

# Social

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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 realizing Subaru's corporate philosophy of promoting harmony between people, society, and the environment while contributing to the prosperity of society, the Subaru Group clarified its responsibilities to respect human rights by establishing its "Human Rights Policy" in April 2020. Human Rights Policy was formulated in full considerations of stakeholders' views and expectations, incorporating outside experts' insights and discussion contents with overseas business sites. 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.

## 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 non-humane 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.

## Management System

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. The Representative Director, President and CEO also serves as head of the CSR Committee, where we hold discussions on human rights issues and initiatives.

## Initiatives

Based on the belief that respect for the rights and characteristics of individuals is an important management issue for realizing Subaru's corporate philosophy, the CSR Committee decided to form the Human Rights Task Team in March 2019, which was materialized in April 2019 and is comprised of 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. Going forward, the Subaru Group will continue managing its operations in line with respect for human rights.

### Activities to Raise Awareness of Human Rights

The Subaru Group's Human Rights Policy states that it "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."

We have been conducting Subaru's new employee training and manager training on the theme of diversity, and going forward, we will analyze and conduct awareness raising activities in order to further increase employees' respect for human rights.

### 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. 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 a top priority in STEP, SUBARU’s mid-term management vision, 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 FYE2021, 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 Quality Management System, Subaru works to assure quality in each process from design and development to sales, thereby 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.

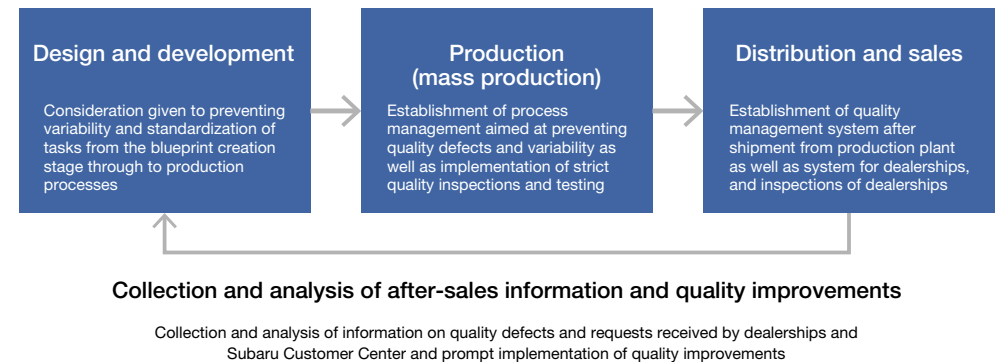
### Quality Policy

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 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.

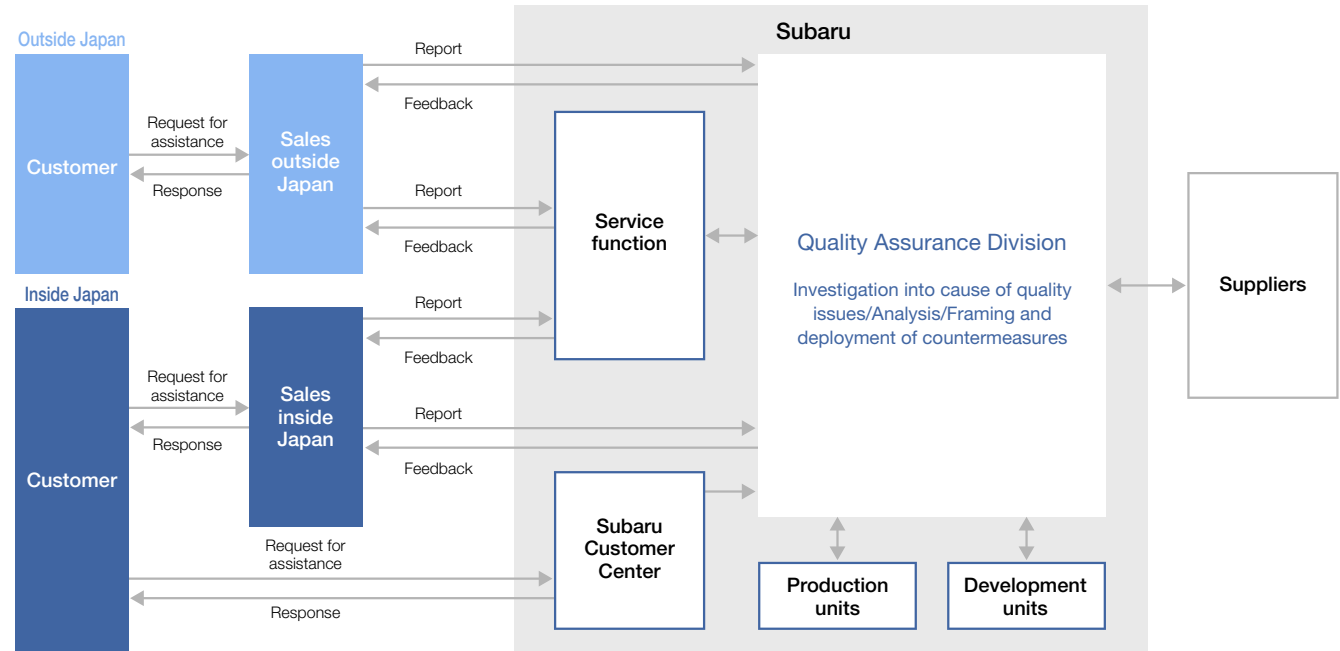
We are promoting measures to prevent recurrence of the Final Vehicle Inspection Issue, with the COP\* Supervision Section taking the lead.

In FYE2019, we transferred responsibility for final vehicle inspections from the Manufacturing Division to the Quality Assurance Division. This ensures the independence of final vehicle inspections from manufacturing departments. As well as placing quality first on a solid footing by raising awareness among final vehicle inspectors and improving the workplace environment, we have been conducting radical revisions of the final vehicle inspection system with an eye to the future.

Furthermore, we will ensure that all external stakeholders understand Subaru's initiatives, by such means as holding tours of our car manufacturing plants for shareholders and investors.

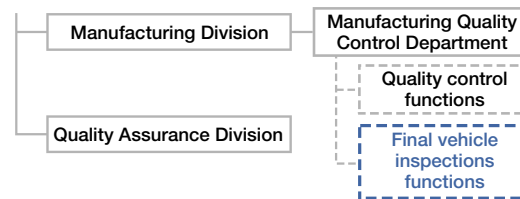
\* Conformity of Production

### Quality Improvement System

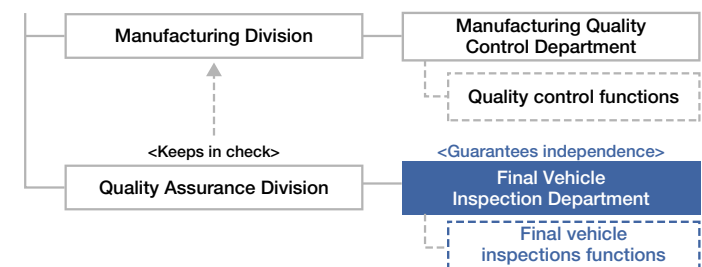


### Revision of the Final Vehicle Inspection System

• System before FYE2018



• System since FYE2019



## Initiatives

### Quality Control Training

We provide quality training as part of our employee training program to enable employees to learn basic QC\* 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

\* 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\*. 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.

\* 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 FYE2019 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 addition to employees, we also receive a large number of participants from suppliers.

In FYE2021, Subaru of Indiana Automotive, Inc., Subaru's production base in the United States, is organizing the event 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 2020, Subaru had no cases of violating laws and in-house regulations in regard to information provision on quality and safety.

[Recalls of Subaru Cars \(Japanese version only\)](#)

#### Number of Recalls and Improvements (Japan)

Number of Cases in Japan	FYE2017	FYE2018	FYE2019	FYE2020
Recalls <sup>1</sup>	10 <sup>4</sup>	9 <sup>4</sup>	11	13 <sup>4</sup>
Corrective Action <sup>2</sup>	2	1	1	1
Service Campaigns <sup>3</sup>	3	3	6	3
<b>Total</b>	<b>15</b>	<b>13</b>	<b>18</b>	<b>17</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> 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
	QMS consolidation training	All employees Twice a year
Basic Training for Inspectors	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 Lecture

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 lectures, awards for employees who have contributed to improving quality, and the distribution of pamphlets to educate all employees on quality.

At the FYE2020 lecture, President Kazuhiko Yamazaki of Fuji Bottling Co., Ltd., and Environmental/Quality Management Office Manager Hidemi Tomono provided a talk on the theme of leadership that encourages lively engagement and related communication techniques. There were over 500 participants, with the company president, employees and business partners in attendance.

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.



Quality Month Lecture

# 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 maker, 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 the SUBARU-ness.

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. 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\*. As such, we are engaged in the development of vehicles that will enable us to eliminate traffic accident deaths.

\* 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

## 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 systems (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.

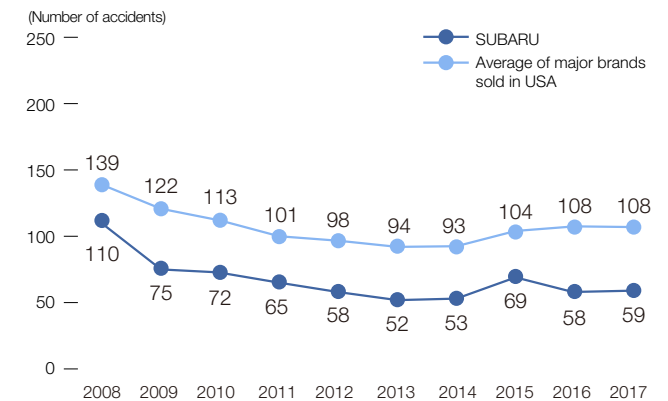
## Achieving a Low Rate of Fatal Traffic Accidents in the United States and Japan

From FYE 2009 to FYE 2019, we carried out an investigation on the number of fatal traffic accidents involving Subaru cars sold in the United States and domestically in Japan. In the United States, Subaru cars have maintained a rate of fatal traffic accidents that is lower than the average for major selling brands in the United States for 10 consecutive years.\* Domestically in Japan, Subaru cars also show a rate of fatal traffic accidents that is lower than the average for domestic auto manufacturers for 10 consecutive years.

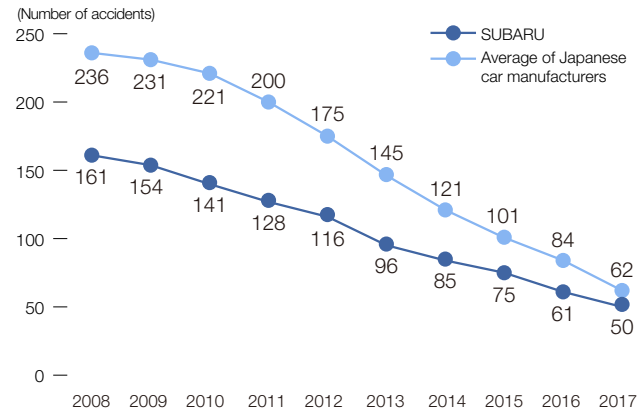
\* These calculations were made independently based on data from the Fatality Analysis Reporting System (FARS) of the United States and the Institute for Traffic Accident Research and Data Analysis (ITARDA) of Japan.

 EyeSight for 2030 (Japanese version only)

### Facts about fatal traffic accidents in the United States



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 USA, including SUBARU (excluding trucks and large SUVs)

**Facts about fatal traffic accidents in Japan**

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

## 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 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 the outstanding basic performance of the Symmetrical All-Wheel Drive paired with the horizontally-opposed engine, 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 risk aversion 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

Eliminating accidents is the ultimate goal of any car manufacturer. Therefore, Subaru has developed the driving support system using stereo cameras and radar for more than 20 years. We have created advanced safety technologies, including EyeSight. Subaru continues to evolve to enhance the peace of mind and enjoyment of all people whose lives involve cars.

### ■ EyeSight Core Technology

EyeSight's main feature is that it allows for extra awareness and control through "stereo cameras." The cameras always monitor the forward direction. They can not only measure the same distance as a person's eyes, but can also distinguish between cars, pedestrians, and road lines. It boasts high cognition performance with its wide viewing angle and vision range as well as color recognition that perceives brake lights. Based on that information and the state of the vehicle's operation, the software which functions as the "brain" determines the necessary controls, and executes controls in a manner that fits the situation as the "hands and feet" in each vehicle unit. Leveraging the potential of the stereo cameras with help of various types of sensors, EyeSight achieves advanced driving support in every situation.

### ■ Collision Avoidance Support

Pre-crash brakes are aimed at collision avoidance by using automatic (damage reduction) braking. Reverse brake assist is designed to avoid collisions when driving in reverse. AT Forward Throttle Error Control and AT Reverse Throttle Error Control stop sudden jumps caused by operating the shift lever and the pedals. Through these and other technologies, Subaru supports the avoidance of collisions and protects the safety of drivers.

### ■ Reducing Operating Burden

Subaru reduces the burden of operation, supporting a safe, comfortable driving experience.

An example is EyeSight, which recognizes cars, pedestrians and road lines, and automatically assists with the operation of the accelerator, brake, and steering.

We ease the burden on drivers with a variety of features. Touring Assist greatly reduces operation burden in situations ranging from the stress of traffic congestion to fatigue from high-speed cruising, and Advanced Adaptive Cruise Control maintains a safe preset distance from other vehicles. Active Lane Keep maintains vehicle position in the center area of the traffic lane and controls deviations from the traffic lane, while the Alarm and Warning Feature detects vehicle wobbling or deviation from the traffic lane and alerts the driver.

### ■ Support for Safe Driving

"Subaru Rear Vehicle Detection" uses sensors placed on the rear of the car frame to alert the driver to vehicles approaching from behind. Adaptive Driving Beam controls the range illuminated by high beam headlights, and High Beam Assist increases visibility and safety when driving at night by toggling high beams on and off automatically, depending on driving conditions. Through these features, Subaru supports safe driving.

### ■ Improving Visibility

Smart Rear-View Mirror supports safely checking behind the car, and Front and Side-View Monitor reduces blind spots. These reduce the driver's blind spots, and assist with safe driving.

 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<sup>1</sup> in the U.S., EuroNCAP<sup>2</sup> in Europe, and ANCAP<sup>3</sup> in Australia, and has gained the highest rank of assessment in most of them.






In FYE 2020, the Forester received a performance test (no street light) for the collision damage reducing braking control device (pedestrian, nighttime) in the JNCAP preventive safety performance assessment, and again won the highest rating Advanced Safety Vehicle Triple Plus (ASV+++)<sup>3</sup> rating.

\*1. Insurance Institute for Highway Safety

\*2. European New Car Assessment Programme: a program for publishing vehicle safety information conducted in Europe.

\*3. The Australasian New Car Assessment Program: a safety assessment program that has been provided by an independent organization composed mainly of the transportation authorities of Australia and New Zealand since 1993.

### FYE2020 Commendations

Assessed automobiles	Assessment organization	Assessment
Forester	 JNCAP, Japan	Preventive Safety Performance Assessment: ASV+++
2020 models of the Outback (built after October 2019), Legacy, Forester and Crosstrek Hybrid. <sup>1</sup>	 IIHS, U.S.	2020 TSP+ award <sup>2</sup>
2020 models of the Ascent (with specific headlights), Crosstrek, Impreza (sedan and 5-door) and WRX (all with optional EyeSight and specific headlights). <sup>1</sup>	 IIHS, U.S.	2020 TSP+ award <sup>2</sup>
Forester	 Euro NCAP, Europe	Five-star Evaluation in 2019
	 Euro NCAP, Europe	Best in Class Award, Small Off-Road/MPV class

\*1 U.S. models only.

\*2 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 the rating of "Acceptable" or higher in and the Headlight Evaluation, as well as the rating of "Advanced" or higher in the Front Crash Prevention Test. 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

Having roots in the aircraft industry, the Subaru Group considers safety to be the most important feature underpinning automobiles. Since the launch of Subaru 360 more than half a century ago to this day, Subaru has engaged 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 smaller 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.



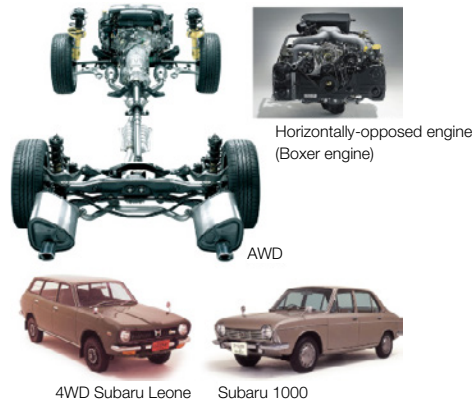
Subaru 360

### 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)

AWD

4WD Subaru Leone

Subaru 1000

### IN THE 1980s & 1990s

#### Ensuring Safety for Drivers and Passengers

##### ■ Legacy Launched. Development of Driving Support Systems

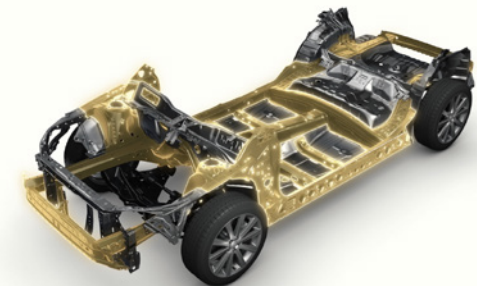
Our flagship Legacy model set a world speed record in January 1989 for 100,000 km of continuous driving, demonstrating both reliable driving performance and mechanical endurance. Furthermore, Subaru commercialized Active Driving Assist (ADA), a driving support system using stereo cameras which was the 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.



## Initiatives in the Aerospace Business

In recent years, reduction of CO<sub>2</sub> 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 CO<sub>2</sub> emissions. Also, with the “Roadmap towards Air Transportation 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 cars. However, it is necessary to generate rules,

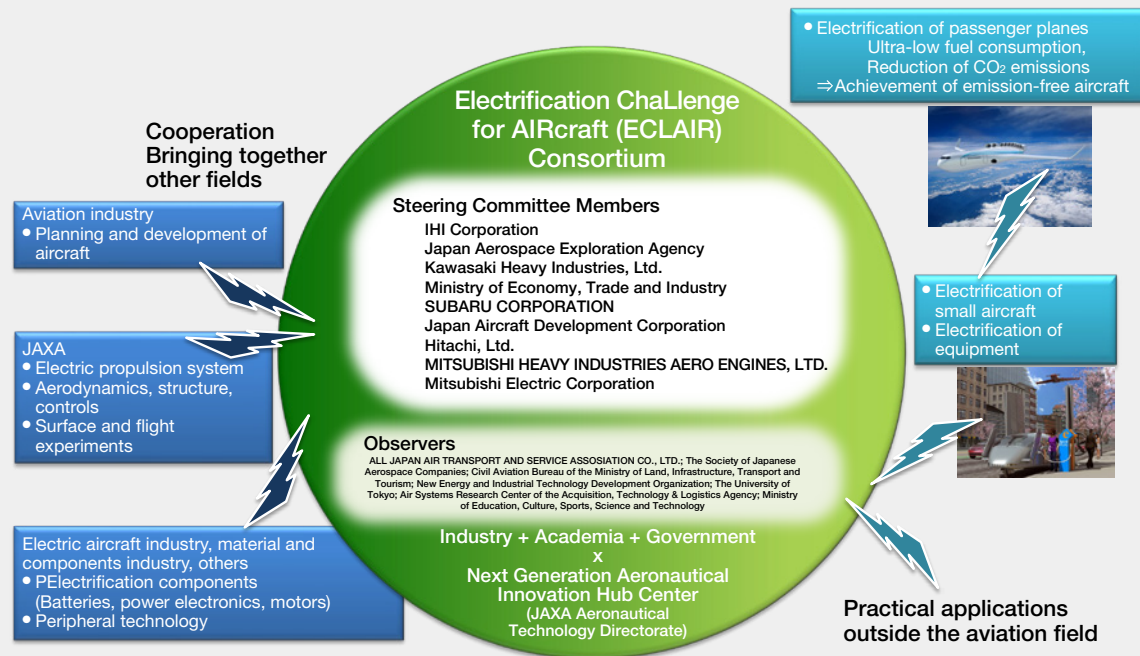


Flight demonstration for unmanned aircraft

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

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 improve safety, we are working on joint drone development 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 Mikawan from December 16 to 24, 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.



# Human Resources

## Human Resource Development

### Our Approach to Human Resource Development

The Subaru Group aspires to grow “from a company making things, to a company making people smile,” as upheld as the goal of the STEP mid-term management vision, and to become a company that is trusted by customers and other stakeholders. We believe that the key to realizing this is the entire workforce of the Subaru Group.

To achieve STEP, the Subaru Group will work to provide an environment that enables all employees to both grow and feel pride in their work, and will reform the corporate culture to create a company that is open to new ideas so that each and every employee can readily contribute their thoughts and opinions. By empowering employees to exert their full potential toward enhancing the appeal of the Subaru brand, we will continue to boost the Group's corporate value.

## Training and Education

### Our Approach

Subaru has positioned human resource development as an extremely important element of our efforts to achieve STEP. To help employees remain motivated to achieve their own professional development, Subaru utilizes the personnel system, which consists of occupational skill certification programs, a performance appraisal system, a goal management system, and personnel rotations, as well as the education and training systems, as a tool for the development of human resources.

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

### Education and Training System Chart

	Rank-specific Education		Managerial Talent Development	Education by Job Skill		Globally Focused Talent Development	Self-development Support
Manager Class		Career plan training	Training for selected staff				
Mid-level/Regular Employee	Newly appointed personnel training			Professional programs	Support for attending business school	TOEIC/mindset	Training at each business site/official certification support
New hires	New employee training (after starting official employment)						
	New employee training (before starting official employment)						

### 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.

### Programs for Upgrading Skills

Subaru has put in place a wide-ranging training system to enable all employees to fulfill the roles required of them at each qualification level.

**Rank-specific Education**

Rank-specific education takes the form of newly appointed personnel training, which is provided to all employees at the time of promotion and tailored to their qualifications. Subaru has established programs that facilitate growth through practice and reflection to enable employees to assuredly demonstrate the abilities required for each qualification. For regular employees, these mainly focus on problem-solving, while for mid-level and manager class employees, they include human resource development and leadership. In FYE2020, about 2,000 employees took and completed these programs.

**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.

**Education by Job Skill**

Subaru has established an in-house training program called the “professional program,” which employees are encouraged to apply to in order to improve their business skills and acquire new ones. Subaru also offers support, mainly for mid-level employees, to attend business school.

**Globally Focused Talent Development**

Subaru has developed programs focused primarily on improving foreign language skills and encourages wide-ranging skills development tailored to the challenges and operational needs of individual employees.

**Initiatives to Transfer Skills**

The transfer of skills at Subaru involves cultivating talented individuals capable of safely and efficiently making high-quality products by improving their ability to adapt to change, their ability to standardize and sustain that standardization, and their ability to achieve further enhancements through continuous improvement. At the Gunma Plant, we are systematically cultivating technicians

based on a program of skills education. A leading example of this is the Subaru Technical School (STS), which opened in 2006 with the goal of training young technicians to become future leaders. At the STS, trainees learn technical expertise and skills according to their rank.

In FYE2020, 655 employees took and completed the courses, bringing the cumulative total of successful trainees to 5,511.



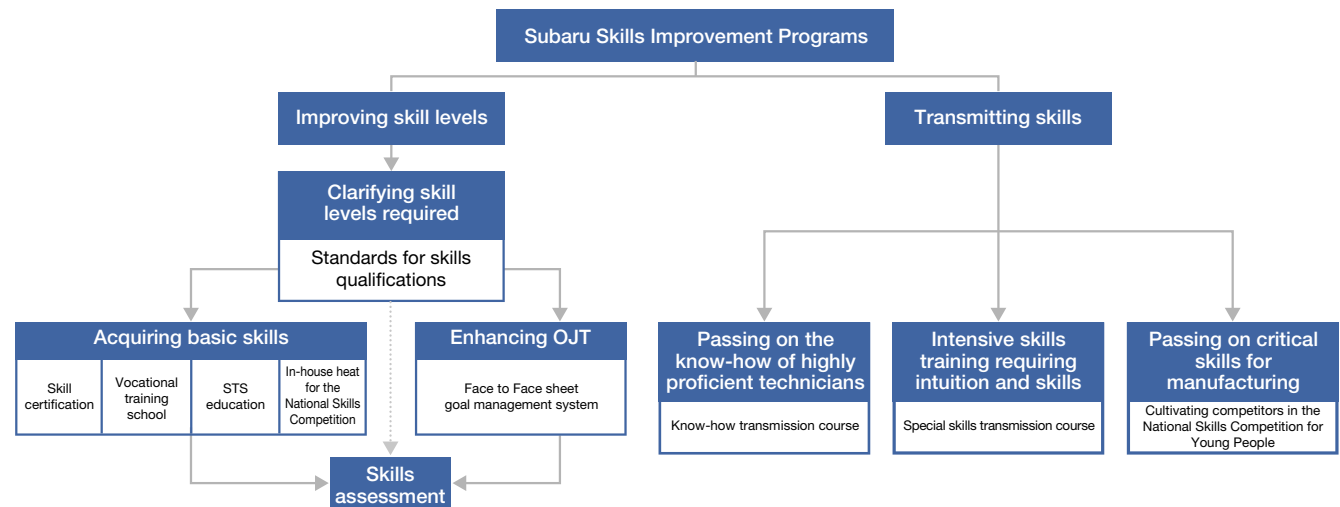
Basic skills training at STS

*Voice*  
**Comment from a Trainee at STS**

The instructors were patient and enthusiastic in teaching us inexperienced people, and I was able to acquire knowledge and skills that we could apply immediately in the workplace. I will not waste the knowledge and skills I learned at the STS but will work more diligently as an employee of a traditional company to make vehicles that our customers can drive with peace of mind.

Seita Matsui  
 Fifth Painting Section,  
 Second Production Department,  
 Manufacturing Division

**Overview of Skills Training Programs**





## 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 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 12 times or more the 2014 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 each year we provide opportunities for the supervisors to discuss such plans with the Human Resources Department. In FYE2020, 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 FYE2021, we will introduce a new career vision training program for female employees in their 20s with the aim of fostering career awareness among women at an early stage of their careers. We will 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.

In addition, we conduct interviews with employees returning to work after childcare leave to support the early resumption of their full roster of duties. Our aim is to ease their anxiety about building a career while balancing work and family responsibilities and to foster their career awareness.

In the future, Subaru will further strengthen job rotation, which helps female employees to expand their work horizon and develop themselves to a greater degree.

Number of Female Managers (Subaru non-consolidated)  
2014: 4 managers  
2020: 22 managers (as of April)

#### Status of Female Employees (Subaru non-consolidated)

		FYE2020
Proportion of female employees		7.1%
Proportion of female managers		1.9%
(Breakdown)	General managers and equivalent positions	1.3%
	Managers and equivalent positions	2.0%

→ 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 2020, 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 2020, Subaru has 291 employees with disabilities, mainly engaged in manufacturing work, and the percentage of employees with disabilities is 2.3%<sup>1</sup>.

In FYE2020, Subaru held study group sessions for personnel in charge of hiring people with disabilities at our affiliates in Japan to share awareness toward achieving the legally prescribed rate of employment of people with disabilities on a groupwide basis.



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

#### Employment of People with Disabilities

	April 2016	April 2017	April 2018	April 2019	April 2020
Number of employees with disabilities (person) <sup>2</sup>	247	261	269	280	291
Employment rate of people with disabilities (%)	2.13	2.17	2.28	2.30	2.30

<sup>1</sup> Including the number of employees with disabilities at Subaru's specified subsidiary company.

<sup>2</sup> 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\*, 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.

\* "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 2020, 69 employees and 18 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 FYE2020, 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. 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.



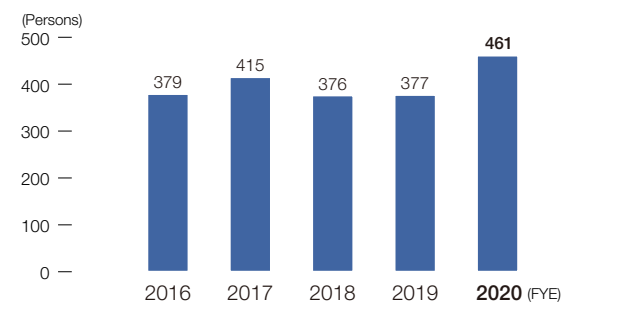
Certificate of Supporter Company for Employment of People with Disabilities issued by Gunma Prefecture

## Reemployment of Retirees

Subaru introduced the Senior Partner Program and the Senior Staff Program with an eye to helping solve employment problems faced by employees after retiring at the age of 60 and to make more effective use of human resources. We have reviewed the programs to proactively utilize the experience and abilities of retired employees for the education of younger employees and to pass down the skills possessed by the retirees to future generations. As a result, all those who want to be reemployed can now work for Subaru and other Group companies.

In FYE2020, the number of employees aged 60 and older totaled 461.

### Number of Employees Aged 60 and Older



### Reemployment Rate (for Subaru on a non-consolidated basis)

FYE	Retirees (Persons)	Applicants for reemployment (Persons)	Reemployed (Persons)	Reemployment rate
2017	114	98	98 (of whom 29 were reemployed by Group companies)	100
2018	108	83	83 (of whom 21 were employed by Group companies)	100
2019	107	86	86 (of whom 27 were employed by Group companies)	100
2020	164	130	130 (of whom 40 were employed by Group companies)	100

## 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 with lots 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 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 sites 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 nine years from FYE2012 to FYE2020, a total of 1,334 temporary workers became regular employees under the system.

### Number of temporary workers who became regular employees

FYE	Number of those who became regular employees (persons)
2012	81
2013	164
2014	118
2015	137
2016	181
2017	112
2018	113
2019	205
2020	223

## 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.



Yajima Plant, Gunma Plant

**SUBARU**

## Health and Safety Philosophy

**Subaru makes health and safety the first priority in all of our work.**

**In line with the Corporate Philosophy, we consider occupational health and safety to be a critical management issue. Our Health and Safety Philosophy is “Subaru makes health and safety the first priority in all of our work.”**

**Based on this philosophy, all managers and employees work to ensure health and safety in their workplaces while continuously striving to make working environments more pleasant and comfortable for all.**

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.

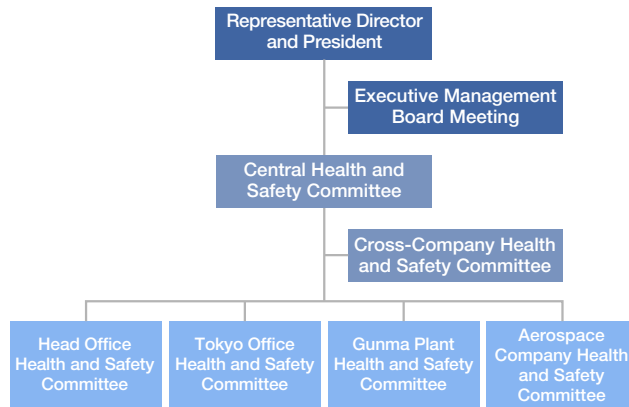
Established April 2002 Central Health and Safety Committee

### Management System

Subaru established the Central Health and Safety Committee, which is composed of members from management (the director in charge of health and safety and the manager in charge of on-site health and safety) and from the labor union, with a view to protecting employees from industrial accidents and illness and improving the working environment. The committee is chaired by the director, and its vice-chairperson is elected from labor union members. It holds a meeting three times a year.

The Central Health and Safety Committee engages in discussions on themes such as the following: the Basic Health and Safety Policy; identification and elimination of the risks that may cause industrial accidents; assessment and minimization of risks; investigation into industrial accidents and the causes of industrial diseases, and countermeasures against them; improvement of the working environment; health and safety education; road safety; and fire prevention. Moreover, based on the Basic Health and Safety Policy, the Site Health and Safety Committee discusses the specific initiatives to be implemented at their own sites, and raises awareness about the Policy among all on-site employees, including non-regular employees and also employees of affiliated companies. In addition, we have stationed industrial physicians, registered nurses and public health nurses across the company to promote occupational health and safety for employees.

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 raise their safety awareness, all Subaru employees 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.

**■ Health Promotion**

Subaru is fostering employees' health promotion measures along with occupational health and safety activities so that all employees can work healthily, soundly and vigorously, take on challenges and achieve growth, believing that the health of employees and their families is essential for all its business operations. In 2020, we established a department dedicated to health promotion, and stationed public health nurses and clinical psychologists at all our sites for employees to easily get health-related advice at their sites. We inform employees of the availability of the consulting service via the intranet. Also, in the activities conducted by the Health Promotion Subcommittee since 2018 under the control of the Central Health and Safety Committee, staff in charge of industrial health and those in charge of personnel affairs work together to visualize issues related to health, while implementing measures against smoking as well as a lifestyle improvement program in consideration of employees' work styles, receiving advice from industrial physicians.

Subaru will continue to conduct health promotion activities for its

employees and their families.

In order to support the physical and mental health of employees, Subaru is taking two-pronged approach. Specifically, we work to prevent the onset of lifestyle-related diseases among employees to support their physical health and also strive to prevent the onset of mental illness to support their mental health.

**• Prevention of lifestyle-related diseases**

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 outset of the diseases.

- (1) Measures to increase the rate of employees who undergo regular health checkups and encourage them to take reexaminations as necessary  
We work to have all employees undergo regular health checkups by flexibly providing them with options in consideration of their workplaces and work situations. For those who need to take reexaminations, we share part of the cost. We also provide those diagnosed to have a high health risk with advice from public health nurses and give them necessary instructions to raise their health awareness.
- (2) Activities to encourage employees to do physical exercise and improve their dietary habits  
We are implementing a total health promotion plan (THP) and various other physical exercise programs for employees, while also holding seminars to help them improve their dietary habits.
- (3) Measures against smoking

We are implementing measures to completely separate smoking areas from non-smoking areas on our premises and to reduce the rate of smokers among employees. In order to prevent passive smoking, we are relocating the indoor smoking areas to outside the buildings and conducting awareness raising activities for the complete separation of smoking and non-smoking areas at all our sites. Also, we are working to reduce the rate of smoking employees to 25% by 2025. To this end, we have designated two or more "non-smoking days" per month and have been conducting an event in which employees' "lung age" is measured as well as an event in which employees can enjoy collecting stamps by



walking without smoking during the lunch break. We also established internal clinics 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. We are thus conducting a range of activities against smoking.

(4) 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

### • Prevention of mental illness

We are implementing "selfcare" and "line care" measures for the prevention and early detection of mental illness among employees. Specifically, we help employees detect their own mental stress and deal with it through "selfcare," and request their managers to give them instructions and advice individually and improve the workplace environment as "line care."

We also proactively support employees who took leave due to mental illness when they return to their workplaces.

(1) Selfcare

We include selfcare training and a stress check in the level-specific collective training provided to employees, so that participants can learn how to self-manage their mental health. We also provide new employees with internet-based cognitive behavioral therapy (iCBT) training and make a counseling service by industrial physicians and clinical psychologists available to employees.

(2) Line care

We published the mental health manual for managers and have included line care training in the collective training for managers, give feedback about the results of collective analysis of employees' stress checks, and dispatch public health nurses to our workplaces with high health risks to make improvements through the exchange of opinions between the nurses and the managers. 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 attribute importance to individual employees' engagement and to increasing their work motivation, and enhance bidirectional communications between managers and their subordinates. These measures are contributing to preventing the onset of mental illness and the prolongation of such illness period among employees.

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

We are implementing this program for employees who have been taking leave to return to their workplaces smoothly, under which our industrial health staff and the personnel department collaborate to support such employees in returning to work on a trial basis or gradually returning to full-time work.

In addition, we hold health seminars for female employees to deal with the health concerns that they may have when facing their life events. According to the results of the post-seminar questionnaire surveys, 95% or more of participants are satisfied/nearly satisfied with the seminars. We are thus dealing with the concerns of female employees and supporting them in working with smiles on their faces.



"li-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



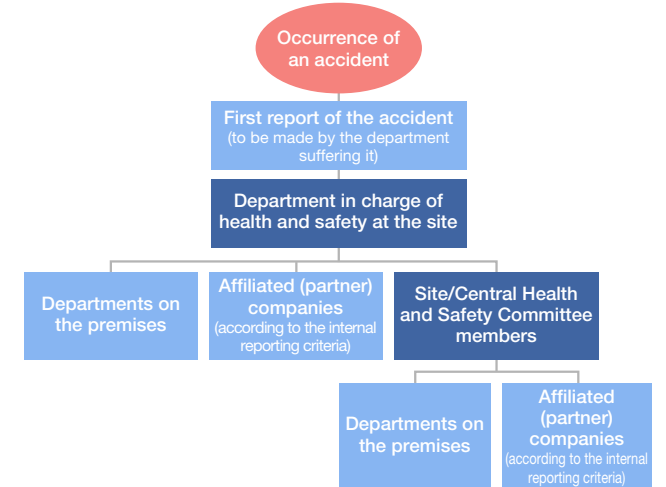
Health seminar

## ■ 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 (partner) companies via the department in charge of health and safety at the site.

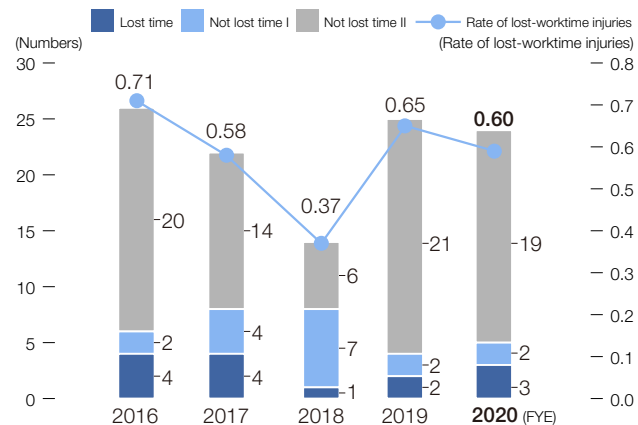
For FYE2020, we had 24 industrial accidents, of which three were lost time accidents and none were fatal accidents. The accident frequency rate was 0.60.

### 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

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



Employees are the company's most important resource and are a driving force for the company to enhance its competitiveness, on the precondition that they are healthy and can work safely with peace of mind.

As a member of the secretariat of the Central Health and Safety Committee, I work in partnership with on-site safety coordinators, industrial physicians, public health nurses, and registered nurses to propose and implement health and safety initiatives on a daily basis in a manner suitable for the situation of each site. We aim to provide employees with safe and comfortable workplaces so that they can cheerfully leave home for work and also cheerfully return home after work.

## Work-Life Balance

### Our Approach

As a precondition to increase customer satisfaction, 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 FYE2020, 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 FYE2011.
Equal pay for equal work	Began reviewing the amount of allowances granted to non-regular employees in FYE2021.

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

#### ■ Appropriate Management of Working Hours

When introducing a new attendance management system in FYE2019 to manage employees' working hours in the unit of one minute, we recalculated employees' past working hours in reference to electromagnetic records such as computer logs. As a result, it was revealed that not all employees' working hours had been appropriately managed. We therefore conducted a survey targeting all employees and made appropriate payments in a retrospective manner to employees who were confirmed to have been unpaid for part of their working hours.

#### ■ Reduction of Long Working Hours

In addition to "no-overtime days," Subaru also established in FYE2016 "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 FYE1999. Subsequently in FYE2017, we reduced the number of the core working hours for the system from four to two hours, thereby enabling employees to work in styles more suitable for their job details and job schedules. They can now control their working hours more flexibly. For example, they can leave work earlier during the low-peak period for their work. The flex-time system thus contributes to reducing employees' working hours and improving their private life.

## ■ 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\* (for Subaru on a non-consolidated basis)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Encourage employees to take the leave at each site every month	Proportion of paid days off taken by employees (%)	84.2	84.4	86.2	85.7	86.4

\* Percentage of the number of days off taken by employees of the total number of annual paid days off granted to them. For members of the labor union, it was 90.7% in FYE2020

## ■ Support for the Maintenance of Balance between Work and Elderly Care

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 and other Group companies 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 (for Subaru on a non-consolidated basis)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
System for employees to take leave to take care of the family member in need of long-term care	Number of employees who took this leave (persons)	9	4	5	9	30

## ■ 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\* and as a result of achieving the plan, received "Kurumin" certification from the Japanese Minister of Health, Labour and Welfare.



"Kurumin" mark

\* 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 reduced 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 FYE2019, 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 FYE2020 we introduced these measures on a full scale. Moreover, we detailed the support systems in the level-specific training for employees and made the Maternity Leave and Childcare Support Handbook available on the intranet. We are thus raising employees' awareness and their use of the systems.

## • Childcare leave system

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

### Number of employees who took childcare leave (for Subaru on a non-consolidated basis)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Those who took the leave (persons)	Male	6	8	10	21	42
	Female	101	88	88	80	80
	Total	107	96	98	101	122
Rate of employees who returned to work (%)	Male	100	100	100	100	100
	Female	98	100	100	97.5	95
Rate of Employees who belong to the company one year after returning to work (%)	Male	100	87.5	83.3	100	85
	Female	95	100	97.2	90	95

## • Childcare leave taken by male employees

In FYE2020, 42 male employees took childcare leave, with 30 taking it for a month or longer and half of them taking it for three months or longer. Also, under the Special Childcare Leave system, which allows employees to take up to five days off at the birth of their children, 80.4% of male employees entitled to take the leave actually took it. 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: 95 days

Largest number of days off taken by a male employee: 349 days

### Special Childcare Leave taken by employees (for Subaru on a non-consolidated basis)

Number of employees who took the leave (up to five days): 459 persons

Average number of days off taken under the system: 2.4 days

Rate of employees who took the Special Childcare Leave or Childcare Leave (excluding annual paid days off): 80.7%

#### • 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 (with two-hour core working hours).

#### ■ 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 FYE2020 survey, 14,429 employees or about 90% of the total number of regular employees replied to the questionnaire, and 63% 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

Question	FYE2019	FYE2020
Communication and openness	53	56
Work-life balance	57	59
Sympathy with the corporate philosophy	64	70
Work satisfaction	51	56
Pride in the company	62	63

## 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, 2019)

The following shows the data for FYE2020.

- Members of the Subaru Labor Union: 14,997 persons  
(Total number of employees: 16,280 persons, excluding managers)
- Confederation of Subaru Affiliated Labor Unions  
Number of members: 27,524 persons

## Employee Data

### Number of employees

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Number of employees (Consolidated) (Persons)	Total	31,151	32,599	33,544	34,200	35,034
Number of employees (Non-consolidated) (Persons)	Total	14,787	15,217	15,530	15,885	16,318
	Male <sup>1</sup>	13,858	14,229	14,477	14,774	14,823
Excluding directors and advisors but including those seconded to other companies	Female <sup>1</sup>	929	988	1,053	1,111	1,139
	Part-time <sup>2</sup>	—	—	—	—	356
Number of temporary employees (Non-consolidated) <sup>2</sup> (Persons)		—	—	—	—	6,328

<sup>1</sup> Regular employees

<sup>2</sup> Has been disclosed since FYE2020

### Composition of employees (Non-consolidated)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
Male to female ratio (%)	Male	94	94	93	93	93
	Female	6	6	7	7	7
Average age		38.5	38.5	38.6	38.5	37.4
Average length of service (Years)		16.0	15.8	15.9	15.8	15.8
Number of managers (Persons)	Male	1,032	1,028	1,020	1,030	1,051
	Female	7	11	13	14	20
Number of new graduate hires (Persons)	Male	483	479	494	473	498
	Female	36	69	80	74	68
Number of mid-career hires (Persons)	Male	267	397	221	317	161
	Female	23	23	15	15	24
Number of employees who quit the company (Persons)		189	258	249	339	329

### Composition of employees by age (for FYE2020 on a non-consolidated basis)

Age	Male	Female	Total
Younger than 30	4,381	437	4,818
30 to 39	3,915	249	4,164
40 to 49	3,893	347	4,240
50 to 59	2,634	106	2,740

### Breakdown of new graduate hires by job category (for FYE2020 on a non-consolidated basis)

Category	Male	Female	Total
Career-track employee (in technological fields)	154	23	177
Career-track employee (in other fields)	28	10	38
Clerk	78	14	92
Skilled worker	238	21	259

### Composition of mid-career hires by age (for FYE2020 on a non-consolidated basis)

Age	Male	Female	Total
Younger than 30	66	10	76
30 to 39	75	9	84
40 to 49	17	3	20
50 and older	3	2	5

### Comparison of fixed wages between male and female employees (for FYE2020 on a non-consolidated basis)

#### Fixed wages Male: Female

Managers: 1:0.88

General employees: 1:0.93

\* 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 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 precision, speed, relevance, fairness, impartiality, and kindness 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



Your call is recorded for the purpose of confirming its content. Thank you for your understanding.

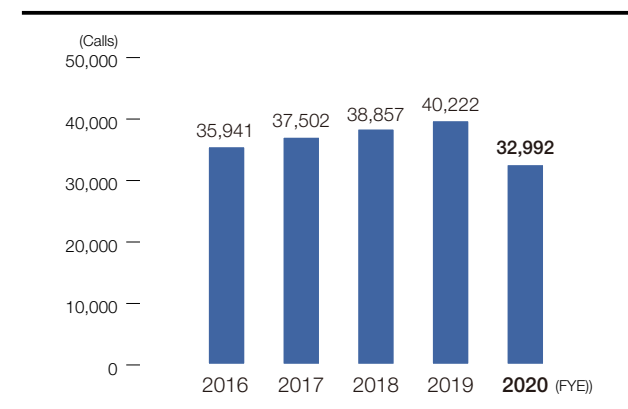
#### The Subaru Customer Center will ask you for the following information:

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

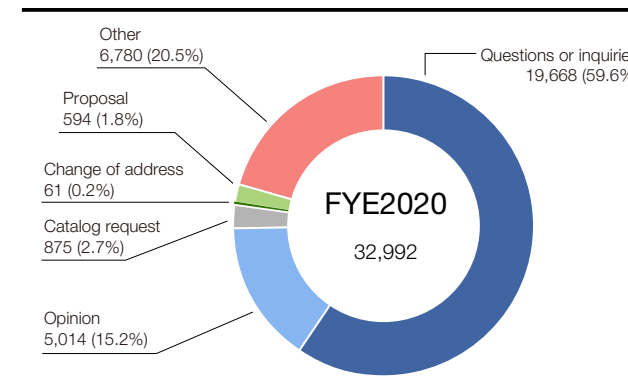
Hours of operation: 9:00 a.m. to 5:00 p.m. (Weekdays)  
9:00 a.m. to noon, 1:00 p.m. to 5:00 p.m. (Saturdays, Sundays and holidays)

\* 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






### SUBARU Recall Inquiry Line

Starting with the airbag issue, we established the SUBARU Recall Inquiry Line as a dedicated contact point for each recall case. The line is open every day of the year.

**SUBARU Recall Inquiry Line**

 **0120-412215**

Your call is recorded for the purpose of confirming its content. Thank you for your understanding.

**The SUBARU Recall Inquiry Line will ask you for the following information:**

- Inquiries/consultations regarding recalls
- Hours of operation: 9:00 a.m. to 5:00 p.m. (Weekdays, Saturdays, Sundays and holidays)

• Annual number of customer inquiries  
23,038 (April 2019 to March 2020)

### 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.

#### ■ Number of Valid Responses

In FYE2020, we once again received many opinions.

#### Number of valid responses

	FYE2017	FYE2018	FYE2019	FYE2020
No. of responses	98,127	107,350	102,571	74,148

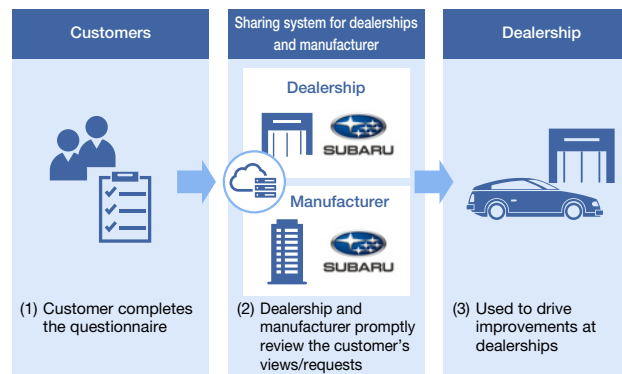
#### ■ Evaluation of Achievements in FYE2020

We took a survey of new and used car owners one month after delivery of the vehicle. We received high evaluations, with close to 90% responding "Good" or "I would like to continue driving a Subaru." We also took a survey of new car owners three and five years after delivery of the vehicle. While we generally received positive feedback, the results fell below those of the first month survey. Subaru and Subaru dealerships take the views of our customers seriously and will work together on activities aimed at achieving further improvements.

#### ■ Improvements in FYE2021

Subaru strives for the continued trustworthy operation of dealerships. To that end, we revised the content of the questionnaire to better understand our customers' expectations, and changed the survey scheme to cover a wider range of customers.

#### Customer Satisfaction Survey



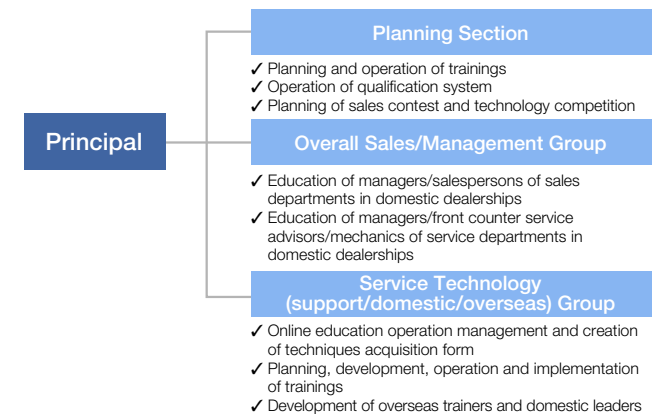
\* We started use of the sharing system in FYE2018

### 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 that meets the fast environmental changes in sales and services. For overseas service staff, it provides curriculums that meet 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.

#### Organizational Structure of SUBARU Academy



The Subaru Training Center

**Number of trainees (including training trips)**

	FYE2020
Managers, sales staff, service staff	3,774

**■ 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,\* a sales professional certification program.

\* 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 2020)**

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 – 51 salespeople, Level 2 – 718 salespeople, Level 3 – 1,164 salespeople

**Service STARS (as of April 2020)**

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 – 23 mechanics, Level 1 – 1,011 mechanics, Level 2 – 1,224 mechanics, Level 3 – 1,079 mechanics, Level 4 – 469 mechanics

Front counter service levels: Level S – 19 persons, Level A – 415 persons, Level B – 423 persons, Level C – 155 persons



STARS training textbooks

**International CS Initiatives**

At Subaru, the Customer Service Division cooperates with overseas distributors on “service staff training” and “distributor 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)<sup>\*1</sup> and STEP Trainer Training (STT)<sup>\*2</sup> as technical training curriculums, using skill certification testing to provide motivation for learning.

Subaru is increasing the technical training that our employees attend at overseas distributors in addition to utilizing affiliated colleges in five countries around the world. 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.

<sup>\*1</sup> 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.

<sup>\*2</sup> A training program for certification trainers who teach the STEP (SUBARU Technician Education Program) Program. The STEP Program is a system that establishes three levels of engineering / technical skill as a mechanic (technician) and provides certification based on these levels. The three levels, from the beginner qualification, are Subaru Technician, Subaru Senior Technician, and Subaru Master Technician.



ATT

**■ Supporting Dealerships**

Implementation of recalls, which is increasing in number in recent years, is a serious issue. The Customer Service Division identifies the laws and regulations and the status of recall operations of each market and expedites our response, including for overseas and domestic recalls.

Subaru also supports overseas distributors readily to establish necessary facilities and systems to introduce vehicles equipped with new technologies. To carry out these activities, close communication is necessary. Subaru holds conferences in Japan (most recently in June and November in 2019) that bring together overseas distributors from eight leading countries (the United States, Canada, Germany, Switzerland, Russia, Chile, Australia, China). In addition, we hold regional meetings in each region (North America, Europe, Central and South America, Oceania, China, Southeast Asia, etc.) with the aim of speeding up the resolution of any issues. Subaru also continuously holds trainings for high-level technical skills necessary for repairs in markets in North America, Australia, Europe, Chile, etc.



Conference for overseas distributors from eight leading countries

## Responding to Emerging Market Needs

At Subaru, we seek to offer cars that deliver “Enjoyment and Peace of Mind” in regions called emerging markets, such as China, Asia, and South America. In the world’s largest market of China, we have organized our distributors into a group, and created a system which allows for management of the entire operation, from products to service. In Southeast Asia, we are responding to customer needs in ways such as launching complete knock down (CKD) manufacturing in Thailand, in addition to Malaysia.

## 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 FYE2020, we gave the Chiffon a full design change, in which we launched the two model TRANSCARE series. The Wing Seat is a passenger seat that swings out and moves up and down, while the Slope Type allows passengers to board the vehicle while on a wheelchair. Going forward, Subaru will promote all kinds of initiatives.

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



Chiffon Wing Seat



Chiffon Slope Type

## 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 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 4.0 in FYE2018, 3.8 in FYE2019, and 3.9 in FYE2020. 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 customer’s requests in detail and to earn customer satisfaction with Subaru’s products and services through maintenance and operations.

# CSR Procurement

## Our Approach

In keeping with our Corporate Philosophy and 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

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 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 has observed the laws and regulations, including 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 for those in charge of procurement and transmit alerts on our intranet to ensure that business is conducted properly.

### ■ Employee Training on Fair Trade in FYE2020

#### Automotive Business

- Training for new recruits (7 employees)
- Training for transferees (24 employees)
- Comprehension tests for compliance (152 employees)

#### Aerospace Company

- Training for new recruits (6 employees)
- Consumption Tax Act: Tax system revision course (62 employees)
- CSR information session (98 employees)

 Consultation service for promoting fair-trade (Japanese version only)

 Partnership Formation Oath (Japanese version only)

## Supplier CSR Guidelines

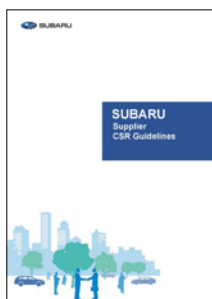
To promote Subaru CSR procurement and help our suppliers conduct CSR activities, we created, and in FYE2012 began application of, the SUBARU Supplier CSR Guidelines. They are based on the CSR Guidelines for Suppliers of the Japan Automobile Manufacturers Association, Inc. (JAMA), and incorporate our CSR policy.

In FYE2014, these guidelines were made company-wide, including all suppliers of the Aerospace Company, and in FYE2016, Subaru revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals.\* In the same year in FYE2016, 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 (a reformed version of the former CSR Policy) that was enacted in April of FYE2021 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.

\* 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 United States, 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.

[SUBARU Supplier CSR Guidelines](#)



SUBARU Supplier CSR Guidelines

## ■ Five Topics in the SUBARU Supplier CSR Guidelines

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

### (1) Safety and Quality

- 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

### (2) Human Rights and Labor Issues

- 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

### (3) Environment

- 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

### (4) Compliance

- Compliance with laws
- Compliance with competition laws
- Preventing corruption
- Managing and protecting confidential information
- Managing export trading
- Protecting intellectual property

### (5) Information Disclosure

- Disclosing information to stakeholders

## Business Partner CSR Briefing and CSR Survey

In FYE2020, we conducted the following initiatives for about 360 business partners involved in the automotive business for the purpose of promoting CSR in our supply chain.

- We held the Business Partner CSR Briefing, in which we explained the importance of promoting CSR, the details of the Subaru Group's CSR, 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, and used the results as reference in selecting suppliers.
- We took a questionnaire on overseas employees at our business partners, and checked that there were no human right violations regarding overseas employees and technical training interns.

We plan to continue conducting these initiatives in FYE2021 and onward.

## Conflict Minerals

The Subaru Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. In FYE2020, upon request from our customers, Subaru continued to conduct a conflict mineral survey targeting at about 210 suppliers of parts and materials.

Going forward, Subaru will make efforts for "No use of materials engendering social problems" including conflict minerals 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 six 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 Parts, Materials, and Services supplied to SUBARU

5. Management of Substances of Concern
6. Reduction of CO<sub>2</sub> 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 ISO14001<sup>1</sup> third-party certification at its base. Currently, all of our Tier1<sup>2</sup> business partners have already acquired ISO14001 certification. In case our new business partners have difficulty acquiring ISO14001, we review their compliance status by having them submit reports on their voluntary assessment based on environmental guidelines, while supporting them with the acquisition of Eco Action 21<sup>3</sup>.

To those business partners who have passed our voluntary examination, Subaru make inquiries or perform audits as necessary and request them to continue efforts toward early acquisition of third-party certification for environmental management.

\*1 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.

\*2 Companies that directly supply parts to car manufacturers. They are primary business partners. Tier2 business partners are companies that supply Tier1 with those parts that make up the Tier1 company parts.

\*3 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<sup>4</sup>](#)

[Green Procurement Guidelines Aerospace Company Edition<sup>4</sup>](#)

\*4 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.

### 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<sup>1</sup> and ELV Directive<sup>2</sup>. 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.

\*1 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.

\*2 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 the ecosystem during the procurement of raw materials. In addition, our main office has switched to

regenerated copy paper with 100% recycled paper pulp that does not use any new plant resources, and we completed rolling out this initiative to all domestic Subaru offices in April 2020.

### Communication with Suppliers

In an effort to share with suppliers our mid- to long-term management strategies and our quality, procurement, production and sales policies, Subaru has been hosting “Policy Briefings” every spring, and in FYE2020 had 700 people from about 400 companies participating in the Briefings. Subaru also periodically exchanges information by participating in “Cooperation Meetings” comprised of our suppliers. Once a year, Subaru awards those that have particularly contributed to R&D, production, and quality improvement.



“General Cooperation Meeting” for the Automotive Business suppliers



“General Cooperation Meeting” for the Aerospace Company suppliers

# Social Contribution

## Our Approach

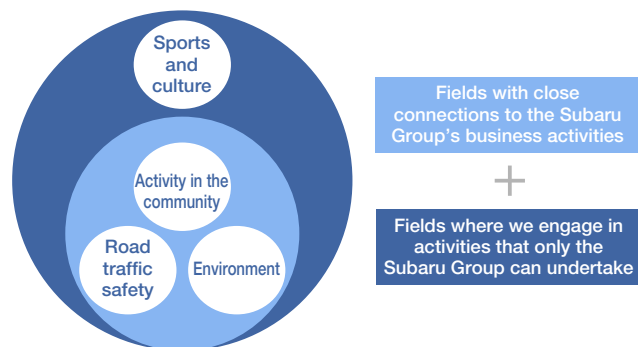
The Subaru Group has developed its social contribution policy in the hope of ingraining the practice of social contribution into corporate culture and to foster sincere commitment to such practice. In accordance with the policy, we promote social contribution activities in the four fields—activity in the community, environment, road traffic safety, and sports and culture—which we have selected as befitting a socially responsible transportation equipment manufacturer.

In FYE2020, we established a social contribution 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 shift "From being a company making things, to a company making people smile," as described in STEP, our mid-term management vision.

### 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.

### The Four Fields of Social Contribution initiatives



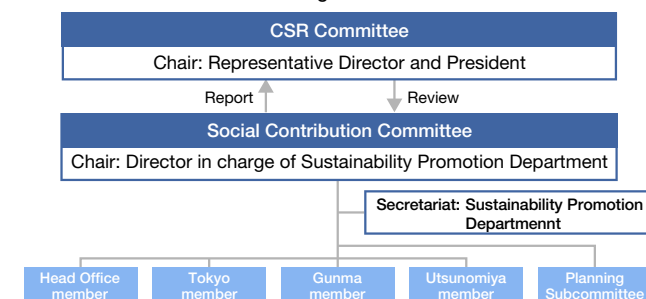
### Vision for 2025

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 social contribution.

## Management System

Subaru has established the Social Contribution Committee to actively promote and continue social contribution activities that make use of our technology and expertise. The Committee was reorganized in April 2019 during corporate restructuring. The newly appointed chair is also the director in charge of the Sustainability Promotion Department, which was assigned to serve as secretariat. 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



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, while hosting meetings to explain to local residents about the company's current situation and environmental activities. We also provide an annual factory tour for local residents to give them an opportunity to witness the car manufacturing processes firsthand and talk with company representatives in person.

Through such efforts, we look to increase their understanding of our production activities and to serve as a community member.

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 FYE2020, we welcomed a total of 86,560 such visitors. The Subaru Visitor Center is located on the premises. It exhibits various Subaru cars from the past as well as our proprietary technologies, and introduces vehicle recycling systems.

##### • Utsunomiya Plant

Since FYE2018, 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.



Factory tour leaflet



Subaru Visitor Center (exterior)



Subaru Visitor Center (interior)

#### ■ 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 the Ebisu district where the Head Office is based, employees at Subaru and its group companies engage in company-run periodical street cleanups around Ebisu Station while participating in cleaning campaigns organized by Shibuya Ward. In recognition of these continued efforts, Subaru was certified as a Clean Town Partner\* by the ward and presented with a certificate of gratitude. The Utsunomiya Plant carries out cleanup activities around its site in the Kisarazu district.

As a responsible community member, we will continue with these beautification activities to help conserve local environments.

\* Shibuya Ward's award program to commend individuals and organizations for their contributions to the district's beautification efforts



Certificate of gratitude offered by Shibuya Ward



Employees engaged in cleanup activities (Kisarazu)

### ■ Participating in Ebisu Cultural Festival (Head Office)

In an effort to increase engagement with local communities, we took part in the Ebisu Cultural Festival\* by running two programs: a workshop to craft musical instruments using thinned wood sourced from the Subaru Forest Project, and a stargazing session with the theme of global environment preservation and based on Subaru's star-motif brand logo. We welcomed a combined total of 800 visitors. As a member of the Ebisu district community, we will continue with these activities to help revitalize the local society.

\*Held in Ebisu, the main venue is the Yebisu Garden Place, and groups and organizations related to or based in the district are invited



Woodwork workshop



Stargazing session

### ■ 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.

#### • Gunma Plant

- Oizumi Plant Friendship Festival (May)
- Ota Summer Festival (participation, July)
- Yajima Plant Subaru Festival (November)

#### • Tokyo Office

- Summer Festival (July)

#### • Utsunomiya Plant

- Subaru Bon Dance Festival (August)
- Subaru Friendship Festival (October)
- Subaru Handa Friendship Festival (October)

### ■ Monozukuri Classes (Tokyo Office)

In July 2019, Subaru held Subaru Kids' Monozukuri Classes, in collaboration with Subaru Techno Corporation. A total of 33 participating children made model cars, put them on a model test track, and had fun competing with each other.

## Voice

### Comments from Parents

- The class was about more than making model cars. It gave a simple but solid lecture on automobiles, including historical background. The children showed serious interest in technology presentations on vehicle driving mechanisms and other functions.
- I appreciated the easy-to-understand instructions and presentations. My child had a lot of fun racing the self-made model car and performing experiments with it.



Learning about the difference between two-wheel and four-wheel drive vehicles

### Activity in the Community: Overseas

#### ■ Factory Tours (Subaru of Indiana Automotive, Inc.)

Subaru of Indiana Automotive, Inc. hosts 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.



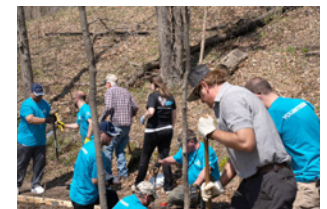
Children participating in a factory tour

#### ■ 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.



Supporting the homeless



Tree planting



### ■ 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. SCI also takes part in the city's road beautification initiatives, working on the assigned areas three times a year.



Earth Day cleanup event



SCI employees participating in cleanup activities

### ■ Contributions to Local Community (Subaru Research & Development, Inc.)

Subaru Research & Development, Inc. runs a number of social action projects for water resource protection, animal welfare, and education at Japanese schools in the company's base of Orange County, California. Specifically, the project for Japanese schools focuses on teaching curriculum enhancement and course development, and there are plans to launch work experience programs as part of school activities in the future.

## Environment: in Japan

### ■ Subaru Forest Project

Launched in 2017, Subaru Forest Project symbolizes an essential mission of Subaru as an automotive 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.

### ■ Making Candles with Waste Oil: Workshop and Photo Contest (Gunma Plant)

As a member of the Ota City Environmental Creation Council,\* Subaru cooperated in organizing an event held by the Council in which local residents were invited to make candles from the used cooking oil collected in their households. The environmental workshop included a session in which participants spend one hour in spaces lit only by candles made from recycled materials. It was followed by a photo contest featuring recycled candles. Participants were offered gifts of Subaru's original water bottles and rulers made of thinned wood sourced from Subaru Forest Bifuka.

\* Launched in 2018, the Council invites citizens' groups, NPOs, business operators, and other organizations running environmental preservation projects in Ota City, Gunma Prefecture, to work together to revitalize local environmental activities across the city.

### ■ Cooperating in Environmental Beautification around Mt. Fuji

Since 2014, Subaru has been a regular participant in the Mt. Fuji Cleanup Campaign organized by the Mt. Fuji Beautification Foundation, which cleans up the mountain trails around Mt. Fuji's fifth station. A total of about 300 people from local governments, companies, and groups took part in a cleanup in September 2019, collecting about 60 kg of trash.

At the departure ceremony held at the beginning of the event, Subaru presented the Mt. Fuji Beautification Foundation with a list of donations to the foundation. The money donated will be used to maintain the environment on Mt. Fuji and in the Fuji Hokuoku area, as well as for activities to raise awareness of beautification.



Presentation of the list of donations during the departure ceremony



Cleanup activity around Mr. Fuji's fifth station

### ■ Teaching a School Class (Utsunomiya Plan)

Starting from FYE2007, 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. Having taught 20,078 students in total at 296 schools in Utsunomiya and Handa Districts over years, this project has become an essential local community activity.



Teaching a school class



## Environment X Sports

### ■ Sponsoring Clean Trail Run

Subaru understands the importance of passing on “the earth, the sky and nature” to future generations, a core concept of its sustainability principles, and looking to promote this



understanding broadly, the company sponsored Clean Trail Run events held in 2019.

Clean Trail Runners picked up trash off the course road while running the race, and their supporting families participated in environment/nature-themed programs, such as woodwork workshops using thinned wood sourced from the Subaru Forest and guided nature exploration tours, which were planned as part of the event.

On the days of the event, current and former members of Subaru's track-and-field team helped facilitate individual activities, specifically by running the race and serving as running clinic coaches, and shared the enjoyment of running in nature with many participants and their families.

#### 2019 Clean Trail Run (results)

Event	Month	No. of participants
Subaru Ome Citizen Trail Run	June	128
Subaru Akagi Forest Trail Run	August	970
Subaru Tamagawa Genryu Trail Run	September	931
Subaru Mt. Mitake Trail Run	December	1,046



Subaru Ome Citizen Trail Run



Subaru Akagi Forest Trail Run



Workshop held in conjunction with Subaru Tamagawa Genryu Trail Run

## Environment: Overseas

### ■ Zero Landfill Partnership with US National Parks (Subaru of America, Inc.)

Subaru of America, Inc. has partnered with three US national parks to reduce landfill waste generated from the parks. SOA has placed 512 trash bins and held 59 awareness-raising events attended by 33,765 people in total.

## Road Traffic Safety

### ■ Traffic Safety Guidance (Utsunomiya Plant)

As part of our efforts to prevent traffic accidents, Subaru employees at the Utsunomiya Plant provide traffic safety guidance on roads around the plant. The activities are conducted at the beginning of the school year in April and after the summer vacation in September, and at times of the day when children are commuting to and from school.



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. Appreciation for our many years of conducting these activities has been shown through certificates of gratitude from the Head of the Utsunomiya Minami Police Department.



Certificates of gratitude offered by the Head of the Utsunomiya Minami Police Department



Association of Driving Safety Supervisors in session

### ■ Track and Field Team Member Serving as "One-day Police Chief" in the Autumn Traffic Safety Campaign

In September 2019, Subaru track and field team member Ryosuke Maki was appointed as a "one-day police chief" for an autumn traffic safety campaign. The event aimed to achieve zero traffic accidents through raising driving safety awareness.

Mr. Maki has a strong passion for the project, because he once witnessed a pedestrian nearly get struck by a car during a routine training run. On the day of the event, Maki spoke to individual drivers in their parked cars to encourage safe driving while distributing flyers and small gifts. He worked in earnest to perform his mission in the hope of helping decrease the number of accidents, even if by only one, which he believes is possible when drivers and pedestrians are considerate to each other.



Safe driving campaign

### ■ Driving Lessons

#### • Slow Aging\* driving lessons

Subaru hopes that many senior drivers will be able to enjoy driving as long as possible as a way to lead an active life. We

organized a safe driving lesson program targeted at senior customers and their family members, inviting racecar driver Hideshi Matsuda as an instructor. The program was attended by 37 groups. Mr. Matsuda introduced his original Slow Aging method through a lecture, exercises and skill practice sessions.

\* Easy-to-do routine physical care and exercise methods developed by Hideshi Matsuda.

#### • Practical driving lessons at Subaru Research and Experiment Center

Recognizing that increasing drivers' knowledge, awareness and skills can help prevent road accidents, Subaru offered driving lessons at the Subaru Research and Experiment Center jointly with Sports Driving Japan, Inc. Major programs included lectures by former race driver Tetsuya Ota, practical training on danger avoidance and other skills provided by Subaru Driving Academy\* instructors, and an opportunity to drive on high-speed oval tracks.

\* Formed to prepare vehicle development engineers to be able to perform vehicle assessments on their own rather than employing vehicle test drivers, according to Subaru's policy.



Slow Aging driving lesson



Driving lessons at Subaru Research and Experiment Center

### Sports and Culture: in Japan

#### ■ Subaru's Baseball Team and Track and Field Team Coach Children

In January 2020, Subaru held the 18th Utsunomiya Junior Baseball Class and the 13th Musashino Junior Baseball Class. The events attracted 139 and 152 local elementary school

children in total, respectively. Members from Subaru's baseball team coached each baseball clinic, teaching children the joy of sports and helping them to improve their skills.

In September 2019, the "How to Run Faster" Class was held in Oizumi Town, coached by Subaru's track and field team members. Around 70 local elementary school children participated in the event, learning basic movements in running and training methods to increase their running abilities ahead of the coming autumn's long-distance race.



Baseball clinic



Running clinic

#### ■ Friendship Concert (Gunma Plant)

Subaru Community Exchange Association\* held a Friendship Concert in Ota City Nitta Culture Hall in August 2019 and January 2020, attracting a combined total of 750 people of all age groups. At the event, the Association runs a donation drive to collect unused household items, like towels and soap, as

well as monetary donations from the audience. The contributed money and items are donated to various welfare facilities in the region through a local social welfare council to assist with regional development.

\* Subaru Community Exchange Association: Organized by Subaru and its business partners, the association promotes interactions among residents as well as community development in Ota City and its surrounding districts, thereby contributing to creating an attractive place to live.



Friendship Concert

### Sports and Culture: Overseas

#### ■ Support for Disadvantaged Children (Subaru of Indiana Automotive, Inc.)

Each year, Subaru of Indiana Automotive, Inc. (SIA) hosts a charity 24-hour cycling challenge on its test track. Entries are registered from many cyclists, including SIA employees. Over nine years since its launch, the charity drive has collected a total of 127,000 dollars, which has been donated primarily to disadvantaged children, including survivors of abuse.



SIA cyclist team



Cyclists on the track

## Donation, Volunteer Activities, etc.: in Japan

### ■ Awarded the Golden Order of Merit by the Japanese Red Cross Society

At Subaru, a total of 291 employees donated around one million yen in total in FYE2018 and FYE2019 to the Japanese Red Cross Society through the company welfare program. For this contribution, the employees were awarded the Golden Order of Merit\* by the charity organization, and the award ceremony took place at Subaru's Head Office in Ebisu in November 2019.

\* The Golden Order of Merit is awarded by the Japanese Red Cross Society to individuals and organizations for donating operating funds that exceed a determined amount.



Award ceremony

### ■ Utsunomiya City Sound Development of the Juvenile Promotion Award for Business Operators

In January 2020, the Aerospace Company was honored with an award from Utsunomiya City as a company that organizes original activities to promote the sound development of the youth, chiefly in collaboration with local communities and organizations. The commendation was awarded for various programs provided by the division over the years to help the sound, healthy growth of children, including: the summer bon dance event (since 1984); the Friendship Festival (since 1988); and a local baseball clinic held in cooperation with Subaru's baseball team (since 2002) which gives young people an opportunity to learn the importance of teamwork.



Award ceremony

## Donation, Volunteer Activities, etc.: Overseas

### ■ Blood Donation (Subaru of America, Inc.)

Subaru of America, Inc. has been running a blood drive twice a year since 1991. In 2019, around 900 employees in total donated blood at sessions taking place in the company in July and December.



Employees making a blood donation