

Third-party Opinion

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This is the third time I have been asked to write a third-party opinion on the CSR Report of Fuji Heavy Industries Group. On this occasion, as well as seeing the content of the report, I had the honor of being given a tour of the Gunma Manufacturing Division. I summarized my impressions based on the above.

Further use of web media

Over the past three years, there has been steady progress in migrating print material to the Web, and from this year on, the website will be the base for publication. Owing to this development, readers are able to access items of interest and check details immediately by selecting tags. They are also led smoothly to related information, and any requested information is also made readily available in a package. I would like to see even more effort towards making published information available via the Web in future. I look forward in particular to further enhancement of links to related information.

For example, in the present report, while there are links to details of matters such as Subaru's safety concepts, handling recalls and the efforts Fuji Heavy Industries is putting into its contribution to local communities, as regards the various plans and manuals FHI has formulated, all that is available is an indication of their existence and a simple explanation. It is not possible to check the actual content. Since there is a demand for the provision of detailed information regarding risk management, particularly from the viewpoint of consumers and investors, I look forward to seeing links to risk management-related texts such the emergency response procedure manual and crisis management guidelines as well as Business Continuity Plans (BCPs) per business site.

Disclosure of negative information

As I pointed out the previous year, the CSR report conveys FHI's enthusiasm and determination to pursue driving quality, protection of the environment and safety throughout the development and production processes of its cars and other products. At the same time, there still is an impression that only positive information that FHI would like to promote to stakeholders is emphasized in the report. To enhance the CSR report's function as a tool for communication with stakeholders, it is necessary to clarify so-called negative information such as specific kinds of comments and requests from stakeholders and how FHI is dealing with them, as well as deficiencies observed so far and areas that require further improvement. I would like to read more about the kinds of opinions and suggestions received by the SUBARU Customer Center, why the number of occurrences of industrial accidents and the rate of lost worktime are above the average, and the kind of performance shown by the compliance hotline system.



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Profile

Graduated from the Faculty of Economics, Yokohama National University. After completing her postgraduate course in the Department of International and Business Law of the said university, from 1993 through 1998, she served as researcher at the Tokyo Institute for Municipal Research, and from 1998 through 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 a member of the Eco-Action 21 judging panel. Specializing in environmental law and administrative law, Prof. Oku 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* (Chuohoki Publishing Co., Ltd.); and others.

Environmental protection initiatives and their relations with business activities

The various initiatives being promoted under the 5th Voluntary Plan for the Environment, which launched last year, are systematically organized into the following categories: namely, "Global Warming Countermeasures," "Resource Recycling," "Pollution Prevention and Reduction of Hazardous Chemical Substance Usage" and "Environmental Management." An assessment of the state of progress in each category is indicated in an easy-to-understand manner. Environmental impact and environmental cost are ascertained quantitatively through operation of the environmental management system and use of environmental accounting, etc., and I think the connection to the evaluation of performance is extremely good. Looking at the performance evaluation for FY2013, all except one item are evaluated as "Achieved," so perhaps you could think about setting even higher targets.

Conservation of biodiversity activities are dealt with by Environmental Management, and contents have been enhanced each year. Last year, a survey was conducted of the ecosystem in the greenbelt at the Oizumi Plant of Gunma Manufacturing Division, and a diversity of

animal and plant species were identified. This kind of grasp of actual circumstances will have an important bearing on studies of specific initiatives in future. I had the pleasure of being shown around the greenbelt at the Oizumi Plant. There, I heard the cry of the quail from somewhere in the bushes, felt close to signs of a variety of wildlife, and had the impression that this was an oasis of plants and animals of the region. I look forward to the results of the ecosystem survey being shared with local people, and use of the area in children's education, as well as development of efforts along with the local community to protect and nurture this precious natural environment.

Moreover, for the future, as I pointed out two years ago, bearing in mind the relations between biodiversity conservation and business activities, as far as possible I would like to gain an understanding of the quantitative impact on biodiversity throughout the lifecycle of each product, including supply chains that begin with procurement of materials and parts, and at each stage of use, disposal, recycling and reuse. I would also like to see studies of specific countermeasures based on this analysis.

What I expect from SUBARU in the future

The more I hear about SUBARU cars, and the more I observe the actual products, the more I am convinced that they are meant to simultaneously achieve safety and enjoyment. Not to appear eccentric, SUBARU pursues automobile development on three fronts: namely, performance, environmental protection and safety. The

term 'SUBARU-like' derives from the company's steadfast attitude and efforts in this direction. I think that by deepening this inherent attribute, the company will gain the support and trust of a wide range of stakeholders. I, too, look forward to seeing how SUBARU's iconic qualities will deepen and evolve from now on.