

Response to the Spread of the Novel Coronavirus

We at Subaru would like to express our sympathies to all impacted by the novel coronavirus, and convey our deepest condolences to the survivors of those who have lost their lives. We also offer our thanks to many people for their tireless work, especially the healthcare workers who are battling the further spread of the disease.

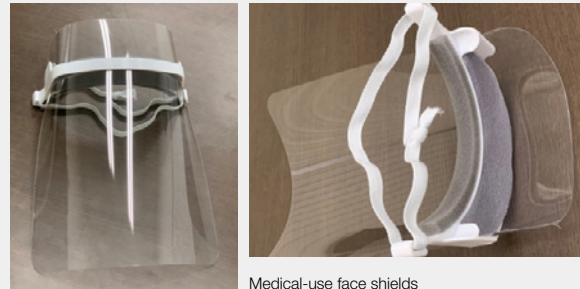
The Subaru Group incurred a large impact on our business activities. We faced unavoidable adjustments to production, including temporary suspension of operations, and dealt with various limitations at many dealerships. Amidst these circumstances, we established the Coronavirus Countermeasure Headquarters with the CEO as its leader. Based on the overall supervision of the Chief Risk Management Officer (CRMO), we increased thorough prevention measures, the staggering of commutes, and remote working, all while placing the health and safety of customers, business partners and employees first. Going forward, we will shift to a strong business foundation and earnings structure that can respond to any kind of change in the business environment.

Also, the Subaru Group is conducting support activities from various aspects. We are aiming to become a company that is trusted by, and resonates and coexists with all stakeholders by sincerely listening to the voices of individual customers and society as a whole.

Support Activities

Production and Supply of Medical-use Face Shields

In cooperation with our corporate business partners, Subaru has been producing medical-use face shields. As of the end of May, we have distributed 7,000 face shields to local medical institutions and regional medical associations near our plants.



Medical-use face shields

Donating Goods to Firefighters

Firefighters are at high risk for contracting coronavirus. To help protect them, Subaru of Indiana Automotive, Inc., donated 75 articles of protective clothing and 320 wet wipes to fire stations in its local region of Lafayette, Indiana.

Donating 50 Million Meals

Subaru of America, Inc., has established the Subaru Love Promise, its vision to show love and respect to all people who encounter Subaru at every point of contact. One part of the vision is called "Loves to Help," under which the company donated 50 million meals through Feeding America, a charitable organization that provides meals throughout the entire country. This made it possible to offer meals at 199 food banks around the United States.

Participating in Open COVID-19 Declaration

Subaru endorses the Open COVID-19 Declaration with the objective of preventing the spread of COVID-19, and thus has participated in this initiative.

In line with the Declaration, Subaru will make its intellectual property held in and outside of Japan available completely on a royalty-free basis, solely for the purpose of accelerating efforts to develop, manufacture, and distribute therapeutic drugs, vaccines, medical devices, infection control instruments and other products that will be key to stopping the spread of COVID-19.

The Subaru Group's CSR

In STEP, the mid-term management vision developed in 2018, Subaru envisions achieving a transition, by 2025, from a company making things, to a company making people smile, guided by our unwavering Management Philosophy of aiming to be a compelling company with a strong market presence built upon its customer-first principle. To achieve this vision, we have adopted the "Six Priority Areas for CSR" approach and will continue to 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 trusted by society and to contribute to the development of a more affluent, sustainable society.

Social Issues

- Climate change
- Human rights issues
- Aging society
- Increasing traffic accidents
- Increasing environmental impact
- Increasing CO2 emissions
- Resource recycling
- Increasing driver's driving load
- Response to mobility society
- Trade issues

Medium-term Business Plans

STEP

Management Philosophy

Aiming to be a compelling company with a strong market presence built upon its customer-first principle

Vision

From a company making things, to a company making people smile

Vision for 2025

1. Become a brand that is "different" from others by enhancing distinctiveness
2. Engage in business activities that resonate with customers by putting them center-stage
3. Fulfill corporate social responsibilities by contributing to diversifying social needs

Management

- Corporate governance
- Compliance
- Risk management

Stakeholders

→ Stakeholder Engagement



Delivered Value



Subaru Group's Six Priority Areas for CSR

Priorities specific to Subaru	People-oriented Car Culture
	Resonance and Coexistence
	Peace of Mind
Society's expectations	Diversity
	Environment
	Compliance

Automotive Business

Aerospace Business



Subaru Global Sustainability Policy

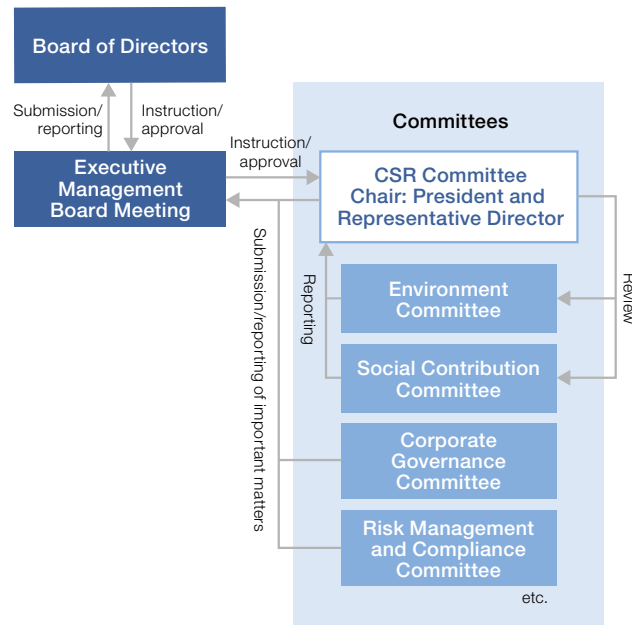


CSR Promotion System

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

The membership of the CSR 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.

◆ CSR Promotion System



Initiative for Widespread Adoption of CSR

Creation of Rank-specific Opportunities to Deepen CSR Understanding

In FYE2019, the Subaru Group 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 CSR initiatives. In FYE2020, we introduced these opportunities into rank-specific education for new managers, associate managers, and new recruits. We therefore offered more opportunities for a greater number of employees to deepen their understanding of the Subaru Group's CSR.

Believing it important to face international challenges and act together with the global community as a global company, we invited Hidemi Tomita, director at Lloyd Register Japan K.K., to give a lecture on the Sustainable Development Goals (SDGs). We studied trends around the world from the perspective of SDGs and global issues Subaru should address through its business.



Study Group session on SDGs



Lecture by Mr. Tomita

Voice

Comments by Participants

CSR Study Group

- I learned that it was important to consider what I could do within my current duties by incorporating a CSR perspective, rather than doing something new with CSR. (Participated in the June 2019 session)
- As a member of a business division, I would like to examine a mechanism to regularly check whether we are always aware of CSR in our operations. (Participated in the June 2019 session)

Study Group on SDGs

- It was so informative. By studying the 169 targets for the SDGs, I became aware of their relevance in connection with my own duties. (Participated in the December 2019 session)
- I will start by doing what I can. I felt that I need to act with my place in society in mind. (Participated in the February 2020 session)

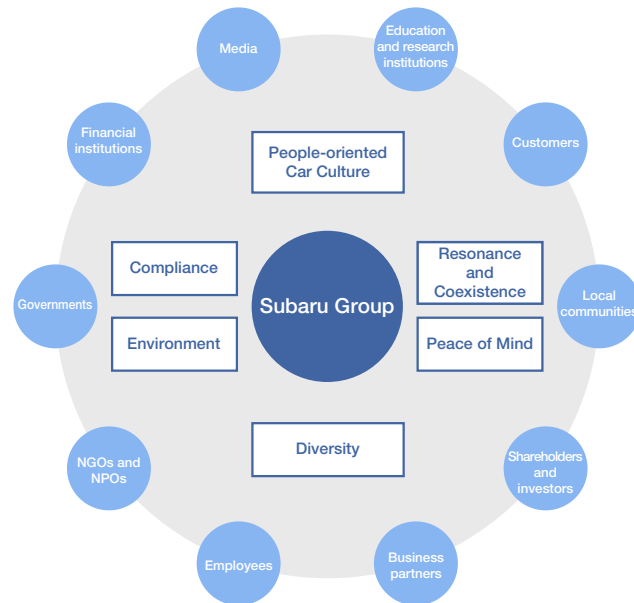
Study Groups held in FYE2020

Content	Month/Year	Intended participants
CSR	Apr 2019	New recruits
	Jun 2019	New managers
	Oct-Nov 2019	New associate managers
SDGs	Dec 2019	CSR Manager at each business division and administration staff at the head office
	Jan 2020	All executives in Japan
	Feb 2020	CSR managers and staff at each business division

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 this in the management of the business are all essential. In order to realize our vision of becoming "a compelling company with a strong market presence" as stated in our management philosophy, the Subaru Group will continue to make efforts to gain trust from our stakeholders, and to make useful social contributions while at the same time increasing our corporate value.

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



Methods to Communicate with Stakeholders at the Subaru Group

Stakeholders	Communication method
Customers	Establish Subaru Customer Consultation 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 social contribution 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).

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.

Building on these activities, we are conducting other community-based activities, focusing on



Gunma Plant: Subaru Appreciation Festival



Utsunomiya Plant: Subaru Friendship Festival

"environmental activities" and "road safety activities" to respond to contemporary needs.

In addition, we also host exchange meetings and events in Utsunomiya City (Tochigi Prefecture), Shibuya Ward (Tokyo), Mitaka City (Tokyo), and other areas where we have business and manufacturing sites.

→ Social Contribution

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. During the tour, Subaru provides them a chance to see our production sites including plants and allocates time to a Q&A session in which officers of the company participate to achieve direct communication with shareholders. Opinions and comments received during the tours are shared with the relevant people, including officers, and utilized in our business and IR activities.



Plant tour for shareholders (Gunma Plant)



Q&A session (Gunma Plant)



Plant tour for shareholders (Handa Plant, Aerospace Company)

Dealers

The Subaru 2025 Vision Kick-off was held with the attendance of approximately 1,000 presidents and executives of dealers in Japan as well as executives of Subaru. While Subaru unveiled its vehicle development concept and product plans for the future, managers of the dealers made presentations on their aspirations for achieving the shared 2025 vision for the Japan Sales and Marketing Division and the dealers, "Subaru, the Beloved Brand."

We also organized an inspection tour at the Gunma Plant for employees of dealers across Japan. The plant tour aimed to give dealer personnel, who work at the front lines of customer service, an opportunity to see the manufacturing plant and workers firsthand to promote their better understanding of Subaru's endeavor to improve quality, and thereby support the Subaru brand with a shared sense of purpose as members of the Subaru Group.



Dealer 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. Subaru also distributes information of high-level importance to every single employee via email in order to share it more quickly and comprehensively. In addition, Subaru promotes direct communication with employees through periodic visits by management to each place of business and workplace.



"Shuho" in-house magazine

Subaru Group's Six Priority Areas for CSR

Process of Identifying Six Priority Areas for CSR

In accordance with STEP, our mid-term management vision, we reviewed the Subaru Group's Eight CSR Action Items for CSR initiatives and 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. Finally, we examined the areas from

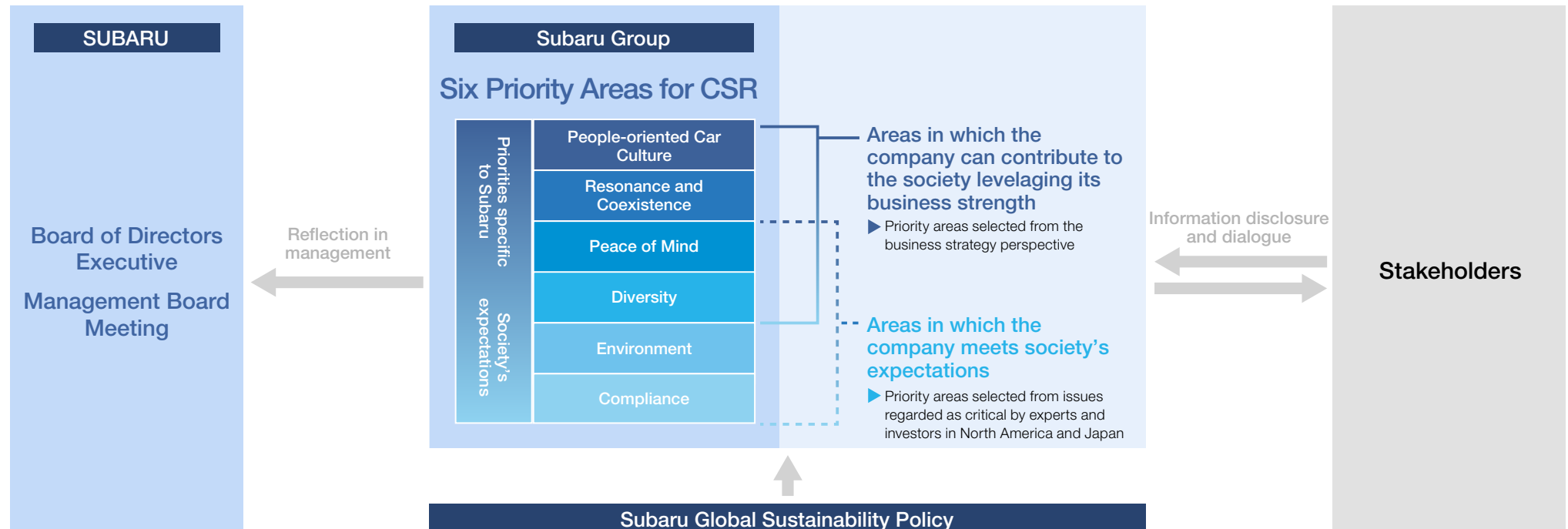
two perspectives: areas in which we can contribute to society by leveraging our business strengths, and areas related to the demands of society. As a result, the Subaru Group selected People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, and Diversity as the four areas where Subaru could contribute to society 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.

Based on the Subaru Global Sustainability Policy revised in April 2020, we will promote initiatives in the six priority areas on a groupwide, global basis.

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. 014	→ p. 019
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. 015	→ p. 021
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. 016	→ p. 023
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. 017	→ p. 025
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. 017	→ p. 027
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. 018	→ p. 029

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 (FYE2026–FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022–FYE2026		
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)			<p>Become a company that enriches people's lives and minds as a partner.</p> <p>► KPI: • Continue satisfaction surveys. (Improve customer satisfaction.)</p>	 <p>9.1</p>  <p>11.2</p>
		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				
			Advancement of Subaru's "Dynamic x Solid" design identity to "bolder" expression				
	Proposing new forms of mobility	Development of technologies in cooperation with relevant ministries and agencies	Investigation of future mobility				
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 (FYE2026–FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022–FYE2026		
Resonance and Coexistence	Customers	Strengthening relationship with customers	Investment in dealers' stores (in Japan)	Enhancement of new ways of connecting with customers through IoT		<p>Become a company that is widely trusted by, resonates and coexists with society.</p> <p>► KPI:</p> <ul style="list-style-type: none"> Continue satisfaction surveys. (Improve customer satisfaction.) Enhance connection with customers through IoT (MySubaru, the next-generation system, telematics) 	 <p>11.2</p>  <p>17.16</p>
				Enhancement of customer loyalty			
				Continuation of customer interaction programs			
				Provision of products that benefit people's lives			
		Establishing a new maintenance system	Development of a maintenance system for marketing BEVs				
	Business partners	Coexistence and mutual prosperity with business partners	CSR surveys and awareness programs at business partners	Building of relationships with business partners from the perspective of CSR			
	Employees	Creating a safe working 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				
			Utilization of athletic teams, boosting of employee morale				
	Local communities	Revitalizing relationships with local communities	Reinforcement of community exchange and partnership activities				
			Contribution and relationship-building through sporting activities				



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

Six Priority Areas	Relevant stakeholders	Themes	Initiatives			Visions/KPIs (FYE2026–FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022–FYE2026		
Peace of Mind	Customers	Improving safety functions	Advancement of Advanced Driver Assistance System (ADAS)			<p>Become a company that provides the utmost peace of mind to all stakeholders.</p> <p>► KPI:</p> <ul style="list-style-type: none"> • 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 	 <p>3,6</p>
			Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions				
			Continuous enhancement of crash safety				
			Development of autonomous flight control systems (collision avoidance technology)				
		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			
		Enhancement of product supply capacity					
		Improving inspection and maintenance quality	Promotion of accurate, high-quality inspection and maintenance				
			Securing and improving quality	Revision of the quality policy	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				
			Promotion of plant environment improvement				
	Local communities	Contributing to safety of local communities	Promotion of a sense of trust regarding stable operations				
			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 (FYE2026–FYE2031)	Relevant SDGs	
			FYE2020	FYE2021	FYE2022–FYE2026			
Diversity	Employees	Promoting active roles for female employees	Appointment of more female managers: FYE2021 (to five times the number in 2014), FYE2026 (to over 12 times the number in 2014)			<p>Promote businesses that create diverse forms of market values while respecting the diverse values of all people.</p> <p>► KPI:</p> <ul style="list-style-type: none"> • Increase female managers. (To five times the number in 2014 by 2020, to over 12 times by 2025) • The number of participants in career development training • Achieve the legally prescribed employment rate. • 100% of those applying for reemployment 	 <p>5.5 5.5.2</p>  <p>8.5</p>	
			Childcare support for female employees in direct departments					
		Utilizing diverse human resources	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 FYE2021					
	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	CSR surveys and awareness programs at business partners	Reinforcement of efforts for CSR throughout the supply chain				
			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						
Environment	Customers	Popularizing vehicles that reduce environmental impact	Expansion of the sale of electric vehicles (HEVs and PHEVs)			<p>Cherish and protect the global environment–The earth, the sky and nature–through Group-wide activities.</p> <p>► KPI:</p> <ul style="list-style-type: none"> • Reduce direct emissions by 30% from FYE2017 levels by 2030 (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. • Formulate a resource circulation strategy including secondary batteries. • Enhance recycling rates. 	 <p>13.1 13.2</p>  <p>12.2 12.5</p>	
			Development and marketing of electric vehicles (BEVs and SHEVs)					
	Governments	Environmental protection in cooperation with customers	Planning of activities to protect outdoor fields	Implementation of activities to protect outdoor fields on a continuous basis				
			Introduction of solar power generation for self-consumption					
		Business activities to help reduce environmental impact	Introduction of TEPCO's Aqua Premium					
			Renewable Energy Certificate, etc.	Energy conservation investment and effective utilization of facilities				
			Continuation of conservation efforts in cooperation with governments					
			Establishment and maintenance of an environmental management system					
	Business partners	Environmental efforts in cooperation with business partners	Selection of business partner while considering transportation for overseas sites					
			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 (FYE2026-FYE2031)	Relevant SDGs
			FYE2020	FYE2021	FYE2022-FYE2026		
Compliance	Governments	Ensuring comprehensive export control	Reinforcement of security and export control initiatives			<p>Act in good faith and become a company that is trusted by and resonates with society.</p> <p>► KPI:</p> <ul style="list-style-type: none"> 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. 	 <p>8.7 8.8</p>  <p>16.5 16.5.2</p>
			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				
			Formulation of the Human Rights Policy	Establishment and dissemination of the Human Rights Policy	Promotion of initiatives to respect human rights of workers		
	Business partners	Maintaining fair relationships	CSR surveys and awareness programs at business partners	Reinforcement of efforts for CSR throughout the supply chain			
			Promotion of fair trade on a continuous basis				

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

CSR Priority Areas

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.

The Subaru Group is transitioning from being a company making things, to a company making people smile.

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.



Subaru's core technology continues pursuing Enjoyment and Peace of Mind

Integration of Artificial Intelligence (AI) Technologies

Subaru strives to make people-oriented cars. We have constantly polished our proprietary technologies and created new value for cars. Our newest such technology is EyeSight. With two cameras positioned left and right like a person's eyes, this system provides accident avoidance using three-dimensional recognition of oncoming cars and pedestrians in addition to driver assistance.

EyeSight technology is continuously evolving. In the 2020s, its next generation will feature enhanced ability to handle accidents at intersections, highway driving assist, and innovative cameras, as well as the ability to recognize the car's entire surroundings by using sensors and to make judgements accordingly. Further, EyeSight will reach a new level of functionality by incorporating AI and other technologies such as a monitoring system that watches over the driver and SUBARU STARLINK, our connected service. By pushing forward the evolution of driver assist technologies, Subaru is striving to help lower the risk of traffic accidents.

Also, our proprietary All-Wheel Drive (AWD) System further increases the dynamic quality for which Subaru is renowned. Subaru will continue pushing forward with the evolution of these integration of AI technologies and increase peace of mind and enjoyment of driving of Subaru cars.

SUBARU GLOBAL PLATFORM

To deliver more enjoyment and peace of mind to drivers and passengers, Subaru seeks to enrich the lives of car owners. And Subaru Global Platform is the design concept for the frames of cars that can make that happen. Driving quality that makes a comfortable ride and tight maneuverability compatible. Extremely low noise and low-vibration stability. Dynamic quality that focuses on human sensitivity. All delivered at high spec in a rationalized package with world-class passive safety performance. Since the October 2016 full model change of the Impreza, we have been improving the platform and rolling it out in a sequential manner. What we call its ultimate form can be found in the Levorg, which is scheduled for sale in FYE 2021.

Subaru Global Platform allows its users to operate the car at will like a skilled professional driver, and provides a great sense of security to drivers and passengers. Even in the future era of autonomous driving, the core that supports the enjoyment and peace of mind of a car will remain the platform of the frame. We are moving ahead toward the next-generation evolution of the Subaru Global Platform: the core technology that supports Subaru cars.



Next generation EyeSight

Stereo cameras at its core. Strengthened ability to handle a variety of situations through improved recognition distinction and expanded integrated controls. Now evolving toward the installation of an auto parking system and use of connected service.



Driver monitoring system

Detects sleepiness or carelessness by the driver's expression and direction of face, and alerts them with an alarm or warning indication. Going forward, we are considering further increasing its cooperative functionality with EyeSight.



SUBARU STARLINK

Connected service introduced in the United States. Going forward, it is planned for release in Japan. Domestically, we are developing AACN, which automatically alerts a call center at the time of an accident. In this way, we strive to save more lives from traffic accidents.

Subaru Global Platform: supporting enjoyment and peace of mind

Package Increased interior width and height



Passive safety performance Maintains top-level

Dynamic Quality

- 1. Driving Quality**
High levels of comfort and maneuverability
- 2. Quietness**
Quietness and dynamic rigidity comparable to those of European vehicles (1.8 times greater than conventional SUBARU cars)
- 3. Stiffness and Stability**
Top-class stability

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.



Promoting initiatives under five promises to embody Resonance and Coexistence throughout the United States

Aiming to become more than just an automobile company, Subaru of America, Inc. (SOA) runs the Subaru Love Promise program. Committed to making the world a better place, we, together with our retailers, encourage many community partners to join our activities to spread the Love Promise in five categories. We believe in building lifelong relationships with our customers, earning their trust and exceeding their expectations by providing customer service with integrity and compassion.

Subaru Loves the Earth

There are many Subaru customers who love nature. The Subaru Love Promise that SOA is promoting includes many activities to protect the natural environment, one of which is providing support for one of which is National Park Partnership. They have offered donations continuously since 2013, and the funds have been used for a wide range of purposes, from the reduction and recycle of trash at national parks to enlightenment activities for attendees. Also, in partnership with company TerraCycle, they have been conducting the collection of waste matter that is hard to recycle.



Subaru Loves to Care

SOA supports the activities of many non-profit organizations in order to contribute to the health of a diverse range of people including patients who suffer from incurable diseases and people with disabilities. They also support scientific societies for leukemia and lymphoma, and also cooperate with our U.S. dealerships to donate blankets to about 150,000 patients with blood cancer.



Subaru Loves to Help

SOA offers a wide range of assistance through charitable organizations that support those facing hardships, such as the elderly and children, poor families, and disaster victims, such as provide meals and the cars to transport them, offering shelters and nursing during disasters, and maintaining disaster vehicles. They also cooperate on various initiatives with our U.S. dealerships, such as provide 50 million meals, through U.S. food bank Feeding America, to people who have become unemployed due to the spread of the novel coronavirus and are facing difficulties in having meals.



Subaru Loves Learning

There are many children, even in the United States, who do not have the opportunity to receive an education. SOA is providing various kinds of support for organizations that work to support learning and increase opportunities for education for such children. Since 2015, they have partnered with the American Association for the Advancement of Science to donate over 270,000 science books to U.S. schools.



Subaru Loves Pets

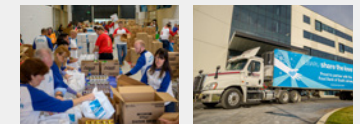
The Subaru Love Promise not only applies to people, but the safety and peace of mind of pets and wild animals is also an important subject. SOA is involved in support activities for regional organizations engaged in the care and adoption of protected pets, including the American Society for the Prevention of Cruelty to Animals. Also, to further protect the safety of animals, SOA is supporting crash-test for animals which are conducted by the Center for Pet Safety.



Subaru Share the Love®

Every year SOA runs the Share the Love® program to donate a portion of proceeds (250 dollars per vehicle) from Subaru cars purchased during the period to charities chosen by each customer. The total amount of donation collected over 12 years since the program has been launched in 2008 exceeds 176 million dollars, including contributions from SOA.

In 2019, as part of the Share the Love® kick-off event, participants packed food bank meals to be distributed to children in need in Camden, New Jersey. As a host, SOA donated 60,000 meals this year, doubling the quantity from the previous year.



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* 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.

* 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



Subaru quality and safety technology that provides the utmost peace of mind

Quality Reforms

Subaru set forth quality improvement as our most important theme in our mid-term management vision, STEP. We are undertaking quality reforms in all processes, starting from the product planning stage, through the procurement of components from the supplier, the manufacturing and inspections in the plant, and up to the daily operations of all employees including those in corporate operations departments. For example, in the product planning and engineering departments, we are making efforts to incorporate quality policies from the initial stage which ensure that there are no “seeds” that could grow into causes of major flaws that may even necessitate a recall. In the manufacturing process, we go beyond only relying on the final inspection. In order to ensure high quality from the upstream stages, the employees in charge of each process perform their own checks, and if they find a problem, they stop the line and make sure the problem is solved.

In April 2019, seeking to align employees’ vectors regarding quality reforms, we made the first revision in 25 years to the Quality Policy, which articulates the vision of quality that SUBARU aspires to realize. Further, in an effort to instill awareness toward quality, we held a “Quality Caravan” at each office, in which we exhibit examples of defects, the opinions we have received from customers, and more. Subaru strives to be No.1 for “the quality that enables customers to enjoy long-term ownership with peace of mind.” Going forward, we will continue to make efforts for thorough quality reforms throughout the entire group.

Subaru continuously endeavors to improve the technology that protects people’s lives in pursuit of unique overall safety features. Our safety features have received the highest of evaluations from third-party organizations in Japan, the United States, and Europe. Moving forward, we will increase safety, the most required value of a car, by linking to such functions as connected safety using connected service and passive safety, in addition to further upgrading our integration of AI technologies, including EyeSight. We aim to achieve our target of zero fatal traffic accidents by 2030* by continuously enhancing passive safety and installing Advanced Automatic Collision Notification (AACN) that utilizes connectivity in addition to upgrading Advanced Driver-assistance Systems (ADAS).

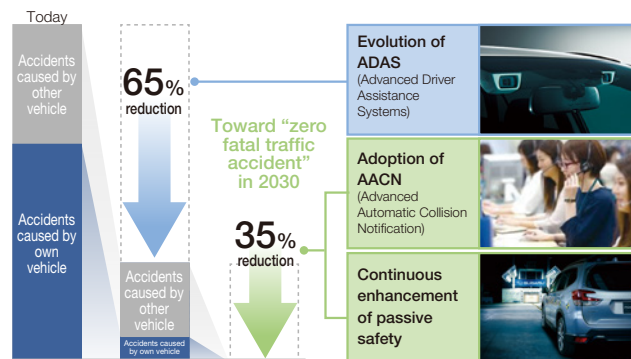
* Reducing to zero the number of fatal accidents occurring while a driver or passenger in a Subaru vehicle and the number of fatalities among pedestrians, cyclists, and the like arising from collisions with a Subaru vehicle

Technologies that Protect People’s Lives

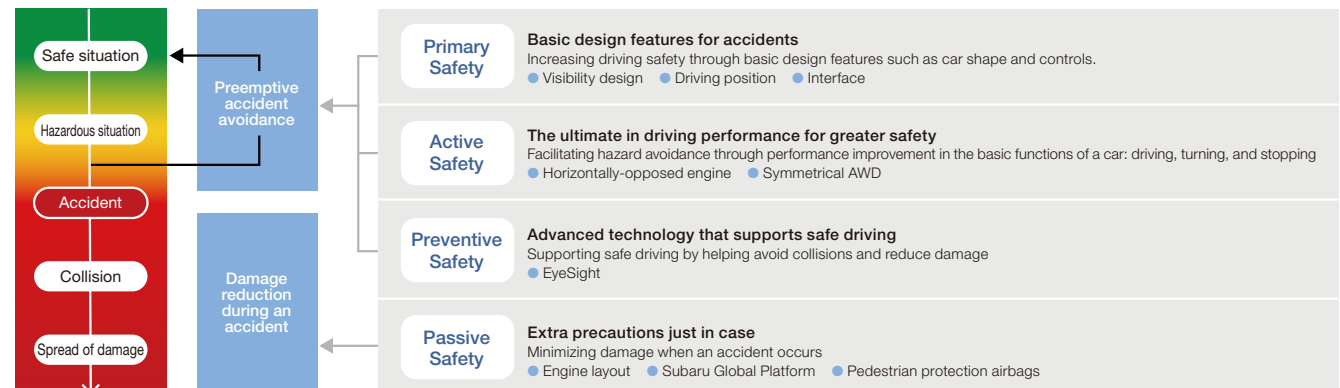
Cars carry human lives. That’s why Subaru is always actively aware that safety must be given our first priority over everything. That ideology remains in Subaru’s DNA from our origin as an aircraft manufacturer.

Scenario toward zero fatal traffic accidents

Fatal traffic accidents of SUBARU cars (estimated from US FARS data)



Overall safety philosophy



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.



The two kinds of diversity that Subaru engages in to create new value

Employee Diversity at Subaru of America, Inc. (SOA)

At SOA, a group of employees with diverse experiences, points of view and values learn from each other to grow, leading to the creation of the next generation of business and makes the company stronger. The principles of diversity, equity, and inclusion are woven into the corporate organization of Subaru. Five employee groups have been active, born from employee activities.

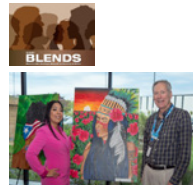
Women's Network

This group was established based on the idea that supporting female coworkers leads to an advancement of workplace policies for all employees. In addition to creating opportunities for career advancement for all employees regardless of their gender, it is also a place to for female employees to build their networks.



BLENDS

This group offers support for workers with African or Latinx backgrounds as a place that aims to implement the opinions of employees. It supports cultural events and activities rooted in regions to promote a corporate culture of diversity, contributing to creating a broad, open community.



Out + Ally

The first employee group funded at SOA, it is an alliance group between LGBTQ+ and heterosexual/cisgender member. Their activities include support for education, examination, and counseling for those living with HIV/AIDS, assistance with meal provision, and more.



SARGE

This group is for former servicepersons as well as their families and supporters. Once military service is completed, it can be challenging to return to civilian life. Employees created this group to share useful information, create a network, and provide a place for communication.



EVOLVE

This group was founded to improve physical and mental health of employees while enjoying various meetings and get-togethers for encouragement. Starting with providing useful health information, the group supports and encourages employee self-improvement.



Subaru Promotes Employee Diversity

Subaru promotes diversity to create an environment in which all our diverse employees can feel comfortable and put in their best efforts. In January 2015, we established the Diversity Promotion Office, and put forth the following important themes: active roles for female employees, employment of people with disabilities, reemployment of seniors, and employment of non-Japanese. Among these, we identified the promotion of active roles for female employees as the most important, and are moving ahead with our efforts.

Currently, we have set a target for 2025 of increasing the number of female managers by 12 times or more on a 2014 basis, and are strengthening education for future female managers. Also, in 2019, we established a new post to promote diversity in the Manufacturing Department of the Gunma Plant, and are striving to create a workplace where seniors, people with disabilities, and female employees can work in comfort. We are strengthening promotion activities for female employees in manufacturing departments in ways such introducing an early morning childcare system in which a childcare professional provides care in an internal conference room.

Diversity of Products

In order to provide safety and enjoyment to customers and create the new value that will be required in future cars, we are working on what we call "diversity of products," making compatible the characteristic enjoyment of driving a Subaru and the required environmental performance of the era. In 2018, we installed e-BOXER, a power unit that combines Subaru's proprietary horizontally-opposed engine and the latest electrification technologies, in the SUBARU XV and Forester. In 2019, we launched sales of new models of the SUBARU XV and Forester in Europe and of plug-in hybrid vehicle Crosstrek Hybrid in the United States. Furthermore, Subaru plans to launch sales of its first battery electric vehicle (BEV) in FYE202X.

Present society with new value for cars by pioneering new categories



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

Why It Is Important to Us

In FYE2018, 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.



Making Subaru-style cars that coexist with “The earth, the sky and nature”

Initiatives for a Decarbonized Society

Subaru is aware that climate change is one of our most important issues. We support the Paris Agreement, which is aimed at achieving decarbonization at an early stage in the second half of the 21st century. We have set mid-term targets related to Scope 1 and 2 emissions (CO₂ emitted at offices and plants), as well as Scope 3 (CO₂ emitted when using our products), and the group is working together to achieve them.

We are aiming to achieve carbon neutrality by 2050 with Scope 1 and 2 emissions. As a milestone, we are working on a 30% reduction compared to 2016 levels by 2030.

For Scope 3 emissions, we have set target to reduce average well-to-wheel* CO₂ emissions from new vehicles (in operation) sold worldwide by 90% or more compared to 2010 levels, make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs), and to apply electrification technologies to all Subaru vehicles produced and sold by the first half of the 2030s. To achieve our mid- to long-term plans for 2030 and 2050, we will continue polishing Subaru's unique technologies, each employee will always remain aware of our mission, and we still strive to achieve sustainable growth for society and the Subaru group.

*When calculating CO₂ emissions, this approach includes those related to the energy source of the power generation, which electric and other vehicles use.

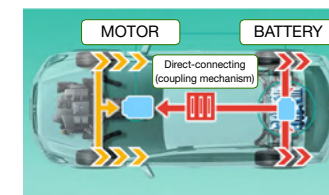
Mid- to long-term targets to reduce CO₂ in plants, offices and products

Category	Time frame	Target
Scope 1, 2	FYE2051	Achieve carbon neutrality
	FYE2031	Reduce CO ₂ emissions by 30% compared with FYE2017 (total volume basis)
Scope 3	2050	Reduce average well-to-wheel CO ₂ emissions from new vehicles (in operation) by 90% or more compared to 2010 levels
	First half of the 2030s	Apply electrification technologies to all Subaru vehicles produced and sold worldwide
	By 2030	Make at least 40% of Subaru global sales electric vehicles (EVs) or hybrid electric vehicles (HEVs)

Combining Environmental Performance and Subaru Style

With the arrival of the era of hybrid cars and EVs, Subaru's DNA of pursuing enjoyment and peace of mind with the cars we make will remain unchanged. We are making use of our alliance with Toyota Motor Corporation to speed up development of these vehicles, while also pressing forward with the evolution of Subaru's proprietary core technologies, such as our Subaru Global Platform, Symmetrical All-Wheel Drive and horizontally-opposed engine. And by combining these advanced technologies at high specs, we will not only reduce CO₂, but also further improve safety performance, AWD performance and dynamic quality, emphasizing SUBARU-ness. Whichever the era, Subaru's aim is to make people-oriented cars. We pursue making cars which deliver enjoyment to the owner when they drive their car, provide a strong sense of security to all who drive or ride in a Subaru car, and coexist with “The earth, the sky and nature.”


In addition to reducing CO₂, improve safety performance, AWD performance, and dynamic quality



Study model of exterior design for BEV* being jointly developed with Toyota



* BEV: Battery Electric Vehicle



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.

Initiatives to change each individual's awareness and actions, and create an organization open to new ideas

Highly Effective “Compliance + α ” Initiative

To raise the effectiveness of compliance, Subaru is uncovering 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, we are creating thorough 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.

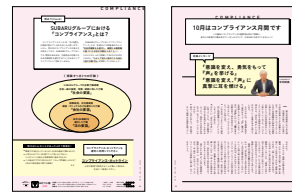
In addition to actions that come from the existing compliance mindset of obeying laws and regulations, we are striving to instill sincere conduct based on social norms and ethics and making assertive, voluntary actions that come from an integrity mindset in executives and employees through education.

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.

Providing Information and Conducting Enlightenment Campaigns with the In-house Magazine, “Shuho”

October of every year is Compliance Month, and in order to raise compliance awareness, we conduct enlightenment campaigns and compliance training through in-house methods. We included a special feature page in the October 2019 edition of the Subaru in-house magazine, “Shuho.” It featured a message from the President, saying that “change your thinking, have courage and raise your voice,” and “change your thinking, listen to other's voices with sincerity.” Also, it introduced examples of efforts to change the entire group's corporate culture, providing information and enlightenment education on issues that are closely related to employees' everyday work in order to raise

awareness and change behavior regarding compliance.



In-house magazine “Shuho”
October 2019 edition special feature page

Openly Exchanging Opinions in the Compliance Roundtable

In order to instill compliance, initiatives that are rooted in each respective workplace are critical. As part of those efforts, the head of the Compliance Committee, an organization that promotes compliance across the entire group, and the company employees of a workplace hold the Compliance Roundtable. During the Roundtable, the Committee head visits the workplace of each department and has a face-to-face meeting with a small group of around 10 employees, such as section or subsection managers. In FYE2020, meetings were carried out at the Manufacturing Division, Engineering Division, Purchasing Division, Cost Planning and Management Division and Aerospace Company, with a total of 138 people in attendance. We will effectively use the open opinions we received directly from these employees who gathered at the workplace in our efforts to continuously improve compliance activities.

Executives Themselves Speak with Employees in the Compliance Lecture

In the Compliance Lecture, executives other than the head of the Compliance Committee express their stance and

thinking regarding compliance. In FYE2020, for the second year continuing on from FYE2019, we accepted participants from all ranks or positions so that any employee can raise their understanding and awareness of compliance. A total of 16 executives from all offices delivered lectures, and a total of 3,476 employees attended. After the lecture, we took a questionnaire involving all participants. We gathered a great deal of valuable opinions from the employees, such as their thoughts on the lecture and their views on the corporate culture.

For a sincere attitude toward compliance to take root in Subaru's corporate culture, it is important to create a workplace where all employees communicate their true opinions openly, listen to each other with sincerity, and arrive at a conclusion together. We will continue promoting compliance efforts as we aim to “become a company that is more open to new ideas and where people can say what they want.”



Compliance Lecture

Voice

Comments by Participants

- Because the lecture was easy to understand with the speaker's own experiences and examples that were familiar to us, I was motivated to reflect on myself.
- I was reminded that communication is important to become a company that is more open to new ideas and where people can say what they want. I want to help build mutual respect and make it easy for superiors and workers to talk with each other.
- There have been times when I was troubled, wondering, “should I consult with someone?” or “what should I say?” In the lecture, I learned to change my approach from strictly “reporting, contacting, and consulting” to “having a rough consultation (primary consultation).” It's going to make it much easier for me to share information with my superiors, and I want to get started right away.