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Professor

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Based on the “2011 CSR Report” as well as my visit to Tokyo Office and an interview with the management at the head office of Fuji Heavy Industries Ltd. (FHI), I have summarized my opinion concerning FHI’s approach to CSR and my future expectations as follows:

1. Approach as a Socially Responsible Corporation

(1) Clarifying the Whole Picture of CSR and Identifying Issues
In the new 5-year medium-term management plan included in FY2011, there are two objectives set forth: “A Company that Provides Products and Services Contributing to the Solution of Social Issues” and “A Company that Values its Relationships with Diversified Stakeholders” (page 19). Under these objectives there are 8 categories listed concerning CSR: i.e., Customers and Products, Employees, Environment, Compliance, Information Disclosure, Social Contribution, Procurement and Corporate Governance. It is stated in the report that issues and solutions will be identified and implemented for each of these 8 categories in FY2011 (page 20). Setting such objectives and orienting its approach toward meeting them should be given due credit for.

From now on, FHI is expected to make it clear how CSR-related policies, objectives, categories and specific approaches are interrelated as a whole and show the overall picture in a comprehensive manner. Particularly, it is important, first of all, to clearly express what are perceived as social issues of concern by FHI, and to then identify specific approaches to solve the issues.

(2) Building up Actions Based on Experience from the Great East Japan Earthquake

FHI has been offering a variety of support to disaster-stricken areas both domestically and internationally as part of its social contribution. As for the area severely damaged by the Great East Japan Earthquake on March 11, 2011, FHI is also providing a support in various forms, such as making donations, supplying generators, pumps, trucks and other relief goods free of charge, and promoting the volunteer activities of its employees under the volunteer leave system. Making use of the human and material resources of a corporation to contribute to the disaster-stricken areas means a great deal.

It is expected that FHI will make the most of its valuable experience accumulated through the support of restoration and rehabilitation from the earthquake disaster and also coping with damage that it suffered itself in its future risk management. The CSR Report states that FHI has formulated an emergency response basic manual and crisis management guidelines for each type of crisis risk, and based on these, it will draw up a new BCP (Business Continuity Plan) specific to each business unit (page 22). I understand that FHI is currently reviewing and restructuring its BCPs with great urgency. However, it is necessary not only to revise the BCPs but also to reevaluate the said manual and guidelines to see whether they worked properly at the time of the recent earthquake and whether any new issues arose after the 3.11 earthquake and finally to reflect the result of this overall review in the future risk management.

2. Approach to the Environmental Aspect as a Corporation

(1) Introducing and Implementing the Environmental Management System (EMS)

After FHI obtained the ISO14001 certification for the head office, 5 sites and 2 related companies en bloc in 2010, all domestic SUBARU dealerships and their outlets acquired the Eco-Action 21 certification in March 2011. Such thorough introduction of EMS is a very distinctive approach from others and highly worth mentioning.

FHI is expected from this time forward to make continuous improvements in implementing EMS, while making clear what has changed and how since the introduction of EMS and listing specific achievements, such as those concerning environmental performance.

(2) Interrelation between Conservation of Biodiversity and Business Activities

Under the Voluntary Plans for the Environment up to the 4th plan, FHI has a sound record of identifying environmental aspects covering phases of product design, production, distribution, sale and post-consumption, and realizing the reduction of environmental burden and protection of the environment. Energy consumption, CO₂ emission, waste generation, use of water, discharge of chemical substances subject to the PRTR Law, etc., are being measured quantitatively, and efforts to reduce the environmental impacts of these factors and their effectiveness of efforts are being evaluated by using environmental accounting methods.

In future, since the conservation of biodiversity is vital in realizing a naturally symbiotic society, not only providing environmental education on biodiversity and preserving company-owned forests, but more concrete and direct measures are expected to be introduced. It is recommended to start grasping as quantitatively as possible the relations between business activities and biodiversity throughout the product life cycle, including supply chains that begin with procurement of materials and parts, and each stage of use, disposal, recycling and reuse over a multi-year period.

3. Making the CSR Report into a Content-Rich Communication Tool

Feature articles in early pages of the CSR Report provide readers with information on FHI’s prioritized activities and are rich in content as reading materials. It is recommended that FHI seek good ways to let readers know in the CSR Report how comments and requests from stakeholders are specifically addressed and reflected in corporate operations.

Profile

She graduated from the Faculty of Economics of Yokohama National University. After completing the Department of International and Business Law of the said university, from 1993 thru 1998 she served as researcher of the Tokyo Institute for Municipal Research and from 1998 thru 2006 as Assistant Professor at the Faculty of Environmental Studies of Nagasaki University. At present, she is Professor and Director of the Division of Urban Policy, Faculty of Urban Liberal Arts of Tokyo Metropolitan University.

She also serves as an auditor of the Eco-Action 21. She specializes in environmental law and administrative law.

She is the author of “Environmental Laws System of EC and Environmental Management Measures” (publisher: the Tokyo Institute for Municipal Research), “Approaches to Environmental Laws” (SEIBUNDO Publishing Co., Ltd.), “Frontlines of Municipal Environmental Administration” (GYOSEI Corporation), “Environmental Business Handbook” (Chuhokai Publishing Co., Ltd.) and others.

Thoughts on the Third-Party Opinion

We asked Professor Mami Oku of Tokyo Metropolitan University to give us her objective evaluation of SUBARU’s social and environmental activities through hearings at our Tokyo Office and interviews with Mr. Nakamura, Executive Officer of Strategy Development Division of FHI. Taking her comments and opinions seriously, we will step up the level of our CSR activities.

Overall CSR Activities

In FY 2010, the promotional system was reviewed to enable each employee to go ahead with CSR activities systematically through his/her work and to respond precisely to the needs of society. These activities were defined in detail for each of the 8 items for substantiation. We will try to report on our activities in a systematic, easy to understand manner. As an automobile maker, in addition to working toward accident reduction, we will promote CSR activities that address changing social issues based on the 8 CSR items.

Approach Based on Experience with the Great East Japan Earthquake

We drew up the Emergency Response Basic Manual and the Crisis Management Guidelines company-wide along with a BCP for each business unit to prepare for an emergency situation. But the damage caused by the Great East Japan Earthquake of March 11 far surpassed our assumptions, causing a tremendous impact. We will confirm the impact and issues raised by the earthquake,

review our existing system and organization, and press on with setting up BCPs while looking into and resolving problems in the supply chain. The SUBARU group will keep supporting restoration efforts in ways appropriate to the damaged area.

Continuous Improvement in Running Environmental Management System (EMS)

With EMS already set in place, complying with legal requirements and preventing contamination as well as continuous improvements are being promoted systematically. We will make various improvements in environmental performance visible without limiting ourselves to conventional evaluation items.

Approach to Preservation of Biodiversity

A mid-term plan will be planned for the preservation of biodiversity towards a naturally symbiotic society and will make this public in the next voluntary plan for the environment.

Communication Via CSR Report

The CSR Report will be positioned as a communication tool with stakeholders as before, and more substantial content that is easy-to-read and easy-to-understand will be pursued. Starting with this issue, the content of the questionnaire was overhauled to reflect comments, opinions and requests in CSR activities to the extent possible.



Environmental Symbol Logo

In June 2005, we created the FHI group’s environmental symbol logo.

The logo has a leaf in the middle, with “Green Earth” and “Blue Sky” to represent our blue planet.

In to this logo, we incorporated our determination to actively work on the environmental protection.



The Cover Design

The posture of SUBARU to contribute to the preservation of the global environment through business activities such as creating eco-friendly vehicles and clean energy is expressed by the mosaic pictures of a car, a windmill and nature.

~Editors and Issuance~

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