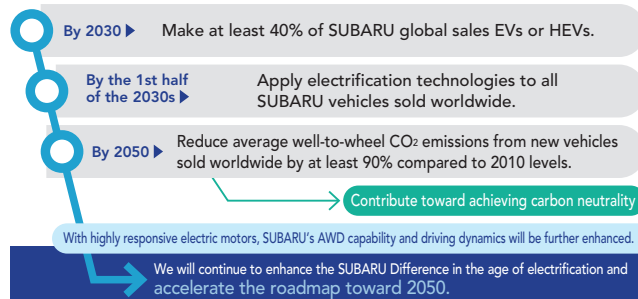
Globally Accelerating a Roadmap for a Carbon-free Society

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

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

Environmental efforts with commitment to enhancing the SUBARU Difference

CO₂ reduction roadmap



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

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

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

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

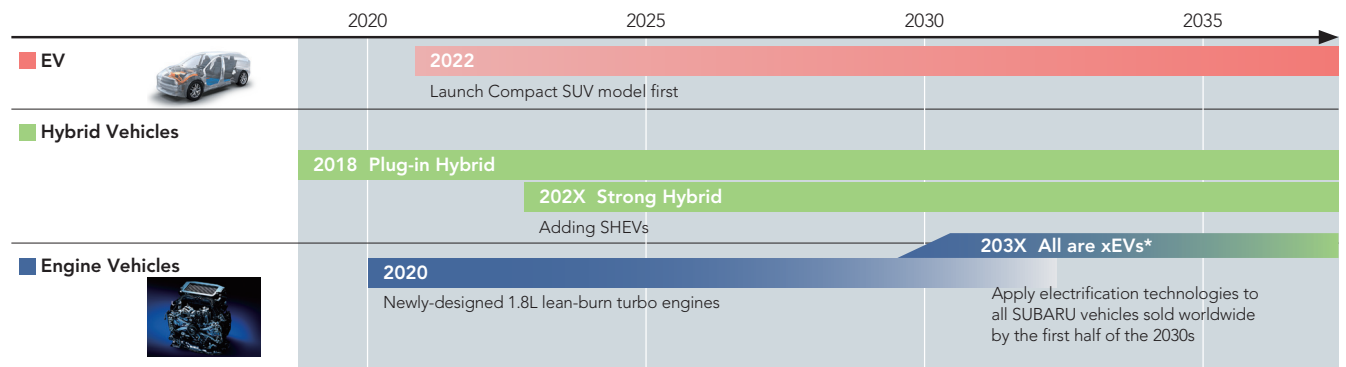
*4 Excluding models supplied by OEMs.

Creating Better Cars Through SUBARU's First Global EV

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

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

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



* Vehicles with electrification technology.

TOPICS 06

Six Priority Areas for CSR
Compliance

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

Why It Is Important to Us

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



TOPICS 06 > Six Priority Areas for CSR Compliance

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

Toward Deeper Compliance Initiatives

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

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

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

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

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

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



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

Monitoring Initiatives

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

Sample Online Compliance Training Programs

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

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

Environment

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Environmental Management

Our Approach

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. In mid-term management vision “STEP,” we are committed to making environmental contributions by enhancing the environmental performance of our products. We include “Environment” in the Six Priority Areas for CSR and deem it important to conduct environmental activities as a precondition to continue our business activities.

In order to foster environmental activities across the Subaru Group, we have our Environment Committee as well as a cross-company integrated environmental management system, which covers all Group sites, domestic and overseas consolidated production companies and SUBARU CORPORATION dealers in Japan and abroad.

Based on this system, we are fostering environmental management activities through an all-Subaru approach, including formulating medium- to long-term environmental targets, implementing measures to achieve the targets, complying with environmental laws and regulations, managing chemical substances, and compiling environmental performance data.

SUBARU Environmental Policies

SUBARU Sustainability Principles

“The earth, the sky and nature” are Subaru’s fields of business.

With the automotive and aerospace businesses as the pillars of SUBARU’s operations, our fields of business are the earth, the sky and nature. Preservation of the ecosystem of our planet, the earth, the sky and nature, is of utmost importance to ensure the future sustainability of both society and our organization. We align our business strategy to enhance these global goals in all of our operations.

1. We develop and deliver products to meet societal needs and contribute to the environment through advanced technologies.

By striving to create advanced technologies that put the environment and safety first, we will develop and deliver products that can contribute to protecting the earth’s environment.

2. We focus on efforts aimed at coexistence with nature.

Together with efforts to reduce carbon-dioxide emissions in all of our operations, we will promote active engagement with nature by stressing forest conservation.

3. We take on challenges as one through an all-Subaru approach.

Utilizing our unique organizational character that allows us to oversee the entire supply chain, all of us together will take on the challenges of environmental protection of our planet through an all-Subaru approach.

Environmental Principles

Subaru’s fields of business are the earth, the sky and nature. Subaru understands that the health and preservation of biodiversity and controlling climate change are critical to ensuring a sustainable future for our planet earth, nature, communities, and businesses.

Products:	We develop our products and conduct R&D in light of the lifecycle environmental impacts of our products.
Purchasing:	Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection.
Production:	We strive to minimize our environmental impact through improving energy efficiency and waste management.
Logistics:	We strive to minimize our environmental impact through enhancing energy efficiency and promoting pollution prevention.
Sales:	We endeavor to recycle resources efficiently and reduce waste.
Management:	We will strive to improve our sustainability program through contributions that meet societal needs and by publicizing our activities as Team Subaru.

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Management System

Environmental Management System

SUBARU comprehensively manages the entire progress and direction of its environmental management measures through the Environment Committee and based on the cross-company integrated environmental management system (EMS).

The Executive Officer in charge of the Sustainability Division

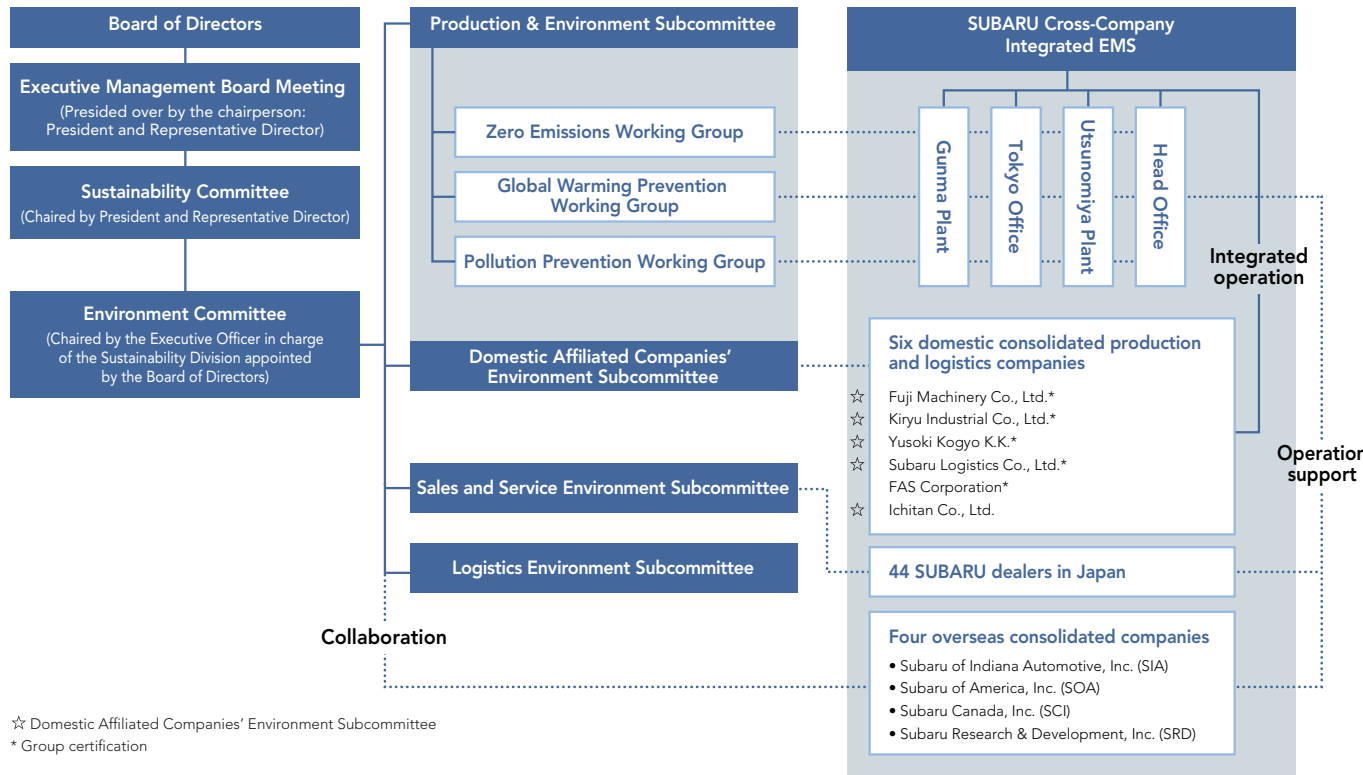
appointed by the Board of Directors oversees the integrated EMS and chairs the Environment Committee. In principle, the related issues are reviewed regularly, at least once a year, and details of discussions held by the Environment Committee are reported to the Sustainability Committee. Moreover, important issues are discussed and reported at the Executive Management Board Meeting and by the Board of Directors.

Environmental Risk Management System

SUBARU regularly identifies the environmental risks involved in its business activities (environmental accidents, pollution, noncompliance with laws and regulations, etc.) and fosters the management of the identified risks to prevent and minimize their materialization.

We also standardize the procedures to be followed when detecting an environmental risk and conduct drills in ordinary times so that we can promptly implement response measures in case of emergency and then take measures to prevent the reoccurrence of similar accidents, while preventing secondary risks from causing the spread of environmental pollution.

The Subaru Group's Environmental Management Organization

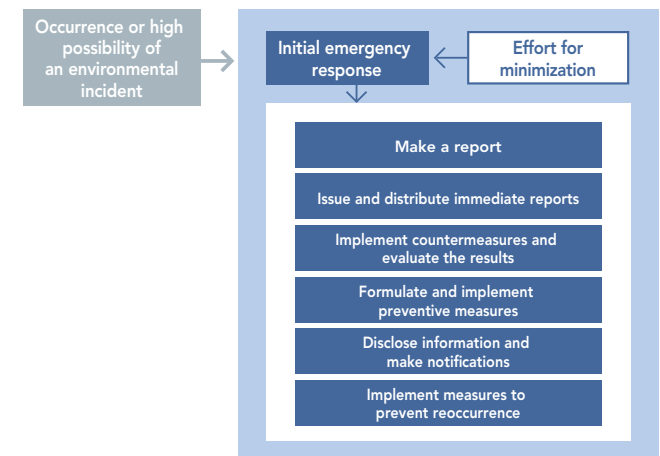


☆ Domestic Affiliated Companies' Environment Subcommittee
* Group certification

Implementation of Environmental Audits

- (1) Regular auditing based on the ISO14001 environmental management system
- (2) On-site contractors audits to ensure proper collection, transportation, and disposal of industrial waste
- (3) On-site audits of compliance with environmental laws, regulations, and ordinances

Procedures to Be Followed in Case of an Environmental Accident



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Acquisition of External Certification for Environmental Management Systems

SUBARU has been working to build an environmental management system, and its sites, suppliers, domestic and overseas consolidated production companies, and dealers have had their environmental management systems certified by external organizations.

Major Certifications

• ISO14001

SUBARU CORPORATION and its six consolidated production and logistics subsidiaries in Japan and three consolidated production and sales subsidiaries in North America have obtained ISO14001 certification for their environmental management systems. (The five domestic companies marked with an asterisk [*] in the lower right table have obtained group certification.)

• Eco Action 21^{*1}

In 2011, 44 SUBARU dealers obtained Eco Action 21 certification, becoming the first automaker-affiliated dealers in Japan to do so. We also began implementing an initiative under the Eco Action 21 value chain model project fostered by the Japanese Ministry of the Environment, which the Ministry certified in 2016 as the first initiative implemented under the project in recognition of its results. We will receive instructions and support from the Institute for Promoting Sustainable Societies (IPSuS),^{*2} which is the certification body for Eco Action 21, to expand the related activities across the Subaru Group. At the same time, we will support our suppliers in achieving Eco Action 21 certification, thereby expanding the initiative across our value chain.

• ISO50001^{*3}

In 2012, Subaru of Indiana Automotive, Inc., which is our production base in North America, became the first automobile production plant in the U.S. to acquire certification for ISO50001, which is the international standard for energy management systems (EnMS).

• ISO39001^{*4}

Subaru Logistics Co., Ltd. obtained certification for ISO39001, the international standard for road traffic safety management systems, in 2015.

*1 Environmental conservation activity promotion program formulated by the Japanese Ministry of the Environment in which SMEs work on three themes: environmental management systems, environmental measures and environmental reporting.

*2 This organization examines, plans, and implements new initiatives to build sustainable societies by integrating initiatives related to businesses, such as Eco Action 21, with product- and service-related initiatives to be promoted via supply chains.

*3 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.

*4 International standard for road traffic safety management systems. It requires organizations to appropriately manage the factors that could cause traffic accidents and reduce the related risks effectively and efficiently, thereby reducing the number of deaths and serious injuries caused by road traffic accidents.

→ [CSR Procurement](#)

Establishment of EMSs and EnMSs by the Subaru Group

Plants and offices

Category	Plants and offices				Retailers	
	SUBARU CORPORATION	Suppliers	Domestic Consolidated Production and Logistics Companies	Overseas Consolidated Production Companies	Domestic Consolidated Automobile Sales Companies	Overseas Consolidated Automobile Sales Companies
Certification obtained for EMSs/EnMSs	ISO14001	ISO14001, Eco Action 21 or self-certification	ISO14001	ISO14001 ISO50001	Eco Action 21	ISO14001
Target	Gunma Plant Tokyo Office Utsunomiya Plant Head Office	Green procurement Suppliers of materials	Fuji Machinery Co., Ltd.* Kiryu Industrial Co., Ltd.* Yusoki Kogyo K.K.* Subaru Logistics Co., Ltd.* FAS Corporation* Ichitan Co., Ltd. Six companies in total	Subaru of Indiana Automotive, Inc.	All SUBARU dealers 44 companies in total	Subaru of America, Inc. Subaru Canada, Inc. Two companies in total

* Group certification

SUBARU CORPORATION and its affiliated companies marked with an asterisk (*) carry out mutual internal audits on their EMSs within the scope required for ISO14001 group certification.

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Environmental Management Systems Established by Dealers in Japan

All 44 dealers in Japan have acquired Eco Action 21 certification. Under the certification system, they promote their environmental management systems and carry out environmental audits on a regular basis for environmental conservation and compliance with environmental laws and regulations.

Moreover, we collect data about domestic dealers' energy use, CO₂ emissions, waste generation, and water use through the Subaru Group's unique data system for environmental reporting and use the data to reduce our environmental impact.

Environmental Management Systems Established by Retailers in the U.S. (SOA)

Subaru of America, Inc. promotes the Eco-Friendly Retailer Program that encourages SUBARU retailers in the U.S. to reduce energy consumption, water usage, waste and other environmental impacts. A total of 205 companies, which is more than 30% of all retailers, participate in the program.

Management of Chemical Substances

A range of chemical substances are regulated by laws and regulations, including the REACH regulation,^{*1} ELV Directive,^{*2} and the Chemical Substance Control Law,^{*3} under which we are required to disclose information and ensure the appropriate management of chemical substances.

SUBARU is strengthening the management of its supply chain by using the IMDS^{*4} in order to identify which chemical substances are used in what amount in each of the several tens of thousands of parts that comprise its automobiles. Through this initiative, we are ensuring the non-use of prohibited substances (lead, mercury, cadmium, hexavalent chromium, etc.), promoting the replacement

of newly regulated substances with alternatives, and establishing a management system that helps us promptly disclose information about the use of substances that we should appropriately manage under REACH and other regulations. We are thereby reducing the use and enhancing the management of environmentally hazardous substances.

*1 REACH regulation: European regulation on chemical substances requiring all chemical substances to be subject to management or restricted use commensurate to the risk that they pose to humans and the environment.

*2 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.

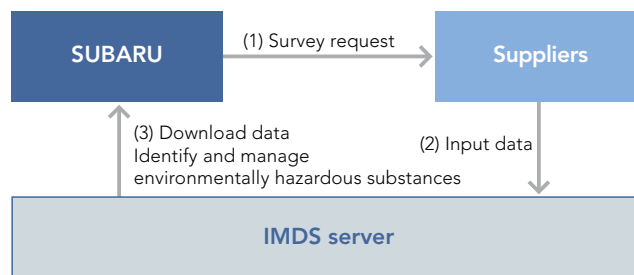
*3 The Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law) is a law whose purpose is to prevent environmental pollution caused by chemical substances that could harm human health or interfere with the habitat or growth of flora and fauna.

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

→ [Prevention of Pollution](#)

☐ [International Material Data System](#)

Management of Environmentally Hazardous Substances through IMDS



Targets and Results

I. Environment Action Plan 2030 and Other Key Environmental Initiatives

SUBARU initiated its new medium-term environmental plan in FYE March 2022. This plan is formulated around two timelines that are aligned with environmental issues.

Environment Action Plan 2030:

This is a Groupwide plan with a medium-to-long-term perspective and initiatives that spiral upward to address future expectations.

Other key environmental initiatives:

These granular initiatives are from a short-to-medium-term perspective and are designed to meet current expectations.

The two main features of Environment Action Plan 2030 are milestone goals to achieve by 2050 and moving targets that change according to the expectations of society.

Through initiatives based on the new environmental plan, SUBARU will sincerely address the expectations of current and future generations and further contribute to the realization of a sustainable society.

II. The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021)

SUBARU has been implementing voluntary environmental conservation plans and initiatives called Voluntary Plans for the environment since FYE March 1994. SUBARU completed the 6th plan in FYE March 2021, and achieved almost all of the goals of the plan.

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Key Initiatives of Environment Action Plan 2030 (FYE March 2022)

Climate Change

Field	Long-Term Vision	Environment Action Plan 2030					
		Primary Category	Subcategory		Components of Primary Initiatives		
			Bases	Goals by Base			
Scope 1 and 2 (Plants and offices)	Target carbon neutrality by FYE March 2051.	● Reduce CO ₂ emissions by 30% in FYE March 2031 compared with FYE March 2017 (total volume basis).	Plants	Reduce CO ₂ emissions from plants in Japan.	<ul style="list-style-type: none"> ● Reduce CO₂ emissions from SUBARU plants^{*1} by 30% in FYE March 2031 compared with FYE March 2017 (total volume basis). 	<ul style="list-style-type: none"> ● Upgrade cogeneration equipment. ● Switch to LED lighting. ● Expand solar power generation facilities. ● Upgrade equipment. ● Consolidate production lines. ● Improve the energy efficiency of existing facilities. ● Reduce standby power. ● Purchase carbon-free electricity. 	
				Reduce CO ₂ emissions from plants overseas.	<ul style="list-style-type: none"> ● Reduce CO₂ emissions from Group plants in Japan^{*2} in FYE March 2031 by 10% compared with FYE March 2017 (total volume basis). ● Reduce CO₂ emissions from overseas Group plants^{*3} in FYE March 2031 by 30% compared with FYE March 2017 (total volume basis). 	<ul style="list-style-type: none"> ● Continue energy-saving activities. ● Share best practices. ● Initiate reduction strategy studies. 	
				Head Office	Reduce CO ₂ emissions from the head office building. ^{*4}	<ul style="list-style-type: none"> ● Reduce CO₂ emissions to zero. 	<ul style="list-style-type: none"> ● Switch to LED lighting. ● Expand solar power generation facilities. ● Improve the energy efficiency of existing facilities. ● Initiate additional reduction strategy studies.
				Dealership	Reduce CO ₂ emissions from dealerships in Japan.	<ul style="list-style-type: none"> ● Aggregate information and upgrade systems to reduce CO₂ emissions. 	<ul style="list-style-type: none"> ● Continue energy-saving activities. ● Share best practices. ● Initiate reduction strategy studies.
Scope 3 (Products)	On a well-to-wheel ⁵ basis, we will pursue our goal of reducing the average CO ₂ emissions from new passenger cars by at least 90% by 2050, compared with 2010. ⁶	● By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars (HEVs) to at least up to 40% of the gross number of vehicles sold globally.	Automobiles	Improve fuel economy and equip vehicles with electrification technology.	<ul style="list-style-type: none"> ● Begin marketing SHEVs. ● Increase models equipped with electrification technology. ● Improve the fuel efficiency of internal combustion engines. 	<ul style="list-style-type: none"> ● Mass production of SHEVs. ● Conduct research to add electric vehicles to lineup. ● Equip more vehicles with environmentally responsible engines. 	
				Clean energy use.	<ul style="list-style-type: none"> ● Conduct research and development to launch BEVs. ● Begin marketing BEVs. 	<ul style="list-style-type: none"> ● Mass production and marketing of BEVs. ● Research BEVs. 	
		● In the early 2030s, all commercial SUBARU cars ^{*7} will be equipped with electrification technology. ^{*8}	Road traffic improvement – IT technology (Self-driving technology and preventive safety technology).	<ul style="list-style-type: none"> ● Develop driving assistance technology and preventive safety technology centered on the EyeSight Advanced Driver Assistance System and expand into more markets. 	<ul style="list-style-type: none"> ● 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. 		

*1 Gunma Plant, Tokyo Office, Utsunomiya Plant

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

*3 Subaru of Indiana Automotive, Inc.

*4 Head office floors of the Ebisu Subaru Building (Shibuya-ku, Tokyo)

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

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

*7 Excluding models supplied by OEMs

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

Resource Recycling

Field	Long-Term Vision	Environment Action Plan 2030		
		Medium-Term Goals		Components of Primary Initiatives
Products (automobiles)	● Contribute to resource recycling and carbon neutrality.	<ul style="list-style-type: none"> ● Conduct research and development targeting the use of recycled materials^{*1} for 25% of the plastic in new models^{*2} by 2030. ● Adopt carbon-free materials such as biomass plastic. ● Proactively adopt plastic materials^{*3} that have less environmental impact. 	<ul style="list-style-type: none"> ● Establish milestones for SUBARU's 2030 goals, and determine outlook for achieving initial milestones. Further support achievement of goals with ongoing studies to expand scope of encompassed parts. 	
Production	● Help create a recycling-oriented society with clean production plants.	<ul style="list-style-type: none"> ● Zero emissions from production plants^{*4} (zero landfill waste either directly or indirectly). 	<ul style="list-style-type: none"> ● Maintain zero emissions at production plants in Japan and overseas (zero landfill waste either directly or indirectly). ● Study effective use of waste plastic. 	
		<ul style="list-style-type: none"> ● Appropriately manage water use in production plants.^{*5} 	<ul style="list-style-type: none"> ● Continue to appropriately manage water use in production plants. 	

*1 Including material, chemical and plastic recycling.

*2 Excluding models supplied by OEMs.

*3 Materials and suppliers with lower CO₂ emissions and environmental pollution at the manufacturing stage.

*4 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant
Subaru of Indiana Automotive, Inc.

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

Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Long-Term Vision	Environment Action Plan 2030		
		Medium-Term Goals		Components of Primary Initiatives
Production	● Coexist with communities with production plants that are socially and environmentally responsible.	<ul style="list-style-type: none"> ● Target zero serious environmental accidents.* 	<ul style="list-style-type: none"> ● Zero environmental accidents, complaints, or violations of statutory standards. 	

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

Disclosure and Discussion of Coexistence with Communities and Environmental Information

Field	Environment Action Plan 2030		
	Medium-Term Goals		Components of Primary Initiatives
Management	<ul style="list-style-type: none"> ● Coexist with communities through activities to preserve nature. 		<ul style="list-style-type: none"> ● Build relationships with residents through means including plant opening events. ● Participate in local cleanup and greening activities, including biodiversity preservation. ● Collaborate with local governments and environmental preservation groups.
	<ul style="list-style-type: none"> ● Earn greater trust from society through environmental information disclosure and dialogue. 		<ul style="list-style-type: none"> ● Build trust through sustainability reports and other sustainability improvement channels. ● Collaborate with external evaluation organizations. ● Promote constructive dialogue with investors.

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Other Primary Initiatives (FYE March 2022)

Climate Change

Field	Item	Components of Primary Initiatives
Distribution	<ul style="list-style-type: none"> Implement measures to reduce CO₂ in line with the Energy Saving Law. 	<ul style="list-style-type: none"> Reduce CO₂ emission intensity by 1% every year, using FYE March 2007 as a benchmark.

Resource Recycling

Field	Item	Components of Primary Initiatives
Products (automobiles)	<ul style="list-style-type: none"> Recyclability improvement 	<ul style="list-style-type: none"> Continue to implement measures to comply with the Automobile Recycling Law. Continue to implement measures to make parts and materials more detachable, separable, and sortable. Contribute to a 95% recycling efficiency rate each year. Make efforts for CFRP recycling technology.
	<ul style="list-style-type: none"> Promotion of life-cycle assessment 	<ul style="list-style-type: none"> Promote disclosure of life-cycle assessment (LCA) data.
Production	<ul style="list-style-type: none"> Waste control and proper disposal 	<ul style="list-style-type: none"> Continue to control waste generation through means such as improving yield and packing style, and properly dispose of waste.

Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Item	Components of Primary Initiatives
Products (automobiles)	<ul style="list-style-type: none"> Promote the introduction of low-emission vehicles to improve air quality. 	<ul style="list-style-type: none"> Japan: Complete the advanced development of PN regulation compliant vehicles (Vehicles manufactured by SUBARU). U.S.: Complete development of turbo engines with stricter emission regulation levels. Other overseas: Introduce low-emission vehicles to improve air quality in countries and regions.
	<ul style="list-style-type: none"> Promote the management and reduction in the use of environmentally hazardous substances. 	<ul style="list-style-type: none"> Improve management of chemical substances contained in products. Promote switching to substances with lower environmental impact.
Production	<ul style="list-style-type: none"> Further reduce per unit of VOC emissions (g/m²) at production lines. 	<ul style="list-style-type: none"> Reduce unit VOC emissions (year on year).
	<ul style="list-style-type: none"> Continue to reduce emissions of PRTR substances into the environment. 	<ul style="list-style-type: none"> Identify and manage the chemical substances regulated by the PRTR law and promote further reduction in the use of these substances.

Collaborate with Customers and Promote Environmental Management

Field	Item	Components of Primary Initiatives
Procurement	<ul style="list-style-type: none"> Request suppliers in Japan and overseas to build, maintain, and strengthen an environmental management system (EMS). 	<ul style="list-style-type: none"> Continue to establish and fully maintain the EMS including with new suppliers. Request that the entire supply chain improve environmental management throughout the product life cycle.
	<ul style="list-style-type: none"> Reduce environmentally hazardous substances. 	<ul style="list-style-type: none"> Expand the range of target parts and raw materials with business partners regarding the management and reduction of contained environmentally hazardous substances.
Sales (automobiles)	<ul style="list-style-type: none"> Apply the supplier CSR guidelines and green procurement guidelines. 	<ul style="list-style-type: none"> Revise the guidelines according to changes in the social environment and corporate policy, and request suppliers to deploy, disseminate, and comply with the guidelines.
	<ul style="list-style-type: none"> Provide support to SUBARU dealers' environmental activities. 	<ul style="list-style-type: none"> Support all dealerships maintain Eco Action 21 certification. Confirm the legality of dealers' zero emission activities.
Management	<ul style="list-style-type: none"> Operate and upgrade environmental management systems. 	<ul style="list-style-type: none"> Maintain ISO14001 integrated certification for Subaru Group. Make continuous improvements to the Environmental Management System.

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The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Global Warming Measures

Field	Item	FYE March 2021		
		Target	Results	
Products	Fuel economy improvement	<ul style="list-style-type: none"> Continue to improve fuel economy through full model changes and annual improvements. 	<ul style="list-style-type: none"> Rollout the downsized turbo engine, the next Levorg, and Forester. Start and promote advanced development of a strong hybrid, aiming at mass production. 	<ul style="list-style-type: none"> Equipped the downsized turbo engine that meets FYE March 2021 fuel efficiency standards and rolled out the next Levorg and Forester. Prioritized development of a strong hybrid and moved forward according to plan.
	Clean energy use	<ul style="list-style-type: none"> Promote introduction of electric vehicles. 	<ul style="list-style-type: none"> Promote joint development of EVs with Toyota Motor Corporation and move to mass production of THS-based vehicles, aiming to achieve the environmental goals announced publicly on January 20, 2020. 	<ul style="list-style-type: none"> We are moving forward according to plan in jointly developing EVs with Toyota Motor Corporation and pivoting to mass production development with the goal of beginning sales in mid-2022.
	Road traffic improvement – IT technology (Self-driving technology and preventive safety technology)	<ul style="list-style-type: none"> Make efforts to expand deployment of Advanced Driver Assistance System and development of self-driving technology, further advance technological development to prevent accidents, and contribute to CO₂ reduction through preventing traffic congestion due to accidents and improving traffic flow with driving assistance technology. 	<ul style="list-style-type: none"> Promote development that aims at zero fatal traffic accidents*² by 2030. Continue to promote development of Advanced Driver Assistance System technology, focusing mainly on rollout of the next-generation EyeSight and popularization and dissemination of accident damage reduction technology using third-party assessment. Continue to promote activities based on industry/government/academia initiatives such as SIP/ASV. 	<ul style="list-style-type: none"> We rolled out the new Levorg in FYE March 2021 equipped with the next-generation EyeSight, which features enhanced accident avoidance at intersections, emergency pre-crash steering, and green light notification functions. We launched the Advanced Driver Assistance System EyeSight X that features an active lane change assist and a driver error monitoring system.
Production	Production facilities	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of production at domestic production facilities. 	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of production at domestic production facilities by 14% by FYE March 2021 from the FYE March 2007 level. 	<ul style="list-style-type: none"> Reduced CO₂ emissions per unit of production at domestic production facilities by 44% through FYE March 2021 compared with the FYE March 2007 level.
		<ul style="list-style-type: none"> Promote activities to reduce CO₂ emissions at overseas production facilities.*¹ 	<ul style="list-style-type: none"> Continue to consider introducing energy saving facilities and renewable energy power systems while studying approaches in this context to address inevitable increases in energy use required to increase production. 	<ul style="list-style-type: none"> We have continued to consider introducing energy-saving facilities and renewable energy power systems to reduce CO₂ emissions by 30% in FYE March 2031 compared with FYE March 2017.
Distribution/ Sales	Distribution	<ul style="list-style-type: none"> Promote CO₂ emissions reduction activities synchronized with the Energy Saving Law. 	<ul style="list-style-type: none"> Aim for 1% emissions reduction every fiscal year with the FYE March 2007 result as a benchmark. 	<ul style="list-style-type: none"> Achieved the annual 1% emission reduction target. CO₂ emissions per unit for FYE March 2021 was 27.82 kg/unit, which was below the target of 28.29 kg/per unit (1% reduction every fiscal year from the FYE March 2007 benchmark).

*1 Subaru of Indiana Automotive, Inc.

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

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The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Resource Recycling

Field	Item	FYE March 2021		
		Target	Results	
Products	Recyclability improvement	<ul style="list-style-type: none"> Continue to implement measures to comply with the Automobile Recycling Law. Continue to implement measures to make parts and materials more detachable, separable, and sortable. 	<ul style="list-style-type: none"> Build collection schemes as necessary in relevant locations for used EV/HV batteries for large vehicles in line with sales of MHEV/PHEV. Continue to promote the development of models designed with consideration for ease of dismantling. Continue to promote the use of recycled materials in resin parts in line with trends in the social environment, laws, and regulations. 	<ul style="list-style-type: none"> Continued to achieve an actual recycling rate over 95% in FYE March 2021. Continued to promote vehicle development that incorporates design for recycling, including easy dismantling. We have set internal goals for using recycled materials for resin parts, and are continuing initiatives to switch over.
	Promotion of life-cycle assessment	<ul style="list-style-type: none"> Make efforts for CFRP recycling technology. Promote disclosure of life-cycle assessment (LCA) data. 	<ul style="list-style-type: none"> Continue to promote technological development that considers easy dismantling. Only the new Levorg, to be released in 2020, will be subject to LCA data disclosure. 	<ul style="list-style-type: none"> Continued to promote technology development that considers easy dismantling. Calculated and disclosed LCA data for the new Levorg, the only vehicle subject to LCA data disclosure in 2020.
Production	Domestic dealerships and dismantlers	<ul style="list-style-type: none"> Establish processing schemes for difficult material to process, etc. 	<ul style="list-style-type: none"> Japan: Start to apply the used EV/HV lithium-ion batteries disposal scheme. Expand the acquisition and utilization of approval for waste disposal practice, as set forth in the Waste Management and Public Cleansing Act. 	<ul style="list-style-type: none"> Partial operation initiated based on actual demand for acquisition and utilization
	Production facilities	<ul style="list-style-type: none"> Continue the appropriate disposal of waste and reducing waste generation. Continue zero landfill (zero landfill waste either directly or indirectly) at both domestic and overseas production facilities. Manage volume of water used at both domestic and overseas production facilities. 	<ul style="list-style-type: none"> Continue to appropriately dispose of waste and reduce waste generation through sorting. Continue to achieve zero landfill at both domestic and overseas production facilities. Properly manage volume of water use at production facilities in and outside Japan. 	<ul style="list-style-type: none"> Continued to carry out appropriate waste management and maintain waste reduction through sorting. Maintained zero landfill emissions at production facilities in and outside Japan. Promoted appropriate management of water usage at production facilities in and outside Japan.

* Waste Management and Public Cleansing Act (Promulgated on December 25, 1970)

The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Pollution Prevention and Reduction of Hazardous Chemical Use

Field	Item	FYE March 2021		
		Target	Results	
Products	Reduction in emissions	<ul style="list-style-type: none"> Promote the introduction of low-emission vehicles to improve air quality. 	<ul style="list-style-type: none"> Japan: Continue to increase the number of WLTP low emission standard certified models. Complete advanced development of SUL EV-compliant vehicles to be rolled out in North America. 	<ul style="list-style-type: none"> Expanded the number of WLTP low emission standard certified models. Completed the advanced development of SUL EVs for North America. Rolled out vehicles with GPF for delivery to Europe.
	Reduction in the use of environmentally hazardous substances	<ul style="list-style-type: none"> Promote the management and reduction in the use of environmentally hazardous substances. 	<ul style="list-style-type: none"> Enhance chemical substance management using IMDS. Promote alternative substances with even less environmental load. 	<ul style="list-style-type: none"> Built and began using an IMDS system enabling chemical components management for the complete range of parts. Completed the switch to ethanol for washer fluid for Europe. Promoted environmental measures in line with the 2020 prohibitions of the ELV Directive, such as the development of lead-free alternative laminated glass solder.
Production	Automobiles	<ul style="list-style-type: none"> Further reduce per unit of VOC emissions (g/m²) at production lines. 	<ul style="list-style-type: none"> FYE March 2021 target: 48.4 g/m² 	<ul style="list-style-type: none"> FYE March 2021 result: 47.4 g/m² Continued to improve thinner recovery when cleaning color-change piping at the Gunma Paint Plant.
	Management and emission reduction of environmentally hazardous substances at production facilities	<ul style="list-style-type: none"> Continue to reduce emissions of PRTR substances into the environment. Promote activities targeting the elimination of occurrences of hazardous substances leaking off site, complaints, and exceeding legal standards. 	<ul style="list-style-type: none"> Continue aggregation management control of chemical substances regulated by the PRTR law. Continue to implement environmental risk reduction activities (instruction, education, and coexistence with community). The FYE March 2021 target for reducing instances of the issues listed on the left was zero in all cases. 	<ul style="list-style-type: none"> Improved PRTR system and continued aggregation. Gunma Yajima Plant septic tank defect countermeasures Improved work procedures at Utsunomiya Plant Reduced ventilation system noise at headquarters Quickly addressed odors identified by factory patrols Enhanced building repairs Enhanced vehicle oil leakage preventive maintenance

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The 6th Voluntary Plan for the Environment (FYE March 2018 to FYE March 2021) Environmental Management

Field	Item	FYE March 2021		
		Target	Results	
Procurement	Green procurement activities	<ul style="list-style-type: none"> Request both domestic and overseas suppliers to establish, maintain, and strengthen environmental management systems (EMS). 	<ul style="list-style-type: none"> Continue to maintain the structure to establish EMS including new suppliers. Revise the guidelines as necessary after checking with related departments for any revision requirements, and issue a new version of the guidelines. 	<ul style="list-style-type: none"> Continued to maintain the EMS encompassing 396 companies, including new suppliers. Confirmation with relevant departments did not result in revision of the guidelines in FYE March 2021.
		<ul style="list-style-type: none"> Reduce environmentally hazardous substances. 	<ul style="list-style-type: none"> Continue to investigate the content of environmentally hazardous substances and promote switching to alternatives appropriately in response to global regulation trends. 	<ul style="list-style-type: none"> Requested IMDS input and SVHC content survey as planned, and proceeded to switch to alternative materials.
		<ul style="list-style-type: none"> Apply the supplier CSR guidelines and green procurement guidelines. 	<ul style="list-style-type: none"> Revise and issue guidelines, and distribute the new version of the guidelines to suppliers as necessary in light of social situations. 	<ul style="list-style-type: none"> We used video briefing sessions and compliance surveys to ask our suppliers to develop, disseminate, and comply with the guidelines.
Distribution/ Sales	Promotion of environmental conservation activities among dealerships	<ul style="list-style-type: none"> Provide support to SUBARU dealerships' environmental activities. 	<ul style="list-style-type: none"> Provide individual companies with education and other support to ensure that each dealer can undergo the Inspection for Transition to the 2017 Version of the Eco Action 21 Guidelines without fail. 	<ul style="list-style-type: none"> In Japan, 31 out of 44 dealers completed the inspection for the transition to the 2017 Version of the Eco Action 21 Guidelines in FYE March 2020, and 13 dealers completed it in FYE March 2021, thus completing the shift to the 2017 guidelines.
	Promotion of environmental conservation activities, including biodiversity conservation, in cooperation with local communities	<ul style="list-style-type: none"> Continue to participate in environmental events, and make friendly exchanges with and support factory tours of residents near factories. Continue to conduct cleanup and greening activities, including biodiversity conservation efforts, near factories. Support activities of and work with environmental organizations. 	<ul style="list-style-type: none"> Continue school visit programs to provide environmental classes and factory tours. Continue to carry out cleanup activities around factories and offices. Contribute to forest conservation in regions where SUBARU has close ties with local communities. 	<ul style="list-style-type: none"> Continued environmental lectures and remote visits to the Gunma Visitor Center. Continued to carry out community cleanup activities. Despite the COVID-19 pandemic, we have continued to work with local communities where we have close ties.
Management	Disclosure of environmental information	<ul style="list-style-type: none"> Disclose environmental information through regular publication of environmental reports and other documents in a timely manner. 	<ul style="list-style-type: none"> Continue to carry out timely information disclosure in the CSR report. Promote corporate communication activities appropriately, utilizing various content materials effectively. 	<ul style="list-style-type: none"> Sustainability Report (Japanese version of this publication) was published in September 2021. The English version will be released in October. Answer questions from environmental NGOs such as CDP and ESG evaluation organizations. Publish the answers on our website as necessary.
		<ul style="list-style-type: none"> Improve and enhance the contents of Environmental Report (to be in compliance with Environmental Reporting Guidelines, and inclusion of Group companies in the scope of reporting). 	<ul style="list-style-type: none"> Consider approaches to increase readability of disclosed content. 	<ul style="list-style-type: none"> Ongoing content improvement for compatibility with TCFD and integrated reports.
		<ul style="list-style-type: none"> Participate in environmental events and publicize corporate environmental activities. 	<ul style="list-style-type: none"> Consider methods of gaining understanding of SUBARU's environmental initiatives among a wider audience and put them into practice. 	<ul style="list-style-type: none"> Considered methods compatible with the COVID-19 pandemic.
	Promotion of environmental education and awareness activities	<ul style="list-style-type: none"> Continue environmental and social education under the in-house education system. 	<ul style="list-style-type: none"> Continue to use e-learning and other methods to deliver environmental education and aim to further enhance the education provided. Implement initiatives aimed at increasing understanding of the Waste Management and Public Cleansing Act. 	<ul style="list-style-type: none"> Promoted higher levels of understanding through e-learning.
	<ul style="list-style-type: none"> Each and every SUBARU site to maintain ISO14001 integrated certification. 			
	Establishment of an Environmental Management System	<ul style="list-style-type: none"> Make continuous improvements to the Environmental Management System. Increase cooperation with subsidiaries and suppliers, and maintain and improve the establishment of consolidated environmental management system. 	<ul style="list-style-type: none"> Upgrade and deploy appropriate environmental management systems. 	<ul style="list-style-type: none"> Continued the certification of Group companies.

* Eco Action 21 (EA21): An environmental management system designed by the Ministry of the Environment with reference to ISO14001 that is easy for small and medium-sized enterprises to employ.

Environmental Management

Environmentally Friendly Automobiles

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Resource Recycling

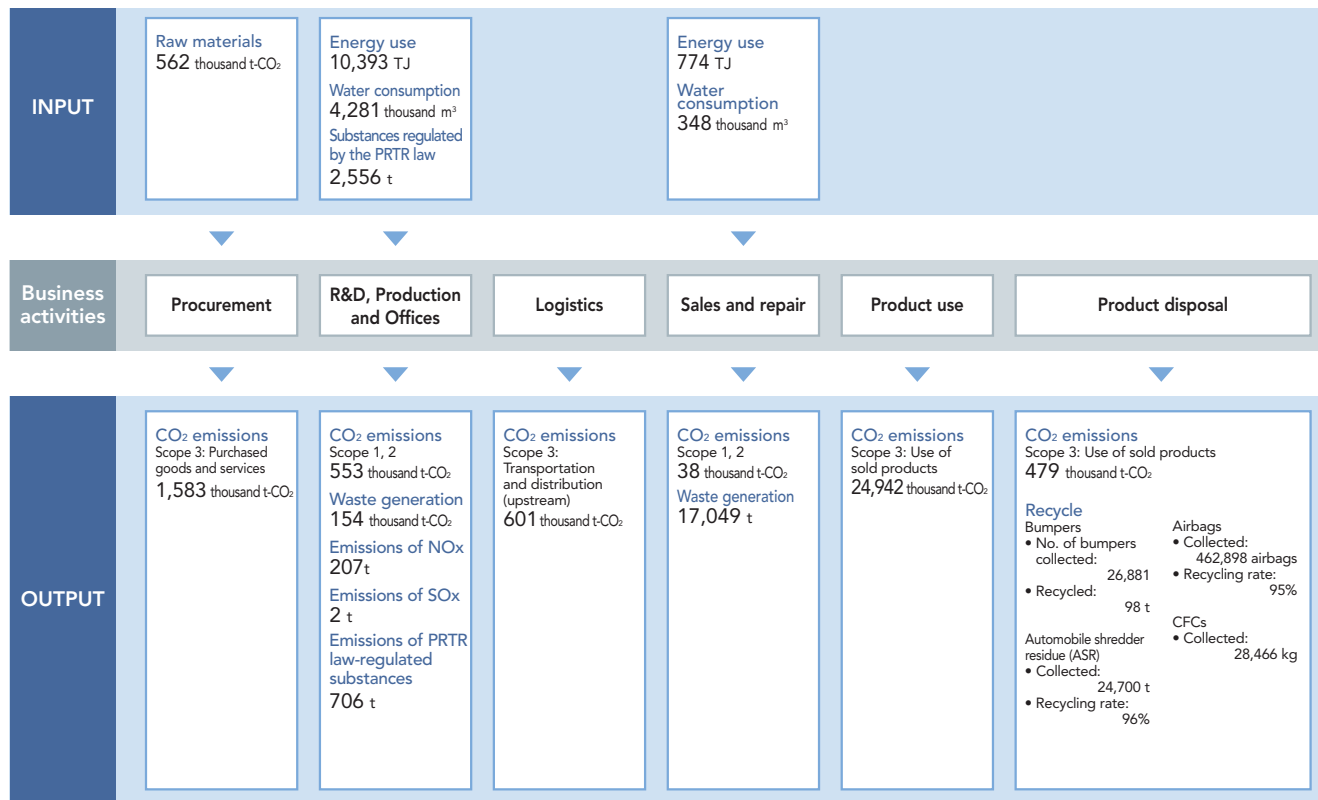
Water Resources

Biodiversity

Prevention of Pollution

FYE March 2021 Environmental Performance Data for Plants and Offices

Subaru Group Material Flow



Scope:

[Procurement] SUBARU: Gunma Plant, Utsunomiya Plant, Handa Plant, Handa West Plant

[R&D and Production] SUBARU: Gunma Plant, Utsunomiya Plant, Handa Plant, Handa West Plant, Tokyo Office, Ebisu Subaru Building, SUBARU Academy, Parts Distribution Center, Omiya Subaru Building

Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

[Logistics] Land transport (in Japan) and marine transport

[Sales and repair] Domestic dealerships

[Product use and sale] 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

FYE March 2021 environmental investment increased ¥637 million year on year to ¥3.6 billion. Key factors included environmental investment in wastewater treatment and noise control at the Gunma Plant and Subaru of Indiana Automotive, Inc.

Subaru Group Environmental Investment

Item	Category	(Unit: million yen)	
		Consolidated	
		FYE March 2020	FYE March 2021
(1) Cost in the business area	(i) Pollution prevention cost	123	898
	(ii) Global environment conservation cost	378	189
	(iii) Resource recycling cost	1	42
(2) R&D cost	R&D cost to reduce environmental impact	2,506	2,524
(3) Environmental remediation costs	Costs for remediating soil and groundwater pollution	14	6
Grand total		3,022	3,659

Note: Due to rounding, the sum may not exactly match the corresponding total. FYE March 2020 results have been revised because of the inclusion of overseas group companies.

Scope

SUBARU: SUBARU CORPORATION

Domestic group companies: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru of Canada, Inc., Subaru Research & Development, Inc.

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Performance Data for Plants and Offices**Environmental Education**

SUBARU 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 Environmental Education

We provided education online during FYE March 2021 to help prevent the spread of COVID-19, and 704 people participated. The program covered the Subaru Group's Six Priority Areas for CSR to become a sustainable company and the SUBARU Global Sustainability Policy.

■ ISO14001 New Internal Auditors Training Seminar

We also held the ISO14001 New Internal Auditors Training Seminar to enhance the internal auditing system for our ISO14001-certified environmental management systems and to strengthen environmental conservation activities conducted at our workplaces. We invited external lecturers to this two-day seminar, and participants worked hard to gain the knowledge required of internal auditors.



ISO14001 New Internal Auditors Training Seminar

■ Dealers in Japan

In February 2021, we examined environmental laws and regulations related to the sales activities of dealers in Japan, and created an environmental law compliance manual for dealership use. We also conducted in-house training for the environmental law compliance manual, and about 110 people participated to deepen their understanding of environmental law compliance.

In November 2020, we conducted online training for sheet metal center compliance (chemical substances), and 68 people from 18 dealers in Japan participated.

■ 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 2021, we held three training sessions for 120 participants, some of whom joined remotely. The sessions largely provided an overview of Japan's legal system; an overview of the application of the Waste Management Act, hazardous substances under the Fire Service Act, and the Water Pollution Prevention Act; and management of chemical substances. Group training in FYE March 2022 is mainly geared toward ensuring that Subaru Group employees who are involved in ISO14001 understand environmental laws and regulations.



Training session

Environmentally Friendly Automobiles

Our Approach

“The earth, the sky and nature” are Subaru’s fields of business, and we truly do value the benefits nature provides. The Subaru Group is committed to increasing the environmental performance of its products and also to protecting the global environment throughout the life cycle of its products, from the procurement of raw materials through to the manufacturing, transportation, use, and disposal of its products.

Management System

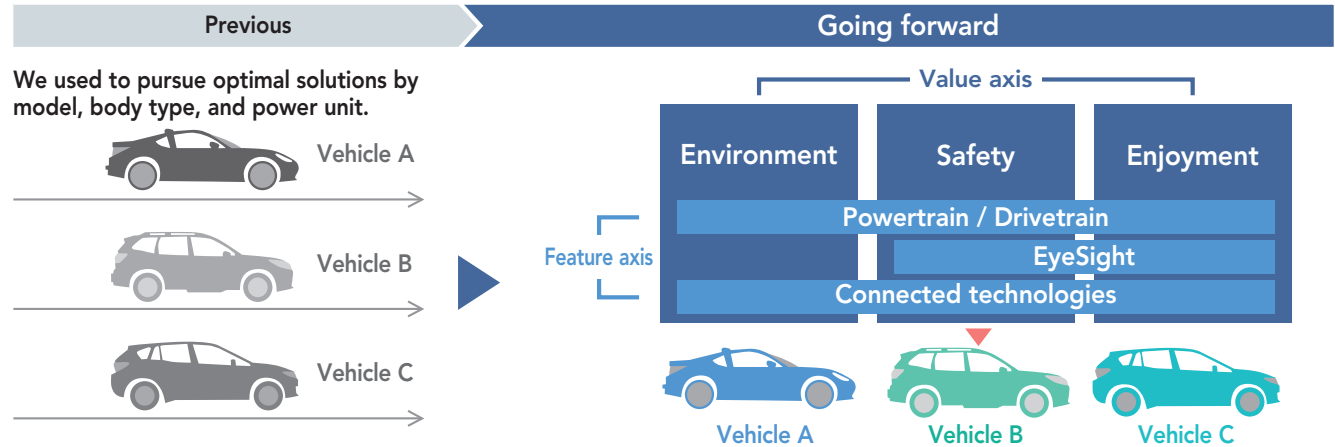
We need to effectively invest resources in the development of strategic technologies and link technology and management more comprehensively. This will enable us to address new technologies, as symbolized by the electric vehicles that will be key to resolving environmental issues, autonomous driving and connected car services, which in turn will enable us to deliver appealing products.

SUBARU has therefore transitioned to a development system that organically combines value and function from a development system based on functional units such as vehicle bodies and power units in order to accelerate the development

of new technologies such as environmentally responsible electric vehicles. We have also created the CTO Office within the Engineering Division as an organization to discuss and decide the future direction of technology development, along with a system to incorporate its outcomes into Groupwide strategies including procurement and manufacturing.

Our objective is to empower a transformation to a Groupwide optimization perspective over a division and vehicle optimization perspective within an organization that is flexibly able to address the technologies of the future. Our development system will evolve into a core platform for creating and delivering environmental and technological value that demonstrates SUBARU-ness.

We cultivate, enhance, and accumulate future-generation core technologies that will underpin SUBARU’s future products.



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 reducing CO₂ emissions and medium-term goals (milestones) to complement them.

Even in the electric vehicle era, we will strengthen SUBARU-ness and manufacture environmentally responsible automobiles in line with our medium- to long-term goals for 2030 and 2050.

We have also set the new target of proceeding with research and development with the goal of using recycled materials^{*1} for more than 25% of the plastics used in new models^{*2} released worldwide by 2030 to help address the global waste plastic problem.

- On a well-to-wheel^{*3} basis, we will pursue our goal of reducing the average CO₂ emissions from new passenger cars by at least 90%^{*4} by 2050, compared with 2010.
- In the early 2030s, all commercial SUBARU cars^{*1} will be equipped with electric powertrain technology.^{*5}
- By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars to at least up to 40% of the gross number of vehicles sold globally.

*1 Including material, chemical and plastic recycling.

*2 Excluding models supplied by OEMs.

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

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

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

Contribution to the creation of a decarbonized society through products from SUBARU's point of view

Global Environment Preservation

Companies are required to contribute to the achievement of a decarbonized society

2050

On the well-to-wheel basis, we will pursue our goal of reducing the average CO₂ emissions from new passenger cars by at least 90% by 2050, compared with 2010.

2030

By 2030, we will pursue our goal of increasing the ratio of electric vehicles (EV) and hybrid cars to at least 40% of the gross number of vehicles sold globally.

In the early 2030s, all commercial SUBARU cars will be equipped with electric powertrain technology.

SUBARU will accelerate the development of fundamental technologies for EVs and hybrid cars with support from alliance partners and continue offering products accentuating SUBARU's distinctions even in the emerging electric age.

SUBARU will contribute to building a decarbonized society through our distinctive and technological innovations.

Initiatives

Efforts to Reduce CO₂ Emissions for New Models

SUBARU is working to improve the fuel efficiency of conventional gasoline engine vehicles while turning its attention to expanding its lineup of electric vehicle models and promoting EV development to address stricter fuel efficiency regulations in the countries it operates in. We believe it will be important to steadily implement the above initiatives in order to reduce the amount of CO₂ emitted from automobiles.

Higher Fuel Efficiency

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 direct injection turbo DIT^{*1} combines the unique driving pleasure of a SUBARU with outstanding environmental performance. Installed in the new Levorg and Forester models launched in 2020, it is a next-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.

*1 Direct injection turbo



New 1.8-liter direct injection engine

Electric Vehicles—HEVs, Plug-in Hybrid Vehicles (PHEVs), Strong Hybrid Electric Vehicles (SHEVs), and Other Electromotive Vehicles (xEVs)

SUBARU has been increasing the number of vehicles equipped with its mild hybrid e-BOXER² engine that combines a horizontally opposed engine and electric technology, and to reduce CO₂ emissions has implemented initiatives such as creating its own plug-in hybrid vehicle (PHEV) using the hybrid vehicle expertise of Toyota Motor Corporation (Toyota). In addition, we will launch series hybrid electric vehicles (SHEV) in the mid-2020s that incorporate Toyota Hybrid System (THS)³ technology to deliver vehicles that feature SUBARU-ness while offering high-level environmental performance. We are also planning to develop xEVs with improved fuel efficiency by equipping gasoline engine vehicles with various electrification technologies. By steadily expanding our product lineup of electric vehicles, we will help reduce CO₂ emissions for new models.

^{*2} Generic term used for "horizontally opposed engine + electrification technology," which offers the unique driving pleasure of SUBARU while being environmentally friendly.

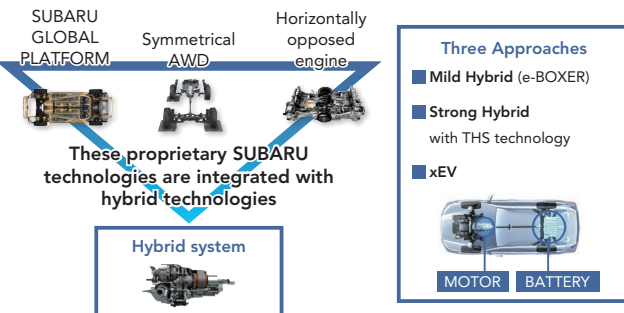
^{*3} TOYOTA Hybrid System



PHEV Crosstrek Hybrid



Forester Advance equipped with the e-BOXER power unit



Electric Vehicles (EVs)

SUBARU plans to launch SOLTERRA around the middle of 2022 as another step toward the era of the electric car. SUBARU's first global EV, SOLTERRA, is designed to be environmentally responsible. It utilizes the e-SUBARU Global Platform, a dedicated EV platform we jointly developed with 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. An SUV with the unique appeal of

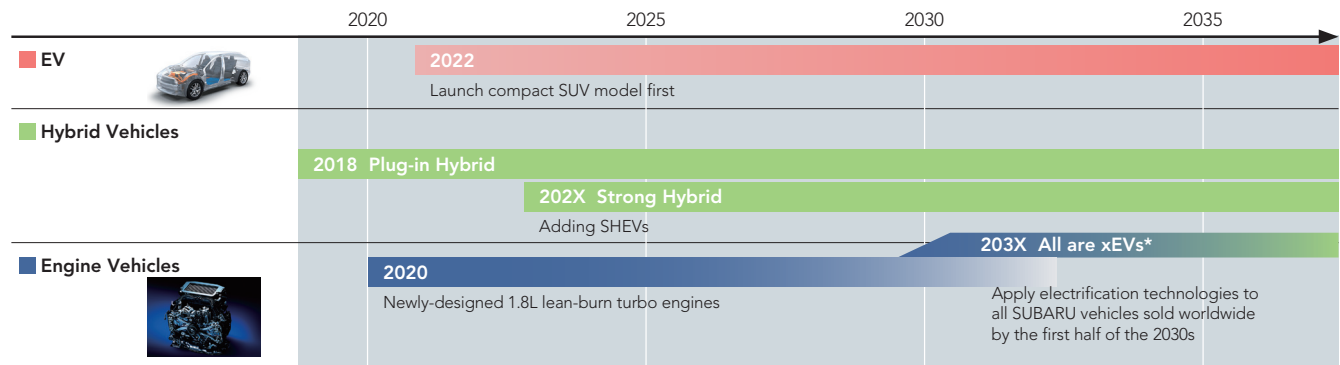


SUBARU name for a jointly developed EV: SOLTERRA
"SOLTERRA" is a coined word that combines the Latin words "sol," which means "sun," and "terra," which means "earth."

an EV, SOLTERRA will launch in Japan, the U.S., Canada, Europe, China, and elsewhere as a new option in the SUBARU SUV lineup.

SUBARU continues to develop and deliver products that meet societal needs and contribute to the environment through advanced technologies, thereby contributing to the protection of the global environment. We will continue to consider practical functions and customer preferences as we enhance our lineup in the markets we serve with environmentally friendly vehicles that are unique to SUBARU and that can deepen relationships with customers.

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



* Vehicles with electrification technology.

Life Cycle Assessment

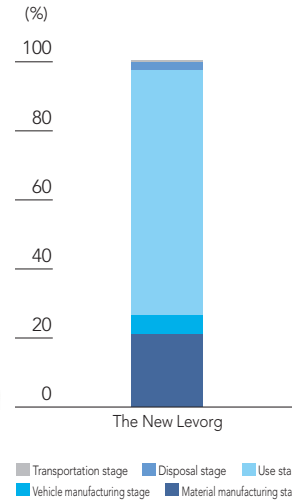
SUBARU conducts LCA*4 to evaluate CO₂ emissions during the entire life cycle of automobiles, from raw material procurement to manufacturing to transportation, use, and disposal. We will quantify the environmental impact of automobiles and proactively develop automobiles taking into account the need for decarbonization from the design stage.

SUBARU will reduce environmental load throughout the entire lifecycle by improving fuel efficiency and electrification technologies.

*4 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 production, use, disposal and recycling.

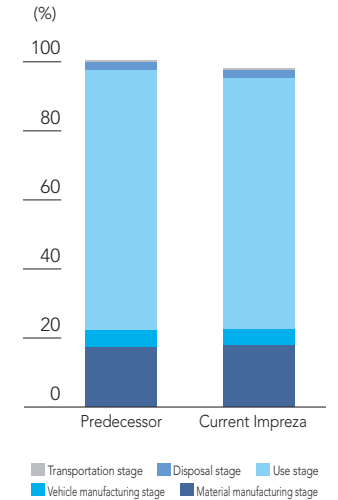
Levorgg

The displacement class of the new Levorg announced in October 2020 has changed.
The ratio of CO₂ emissions at each LCA stage is shown on the right.



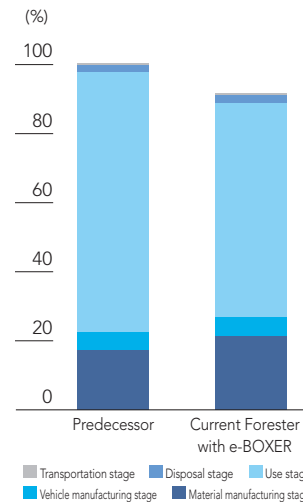
Impreza

LCA of the new Impreza, which was fully redesigned in fall 2016, is shown on the right.
The new Impreza reduces CO₂ emissions by 2.3% over its life cycle compared with its predecessor.



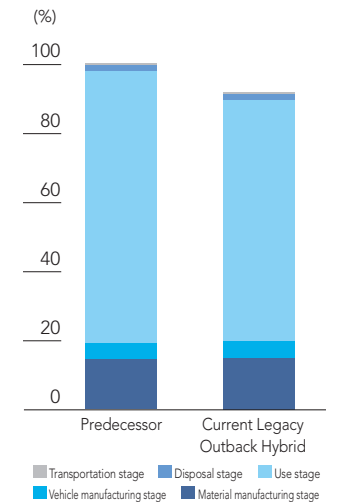
Forester (e-BOXER)

LCA of the new Forester with e-BOXER announced in June 2018 is shown on the right.
It reduces CO₂ emissions by 8.7% over its life cycle compared with its gasoline-fueled predecessor.



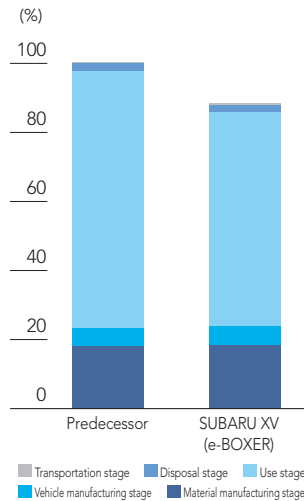
Legacy Outback

LCA of the new Legacy Outback announced in October 2014 is shown on the right.
The new Legacy Outback reduces CO₂ emissions by 8% over its life cycle compared with its predecessor.



SUBARU XV (e-BOXER)

LCA of the new SUBARU XV (e-BOXER) announced in October 2018 is shown on the right. It reduces CO₂ emissions by 12% over its life cycle compared with its gasoline-fueled predecessor.



Design for Recycling

SUBARU incorporates recyclability into its automobile design process to make effective use of limited resources.

Increased ease of dismantling wiring harnesses

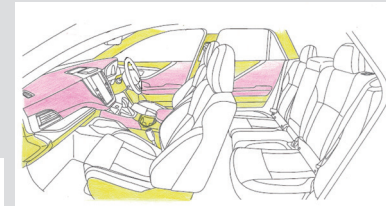
A harness layout and structure are designed in such a way as to enable quick and efficient recovery of wiring harnesses.



Use of easy-to-recycle materials

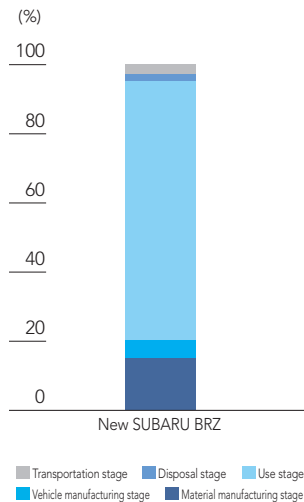
Olefin resin with superior recyclability is actively used for interior parts.

- Made from an olefin resin material
- Made of olefin resin



SUBARU BRZ

The ratio of CO₂ emissions at each stage of the LCA for the SUBARU BRZ launched in July 2021 is shown on the right. The displacement class is different from the predecessor model, so only data for the new model is presented.



Improved material identification

Material identification is displayed on both the inner and outer surfaces of bumpers to facilitate material separation.



Adoption of easy-to-dismantle structure

Trunk and rear gate opener switches are now clipped, rather than screwed, in place.



Utilizing Recycled Resins

To contribute to realizing a resource recycling society and a decarbonized society, SUBARU is working to develop technologies to utilize recycled resins and biomass materials in place of the resins currently used in automobiles.

■ Subaru of America, Inc.

Subaru of America, Inc. helped develop and launch environmentally friendly accessories in the form of floor mats made from used recycled materials for the 2021 Crosstrek Sport®. The surface and lining of these floor mats are made from 100% recycled materials such as trash removed from the ocean.



Floor mats made from recycled materials

Cleaner Exhaust Gas

To achieve and maintain clean air across the globe, SUBARU is developing technologies for cleaner exhaust gas, targeting not only conventional air pollutants such as hydrocarbon compounds and nitrogen oxides but also particulate matter, which is feared to have serious impacts on human health. At the product level, we are expanding our range of models that meet the latest regulations by country, while addressing emerging regulations at the development level.

Japan: 2018 low emissions standards

U.S.: State of California's SULEV standards

Europe: Euro 6 emission standards (final stage)

China: China 6 emission standards

We will develop and propose reasonable products for customers based on the results of research conducted to identify the optimal specifications in each country, including research on the components of exhaust gas that will be regulated in the future. To this end, we are designing materials on an atomic level to improve the performance of the catalyst, which plays a major role in producing cleaner exhaust gas, while also reducing the use of precious metal.

Reducing Environmentally Hazardous Substances

SUBARU is also collaborating with suppliers in reducing the use of environmentally hazardous substances in automobiles.

We achieved the environmentally hazardous substance reduction targets for lead, mercury, hexavalent chromium and cadmium set by the Japan Automobile Manufacturers Association, Inc. (JAMA) for all new models released in and after 2008.

In order to ensure compliance with the REACH regulation, ELV Directive, Chemical Substance Control Law and other regulations enforced across the world, we are further reducing the use of lead and replacing phthalic acid-based plasticizer and other hazardous chemical substances with alternatives.

Reducing VOCs^{*5} in Vehicle Interiors

SUBARU is reviewing the components and adhesive agents used in vehicle interiors in order to reduce the use of volatile organic compounds (VOCs).

For the Legacy, Levorg, Impreza, Forester, and SUBARU BRZ, we achieved the voluntary target set by the JAMA^{*6} by reducing the concentration of the 13 substances defined by the Japanese Ministry of Health, Labour and Welfare to levels below the indoor concentration guideline values. We will continue our efforts to reduce the levels of VOCs to make the in-vehicle environment even more comfortable.

^{*5} Organic compounds that easily volatilize at room temperature, such as formaldehyde and toluene, which are said to cause nose and throat irritation.

^{*6} Voluntary target set by the JAMA in its "Voluntary Approach in Reducing Cabin VOC Concentration Levels," which was announced with the intention of reducing the in-vehicle concentrations of the 13 substances designated by the Ministry of Health, Labour and Welfare to levels equivalent to or lower than the values set in the guidelines, for new models produced and sold in Japan in and after FYE March 2008.

[☐ JAMA's "Voluntary Approach in Reducing Cabin VOC Concentration Levels" \(Japanese version only\)](#)

Climate Change

Our Approach

SUBARU recognizes that climate change is one of the most pressing global issues, and respects the goal of the Paris Agreement to hold the increase in the global average temperature to well below 2°C above pre-industrial levels. SUBARU will contribute to this goal by reducing CO₂ emissions from its products, factories and offices to help decarbonize society. SUBARU has set long-term and medium-term goals as milestones for its target of carbon neutrality in 2050.

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

- (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.
- (2) There is an argument that 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.
- (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

- (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.
- (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) 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.
- (4) 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.
- (5) There is a possibility that SUBARU might suffer from shortages of natural resources used for tires and metal resources for electrification technologies.

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Production Phase

- (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.
- (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

- (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. This scenario also implies a possibility of the company creating new markets through receiving support for its safe and reliable products, a source of its strength, even in the face of intensifying extreme weather conditions that are to some extent unavoidable in certain parts of the world.
- (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.
- (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.

* 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.

Management System

SUBARU has established the Environment Committee for the purpose of promoting the sustainable growth of both society and the company, and thereby contributing to global environment conservation. The committee discusses targets and measures from broad as well as medium- to long-term perspectives that accommodate environmental standards required by future societies, 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. We also have a system for escalation and reporting to the Executive Management Board Meeting and Board of Directors to be used as necessary. Management of climate change-related activities is included in the responsibilities of the environmental management structure. Environmental risks and opportunities associated with climate change are assessed and monitored, and undergo management review before major issues are reported to the Board of Directors. Each of the four bodies within the structure – Production & Environment Subcommittee, Global Warming Prevention Division, Domestic Affiliated Companies' Environment Subcommittee, and Sales and Service/Distribution Environment Subcommittee – meet twice a year for the purpose of monitoring.

Governance Structure Related to Climate Change



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) for around 2030, regarding the product (Scope 3) and production phases (Scope 1 and 2).

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 ₂ 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
	Up to 2030	Make at least 40% of SUBARU global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs)
Plants and offices (Scope 1 and 2)	FYE March 2051	Achieve carbon neutrality
	FYE March 2031	Reduce CO ₂ emissions by 30% compared with FYE March 2017 (total volume basis)

Aiming at a 20,000 t-CO₂ Reduction from Plants and Offices

As part of the new medium-term environmental plan, Environment Action Plan 2030, the Subaru Group took on the challenge of reducing CO₂ emissions by 20,000 tons over the three years from FYE March 2019 through FYE March 2021. The actual reduction through FYE March 2021 was 36 thousand t-CO₂, which significantly exceeded the target.

We will pivot to Environment Action Plan 2030, and will implement additional initiatives to reduce CO₂ emissions at plants and offices.

Main Initiatives and CO₂ Emission Reduction Equivalents in FYE March 2021

Main Initiatives	FYE March 2021 Results
Captive-consumption solar power system installed at Gunma Oizumi Plant ^{*1}	2,807t-CO ₂
Zero-carbon electricity from Aqua Premium and the Gunma Prefecture Hydropower Plan introduced at Gunma Main Plant	14,110t-CO ₂
Captive-consumption solar power system installed at Subaru Accessory Center and Kanto PDI Center ^{*2}	274t-CO ₂
Zero-carbon electricity from the Tochigi Furusato Denki program introduced at Utsunomiya South Plant and 2nd South Plant	4,906t-CO ₂
Green Power certificates utilized at Tokyo Office	3,772t-CO ₂
Solar power system installed at SIA Technical Training Center ^{*3}	119t-CO ₂
Green Power and Green Heat certificates ^{*4} utilized at Head Office (Ebisu Subaru Building) and Subaru Training Center	1,384t-CO ₂
Introduced carbon-free electric power at Ichitan Co., Ltd.	2,888t-CO ₂
Switching to LED lighting (total from FYE March 2019 to FYE March 2021) ^{*5}	3,251t-CO ₂
Total	35,591t-CO ₂

*1 Came online in May 2020. *2 Came online in April 2020. *3 Came online in December 2019. *4 Provisional values to be verified under the Green Energy-based CO₂ Reduction Certification System of the Agency for Natural Resources and Energy (part of the Ministry of Economy, Trade and Industry) and the Ministry of the Environment. *5 Total amount for the three-year plan period (FYE March 2019: 440 t-CO₂; FYE March 2020: 1,428 t-CO₂; FYE March 2021: 1,383 t-CO₂).

Initiatives to Reduce 20,000 Tons of CO₂ Emissions by FYE March 2021

Captive-consumption solar power system



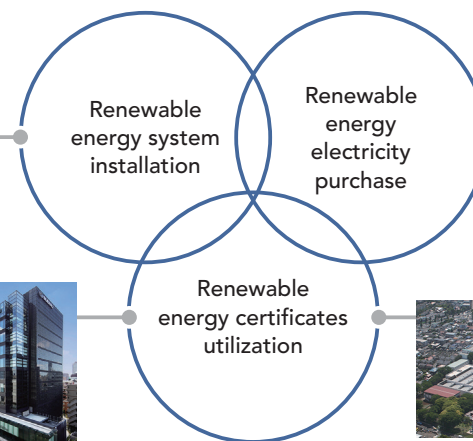
Japan's largest-scale captive-consumption solar power system (Gunma Oizumi Plant)



Subaru Accessory Center, etc.



Head Office and Subaru Training Center



Purchase of hydroelectricity



Utsunomiya South Plant/2nd South Plant



Tokyo Office



Gunma Main Plant

Achievements

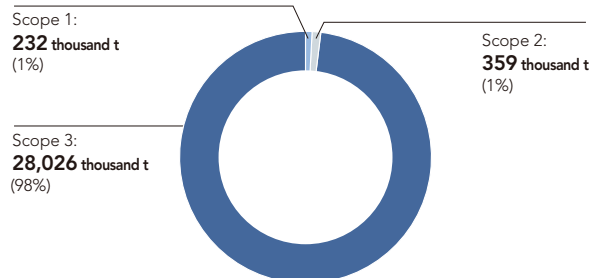
For FYE March 2021, SUBARU has reported a total of 28,617 thousand t-CO₂ of supply chain greenhouse gas emissions (Scopes 1, 2, and 3). Out of the total amount, 98% is related to Scope 3, the majority of which stems from the use of sold products.

Although our direct CO₂ emissions (Scopes 1 and 2) constitute only a marginal portion of the total, 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. In FYE March 2021, energy consumption decreased by 1,174 TJ due to a decrease in production, and Scope 1 and 2 emissions decreased 58 thousand tons due to the use of renewable energy and the temporary suspension of factory operations due to COVID-19 and the semiconductor shortage. Going forward, we will introduce cutting-edge energy conservation functions and renewable energy sources in order to further reduce CO₂ emissions and energy use.

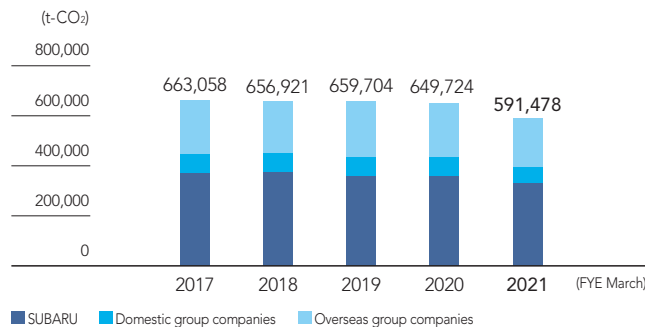
Scope 1: Direct emissions of greenhouse gases from a company's own facilities.

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

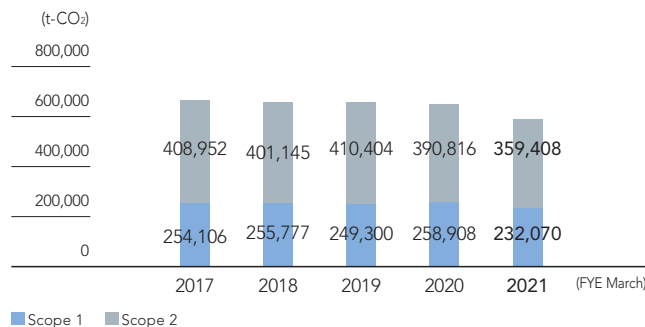
Scope 3: All indirect emissions other than Scope 1 and 2 emissions, including those arising from the procurement of raw materials, transport, product use, and the disposal process, as well as arising from employee commuting, business travel, etc.



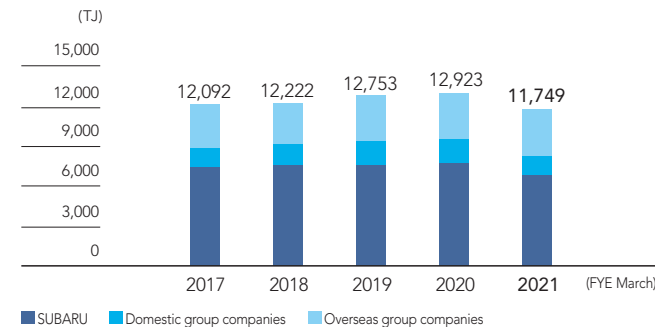
CO₂ Emissions by Organization



CO₂ Emissions by Scope



Energy Consumption



SUBARU calculates energy consumption and CO₂ emissions based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. However, we use coefficients for overseas group companies that are based on local laws and regulations. We revise results for previous years after reviewing the relevant data.

CO₂ Emissions (Scopes 1, 2, 3) / Energy Consumption

Scope:

SUBARU: SUBARU CORPORATION

Domestic group companies: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd., SUBARU dealerships

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru of Canada, Inc., Subaru Research & Development, Inc.

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Category	Greenhouse Gas Emissions (t-CO ₂)		
	FYE March 2019	FYE March 2020	FYE March 2021
1. Purchased goods and services	1,703,682	1,992,046	1,583,247
2. Capital goods	372,211	413,287	282,713
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	78,815	105,323	91,725
4. Transport and delivery (upstream)	658,268	737,817	601,167
5. Waste generated in operations	31,984	32,095	26,446
6. Business travel	4,446	4,554	4,689
7. Employee commuting	13,506	13,835	14,245
8. Leased assets (upstream)	N/A	N/A	N/A
9. Transportation and delivery (downstream)	N/A	N/A	N/A
10. Processing of sold products	N/A	N/A	N/A
11. Use of sold products	29,079,531	29,736,064	24,941,586
12. End-of-life treatment of sold products	556,139	575,107	478,558
13. Leased assets (downstream)	2,394	2,463	1,998
14. Franchises	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A

Source: The calculation method for SUBARU Scope 3 emissions has been revised in reference to the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.3 (December 2017) by the Ministry of the Environment and Ministry of Economy, Trade and Industry; the Emissions Unit Value Database Ver. 3.0 by the Ministry of the Environment Database of emissions unit values; and SUBARU's life cycle assessment (LCA) calculation standards.

Initiatives

SUBARU is reducing its CO₂ emissions by using renewable energy and upgrading to highly efficient machinery and equipment with the aim of achieving carbon neutrality in 2050.

Renewable energy in FYE March 2021 will account for 3.4% of the energy consumption of the entire Subaru Group. All of the electricity used at Gunma Main Plant, Utsunomiya South Plant and 2nd South Plant and the Ebisu Subaru Building is carbon-neutral electric power.

In addition, energy conservation initiatives at the Gunma Main Plant that centered on the introduction of an exhaust heat recovery system in the automotive painting process received the 2020 Energy Conservation Center Chairman's Award from the Energy Conservation Center, Japan.

We have also been proactively switching to LED lighting since FYE March 2016, and in FYE March 2021 we reduced CO₂ emissions by approximately 1,400 tons annually by switching approximately 2,500 lighting fixtures to LED lighting.

In addition, Subaru Kohsan Co., Ltd. sells electricity generated from solar power generation facilities in Gunma and Shiga prefectures.

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Gunma Plant

The Gunma Plant's West Building, completed in April 2016, has installed solar panels with a 20 kWh capacity, and employed two key advanced environmental functions: a new-generation lighting system that has incorporated individual address control and image-pickup human-presence sensor technologies; and a high-efficiency air-cooling heat-pump chiller. The plant has also adopted a number of non-mechanical features that can help achieve energy conservation and workplace comfort, such as low-e double-pane windows, trench heating/cooling systems, and balconies that create an attractive recreation space while also serving as a sunlight blocker.

■ Purchase of Carbon-Neutral Electricity (Gunma Main Plant, Oizumi Plant)

The Gunma Main Plant had been purchasing a portion of its electricity through the Aqua Premium rate plan specifically for sales of hydropower, but switched to the Gunma Hydropower Plan in November 2020. All of its electricity is now from hydropower, which reduced CO₂ emissions by approximately 14 thousand tons in FYE March 2021.

We also reduced CO₂ emissions by approximately 1,200 tons by using non-fossil fuel certificates for the approximately 2,500 MWh of electricity the Oizumi Plant of Gunma Manufacturing Co., Ltd. purchased in FYE March 2021.

■ Introduction of High-efficiency Air-conditioning Systems (Gunma Yajima Plant)

The automobile painting process involves repeated heating and cooling steps, which consumes a huge amount of energy. To address this issue, the Gunma Yajima Plant adopted a heat pump-based highly efficient heat source system to replace the previous

discrete heat source system, starting its operation in 2018. In FYE March 2021, the new technology reduced CO₂ emissions by 2,338 tons compared with the previous system.

■ Replacement of Cogeneration Facilities

Because the first cogeneration facilities installed at the Gunma Plant had been in operation for 15 years, we replaced the old facilities with new equipment that started operation in 2019. For the replacement, we selected a model with specifications that make a greater contribution to energy savings in light of the most recent energy consumption profile.

In FYE March 2021, the new facilities reduced CO₂ emissions by 6,000 tons compared with operation period of the previous model.

■ Solar Power Generation at the Gunma Oizumi Plant and the Gunma Yajima Plant

Since May 2020, the Gunma Oizumi Plant has been operating one of the largest solar power generation facilities for internal use in Japan. It generates approximately 5,000 MWh/year, and the Gunma Yajima Plant reduced CO₂ emissions by approximately 2,800 tons in FYE March 2021. In addition, the Gunma Yajima Plant will install solar power generation equipment in a multi-story parking garage and final inspection building, and begin using it in FYE March 2022.

Aerospace Company (Utsunomiya Plant and Handa Plant)

■ Carbon-Neutral Electricity Purchased through the Tochigi Furusato Denki Program for Regional Production and Consumption

In FYE March 2019, SUBARU's Aerospace Company adopted the Tochigi Furusato Denki program^{*1} to provide electricity to its Utsunomiya South and 2nd South Plants. The program offers electricity from hydropower generation projects owned by Tochigi Prefecture, and represents Japan's first-ever power supply program themed on the "local production for local consumption" concept.

The above program enables the two plants to reduce emissions by an average of 4,700-plus t-CO₂ per year. This program also includes a scheme to spend part of the funds from bill payment, including from SUBARU, on environmental conservation projects promoted in Tochigi Prefecture.

^{*1} 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 CO₂ from using the electricity, on the grounds of its carbon-free generation process.

■ Replacement of Cogeneration Facilities

In March 2021, upon completion of the contract with the energy service company (ESCO^{*2}) we replaced the cogeneration system it installed in 2005. In addition to reducing CO₂ emissions, the new cogeneration system enhances community and employee safety with its blackout start function that can initiate power generation if the power grid goes down for an extended period.

^{*2} A Ministry of the Environment program that covers all expenses related to energy-saving improvements that reduce utility costs, with ESCO providing all services from energy-saving diagnosis and design to construction, operation, maintenance, and financing.

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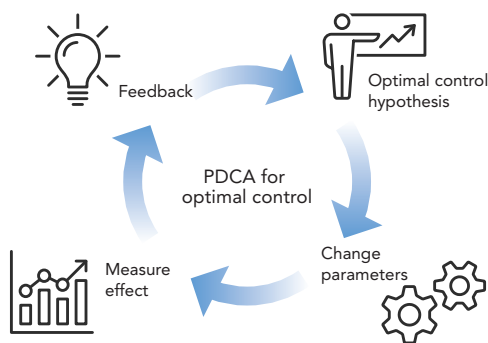
IoT Enables Stable Supply of Factory Air and Improved Energy Efficiency

SUBARU is moving forward with digital transformation (DX) driven by information and communication technologies (ICT) and the Internet of things (IoT). We began the systemization of air factory analysis, data analysis and the introduction of countermeasures in November 2019. We have implemented three measures: investigating and repairing air leaks, restricting air supply and improving operating efficiency. We expect energy savings to reduce CO₂ emissions by 500 tons per year.



Air leak investigation

Improve Compressor Operating Efficiency



Tokyo Office

The Tokyo Office is in Mitaka, Tokyo. It is subject to the Tokyo Cap-and-Trade Program for large facilities as per the Tokyo Metropolitan Environmental Security Ordinance. The Tokyo Office is therefore reducing CO₂ emissions with two priority initiatives: promoting energy conservation by improving facilities and by proactively adopting energy-saving equipment. We are also promoting the use of renewable energy, and have installed solar power generation equipment with approximate capacity of 30 kW on the rooftops of office buildings. The system generated 38 MWh in FYE March 2021, which the Tokyo Office used for a portion of its electricity requirements.

We are also reducing CO₂ emissions by using the Green Power Certificate system. In FYE March 2021, we purchased 8,535 MWh of electricity under the Green Power Certificate system, which effectively reduced CO₂ emissions equivalent to 3,772 tons.

Offices

Head Office (Ebisu Subaru Building) and Subaru Training Center

Targeting offices with zero CO₂ emissions, we use the Green Power Certificate and Green Heat Certificate systems for the electricity and heat we use. In FYE March 2021, we reduced CO₂ emissions by 1,384 tons.

Subaru Accessory Center

In March 2020, the Subaru Accessory Center introduced a solar power generation facility with annual power generation capacity of 1,145 MWh/year. We plan to reduce CO₂ emissions by approximately 274 tons annually.

Subaru Research and Experiment Center

The Subaru Research and Experiment Center installed solar power generation equipment in FYE March 2018, and generated 64 MWh in FYE March 2021.



Subaru Research and Experiment Center

Domestic group companies

Fuji Machinery Oizumi Plant

The Oizumi Plant of Fuji Machinery Co., Ltd. installed solar power generation equipment in FYE March 2018, and generated 36 MWh.



Fuji Machinery Co., Ltd. Oizumi Plant

Ichitan Co., Ltd.

Ichitan has been reducing annual CO₂ emissions by 2,888 t-CO₂ by purchasing carbon-free electricity.

Subaru Kohsan Co., Ltd.

Subaru Kohsan Co., Ltd. entered the business of marketing electricity from solar power generation facilities. The project, which involved the installation of solar power generation equipment with a rated output of 420 kW (equivalent to 100 detached houses) in Kiryu, Gunma Prefecture, resulted in the sales of 627 MWh of electricity in FYE March 2020. Subaru Kohsan also launched power generation in Shiga Prefecture in March 2021 with annual capacity of 1,553 MWh.

Overseas group companies

Subaru of Indiana Automotive, Inc. (SIA)

The SIA Technical Training Center has solar power generation equipment on its roof and LEDs with motion sensors for all indoor lighting. The center generated 160 MWh of solar in FYE March 2021, and reduced electricity use by replacing compressors and other air-conditioning equipment.

Subaru of America, Inc.

Subaru of America, Inc.'s new headquarters and training center have acquired silver LEED certification,^{*3} which is higher than standard certification.

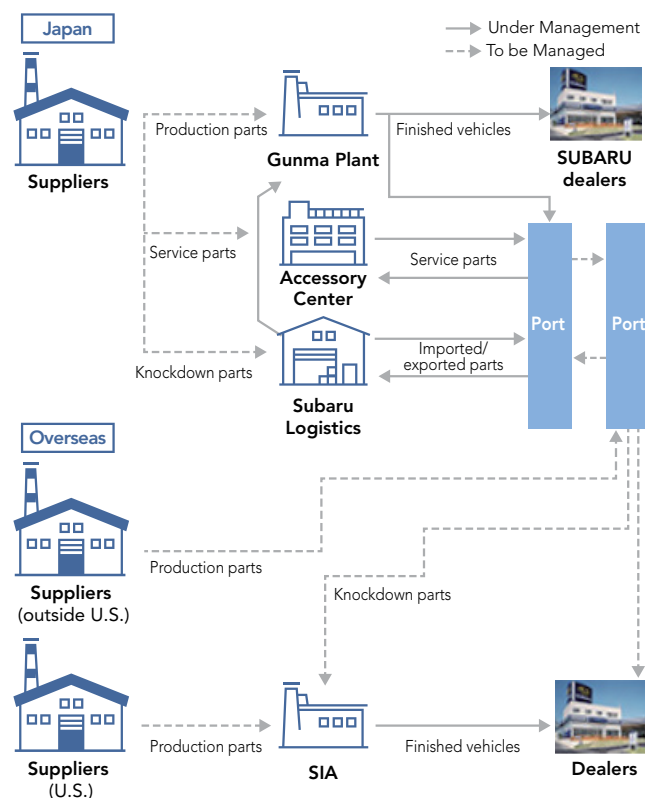
*3 Leadership in Energy and Environmental Design (LEED) certification is a green building certification system developed and operated by the U.S. Green Building Council (USGBC). It provides objective environmental performance data on buildings through evaluation of energy conservation and environmental 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 others.

Subaru Canada, Inc.

The building that houses the relocated office of Scott Subaru, a retailer of Subaru Canada, Inc., from 2019 boasts a distinctively high energy efficiency design that enables comfort without air conditioning systems. In recognition of this, the building is the world's first retail facility to obtain a passive house certification.

Distribution

SUBARU is working with its logistics and distribution arms to reduce CO₂ emissions from the entire group through increased transport efficiency for finished vehicles and export parts. We will enhance supply management, which will contribute to carbon neutrality in 2050.



Transport of Finished Vehicles

To improve the transport efficiency for finished vehicles, SUBARU is rolling out various measures, including establishing optimal standard routes, ensuring flexibility to accommodate shipping of a wide range of vehicle types and sizes (particularly large cars), improving loading efficiency, installing digital tachographs^{*4} to help energy conservation, and promoting modal shift.^{*5}

As a result of expanded efforts for consolidated and standardized transportation routes, per unit CO₂ emissions from transportation of SUBARU vehicles in FYE March 2021 declined 6.4% from the FYE March 2007 level, against the target of a 1% reduction per year from the base year. We will continue with our efforts to pursue further reductions.

*4 Fitted to a vehicle to automatically record its journey information, such as driving time and speed, and store the information in the installed recording medium, such as a memory card. The device is employed broadly by industries involving the commercial operation of vehicles as a tool for driving management. 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.

*5 For cargo transportation, switching transportation modes from trucks to those imposing less environmental burden, such as railway and seaborne systems.

Export Parts

Subaru Logistics Co., Ltd., which packages and ships parts for overseas production of SUBARU vehicles, makes ongoing efforts to improve the container fill rate. Key activities relate to utilizing unused upper space in high cube containers, improving packing modes, and employing lighter-weight packaging materials. Despite these ongoing initiatives, the container fill rate decreased to 85.4% in FYE March 2021 due to production fluctuations at our U.S. factory.

We are also increasing transport route efficiency. We began using the container round use system^{*6} in FYE March 2018. This enabled us to reduce emissions by 400 t-CO₂ year on year in FYE March 2021. The use of inland container depots^{*7} has reduced 67

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t-CO₂, which is equivalent to 472 containers. We will continue to implement initiatives to reduce CO₂ emissions.

*6. System for shared use of sea freight containers between importers and exporter. Allows empty containers that have been used for import to be directly reused for export, without first being returned to the originating port, thereby decreasing unnecessary shipment of empty containers from ports.

*7. Inland function for consolidation of sea freight container cargo. Introduced as part of redevelopment plans for the overland portion of sea freight container transportation systems to save shippers' transport costs and increase transport efficiency.

	2017	2018	2019	2020	2021
Container fill rate	89%	88%	79%	94%	85%

(FYE March)

■ Distribution Center

Subaru of America, Inc.'s regional distribution center has participated in the Oregon Clean Fuel Program since 2020 and has begun switching to electric trucks. In addition, Subaru of America reduced CO₂ emissions by installing solar power generation equipment on the new building of the relocated regional distribution center.

Sales

Dealers in Japan have switched to LED lighting and high-efficiency air conditioning when replacing aging equipment. In addition, Tokyo Subaru Co., Ltd. and Kanagawa Subaru Co., Ltd. have reduced total CO₂ emissions by approximately 2,600 tons in FYE March 2021 by switching to purchases of carbon-neutral power.

We will continue to pivot to decoupling energy consumption and CO₂ emissions with initiatives to create environmentally responsible dealers that care about people.



Employees in charge of Tokyo Subaru and Kanagawa Subaru

External Partnerships

SUBARU is tackling the climate change challenge through partnerships with suppliers, customers, and industry groups.

■ Alliance with Toyota Motor Corporation

SUBARU and Toyota Motor announced an agreement to jointly develop EV platforms and vehicles applying SUBARU's AWD technologies and Toyota Motor's electrification technologies. This agreement will enable the two automakers to multiply their technical strengths with the goal of creating attractive EV products.

■ Suppliers

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. This measure has encouraged suppliers to voluntarily work to obtain ISO14001 certification, resulting in a decline in environmental accidents and mismanagement events.

We have also created and run a system to assist voluntary Tier 2 customers*⁸ in seeking Eco Action 21 certification.

*⁸ Secondary subcontractor that supplies parts to motor vehicle manufacturers.

■ Industry Groups

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

■ Customers

Carter Subaru Ballard, a U.S. dealer, runs regional forest conservation campaigns involving its customers. Specifically, for each test drive in a SUBARU car, the dealer donates one tree to be planted in areas along national highways, and an additional three trees for each purchase. This forestation initiative engages customers and local residents and helps them become more aware of environmental issues, including climate change.

Resource Recycling

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.

We will help create a society that recycles with the goals of efficient resource recycling throughout the product life cycle, maintaining zero landfill at production bases in Japan and abroad, and taking the 3Rs – reduce, reuse and recycle – to the next level.

Achievements and Initiatives

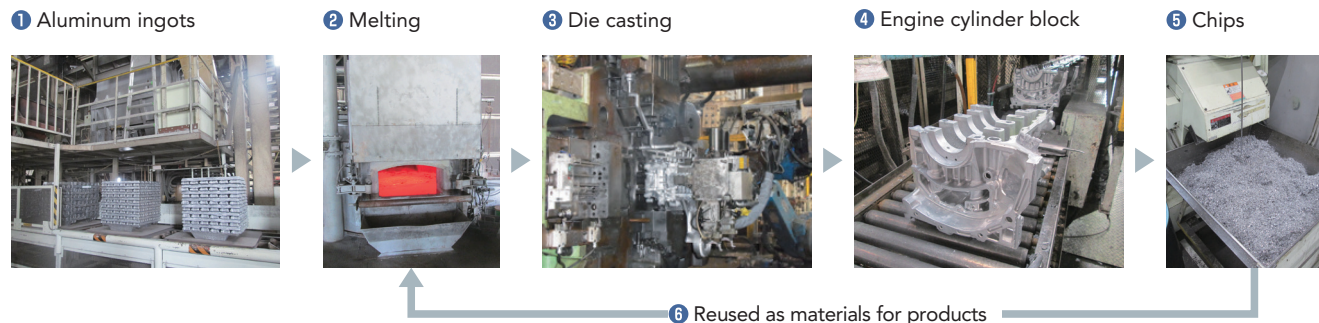
Raw Materials

SUBARU reuses remnant materials and scrap generated during the production of automobiles 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 in making an automobile. Through these efforts, we are promoting closed-loop recycling*1 to reduce natural resource consumption and waste generation.

*1 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 2021		Recycling Method
Iron	664,330 tons	Delivered to dealers in the form of iron scrap for reuse
Aluminum	30,468 tons	Re-melted at plants and reused almost entirely
Plastics	23,314 tons	Crushed again at plants and reused partially

Example: Recycling of aluminum chips



Production

Zero Emissions of Waste from Production

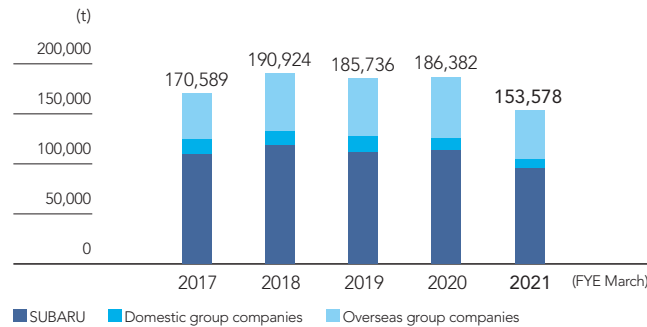
Waste emissions in FYE March 2021 decreased by 32,804 tons due to factors including a decrease in automobile production. As waste is also an important resource, we have maintained zero emissions*2 of waste since FYE March 2015 through maximum recovery and recycling and proper treatment of waste generated.

*2 A system in which waste and by-products generated in one industry are utilized as resources by other industries, resulting in no waste discharge. This concept was proposed by the United Nations University in 1994.

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	Refuse paper and plastic fuel (RPF) (solid fuels, etc.)
Paper waste	Recycled paper, RPF, etc.

Waste Generation

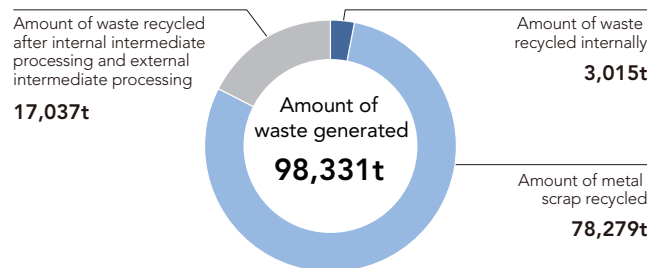


Scope:
 SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant
 Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

* Amount of waste generated includes metal scrap that is sold.
 * We do not export or import waste deemed hazardous under the terms of Annex I, II, III, and IV of the Basel Convention 2.

Amount of Waste Generated and Processed



Based on aggregation of data from Gunma Plant, Tokyo Office, Utsunomiya Plant
 *Waste is not disposed of in a landfill after external intermediate processing.

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.

The amount of packaging materials reused in FYE March 2021 decreased by 35.1% from the previous year to 661 tons due to production fluctuations at our U.S. factory. Intensity per vehicle was essentially unchanged from FYE March 2020 at 2.4 kg/vehicle.

	2017	2018	2019	2020	2021 (FYE March)
Amount reused (t)	652	699	776	1,020	661
Intensity (kg/vehicle)	1.9	2.0	2.1	2.8	2.4

• Distribution Centers

Subaru of America Inc.'s regional distribution centers use returnable containers to reduce the amount of cardboard and wood used when transporting parts. Distribution centers in New Jersey and neighboring areas achieved 100% use of returnable packaging materials in 2020.

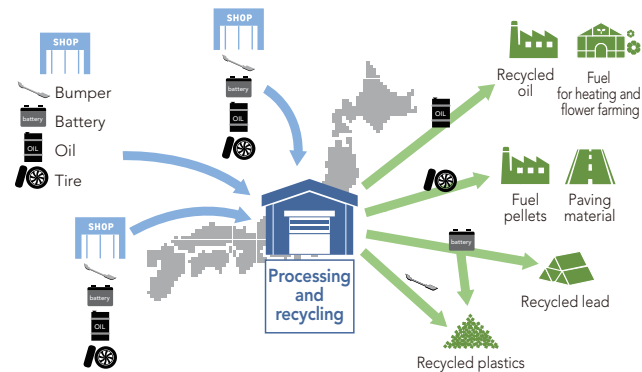
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Sales

Zero Emissions of Waste from SUBARU Dealers in Japan

Dealers in Japan are committed to the proper management of waste generated from their business activities and to recycling to achieve zero emissions in Japan. As a result of these efforts, 144,971 used lead-acid batteries (equivalent to 1,915 tons of lead), 5,340 kL of used oil, and 195,111 used tires were collected and recycled during FYE March 2021.

Zero emission initiatives led by dealers, 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 Waste Oil

Waste oil generated at SUBARU dealers in Japan during oil changes is recycled as recycled fuel oil through SUBARU's zero waste emissions scheme. Flower farmers in Yamagata Prefecture grow beautiful poinsettia and cyclamen every year using this recycled fuel oil to heat their greenhouses.

Proper Processing 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 automobiles.

SUBARU has been promoting the smooth, proper, and efficient recycling of ASR by establishing, together with 12 other automakers and other companies, the Automobile shredder residue Recycling promotion Team (ART).^{*3} We also ensure proper processing of airbags and CFCs through operations of Japan Auto Recycling Partnership Ltd., established jointly with Japanese automakers and importers.

SUBARU also collaborates with its dealers nationwide by

jointly operating an automotive recycling system aimed at promoting the proper processing and raising the recycling rate of ASR, airbags, and CFCs.

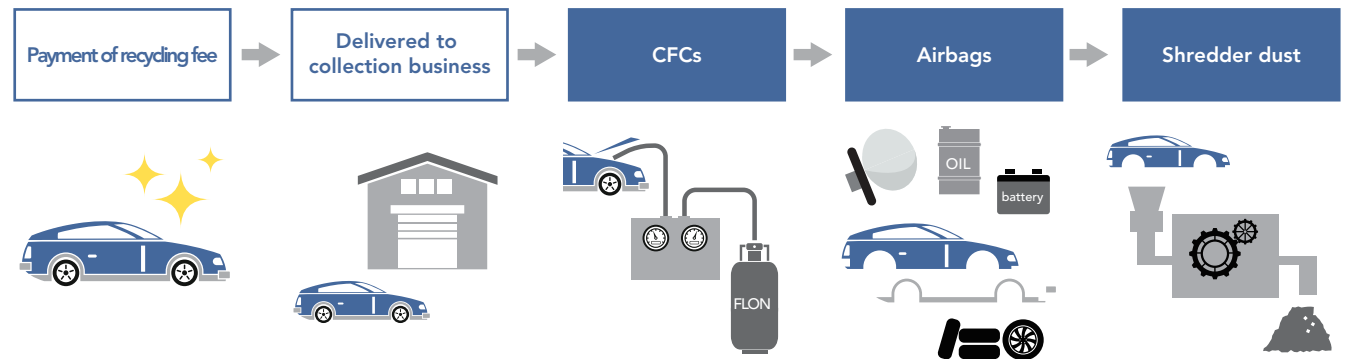
In FYE March 2020, the ASR recycling rate was 96.4%, achieving the legal target of 70% for the fiscal year ended March 2016 and thereafter. The airbag recycling rate was 95.0%, exceeding the legal target of 85%, and all CFCs recovered were processed properly.

^{*3} A team to promote the recycling of automotive shredder residue (ASR), organized by 13 automobile manufacturers in December 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.

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

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

Automobile Recycling Process



The user pays a recycling fee when purchasing a car.

A car that is no longer used is delivered to a collection business.*

* A new or used car dealer, maintenance business, etc. registered with the local authorities.

CFCs are recovered and made harmless through proper processing.

Airbags are removed, safely processed, and recycled. Other parts are also processed (reused or recycled) properly.

The dismantled car is crushed. The shredder dust is recycled.

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Overseas Initiatives

■ Collaboration with TerraCycle® (Subaru of America, Inc.)

Subaru of America, Inc. (SOA) partnered with U.S. recycling firm TerraCycle® to launch the TerraCycle® Zero Waste Box™ program in 2018 to promote the recycling of various waste products. The program is part of the “Subaru Loves the Earth” initiative aimed at improving waste recycling rates.

Under the program, TerraCycle® Zero Waste Boxes™ have been placed on the premises of around 540 SUBARU dealers in the U.S. to collect recyclables. Customers, employees, and community partner organizations are encouraged to deposit snack packages, used paper cups and plastic containers.

We have kept more than 5 million waste items out of landfills since we started this initiative.

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

Subaru of Indiana Automotive, Inc. (SIA), SUBARU's production base in the U.S., has achieved and maintains zero landfill waste status. SOA has been leveraging SIA's expertise to advance a joint initiative with suppliers, the National Parks Conservation Association, the National Park Service, and others since 2015 to reduce landfill waste generated from three national parks: Yosemite National Park (California), Denali National Park and Preserve (Alaska), and Grand Teton National Park (Wyoming). Subaru of America, Inc. received the Silver Halo Award and the Corporate Stewardship Award in 2020 in recognition of zero landfill initiatives in national parks.

The initiative encompasses a range of activities that include placing more than 500 trash bins in the parks, promoting the composting of organic waste, and increasing the number of water

supply stations. These initiatives are leading to the steady reduction of waste left inside the parks. Unfortunately, however, projects in national parks throughout the U.S. were canceled due to the COVID-19 pandemic in 2020. On a positive note, we became the official vehicle sponsor of 2020 garbage clean-up events in green spaces and parks. These events are co-sponsored by the Yosemite Climbing Association (YCA) and The North Face®.

■ Employees Education about Waste Separation (Subaru of China Ltd.)

In May 2020, the labor union of Subaru of China Ltd. sponsored education about waste separation with a quiz delivered via social media, and distributed receptacles for sorting waste.

■ Cafeteria Waste Reduction (Subaru of America, Inc.)

The cafeteria of Subaru of America, Inc. introduced a comprehensive oil management fryer system in 2020, and started reducing the number of waste oil containers and converting used cooking oil to biodiesel fuel.

Water Resources

Our Approach

Water is an indispensable resource for the Subaru Group's business activities. The risk of droughts, floods, and other disasters is increasing, however, due to climate change, while global population growth and economic development are increasing demand for water and raising the risk of water shortages and pollution.

To help alleviate these risks, the Subaru Group is committed to the proper management of water consumption, as well as to minimizing the environmental impact of its discharged water. We are also actively engaging in activities to conserve forests that have a water storage function.

Water 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.

The share of each water source in the total freshwater consumption at major locations of the Subaru Group is as follows: industrial water 60%, tap water 30%, and groundwater 10%. As we are well aware of the risks involved in using the valuable resource of fresh water, we carefully monitor water consumption by conducting water risk assessments at major locations. Although the current assessment results show that the water risk is not high, we will continue to regularly assess our water risk levels and work to reduce water consumption in order to ensure a continuous water supply.

Water Risk Assessment

The Subaru Group uses a third-party expert to implement water risk assessments* to ensure the sustainable use of water. These assessments estimate, among other things, the water supply and demand risk in the river basins in which the production bases are located, the probability of water-related disasters occurring, and the impact on public health and ecosystems on a five-point scale. These assessments showed that water risk at the Gunma Plant, Utsunomiya Plant, and Subaru of Indiana Automotive, Inc. is generally evaluated as moderate or lower.

■ Gunma Plant and Subaru of Indiana Automotive, Inc.

According to an assessment in FYE March 2017, the water supply and demand risk at the Gunma Plant and Subaru of Indiana Automotive, Inc., both of which are automobile manufacturing bases, is moderate. It is expected that the current risk level will be maintained for the mid to long term, even when the impact of climate change is taken into account. No biodiversity conservation areas are identified at the lower reaches of the rivers. The vulnerability to water pollution is low.

■ Utsunomiya Plant

According to an assessment in FYE March 2018, the water supply and demand risk at the Utsunomiya Plant, which is our base for aerospace manufacturing, is moderate. This risk level is expected to drop in the future as an increase in the river flow rate and decrease in water demand are likely to take place. The plant is not located in an area at high risk of flood inundation or landslides. No biodiversity conservation areas or habitats for rare aquatic life are identified in the areas within 10 km downstream from the site. Going forward, we will continue to accurately monitor our water risk based on the assessments, ensure optimum water consumption in relation to local water demand, and help conserve the environment along the river.

* Reference databases

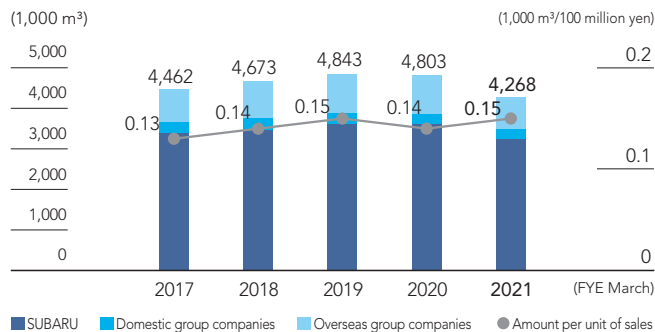
(1) WRI Aqueduct water risk atlas, WWF-DEG Water Risk Filter, PREVIEW Global Risk Data Platform, Climate Change Knowledge Portal, Integrated Biodiversity Assessment Tool, National Land Numerical Information: Possible Inundation Area Data and Sediment Disaster Hazard Area Data (Ministry of Land, Infrastructure,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

Achievements and Initiatives

Water Consumption

The total amount used is monitored and compiled for each location, and reported and verified at biannual meetings. Necessary measures are then taken as appropriate.

Water Consumption



Scope: SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant
 Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.
 Overseas group companies: Subaru of Indiana Automotive, Inc., Subaru of America, Inc., Subaru Canada, Inc., Subaru Research & Development, Inc.

Breakdown of Water Consumption by Water Source at Major Production Bases (1,000 m³)

Region	Industrial Water	Tap Water	Groundwater	Source of Water Intake
Japan	2,654	309	525	Tone River, Watarase River
North America	0	780	0	Groundwater from the Teays Valley aquifer
Total	2,654	1,089	525	

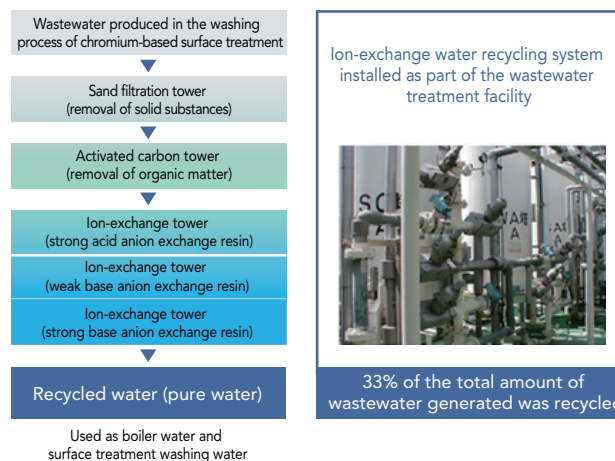
Scope: Japan: Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant, Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd.
 North America: Subaru of Indiana Automotive, Inc.

Water Reuse

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 2021, 30,209 m³ (33%) of the total of 91,438 m³ 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



Water Discharge

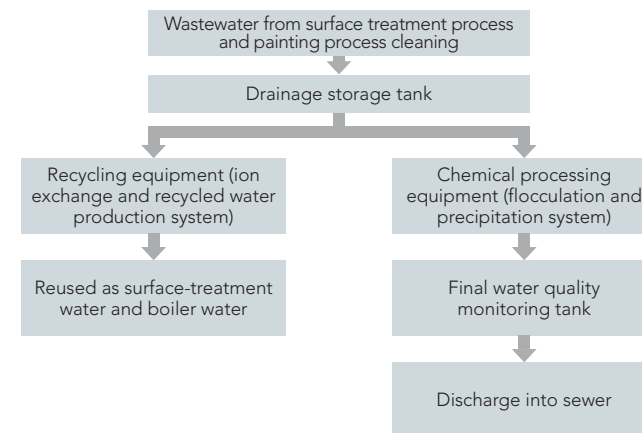
Gunma Plant

The wastewater from the Yajima Plant passes down the Ikoi River and into the Tone River. The water of the Tone River is used to irrigate fields and for fish farming. Households downstream also use the water. We treat wastewater from the Gunma Plant appropriately with the awareness that it touches the lives of many people. In addition, we keep crucian carp and koi carp in the oil-water separation tanks at the Yajima Plant, and release them after confirming that the water quality can sustain fish.

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.

Utsunomiya Area Wastewater Treatment Process



Biodiversity

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. We promote biodiversity preservation through our business activities, aiming to achieve coexistence with nature.

We support the Declaration of Biodiversity by Keidanren (Japan Business Federation) and participate in the Japan Business and Biodiversity Partnership as part of our active commitment to biodiversity. We also ensure ongoing, biodiversity-friendly business activities by establishing the Guidelines on Biodiversity, while also committing ourselves to the Subaru Forest Project for biodiversity conservation and organizing various events in and outside our business locations aimed at raising people's awareness of biodiversity.

Guidelines on Biodiversity

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. They are consistent with the Six Priority Areas for CSR and the Subaru Environmental Policies and are designed to ensure that their effectiveness and continuity can be guaranteed.

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

Management System

SUBARU launched a working group in FYE March 2015 to implement biodiversity initiatives. People in charge of environmental activities at SUBARU's production bases and in the procurement and development stages participate in the working group, which regularly develops roadmaps for biodiversity initiatives in all business activities. The working group regularly shares its goals and issues, along with research and surveys related to its plans. The procurement department of the Aerospace Company and the person in charge of social contribution activities have also been participating in the working group since FYE March 2021 and have shared the status of initiatives.

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Initiatives

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.

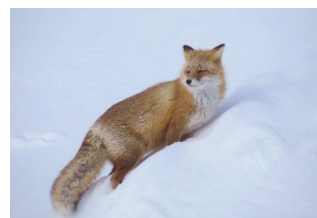
• Subaru Forest Bifuka in Hokkaido

In a forest of approximately 100 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.

Furthermore, as a measure against climate change, we have completed the certification and registration process required for the issuance of J-Credit, which we expect to purchase in or after FYE March 2022. In addition, wood from thinning during forest maintenance projects is used as biomass fuel. Wild animals such as ezo red foxes and brown bears that live in the surrounding area have been spotted on the premises, and we are considering measures aimed at coexistence with these animals in cooperation with local governments.



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



Ezo red foxes have been spotted on the premises

• Sponsorship of a tree-planting ceremony at Bifuka Town

A tree spirit ceremony and a tree-planting ceremony, which had been organized by Bifuka Town annually, were held in October 2020. A total of about 30 administrative staff and people from local forestry associations attended. Although the event was scaled back to prevent the spread of COVID-19, the participants planted 150 Todo fir trees, a variety chosen for its suitability to the local climate, on the 0.7-hectare site in the hope of passing on healthy and abundant forests to the next generation. These Todo firs planted will be ready for felling in 50 years' time.



About 30 people participated in the tree-planting

• Donations to fund environmental conservation activities at Matsuyama Marsh

SUBARU, Bifuka Town, and the Hokkaido Government Kamikawa General Subprefectural Bureau signed an agreement to promote conservation of the forest environment in Bifuka Town in 2019. SUBARU has been utilizing the corporate version of a hometown tax donation program – the government's tax incentive scheme to encourage companies to support regional revitalization – to donate three million yen to the Hokkaido Government's Matsuyama Marsh* Forest Project over three years starting from FYE March 2020. The donations are used, among others, for boardwalk improvements in Matsuyama Marsh. The initial donation was made and used to replace the old signpost and maintain trails so that the trekking route is properly demarcated to preserve valuable vegetation and ensure safety of visitors.

* 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.



A beautiful Matsuyama Marsh landscape



A renewed signpost

• Subaru Friendship Forest Akagi (Gunma Prefectural Forest Park)

In April 2018, SUBARU obtained the naming rights to a prefectural forest park in Gunma Prefecture, where its automotive plants are located. The park's name, "Subaru Friendship Forest Akagi," will be used for the five years through 2023. Donations in FYE March 2020 and FYE March 2021 are part of the 9.8 million yen we will donate over the five-year period to the prefectural government to support forest park conservation and management.

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• **Subaru Forest Utsunomiya (Utsunomiya City Forest Park in Tochigi Prefecture)**

Utsunomiya City, Tochigi Prefecture, is where our Aerospace Business is located. We support the conservation and management of a part of a city-owned forest named "Subaru Forest Utsunomiya" in collaboration with the city. We support thinning and the use of thinned wood for benches and bike racks.



A bike rack made of thinned wood



A bench made of thinned wood

→ Social Contribution: Subaru Forest Project

■ **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.

• **Saitama Logistics Center**

The Saitama Logistics Center 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.



A cherry tree at Saitama Logistics Center



• **Tokyo Office**

Located in Musashino, the Tokyo Office has been planting bamboo-leaf oak, East Asian beautyberry and other species native to the area 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.



Bamboo-leaf oak



East Asian beautyberry

• **Utsunomiya Plant**

At Utsunomiya Plant, based on our recognition that natural vegetation is an important habitat for various living creatures, we deliberately left an area in the site unmowed on a trial basis to monitor its biodiversity. As a result of the monitoring study conducted in cooperation with experts, we found 20 species of insects in the monitoring area, compared to only 11 species found in a mowed area of lawn. Based on this study, we will create an environment suitable for promoting biodiversity in the monitoring area.

Insects found in the monitoring area



Noshime-tombo dragonfly (*Sympetrum infuscatum*)



Migratory locust (*Locusta migratoria*)



Asian swallowtail (*Papilio xuthus*)



Asian lady beetle (*Harmonia axyridis*)

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• Gunma Plant

Flower distribution

We distribute flower seedlings to member companies of the Subaru Community Exchange Association on request basis three times a year. We chose varieties that contribute to biodiversity in 2015. With these seedlings, each company promotes greenery conservation. This competition was canceled in FYE March 2021 due to COVID-19, but we are considering resuming it after FYE March 2022, depending on the pandemic situation.

[☐ Subaru Community Exchange Association \(Japanese version only\)](#)

Elementary school flowerbed contest

This contest provides children in the community with an opportunity to realize the importance of life through the experience of planting flower seedlings donated by SUBARU and creating flowerbeds. We have been holding this flowerbed contest for elementary schools in Ota City and Oizumi since 2015. The event was canceled in FYE March 2021 because of the COVID-19 pandemic, but we will consider resuming it in FYE March 2022, depending on the pandemic situation.

Participation in Ota City Environmental Creation Council

SUBARU is a sponsor of the Ota City Environmental Creation Council and takes part in a wide range of environmental activities through interaction with the local community. All FYE March 2021 events were canceled due to the COVID-19 pandemic, but we plan to resume participation in FYE March 2022, depending on the pandemic situation.

Activity	Timing	Outline
Volunteer clean-up (removal of invasive species and plants)	June 2021	Collaborate with local residents and businesses to clean up areas where invasive species such as parrotfeather and veronica undulata are taking over.
Next-generation automobile test drive event and making candles from used cooking oil	September 2021	Participate in exhibition booths at test drive events to make the public aware of the Cool Choice campaign. Raise awareness and introduce activities with signage and make candles from used cooking oil to build interest in the environment among residents.
Ishida River Rediscovery Project	October 2021	Survey the water quality of the Ishida River, which flows through the Ota City area, from its headwaters to its mouth, explain what is necessary to maintain good water quality, and be environmentally proactive.
Ota City Environmental Fair	November 2021	We participated in the Ota City Environmental Fair to inform people about the activities of the Ota City Environmental Creation Council through signage, and distributed candles made from used cooking oil at the next-generation automobile test drive event.

■ 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. SUBARU also uses copy paper made from 100% recycled paper pulp that is not from new trees. In addition, SUBARU provides suppliers with Internet-based payment guides, and during FYE March 2022 switched to FSC-certified paper for envelopes used to mail paper payment guides.

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Overseas

■ Initiatives Aiming at Coexistence with Nature (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) worked on ecosystem protection by improving the water retention area and the surrounding greenery on the plant's premises to make them suitable habitats for local wildlife. Thanks to these efforts, the area was certified by the National Wildlife Foundation in 2003 as a wildlife habitat, making SIA the first U.S. automobile production plant to receive the certificate. SIA maintains its surrounding natural environment, where wild Canadian geese and herons feed and rest, and many wild deer live in the native wildlife area behind the recreation center.



Wild Canadian geese



SIA is surrounded by a wealth of nature

■ Support for Wildlife and Nature Conservation (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive has been supporting Wolf Park since 2020. This organization is engaged in wildlife education, conservation and research into protecting wolves and foxes.

Subaru of Indiana Automotive is also working to preserve the environment of nearby streams by sponsoring a cleanup program by a nature conservation organization called Niches Land Trust.

■ Afforestation in Wildfire-burned Areas (Subaru of America, Inc.)

In collaboration with the National Forest Foundation, Subaru of America, Inc. (SOA) has been involved in reforestation in areas severely damaged by record forest fires since 2019. The project planted 125,000 trees in 2020 and plans to plant 500,000 trees by 2022.

■ Participating in Postal Service-run Nature Conservation Programs (Subaru of America, Inc.)

Starting 2019, SOA, together with printing companies, is involved in a program to donate one cent per postal mail to plant one seedling in each of the areas affected by natural disasters and faced by the challenge of protecting local species. Through this activity, a total of 1,591,900 seedlings were planted in 2019.

■ New Facilities That Conserve Nearby Wetlands (Subaru Research & Development, Inc.)

Established in 2020, the technical center is set up to avoid encroaching on wetlands and the many organisms that live there.

Prevention of Pollution

Our Approach

For the development of a sustainable society as well as its own business continuity, the Subaru Group considers it essential to prevent the pollution of public water resources, soil, and the atmosphere. The Group endeavors to accurately measure its environmental impact and reduce it to a minimum by making the best use of its environmental management system.

Achievements and Initiatives

Compliance with Environmental Laws and Regulations

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. Two incidents related to noise and one incident related to water quality exceeded relevant regulations at the Gunma Plant in FYE March 2021. In response, we implemented measures to prevent recurrence, including a review of drainage routes.

Name of the Site	Number of Cases
Gunma Plant	3

→ [FYE March 2021 Environmental Performance Data for Plants and Offices](#)

Environmental Accidents

We are committed to achieving the goal of zero accidents, both on-site and off-site. In FYE March 2021, two incidents occurred off-site and five incidents occurred on-site. To prevent reoccurrence of the two off-site incidents, in particular, we are considering the implementation of an immediate response system, such as one that issues alert notifications.

Name of the Site	Number of Cases
Gunma Plant	5
Utsunomiya Plant	2

Environmental Complaints

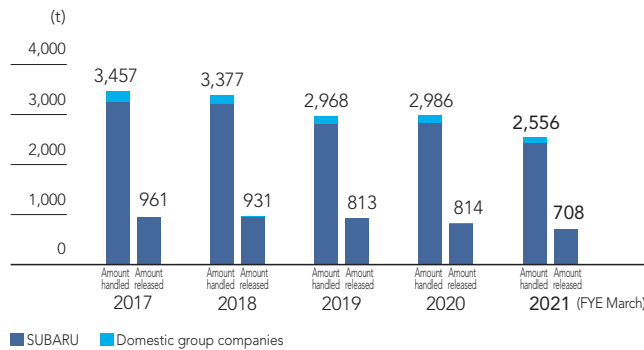
We are committed to achieving the goal of zero environmental complaints, but in FYE March 2021 we received four. We intend to prevent recurrence by uncovering the causes of the complaints.

Name of the Site	Number of Cases
Gunma Plant	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. In addition, we use hotlines, discussion meetings and factory tours as a means of communicating with local residents and use their valuable feedback to improve production facilities when appropriate.

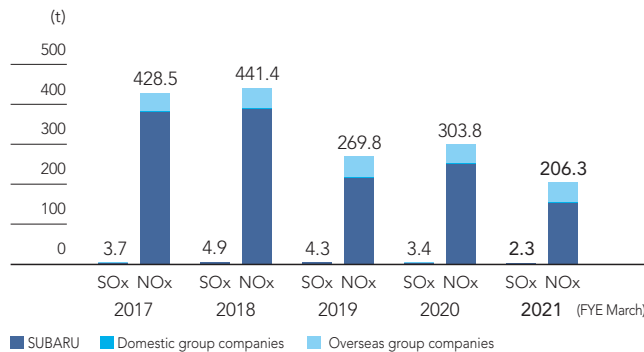
Chemical Substances Regulated by Japan's Pollutant Release and Transfer Register (PRTR) Act



Scope: SUBARU—Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant

Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

NOx and Sox Emissions



Scope: SUBARU—Gunma Plant, Tokyo Office, Utsunomiya Plant, Handa Plant, Handa West Plant

Group companies in Japan: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Overseas group company: Subaru of Indiana Automotive, Inc.

VOC

SUBARU manages volatile organic compounds (VOCs) emissions during the automobile painting process using an emissions per unit coating area calculation method. We are reducing the amount of cleaning thinner used in the automobile painting process and increasing recovery to reduce VOC emissions during painting. However, FYE March 2021 emissions increased 7.7% compared with the previous fiscal year to 47.4g/m².

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 dealers in Japan, and the Subaru Group plans to complete the disposal of PCB waste by the end of FYE March 2023.

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.

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FYE March 2021 Environmental Performance Data for Plants and Offices

In addition to complying with the laws and regulations, SUBARU sets voluntary standards that are 20% stricter than the legal regulation values to manage the controlled substances. The following shows the regulation values and measured performance data for our plants and offices regarding the main substances.

Atmosphere (Air Pollution Control Act, Prefectural Regulations)

Automotive Business

Gunma Plant

Main Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Paint drying oven	ppm	230	184	19	16
Particulate matter	Paint drying oven	g/Nm ³	0.2	0.16	0.002	0.001
VOC	Paint booth, etc.	ppm-C	700	—	664	381

Yajima Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Paint drying oven	ppm	230	184	38	18
Particulate matter	Paint drying oven	g/Nm ³	0.2	0.16	< 0.003	0.001
VOC	Paint booth, etc.	ppm-C	700	—	442	237
VOC	Paint booth, etc.	ppm-C	400	—	305	174

Oizumi Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Aluminum melting furnace	ppm	180	144	47	28
Particulate matter	Aluminum melting furnace	g/Nm ³	0.3	0.24	0.012	0.007

Ota North Plant

No applicable equipment / facility

Tokyo Office

No applicable equipment / facility

Aerospace Company

Utsunomiya Plant

Main Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
NOx	Cogeneration	ppm	600	480	159	159
NOx	Heater	g/Nm ³	150	120	46	45
NOx	Quenching furnace	g/Nm ³	170	136	< 100	< 100
Particulate matter	Heater	ppm-C	0.1	0.08	< 0.001	< 0.001
Particulate matter	Quenching furnace	ppm-C	0.2	0.16	< 0.01	< 0.01

South Plant and 2nd South Plant

No applicable equipment / facility

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Handa Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
SOx	2-ton boiler	ppm	1.5	1.2	< 0.02	< 0.02
NOx	2-ton boiler	ppm	180	144	31	27
Particulate matter	2-ton boiler	g/Nm ³	0.1	0.08	< 0.002	< 0.002

Handa West Plant

Substance	Equipment / Facility	Unit	Regulation	Voluntary Standard	Maximum	Average
SOx	2-ton boiler	ppm	1.5	1.2	< 0.02	< 0.02
NOx	2-ton boiler	ppm	180	144	26	23
Particulate matter	2-ton boiler	g/Nm ³	0.1	0.08	< 0.002	< 0.002

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

Automotive Business

Gunma Plant

Main Plant

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8~8.6	6.1~8.3	7.7	6.9	7.3
Biochemical oxygen demand (BOD)	mg/L	25	20	8.4	< 1.0	—
Suspended solids (SS)	mg/L	50	40	18.1	< 1.0	—
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	< 1.0	< 1.0	< 1.0
Fluorine and its compounds	mg/L	8	6.4	2.4	< 0.2	—
Zinc content	mg/L	2	1.6	0.915	0.030	0.088
Soluble iron content	mg/L	10	8	< 0.1	< 0.1	< 0.1
Soluble manganese content	mg/L	10	8	0.6	< 0.1	—
Phosphorus content	mg/L	16 (8)	6.4	3.3	< 0.1	—
Nitrogen content	mg/L	120 (60)	48	21.6	2.9	9.0

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

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■ Yajima Plant

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.1 ~ 8.3	7.5	7.2	7.3
Biochemical oxygen demand (BOD)	mg/L	25	20	7.7	< 1.0	—
Suspended solids (SS)	mg/L	50	40	4.0	< 1.0	—
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	< 1.0	< 1.0	< 1.0
Fluorine and its compounds	mg/L	8	6.4	2.0	< 0.2	—
Zinc content	mg/L	2	1.6	0.662	0.110	0.419
Soluble iron content	mg/L	10	8	< 0.1	< 0.1	< 0.1
Soluble manganese content	mg/L	10	8	< 0.1	< 0.1	< 0.1
Phosphorus content	mg/L	16 (8)	6.4	1.2	0.4	0.7
Nitrogen content	mg/L	120 (60)	48	7.7	4.2	5.8

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

■ Oizumi Plant

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.1 ~ 8.3	7.6	6.8	7.2
Biochemical oxygen demand (BOD)	mg/L	10	8	7.8	< 1.0	—
Suspended solids (SS)	mg/L	10	8	5.6	< 1.0	—
n-Hexane extract content (Mineral oil content)	mg/L	3	2.4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	< 1.0	< 1.0	< 1.0
Fluorine and its compounds	mg/L	8	6.4	< 0.2	< 0.2	< 0.2
Zinc content	mg/L	2	1.6	0.146	0.084	0.113
Soluble iron content	mg/L	5	4	0.2	< 0.1	—
Soluble manganese content	mg/L	5	4	< 0.1	< 0.1	< 0.1
Phosphorus content	mg/L	16 (8)	6.4	0.2	< 0.1	—
Nitrogen content	mg/L	120 (60)	48	19.8	3.8	10.5

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

■ Ota North Plant

Item	Unit	Regulation (Prefectural Regulation)	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.1 ~ 8.3	7.9	7.5	7.7
Biochemical oxygen demand (BOD)	mg/L	25	20	1.1	1.1	1.1
Suspended solids (SS)	mg/L	50	40	2.2	< 1.0	—
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	< 1.0	< 1.0	< 1.0
Fluorine and its compounds	mg/L	8	6.4	< 0.2	< 0.2	< 0.2
Zinc content	mg/L	2	1.6	0.172	0.035	0.104
Soluble iron content	mg/L	10	8	0.3	0.1	0.2
Soluble manganese content	mg/L	10	8	0.2	0.1	0.2
Phosphorus content	mg/L	16 (8)	6.4	< 0.1	< 0.1	< 0.1
Nitrogen content	mg/L	120 (60)	48	1.1	1.1	1.1

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

■ Tokyo Office

Item	Unit	Regulation*	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5 ~ 9	5.4 ~ 8.6	8.6	7.7	8.4
Biochemical oxygen demand (BOD)	mg/L	600	480	320	39	125
Suspended solids (SS)	mg/L	600	480	230	138	98
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 0.5	< 0.5	< 0.5
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	21.0	1.0	9.0
Total phosphorus	mg/L	16	12.8	9	1.6	4.9
Total nitrogen	mg/L	120	96	78	19	40.6
Soluble manganese	mg/L	10	8	0.01	0.01	0.01
Cyanogen	mg/L	1	0.8	< 0.01	< 0.01	< 0.01

Effluent is discharged into public sewer.

* Water Pollution Prevention Act, Mitaka City Sewer Regulation

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Aerospace Company

Utsunomiya Plant

Main Plant (Discharged into public rivers)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5 ~ 9	5.4 ~ 8.6	8.3	6.5	7.3
Suspended solids (SS)	mg/L	600	480	324	1.0	57
Biochemical oxygen demand (BOD)	mg/L	600	480	332	0.5	79
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	16.8	4.6	10.6
Fluorine compounds	mg/L	8	6.4	0.9	0.2	0.2
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	0.015	0.003	0.004
Total chromium	mg/L	2	1.6	0.10	0.001	0.03
Hexavalent chromium	mg/L	0.1	0.08	< 0.02	< 0.02	< 0.02

Main Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.0 ~ 8.3	8.2	6.9	7.7
Suspended solids (SS)	mg/L	50	40	1.6	1.0	1.3
Biochemical oxygen demand (BOD)	mg/L	30	24	12.8	0.5	1.9
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	1.0	0.0	0.3
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.003	< 0.003	< 0.003
Total chromium	mg/L	2	1.6	< 0.01	< 0.01	< 0.01
Hexavalent chromium	mg/L	0.5	0.4	< 0.02	< 0.02	< 0.02

South Plant (Discharged into public rivers)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5 ~ 9	5.4 ~ 8.6	8.5	6.9	7.5
Suspended solids (SS)	mg/L	600	480	375	1	72
Biochemical oxygen demand (BOD)	mg/L	600	480	359	1.3	89
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	15	1.0	5.5
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.003	< 0.003	< 0.003
Total chromium	mg/L	2	1.6	< 0.01	< 0.01	< 0.01
Hexavalent chromium	mg/L	0.1	0.08	< 0.02	< 0.02	< 0.02

South Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.0 ~ 8.3	7.7	6.8	7.2
Suspended solids (SS)	mg/L	50	40	6.4	1.6	4.1
Biochemical oxygen demand (BOD)	mg/L	30	24	11	0.7	2.7
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.003	< 0.003	< 0.003
Total chromium	mg/L	2	1.6	< 0.01	< 0.01	< 0.01
Hexavalent chromium	mg/L	0.5	0.4	< 0.02	< 0.02	< 0.02

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■ 2nd South Plant (Discharged into public rivers)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5 ~ 9	5.4 ~ 8.6	8.4	6.6	7.6
Suspended solids (SS)	mg/L	600	480	124	2.0	32.8
Biochemical oxygen demand (BOD)	mg/L	600	480	96	1.5	27.3
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
n-Hexane extract content (Animal and plant oil and fat content)	mg/L	30	24	9.2	1.0	2.0
Fluorine compounds	mg/L	8	6.4	1.2	0.2	0.3
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.003	< 0.003	< 0.003
Total chromium	mg/L	2	1.6	0.4	0.01	0.05
Hexavalent chromium	mg/L	0.1	0.08	< 0.02	< 0.02	< 0.02

■ 2nd South Plant (Effluent is discharged into public rivers.)

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6.0 ~ 8.3	7.7	6.3	6.9
Suspended solids (SS)	mg/L	50	40	2.4	1.2	1.8
Biochemical oxygen demand (BOD)	mg/L	30	24	8.4	0.5	1.7
n-Hexane extract content (Mineral oil content)	mg/L	5	4	< 1.0	< 1.0	< 1.0
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.003	< 0.003	< 0.003
Total chromium	mg/L	2	1.6	< 0.01	< 0.01	< 0.01
Hexavalent chromium	mg/L	0.5	0.4	< 0.02	< 0.02	< 0.02

Handa Plant

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5 ~ 9	5.8 ~ 8.3	8.1	6.2	7.1
Suspended solids (SS)	mg/L	30	24	14	1.0	1.9
Biochemical oxygen demand (BOD)	mg/L	25	20	16	0.5	2.9
Chemical oxygen demand (COD)	mg/L	25	20	12	1.3	5.3
n-Hexane extract content (Mineral oil content)	mg/L	2	1.6	< 0.5	< 0.5	< 0.5
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.005	< 0.005	< 0.005
Total chromium	mg/L	2	1.6	< 0.04	< 0.04	< 0.04
Hexavalent chromium	mg/L	0.5	0.4	< 0.04	< 0.04	< 0.04

Effluent is discharged into public rivers.

Handa West Plant

Item	Unit	Regulation	Voluntary Standard	Maximum	Minimum	Average
Hydrogen ion concentration (pH)	—	5.8 ~ 8.6	6 ~ 8.3	7.7	6.7	7.2
Suspended solids (SS)	mg/L	30	24	10.0	2.0	4.8
Biochemical oxygen demand (BOD)	mg/L	25	20	5.8	2.2	3.9
Chemical oxygen demand (COD)	mg/L	25	20	6.5	1.6	4.7
n-Hexane extract content (Mineral oil content)	mg/L	2	1.6	< 0.5	< 0.5	< 0.5
Cyanogen	mg/L	1	0.8	< 0.1	< 0.1	< 0.1
Cadmium	mg/L	0.03	0.024	< 0.005	< 0.005	< 0.005
Total chromium	mg/L	2	1.6	< 0.04	< 0.04	< 0.04
Hexavalent chromium	mg/L	0.5	0.4	< 0.04	< 0.04	< 0.04

Effluent is discharged into public rivers.

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Noise (Noise Regulation Act, Prefectural Regulations, Agreements)

Automotive Business

Gunma Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	55	54	8	52
Yajima Plant	dB(A)	55	54	10	50
Oizumi Plant	dB(A)	50	49	10	53

* The regulatory level for the Oizumi Plant is specified by the Ota-Oizumi Pollution Prevention Agreement.

* The Oizumi Plant exceeded regulatory levels due to intermittent noise. We have confirmed that this intermittent noise is no longer occurring.

Aerospace Company

Utsunomiya Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	60	58	8	49
South Plant	dB(A)	50	48	4	42
2nd South Plant	dB(A)	50	48	3	46

Handa Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Handa Plant	dB(A)	65	63	3	52

Handa West Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Handa West Plant	dB(A)	65	63	6	59

Kisarazu Office

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Kisarazu Office	dB(Z)	50	48	2	41

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Performance Data for Plants and Offices

Vibration (Vibration Regulation Act, Prefectural Regulations, Agreements)

Automotive Business

Gunma Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(A)	65	64	8	47
Yajima Plant	dB(A)	65	64	10	43
Oizumi Plant	dB(A)	60	59	10	42

Aerospace Company

Utsunomiya Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	dB(Z)	65	63	8	33
South Plant	dB(Z)	60	58	1	< 30
2nd South Plant	dB(Z)	60	58	3	< 30

Handa Plant, Handa West Plant

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Handa Plant	dB(Z)	70	68	3	< 30
Handa West Plant	dB(Z)	70	68	5	< 30

Kisarazu Office

Measurement Location	Unit	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Kisarazu Office	dB(Z)	55	53	2	< 30

Odor (Offensive Odor Control Act)

Automotive Business

Gunma Plant

[Odor index]

Measurement Location	Regulation* (Night)	Voluntary Standard	Number of Measurement Sites	Maximum
Main Plant	21	20	6	< 10
Yajima Plant	21	20	8	< 10
Oizumi Plant	21	20	6	13

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Biodiversity

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and Transfer Register (PRTR) System: Amount Handled and Emissions

Automotive Business

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

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

Chemical Substance	Amount Handled	Atmospheric Emissions	Water Emissions (Public Waters)	Amount Transferred (Sewer)	Amount Transferred	Amount Consumed	Amount Removed through Processing	Amount Recycled
Water-soluble zinc compounds	12,346	0	173	0	0	12,173	0	0
Ethylbenzene	418,007	225,164	0	0	0	34,972	56,270	101,601
Xylene	530,720	221,625	0	0	0	150,524	92,149	66,422
1,2,4-Trimethylbenzene	221,158	1,040	0	0	0	220,119	0	0
1,3,5-Trimethylbenzene	27,725	15,346	0	0	0	1,654	6,160	4,566
Toluene	640,589	211,753	0	0	0	306,222	58,732	63,882
Naphthalene	9,055	5,982	0	0	0	0	1,591	1,483
Nickel compounds	2,484	0	67	0	1,175	1,242	0	0
Bis(2-ethylhexyl) phthalate	5,857	0	0	0	117	5,740	0	0
Hydrogen fluoride and its water-soluble salts	5,560	0	5,060	0	0	500	0	0
n-Hexane	105,341	347	0	0	0	104,994	0	0
Benzene	18,726	62	0	0	0	18,665	0	0
Formaldehyde	11,272	5,339	0	0	1,305	0	3,322	1,305
2-ethoxyethyl acetate (also known as ethylene glycol monoethyl ether acetate)	1,469	1,389	0	0	0	5	23	52
Manganese and its compounds	3,901	0	102	0	1,798	2,000	0	0
Dioxins Unit: mg-TEQ/year	—	0.2688	—	—	0	—	—	—
Cumene	4,985	3,004	0	0	0	0	1,125	857
Methylnaphthalene	11,190	56	0	0	0	11,134	0	0
Total	2,030,385	691,107	5,402	0	4,395	869,945	219,371	240,167
		696,508						

Tokyo Office

[Unit: kg/year]

Chemical Substance	Amount Handled	Emissions		Amount Transferred		Amount Consumed	Amount Removed through Processing	Amount Recycled
		Atmosphere	Water	Sewer	Waste			
Ethylbenzene	12,306	0	0	0	391	11,915	0	0
Xylene	53,529	1	0	0	1,693	51,835	0	0
1,3,5-Trimethylbenzene	9,263	0	0	0	391	8,872	0	0
Toluene	211,234	7	0	0	7,815	203,412	0	0
1,2,4-Trimethylbenzene	41,344	0	0	0	1,400	39,944	0	0
Benzene	6,670	1	0	0	195	6,474	0	0
n-Hexane	19,338	5	0	0	326	19,007	0	0
Total	353,684	13	0	0	12,212	341,459	0	0
		13						

Aerospace Company

[Unit: kg/year]

Chemical Substance	Amount Handled	Emissions		Amount Transferred		Amount Consumed	Amount Removed through Processing	Amount Recycled
		Atmosphere	Water	Sewer	Waste			
Toluene	30,345	9,092	0	0	2,556	18,697	0	0
Xylene	2,909	893	0	0	295	1,721	0	0
Hexavalent chromium	2,158	0	0	0	1,158	549	450	0
Total	35,412	9,985	0	0	4,009	20,967	450	0

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

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 realizing Subaru's corporate philosophy of promoting harmony between people, society, and the environment while contributing to the prosperity of society. 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 for 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 for 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.

Respect for
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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 nonhumane 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, disability, 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.

**Respect for
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We have appointed Representative Director, President and CEO as a director who is responsible for leading the process of developing the Policy and assigning resources as needed for its implementation and continued improvement. At the Sustainability Committee*, chaired by the Representative Director, President and CEO, we hold discussions on global human rights issues and initiatives. The results of these discussions are used in submissions and reports at the Board of Directors in order to take appropriate measures.

* Renamed from "CSR Committee" in FYE March 2022.

Initiatives

Based on the belief that respect for the rights and characteristics of individuals is an important management issue for SUBARU, the CSR Committee decided to form the Human Rights Task Team in March 2019. The team was created in April 2019 and is comprised of members from the Human Resources Department, IR Department, Sustainability Promotion Department, and Procurement Planning Department. As a result of multiple discussions with outside experts and specialists, the Task Team formulated the Human Rights Policy in April 2020. 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.

In consideration of this Human Rights Policy, the Subaru Group will continue managing its operations in line with respect for human rights.

Activities to Raise Awareness of Human Rights

We have been conducting SUBARU's new employee training and manager training on the theme of diversity. In FYE March 2021, we held training for manager-class employees in SUBARU's human resources departments and all employees in its procurement departments with the purpose of helping them obtain knowledge about business and human rights, a topic of substance for our businesses. Approximately 250 employees participated in this training, and when surveyed about the necessity of addressing human rights, almost all participants responded that they gained an understanding or a strong understanding of the concept.

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.

In FYE March 2021, with cooperation from Lloyd's Register Japan K.K., we identified and conducted impact assessments for human rights risks in the domains of human resources (Gunma Plant) and procurement (Automotive Business). Through workshops, interviews, factory inspections, and other activities with stakeholders in each domain, we identified a number of particularly key risks. In the human resources domain, we identified forced labor among foreign workers, as well as long working hours and occupational accidents. In the procurement domain, meanwhile, we identified human rights violations among suppliers, harassment of suppliers, and responsible mineral procurement (e.g., conflict minerals, cobalt). Going forward, we will continue to mitigate risks by steadily implementing measures to combat them.

Preventing Harassment

The Subaru Group regards the prevention of discrimination and harassment as important issues, and this is expressed in the Human Rights Policy. Seeking to prevent all forms of harassment, we prohibit such behavior in our work regulations, and it is also mentioned in the Conduct Guidelines and the Compliance Manual. We have prepared the Power Harassment Explanatory Booklet, and ensure that all SUBARU employees are aware of its contents.

Also, we distribute the Power Harassment Prevention Handbook to all managers and supervisors, and make efforts to prevent harassment.

We have set up a Compliance Hotline and a Harassment Advice Line internally and externally to accept requests for consultations regarding harassment, creating an environment in which all employees, including those at group companies, can receive advice. By creating a management system in which it is easy to seek advice, we encourage carefree consultations, and attempt to detect and resolve problems at an early stage.

→ [Compliance Hotline](#)

Quality: Automotive Business

Our Approach

Quality is the foundation of “Enjoyment and Peace of Mind,” SUBARU’s core value, and delivering quality is one of our most fundamental responsibilities to our customers. Quality reforms are the most important theme in mid-term management vision “STEP,” and we are reviewing all business processes, from product planning and parts procurement by suppliers to production and shipping at our plants, and implementing reforms.

To ensure that we become a company that resonates with and inspires trust in our customers, under the banner of our new quality policy, all employees are making “quality first” their slogan as they work hard to provide high-quality products and services that will impress customers. SUBARU has also

established quality policies at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics, and affiliated companies practice quality control based on these policies.

In FYE March 2021, we established the Quality Assurance Management Office to supervise quality assurance across the entire Subaru Group, including the Aerospace Company. The roles of this office will include developing and managing the Subaru Group’s organizational structure and systems required to assure quality, maintaining their effectiveness, and continually improving them

Quality Management System

1. Establish Quality Management System (QMS) based on the Quality Policy and ISO9001 Standard and put it into practice for orderly and effective operations.
2. Aim to improve customer satisfaction by assuring that products will comply with both customer requirements and applicable statutory and regulatory requirements.
3. Strive to continually improve the QMS through operational improvements.

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

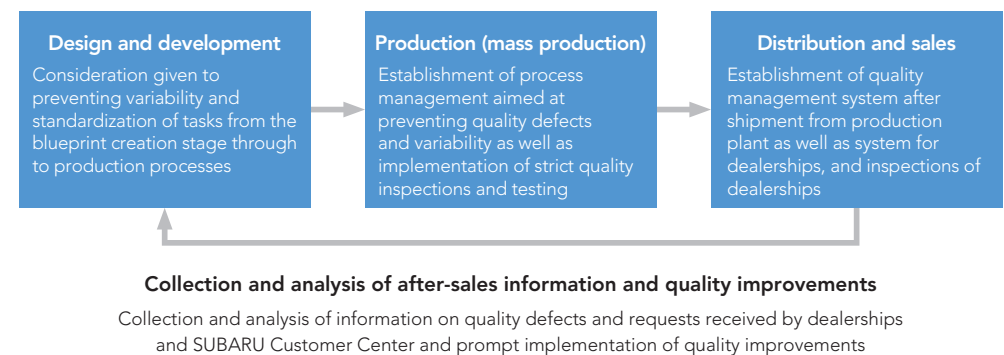
Quality Policy

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 customer’s 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.

Revised in April 2019

Quality Management Cycle



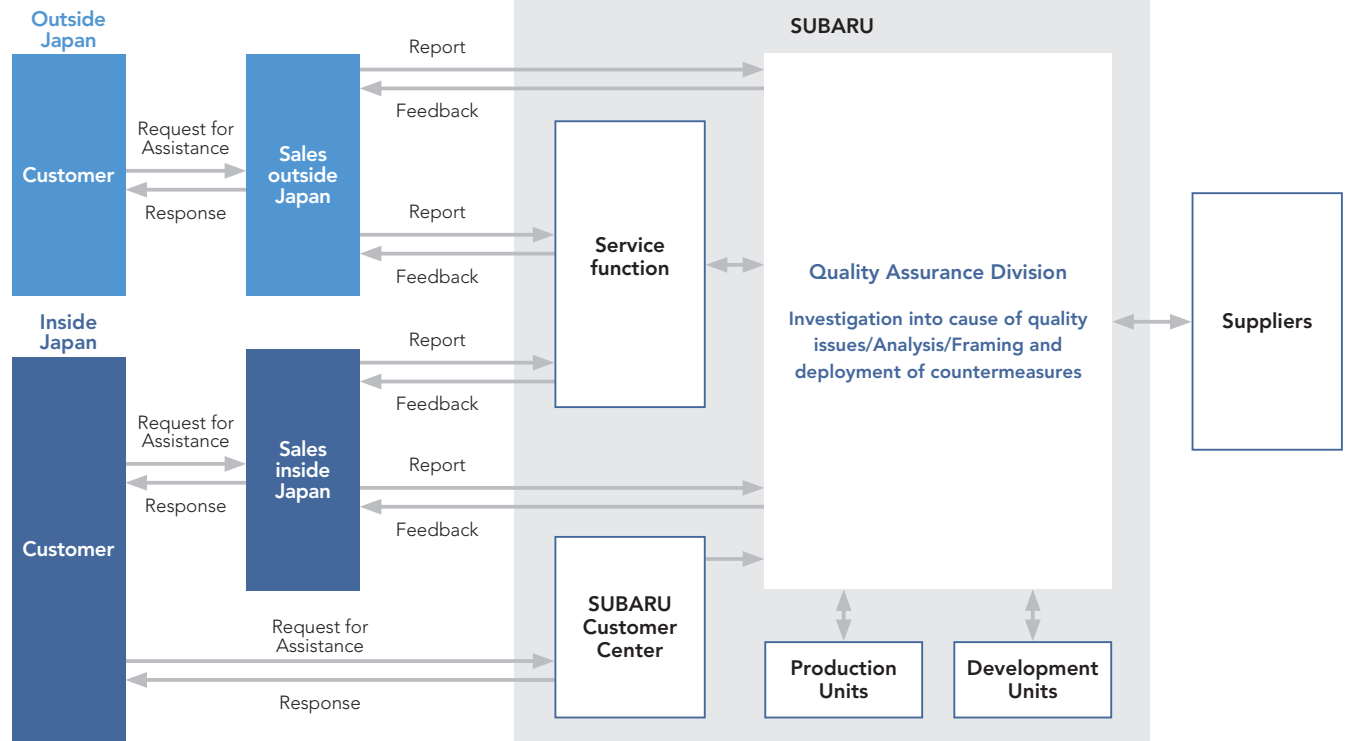
Management System

SUBARU has established a quality improvement system with the Quality Assurance Division at the heart of efforts in order to analyze after-sales quality defects and customer requests to realize higher-quality 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.

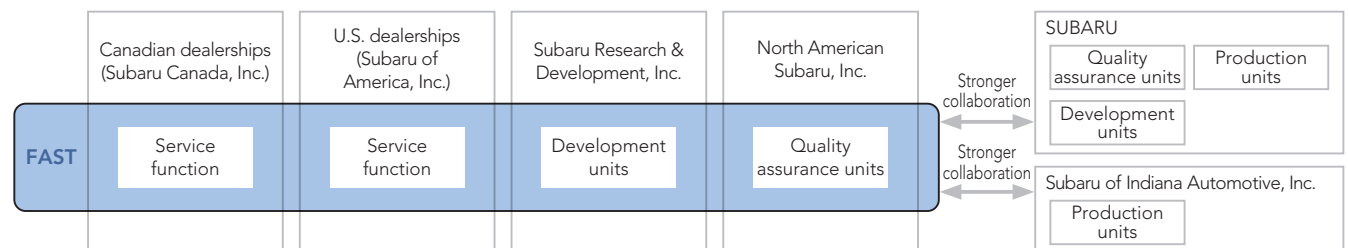
In January 2021, we established FAST*, a North American quality improvement team where quality assurance and development units at local affiliated companies in the U.S. work together with service units at dealerships in the U.S. and Canada. By cutting across divisional borders and strengthening collaboration, we have been able to more rapidly and accurately obtain market information, launching activities to use these in resolving issues.

* Fast Action & Solution Team

Quality Improvement System



Structure of the FAST North American Quality Improvement Team



Initiatives

Quality Control Training

We provide quality training as part of our employee training program to enable employees to learn basic QC^{*1} and problem-solving techniques tailored to their year of entry into the company and their qualification requirements.

Main curriculum for quality

- Quality control training (Introduction/Intermediate/Advanced)
- Lectures to foster quality awareness

*1 QC: Quality control

Global Quality Meeting

Aiming to ensure that the customer-first mindset runs through our quality, SUBARU attaches great importance to dialogue with dealers, as they are responsible for dealing with customers across the globe. We participate in technical liaison meetings held twice a year for the Japanese market, while in overseas markets, we take part in twice-yearly main dealerships (G8) service meetings and block conferences held in six regions.^{*2} We take in the views of dealers expressed at these meetings to make decisions on the optimum means of addressing product issues that inconvenience our customers. (In FYE March 2021, these were held as web conferences both for Japan and overseas.)

*2 Block conferences are held in a country in each of the six regions—the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America. Their participants include representatives from dealerships and expatriates working in the region.

Quality Caravan

Since FYE March 2019, we have been holding an event called the Quality Caravan at all our business sites to inform

participants of customer feedback and the quality status of SUBARU products. Our aim in doing so is to provide each and every employee with an accurate understanding of the current state of SUBARU and create an environment in which they are conscious of putting quality first at all times and approach their work in that mindset. In FYE March 2021, we also held online events to address COVID-19. In addition to employees, we also receive a large number of participants from suppliers. Subaru of Indiana Automotive, Inc., SUBARU's production base in the U.S. has also been organizing events to raise global awareness of quality.

Going forward, we will continue to engage in awareness activities, while enhancing the program and extending the duration, among other improvements.



At the Global Quality Meeting



At the Quality Caravan

Response to Recalls

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

In the event of product defects that can infringe safety and the laws and regulations, SUBARU promptly establishes a committee structure of staff from departments involved in quality to investigate, and determines the specific details of our response based on the laws and regulations of each country. Moreover, SUBARU sends direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

As of April 2021, SUBARU had no cases of violating laws and inhouse regulations in regard to information provision on quality and safety.

[Recalls of SUBARU Cars \(for Japan only\)](#)

Number of Recalls and Improvements

Number of Cases	(FYE March)			
	2018	2019	2020	2021
Recalls ^{*1}	9 ^{*4}	11	13 ^{*4}	8
Corrective Action ^{*2}	1	1	1	0
Service Campaigns ^{*3}	3	6	3	6
Total	13	18	17	14

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

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

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

*4 The figure includes one recall relating to Takata airbags, in which a recall notification was submitted on the basis of individual model.

Quality: Aerospace Business

Our Approach

The Aerospace Company conducts SUBARU's aerospace business and its production activities are based on its policy of "Giving Safety and Quality Top Priority."

Quality Management System

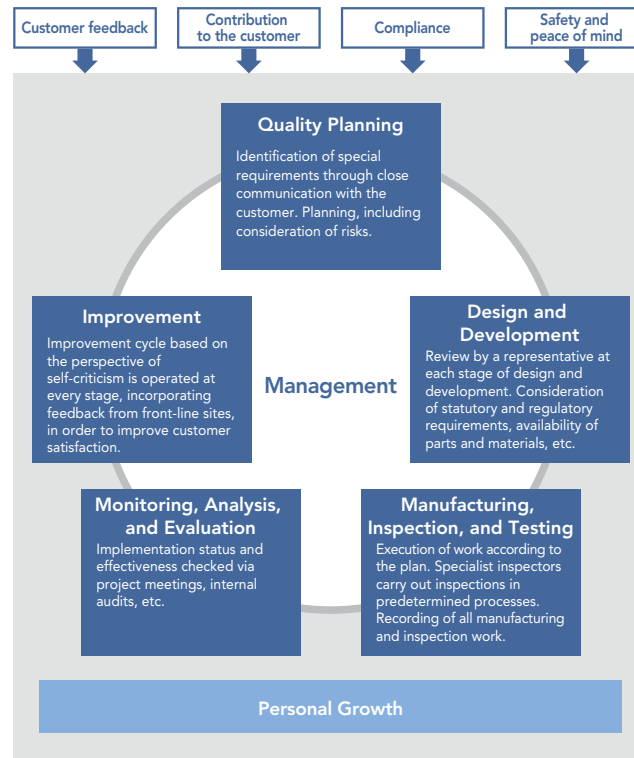
Based on its policy of "Giving Safety and Quality Top Priority," the Aerospace Company has built and acts under the quality management system that conforms to the latest JISQ9100:2016 quality management system requirements for Aviation, Space and Defense Organizations.

In addition, it incorporated the Supplements to JISQ9100 (SJAC9068) that are independently and jointly established by the Japanese aerospace and defense industries in order to prevent improper occurrences related to quality.

Quality Management Cycle

SUBARU's Aerospace Company strives for quality assurance in every process from the clarification of requirements through to manufacturing in order to create safe, reliable products. In addition, it has established and operates a quality management cycle to enhance customer satisfaction.

Quality Management Cycle



Management System

At SUBARU's Aerospace Company, the QMS Promotion Office maintains and promotes the quality management system (QMS), and also works on improving the system to enhance quality.

The Quality Assurance Department promotes the following quality assurance activities covering product manufacture, repair, sales, and service, and rolls them out to relevant company departments and suppliers.

- Gather customer feedback
- Identify quality-related issues
- Investigate the root causes
- Formulate measures to deal with them

Initiatives

Quality Assurance Training

We provide quality assurance training in each department as part of our employee training program. We also hold training programs aimed at cultivating experts in quality assurance.

Major Education Training Programs

	Course Topic	Target	Frequency
Quality Education	Basic manners training for inspectors	Inspectors	Once a year
	Quality refresher training	Mainly manufacturing employees	Twice a year
	Human factor training	Mainly employees in Civil Aeronautics Act certified workplaces	Once a year
	Aeronautical safety training	Mainly employees in Civil Aeronautics Act certified workplaces	Once a year
	Education for employees in certified workplaces	Mainly employees in Civil Aeronautics Act certified workplaces	Once a year
Basic Training for Inspectors	QMS consolidation training	All employees	Twice a year
	New accreditation/periodic renewal training	Inspectors	Upon accreditation / every 3 years
	Skills enhancement training for inspectors	Inspectors	Once a month
Skills Training for Inspectors	Techno-school	Inspectors	Ten times a year

Four Rules Activity

To bring happiness to our customers, to carry out our social responsibilities, and to achieve growth, each member of the Aerospace Company remains aware of our work rules (procedures, basics). When we find that the rules are difficult to follow, unclear, or out of step with the times, we all work together to improve them, rather than leaving the burden to one person. Through this activity, we strive to increase the quality of our work.

The four rules

In the work you are doing today,

1. Are there any rules (procedures, basics)?
2. Are you following the rules?
3. Is there any room for improvement?
4. Are you discussing with someone about workplace improvements?

Quality Month Events

The Aerospace Company holds periodic quality meetings. They hold discussions regarding customer satisfaction and product quality from various aspects. Also, every November is designated as Quality Month. There are awards for employees who have contributed to improving quality, and distribution of pamphlets to educate all employees on quality.

Also, we have established many kinds of systems such as the Improvement Proposal System, which aims to allow employees to display their creative abilities and build a culture of making improvements.

Making Safe Vehicles

Our Approach

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 SUBARU-ness 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.

Our mid-term management vision "STEP" describes our efforts to enhance safety and peace of mind by setting a target of achieving zero fatal traffic accidents by 2030.*¹ As such, we are engaged in the development of vehicles that will enable us to eliminate traffic accident deaths.

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

Management System

In order to further accelerate its new technology development, including safety technology and electrification for making products more environmentally friendly, SUBARU has changed its development systems 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 this change, it has pivoted from a system based on functional organizations (e.g. vehicle bodies and power units) to an organic combination along value and functional axes.

* For more details regarding SUBARU's car manufacturing systems, please see Environmentally Friendly Automobiles: Management System.

→ [Environmentally Friendly Automobiles: Management System](#)

Aiming for Zero Fatal Traffic Accidents by 2030

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 breaking, 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 automatic, but in "Respect what humans are good at and leave what humans are not good at to automobiles for safe transportation." With this idea, SUBARU 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, we still face an issue that around 30% of fatal accidents primarily caused by the no-fault accidents are expected to remain under the current situation.

Facing these problems, SUBARU is aiming to achieve zero fatal traffic accidents by 2030 by applying our intelligence technologies in the fields of Primary Safety, Active Safety, Preventive Safety, and Passive Safety, plus Connected Safety.

Respect for Human Rights

Quality: Automotive Business

Quality: Aerospace Business

Making Safe Vehicles

Human Resources

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CSR Procurement

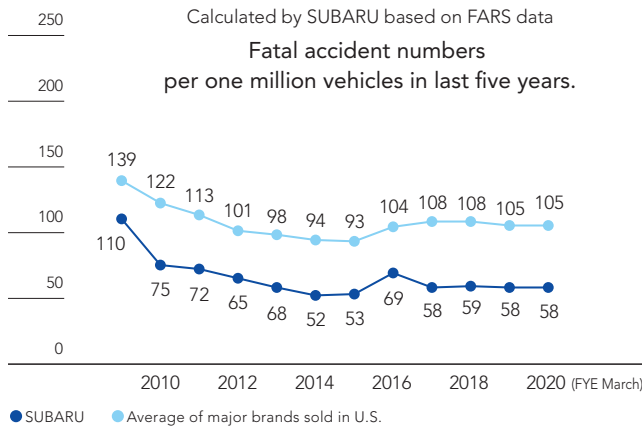
Community Engagement

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

From FYE March 2009 to FYE March 2020, we carried out an investigation on the number of fatal traffic accidents involving SUBARU cars sold in the U.S. and domestically 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 12 consecutive years.^{*2} Domestically in Japan, SUBARU cars also

Facts about Fatal Traffic Accidents in the U.S.

(Number of accidents)



Calculated by SUBARU based on FARS data
Fatal accident numbers per one million vehicles in last five years.
Average of 13 major brands sold in U.S., including SUBARU (excluding trucks and large SUVs)

show a rate of fatal traffic accidents that is lower than the average for domestic auto manufacturers for 12 consecutive years.

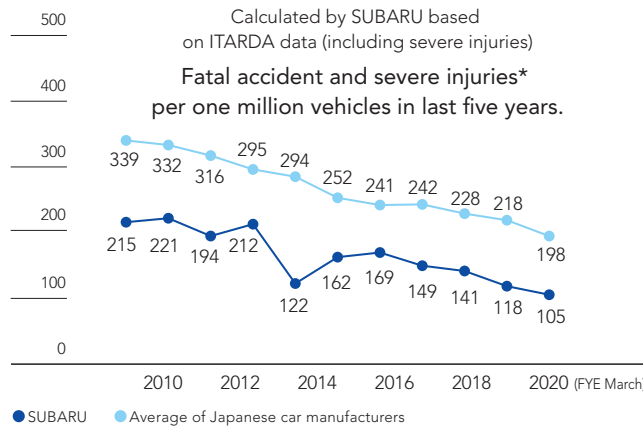
^{*2} These calculations were made independently based on data from the Fatality Analysis Reporting System (FARS) of the U.S. and the Institute for Traffic Accident Research and Data Analysis (ITARDA) of Japan.

[EyeSight for 2030 \(Japanese version only\)](#)

[→ Six Priority Areas for CSR: TOPICS 03 - Peace of Mind](#)

Facts about Fatal Traffic Accidents in Japan

(Number of accidents)



Calculated by SUBARU based on ITARDA data (including severe injuries)
Fatal accident and severe injuries* per one million vehicles in last five years.
Average of 8 Japanese car manufacturers, including SUBARU (including light vehicles but not trucks)

* Fatal accidents: Incidences where the victim died within 24 hours of the initial event.
Severe injuries: Includes general cases of severe injury.

Initiatives

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 judgement 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

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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.

[Technology: Primary 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 services, the same way as during normal conditions. SUBARU has fine-tuned all the basic functions of a vehicle—driving, turning and stopping—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.

■ 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.

[Technology: Active 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. Last year, 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. Also, 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.

■ Collision Avoidance Support

Our next-generation EyeSight system greatly expands the usable scope of pre-crash braking. Now, it helps drivers avoid collisions at intersections with a high incidence of traffic accidents. 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 will significantly mitigate these traffic accidents.

■ 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.

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■ Support for Safe Driving

We have introduced a new Driver Emergency Support System. If the driver's hands come off the steering wheel for a long time while Active Lane Keep is active, 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's hands stay off 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.

■ Improving Visibility

We have created a digital Multi-View Monitor reducing the size of blind spots around the vehicle. By displaying high-resolution video on a 11.6-inch monitor, drivers are given clearer visual information in situations like when reversing, pulling over at a curb, and at intersections with poor visibility. We have improved the size and resolution for our digital Smart Rear-View Mirror, offering support for safer rear-view confirmation.

 [Technology: Preventive Safety \(Japanese version only\)](#)

Passive Safety

Since the time of "Subaru 360" when we launched 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. They 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.

■ Front-end/Offset Collision/Rollover

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. Further, several kinds of airbags and energy absorption 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, such as becoming the first Japanese automobile manufacturer to install Pedestrian Protection Airbags.

■ Safety Recognized around the World

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

 [Technology: Passive 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. 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.

Car Assessments

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




In FYE March 2021, the new Levorg won the JNCAP Five Star Vehicle Safety Performance 2020 Award, the highest rating in the Japan New Car Assessment Program (JNCAP).

*1 IIHS: The Insurance Institute for Highway Safety

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

*3 ANCAP: The Australasian New Car Assessment Program, a safety performance assessment program conducted since 1993 by an independent organization created by Australian and New Zealand transit authorities

FYE March 2021 Commendations

Assessed Automobiles	Assessment Organization	Assessment
Levorg	 JNCAP, Japan	JNCAP Best Award 2020 JNCAP Five Star Award 2020
2021 models of the Crosstrek Hybrid, Forester, Legacy, Outback, and Ascent	 (U.S. models only) IIHS, U.S.	2021 TSP+ award*
2021 models of the Impreza (sedan and 5-door), Crosstrek, and WRX (all with optional EyeSight and specific headlights)	 (U.S. models only) IIHS, U.S.	2021 TSP award*

* In the IIHS's publication of vehicle safety information, TOP SAFETY PICK (TSP) award is given to vehicles that earned the rating of "Good" in all test results including the Offset Frontal Test, the Driver-side Small Overlap Front Test, the Passenger-side Small Overlap Front Test, the Side Crash Test, the Rear Impact Test and the Rollover Test and the rating of "Acceptable" or higher in the Headlight Evaluation, as well as the rating of "Advanced" or higher in the vehicle-to-vehicle and vehicle-to-pedestrian tests. In addition to these ratings, vehicles which have been installed the headlights which earned the rating of "Acceptable" or higher in the Headlight Evaluation as a standard equipment are awarded the TOP SAFETY PICK+ (TSP+).

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 people-oriented manufacturing. 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.

[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 aircrafts. With aircraft, the implementation of ideas and countermeasures within the vehicle's basic structure prevents the onset of danger. One indispensable safety feature of aircrafts is the ability for the pilot to be able to secure an all-around unobstructed line of sight. This approach to safety has not diminished even after SUBARU moved into automobile manufacturing.

[SINCE 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 Subaru Leone



Subaru 1000

[IN THE 1980s & 1990s]

Ensuring Safety for Drivers and Passengers

■ **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 Made 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.

■ **SGP (SUBARU GLOBAL PLATFORM)**

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

[FROM THE 2020s]

■ **Next-Generation EyeSight, EyeSight X**

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

Initiatives in the Aerospace Business

In recent years, reduction of CO₂ emissions has become a major environmental issue on a global basis, and this also encompasses aircraft. At the same time, electrification has garnered attention as a way to reduce environmental burdens. The Aerospace Company is active as a Steering Committee member of the Electrification Challenge for Aircraft (ECLAIR) Consortium, spearheaded by the Japan Aerospace Exploration Agency (JAXA), a national research and development agency. The Company has also formulated a future vision for the electrification of aircraft and created a technology roadmap with the goal of developing electrification technology that will drastically reduce environmental burdens, such as CO₂ emissions. Also, with the "Roadmap toward Air Mobility Revolution" announced by the Ministry of Economy, Trade and Industry in December of 2018, Japan is increasing its momentum for a major advancement toward the development of flying



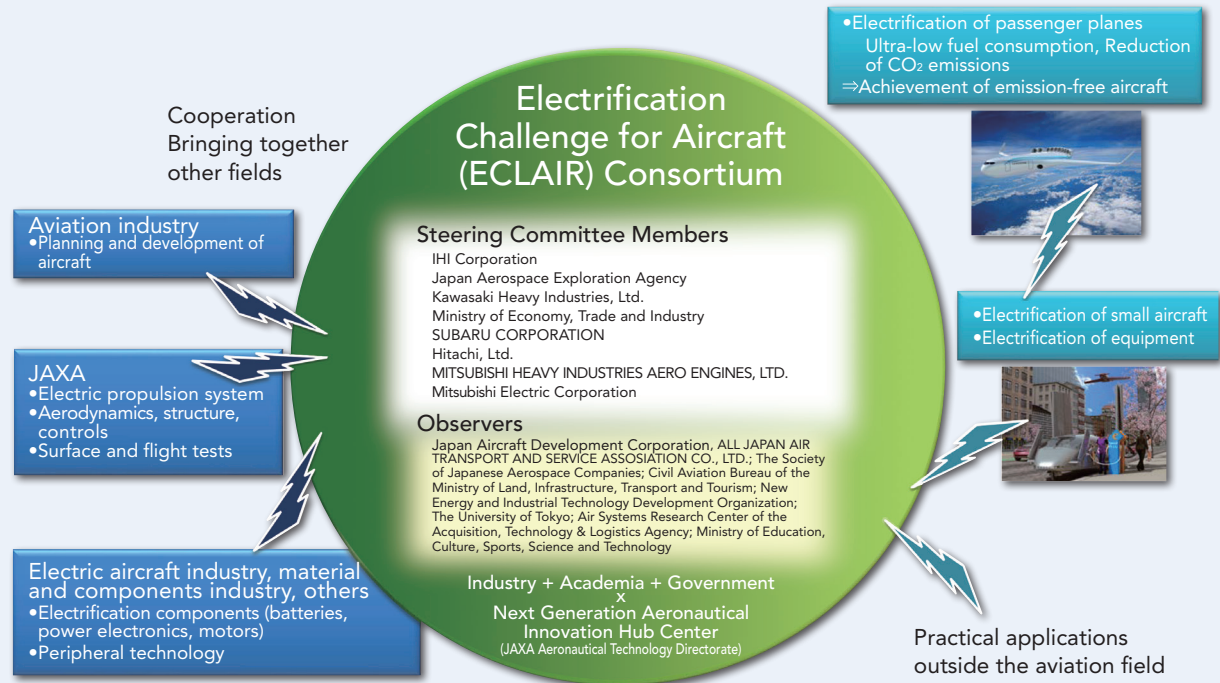
Flight demonstration for unmanned aircraft

Test of technology that allows unmanned aircraft to automatically avoid danger (Japanese version only)

cars. However, it is necessary to generate rules, including a great deal of legislation, to ensure traffic safety in the sky. SUBARU is proposing a public and private sector conference to consider the creations of these rules.

Also, drones are seeing a remarkable rise in use recently. To further improve safety for these and other aircraft, we are working with the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency, and four other organizations. Also, we

succeeded in a flight demonstration for our technology that allows unmanned aircraft to automatically avoid danger, even in times of emergency. The test was conducted off the coast of Mikawa Bay in 2019, with cooperation from Aichi Prefecture, Toyokawa City, and Tahara City. Going forward, SUBARU will continue working on initiatives to ensure the safety of airspaces and to reduce its environmental burden.



Human Resources

Human Resource Development

Our Approach to Human Resource Development

In order to achieve its mid-term management vision "STEP," SUBARU emphasizes helping each employee to voluntarily take on new challenges and to independently develop their careers. In talent development, we focus on the growth of the individual, offering them better opportunities for them to independently develop their careers, providing chances for learning that are in keeping with their own desired outcomes, and organically combining these with job rotation and other human resource policies. Through the growth of the individual, we enhance the appeal of the SUBARU brand as we continue to boost the Group's corporate value.

Training and Education

Our Approach

In order to achieve its mid-term management vision "STEP," SUBARU focuses on the growth of the individual, utilizing the talent development tools of challenge-oriented personnel systems, personnel rotation, and educational programs.

In addition, SUBARU's affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Regular Reviews and Career Development

Through the operation of the personnel system, each employee's job outcomes and performance levels for skills are objectively evaluated. In addition, under the goal management system, all SUBARU employees have an interview four times a year (for goal setting, interim confirmation, outcome confirmation, and evaluation sharing) and the supervisors and subordinates agree on the challenges necessary for growth.

Both men and women are treated appropriately and there is no gender gap in the basic salary.

Training Programs

SUBARU offers a wide range of learning opportunities so that all employees can develop their skills in accordance with their career plans and levels. In order to support employee career development, we are introducing new programs in FYE March 2022, establishing a system and environment so that we, as a company, support the growth of the individual.

Structure of Training Programs

	Sharing Philosophy*	Career Training* Career Support*	Business Skill Development Support*	Globally Focused Talent Development	Managerial Talent Development	Rank-specific Programs	Self-development Support
Manager Class	Philosophy sharing program	Career management training	Business skill development support programs	Mindset/Communication/ Language skills	Programs for selected staff	Newly appointed personnel training	Training at each business site/Official certification support
Mid-level/ Regular Employee		Age-specific career training					
New Hires	New employee training (after starting official employment)						
	New employee training (before starting official employment)						

* New

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Philosophy Sharing Program

This program helps individual employees gain a deeper understanding of SUBARU's vision and the value it offers, helping them share a sense of togetherness with SUBARU through mutual dialogue between employees. It is designed to enable employees to independently be mindful of and act toward achievement of SUBARU's vision.

Career Training and Career Support

Career training is offered to employees as an opportunity for them to come face-to-face with their potential career paths so that they can develop their own careers independently. We also offer career management training and career consultations for managers so that employees' workplaces and superiors can support their career development.

Business Skill Development Support Programs

All employees, from managers to general staff, are offered a choice of various business skills development support programs in accordance with their level and goals. In skills development, we encourage employee independence and their voluntary selection of programs in accordance with their career plans and their own strengths and weaknesses. In addition, by actively utilizing public courses held at external institutions, employees gain more contact points outside the company and gain new awareness, providing opportunities to learn more about the outside.

Globally Focused Talent Development

In addition to improving language skills, we encourage employees to develop a wide range of capabilities with the goal of acquiring cross-cultural collaboration and leadership skills with a view to playing an active role on the global stage.

Managerial Talent Development

SUBARU offers training for selected mid-level and manager class employees with the aim of continually fostering the next generation of managerial talent.

Initiatives to Transfer Skills

The purpose of transferring skills at SUBARU is to create talent who have comprehensive abilities to adapt to change, standardize and sustain that standardization, and envision continuous improvement, and who can create high-quality products with safety and efficiency.

At the Gunma Plant, we are systematically cultivating technicians based on a program of skills education. In April 2021, we introduced a new basic training program that condenses the vocational training school and STS education programs previously available to employees. 294 employees attended courses in this program.

* At SUBARU Technical School, employees engage in specialized practical training and courses according to their occupation.



New basic training



Lathe work



Plastic molding



Automobile sheet metal



Award winners at the 2020 national competition

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Diversity

Our Approach

For the Subaru Group to continue offering customers the unique value of the SUBARU brand, SUBARU employees need to be able to exert their unique talents informed by their own personal values and characteristics. This is why SUBARU values the differences in gender, nationality, culture, and lifestyle among its employees and strives to create workplace environments where everyone can make a meaningful contribution.

In addition, SUBARU's affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Management System

The Diversity Promotion Office of SUBARU's Human Resources Department leads the efforts of the Subaru Group in relation to diversity. The office has designated "supporting female employees to take on more active roles," "promoting the employment of people with disabilities," "promoting the reemployment of post-retirement age workers," and "promoting the recruitment of non-Japanese workers" as priority themes. Among them, SUBARU has placed particular emphasis on efforts to support and empower female employees.

Initiatives

■ Empowerment of Female Employees

SUBARU is promoting initiatives for the empowerment of female employees, mainly by supporting employees in their efforts to balance work and childcare and in their pursuit of career development.

SUBARU set itself the target of increasing the number of female managers by five times the 2014 level in 2020, and achieved this goal in 2019, a year ahead of schedule. SUBARU is further

strengthening its efforts aimed at developing female managers by setting a new target to increase the number of female managers to two times or more the 2021 level by 2025.

To support career development, SUBARU has conducted a wide range of initiatives, including the mentor system and the career development training for female team leaders. We believe that sharing development plans with supervisors of female employees is indispensable for the career development of female employees, and we provide opportunities for the supervisors to discuss such plans with human resources personnel. Recently in FYE March 2020, sessions to share development plans were held for general managers in all development-related departments, where the participants confirmed the promotion of a training-based development policy. In FYE March 2021, we introduced a new career vision training program for female employees in their 20s to foster career awareness among women at an early stage of their careers. Going forward, we will continue to further strengthen our efforts to create a workplace environment in which they can plan their own career paths and make a meaningful contribution on a level playing field.

[Second Action Plan based on the Act on Promotion of Female Participation and Advancement in the Workplace \(Japanese version only\)](#)

Status of Female Employees (Non-consolidated)

	FYE March 2021
Proportion of female employees	7.2%
Proportion of female managers	1.9%
(Breakdown)	
General managers and equivalent positions	1.3%
Managers and equivalent positions	2.1%

→ [Supporting Balance between Work and Childcare](#)

■ Supporting Reemployment

SUBARU has also established a reemployment support system for employees who resigned for reasons beyond their control, such as the relocation of their spouse.

From the introduction of the system in 2009 to March 2021,

11 employees have returned to work at SUBARU using this system.

■ Employment of People with Disabilities

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

As of April 2021, SUBARU has 306 employees with disabilities, mainly engaged in manufacturing work, and the percentage of employees with disabilities is 2.36%^{*1}.

In FYE March 2021, we also held training programs for supervisors in departments where people with disabilities are employed, and for personnel in charge of hiring people with disabilities at our affiliates in Japan. These programs helped instill a better understanding of the importance of hiring people with disabilities and their particular characteristics, as well as key points on labor management and other information.



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

^{*1} Including the number of employees with disabilities at SUBARU's specified subsidiary company.

Employment of People with Disabilities

	April 2017	April 2018	April 2019	April 2020	April 2021
Number of employees with disabilities (person) [*]	261	269	280	291	306
Employment rate of people with disabilities (%)	2.17	2.28	2.30	2.30	2.36

^{*} According to the method of calculation specified in Act on Employment Promotion etc. of Persons with Disabilities, one person with severe disabilities is counted as two persons with disabilities.

• Universal Design Initiatives

In order to ensure compliance with the Guidelines for the Creation of Comfortable Working Environment^{*2}, SUBARU makes improvements to the working environment, work methods, environmental facilities and others in an organized and planned manner. We also proactively adopt universal design for our facilities, aiming to make the breakrooms, restrooms, smoking areas and cafeterias barrier-free, thereby providing all employees with comfortable workplaces.

SUBARU has adopted universal design for the entry/exit gates, restrooms and other facilities of the West Main Building of the Gunma Plant, as was done at the head office.

*2 "Guidelines for the Creation of Comfortable Working Environment" as stated in the Industrial Safety and Health Act of Japan



Entry/exit gates through which people in wheelchairs can also pass (West Main Building, Gunma Plant)



Parking for wheelchair users (West Main Building, Gunma Plant)

• Specified Subsidiary Company SUBARU BLOOM Co., Ltd.

SUBARU BLOOM Co., Ltd. (SBC) proactively employs people with disabilities. As of April 2021, 79 employees and 19 instructors engage in the cleaning service provided by SBC to SUBARU's dormitories and plants. As a company proactively employing people with disabilities, SBC has registered with the "Supporter Company for Employment of People with Disabilities" program implemented by Gunma Prefecture's Department of Employment Support for People with Disabilities.

In FYE March 2021, SBC widely accepted study visits by local people and also introduced its initiatives to those in charge of the employment of students by companies at two

neighboring special education schools. In November, SBC received the Organization Chairman's Effort Award from the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED), in recognition of being a special subsidiary employing the highest number of people with disabilities in Gunma Prefecture. This achievement was made possible by the company's business activities and support from affiliated organizations. SBC will continue to expand its network for the employment of people with disabilities while working to stabilize the management of the company and improve its operational quality. As a company that helps individual employees to "bloom like flowers," SBC will strive for the stability of management, foster employment, and make local contributions.

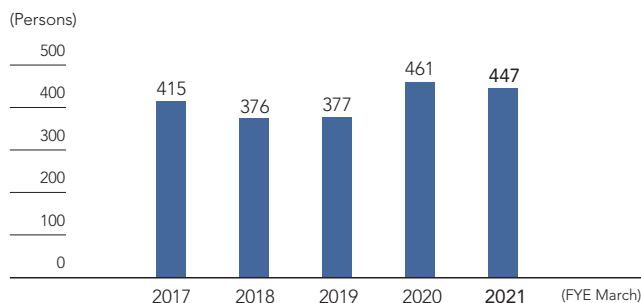


Certificate of Supporter Company for Employment of People with Disabilities issued by Gunma Prefecture

■ Reemployment of Retirees

SUBARU has implemented its Subaru Business Staff Program and Subaru Partner Program after revising its re-employment programs for employees after retiring at the mandatory age of 60. This revision and these programs are designed to not

Number of Employees Aged 60 and Older



Reemployment Rate (Non-consolidated)

FYE March	Retirees (Persons)	Applicants for Reemployment (Persons)	Reemployed (Persons)	Reemployment Rate
2017	114	98	98 (29)*	100
2018	108	83	83 (21)	100
2019	107	86	86 (27)	100
2020	164	130	130 (40)	100
2021	97	72	72 (19)	100

* Figures within parentheses indicate the number of rehired employees at Group companies.

only help energize employees and senior citizens with valuable skills, but to also be tailored to individuals with a variety of capabilities 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.

The number of rehired employees (aged 60 or older) in FYE March 2021 was 447.

■ Employment of Non-Japanese Employees

SUBARU employs non-Japanese new graduates and mid-career workers as regular and temporary employees regardless of their nationality.

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, we have stationed interpreters in English, Portuguese, Tagalog, Spanish, Chinese and other languages at each of the facilities to foster communication between Japanese and non-Japanese employees.

Moreover, we provide Japanese employees with opportunities to receive language training and engage in overseas training, thereby helping them to enhance their

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ability to communicate with people from other countries and understand cultural differences. These initiatives contribute 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 overseas subsidiaries and affiliated companies independently employ human resources and work to secure human resources in line with their own policies and business details.

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. For 10 years from FYE March 2012 to FYE March 2021, a total of 1,601 temporary workers became regular employees under the system.

Number of Temporary Workers Who Became Regular Employees

FYE March	Number of Those Who Became Regular Employees (Persons)
2017	112
2018	113
2019	205
2020	223
2021	267

Occupational Health and Safety

Our Approach

SUBARU regards occupational health and safety as a critical management issue, and our Health and Safety Philosophy is “Subaru makes health and safety the first priority in all our work.” Further, in addition to our Basic Health and Safety Policy, each of the Subaru Group 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 the policies.

安全衛生 基本理念
 安全衛生はすべての業務に優先する
 当社は企業理念に基づき、安全衛生を重要な経営課題と位置づけ、「安全衛生はすべての業務に優先する」ことを安全衛生基本理念とする。
 すべての管理者と従業員はこの安全衛生基本理念のもと、職場の安全と衛生を確保するとともに、より快適に働ける職場環境の改善に努める。



Yajima Plant, Gunma Plant

Health and Safety Philosophy

Basic Health and Safety Policy

With the aim of reducing industrial accidents, traffic accidents, diseases, and 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.

Central Health and Safety Committee

Established April 2002

Management System

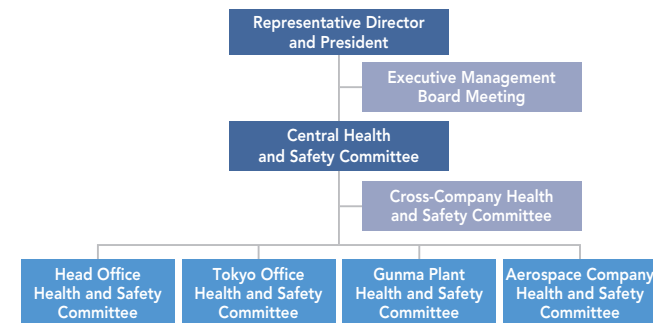
SUBARU established the Central Health and Safety Committee, which is composed of members from management (executive officer in charge of health and safety and the manager in charge

of onsite health and safety) and from the labor union, with a view to protecting employees (including non-regular employees) and our affiliates from industrial accidents and illness and improving the working environment. The committee, which meets for deliberations three times a year, is chaired by an executive officer and its vice-chairperson is elected from the Company's labor union's membership. Its deliberations primarily include occupational safety, occupational health, traffic safety, and fire and disaster prevention.

At the committee's first meeting, participants check the fiscal year's activities, including the year's Basic Health and Safety Policy. At its second meeting, the committee summarizes the first half of the year by quantifying items from each business site and shares actions for the second half. At the third meeting, the committee summarizes the fiscal year based on numerical data and discusses health and safety policies (occupational safety, occupational health, traffic safety, and fire and disaster prevention) for the following fiscal year.

As for affiliated companies under the control of the Site Health and Safety Committee, we provide them with related information, as necessary for the promotion of their occupational health and safety activities.

Health and Safety Organization Chart



Initiatives

At the start of every fiscal year, each of our sites holds the Health and Safety Kickoff Meeting, where the head of the site communicates the health and safety policies for the fiscal year to workplace leaders so that all employees can share the health and safety activity targets and plans as a unified team 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 SUBARU employees, all employees of SUBARU and its affiliated companies wear 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.

Road Safety

In order to prevent employees from getting involved in any traffic accidents while working, commuting or spending 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 road safety, before the start of a long vacation, targeting all employees of the Automotive Business and the Aerospace Company, many of whom commute by car.

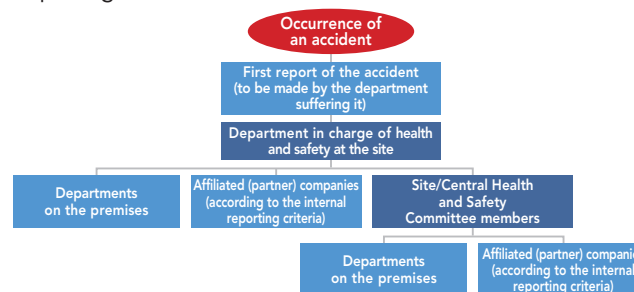
- Organize a lecture by the chief of the local police station to improve employees' driving manners.
- Provide new employees with hands-on education using training institutions.
- Conduct psychological driving aptitude tests and use a driving recorder to help employees recognize their driving habits.

Industrial Accidents

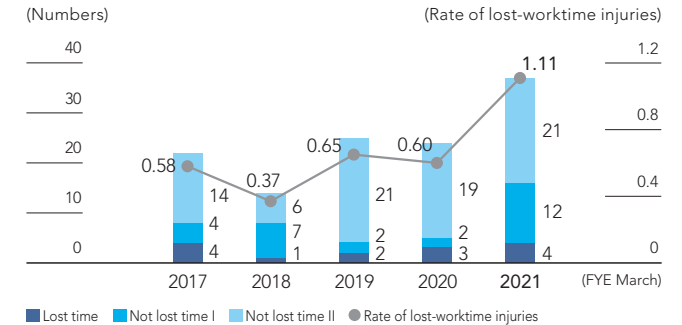
As for industrial accidents and close calls that happened at our sites and affiliated companies, we comply with the following rule for the prevention of similar incidents at the sites: the department that has faced the incident shall disclose related information to other departments on the premises and affiliated companies via the department in charge of health and safety at the site.

For FYE March 2021, we had 37 industrial accidents, of which four were lost time accidents and none were fatal accidents. The accident frequency rate was 1.11. These figures were significantly greater than those from FYE March 2020, and given this, we are taking action toward stronger daily prevention. Our policy here is to use analyses of accidents per site to enforce more rigorous rule compliance to standardized work across the Group, have workers wear appropriate protective gear, ensure appropriate signaling and callouts, and other "rigorous compliance to basic matters (back to basics)."

Reporting Line for Industrial Accidents



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



MESSAGE

Aiming to provide employees with safe and comfortable workplaces

As the Secretariat of the Central Health and Safety Committee, the organization responsible for overseeing safety at SUBARU, I work in partnership with on-site safety coordinators and the Health Promotion Group newly established within our head office's Human Resources Department, with the goal of creating workplaces that are safe and comfortable each and every day, and with the constant mindset toward enabling them to cheerfully leave home for work and also cheerfully return home after work.

Takayuki Hino
Safety Planning Coordinator
Human Resources Department
Secretariat of the Central Health and Safety Committee



Health Management

Our Approach

SUBARU is fostering health management measures along with occupational health and safety activities so that all employees can work healthily, soundly and vigorously, take on challenges and achieve growth. SUBARU takes these actions in the belief that the health of employees and their families is essential for all its business operations. SUBARU works with the relevant 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

Purpose

In pursuit of becoming a company "delivering happiness to all" and 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.

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.

Tomomi Nakamura
Representative Director of the Board,
President and CEO, SUBARU CORPORATION

Minoru Yamagishi
Executive Chairman, Subaru Labor Union

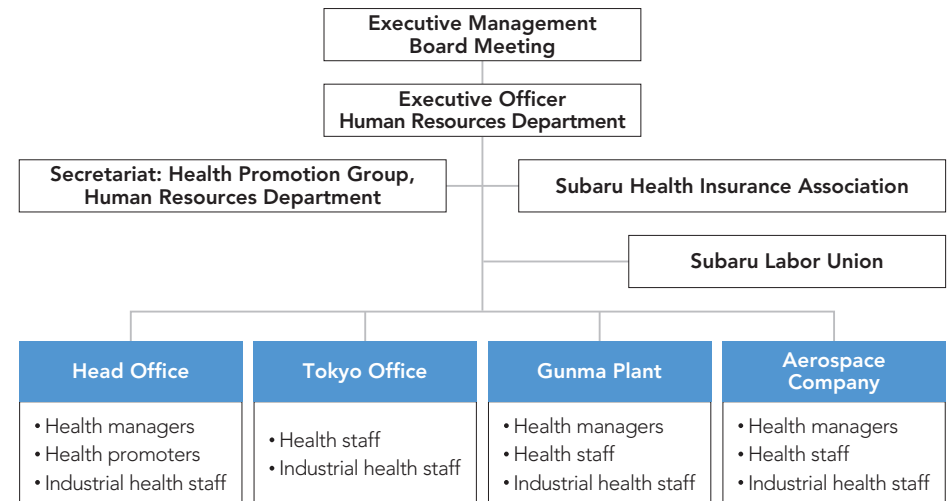
Tatsuro Kobayashi
President, Subaru Health Insurance Association

Established October 2020

Management System

SUBARU considers health promotion activities to be a management issue, and as of FYE March 2021, SUBARU has discussed and operated a PDCA cycle regarding its health management issues and measures at the Executive Meeting. SUBARU has also established the Health Steering Committee to serve as a promotion framework, advancing collaborative health with partnership from SUBARU, its labor union, and its health association. On the operational side, the Health Promotion Group has served as a core driver of our company-wide, unified health promotion measures since 2021. This dedicated organization within the Human Resources Department coordinates weekly regular meetings with stakeholders such as health promotion managers at our sites, industrial physicians, and other staff in charge of industrial health.

Health Promotion Framework Diagram



Respect for
Human RightsQuality:
Automotive BusinessQuality:
Aerospace BusinessMaking Safe
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Engagement

Initiatives

SUBARU is engaged in activities to visualize and improve health issues, divided into the two categories of physical health and mental health.

■ Physical Health

By encouraging employees to undergo regular health checkups, we are striving to promote early detection of lifestyle-related diseases among employees and help those suffering from the diseases to recover. We also collect data about employees with some signs of these diseases, including numerical data, to help them improve their lifestyles and prevent the onset of the diseases.

• Initiatives for regular health checkups and reexaminations

We ensure that all of our employees undergo health checkups, and we share a portion of the cost for those who need to take reexaminations. We also provide those determined to be at high health risk with advice from public health nurses and give them necessary instructions to raise their health awareness.

• Activities encouraging employees to exercise and improve their dietary habits

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.

• Measures against smoking

We are implementing measures to completely separate smoking areas from non-smoking areas at our sites, and we are taking action to reduce the ratio of smokers to 28% by 2025. We have established internal clinics on our sites' premises to help smokers stop smoking, and are cooperating with the health insurance association to encourage smoking employees to meet the challenge of

quitting smoking. Moreover, we give financial support to employees who visit external clinics to stop smoking.

• 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 rich in vegetables. 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

■ Mental Health (Prevention of Mental Illness)

We are implementing "self-care" and "line care" measures for the prevention and early detection of mental illness among employees. We have also set up a consultation service so that employees can receive follow-ups from industrial health staff.

For employees who took leave due to mental illness, we proactively support them when they return to their workplaces.

• Self-care

We utilize self-care training and stress checks so that participants can learn how to self-manage their mental health, and new employees are provided with training on internet-based cognitive behavioral therapy (iCBT).

• Line care

We include line care training in the collective training for managers, and use the results of collective analysis of employees' stress checks to take improvement actions at the workplace level for those workplaces found to have high health risk. For

the departments engaging in technological development, we foster workplace improvement activities in which employees themselves voluntarily work to revitalize their workplaces, promote management systems that increase their work motivation, and enhance bidirectional communications between managers and their subordinates. These measures are contributing to preventing the onset of mental illness and mitigating the lengths of these illnesses among employees.

• Return to work program (for return to work on a trial basis and gradual return to full-time work)

We have implemented a program to support the smooth return to the workplace for employees who have taken leave. 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.



"Ii-neko (good cat)," which won the grand prize in the employees' competition for a health promotion mascot character held as part of the workplace improvement activity

■ Certified as a Health & Productivity Management Outstanding Organization for 2021

SUBARU has been recognized as a Certified Health & Productivity Management Outstanding Organization for 2021 (large enterprise category) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council).

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.



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. In order to help diverse employees to maintain their work-life balance, we are diversifying work style options and expanding the relevant systems.

Moreover, our affiliated companies in Japan and abroad are fostering initiatives suitable for local business conditions and regional characteristics.

Initiatives

Work Style Reforms

SUBARU's response to the Act on the Arrangement of Related Acts to Promote Work Style Reform*

Item	Details
Accurate calculation of employees' working hours	In July 2018, introduced a company-wide attendance management system for the central management of all electromagnetic records (computer logs and clock-in and clock-out records) for the accurate calculation of employees' working hours.
Encouraging employees to take at least five paid days off per year	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 paid days off 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.
Imposing an upper limit on overtime working hours	Has been limiting the number of overtime work hours to 590 hours and below annually and to 79 hours and below monthly, setting the criteria stricter than those stipulated by law.
Raising the premium pay rate for overtime work exceeding 60 hours per month	Has been implementing necessary measures since FYE March 2011.
Equal pay for equal work	Began reviewing the amount of allowances granted to non-regular employees in FYE March 2021.
Work-from-home system	Conducted a test implementation starting in FYE March 2021, with full rollout to all sites beginning in FYE March 2022.
Abolishing mandatory core hours in the flex-time system	Full rollout to all sites beginning in FYE March 2022.

* This law was enacted in June 2018 to revise the labor-related laws to foster work style reforms.

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.

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 more greater discretion than before in their work hours, contributing to improved productivity and richer private lives.

Work-from-Home System

SUBARU began introducing its work-from-home system to all sites as of FYE March 2022. By offering employees the choice of their work location in accordance with the particular characteristics of their duties, we are contributing to improved productivity through adjusting how they work, and to stronger management capabilities capable of promoting appropriate delegation of authority.

Paid Leave

SUBARU grants employees annual paid leave in the number of days commensurate with their length of service. At each of our sites, labor and management cooperate to encourage employees to take the leave.

Annual Paid Leave Utilization Rate* (Non-consolidated)

		(FYE March)				
		2017	2018	2019	2020	2021
Encourage employees to take at least five paid days off per year	Proportion of paid days off taken by employees (%)	84.4	86.2	85.7	86.4	95.4

* 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. Based on this belief, SUBARU has distributed the copies of the Elderly Care Support Handbook to all employees of SUBARU to inform them of the related systems available internally and externally and of the contacts through which they can ask for advice. We have also established a specific long-term care support system to help reduce the burdens imposed on employees.

Number of Employees Who Took Long-term Care Leave (Non-consolidated) (FYE March)

	2017	2018	2019	2020	2021
System for employees to take leave to take care of the family member in need of long-term care	4	5	9	30	3

Support for the Maintenance of Balance between Work and Childcare

It is also important to provide employees with an environment that allows them to continue developing their careers while raising their children. 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 7th Action Plan.



[7th Action Plan \(Japanese version only\)](#)

* 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.

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 to 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 plan to open early-morning childcare facilities on plant premises, and are making preparations to that end.

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.

Childcare leave system

Number of Employees Who Took Childcare Leave (Non-consolidated) (FYE March)

	2017	2020	2019	2020	2021	
System for employees to take leave for childcare	Male	8	10	21	42	65
	Female	88	88	80	80	93
	Total	96	98	101	122	158
Rate of employees who returned to work (%)	Male	100	100	100	100	100
	Female	100	100	97.5	95	100
Rate of employees who belong to the company one year after returning to work (%)	Male	87.5	83.3	100	85	97
	Female	100	97.2	90	95	93

SUBARU's employees can extend the period of childcare leave to the end of the first April after the child becomes two years old.

Childcare leave taken by male employees

In FYE March 2021, 65 male employees took childcare leave. Also, under the Special Childcare Leave system, which allows employees to take up to five days off at the birth of their children, 82.5% 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.

Average number of days off taken by male employees under the childcare leave system:	48 days
Largest number of days off taken by a male employee:	364 days

Special Childcare Leave taken by employees (Non-consolidated)	
Number of employees who took leave (up to five days):	479 persons
Average number of days off taken under the system:	2.6 days
Rate of employees who took the Special Childcare Leave or Childcare Leave (excluding annual paid days off):	83.9%

Short working hours system for childcare

Employees can use this system until their children become fourth graders at elementary school and can also concurrently use the flex-time system.

Respect for
Human RightsQuality:
Automotive BusinessQuality:
Aerospace BusinessMaking Safe
VehiclesHuman
Resources

Customers

CSR
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Engagement

Employee Attitudes Survey

SUBARU conducts the Employee Attitudes Survey with an eye to increasing employees' motivation and revitalizing the organization. The survey results are reported to the management team and are also utilized to identify problems and formulate the countermeasures at each of our workplaces.

In the FYE March 2021 survey, 15,853 employees or about 93% of the total number of regular employees replied to the questionnaire, and 67% of the respondents answered, "Feeling proud of being a SUBARU employee."

Results of the Employee Attitudes Survey Rate of Respondents Who Gave Positive Answers (%) to the Questions (FYE March)

Question	2020	2021
Communication and openness	56	59
Work-life balance	59	64
Sympathy with the corporate philosophy	70	73
Work satisfaction	56	58
Pride in the company	63	67

Labor-Management Communication

Our Approach

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 respect the legitimate use of their mutual rights.

The Labor and Management Council regularly holds meetings for smooth corporate management and mutual 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.

Number of Employees Belonging to the Labor Union (as of October 1, 2020)

The following shows the data for FYE March 2021.

- Members of the Subaru Labor Union: 15,610 persons
(Total number of employees: 16,853 persons, excluding managers)
- Confederation of Subaru Affiliated Labor Unions Number of members: 28,056 persons

Employee Data

Number of Employees

		(FYE March)				
		2017	2018	2019	2020	2021
Number of employees (Consolidated) (Persons)	Total	32,599	33,544	34,200	35,034	36,070
	Male ^{*1}	14,229	14,477	14,774	14,823	15,376
Number of employees (Non-consolidated) (Persons)	Total	15,217	15,530	15,885	16,318	16,964
	Female ^{*1}	988	1,053	1,111	1,139	1,189
Excluding directors and advisors but including those seconded to other companies	Part-time ^{*2}	—	—	—	356	399
	Number of temporary employees (Non-consolidated) ^{*2} (Persons)	—	—	—	6,328	5,801

*1 Regular employees

*2 Has been disclosed since FYE March 2020

Respect for
Human RightsQuality:
Automotive BusinessQuality:
Aerospace BusinessMaking Safe
Vehicles**Human
Resources**

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Composition of Employees (Non-consolidated)

		(FYE March)				
		2017	2018	2019	2020	2021
Male to female ratio (%)	Male	94	93	93	93	93
	Female	6	7	7	7	7
Average age		38.5	38.6	38.5	37.4	39.0
Average length of service (Years)		15.8	15.9	15.8	15.8	16.0
Number of managers (Persons)	Male	1,028	1,020	1,030	1,051	1,062
	Female	11	13	14	20	21
Number of new graduate hires (Persons)	Male	479	494	473	498	561
	Female	69	80	74	68	71
Number of mid-career hires (Persons)	Male	397	221	317	161	182
	Female	23	15	15	24	13
Number of employees who quit the company (Persons)		258	249	339	329	354

Composition of Employees by Age
(for FYE March 2021 on a non-consolidated basis)

Age	Male	Female	Total
Younger than 30	4,478	464	4,942
30 to 39	3,960	235	4,195
40 to 49	4,020	353	4,373
50 to 59	2,918	137	3,055

Breakdown of New Graduate Hires by Job Category
(for FYE March 2021 on a non-consolidated basis)

Category	Male	Female	Total
Career-track employee (in technological fields)	208	22	230
Career-track employee (in other fields)	32	6	38
Clerk	52	17	69
Skilled worker	269	26	295

Composition of Mid-career Hires by Age
(for FYE March 2021 on a non-consolidated basis)

Age	Male	Female	Total
Younger than 30	47	5	52
30 to 39	91	7	98
40 to 49	21	1	22
50 and older	23	0	23

Comparison of Fixed Wages between Male and Female Employees
(for FYE March 2021 on a non-consolidated basis)

Fixed Wages	Male:Female
Managers	1 : 0.93
General employees	1 : 0.89

* The same salary system is adopted for both male and female employees. Differences in fixed wages are due to age- and job grade-related differences.

Customers

Our Approach

The Subaru Group strives to put Customers First in all business activities. SUBARU is promoting customer satisfaction (CS) activities across the Group, particularly at dealerships, so that customers continue to choose our brand for "Enjoyment and Peace of Mind," with the aim of achieving our mid-term management vision "STEP."

Initiatives

SUBARU Customer Center: SUBARU Call

SUBARU seeks to deliver "Enjoyment and Peace of Mind" by adopting closeness to customers, and sincerely addressing their inquiries and difficulties as our basic principles of conduct in dealing with customers. We also feed our customers' valuable opinions, requests, and comments back to relevant departments, which reflect them in quality and product improvements, as well as making good use of them to enhance solutions and after-sales service.

SUBARU Customer Center: SUBARU Call

SUBARU Call



Calls are recorded to improve the quality of SUBARU's services. Thank you for your understanding.

The SUBARU Customer Center will ask you for the following information:

1. Your opinions/impressions
2. Details (catalog, dealership, change of address, others)
3. Inquiries/consultations

(For inquiries about your personal vehicle, please have any related documentation, including serial or certification numbers, ready for quicker support.)

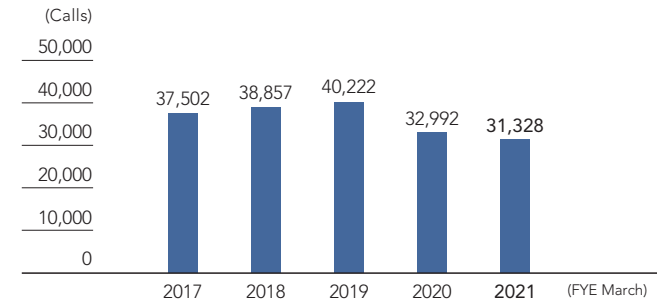
Hours of operation:

9:00 a.m. to 5:00 p.m. (Weekdays)

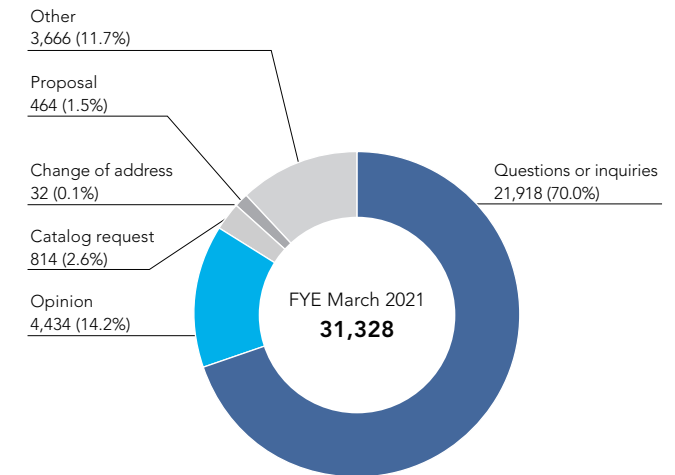
9:00 a.m. to noon, 1:00 p.m. to 5:00 p.m. (Saturdays, Sundays and holidays)

* On Saturdays, Sundays and holidays and from noon to 1 p.m. on weekdays, only the information service for 1 and 2 is available.

Annual Number of Customer Consultations



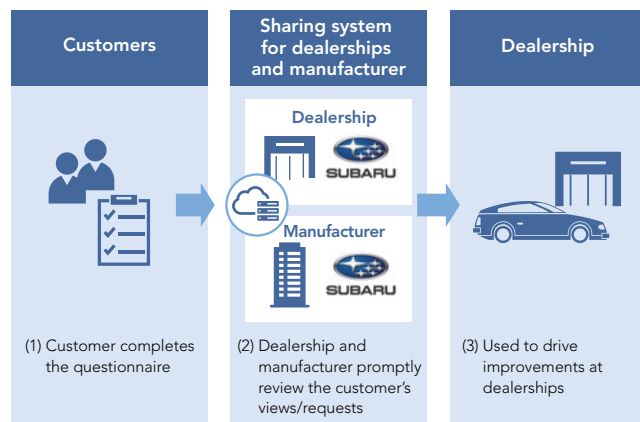
Breakdown by Type of Consultation



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



* We started use of the sharing system in FYE March 2018

Number of Valid Responses

In FYE March 2021, we once again received many opinions.

Number of Valid Responses	(FYE March)				
	2017	2018	2019	2020	2021
No. of responses	98,127	107,350	102,571	74,148	47,970

Evaluation of Achievements in FYE March 2021

We have expanded our survey to incorporate opinions from a broader segment of our customers, adopting a method to not only use evaluations of our achievements in FYE March 2021 and our new car owner surveys three and five years after their purchase, but also random samplings from customers who have purchased their vehicle six or more years previous. We received favorable evaluations from around 80% of respondents, as well as a variety of opinions. 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

SUBARU's vision is to "Have Customers Say 'Let's Choose SUBARU Again' through Our Customer Service." We are working to develop human resources that can deliver "Enjoyment and Peace of Mind" to customers.

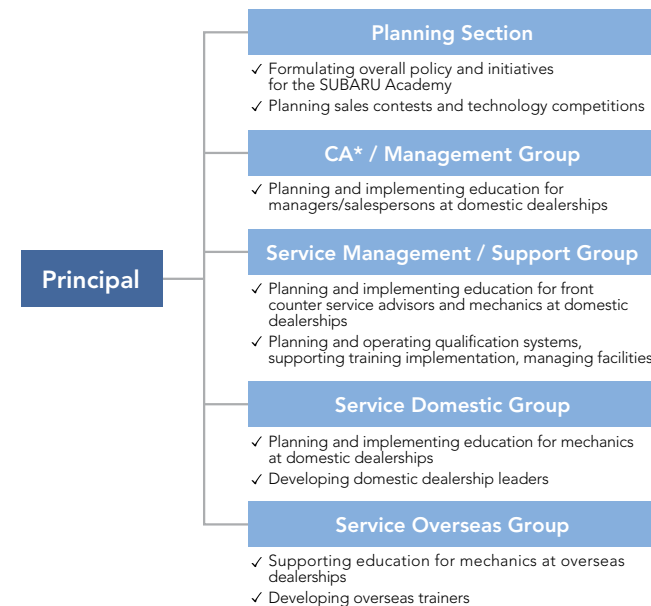
We have established the SUBARU Academy, which is dedicated to training human resources at our domestic and overseas dealerships. For dealerships in Japan, it provides training for managers, sales departments, and service departments. For overseas service staff, it provides programs meeting specific regional needs. Also, we have a Subaru Training Center in Hachioji, Tokyo, with training rooms, a test drive course, maintenance drill equipment, and accommodations for up to 135 people. Beginning in FYE March 2022, we will be changing this into an organization that can achieve both cross-functional collaboration and stronger functions, clarifying the functions, roles, and chain of command for each section and



The Subaru Training Center

group with the purpose of improving the after-sales service capabilities of our domestic and overseas dealerships, as well as the planning capability and operational quality of the Academy. From FYE March 2023, we will also be promoting efforts to transform this into an online learning system.

Organizational Structure of SUBARU Academy



* CA: Car Life Advisor

Number of Trainees (Including training trips)

	FYE March 2021
Managers, sales staff, service staff	644 (approximately one-quarter of usual figures due to training cancellations during the COVID-19 pandemic)

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■ STARS Sales Professional Certification Program

To demonstrate that staff have the ability to propose “Enjoyment and Peace of Mind” to customers and support them, SUBARU has established the STARS,*¹ a sales professional certification program.

*¹ 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 2021) 】

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

Level 1 – 45 salespeople, Level 2 – 715 salespeople,
Level 3 – 1,051 salespeople

【 Service STARS (as of May 2021) 】

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

Mechanical levels:

Level S – 20 mechanics,
Level 1 – 889 mechanics, Level 2 – 1,156 mechanics,
Level 3 – 997 mechanics, Level 4 – 4,069 mechanics

Front counter service levels:

Level S – 16 persons, Level A – 486 persons, Level B – 703 persons,
Level C – 2,587 persons



Online Training (Lecturer Side)



International CS Initiatives

At SUBARU, the Customer Service Division cooperates with overseas distributors on “service staff training” and “dealership support,” enabling distributors around the world to provide uniformly high-level after-sales service that meets customers' needs through dealers.

■ Service Staff Training

To improve the technical skills of our service staff, SUBARU develops trainers who provide training to our service staff worldwide and trains service staff to be able to handle increasingly sophisticated automobile technology. We offer the Advanced Technical Training (ATT)*² and STEP Trainer Training (STT)*³ technical programs for dealership trainers.

For service staff at dealerships, we also offer the STEP*⁴ training program and use skill certification testing to motivate learning.



ATT

These technical training programs, in addition to on-site training for all SUBARU employees, 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 cars with the aim of further enhancing service.

*² A periodic training program held for the purpose of increasing the skills of certification trainers overseas. It provides education on topics such as SUBARU's new technology and high-level control technology.

*³ A training program for certification trainers who teach the Subaru Technical Education Program (STEP).

*⁴ A system that establishes three levels of mechanic (technician) engineering / technical skill and certifies them based on these levels. The three levels, from the beginner qualification, are Subaru Technician, Subaru Senior Technician, and Subaru Master Technician.

■ Supporting Dealerships

In order to respond to the rapid environmental changes in the automobile industry, SUBARU is making dramatic changes in its overseas markets as well, including introducing vehicles equipped with new technologies, such as electric vehicles, and launching vehicle software update support using wireless communication. The Customer Service Division provides support so that overseas dealerships can smoothly address these changes. Though close communication with dealerships is essential, the regular face-to-face meetings held up through FYE March 2020 (twice-annual meetings in Japan and locally with the eight leading countries of the U.S., Canada, Germany, Switzerland, Russia, Chile, Australia, and China) were no longer possible starting in FYE March 2021 due to impact from the global COVID-19 pandemic. We therefore utilized web conferencing in each region to ensure that quality and quantity of information sharing and discussions did not deteriorate. In December 2020, we were able to overcome time zone differences and hold a two-hour conference with simultaneous participation from nine countries, including Japan.



Web conference with overseas dealerships in our eight leading countries

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Responding to Emerging Market Needs

At SUBARU, we will offer cars and services that deliver “Enjoyment and Peace of Mind” in the so-called emerging markets, such as China, Asia, and South America. In China, the world's largest market, we have organized our dealerships into a group, creating a business system extending as far as services and building trust relationships with our customers in China. In addition, we have launched sales of the three-row mid-size Evoltis SUV (U.S. market product name: Ascent) in some emerging markets, meeting strong needs for the vehicle in South America and Asia.

Developing/Popularizing Welfare Vehicles

SUBARU aspires toward sharing the happiness and freedom of living through cars for everybody. SUBARU is working to develop and increase the popularity of welfare vehicles so that people with physical handicaps and the elderly can travel by car in comfort and with peace of mind.

SUBARU started producing and selling welfare vehicles in 1980 and now they are well known as the “TRANSCARE series.” It offers a wide range of options, from standard-sized cars to mini cars. SUBARU aims to develop vehicles that provide comfortable driving for both people who are in care and for care providers.

In FYE March 2021, we introduced Wing Seats with side airbags to the Forester. Going forward, we will continue to take action in a variety of areas so that we can provide even more “Enjoyment and Peace of Mind” to more of our customers.



SUBARU XV (with Wing Seat)



Forester (with Wing Seat)

Initiatives for Customers in the Aerospace Business

In the aerospace business, we continue to solve issues with customers after product delivery in order to maintain the continued operating condition of the aircraft we supply to Japan's Self-Defense Force, Coast Guard, National Police Agency, and others. We periodically visit customers and take questionnaires in order to confirm the effectiveness of this initiative. The questionnaire covers items such as product quality, service, emergency response, and visitor response, evaluated on a five-step scale. We received 3.8 in FYE March 2019, and 3.9 in FYE March 2020, and 4.0 in FYE March 2021. We are continuing with our aim of increasing customer satisfaction.

Also, SUBARU's maintenance staff involved in manufacturing visit the land, sea, and air units of the Self-Defense Force 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 move ahead with initiatives to understand customers' requests in detail and to earn customer satisfaction with SUBARU's products and services through maintenance and operations.

 [See videos for the TRANSCARE series here. \(for Japan only\)](#)

CSR Procurement

Our Approach

The modern global society faces a variety of environmental and social issues, including global warming and human rights violations. In order for companies to tackle issues like these, they must not only take action within their own organizations, but also press for action in the entire supply chain, including their business partners.

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

Fundamental Procurement Policy

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 responsibility in such ways as conducting transactions paying due care to observe legal and societal 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

Management System

At SUBARU, the Procurement Departments of the Automotive Business and Aerospace Company participate in the Purchasing Committee, which promotes SUBARU's CSR procurement initiatives.

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

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 our efforts, SUBARU has set up a consultation service targeting at suppliers in SUBARU's supply chain. In 2020, we took the Partnership Formation Oath for the purpose of coexistence and prosperity of both large companies and small to medium-sized enterprises.

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.

Employee Training on Fair Trade in FYE March 2021

Automotive Business

- Training for new recruits (9 employees)
- Training for transferees (22 employees)
- Comprehension tests for compliance (226 employees)
- CSR education (170 employees)

Aerospace Company

- Training for new recruits (4 employees)
- Training for transferees (8 employees)
- CSR education (89 employees)

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

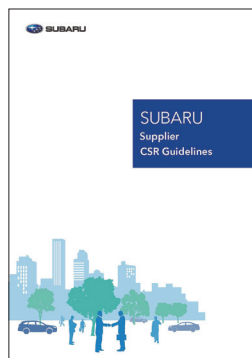
 [Partnership Formation Oath \(Japanese version only\)](#)

SUBARU Supplier CSR Guidelines

To promote SUBARU 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 the Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our CSR policy.

In FYE March 2014, these guidelines were made company-wide, including all suppliers of the Aerospace Company, and in FYE March 2016, Subaru revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals.*1 In the same year in FYE March 2016, SUBARU revised the guidelines in the form of a joint edition with Subaru of Indiana Automotive, Inc. (SIA), our local production plant in the U.S., confirming the integration of the procurement policy. We incorporated the SUBARU Global Sustainability Policy that was enacted in April 2020 as well as our Human Rights Policy.

At SUBARU, compliance to these Guidelines is one of the criteria of our supplier selection. SUBARU asks not only our suppliers but also their suppliers as well to develop and promote CSR.



SUBARU Supplier CSR 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.

Five Topics in the SUBARU Supplier CSR Guidelines

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

<p>(1) Safety and Quality</p> <ul style="list-style-type: none"> • 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 	
<p>(2) Human Rights and Labor Issues</p> <ul style="list-style-type: none"> • Striving to avoid discrimination • Respecting human rights • Prohibiting child labor • Prohibiting forced labor • Non-use of raw materials that engender social problems • Compliance with the law on 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 	
<p>(3) Environment</p> <ul style="list-style-type: none"> • Implementing environmental management • Reducing greenhouse gas emissions • Preventing air, water, and soil pollution • Conservation of the eco system • Saving resources and reducing waste • Managing chemical substances 	
<p>(4) Compliance</p> <ul style="list-style-type: none"> • Compliance with laws • Compliance with competition laws • Preventing corruption • Managing and protecting confidential information • Managing export trading • Protecting intellectual property 	
<p>(5) Information Disclosure</p> <ul style="list-style-type: none"> • Disclosing information to stakeholders 	

Business Partner CSR Briefing and CSR Survey

At the Business Partner CSR Briefing, we present corporate policies such as our SUBARU Supplier CSR Guidelines in keeping with OECD Due Diligence Guidance for Responsible Business Conduct. In our annual Business Partner CSR Survey, we assess negative impact on our business partners and work with them to correct any issues discovered.

In FYE March 2021, we took the following actions with a scope of approximately 550 automobile-related business partner companies (including approximately 360 in parts and raw materials, and approximately 190 in equipment and jig tools).

- We held the Business Partner CSR Briefing online via video distribution to help prevent the spread of COVID-19. In this briefing, we presented the importance of promoting CSR, details about the Subaru Group's CSR activities, and made specific requests to business partners (such as compliance with the SUBARU Supplier CSR Guidelines).
- We investigated business partners' CSR systems, CSR initiatives for their suppliers, and compliance with the SUBARU Supplier CSR Guidelines, referencing the results in supplier selection. In FYE March 2021, we found no issues with compliance among our business partners.
- We conducted questionnaires about non-Japanese employees at our business partners, and in FYE March 2021 we found no human rights violations regarding non-Japanese employees or technical training interns.

We plan to continue conducting these initiatives in FYE March 2022 and onward.

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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. In FYE March 2021, upon request from our customers, SUBARU continued to conduct a conflict mineral survey targeting about 210 suppliers of parts and materials.

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). We used this to trace through the supply chain and identify smelters, checking whether or not we are colluding in the infringement of human rights or contributing to sources of funding for armed groups.

In FYE March 2022, we will expand the scope of our conflict mineral survey to all suppliers of automotive components and raw materials. We will also work to roll out surveys regarding minerals other than conflict minerals (tin, tantalum, tungsten and gold) such as cobalt.

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.

Green Procurement Guidelines

The SUBARU environmental policies state that "Our purchasing activities reflect consideration for biodiversity and other aspects of environmental protection." We promote the procurement of parts, materials, and services from business partners who implement business activities that consider the environment. 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 ten areas:

【 Requirements for Suppliers 】

Requirements concerning 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. Improved environmental performance

Requirements for Activities Considering the Entire Lifecycle

5. Reduction of greenhouse gases
6. Utilization of recycled resource materials
7. Appropriate management of water resources
8. Addressing biodiversity

Requirements for Parts, Materials, and Services Supplied to SUBARU

9. Management of substances of concern
10. Reduction of CO₂ emissions and packaging and wrapping materials in logistics

Compliance to these guidelines is considered a necessary criterion for selecting business partners, and we recommend new business partners to formulate an environmental management system with the acquisition of ISO 14001^{*2} third-party certification at its base. Currently, all of our Tier 1^{*3} business partners have already acquired ISO 14001 certification. In case our new business partners have difficulty acquiring ISO 14001, we review their compliance status by having them submit voluntary assessment reports based on our environmental management system, while supporting them with the acquisition of Eco Action 21^{*4}.

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.

*2 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.

*3 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.

*4 Environmental conservation activity promotion program for small- and medium-size enterprises formulated by the Ministry of the Environment, Japan. It is an environmental management system that addresses three areas: environmental management systems, environmental efforts, and environmental reporting, based on the guidelines.

 [SUBARU Green Procurement Guidelines^{*5}](#)

 [Green Procurement Guidelines Aerospace Company Edition^{*5}](#)

*5 The SUBARU Green Procurement Guidelines and the Green Procurement Guidelines Aerospace Company Edition are concrete forms of the item "(3) Environment" in the SUBARU Supplier CSR Guidelines.

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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^{*6} and ELV Directive^{*7}. 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.

^{*6} 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.

^{*7} The End-of-Life Vehicles Directive: European Union (EU) directive brought into force in 2000 to reduce the environmental impact from the scrapping of used vehicles in the EU. It aims to prohibit the use of hazardous substances and promote a reduction in waste products by encouraging the reuse or recycling of used vehicles and their parts.

Procurement with Consideration for Biodiversity

SUBARU surveys the usages of the biological resources of leather and plant-derived materials to make sure that there is no negative impact on biodiversity during the procurement of raw materials.

We are also taking measures to conserve resources, such as switching to recycled copy paper with 100% recycled paper pulp not derived from new plant resources and providing payment documents for our business partners online. As of FYE March 2022, we have switched our envelopes used in mailing

payment documents to those using recycled paper for those customers who require documents via mail.

Communication with Suppliers

In our Automotive Business Unit, we had been hosting Policy Briefings every spring to share policies on development, quality, procurement, and production with our business partners. The Policy Briefing to be held in the spring of FYE March 2021 was postponed due to the spread of COVID-19; in early autumn, when the situation had stabilized, this was integrated with and held alongside the Cooperation Meeting and business partner award events with thorough infection control measures in place. Going forward, we will bring new forms of information exchange in collaboration with the Cooperation Meeting, reconstructing forms of communication with our business partners with the premise of adapting to such environmental changes.

The Aerospace Company held the SUBARU Status Report Meeting with business partners in November 2020, followed by the 77 Business Partner and Company President Web Dialogue in January 2021.



Policy Briefing and General Cooperation Meeting (joint) held with Automotive Business Unit business partners



SUBARU Status Report Meeting held with Aerospace Company business partners

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.

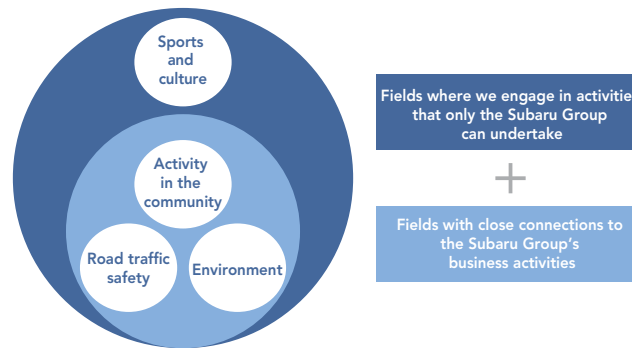
In FYE March 2020, we established a community engagement vision for 2025, in addition to a set of 2025 visions for the Group's Six Priority Areas for CSR. Aiming at this vision, we will pursue social contribution initiatives based on the decision to become a company "delivering happiness to all," as described in the mid-term management vision "STEP."

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



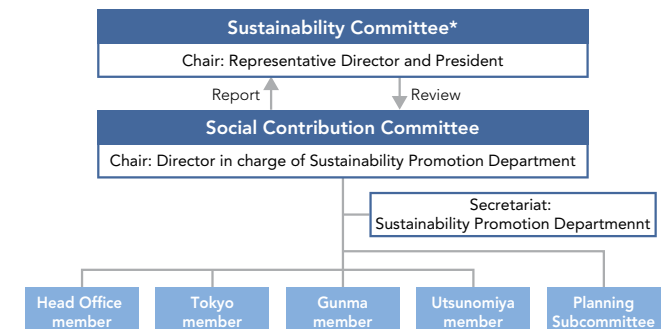
Vision for 2025

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

Management System

SUBARU has established the Social Contribution Committee to actively promote and continue community engagement activities that make use of our technology and expertise. 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 companywide activities, ranging from planning and preparation to implementation, evaluation and review. The Committee meets every six months to compile reported activity results and issues, and discuss improvement plans to invigorate efforts.

Social Contribution Committee: organization chart



* Renamed in FYE March 2022 from the CSR Committee.



Social Contribution Committee meeting

Initiatives

Activity in the Community: in Japan

Communication with Local Residents (Gunma Plant, Utsunomiya Plant)

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.

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. Our annual factory tours for local residents were canceled in FYE March 2021 to help prevent the spread of COVID-19. However, in the event of potential noise or vibration caused by construction work, we work to make neighbors aware of the situation in advance, visiting their homes to provide explanations and issuing postings in the area. We also make regular visits during the construction period and check up on the situation.

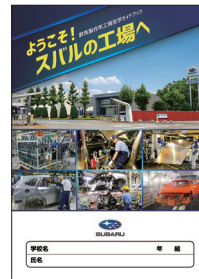
The Utsunomiya Plant organizes community events in a bid to increase communication with local residents. In addition, when conducting construction work that may generate noise and vibration, we visit the relevant community associations in advance to explain and ask for understanding from local residents. We also distribute related information directly, as appropriate, to the individual households concerned.

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. In FYE March 2021, though we halted new applications for factory tours as a countermeasure against COVID-19, we launched remote factory

tours and simulated factory tours at schools in November, with participation from 6,273 children across 125 schools. Since each of these are conducted at the participating schools, they offer a safe way for students to experience social studies tours in their ordinary learning environment, earning high praise from teachers. Going forward, we will also invite students from distant schools to take part in our remote factory tours, showing more people SUBARU vehicle manufacturing style.



Factory tour leaflet



Remote factory tour



Simulated factory tour

Utsunomiya Plant

Since FYE March 2018, the Utsunomiya Plant has been accepting 50 school children each year to go on Environmentally Friendly Factory Tours, an environmental education program sponsored by the Utsunomiya City government. The tour introduces a number of the plant's environmental initiatives, such as the promotion of recycling, the use of solar power and technologies for fuel efficient vehicle manufacturing. Through this activity, SUBARU hopes to help children become more aware of environmental issues.

Advancing SDGs Alongside Communities (Utsunomiya Plant)

In March 2021, the Utsunomiya Plant registered for Tochigi Prefecture's Tochigi SDGs Promotion Company Registration System. In the Tochigi SDGs Promotion Company Registration System, the prefectural government maintains a registry of declarations made by companies doing business in the prefecture in the topics of the environment, society, and economy. This system is designed to promote independent company actions toward the achievement of the SDGs. Going forward, we will be proactive in our actions here, linking growth at our business sites with growth of the region.



Registration Logo for Tochigi SDGs Promotion Companies

Community Cleanup Activities (Gunma Plant, Tokyo Office, Utsunomiya Plant, Head Office)

As part of its social contribution initiatives, SUBARU carries out cleanup activities on a regular basis in districts where its offices and plants are located.

In FYE March 2021, these events were either canceled or reduced in scope; events held were given the utmost consideration for prevention of the spread of COVID-19. At the Utsunomiya Plant, we picked up garbage and conducted cleanup activities at the employee dormitory and surrounding areas.

As a responsible community member, we will continue with these beautification activities to help conserve local environments.



Employees engaged in cleanup activities



■ Hosting Local Community Events (Gunma Plant, Tokyo Office, Utsunomiya Plant)

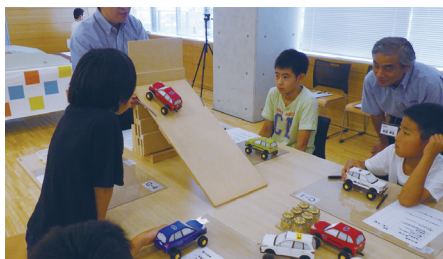
In order to build good relationships with the communities in which SUBARU's offices and plants are located, we host events on our premises. We invite local residents, as listed below, while participating in various regional community events.

In FYE March 2021, we canceled many events as a result of prioritizing the safety of local residents and employees, but we will continue to promote efforts to contribute to regional development.

■ Mono-zukuri Classes (Tokyo Office)

In cooperation with Subaru Techno Corporation, SUBARU holds Subaru Mono-zukuri Classes for elementary school students in Mitaka City, where SUBARU has an office. These classes teach students how SUBARU makes its vehicles, offering them the opportunity to model and run their own cars. Participants get hands-on experience, learning things like the differences between two-wheel drive (2WD) and four-wheel drive (4WD) vehicles, such as their design and handling.

In 2020, though we canceled these classes as a result of prioritizing student safety, we will continue our activities to bring the joy and importance of manufacturing to as many children as possible.



Learning about the difference between two- and four-wheel drive vehicles (FYE March 2020)

Activity in the Community: Overseas

■ Factory Tours (Subaru of Indiana Automotive, Inc.)

For several years, Subaru of Indiana Automotive, Inc. has hosted factory tours that offer an opportunity to see the car manufacturing processes firsthand and increase public understanding of SUBARU's products. SIA runs several tour courses, including hands-on programs for students using state-of-the-art robotics, 3-D printing, VR and other technologies.



Children participating in a factory tour (FYE March 2020)

■ Participation in Manufacturing Week (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. participates in Manufacturing Week, a manufacturing event for local children held by a local commerce association. It is designed to help students from kindergarten to high school age learn about careers available in manufacturing industries. In FYE March 2021, events were held online to help prevent the spread of COVID-19.

■ Employee Volunteer Activities (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. provides employee volunteer programs in collaboration with local non-profit

groups. Employees can choose from among various projects, including for food banks, environmental protection, science museums for children, and support for the homeless.



Campsite cleanup activities

Support for local non-profit adoption support organizations

■ Participating in Local Government Trash Pickup Activity (Subaru Canada, Inc.)

Subaru Canada, Inc. contributes to local environmental beautification through government projects. Since 2005, SCI has participated in a trash pickup campaign run by the City of Mississauga on Earth Day every year, together with other local companies. While SCI could not participate in FYE March 2021 in consideration of the state of COVID-19's spread, it has also taken part in the city's road beautification initiatives for a number of years, working on the assigned areas three times annually.



Earth Day cleanup event (FYE March 2020)

SCI employees participating in cleanup activities (FYE March 2020)

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Environment: in Japan

Subaru Forest Project

Launched in 2017, Subaru Forest Project symbolizes an essential mission of SUBARU as an automotive business and aerospace company: protecting its fields of business—the global environment comprising earth, sky and nature—to ensure the sustainability of both SUBARU and society as a whole.

SUBARU is working with Bifuka-cho in Hokkaido, Gunma Prefecture, and Utsunomiya City in Tochigi Prefecture, where SUBARU has close ties with local communities. We promote forest protection activities, such as for supporting forest management, tree planting and use of thinned wood obtained from forest management work. Bifuka-cho is in discussions and preparations for purchasing credits for environmental schemes, with purchase expected in 2021 or thereafter.

Teaching a School Class (Utsunomiya Plant)

Starting from FYE March 2007 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 planned to learn about global warming, primarily major causes and the significance of stopping the phenomenon, as well as the principles of aircraft flight and the structure's environment-friendly designs. In FYE March 2021, we made utmost efforts to refrain from school visits in the interest of the children's safety. Having taught 20,624 students in total at 307 schools in Utsunomiya and Handa Districts over years, this project has become an essential local community activity.



Teaching a school class

Environment: Overseas

On-premise Crop Cultivation (Subaru of America, Inc.)

Subaru of America, Inc. cultivates crops on fields established on the company's premises. Company employees maintain the fields themselves, harvesting an average of around 270 kg of crops per year and donating them to local NPOs. FYE March 2021 marked the 13th year since the start of the initiative. The company harvested 184 kg of crops during this year.



SOA on-premise fields

Employee Awareness Activities for Beijing City Waste Separation (Subaru of China, Ltd.)

With new separated waste collection in Beijing City as of May 1, 2020, Subaru of China, Ltd.'s labor union conducted a Waste Separation Quiz Show over social media to help raise awareness of the practice. Quiz questions asked participants about separation methods, distributing sorting trash cans as gifts for those answering the quiz.



Quiz details

Road Traffic Safety

Traffic Safety Guidance (Utsunomiya Plant)

In September 2020, the Tochigi Prefecture Traffic Safety Association sponsored the Traffic Safety Fair, a community-wide traffic accident prevention event for children and the elderly. SUBARU's participation included providing parking lots for visitors from the community.



Traffic safety guidance

Activities of the Association of Driving Safety Supervisors (Utsunomiya Plant)

At the Utsunomiya Plant, SUBARU serves as the president of the southern Utsunomiya branch of the Tochigi Prefecture Association of Driving Safety Supervisors. We work with community associations located around the plant and the Utsunomiya Minami Police Department to promote local road traffic safety activities in order to raise awareness in the southern Utsunomiya district.



Association of Driving Safety Supervisors in session

Respect for Human Rights

Quality: Automotive Business

Quality: Aerospace Business

Making Safe Vehicles

Human Resources

Customers

CSR Procurement

Community Engagement

■ Installing Traffic Safety Signs (Gunma Plant)

In FYE March 2018, we started an initiative to install traffic safety signs on utility poles on Ota City's school roads. As of April 2021, a total of 29 signboards have been installed in an effort to prevent traffic accidents for local residents.



School road utility poles

Sports and Culture: in Japan

■ SUBARU's Baseball, Track-and-Field Team Players Coach Children



Running clinic



In November 2020, the "How to Run Faster" Class was held at the Subaru Sports Park in Oizumi Town, coached by 10 SUBARU's track and field team members. Around 30 local elementary school children participated in the event, learning basic movements in running and studying practical training methods ahead of long-distance races in autumn.

In December 2020, the Gunma Prefectural High School Baseball Skills Training Course was held at the Shikishima Baseball Stadium, with 22 players from SUBARU's baseball team serving as instructors. Despite the many restrictions in consideration of the state of COVID-19's spread, such as alcohol disinfection, mask-wearing, and temperature checks for all participants, the high school students attended with sincere demeanor.



Baseball clinic



■ Providing "Lifesaving Cars" to the Japan Lifesaving Association

In supporting the JLA*1 in its goal of zero water accidents, we provided a total of 12 Subaru Lifesaving Cars to the organization, holding a handover event on July 2020 at SUBARU's head office (Shibuya Ward, Tokyo). These 12**2 Subaru Lifesaving Cars, including Forester models, were used as mobile lifesaver units from July to August 2020 on coastlines in Kanagawa, Chiba, and Shizuoka Prefectures where beaches had not been opened. The units were loaded with equipment such as rescue boards, AEDs, and first aid kits. These vehicles were also used to tow rescue watercraft, as emergency care stations, and in a variety of other capacities.

*1 The Japan Lifesaving Association (Headquarters: Minato Ward, Tokyo, Representative: Takuya Iritani, Chairman), <https://jla-lifesaving.or.jp/>

**2 11 units were provided by SUBARU CORPORATION and one unit provided by Kanagawa Subaru Inc.



Vehicle handover event



Subaru Lifesaving Car

■ Sponsoring a Christmas Concert (Head Office)

In December 2020, the Takofes Christmas Concert was held by the Higashi Ebisu Store Association at the EBIS303 (Ebisu Subaru Building). This concert, celebrating its fifth year since launching in 2016, was held with the joint support of local residents and companies, including SUBARU as a local corporate sponsor. The concert was held with rigorous measures taken to prevent COVID-19 infection. The 178 attendees enjoyed a powerful and splendid performance from the professional orchestra.



Christmas concert performance

Sports and Culture: Overseas

■ Drive-in Movie Event (Subaru Canada, Inc.)

Subaru Canada, Inc. held a drive-in movie viewing for SUBARU owners. Due to the COVID-19 pandemic, the event was held with due caution; participants were provided with masks and alcohol disinfectants. Guests expressed their thanks for being able to attend a safe, fun event even during the difficulties of the COVID-19 pandemic.



Drive-in movie event

Response to the Spread of COVID-19 (Domestic)

■ Donating Specially Designed Anti-Droplet Vehicle

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

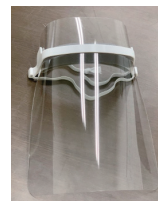


The Forester transport vehicle

■ Production/Donation of Medical-Use Face Shields (Gunma Plant, Tokyo Office)

In cooperation with our corporate business partners, SUBARU has produced 13,600 medical-use face shields with a team of around 500 people.

These shields have been delivered to medical institutions in Gunma, Tochigi, Aichi, Tokyo, and Hokkaido, where SUBARU has business locations. Shields were also provided to boards of education in some regions. Through our efforts, medical and educational sites have had better access to face shields.



Medical-use face shield

■ Donation of Disinfection Stands and Volunteer Activities in Handa City, Aichi Prefecture (Handa Plant)

SUBARU created a number of foot-operated disinfection stands using aluminum materials from dollies and shelves used in-house, donating 100 stands to the City of Handa, where SUBARU has an office. These donated stands have been installed in major public facilities around the city, such as hospitals, kindergartens, schools, and the city hall.

After a number of discussions with the city about how to make local contributions amid the spread of COVID-19, we also helped in cleaning gutters, pruning trees, and painting playsets and gates at twelve elementary schools and six kindergartens in the city.



Disinfection stand donation



Letters of appreciation for SUBARU's cleanup activity

■ Distributing Training Videos for Those Spending Time at Home

In May 2020, SUBARU athletic teams released a series of videos on our official YouTube channel. The videos offer easy ways to exercise at home for those who are not quite exercising enough due to staying indoors.

The track and field team published videos on exercising and stretching, while the baseball team published videos on exercising and defensive fielding techniques. These were created with the hope that people will be able to stay healthy in both body and mind even while they stay indoors.



YouTube video (Japanese version only)

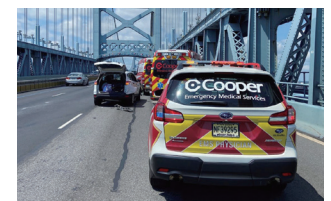
Response to the Spread of COVID-19 (Overseas)

■ Donating Vehicles to Local University Hospital (Subaru of America, Inc.)

Subaru of America, Inc. donated an Ascent SUV to Cooper University Health Care, a local university hospital in New Jersey. In the U.S., university hospitals field more than 40,000 requests for emergency medical services annually, a number expected to increase further amid the spread of COVID-19. The Ascent provided will be used as an auxiliary vehicle for these emergency medical services.



Donated vehicle



- Respect for Human Rights
- Quality: Automotive Business
- Quality: Aerospace Business
- Making Safe Vehicles
- Human Resources
- Customers
- CSR Procurement
- Community Engagement

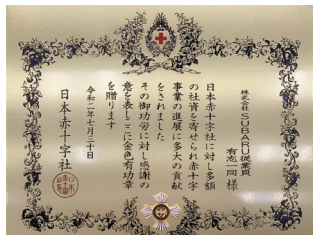
Donation, Volunteer Activities, etc.: in Japan

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.

In addition to using the company welfare program to donate in the event of a disaster, we have expanded options for employee participation as of FYE March 2021 to include our SUBARU Online Donation BOX.

In December 2020, SUBARU's employees were awarded the Golden Order of Merit*3 by the Japanese Red Cross Society for their donations.



*3 The Golden Order of Merit is awarded by the Japanese Red Cross Society to companies and organizations for donating operating funds that exceed a determined amount.

The Golden Order of Merit

East Japan Reconstruction Support Sales Events (Head Office)

We hold special sales events in-house with participation from the three prefectures of Iwate, Miyagi, and Fukushima, all of which were severely damaged by the Great East Japan Earthquake. These events are held under the theme of direct employee action. In addition to helping with the sale of special products from each prefecture, these events also offer a place where they can provide information about recovery status and tourist attractions.

In FYE March 2021, we canceled in-person sales events,

altering them to an online format where employees pre-order goods. We will continue to support the recovery of these regions while adapting how these events are held in keeping with the situation.



Sales event at a SUBARU conference room (FYE March 2020)



In-house bazaar (FYE March 2017)

Donations to Charitable Organizations through Bazaars Utilizing Commercialization Rights

Since 2014, the Intellectual Property Department has been holding charity bazaars utilizing commercialization rights at local community events and in-house bazaars. At these bazaars, SUBARU sells free samples received from manufacturers selling its minicars. Proceeds from sale are donated to organizations supporting children orphaned by traffic accidents. In FYE March 2021, though bazaars were canceled since their hosting local community events were canceled, SUBARU will continue to provide support going forward.

Donation, Volunteer Activities, etc.: Overseas

Blood Drive (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. (SIA) has been running a blood drive twice a year since 1991. In 2020, around 750 employees in total donated blood at sessions taking place in the company in June and December. Over the last 30 years, SIA has donated approximately 15,000 units of blood to over 80 hospitals in

Indiana. This achievement was recognized by the Versiti Blood Center of Indiana.



Employees making a blood donation



Donation of Recycled Clothing to Economically Disadvantaged Regions (Subaru of China, Ltd.)

Subaru of China, Ltd.'s (SOC) labor union facilitated a donation program, sending unused clothing to people living in economically disadvantaged regions. A total of 436 items of clothing were collected from 23 SOC employees and donated.



Donation certificate



Employees making a clothing donation

Donation to the Japan Business Society of Detroit (Subaru Research & Development, Inc.)

Subaru Research & Development, Inc. made donations to the Japan Business Society of Detroit (JBSD), a Japanese business organization in the state of Michigan. Donations are used for scholarships and cultural activities. While Subaru Research & Development, Inc. had made four donations for a number of years, the company only donated three times due to voluntary restrictions on activities from COVID-19 in FYE March 2021.

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 in the medium and long term based on the Corporate Statement outlined below.

〈 Vision 〉 Delivering happiness to all

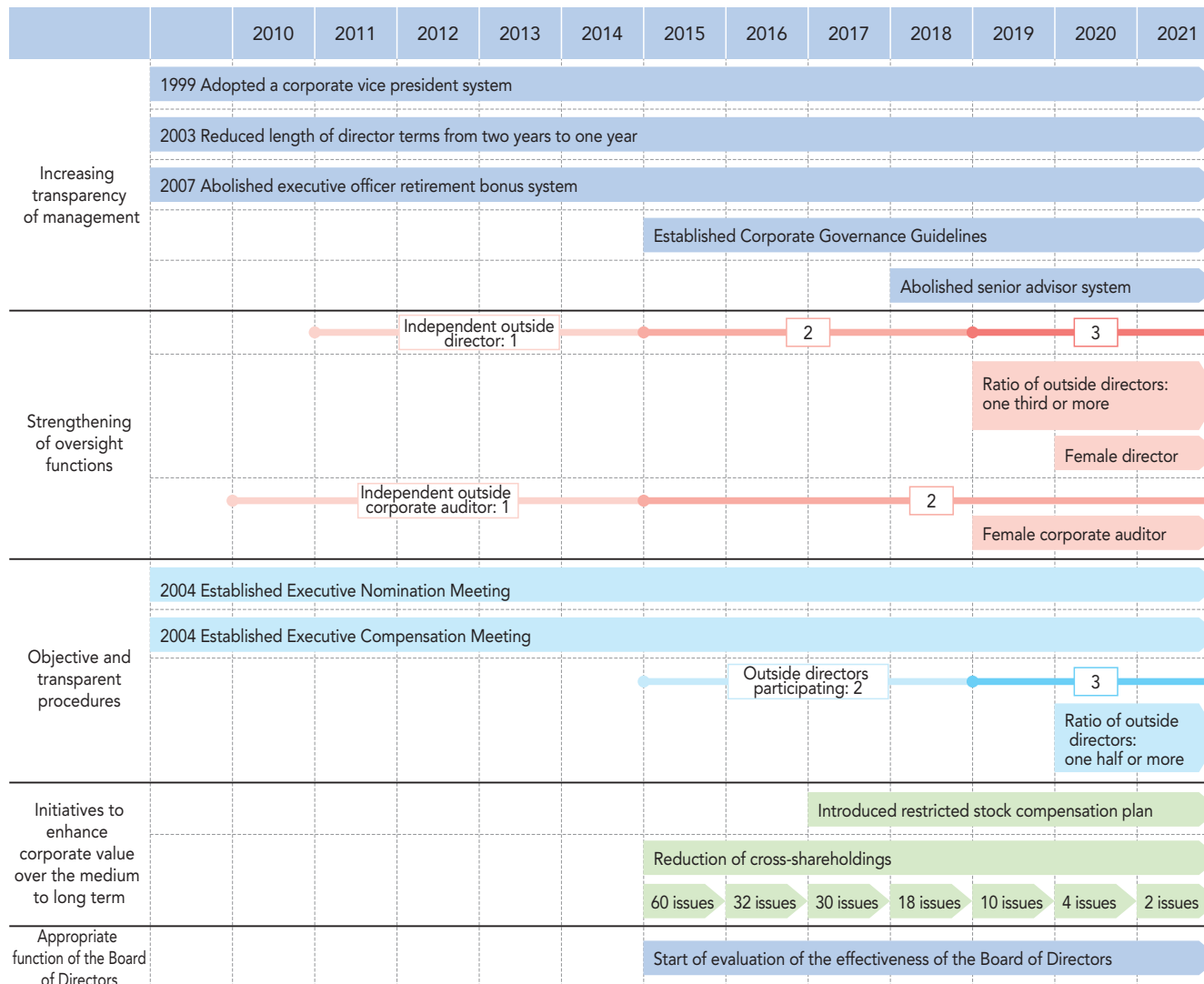
〈 Value statement 〉
“Enjoyment and Peace of Mind”

〈 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.

History of Initiatives to Strengthen Governance



Corporate Governance | Compliance | Risk Management

Management System

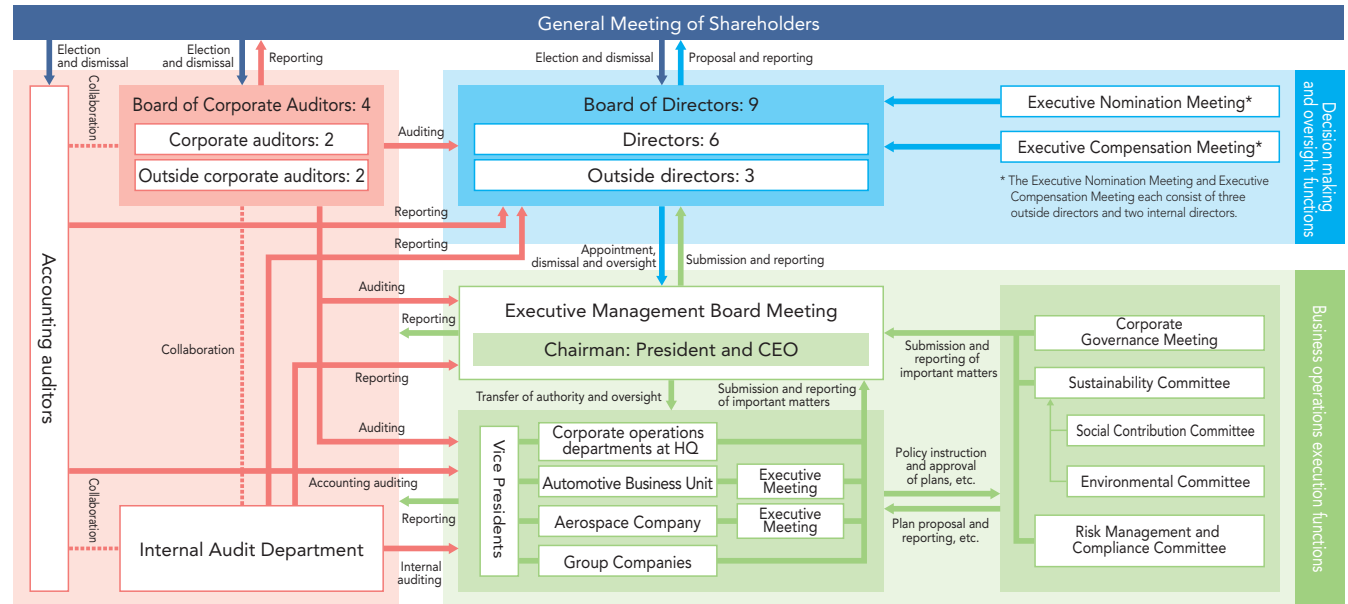
SUBARU has chosen a company with a board of corporate auditors as its corporate governance structure. The Board of Directors decides and supervises the execution of important business, and the Board of Corporate Auditors audits the execution of duties by directors. The structure enables us to achieve sounder, more efficient business operations through increased effectiveness of management monitoring by involving independent outside directors and outside corporate auditors. In addition, in order to enhance the practical governance structure based on the ongoing organizational design, we have established two voluntary meetings: the Executive Nomination Meeting and Executive Compensation Meeting.

With regard to the business operation system, SUBARU has established the Executive Management Board Meeting as a preliminary consultation body to conduct deliberations on company-wide management strategies and the execution of important business before their presentation at the Board of Directors Meeting. In addition, SUBARU has adopted a vice president system and established the Executive Board Meeting as the decision-making body of each business department, and converted the Aerospace division into an internal company in order to clarify responsibilities and accelerate the execution of business operations.

Board of Directors

The Board of Directors ensures fairness and transparency by performing the oversight function for overall management and makes the best decisions possible for the Company through appointment, evaluation and resolution regarding the compensation of its CEO and other management team members, the assessment of material risks faced by the Company and the

Corporate Governance Structure



development of measures to deal with such risks, and decisions on the execution of important business of the Company. The Board takes these actions in the interest of effective corporate governance as well as sustainable growth and improvement of corporate value over the medium to long term. The Board of Directors consists of a maximum of 15 members, from within and outside of the Company, in accordance with the Articles of Incorporation. It is now composed of nine directors, including three outside directors, which was approved at the 90th Ordinary General Meeting of Shareholders held in June 2021. The Chairman of the Company chairs meetings of the Board of Directors. Meetings of the Board of Directors were held 12 times in FYE March 2021 (in addition to these, there was one written

resolution passed that has been deemed equivalent to a Board of Directors' meeting, pursuant to Article 370 of the Companies Act and the Articles of Incorporation).

Board of Directors' Meeting Participation Rate (FYE March)

Category	2017	2018	2019	2020	2021
Number of meetings held	15	17	16	13	12
Attendance rate	96.3%	99.0%	98.4%	100.0%	100.0%

* In addition to the number of Board of Directors' meetings shown in the above table, there was one written resolution passed in FYE March 2019, two in FYE March 2020 and one in FYE March 2021 that have been deemed equivalent to a Board of Directors' meeting, pursuant to Article 370 of the Companies Act and the Articles of Incorporation. Attendance rates for newly appointed directors are calculated based on the number of Board of Directors' meetings held after their appointment.

Corporate Governance | Compliance | Risk Management**Board of Corporate Auditors**

The Board of Corporate Auditors, 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 body consists of a maximum of five members in accordance with the Articles of Incorporation. It is now composed of four corporate auditors, including two outside corporate auditors, which was approved at the 90th Ordinary General Meeting of Shareholders held in June 2021. The body is chaired by the standing corporate auditor. In FYE March 2021, 12 meetings of the Board of Corporate Auditors were held.

Executive Nomination Meeting

To ensure the fairness and transparency of decisions on executive appointment, the Executive Nomination Meeting submits to the Board of Directors proposals of nomination of candidates for directors and corporate auditors and the appointment/dismissal of the CEO or corporate vice presidents approved following full deliberation by committee members. The Board of Directors then deliberates and resolves these proposals. For nominating candidates for corporate auditors, the Meeting seeks to obtain approval from the Board of Corporate Auditors. The Executive Nomination Meeting consists of three outside directors and two internal directors.

The body is chaired by the chairman of the Board of Directors. The Executive Nomination Meeting was held once in FYE March 2021, and submitted reports on the executive structure and appointments, the division of duties of executives, and the appointment of representatives of major subsidiaries.

Executive Compensation Meeting

To ensure objectivity and transparency in decisions on compensation for directors, the Executive Compensation Meeting, on the basis of delegation by the Board of Directors, determines individual compensation amounts per director and other issues. Where matters concern the executive compensation system in general, such as its revision, the Board of Directors deliberates on proposals approved by the Executive Compensation Meeting and decides on them by resolution. The Executive Compensation Meeting consists of three outside directors and two internal directors. The body is chaired by the chairman of the Board of Directors.

The Executive Compensation Meeting was held five times in FYE March 2021, and formulated policy for determining details of compensation for individual directors and deliberated on compensation systems, while deciding on performance-linked compensation for directors (except for outside directors) and corporate vice presidents based on evaluations and the amount of compensation claims in respect of restricted stock compensation for each individual recipient.

Corporate Governance | Compliance | Risk Management

Directors/Auditors

(As of June 23, 2021)

	Name	Position	Female	Term	Total Years of Service	Board of Directors*	Board of Corporate Auditors*	Executive Nomination Meeting*	Executive Compensation Meeting*	Main Areas of Expertise							
										Management (executive experience)	Technology Development	Manufacturing Procurement	Sales Marketing	Global	Finance (CFO experience)	Corporate ESG	IT
	Tomomi Nakamura	Representative Director, President and CEO			3 years	○		○	○	●			●	●		●	
	Kazuo Hosoya	Director, Chairman			2 years	◎		◎	◎			●	●			●	
	Katsuyuki Mizuma <small>Newly appointed</small>	Director, Executive Vice President, CFO and CRMO			Newly appointed	○							●	●			
	Tetsuo Onuki	Director, Executive Vice President			3 years	○					●	●		●			
Directors	Atsushi Osaki <small>Newly appointed</small>	Director, Executive Vice President		1 year	Newly appointed	○					●	●					
	Fumiaki Hayata <small>Newly appointed</small>	Director, Executive Vice President			Newly appointed	○						●	●	●			
	Yasuyuki Abe	Independent Outside Director			2 years	○		○	○	●				●		●	●
	Natsunosuke Yago	Independent Outside Director			2 years	○		○	○	●	●	●		●		●	
	Miwako Doi	Independent Outside Director	☆		1 year	○		○	○		●						●
	Yoichi Kato <small>Newly appointed</small>	Standing Corporate Auditor			Newly appointed	○	◎							●		●	●
Corporate Auditors	Hiromi Tsutsumi	Standing Corporate Auditor	☆	4 years	1 year	○	○							●		●	
	Shigeru Nosaka	Independent Outside Corporate Auditor			2 years	○	○							●	●		
	Kyoko Okada	Independent Outside Corporate Auditor	☆		2 years	○	○							●		●	

* ◎ and ○ indicate attendance of the chairman and other members, respectively

Note: The list above does not cover the entire scope of knowledge held by the Directors and Corporate Auditors.

Corporate Governance | Compliance | Risk Management

Approach to the CEO Succession Plan

SUBARU recognizes that decision making regarding top management changes and successor selection may have a critical influence on corporate value. Therefore, in order to ensure a successful succession at the right timing, we invest substantial time and resources to carefully develop and implement succession plans.

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 Executive Nomination Meeting.

To be able to implement succession plans appropriately, the CEO begins to prepare for selection and development of his/her successor candidates independently upon assuming office. Key processes for this purpose include providing information on candidates to outside directors on an ongoing basis, particularly by enabling the directors to monitor the candidates in person continuously in day-to-day business settings, as a measure to ensure appropriate and timely evaluation and selection down the road.

The Board of Directors 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 Executive Nomination Meeting, it is important to have effective selection criteria in place, particularly for use by outside directors. Based on this view, SUBARU has established 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 Executive Nomination Meeting.

Abilities required of the 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 CEO

1. Integrity
2. Broad perspective
3. Character
4. Tireless spirit or revolutionary leadership skills
5. Person of action

Corporate Governance | Compliance | Risk Management

Executive Officer Training

Category	Training Policy/ Major Ongoing Programs
Directors Corporate auditors	<p>Policy SUBARU provides its directors and corporate auditors on an ongoing basis with information and knowledge regarding its business activities that is necessary for them to fulfill their responsibilities to oversee and audit the management.</p> <ul style="list-style-type: none"> • Refresher courses focusing on information regarding the Companies Act and other laws and regulations related to corporate governance • Participation in seminars and programs hosted by government agencies, Japan Federation of Economic Organizations, Japan Association of Corporate Directors, Japan Audit & Supervisory Board Members Association, etc.
Outside directors Outside corporate auditors	<p>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.</p> <ul style="list-style-type: none"> • The following programs are provided to outside Board members at the time of appointment and subsequently to keep them updated - Opportunities for discussions with and briefings from responsible vice presidents about the corporate statement, corporate culture, business environment, and the performance, situation and issues of each business division/department - Inspection tours at manufacturing/R&D/distribution sites - Discussions with directors and corporate auditors on management issues - Social gatherings with directors and corporate auditors - Participation in company-wide business events, such as improvement activity debriefing sessions
Vice presidents	<p>Policy SUBARU gives vice presidents similar opportunities as those given to directors and auditors, for the purpose of developing human resources to lead its management in the future.</p> <ul style="list-style-type: none"> • Participation in external programs aimed at fostering the mindset required for executive management and motivating self-improvement actions • Lectures by invited experts in specified topics to share and increase literacy in the related field (legal affairs, compliance, IT, the SDGs, media response, etc.) • Strategy building camps for all vice presidents • Recommendation and support for participation in appropriate external seminars and programs

*Expenses to be incurred for offering the above training to directors and corporate auditors, including outside officers and vice presidents are borne by the company.

Category	Programs Provided in FYE March 2021
All executives (including outside officers)	<ul style="list-style-type: none"> • Newly appointed vice presidents participated in different three-day external seminar programs • Classroom lectures by invited experts were held for all executives to discuss management issues • Seminars by invited experts in specified topics, including about the Companies Act, were offered via on-demand streaming • In-house presentations and exhibits were held to present information to all executives about future technologies and quality solutions • e-Learning programs about the SDGs were held in lesson and test formats using our website
Outside directors Outside corporate auditors	<ul style="list-style-type: none"> • Operations briefings offered by vice presidents and others, and related discussions were held 21 sessions in total, with participation from newly appointed outside directors • Newly appointed outside directors visited three different manufacturing sites (plants, offices) for inspection tours • Two outside corporate auditors visited five Group companies in Japan for inspection tours • The entire Board membership (nine directors and four corporate auditors) attended two semi-annual management discussion and social gathering events • Outside directors and corporate auditors participated in external exhibitions

Corporate Governance | Compliance | Risk Management

Directors, Auditors, and Executive Officers (As of June 23, 2021)

Directors of the Board

**Tomomi Nakamura**Representative Director,
President and CEO (Chief
Executive Officer)

Year of Birth: 1959 (male)

Apr. 1982 Joined the Company

Jun. 2004 General Manager of Marketing Planning Department, Subaru Japan Sales & Marketing Division

Apr. 2011 Vice President, Senior General Manager of Strategy Development Division and General Manager of Corporate Planning Department

Jun. 2011 Vice President, Chief General Manager of Strategy Development Division and General Manager of Corporate Planning Department

Apr. 2013 Vice President, Senior General Manager of Subaru Global Marketing Division, Subaru Overseas Sales & Marketing Division 1 and Overseas Sales & Marketing Division 2

Apr. 2014 Senior Vice President, Chief General Manager of Subaru Overseas Sales & Marketing Division 1
Chairman and CEO (Chief Executive Officer), Subaru of America, Inc.,

Apr. 2016 Executive Vice President, Chief General Manager of Subaru Overseas Sales & Marketing Division 1
Chairman and CEO, Subaru of America, Inc.,

Apr. 2018 Executive Vice President

Jun. 2018 Representative Director, President and CEO (to the present)

**Kazuo Hosoya**Director,
Chairman

Year of Birth: 1957 (male)

Apr. 1982 Joined the Company

May 2006 General Manager of Corporate Planning Department

Jan. 2009 Senior General Manager of Subaru Japan Sales & Marketing Division

Jun. 2010 President, Tokyo Subaru Inc.

Apr. 2012 Vice President, General Manager of Human Resources Department

Apr. 2014 Senior Vice President, General Manager of Human Resources Department and Career Support Office
President, Subaru Bloom Co. Ltd.

Apr. 2015 Senior Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division

Apr. 2016 Executive Vice President, Chief General Manager of Subaru Japan Sales & Marketing Division

Mar. 2018 Retired as Executive Vice President

Apr. 2018 President, Tokyo Subaru Inc.

Dec. 2018 Retired as President of Tokyo Subaru Inc.

Jan. 2019 Deputy President, Chief General Manager of Subaru Manufacturing Division and Gunma Plant

Jun. 2019 Representative Director, Deputy President, Chief General Manager of Subaru Manufacturing Division and Gunma Plant

Apr. 2020 Representative Director, Deputy President, Chief General Manager of Subaru Manufacturing Division

Apr. 2021 Representative Director, Chairman

Jun. 2021 Director, Chairman (to the present)

**Katsuyuki Mizuma**Director,
Executive Vice President,
CFO and CRMO

Year of Birth: 1960 (male)

Apr. 1984 Joined The Industrial Bank of Japan, Ltd.

Apr. 2012 Executive Officer, General Manager of Asia & Oceania Division, Mizuho Corporate Bank, Ltd.

Apr. 2014 Managing Executive Officer, Head of Asia & Oceania excl. East Asia, Mizuho Bank, Ltd.

Oct. 2015 Managing Executive Officer, Mizuho Financial Group, Inc. (concurrent post)

Apr. 2016 Joined the Company, Senior Vice President, Senior General Manager of Subaru Overseas Sales & Marketing Division 2

Apr. 2017 Senior Vice President, Chief General Manager of Overseas Sales & Marketing Division 2

Apr. 2018 Executive Vice President, Chief General Manager of Overseas Sales & Marketing Division 1 and Overseas Sales & Marketing Division 2

Apr. 2020 Executive Vice President, Chief General Manager of Overseas Sales & Marketing Division 2

Apr. 2021 Executive Vice President, CFO and CRMO

Jun. 2021 Director, Executive Vice President, CFO and CRMO (to the present)

**Tetsuo Onuki**Director, Executive Vice
President

Year of Birth: 1960 (male)

Apr. 1984 Joined the Company

Apr. 2006 General Manager of Design Department, Subaru Product & Portfolio Planning Division

Sep. 2008 General Manager of Body Design Department, Subaru Engineering Division

Apr. 2014 Vice President, Senior General Manager of Subaru Engineering Division and General Manager of Body Design Department, Subaru Engineering Division

Apr. 2016 Senior Vice President, Chief General Manager of Subaru Engineering Division 1 and Subaru Technical Research Center

Apr. 2018 Executive Vice President, CTO (Chief Technology Officer), Chief General Manager of Engineering Management Division and Engineering Division 1

Jun. 2018 Director, Executive Vice President, CTO, Chief General Manager of Engineering Management Division

Apr. 2019 Director, Executive Vice President, CTO

Apr. 2020 Director, Executive Vice President, Chief General Manager of Purchasing Division (to the present)

**Atsushi Osaki**Director, Executive Vice
President

Year of Birth: 1962 (male)

Apr. 1988 Joined the Company

Apr. 2007 General Manager of Subaru Product & Portfolio Planning Division

Jun. 2011 General Manager of Engineering Administration Department, Subaru Engineering Division

Apr. 2016 Vice President, Senior General Manager of Subaru Quality Assurance Division

Apr. 2017 Vice President, Chief General Manager of Subaru Quality Assurance Division

Apr. 2018 Senior Vice President, CQO (Chief Quality Officer), Chief General Manager of Subaru Quality Assurance Division

Jan. 2019 Senior Vice President, CQO, Chief General Manager of Quality Assurance Division and Customer Service Division

Apr. 2019 Executive Vice President, CQO, Chief General Manager of Quality Assurance Division

Apr. 2020 Executive Vice President, CQO, Chief General Manager of Quality Assurance Division, General Manager of Quality Assurance Management Office

Apr. 2021 Executive Vice President, Chief General Manager of Subaru Manufacturing Division

Jun. 2021 Director, Executive Vice President, Chief General Manager of Subaru Manufacturing Division (to the present)

**Fumiaki Hayata**Director, Executive Vice
President

Year of Birth: 1964 (male)

Apr. 1986 Joined the Company

Apr. 2007 General Manager of Purchasing Planning Department, Subaru Purchasing Division

Apr. 2015 Vice President, Senior General Manager of Subaru Overseas Sales & Marketing Division 1
General Manager of North America Sales & Marketing Department

Apr. 2017 Senior Vice President, General Manager of Corporate Planning Department

Apr. 2019 Senior Vice President, Chief General Manager of Corporate Planning Division

Apr. 2020 Executive Vice President, Chief General Manager of Overseas Sales & Marketing Division 1, Chairman and CEO, Subaru of Indiana Automotive, Inc.

Jun. 2021 Director, Executive Vice President, Chief General Manager of Overseas Sales & Marketing Division 1, Chairman and CEO, Subaru of Indiana Automotive, Inc. (to the present)

Corporate Governance | Compliance | Risk Management

**Yasuyuki Abe**Independent Outside
Director

Year of Birth: 1952 (male)

- Apr. 1977 Joined Sumitomo Corporation
- Jun. 2002 President and Representative Director, Sumisho Electronics Co., Ltd. (currently SCSK Corporation)
- Apr. 2005 President and Representative Director, Sumisho Information Systems Co., Ltd. (currently SCSK Corporation)
- Jun. 2009 Representative Director, Managing Executive Officer, General Manager of Financial & Logistics Business Unit, Sumitomo Corporation
- Apr. 2010 Representative Director, Managing Executive Officer, General Manager of New Industry Development & Crossfunction Business Unit, Sumitomo Corporation
- Apr. 2011 Representative Director, Senior Executive Operating Officer, General Manager of New Industry Development & Crossfunction Business Unit and Finance Department, Sumitomo Corporation
- Apr. 2013 Representative Director, Senior Executive Operating Officer, General Manager of Corporate Planning and Coordination Department, Sumitomo Corporation
- Jun. 2015 Advisor, Sumitomo Corporation
- Jun. 2016 Independent Outside Corporate Auditor, Subaru Corporation
- Jun. 2018 Retired as advisor at Sumitomo Corporation
- Jun. 2019 Retired as Independent Outside Corporate Auditor
- Jun. 2019 Independent Outside Director, Subaru Corporation (to the present)

**Natsunosuke Yago**Independent Outside
Director

Year of Birth: 1951 (male)

- Apr. 1977 Joined Ebara Corporation
- Jun. 2002 Executive Officer, Ebara Corporation
- Apr. 2004 Senior Executive Officer, General Manager of Precision Machinery Department, Ebara Corporation, Chairman and Representative Director, Ebara Precision Machinery Europe GmbH, Chairman and Representative Director, Ebara Technologies Inc., Chairman, Shanghai Ebara Precision Machinery Co., Ltd.
- Jun. 2004 Director, Ebara Corporation
- Apr. 2005 Director, Ebara Corporation, Chairman, Ebara-Densan Taiwan Manufacturing Co., Ltd.
- Jun. 2005 Director, President, Precision Machinery Company, Director, Fujisawa Plant
- Apr. 2006 Director, Managing Executive Officer, President of Precision Machinery Company, Ebara Corporation
- Apr. 2007 President and Representative Director, Ebara Corporation
- May 2007 President and Representative Director, General Manager of Internal Control Promotion Division, Ebara Corporation
- Jul. 2009 President and Representative Director, General Manager of Internal Control Division, Ebara Corporation
- Apr. 2013 Chairman, Ebara Corporation
- Mar. 2019 Retired as Chairman, Ebara Corporation
- Jun. 2019 Independent Outside Director, Subaru Corporation (to the present)

**Miwako Doi**Independent Outside
Director

Year of Birth: 1954 (female)

- Apr. 1979 Joined the Integrated Research Institute (currently Corporate Research & Development Center), Tokyo Shibaura Electric Corporation (currently Toshiba Corporation)
- Jul. 2005 Senior Fellow, Human Centric Laboratory, Corporate Research & Development Center
- Jul. 2006 Senior Fellow, Corporate Research & Development Center
- Jul. 2008 Chief Fellow, Corporate Research & Development Center
- Jun. 2014 Retired from Toshiba Corporation
- Jun. 2020 Independent Outside Director, Subaru Corporation (to the present)

Corporate Auditors

**Yoichi Kato**

Standing Corporate Auditor

Year of Birth: 1959 (male)

- Apr. 1983 Joined the Ministry of International Trade and Industry (MITI), Japanese government (currently Ministry of Economy, Trade and Industry)
- Jul. 2010 Director-General, Chubu Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry
- Aug. 2011 Director-General, Business Environment Department, Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry
- Sep. 2012 Councillor, Cabinet Secretariat (National Strategy Office)
- Dec. 2012 Deputy Director-General for Policy Evaluation, Minister's Secretariat, Ministry of Economy, Trade and Industry
- Jun. 2013 Director-General for Regional Economic and Industrial Policy, Ministry of Economy, Trade and Industry
- Oct. 2014 Joined the Company as a Vice President
- Apr. 2015 Vice President, General Manager of External Relations Department
- Apr. 2016 Senior Vice President, General Manager of External Relations Department
- Apr. 2017 Senior Vice President, General Manager of External Relations Department, Chief General Manager of Corporate Administration Division
- Jun. 2017 Director, Senior Vice President, General Manager of External Relations Department, Chief General Manager of Corporate Administration Division
- Apr. 2018 Director, Executive Vice President, General Manager of Legal Department
- Oct. 2018 Director, Executive Vice President
- Apr. 2019 Director, Executive Vice President, CRMO (Chief Risk Management Officer)
- Apr. 2021 Director, Executive Vice President
- Jun. 2021 Standing Corporate Auditor (to the present)

**Hiromi Tsutsumi**

Standing Corporate Auditor

Year of Birth: 1957 (female)

- Apr. 1980 Joined the Company
- Jun. 2002 General Manager of Corporate Communications Department
- Jun. 2006 General Manager of Subaru Product Planning Department, Subaru Product & Portfolio Planning Division
- Apr. 2013 Vice President, Chief General Manager of Subaru Customer Center
- Apr. 2015 Vice President, General Manager of Human Resources Department and President of Subaru Bloom Co., Ltd.
- Apr. 2017 Senior Vice President, General Manager of Human Resources Department
- Apr. 2020 Senior Vice President
- Jun. 2020 Standing Corporate Auditor (to the present)

**Shigeru Nosaka**Independent Outside
Corporate Auditor

Year of Birth: 1953 (male)

- Apr. 1976 Joined Marubeni Corporation
- Dec. 1989 Joined Apple Computer Japan
- Mar. 1996 Joined Allergan plc
- Nov. 1996 Joined Japan Communications Inc., Senior Executive Officer and CFO
- Apr. 2002 Joined Oracle Corporation Japan, Vice President under direct control of CEO, Financial Affairs
- Aug. 2002 Director, Senior Executive Officer and CFO
- Jun. 2004 Director, Executive Vice President, CFO, Finance/Infrastructure Development/Application IT, Director of Finance
- Nov. 2005 Retired from Oracle Corporation Japan
- Oct. 2007 Executive Vice President, CFO, Finance, IT and General Affairs, Director of Finance, Oracle Corporation Japan
- Aug. 2008 Director, Senior Corporate Executive Officer, CFO, Finance, Facility, IT, Internal Audit
- Jun. 2011 Director, Executive Officer Deputy President, CFO
- Aug. 2018 Director, Deputy Chairman
- Jun. 2019 Independent Outside Corporate Auditor, Subaru Corporation (to the present)
- Aug. 2019 Retired as Deputy Chairman at Oracle Corporation Japan

**Kyoko Okada**Independent Outside
Corporate Auditor

Year of Birth: 1959 (female)

- Apr. 1982 Joined Shiseido Co., Ltd.
- Sep. 2004 CSR Department
- Apr. 2006 Corporate Culture Department
- Oct. 2011 General Manager of Corporate Culture Department
- Oct. 2012 General Manager of Corporate Culture Department and project leader for compilation of the 150-year history
- Apr. 2015 General Manager of Executive Section, General Affairs Department
- Jun. 2015 Audit & Supervisory Board Member (standing)
- Mar. 2019 Retired as standing Audit & Supervisory Board Member
- Jun. 2019 Independent Outside Corporate Auditor, Subaru Corporation (to the present)

Corporate Governance | Compliance | Risk Management

Executive Officers *Concurrently serve as a Director

Chairman	Kazuo Hosoya*	Secretarial Office, Human Resources Department	Vice President	Yasushi Nagae	General Manager of Investor Relations Department and General Administration Department, Corporate Communications Department and Sustainability Promotion Department
President	Tomomi Nakamura*	CEO (Chief Executive Officer) Aerospace Company, Quality	Vice President	Takeshi Seiyama	Chief General Manager of Parts & Accessories Division
Executive Vice President	Katsuyuki Mizuma*	CFO (Chief Financial Officer), CRMO (Chief Risk Management Officer) Finance & Accounting Department	Vice President	Tatsuya Okuno	Chief General Manager of Customer Service Division
Executive Vice President	Tetsuo Onuki*	Chief General Manager of Purchasing Division, Product & Portfolio Planning Division	Vice President	Tamotsu Inui	Chief General Manager of Cost Planning & Management Division, Senior General Manager of Corporate Planning Division
Executive Vice President	Atsushi Osaki*	Chief General Manager of Manufacturing Division, China Project Office	Vice President	Hiroshi Wakai	Company Vice President of Aerospace Company
Executive Vice President	Fumiaki Hayata*	Chief General Manager of Overseas Sales & Marketing Division 1, Chairman and CEO of SIA ¹	Vice President	Kazuhiro Abe	Chief General Manager of Product & Portfolio Planning Division
Executive Vice President	Takuji Dai	CIO (Chief Information Officer) Chief General Manager of IT Strategy Division, Senior General Manager of Corporate Planning Division	Vice President	Hiroshi Watahiki	Senior General Manager of Engineering Division
Senior Vice President	Shoichiro Tozuka	Company President of Aerospace Company	Vice President	Tadashi Yoshida	Senior General Manager of Overseas Sales & Marketing Division 1, Executive Vice President of SOA ² , SCI ³ , NASI ⁴
Senior Vice President	Tatsuro Kobayashi	General Manager of Human Resources Department	Vice President	Ryota Fukumizu	President and COO of SIA ¹
Senior Vice President	Eiji Ogino	Senior General Manager of Manufacturing Division, Chief General Manager of Gunma Plant	Vice President	Shinichi Murata	General Manager of External Relations Department, Risk Management Group, Intellectual Property Department
Senior Vice President	Jinya Shoji	Chief General Manager of Overseas Sales & Marketing Division 2	Vice President	Kazuki Uejima	Senior General Manager of Engineering Division, General Manager of CTO's Office
Senior Vice President	Yoichi Sato	Chief General Manager of Japan Sales & Marketing Division			
Senior Vice President	Osamu Eriguchi	CQO (Chief Quality Officer) Chief General Manager of Quality Assurance Division, General Manager of Quality Assurance Management Office			
Senior Vice President	Tomoaki Emori	Chief General Manager of Corporate Planning Division			
Senior Vice President	Tetsuo Fujinuki	CTO (Chief Technology Officer) Chief General Manager of Engineering Division and Technical Research Center			

1 Subaru of Indiana Automotive, Inc.

2 Subaru of America, Inc.

3 Subaru Canada, Inc.

4 North American Subaru, Inc.

Corporate Governance | Compliance | Risk Management

Outside Directors/Outside Corporate Auditors

Nomination Criteria

- The outside directors are expected to perform a monitoring function independent from the management team and provide appropriate advice on the management of SUBARU on the basis of wide range of sophisticated knowledge.
- The outside corporate auditors 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 corporate auditors who meet those criteria.

Reasons for Appointing the Outside Officers and Major Activities

	Name	Independent Officer Status*	Reasons for Appointing	Meeting Attendance (FYE March 2021)		Significant Concurrent Positions (As of June 30, 2021)
				Board of Directors	Board of Corporate Auditors	
Outside Directors	Yasuyuki Abe	○	As representative director and senior managing executive officer of Sumitomo Corporation, Mr. Yasuyuki Abe has been involved in management in both a supervisory and executional capacity, possesses extensive experience and knowledge in business management, and has an advanced understanding of the IT field. Mr. Abe has served three years as an independent outside corporate auditor for the Company since June 2016. During his tenure, he has supervised the execution of duties conducted by directors, as well as understood the true nature of the problems facing the Company and offered his frank opinions to senior management in a timely and appropriate manner. In June 2019, Mr. Abe was appointed to the position of independent outside director and has been providing beneficial advice to the Company's management. In light of this, the Company has appointed Mr. Abe with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective when he assumes office as an outside director of the Company.	Attended 12 of 12 meetings	—	Advisor, ORANGE AND PARTNERS CO., LTD. Outside Director, HOYA Corporation
	Natsunosuke Yago	○	Mr. Natsunosuke Yago served successively as president and representative executive officer and chairman at Ebara Corporation, and has extensive experience and knowledge in business management. Mr. Yago is especially knowledgeable in the areas of internal control and governance. In June 2019, the Company has appointed him to the position of independent outside director. Given that he has been providing beneficial advice to the Company's management based on his rich experience and wide range of knowledge, and high level of insight into the Company's social responsibilities, we appointed Mr. Yago with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective when he assumes office as an outside director of the Company.	Attended 12 of 12 meetings	—	President, Ebara Hatakeyama Memorial Foundation Outside Director, J. FRONT RETAILING Co., Ltd. Outside Director, PARCO CO., LTD.
	Miwako Doi	○	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. 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 when she assumes office as an outside director of the Company.	Attended 10 of 10 meetings	—	Auditor, National Institute of Information and Communications Technology (NICT) (part-time) Executive Vice President, Tohoku University (part-time) Executive Director, Nara Institute of Science and Technology (part-time) Visiting Professor, Osaka University of Arts Outside Director, Isetan Mitsukoshi Holdings Ltd. Outside Director, NGK Spark Plug Co., Ltd.
Outside Corporate Auditors	Shigeru Nosaka	○	Mr. Shigeru Nosaka has been involved in management in both a supervisory and executional capacity as a director, executive deputy president and deputy chairman and CFO at Oracle Corporation Japan and possesses extensive experience and knowledge in business management. In June 2019, Mr. Nosaka was appointed to the position of independent outside corporate auditor and has been providing beneficial advice to the Company's management based on his wide range of insights into finance and accounting in corporate activities. In light of this, the Company has appointed Mr. Nosaka with the expectation that he will appropriately perform the duties when he assumes office as of an outside corporate auditor of the Company.	Attended 12 of 12 meetings	Attended 12 of 12 meetings	Corporate Auditor, dotD, Inc. Advisor, AI Dynamics Inc. Japan
	Kyoko Okada	○	Ms. Kyoko Okada has accumulated extensive experience and knowledge in areas such as CSR and corporate culture at Shiseido Co., Ltd. and has a career in management auditing as a corporate auditor at Shiseido. In June 2019, Ms. Okada was appointed to the position of independent outside corporate auditor and has been providing beneficial advice to the Company's management based on her wide range of insights into CSR and corporate culture in corporate activities. In light of this, the Company has once again appointed Ms. Okada with the expectation that she will appropriately perform the duties when she assumes office as an outside corporate auditor of the Company.	Attended 12 of 12 meetings	Attended 12 of 12 meetings	Outside Audit & Supervisory Board Member, Daio Paper Corporation Outside Director, JACCS Co., Ltd.

Note:

In addition to the number of times Board of Director meetings were held as stated in the table above, there were one written resolution that was deemed to be Board of Director resolutions in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

In October 2017, during Mr. Yasuyuki Abe's tenure as an outside auditor, inappropriate actions related to a spot check and other final inspections for fuel consumption and exhaust gas were identified. Mr. Abe had no prior knowledge of the facts in question. On a daily basis, he has been providing advice on legal compliance and internal control based on insights from his ample experience. After this matter was identified, he adequately received reports on measures to determine the cause of these inappropriate actions and to prevent their recurrence and also provided various suggestions, thereby fulfilling his responsibilities.

In September 2016, during Mr. Natsunosuke Yago's tenure as a director at Ebara Corporation, it was discovered that construction methods used at properties were not in compliance with the Building Standards Law. This was mainly at Ebara's affiliates. This issue was discovered when construction was carried out to replace existing drainage pipes for an apartment complex. Mr. Yago had no beforehand knowledge of said facts. On a daily basis, he has been providing advice on legal compliance and internal control based on insights from his ample experience. After this matter was identified, he adequately received reports on measures to determine the cause of these inappropriate actions and to prevent their recurrence and also provided various suggestions. He fulfilled his responsibilities through this and by implementing improvement measures in response to guidance by the Ministry of Land, Infrastructure and Transport and the designated administrative agency.

On June 17, 2019, Ms. Miwako Doi was appointed to the position of outside director at Isetan Mitsukoshi Holdings Ltd. MICARD Co. LTD., a subsidiary of Isetan Mitsukoshi Holdings, was issued an order for action by the Consumer Affairs Agency on July 8, 2019. The administrative order was issued due to misleading representation of services related to the MICARD+ GOLD card in accordance with Article 5-1 and 5-2 of the Act against Unjustifiable Premiums and Misleading Representations. An order for payment of a surcharge was issued on March 24, 2020. Ms. Doi had no beforehand knowledge of said facts. After this matter was identified, Ms. Doi has been fulfilling her responsibilities in part by pouring energies into the establishment of measures through deliberation by its Board of Directors to prevent recurrence of such incidents in the Isetan Mitsukoshi Holdings Group, which includes MICARD and its subsidiaries, and to make these facts common knowledge among all employees and to strengthen employee training.

* Independent officers: Outside directors and outside corporate auditors with no risk of a conflict of interest with general shareholders as stipulated by the stock exchange.

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 17, 2021. To the right is the summary of the policy.

The 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 is composed of basic compensation, short-term performance-linked compensation, and restricted stock compensation (for non-resident officers, 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 receive short-term performance-linked compensation 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 ordinary income for the current fiscal year* as a key performance indicator (KPI), adjusted according to the matrix of combined ROE and improved shareholders' equity ratio, which are both performance indicators aligned with the Company's capital policy, and for non-director executive officers, taking into consideration personnel development and the business environment. The Company will review the KPI as needed based on changes in the environment and reports from the Executive Compensation Meeting.

(3) Policy for non-monetary compensation

The Company grants restricted stock compensation to 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. Specifically, the Company grants monetary compensation claims to directors in consideration of the Company's business performance, responsibilities of each director, and other factors, and directors make in-kind contributions of such monetary

compensation claims to receive shares of the Company's common stock. The maximum number of shares of the Company's common stock to be granted as restricted stock compensation is 100,000 per year (including those issued to executive officers). In addition, the Company and eligible officers shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) eligible directors shall not, for a set period of time, 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.

For non-resident officers, the Company grants, instead of issuing restricted stock compensation, phantom stock equivalent to such units, and the stock shall also be 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 Company shall also prepare compensation tables for short-term performance-linked compensation and restricted stock compensation by officer position. With regard to revisions of the compensation table, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the Board of Directors.

4. Matters concerning the determination of details of compensation, etc. for individual directors

The Executive Compensation Meeting, by a resolution of and upon delegation by the Board of Directors, determines specific amounts of compensation, etc. of individual directors, following sufficient deliberation by its members including outside directors.

Its authorities include the determination of specific amounts of basic compensation, short-term performance-linked compensation, and restricted stock compensation (for non-resident officers, phantom stock, instead of restricted stock) and their payment schedule. For restricted stock compensation, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on decisions of the Executive Compensation Meeting.

With regard to revisions of the compensation system and other matters pertaining to compensation overall, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the Board of Directors.

To ensure transparency and effectiveness 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.

* As the Group started to voluntarily apply the IFRS, this is a figure converted to consolidated ordinary income under the Japanese standards.

Corporate Governance | Compliance | Risk Management

Matters concerning the resolutions of the General Meetings of Shareholders on compensation, etc. for directors and corporate auditors

By a resolution passed at the 85th Ordinary General Meeting of Shareholders, held in June 2016, the maximum total amount of annual compensation, etc., for directors is 1.2 billion yen (including a maximum 200 million yen for outside directors). The maximum total amount of monetary compensation related to long-term incentives is 200 million yen per year, within the abovementioned limitation, by a resolution passed at the 86th Ordinary General Meeting of Shareholders, held in June 2017.

By a resolution passed at the 75th Ordinary General Meeting of Shareholders, held in June 2006, the maximum total amount of annual compensation, etc., for corporate auditors is 100 million yen.

Matters concerning the delegation relating to the details of compensation, etc. for individual directors

SUBARU has voluntarily set up an Executive Compensation Meeting in order to enhance the effective governance structure based on the existing organizational design. By the delegation resolution of the Board of Directors, the Executive Compensation Meeting determines specific compensation amounts, etc. of individual directors, following sufficient deliberation by its members including outside directors. Its authorities include the determination of specific amounts of basic compensation, short-term performance-linked compensation, and restricted stock compensation as well as their payment schedule. For restricted stock compensation, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on decisions of the Executive Compensation Meeting. With regard to revisions of the compensation system and other matters pertaining to compensation overall, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the Board of Directors.

The Executive Compensation Meeting in FYE March 2021 was comprised of two representative directors and three outside directors. Its chairman was Representative Director and President. To ensure

transparency and effectiveness 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. Executive Compensation Meetings were held five times in FYE March 2021. The body debated the compensation structure and established a policy for determining details of compensation, etc. for individual directors. It also decided on matters such as performance-linked compensation levels for directors (except for outside directors) and executive officers based on performance evaluation, and the amount of monetary compensation claims for individuals regarding restricted stock compensation.

Matters concerning performance-linked compensation, etc.

In addition to the "Profit Plan for FYE March 2019-FYE March 2021 (3 years)," SUBARU announced it aims to achieve a ratio of shareholders' equity to total assets of 50% and to maintain a minimum ROE of 10% while aiming for ROE of 15% or higher in the mid-term management vision "STEP" announced in July 2018. In accordance with these goals, the Executive Compensation Meeting, upon authorization by the Board of Directors, decided short-term performance-linked compensation levels for directors, using the consolidated ordinary income* for FYE March 2021 as the basis, making adjustment using the matrix of ROE and degrees of improvement in shareholders' equity ratio. Short-term performance-linked compensation is not given to outside directors in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position.

* Since the Subaru Group started to voluntarily apply the IFRS to the accounts from FYE March 2020, this figure was converted to consolidated ordinary income under the Japanese standards

Performance indicators used to calculate the amount of performance-linked compensation, etc. for the fiscal period under review are as follows.

Performance Indicators	Results
Consolidated ordinary income	116.5 billion yen
ROE	4.4%
Equity ratio	52.1% (up 0.1% from the previous period)

Details of non-monetary compensation

SUBARU grants restricted stock compensation to directors for the purpose of providing them with an incentive for sustained improvement of the Company's corporate value and promoting further value sharing with the shareholders, and pays monetary compensation for the acquisition of these. 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 SUBARU's common stock through issuance or disposal. In addition, for the issuance or disposal of shares of the SUBARU's common stock, SUBARU 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 three years after the date of allotment.

Restricted stock compensation is not given to outside directors in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position.

Compensation System for Directors (excluding outside directors)**Total Compensation for Directors and Corporate Auditors for FYE March 2021**

Classification	Number	Total Compensation (Millions of yen)			
		Basic Compensation (Paid in fixed monthly installments)	Short-term Performance-linked Compensation	Restricted Stock Compensation	
Directors (excluding outside directors)	6	312	40	53	405
Corporate auditors (excluding outside corporate auditors)	3	56	—	—	56
Outside directors and outside corporate auditors	6	59	—	—	59
Total	15	427	40	53	520

Notes: Figures in the above table include an outside director and an internal corporate auditor who resigned before the last day of the fiscal year under review. At the end of the year, there were nine directors, including three outside directors, and four corporate auditors, including two outside corporate auditors.

Corporate Governance | Compliance | Risk Management

Policies for Cross-Shareholding

Regarding listed stocks held by SUBARU as cross-shareholdings, each year SUBARU shall have the Board of Directors examine each cross-shareholding to determine whether the purpose of holding contributes to management and business strategies in the medium and long term, and whether the benefits derived from it justify the associated capital cost to decide on whether to continue the cross-shareholding.

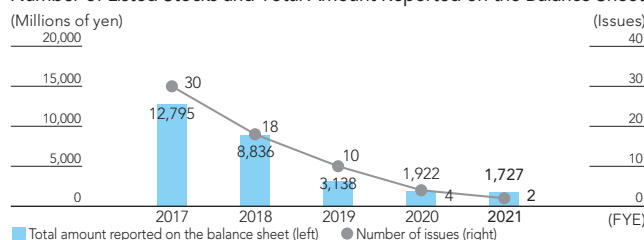
Based on the above policy, SUBARU has steadily reduced the number of listed stocks held as cross-shareholding. As a result, 60 issues held at the end of March 2015 decreased to 2 issues at the end of March 2021.

SUBARU will continue the evaluation and examination of cross-shareholdings by the Board of Directors, but in consideration of the business environment for SUBARU, we concluded that the holding of the two issues is indispensable at this point and will continue the shareholding in principle.

Number of Issues of Cross-Shareholdings and Total Amount Reported on the Balance Sheet

Category		2017	2018	2019	2020	(FYE March) 2021
Number of Issues (Issues)	Listed	30	18	10	4	2
	Unlisted	32	31	31	32	31
	Total	62	49	41	36	33
Amount Listed on Balance Sheet (Millions of yen)	Listed	12,795	8,836	3,138	1,922	1,727
	Unlisted	544	535	535	581	569
	Total	13,339	9,371	3,673	2,503	2,296

Number of Listed Stocks and Total Amount Reported on the Balance Sheet



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).

Effectiveness Evaluation of the Board of Directors

In order to achieve sustainable growth and enhance the medium- to long-term corporate value of the Subaru Group, SUBARU has determined and published Corporate Governance Guidelines (“Guidelines”) for the purpose of communicating to all its stakeholders SUBARU’s fundamental ideas, frameworks, and management policies relating to corporate governance. SUBARU Board of Directors (“BoD”) periodically analyzes and evaluates BoD effectiveness in accordance with Article 23 of these Guidelines and considers and implements improvements to address any issues identified.

In FYE March 2021, the BoD confirmed efforts to address issues recognized in the previous year, based on monitoring of points raised in the previous year’s evaluation. It also gathered, analyzed, and evaluated views on issues for investigation based on changes in the business environment due to the COVID-19 pandemic. The results of this process are reported below.

Methods of evaluation and analysis

- (1) Timing: January 2021
- (2) Respondents: Directors and auditors (13 in total)
- (3) Process: Self-evaluation using a questionnaire prepared by a third-party body
 - (a) Third-party body conducts anonymous self-evaluation survey of directors and auditors
 - (b) Third-party body aggregates and analyzes responses
 - (c) BoD verifies and discusses report received from third-party body

Corporate Governance | Compliance | Risk Management

(4) Questions:

- I. BoD management structure
- II. BoD oversight function
- III. Shareholder dialogue
- IV. Views on key efforts undertaken this year
- V. Issues for next year onward
- VI. Views on other matters

Respondents evaluated themselves on a four-point scale. They were also free to add their own thoughts on points of excellence relating to the BoD and points requiring enhanced BoD effectiveness, before submitting the questionnaire directly to the third-party body.

Evaluation Results

Based on the report received from the third-party body aggregating and analyzing results, the SUBARU BoD discussed and confirmed the following points:

- As in previous fiscal years, the results confirmed that BoD management entails the conduct of free, open, and sound discussion.
- Points confirmed as strengths in previous evaluations (chairman's leadership, responses to cross-shareholding, and size of BoD) continued to be evaluated highly, confirming that BoD strengths are ongoing.
- Improvements were apparent in overall evaluation of BoD management structure, BoD oversight function, and shareholder dialogue, and decision-making processes and shareholder dialogue were evaluated especially highly across the board.
- However, the report also confirmed expectations that BoD functions could be further improved through deeper discussion of executive compensation system design, including incentive-based compensation, as well as discussion of ways to improve group governance and enhancement of report content. While

acknowledging certain improvements in the evaluation of discussion relating to medium- to long-term management strategy, the report also confirmed the need for qualitative improvements in the future.

Areas previously recognized as problematic where significant progress was acknowledged this year:

- **CEO succession plan**
Developed and announced abilities required of the Subaru Group's CEO and five key qualities required of the CEO.
- **Reinforcing risk identification/management systems**
Established mechanisms ensuring effectiveness by preparing risk maps, identifying risks in each business department, developing codes of conduct, etc., and shared information with the BoD in a timely and appropriate manner.

Issues recognized in the previous fiscal year's evaluation:

- (1) **Enhancing discussion of medium- to long-term management strategy**
The BoD added depth to its discussion of medium- to long-term management strategy by setting agendas for medium- to long-term strategy, including production strategy, IT strategy, and Aerospace Company initiatives, and through reporting on progress towards mid-term management plan goals. With regard to upcoming rapid changes in the operating environment for the automotive business, last year's evaluation pointed out that continuing efforts to bridge the information gap between outside directors and internal directors were required to improve the quality of discussion, and ongoing efforts are being made to address this issue.

(2) **Enhancing discussion of information security systems and sustainability**

With regard to IT strategy including information security systems, the BoD created opportunities for reporting, shared views on issues faced, and conducted ongoing discussion. Last year's evaluation expressed the view that the BoD should exercise leadership and stimulate discussion aimed at utilization of IT and advancement of digital transformation, and the BoD will continue to create opportunities for such discussion in its meetings.

The report recognized steady progress on sustainability, including the establishment and announcement of policies such as the SUBARU Global Sustainability Policy and Human Rights Policy, as well as timely reporting of the efforts of the CSR Committee, which meets twice a year.

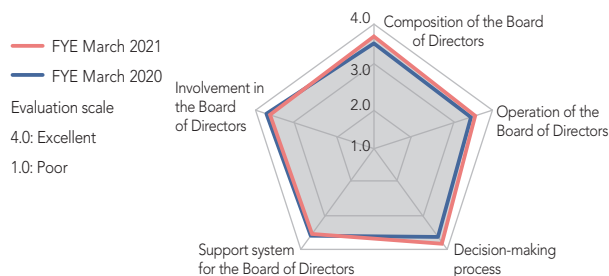
Future Initiatives

The SUBARU BoD will continue to deepen discussion of medium- to long-term management strategy and make efforts to improve the quality of such discussion. It will also create opportunities for discussion of executive compensation system design, including incentive-based compensation, and enhancement of group governance. In doing so, it will strive to maintain and improve BoD effectiveness in the aim of continuing to enhance medium- to long-term corporate value and achieving sustainable growth.

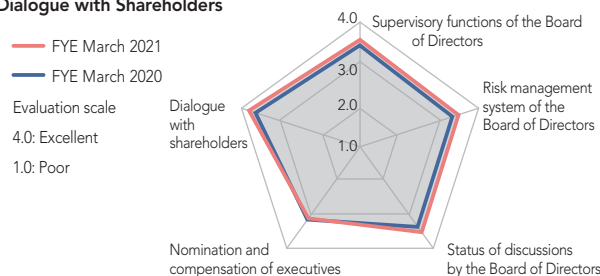
Corporate Governance | Compliance | Risk Management

Results of the Questionnaire

Operational Structure of the Board of Directors



Supervisory Function of the Board of Directors and Dialogue with Shareholders



Evaluation Items

Category		Diagnostic Item		
1. Operational structure of the Board of Directors	(1) Composition of the Board of Directors	Size of the Board of Directors	Composition of the Board of Directors (ratio of inside to outside directors)	Composition of the Board of Directors (diversity and expertise)
	(2) Operation of the Board of Directors	Frequency, length, and time allocation of meetings	Relevance of agenda items	Quality and quantity of documents
		Timing of document distribution	Prior explanation	Content of explanations and reports
	(3) Decision-making process	Leadership by the Chair	Adequate discussion	—
	(4) Support system for the Board of Directors	Environment and systems for the provision of information	Provision of information to outside directors	Training of outside directors
Training of inside directors		—	—	
(5) Involvement in the Board of Directors	Attitude to initiatives	Company-wide perspective	Mutual respect	
	Diverse values	Stakeholder perspectives	—	
2. Supervisory functions of the Board of Directors	(1) Supervisory functions of the Board of Directors	Reporting system	Supervision of corporate management	—
	(2) Risk management system of the Board of Directors	Risk management system	Subsidiary management system	Provision of information and measures to combat risk
		System for managing progress of response measures	Penetration of compliance awareness	—
	(3) Status of discussions by the Board of Directors	Discussion of management strategy	Discussion of capital policy	Discussion of cross-shareholding for policy purpose
Discussion of strengthening governance		Response to social and environmental problems	—	
(4) Nomination and compensation of executives	Composition of the Executive Appointment Committee and Executive Compensation Committee	Cultivating successors	Incentive compensation	
	Dialogue with shareholders	Sharing the views of shareholders and investors	Enhancing dialogue with shareholders and investors	—
3. Dialogue with shareholders	Dialogue with shareholders	Sharing the views of shareholders and investors	Enhancing dialogue with shareholders and investors	—

Internal Control

Management System

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 departments in the organization and to enhance the effectiveness of internal controls.

Internal Control System

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.

Auditing

Auditing by Corporate Auditors

SUBARU has formulated internal rules to ensure the effectiveness of corporate auditors' audits (e.g., Standards for Corporate Auditor's Audit) and developed a whistle blowing system. In this way, the Company established a framework where the corporate auditors can gather information from directors and employees as needed in case of matters that may cause significant damages to the Company, significant violation of laws/Articles of Incorporation, or other significant compliance matters. In addition, the framework ensures smooth performance of corporate auditors' duties by assigning employees independent from directors to support duties of corporate auditors and making them known to all employees.

The Company's corporate auditors attend important meetings including the Board of Directors Meeting, Executive Management Board Meeting, and Risk Management and Compliance Committee meetings, state their opinions as necessary to secure effectiveness of the audit, and take the following measures.

- Check the state of the development and operation of internal control systems by holding regular meetings with the directors and executive officers, and making site visits to major business establishments and affiliated companies.
- Receive monthly reports from the internal audit departments, the legal departments, and the risk management and compliance departments on the state of operation of the whistle blowing system and other matters, as well as receiving reports as needed from departments in charge of managing subsidiaries concerning the state of those subsidiaries.
- Hold meetings with the corporate auditors of major group subsidiaries.

- Meet the accounting auditors quarterly to exchange information and opinions, thereby facilitating their efforts to work together, and hold discussions concerning the appointment of accounting auditors.

The Company has also established a framework that can smoothly process invoices from the Corporate Auditors for expenses arising from performance of their duties.

Internal Auditing

SUBARU has established the Internal Audit Department (13 members) that reports directly to the President as an internal auditing organization and conducts internal audits of business execution at SUBARU and its group companies in and outside Japan from an independent and objective standpoint. At the beginning of the fiscal year, the Internal Audit Department prepares an internal audit plan for the fiscal year that takes into consideration the risks and internal control status of the Group as a whole and systematically implements the plan. The department prepares and distributes to the directors, corporate auditors, and concerned parties audit reports on the results of internal audits. It also reports the results semi-annually at a Board of Directors meeting and quarterly at the joint meeting.

The Internal Audit Department and corporate auditors work to deepen collaboration through monthly internal audit report meetings held by the department and dialogues about internal control. They also share information on a quarterly basis with the accounting auditors. Through this, they endeavor to strengthen the auditing function. In addition, the Internal Audit Department periodically undergoes an evaluation by external experts to confirm that the audit operations are being performed appropriately.

Internal Control System Related to Financial Reporting

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

The President & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) evaluated the status of the development of the internal control system related to financial reporting as of March 31, 2021 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.

Group Governance (Affiliated Companies in Japan)

Affiliated companies will play an ever-greater role in enabling the Subaru Group to survive the automobile industry's epochal transformation once in a hundred years. SUBARU now faces the pressing issue of enhancing the governance of the Group as a whole.

Group Companies

In the Subaru Group, SUBARU's Business Administration Department had administered the businesses of Group companies, while its Group Company Management Department supported the management of the Group companies. To strengthen group governance and enhance the overall strength of the Group, the Subaru Group has promoted the "three-in-one activities," in which each of the Group companies, the Business Administration Department, and the Group Company Management Department worked together and cooperated with each other. In FYE March 2021, the Subaru Group prioritized activities enhancing the effectiveness of group governance, and with reorganizations in April 2021 it updated to a new group collaboration system, taking action to establish a framework for realizing a stronger Subaru Group.

1. Enhancing Effectiveness of Group Governance

In FYE March 2021, with activities restricted due to the COVID-19 pandemic, SUBARU engaged in communications utilizing the Internet (remote environments), participated in important meetings such as those of the Board of Directors of Group companies, and conducted Group company presidents meetings and workshops for newly-appointed directors and corporate auditors. In addition, in order to enhance the effectiveness of company-wide rules that define group

governance, it clarified the decision-making and reporting processes for Group companies and SUBARU.

- Held two group-wide Group company presidents meetings, as well as individual meetings for each Group company. The CRMO and top management of Group companies conducted meaningful dialogues on important topics
- Held newly-appointed directors' workshops (once a year) / corporate auditors' workshops (twice a year), general administration managers' meetings (twice a year)
- 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 by increasing the number of full-time corporate auditors (to 12)
- Promoted the creation of rules related to matters for prior consultation and matters for reporting, in Group companies and SUBARU, in order to ensure the effectiveness of the Subsidiary Management Rules revised in April 2020.

2. Updating to a New Group Collaboration System

As of April 2021, the Group updated the collaboration system between Group companies and SUBARU. By clarifying the role played by the Business Administration Department and enhancing the two-way channels with Group companies, SUBARU will work to further strengthen the group governance system that has had its effectiveness enhanced by three-in-one activities.

- The corporate management function of the Group Company Management Department was unified into the Business Administration Department, and its planning function was transferred to the Corporate Planning Department of the

Corporate Planning Division. This has resulted in a new system designed for total group optimization, whereby the Business Administration Department is responsible for business support and corporate management on a Group company level, while the Corporate Planning Department is responsible for intra-group strategies and project support.

- SUBARU established a corporate management support system for Group companies via the Corporate Function Department.

SUBARU Dealerships

SUBARU dealerships are the company's point of contact with customers. SUBARU is therefore striving to strengthen group governance at its dealerships, believing that getting even closer to the voice of the customer and working with SUBARU dealerships to become an integrated team serving customers is crucial to foster trust on the part of our customers.

1. Management system support

- (1) Deploying directors (part-time) and corporate auditors (all presiding companies)
- (2) Holding periodic training for executives (newly appointed directors, directors in their third year, corporate auditors)

2. Sharing SUBARU's policies with SUBARU dealerships

- (1) Joint and regular meetings of Directors Council of the Group companies and the SUBARU Automobile Dealers Association (twice a year)
- (2) Specialist committee meetings (sales and marketing, used cars, service and parts, general affairs, and IT)
- (3) Internal Audit Department Liaison Committee meeting (twice a year)

Compliance

Our Approach

At SUBARU, compliance is positioned as one of our most important management issues in our Corporate Governance Guidelines. We instill in each employee a strong awareness that thorough group-wide compliance forms the foundation of SUBARU's management, that we must observe all laws and internal regulations relevant to our business activities, that our corporate activities must be executed in manner that is fair and just and in conformance with general social ethics, common sense and standards, and that these principles should be reflected in their actions, create and operate a compliance system/organization, and carry out activities such as providing all kinds of training for these purposes.

[Corporate Governance Guidelines](#)

Rules for Compliance

In striving to enhance its compliance-related initiatives, SUBARU has established various rules related to compliance, including the Company-wide Risk Management and Compliance rules, which stipulate its compliance-related structures, organizations, and enforcement methods.



Compliance Manual



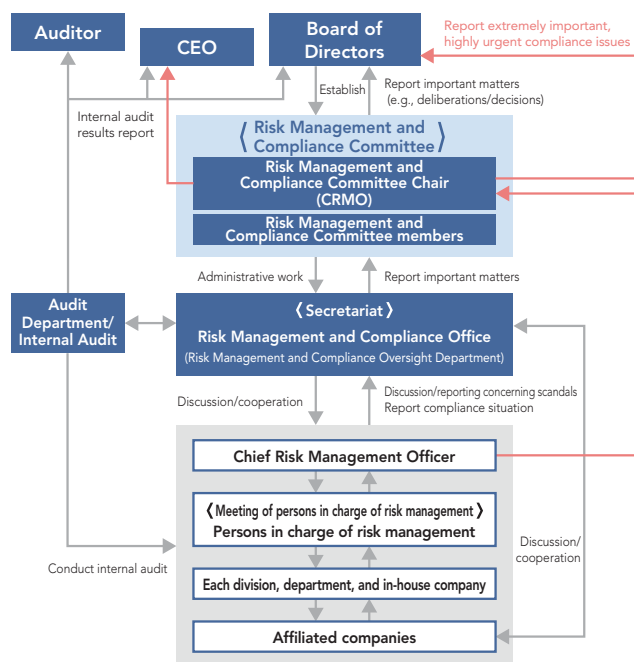
Compliance Manual: Essential Version

Management System

SUBARU has established the Risk Management and Compliance Committee, a company-wide organization designed to promote compliance. This committee deliberates, discusses, decides, and exchanges information on important matters related to risk management. Also, each department formulates their own implementation plan (compliance program) to promote compliance every fiscal year, and moves forward with continuous, systematic independent activities.

In FYE March 2021, the Chief Risk Management Officer (CRMO), Director, and Executive Vice President served as chair of this committee, with the Risk Management and Compliance Office serving as its secretariat. Under the chair's direction, the committee executed global and group-wide compliance initiatives, with these activities regularly reported to the Board of Directors.

Compliance System



Compliance Hotline

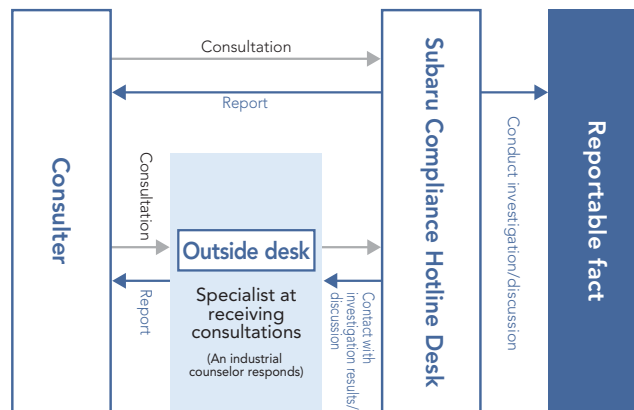
When regular and temporary employees of the Subaru Group detect a problem related to compliance in the group, they can consult with the Hotline Desk by using the Compliance Hotline. Based on the relevant regulations, the Hotline Desk is where employees affiliated with the Risk Management and Compliance Office directly receive mail, telephone calls, and e-mail, investigate facts, and provide response. We have also established a desk outside the company staffed by external specialists to increase the hours in which service is available and to increase the confidentiality of those contacting the desk.

For consultations, Risk Management and Compliance Office General manager play a central role in investigating the facts of each situation and, subsequently, working to resolve issues promptly. Also, it reports to the proper management members and the Risk Management and Compliance Committee, working toward preventive measures.

There were 236 consultations in FYE March 2021, the details of which are outlined in the table to the right.

Through initiatives to raise awareness of this system (see Initiatives, on the right), SUBARU has worked to foster mindsets for its proactive use and to improve awareness of compliance. This has led to more openness to consulting even about trivial matters, and more transparency about the system's operation, leading to an increase in the number of consultations.

Compliance Hotline (Consultation and resolution procedure)



Breakdown of Compliance Hotline Consultations and Trend Over Time

	2017	2018	2019	2020	2021
Workplace environment	2	10	13	14	7
Labor related	14	49	78	68	65
Interpersonal relationships, harassment	26	58	75	84	107
Other compliance-related issues (Work violations, suspicion of wrongdoing, etc.)	18	46	33	50	57
Total	60	163	199	216	236

(FYE March)

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 Group employees organized by our Legal Department, Risk Management and Compliance Office, and human resource and education departments.

Also, each department and affiliated company creates their own unique education plan based on their compliance program, supplemented with study groups on important laws related to their work and compliance enlightenment training.

In FYE March 2021, SUBARU explored and promoted the introduction of new training content and methods, such as moving to online-based compliance training, in light of work environment changes due to COVID-19. In FYE March 2022, it will continue to strive toward building more effective training content and methods.

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.

In addition, we are making efforts for the timely report of highly urgent information and to call the entire Group's attention to such matters.



Compliance training (Gunma Plant)



Compliance Hotline card

Bribery Prevention

SUBARU considers the prevention of bribery related to its businesses to be an important issue, and has established the Company-wide Bribery Prevention rules, as well as rolled out the Bribery Prevention Guidelines (Japanese and English) to the entire Subaru Group. The guidelines clarify the conduct required of employees and executives by explaining prohibited and non-prohibited acts particularly when coming in contact with government workers. 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 (Japanese and English versions) issued

to domestic and overseas companies. We not only require proper conduct regarding bribery to government workers, but also pursue thorough fairness in transactions with private-sector customers and partners.

Under the monitoring system for bribery prevention, SUBARU collects information to ascertain the presence of cases that may constitute compliance violations through company-wide compliance activities, its whistleblowing system, and other channels. It also strives to use actions like internal audit departments' business audits to detect cases early. Furthermore, SUBARU has established a system to report high-risk cases to the Risk Management and Compliance Committee and the Board of Directors, in an effort to strengthen oversight.

Security Trade 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).

We have regulations for the purpose of appropriate management of the entire group. Also, the Export Control Committee is a body that meets at least once a year to deliberate on Group-wide initiatives. It is comprised of executives from all departments involved in exports, chaired by the director in charge of the Legal Department.

With the goal of improving the level of its management, SUBARU also promotes PDCA cycles, including review of related rules, with a focus on the following initiatives.

- Export controls utilizing IT systems (in FYE March 2021, all

export-related departments have begun using these systems)

- Utilization of proprietary checklists in accordance with relevant regulations and on-site voluntary inspections

Enactment of the Tax Policy

SUBARU 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.

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 societal 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 fulfils 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.

Risk Management

Our Approach

SUBARU 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 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.

Management System

To prevent the emergence and expansion of risks to the Subaru Group, the CRMO (Chief Risk Management Officer) 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 & Compliance Committee. This committee is chaired by the Chief Risk Management Officer (CRMO), and its vice-chairperson is the Vice President in charge of the duties of the Risk Management Group, comprised of the Risk Management & Compliance Office and the Legal Department. At this committee,

members deliberate, discuss, make decisions, and exchange/communicate information on important matters.

The CRMO leads corporate group-wide efforts to enhance risk management with professional support from experts in company-wide shared corporate operations departments, such as the Risk Management & 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. Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

Risk Management System



Risks Associated with Business Activities

At the Subaru Group, we extract and identify key risks associated with our business activities and consider measures to combat them.

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) Information network security
- (11) Compliance
- (12) Stakeholder communication
- (13) Respect for human rights
- (14) Secure and train human resources
- (15) Climate change

Risk of regulations and events in various countries that impact other business activities

- (16) Political, regulatory and legal procedures in various countries that impact business activities
- (17) Impact of disasters, war, terrorism, infections, etc.

Risk Management Initiatives

Risk management initiatives for times of normalcy conducted by the Risk Management & Compliance Committee in FYE March 2021 included the establishment of the group-wide Risk Management Policy and preparation of a company-wide Risk Map that summarized priority issues, based on the conditions surrounding SUBARU and the nature of its business, in consideration of the size of losses that could occur when such risks emerge. While prioritizing responses to high-impact matters, SUBARU has also promoted risk management optimized for the entire Company by having each department establish its own Risk Management Code of Conduct and combining these codes with everyday risk management tasks.

With regard to emergency responses, SUBARU established the "Coronavirus Countermeasure Headquarters" in February 2020 as a response to COVID-19. This organization collects and shares relevant information inside and outside the Company, responding in a timely and appropriate fashion by identifying the roles of each stakeholder in emergency situations and reviewing the effectiveness of responses in these situations.

In addition, amid the prolonged COVID-19 pandemic, relevant departments have worked closely together to enable a rapid shift toward alternate work arrangements in the new normal.

Crisis-level Risks

Among the various types of risk we face, SUBARU calls those risks that are particularly dangerous to our business operations and that SUBARU cannot handle through regular decision-making channels "crisis-level risks" and categorizes them as follows: natural disaster, accident, internal human factors, external human factors, social factors (domestic, overseas), and compliance. SUBARU is creating various manuals for dealing with each of these types of emergencies.

BCP

At SUBARU, the Risk Management & Compliance Office plays a pivotal role in establishing regulations related to BCPs*. During emergencies, the Office centrally grasps group-wide information, establishing a system to manage company-wide response. Specifically, with a focus on initial response, crisis management headquarters are set up immediately with the occurrence of a serious incident and a response system is quickly and accurately developed in line with the basic policy of our Emergency Response Policy. This leads to the swift achievement of business restoration and contributes to business continuity. In addition, during normal times we work to enhance the speed and accuracy of risk recognition and identification to the best of our ability by clarifying the roles of each department and the domain of management responsibilities. In conjunction with this, we are regularly preparing and updating manuals and are implementing training. Furthermore, each business site works to enhance its own BCP, including specifying key operations, establishing an emergency contact system, and developing a telework system. While closely collaborating with company-wide shared corporate operations departments, SUBARU is implementing measures to accurately and speedily carry out business continuity and early restoration of operations.

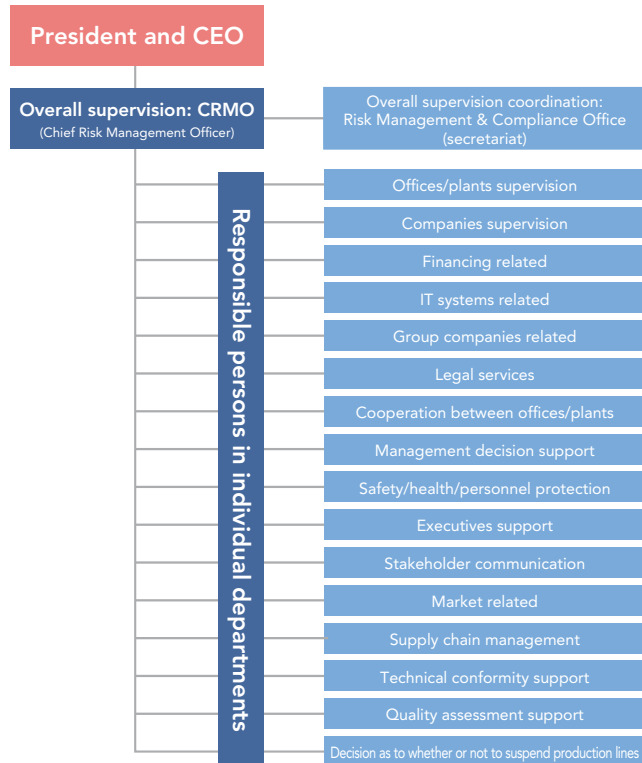
*Abbreviation for Business Continuity Plans.

Corporate Governance | Compliance | Risk Management

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.

Coronavirus Countermeasure Headquarters



Gunma Plant

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 m² 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

In FYE March 2018, SUBARU conducted work to bolster storm water drainage capacity as a disaster response countermeasure. As a result, the plant has suffered no flood damage. The measures also helped to combat flooding of the surrounding area.

In FYE March 2020, 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, in March 2020, SUBARU introduced a cogeneration system that can generate electricity using city gas even during lengthy power outages at the plant, and it will continue



Flood prevention measure (drainage grid) (Utsunomiya Plant)

to take disaster countermeasures at the site, ensure the safety of employees, and establish cooperation with the local community.

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.

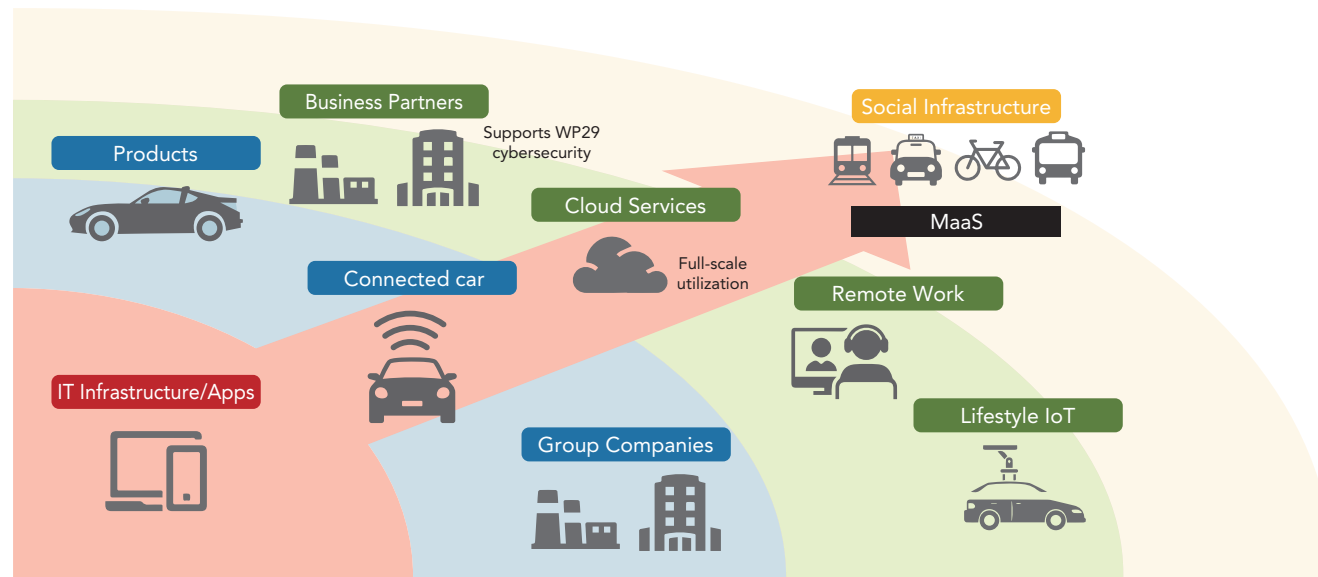
Going forward, SUBARU aims to derive and strengthen its own unique BCP vision.

Information Security

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,

Scope of Information Security for the Subaru Group



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 have established the Basic Cybersecurity Policy, undertaking information security protection activities group-wide.

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 information security measures tailored to our information assets and strive to prevent and minimize information security incidents. Should such an incident occur, SUBARU will address it swiftly and appropriately, taking steps to prevent recurrence.
4. The Subaru Group will strive to ensure information security by providing both executives and employees with education and training, as well as undertaking other efforts to raise their awareness of this issue.
5. The Subaru Group will continually review and strive to improve the aforementioned activities.

Initiatives

In FYE March 2021, SUBARU conducted e-learning and video training programs based on cybersecurity management system documents drafted in the previous fiscal year in the three domains of In-Car (interior systems), Out-Car (exterior systems) and information systems.

Objective: Promote understanding of cybersecurity and mitigate practical security risks

Program Details: Education on internal rules requiring compliance in each of three domains

Course Participants: For In-Car system developers: Approx. 700

For general employees related to information systems: Approx. 3,100

SUBARU also conducted targeted attack email drills and security incident scenario training for incident response teams.

Internal audits based on this management system are now regularly carried out and will continue to be in the future.

Personal Information Protection Initiatives

SUBARU, in conjunction with the enactment of the Act on the Protection of Personal Information, undertook various initiatives, including establishing internal systems and rules, and publicly disclosing its privacy policy. Moreover, Group companies in Japan and overseas have begun to build a management system to properly use personal information.

In FYE March 2021, SUBARU implemented the following key initiatives in response to the Act on the Protection of Personal Information.

- Training for all departmental and office general managers concerning the Act on the Protection of Personal Information (138 employees took part via e-learning)
- Identification of management issues by taking stock of personal information held by all departments
- Confirmation of a check sheet on the status of compliance with related internal rules at all departments and the implementation of a continuous PDCA cycle
- Revision of relevant internal rules with the aim of improving company-wide governance
- Formulation of privacy policy for telematics services for the Japanese market
- Cookie policy revisions based on the 2020 revisions of the Act on the Protection of Personal Information

In addition, we are working to ensure compliance with laws and regulations by having SUBARU dealerships in Japan that handle large amounts of customer personal information take similar initiatives and report cases on an ad-hoc basis to SUBARU.

Furthermore, in compliance with Japan's Act on the Protection of Personal Information, the Subaru Group has built a system to conform with the EU's General Data Protection Regulation (GDPR).

Intellectual Property Protection Initiatives

Our Approach

SUBARU, after identifying its strengths and weaknesses, has put together a vision for SUBARU's intellectual property activities with aims to achieve the brand management outlined in its mid-term management vision "STEP." 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, Subaru will dedicate ourselves to creating intellectual properties that originate from the market and appropriately manage its 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

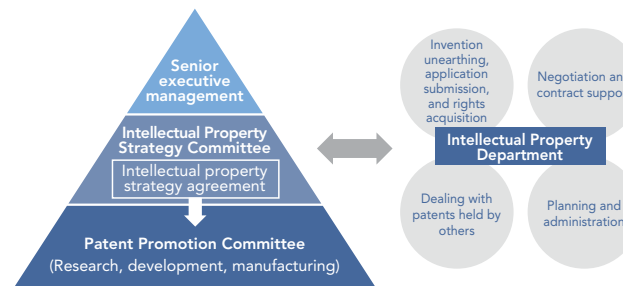
* In combination with market information on intellectual properties, analyzes the business environment and support strategic plans

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.

1. Business activities that respect intellectual property
2. Management and effective utilization of intellectual property
3. Handling lawsuits
4. The SUBARU corporate brand logo

Management System

Intellectual Property Promotion System



Initiatives

At SUBARU, the Intellectual Property Department manages, protects, and utilizes intellectual property rights belonging to SUBARU and also implements internal activities that aim to avoid infringing on the intellectual property rights of others. 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 IP 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 protection measures at borders for oversight and taxation of online sales, toward achievement of the SDGs
5. Secure intellectual properties, ownership of data and user rights in technology and business contracts
6. Support the management, protection and utilization of

intellectual property by each Subaru Group company based on the Subaru Group's Basic Intellectual Property Policy

* Please refer to the following for the relationship between achievement of the SDGs and crackdowns on counterfeit goods.

[Combating Counterfeit Goods and the SDGs: A Ministry of Economy, Trade and Industry Document \(Japanese version only\)](#)

Awareness Activities

At SUBARU, the Intellectual Property Department works with each Subaru Group company, regularly taking the following awareness 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 (in FYE March 2021, programs were held remotely due to the spread of COVID-19; remote programs are to continue into FYE March 2022, with efforts made to enhance content and offer on-demand content)
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 other parties and securing patent clearance

Other Matters for Reporting

SUBARU is a participant in the Open COVID-19 Declaration initiative with the objective of preventing the spread of COVID-19, and has declared that it will not exercise SUBARU's intellectual property rights with regard to activities with the purpose of ending the spread of COVID-19.

[News Release on Participation in the Open COVID-19 Declaration \(Japanese version only\)](#)

[Details on the Open COVID-19 Declaration \(Japanese version only\)](#)

Appendix

- 151 Corporate Overview
- 155 Third-party Evaluations
- 156 Third-party Opinion on the SUBARU Sustainability Report



Corporate Overview

Corporate Overview (As of March 31, 2021)

Company Name	SUBARU CORPORATION
Established	July 15, 1953
Head Office	Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo 150-8554
Paid-in Capital	153,795 million yen
Number of Employees	16,478 (consolidated: 36,070) (excluding executive officers, advisors and dispatches)
Main Businesses	
Automotive Business:	The manufacture, repair and sales of passenger cars and their components
Aerospace Company:	The manufacture, repair and sales of airplanes, aerospace-related machinery and their components
Number of Affiliates	95 (87 subsidiaries, 7 affiliated companies, and 1 other affiliated company)

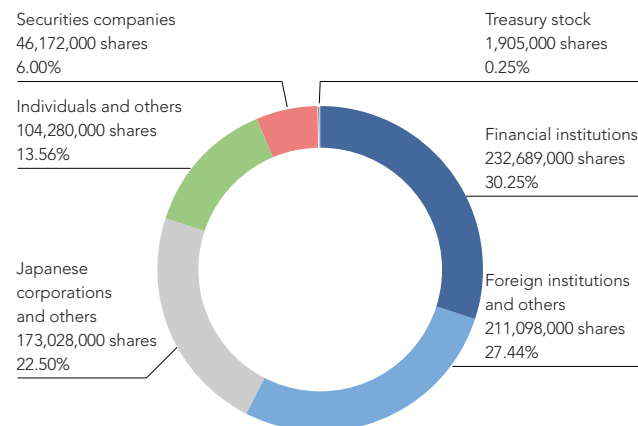
Website Addresses

Corporate website:
<https://www.subaru.co.jp/en/>

Stock Information (As of March 31, 2021)

Number of Shares Authorized	1,500,000,000 shares
Number of Shares Issued	769,175,873 shares
Number of Shareholders	151,367 shareholders
Number of Shares per Trading Unit	100 shares
Stock Exchange Listing	Tokyo Stock Exchange (1st Section)
Securities Code	7270
Transfer agent and account management institution of special accounts	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo 103-8670, Japan Tel: 0120-288-324 (toll free)
	Scheduled to move to the following address after November 22, 2021 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan

Breakdown of Shareholders



Membership of Industry Bodies

Keidanren (Japan Business Federation)
Japan Automobile Manufacturers Association, Inc. (JAMA)
The Society of Japanese Aerospace Companies (SJAC)
Japan Aircraft Development Corporation (JADC)

SUBARU strives to enhance collaboration with external institutions in order to fulfill its social responsibilities. Among them are Keidanren, JAMA, SJAC, JADC and other industry bodies and administrative bodies, as well as local communities in which our business sites are located.

Major Shareholders

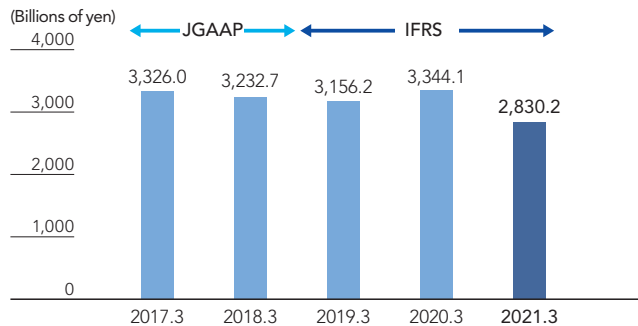
Name	Number of Shares Held (in thousands)	Percentage of Total Shares Held
Toyota Motor Corporation	153,600	20.02
The Master Trust Bank of Japan, Ltd. (trust account)	70,978	9.25
Custody Bank of Japan, Ltd. (trust account)	37,175	4.85
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	13,959	1.82
BNYM TREATY DTT 15	11,200	1.46
MIZUHO SECURITIES ASIA LIMITED - CLIENT A/C	10,165	1.32
Mizuho Bank, Ltd.	10,078	1.31
Nippon Life Insurance Company	9,511	1.24
STATE STREET BANK WEST CLIENT - TREATY 505234	9,174	1.20
SUBARU Business Partners Shareholding Association	9,010	1.17

*1 Number of shares held is rounded down to the nearest thousand shares.

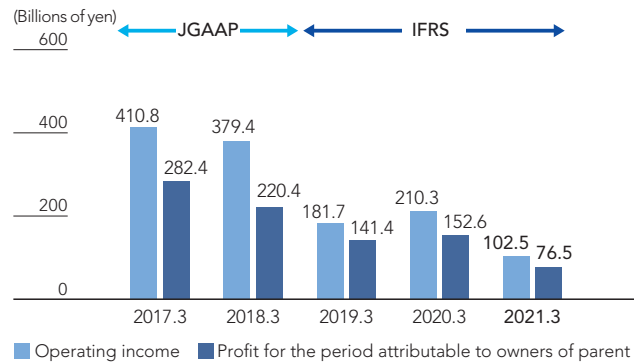
*2 The percentage of total shares held is calculated based on the number of shares excluding treasury stock of 1,905,130 shares.

Financial Highlights

Revenue



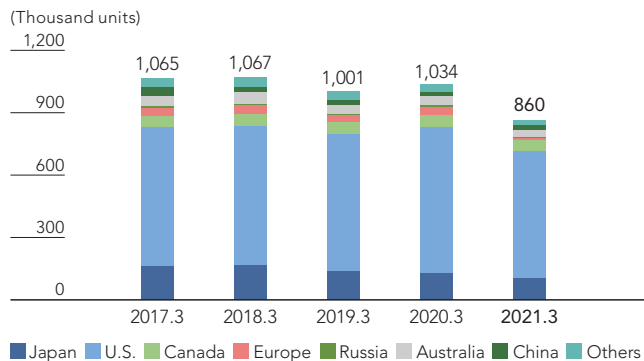
Operating Income Profit for the Period Attributable to Owners of Parent



Business Segments and Scope of Consolidation

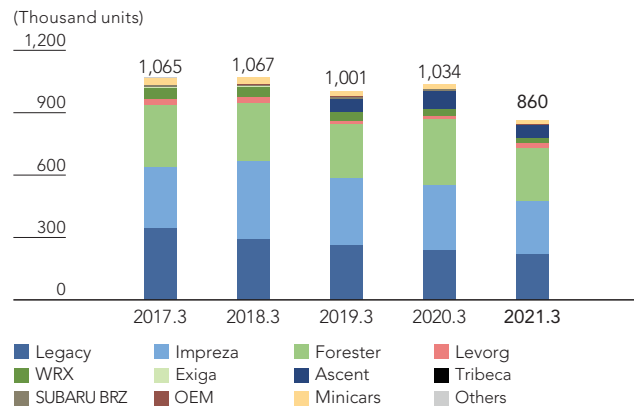
The Subaru Group consists of three business segments: the core Automotive Business Unit, the Aerospace Company, and Other Businesses consisting of businesses that do not belong to either of the other two segments. In the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021), SUBARU CORPORATION 73 subsidiaries, and 10 equity-method affiliated companies were included in the scope of consolidation.

Consolidated Automobile Sales by Region



* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

Consolidated Automobile Sales by Model

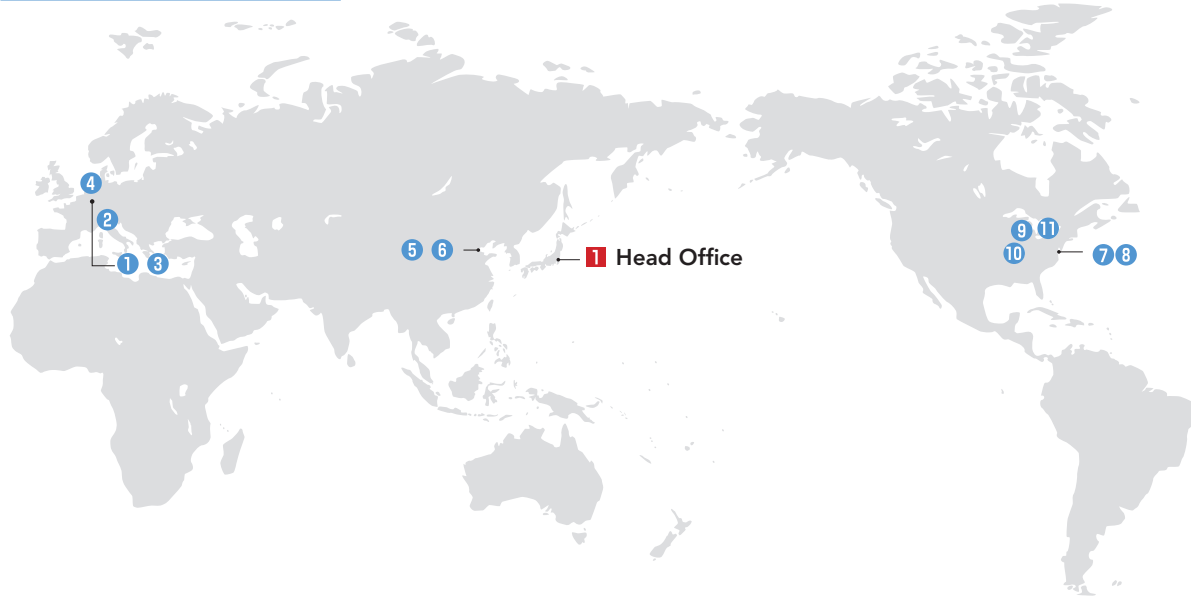


* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

Global Network

Global Network

Main Overseas Business Sites



- 1 Subaru Europe N.V./S.A.
- 2 Subaru Italia S.p.A.
- 3 N.V. Subaru Benelux
- 4 Subaru Vehicle Distribution B.V.
- 5 Subaru of China Ltd.
- 6 Subaru Technology Beijing Co., Ltd.

- 7 Subaru of America, Inc.
 - 8 North American Subaru, Inc.
 - 9 Subaru Research & Development, Inc.
 - 10 Subaru of Indiana Automotive, Inc.
 - 11 Subaru Canada, Inc.
- Production Models* : Legacy, Outback, Impreza, and Ascent

Domestic Business Sites

Main Domestic Business Sites

Automotive Business Unit

Plant	Production Models and Parts
Gunma Plant	Levorg, Impreza, SUBARU XV, WRX, and SUBARU BRZ
Yajima Plant	Legacy, Outback, Impreza, SUBARU XV, and Forester
Oizumi Plant	Automobile engines and transmissions

Aerospace Company

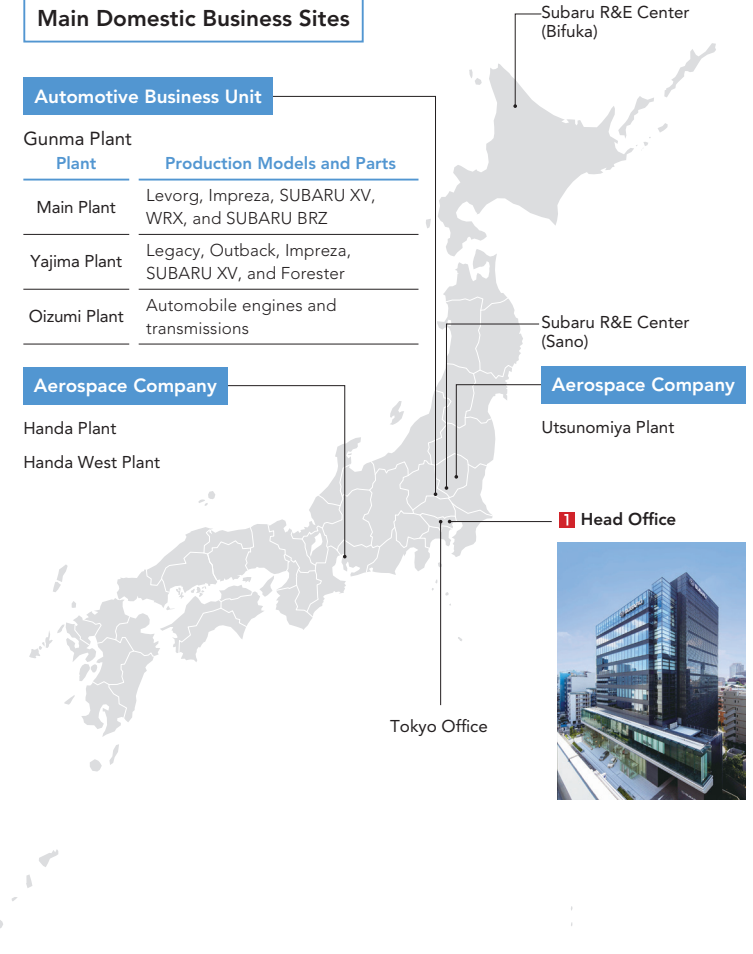
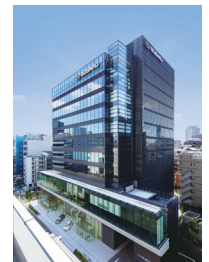
Handa Plant
Handa West Plant

Aerospace Company

Utsunomiya Plant

1 Head Office

Tokyo Office



Product Lineup

Automotive Business

ASCENT

(Exclusively for North America)

SUV

Unit sales: 71,000

Sales region: North America



LEVORG

Sports / Wagon

Unit sales: 14,000

Sales regions: Japan, Europe, Australia, and other



OUTBACK

SUV

Unit sales: 180,000

Sales regions: Japan, North America, Russia, Europe, Australia, China, and other



Photo: North American model

WRX

Sports / Sedan

Unit sales: 32,000

Sales regions: Japan, North America, Russia, Australia, and other



FORESTER

SUV

Unit sales: 266,000

Sales regions: Japan, North America, Russia, Europe, Australia, China, and other



SUBARU BRZ

Sports / Coupe

Unit sales: 5,000

Sales regions: Japan, North America, Europe, Australia, China, and other



Photo: Prototype

SUBARU XV

(North America: CROSSTREK)

SUV

Unit sales: 186,000

Sales regions: Japan, North America, Russia, Europe, Australia, China, and other



IMPREZA

Wagon · Sedan

Unit sales: 71,000

Sales regions: Japan, North America, Russia, Europe, Australia, and other



LEGACY

Sedan

Unit sales: 32,000

Sales regions: Japan, North America, Russia, Europe, Australia, China, and other



Photo: North American model

OEM models

JUSTY



CHIFFON



STELLA



PLEO+



SAMBAR VAN



SAMBAR TRUCK



Unit sales: 23,000

Sales region: Japan (OEM supply from Daihatsu Motor Co., Ltd.)

Aerospace Company



SUBARU BELL 412EPX (left)
UH-2 for JGSDF (right)



Center Wing Section of Boeing777X



IR-Sensor system integration with Optionally Piloted Vehicle

* Retail unit sales in each region in the period from January 1, 2020 to December 31, 2020.

Third-party Evaluations

SUBARU CORPORATION Selected for First Time as Constituent of "FTSE Blossom Japan Index"

SUBARU has been selected for the first time as a constituent of the "FTSE Blossom Japan Index" created by the global index provider FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group. Designed to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices, the FTSE Blossom Japan Index is utilized as important criteria by investors worldwide who focus on companies' ESG activities and is used by a wide variety of market participants to create and assess sustainable investment funds and other products. The index has been adopted as a core ESG benchmark by the Government Pension Investment Fund (GPIF) of Japan, the world's largest public pension fund. SUBARU developed the Subaru Group's Six Priority Areas for CSR in working to achieve the goal of becoming a company "delivering happiness to all" as defined in its mid-term management vision "STEP." The Company is proceeding with CSR activities while sharing that intention group-wide and globally under the SUBARU Global Sustainability Policy.



**FTSE Blossom
Japan**

SUBARU named to CDP's prestigious Supplier Engagement Leaderboard

SUBARU has been named for the first time to the Supplier Engagement Leaderboard by international non-profit organization CDP*, as one of the top-rated companies in the organization's 2020 Supplier Engagement Rating. The CDP Supplier Engagement Rating scores efforts against climate change in the overall supply chain of companies that answer the CDP climate change questionnaire. Companies are assessed based on responses to questions in the four areas of governance, targets, Scope 3 emissions, and supplier engagement and on their overall CDP climate change score. The top 7% (396 companies) of the assessed companies around the world were selected to the 2020 Leaderboard. While SUBARU's supplier selection criteria include compliance with the "SUBARU Green Procurement Guidelines," new suppliers are further required to formulate an environmental management system. Furthermore, SUBARU holds "Policy Briefings" in an effort to share with suppliers our mid- to long-term management strategies and our quality, procurement, production, and sales policies. In this way, SUBARU is constantly striving to appropriately communicate with our suppliers and advance efforts to deal with climate change together.



* CDP is a global non-profit charity that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources, and protect forests. CDP runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

[CDP's global website](#)

Third-party Opinion on the SUBARU Sustainability Report



Mr. Keisuke Takegahara

Executive Fellow, Research Institute of Capital Formation,
Development Bank of Japan Inc.
General Manager
Head of Research Center on Financial Economics

Profile

Graduated from Hitotsubashi University Faculty of Law in 1989 and joined the Development Bank of Japan in the same year. After appointments as Chief Representative for the Frankfurt Office, Head of the Environmental and CSR Department, Head of the Economic & Industrial Research Department, and Executive Officer and Deputy Chief Research Officer of the Industrial Research Division, he was appointed to his current position in 2021.

He has been working for many years in the fields of environmental finance planning and industrial research, including the creation of the DBJ's environmental ratings-based financing program. At present, he holds many public posts, including as a temporary member of the Ministry of the Environment's "Central Environmental Council" and a temporary member of the Ministry of Economy, Trade and Industry's "Industrial Structure Council." His many other accomplishments include writing third-party opinions for CSR reports and giving lectures on materiality analysis, ESG and SDGs. He has also co-authored works including "Renewable Energy and New Growth Strategy" (Energy Forum 2015), and "How to Tackle Climate Change Risk" (coauthored with the Kinzai Institute for Financial Affairs, Inc., 2014).

As its new name suggests, Sustainability Report 2021 has transitioned from an in-depth and comprehensive report on CSR to one that conveys the significance of various activities in an encompassing format that leads to value creation for the Group. It retains its two-part structure with an introduction that provides an overview of CSR activities and a progress report on a wide range of initiatives. However, the report has taken a new approach and places greater emphasis on the introduction.

The first standout feature is the revamped CSR concept diagram of the Subaru Group's CSR. The value creation model for a company "delivering happiness to all" set forth in the mid-term management vision "STEP" has the Six Priority Areas for CSR created by multiplying the three STEP priorities, emphasizing the unity between CSR and business. In particular, the focus on the importance of human capital in terms of "individual growth" indicates SUBARU's emphasis on employee involvement, which I will discuss below.

The Message from the President makes a strong impression – clearly stating that the essence of SUBARU-ness lies in both resolving social issues and achieving growth by leveraging the strengths of SUBARU's businesses. The discussion of SUBARU's commitment to zero fatal road accidents with technologies such as EyeSight in advance of the Japanese government's green growth strategy and of the issue of achieving carbon neutrality in 2050 through a medium- to long-term product strategy centered on electrification technology adds depth to a specific and detailed explanation of SUBARU-ness as a differentiating factor.

The flow of the introduction, including the section on the CSR promotion organization and highlights from the Six Priority Areas for CSR, is smooth and makes SUBARU's approach to value creation easy to understand. The presentation of the scalability and flexibility of SUBARU's concept of the Six Priority Areas for CSR is particularly impressive. While the term

materiality is not used, the Six Priority Areas for CSR are clearly key issues for the Subaru Group. The current debate on materiality concerns the relative merits of focusing on issues that directly impact the sustainability of business models, mainly with investors in mind, versus anticipating the impact of a wide range of social issues. Responding flexibly to changes in the external environment instead of thinking rigidly is preferable, and SUBARU's approach of adjusting component themes embodies dynamic materiality. Examples that demonstrate the latest initiatives include the addition of "enhancing and strengthening the Group's teleworking environment" and "community support activities in the event of a disaster or pandemic" to the themes of empathy and coexistence, and the addition of "respecting the human rights and diversity of all people" and "acquisition of new knowledge by proactively recruiting people from outside the SUBARU Group" to diversity.

These components of the introduction alone could be the core content of an Integrated Report. Since SUBARU is transforming its Annual Report into an Integrated Report, the changes above represent the transformation of Subaru Group disclosure.

The discussion of CSR activities in the latter part clearly shows the attitude of steadily promoting effective initiatives. In particular, "Environment Action Plan 2030" lays out milestones for the long-term vision for 2050 that demonstrates SUBARU's leadership as an automobile manufacturer, with a superbly structured presentation of its strategy for transitioning to carbon neutrality, fleshed out with reference to specific products. At the same time, the perspective on both risks and opportunities is realistic and convincing, including recognition that overall profitability both upstream and downstream places limits on the deployment of electrification technology, and the attitude of emphasizing the added value of SUBARU-ness even with electric vehicles. In addition, SUBARU has made steady progress in its

recent efforts to promote human rights, and executes well-defined due diligence for human rights and has conducted training on “business and human rights” for all employees in relevant departments. As with quality issues, SUBARU displays a conscientious commitment to employee involvement in new challenges and the high level of awareness that enables that. SUBARU is focusing on diversity and creating a more diverse organization, and would do well to emphasize this unseen strength at some point.

As mentioned above, SUBARU’s disclosure system is likely to change significantly in the future, so I would like to share three suggestions for SUBARU to consider in connection with that. The first is a structural technique for efficiently conveying the vast amount of information in latter parts to readers. I would suggest aligning information in latter parts with the Six Priority Areas for CSR to seamlessly guide readers from the first part to related content. Next, I would once again suggest a more systematic disclosure of human capital, which was emphasized in value creation as “individual growth.” The progress of SUBARU’s initiatives in this area are readily apparent, as evidenced by the “Subaru Health Declaration,” but disclosure should go a step further and focus on the quality of human capital. Similarly, I would like to ask SUBARU to continue considering the appropriateness of KPIs for managing progress in the Six Priority Areas for CSR.

The disclosure of sustainability information has entered a new stage with the transition to an Integrated Report, and I look forward to further evolution in the future.

Response to the Third-Party Opinion

Thank you for your opinion concerning our Sustainability Report 2021.

We upgraded our existing disclosure system in FYE March 2022. Sustainability Report is the new name for our former CSR Report, and our integrated report is its core. The Subaru Group will fulfill its social responsibilities as it works to earn the trust of society. Aiming for sustainable growth, we will more clearly communicate our desire to contribute to a happy and sustainable society.

In addition, the Subaru Group aims to deliver happiness to all by evolving the value we provide in the form of “Enjoyment and Peace of Mind” to help achieve a happy and sustainable society. We would like all stakeholders to deepen their understanding of the Subaru Group’s unchanging values, its strengths, and the business model that backs our ideals, and we have formulated a new value creation diagram that includes financial and non-financial elements to tell our story of long-term value creation. It appears in this report as a conceptual diagram titled “Subaru Group’s CSR” and shows that employee growth will be the driving force of the Subaru Group’s CSR initiatives in tandem with the mid-term management vision “STEP.” We have also incorporated the idea of developing people who can think and act on their own in response to various changes. This has included introducing a new personnel system that actively supports people who take on challenges.

The Subaru Group is promoting the Six Priority Areas for CSR globally, centered on the SUBARU Global Sustainability Policy formulated in April 2020, and we are inculcating the relevant ideas and mindset throughout the Group. Therefore, we do not need to deepen the Six Priority Areas for CSR as a discussion of materiality, and each employee can take a bird’s-eye view of how their work impacts society and Group profits. Thus, we are enhancing our ability to flexibly respond to contemporary issues from the perspective of the Six Priority Areas for CSR.

I am encouraged that you evaluated SUBARU as providing easily understood information about the development of its information disclosure system and the thoughts and initiatives related to the Subaru Group’s value creation. In addition, I am pleased that you think we have a specific and detailed message about the pursuit of SUBARU-ness when it comes to improving safety performance through the next-generation EyeSight, aiming for zero fatal traffic accidents* in 2030 and strengthening our dynamism while working to achieve carbon neutrality in 2050.

On the other hand, you gave us suggestions for the future, such as examining the appropriateness of KPIs, more systematic disclosure of human capital, and structural ideas for efficiently transmitting vast amounts of information. While discussing goals and plans within the PDCA cycle, we will enhance the quality of information provision including the progress of the new personnel system. We will also improve the information disclosure system to facilitate reader understanding and access to the report.

The Subaru Group wants to deliver happiness to all. We want to make our customers smile, and we also want to make our stakeholders, society, and the entire planet smile. It has been some time since it was first said that the automobile industry is in the middle of a once-in-a-hundred-year transformation. While this is a period of major change, we will continue to take feedback from our stakeholders seriously and actively promote CSR initiatives with SUBARU-ness at the center.

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

Tomomi Nakamura
Representative Director of the Board, President and CEO
SUBARU CORPORATION

GRI Content Index/ TCFD Content Index

159 GRI Content Index
177 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 Report 2021, 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	Reporting Requirements	Corresponding Sections
GRI 102: General Disclosures 2016			
1. Organizational Profile			
102-1	Name of the organization	a. Name of the organization.	→ Corporate Overview
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	→ Product Lineup
102-3	Location of headquarters	a. Location of the organization's headquarters.	→ Corporate Overview
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	→ Global Network
102-5	Ownership and legal form	a. Nature of ownership and legal form.	→ Corporate Overview
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	→ Global Network
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	→ Employee Data → Corporate Overview → Financial Highlights
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	→ Employee Data
102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	-
102-10	Significant changes to the organization and its supply chain	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	N/A

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	<ul style="list-style-type: none"> → Acquisition of External Certification for Environmental Management Systems → Occupational Health and Safety → Green Procurement Guidelines → Information Security → Intellectual Property Protection Initiatives
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	
2. Strategy			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	→ Subaru Group's Six Priority Areas for CSR
3. Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	→ SUBARU's Vision - Delivering happiness to all -
102-17	Mechanisms for advice and concerns about ethics	a. A description of internal and external mechanisms for: <ul style="list-style-type: none"> i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity. 	→ Compliance Hotline
4. Governance			
102-18	Governance structure	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	<ul style="list-style-type: none"> → Corporate Governance>Management System → Directors, Auditors, and Executive Officers → Environmental Risk Management System
102-19	Delegating authority	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	→ Environmental Risk Management System
102-20	Executive-level responsibility for economic, environmental, and social topics	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	→ Environmental Management
102-21	Consulting stakeholders on economic, environmental, and social topics	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	-
102-22	Composition of the highest governance body and its committees	a. Composition of the highest governance body and its committees by: <ul style="list-style-type: none"> i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation. 	→ Corporate Governance>Management System
102-23	Chair of the highest governance body	a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	<input type="checkbox"/> Corporate Governance Report P.5 II Status of corporate governance system including organization of management pertaining to management decision-making, business execution, and oversight (Japanese version only)

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: <ul style="list-style-type: none"> i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered. 	<ul style="list-style-type: none"> ☐ Annual Securities Report and Internal Controls Report for the 90th Period P54 [Compensation for Directors] (Japanese version only)
102-25	Conflicts of interest	<ul style="list-style-type: none"> a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures. 	→ Preventing Conflicts of Interest
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. 	→ CSR Promotion System
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics. 	<ul style="list-style-type: none"> → Executive Training → Compliance>Initiatives>Training
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice. 	→ Effectiveness Evaluation of the Board of Directors
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities. 	–
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics. 	→ Risk Management>Management System
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities. 	→ Environmental Management System
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered. 	–
102-33	Communicating critical concerns	<ul style="list-style-type: none"> a. Process for communicating critical concerns to the highest governance body. 	–
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns. 	N/A
102-35	Remuneration policies	<ul style="list-style-type: none"> a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics. 	→ Executive Compensation
102-36	Process for determining remuneration	<ul style="list-style-type: none"> a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization. 	→ Executive Compensation

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
102-37	Stakeholders' involvement in remuneration	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	<input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.54 [Compensation for Directors] (Japanese version only)
102-38	Annual total compensation ratio	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-
102-39	Percentage increase in annual total compensation ratio	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-
5. Stakeholder Engagement			
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	→ Stakeholder Engagement
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	→ Labor-Management Communication
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	→ Stakeholder Engagement
102-43	Approach to stakeholder engagement	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	→ Stakeholder Engagement
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	-
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	→ Global Network
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	→ Process of Identifying the Six Priority Areas for CSR
102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	→ Subaru Group's Six Priority Areas for CSR
102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	N/A
102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	N/A
102-50	Reporting period	a. Reporting period for the information provided.	→ Reporting Period
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	→ Period Issued
102-52	Reporting cycle	a. Reporting cycle.	→ Period Issued
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	→ Contact Us
102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	
102-55	GRI content index	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	→ GRI Content Index

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
102-56	External assurance	<ul style="list-style-type: none"> a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: <ul style="list-style-type: none"> i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report. 	-
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	→ The Subaru Group's CSR
103-2	The management approach and its components	<ul style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives? 	<ul style="list-style-type: none"> → CSR Promotion System → Subaru Group's Six Priority Areas for CSR → Activities in the Six Priority Areas for CSR in Relation to SDGs
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	-

Topic-specific Standards

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
GRI 200: Economic			
201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p><input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.60-66 [Consolidated Financial Statements] (Japanese version only)</p> <p><input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.19 [Analysis of Financial Position, Business Performance, and Cash Flows by Top Management] (Japanese version only)</p>
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	→ Climate Change
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<p><input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.73 [Notes to Consolidated Financial Statements] (Japanese version only)</p>
201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <p>i. tax relief and tax credits;</p> <p>ii. subsidies;</p> <p>iii. investment grants, research and development grants, and other relevant types of grant;</p> <p>iv. awards;</p> <p>v. royalty holidays;</p> <p>vi. financial assistance from Export Credit Agencies (ECAs);</p> <p>vii. financial incentives;</p> <p>viii. other financial benefits received or receivable from any government for any operation.</p> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	<p><input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.30 [Corporate Information] (Japanese version only)</p> <p><input type="checkbox"/> Annual Securities Report and Internal Controls Report for the 90th Period P.60 [Consolidated Financial Statements] (Japanese version only)</p>
202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for 'significant locations of operation'.</p>	→ Human Rights Policy Appendix
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	-

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements. 	–
203-2	Significant indirect economic impacts	<ul style="list-style-type: none"> a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas. 	N/A
204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'. 	–
205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment. 	→ Bribery Prevention
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. 	→ SUBARU Supplier CSR Guidelines → Compliance>Initiatives>Training
205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. 	N/A
206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	<ul style="list-style-type: none"> a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments. 	N/A
GRI 300: Environmental			
301: Materials 2016			
301-1	Materials used by weight or volume	<ul style="list-style-type: none"> a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: <ul style="list-style-type: none"> i. non-renewable materials used; ii. renewable materials used. 	→ Subaru Group Material Flow
301-2	Recycled input materials used	<ul style="list-style-type: none"> a. Percentage of recycled input materials used to manufacture the organization's primary products and services. 	→ Resource Recycling
301-3	Reclaimed products and their packaging materials	<ul style="list-style-type: none"> a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected. 	→ Resource Recycling>Achievements and Initiatives>Logistics/Sales

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
302: Energy 2016			
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	→ Subaru Group Material Flow
302-2	Energy consumption outside of the organization	<ul style="list-style-type: none"> a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used. 	—
302-3	Energy intensity	<ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	—
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Climate Change
302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Environmentally Friendly Automobiles>Initiatives
303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff). b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used. c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts. d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress. 	→ Water Resources
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: <ul style="list-style-type: none"> i. how standards for facilities operating in locations with no local discharge requirements were determined; ii. any internally developed water quality standards or guidelines; iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered. 	→ Water Risk Assessment

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
303-3	Water withdrawal	a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	→ Breakdown of water consumption by water source at major production bases
303-4	Water discharge	a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. b. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	-
303-5	Water consumption	a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	→ Water Resources
304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	N/A

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
304-2	Significant impacts of activities, products, and services on biodiversity	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	-
304-3	Habitats protected or restored	<ul style="list-style-type: none"> a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used. 	→ Biodiversity>Initiatives>Overseas
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	N/A
305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Climate Change

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent. b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Climate Change
305-4	GHG emissions intensity	<ul style="list-style-type: none"> a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. 	→ Climate Change
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	<ul style="list-style-type: none"> a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used. 	–
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<ul style="list-style-type: none"> a. Significant air emissions, in kilograms or multiples, for each of the following: <ul style="list-style-type: none"> i. NO_x ii. SO_x iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used. 	→ Prevention of Pollution > Achievements and Initiatives
306: Effluents and Waste 2016			
306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> a. Total volume of planned and unplanned water discharges by: <ul style="list-style-type: none"> i. destination; ii. quality of the water, including treatment method; iii. whether the water was reused by another organization. b. Standards, methodologies, and assumptions used. 	→ Water Resources

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ol style="list-style-type: none"> Reuse Recycling Composting Recovery, including energy recovery Incineration (mass burn) Deep well injection Landfill On-site storage Other (to be specified by the organization) <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ol style="list-style-type: none"> Reuse Recycling Composting Recovery, including energy recovery Incineration (mass burn) Deep well injection Landfill On-site storage Other (to be specified by the organization) <p>c. How the waste disposal method has been determined:</p> <ol style="list-style-type: none"> Disposed of directly by the organization, or otherwise directly confirmed Information provided by the waste disposal contractor Organizational defaults of the waste disposal contractor 	→ Resource Recycling >Achievements and Initiatives>Production
306-3	Significant spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <ol style="list-style-type: none"> Location of spill; Volume of spill; Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). <p>c. Impacts of significant spills.</p>	→ Hazardous Waste
306-4	Transport of hazardous waste	<p>a. Total weight for each of the following:</p> <ol style="list-style-type: none"> Hazardous waste transported Hazardous waste imported Hazardous waste exported Hazardous waste treated <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>	→ Chemical Substances Regulated by Japan's Pollutant Release and Transfer Register (PRTR) Act
306-5	Water bodies affected by water discharges and / or runoff	<p>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <ol style="list-style-type: none"> the size of the water body and related habitat; whether the water body and related habitat is designated as a nationally or internationally protected area; the biodiversity value, such as total number of protected species. 	→ Crisis-level Risks
307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ol style="list-style-type: none"> total monetary value of significant fines; total number of non-monetary sanctions; cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	→ Prevention of Pollution >Achievements and Initiatives

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	a. Percentage of new suppliers that were screened using environmental criteria.	→ Green Procurement Guidelines
308-2	Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	→ Management and Reduction of Environmentally Hazardous Substances Contained in Parts
GRI 400: Social			
401: Employment 2016			
401-1	New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	→ Employee Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'.	-
401-3	Parental leave	a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	→ Childcare Leave System
402: Labor / Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	-
403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	→ Occupational Health and Safety>Our Approach/Management System

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: <ul style="list-style-type: none"> i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system. b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals. c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals. d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system. 	
403-3	Occupational health services	<ul style="list-style-type: none"> a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them. 	→ Occupational Health and Safety>Initiatives
403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees. 	→ Labor-Management Communication → Occupational Health and Safety>Management System
403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations. 	-
403-6	Promotion of worker health	<ul style="list-style-type: none"> a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided. b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs. 	→ Health Management>Initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks. 	
403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: <ul style="list-style-type: none"> i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system; ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited; iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party. b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. 	→ Occupational Health and Safety>Management System

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
403-9	Work-related injuries	<p>a. For all employees:</p> <p>i. The number and rate of fatalities as a result of work-related injury;</p> <p>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);</p> <p>iii. The number and rate of recordable work-related injuries;</p> <p>iv. The main types of work-related injury;</p> <p>v. The number of hours worked.</p> <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <p>i. The number and rate of fatalities as a result of work-related injury;</p> <p>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);</p> <p>iii. The number and rate of recordable work-related injuries;</p> <p>iv. The main types of work-related injury;</p> <p>v. The number of hours worked.</p> <p>c. The work-related hazards that pose a risk of high-consequence injury, including:</p> <p>i. how these hazards have been determined;</p> <p>ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;</p> <p>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</p> <p>d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	→ Occurrence of Work Related Accidents and Accident Frequency Rate
403-10	Work-related ill health	<p>a. For all employees:</p> <p>i. The number of fatalities as a result of work-related ill health;</p> <p>ii. The number of cases of recordable work-related ill health;</p> <p>iii. The main types of work-related ill health.</p> <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <p>i. The number of fatalities as a result of work-related ill health;</p> <p>ii. The number of cases of recordable work-related ill health;</p> <p>iii. The main types of work-related ill health.</p> <p>c. The work-related hazards that pose a risk of ill health, including:</p> <p>i. how these hazards have been determined;</p> <p>ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;</p> <p>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</p> <p>d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	–
404: Training and Education 2016			
404-1	Average hours of training per year per employee	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <p>i. gender;</p> <p>ii. employee category.</p>	–
404-2	Programs for upgrading employee skills and transition assistance programs	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	→ Training Programs
404-3	Percentage of employees receiving regular performance and career development reviews	<p>a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	→ Regular Reviews and Career Development

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	<p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>	<p>→ Directors, Auditors, and Executive Officers</p> <p>→ Employee Data</p>
405-2	Ratio of basic salary and remuneration of women to men	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	→ Training and Education
406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	<p>a. Total number of incidents of discrimination during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. Incident reviewed by the organization;</p> <p>ii. Remediation plans being implemented;</p> <p>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. Incident no longer subject to action.</p>	-
407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	-
408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <p>i. child labor;</p> <p>ii. young workers exposed to hazardous work.</p> <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>	N/A
409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	N/A
410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>	-

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	<ul style="list-style-type: none"> a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: <ul style="list-style-type: none"> i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action. 	N/A
412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 	–
412-2	Employee training on human rights policies or procedures	<ul style="list-style-type: none"> a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations. 	→ Respect for Human Rights>Management System
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<ul style="list-style-type: none"> a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for 'significant investment agreements'. 	–
413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: <ul style="list-style-type: none"> i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 	–
413-2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> a. Operations with significant actual and potential negative impacts on local communities, including: <ul style="list-style-type: none"> i. the location of the operations; ii. the significant actual and potential negative impacts of operations. 	–
414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> a. Percentage of new suppliers that were screened using social criteria. 	→ SUBARU Supplier CSR Guidelines
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why. 	
415: Public Policy 2016			
415-1	Political contributions	<ul style="list-style-type: none"> a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated. 	–

Item Number	Disclosure	Reporting Requirements	Corresponding Sections
416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	→ Making Safe Vehicles>Initiatives
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: <ol style="list-style-type: none"> incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	N/A
417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: <ol style="list-style-type: none"> The sourcing of components of the product or service; Content, particularly with regard to substances that might produce an environmental or social impact; Safe use of the product or service; Disposal of the product and environmental or social impacts; Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	-
417-2	Incidents of non-compliance concerning product and service information and labeling	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: <ol style="list-style-type: none"> incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	→ Quality: Automotive Business → Quality: Aerospace Business
417-3	Incidents of non-compliance concerning marketing communications	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: <ol style="list-style-type: none"> incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	N/A
418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: <ol style="list-style-type: none"> complaints received from outside parties and substantiated by the organization; complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	N/A
419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: <ol style="list-style-type: none"> total monetary value of significant fines; total number of non-monetary sanctions; cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.	N/A

TCFD Content Index

The table below compares the disclosure recommended by the Task Force on Climate-related Financial Information Disclosure (TCFD) with SUBARU's Sustainability Report 2021, and presents relevant responses to CDP Climate Change 2021.

Governance

TCFD Disclosure Recommendations	Relevant Articles	
	Sustainability Report 2021	CDP2021
a) The Board's oversight of climate-related risks and opportunities.	Environmentally Friendly Automobiles > Management System Climate Change > Management System	CDP C1.1, C1.1a, C1.1b
b) Management's role in assessing and managing climate-related risks and opportunities.	Environmentally Friendly Automobiles > Management System Climate Change > Management System	CDP C1.2, C1.2a

Strategy

TCFD Disclosure Recommendations	Relevant Articles	
	Sustainability Report 2021	CDP2021
a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones) > Initiatives Climate Change > Risks and Opportunities Identified	CDP C2.1a, C2.3, C2.3a, C2.4, C2.4a
b) Impact of climate-related risks and opportunities on the organization's businesses and strategy.	Environmental Management > Targets and Results Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones), Initiatives Climate Change > Risks and Opportunities Identified	CDP C2.3a, C2.4a, C3.1, C3.1a, C3.2a, C3.3, C3.4
c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones), Initiatives Climate Change > Medium- to Long-term Goals (Long-term Visions and Milestones)	CDP C3.2, C3.2a

Risk Management

TCFD Disclosure Recommendations	Relevant Articles	
	Sustainability Report 2021	CDP2021
a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management > Management System, Risks Associated with Business Activities Climate Change > Risks and Opportunities Identified, Management System	CDP C2.1, C2.2, C2.2a
b) Describe the organization's processes for managing climate-related risks.	Climate Change > Management System Risk Management > Management System	CDP C2.1, C2.2
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Change > Risks and Opportunities Identified Water Resources > Water Management Risk Management > Our Approach, Management System, Risks Associated with Business Activities, Risk Management Initiatives, Crisis-level Risks	CDP C1.2a, C2.1, C2.2, C2.3a

Metrics and Targets

TCFD Disclosure Recommendations	Relevant Articles	
	Sustainability Report 2021	CDP2021
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Management > Targets and Results, Subaru Group Material Flow Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones), Life Cycle Assessment Climate Change > Medium- to Long-term Goals (Long-term Visions and Milestones), Achievements	CDP C4.2, C9.1
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environmental Management > Targets and Results, Subaru Group Material Flow Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones), Life Cycle Assessment Climate Change > Risks and Opportunities Identified, Medium- to Long-term Goals (Long-term Visions and Milestones), Achievements	CDP C6.1, C6.3, C6.5
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Management > Targets and Results, Subaru Group Material Flow Environmentally Friendly Automobiles > Medium- to Long-term Goals (Long-term Visions and Milestones), Life Cycle Assessment Climate Change > Medium- to Long-term Goals (Long-term Visions and Milestones), Achievements	CDP C4.1, C4.1a, C4.1b, C4.2