

# Top Message

## A Company with a Strong, Appealing Presence



Thank you very much for your interest in the Fuji Heavy Industries (FHI) Environmental and Social Report. Recently, CSR (corporate social responsibility) has become as widespread among the general public as it has in the business community. Acknowledging that CSR is fundamental to our business activities, Fuji Heavy Industries (Subaru) believes that it is our mission to benefit society as a good corporate citizen by actively working to improve the health of the environment, ensure compliance, and contribute to society.

We developed CSR Policies in order to organize the current activities and approaches in each segment and to point our corporate vector in the right direction for the achievement of greater performance. Based on the CSR Policies, we will ensure that each activity responds to the expectations of society, with the goal of becoming *a company with a strong, appealing presence*. To address environmental issues, we set our management goal to *become an eco-friendly, excellent company*. Based on the idea of offering our customers clean products from a system of environmentally clean factories, logistics networks, and distributors, we have been strenuously working to conserve the global environment by developing a new voluntary plan for the environment called the FHI Environmental Conservation Program (Fiscal 2002-2006). We have achieved outstanding results to date, particularly in waste reduction and energy conservation in the production stage.

Since the Kyoto Protocol became effective this February, further reduction of CO<sub>2</sub> is required in industry, transportation, and consumer goods. As a result of our voluntary plan for the environment, we have reduced CO<sub>2</sub> levels even more than we planned by promoting energy conservation at the plants and by introducing a natural gas cogeneration system. We will continue efforts to meet the demands from the government for further reductions. Regarding our main product—the automobile—, we are working to reduce CO<sub>2</sub> emissions by improving fuel economy through weight reduction technologies. For products other than automobiles, we are working to reduce CO<sub>2</sub> emissions by using fuel-efficient general-purpose engines and wind turbine generator systems.

In January 2005, the Law on Recycling End-of-Life Vehicles came into force. We are not only promoting the recycling of resources in accordance with the law but are also developing products that are easier to recycle.

To make all these environmental activities more effective, we are advancing the establishment of an environmental management system (ISO 14001). All our business sites, including the head office and domestic and overseas affiliated manufacturing plants, have already obtained ISO 14001 certification. Thus, we are promoting the establishment of the same system for both domestic and overseas Subaru dealerships.

In conclusion, with the belief that each activity covered in this report is indispensable for the creation of a sustainable society and for the future of FHI itself, we fully intend to live up to everyone's expectations.

A handwritten signature in black ink that reads "K. Takenaka." The signature is written in a cursive, flowing style.

**Kyoji Takenaka**  
President and CEO



## Our Efforts to Address Environmental Problems

Businesses are responsible for responding to the needs of customers through direct business activities, not only by providing products and services, but also through a wide range of business activities, including compliance with laws and regulations, environmental preservation, protection of human rights, and protection of consumers. We have continually worked to fulfill such social responsibilities and to contribute to the creation of business values. We acknowledge that environmental efforts in particular are issues of great significance, as we can make contributions to the sound development of society by working toward the preservation of the global environment.

## Looking Back on the Activities of FY 2004

Further progress was made in building establishing the EMS\*<sup>1</sup> when our affiliated companies, including Subaru dealerships and domestic and overseas group companies, obtained ISO 14001 certification as a result of promoting the extension of certification to other business sites. In the area of products, we released a new mini car, the Subaru R1, which is characterized by superb driving performance and outstanding fuel economy. Moreover, in the production phase, each business site in our group implemented countermeasures against global warming, such as the introduction of a natural gas cogeneration system in the Utsunomiya Manufacturing Division. Thus, CO<sub>2</sub> emissions from business sites decreased by approximately 1.7% compared to last year.

As chairman of the Corporate Environment Committee,\*<sup>2</sup> I visited each business site and specialized committee in February and March in accordance with the Environmental Performance Assessment System,\*<sup>3</sup> which is a system we developed to check on the environmental activities of each division. As a result of hearings on their current environmental activities, I confirmed that overall environmental activities are making good progress. However, we will make further efforts toward continuous improvement, since in some areas there seemed to be room for improvement to reach our goals.

## Keeping All Stages Clean

The Law on Recycling End-of-Life Vehicles came into force in January, and the Kyoto Protocol came into effect in February. Our responsibility as a manufacturer is increasing. We will continue to focus our efforts on developing products that remain environmentally friendly throughout their lifecycles, including the development of products that are easier to recycle, improvement of fuel economy and emission performance, and reduction of substances with an environmental impact. Also in the production stage, we will further accelerate our efforts toward energy conservation, reduction of CO<sub>2</sub> emissions, and waste reduction. We will continue to work on the reduction of environmental burden in every stage from procurement through suppliers, shipment of products, sales and services, to disposal (recycling) of used products. We will promote these activities as the Fuji Heavy Industries Group, including domestic and overseas affiliates.

As businesses are expected to actively practice social responsibility, this Environmental and Social Report contains coverage about the societal impact. We would appreciate your feedback to help us improve our reports in the future.

Senior Executive Vice President  
(Responsible for the environment)

- \* 1 EMS:Environmental Management System
- \* 2 See page 11 for information on the Corporate Environment Committee
- \* 3 See page 13 for information on the Environment Performance Assessment System

## ◆ Subaru Environment Logo



In June 2005, we created the Subaru Groups environment logo. The environment logo has a leaf at the center, with green earth and blue sky to represent the globe. Into this logo, we incorporated our determination to actively work on *providing products that are friendly to the earth, society, and people*, which is stated in the FHI Environment Policy.

Subaru Group recognizes the integral relationship between the environment and its business activities, and strives to provide products that are friendly to the earth, society, and people. Subaru Group is protecting the environment to ensure our future.