

# Message from the Chairperson of the Sustainability Committee

## Evolution of Sustainability Management in Mid-Term Business Plan

We are working to help solve social issues through our business activities, leveraging our strengths as a commercial vehicle manufacturer, guided by our corporate vision: *Isuzu will always mean the best: A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment.*

Less than 10 years remain until 2030, the target year of the United Nations SDGs, and there are growing expectations and demands from investors and other stakeholders for ESG (Environmental, Social, and Governance) initiatives. As social issues surrounding us continue to diversify, the Isuzu Group recognizes that *accelerated trends towards electrification and decarbonization to achieve carbon neutrality as well as increased expectation for non-stop logistics infrastructure* driven by the spread of COVID-19 are important elements of the external environment for CV manufacturers.

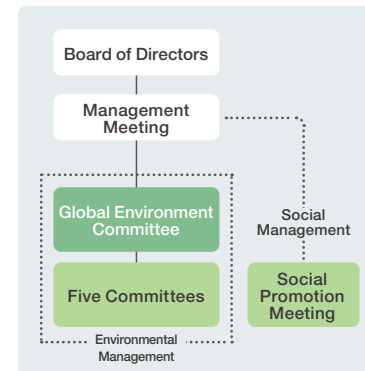
In the light of this environment, the new Mid-Term Business Plan 2024 which begins this fiscal year, positions carbon neutrality and solving issues in the logistics industry as our axes for innovation. The Isuzu Group considers these initiatives for solving social issues through our business activities to be important for management going forward. We are committed to sustainability management that further evolves our current sustainability activities. In addition, based on these efforts, the Sustainability Committee discussed and reviewed the *social issues we want to solve through our business* which were formulated in 2018, to more appropriately express the Company's initiatives.



**Shinichi Takahashi**  
Executive Vice President and Director  
Chairperson of the Sustainability Committee

## Governance System for Promoting Sustainability

In April 2021, the Isuzu Group established the Sustainability Committee, expanding the functions of the previous Global Environment Committee to handle overall sustainability activities. Even as the Isuzu Group promoted company-wide activities to realize its *Global Environmental Charter*, we faced a growing need for an organization that comprehensively addresses the impact of increasingly diverse and complex social issues. We therefore strengthened the sustainability promotion structure to work towards realizing the *Isuzu Environmental Vision 2050* formulated in March 2020, while accelerating initiatives for human rights and diversity. Under this new structure, subcommittees for environmental and social issues are placed under the Sustainability Committee. In addition to deepening discussions and initiatives on environmental and social issues, this structure allows for broader discussions while deepening management engagement.



\* CN: Carbon neutral

### Isuzu's Key Challenges

Providing value to society	Relationship with SDGs	Cornerstones supporting value creation	Relationship with SDGs
Realizing a society in which people and goods can be transported safely, securely, and efficiently	3, 8, 9, 11	Improving technologies and providing reliable products and services	3, 9, 11
Balancing the global environment and economic development	7, 12, 13	Respecting employees and diversity	5, 8, 10
Enhancing lives and the economies in emerging countries	1, 8, 10	Win-win relationships with local communities and stakeholders	4, 8, 17
Sustaining lifestyles and the environment during disasters and emergencies	11, 13	Appropriate governance	16

## Message from the Chairperson of the Sustainability Committee

The Sustainability Committee makes decisions on management issues, business policy, and business strategies related to sustainability, as well as promoting company-wide sustainability activities on an on-going basis. In this way, the committee will reflect changing social trends and expectations of companies in our medium- to long-term business activities, and enhance the sustainable growth of society and the company. The roles of the Sustainability Committee and subcommittees are shown in the following table.

### Role of the Sustainability Committee

<b>Promotion of sustainability for the entire group.</b>	Recognize sustainability strategies as a management issue for the entire group and promote Isuzu's business policies, business strategies, and sustainability activities from a long-term perspective.
<b>Monitor progress of sustainability activities.</b>	Monitor progress on various business activities related to promoting Isuzu's corporate philosophy, medium- to long-term policies, vision, and sustainability.
<b>Gather and share external expectations and internal information.</b>	Constantly recognize society's expectations based on changing social trends and promote awareness internally.

### Roles of each subcommittee

<b>Business CN Promotion Subcommittee</b>	Promote cross-department activities to achieve carbon neutrality in 2050, focusing on production activities which are the group's main source of CO <sub>2</sub> emissions, to achieve carbon neutrality in the Isuzu Group's business activities.
<b>Product CN Promotion Subcommittee</b>	Promote various activities that contribute to the carbon neutrality of products, including decarbonization technologies and energy, to achieve well-to-wheel (WtW) carbon neutrality.
<b>Resource Recycling Promotion Subcommittee</b>	Promote waste reduction and recycling in all Isuzu business activities including products and services to achieve 100% recycling of resources.
<b>Environmental Management Promotion Subcommittee</b>	Promote environmental activities in coordination with group companies, focusing on environmental management measures such as ISO 14001 certification acquisition, environmental risk management, and biodiversity conservation.
<b>Social Promotion Subcommittee</b>	Examine various sustainability management issues such as ESG investment evaluation trends and promote activities to improve Isuzu's social evaluation.

## Activities Going Forward

As Isuzu engages in sustainability management under the new structure, from 2021 it started the following new initiatives to strengthen its existing sustainability efforts.

### 1. Endorsement of the TCFD Recommendations

Climate change is a major global issue, and it is important for companies to clarify climaterelated risks and opportunities for their businesses, and to appropriately reflect them in management. Isuzu recognizes climate change as a key environmental issue and has been promoting climate change countermeasures in its all of its business activities, products and services. We now recognize that more than simply disclosing the results of these activities, we need to implement strategic climate change countermeasures by considering climate change-related risks and opportunities from a perspective more in line with corporate management. Therefore, Isuzu decided to disclose climate change-related information in accordance with a framework based on the recommendations of the *TCFD (Task Force on Climate-related Financial Disclosures)* set up by the Financial Stability Board, and endorsed the recommendations in April 2021. By tackling climate change issues from a global perspective, and pro-actively disclosing information, we will uphold the trust of our stakeholders and further enhance our climate change countermeasures.

### 2. Participation in the United Nations Global Compact

As a global company operating in over 150 countries and regions around the world, Isuzu joined the United Nations Global Compact in May 2021, in order to cooperate with the international community and contribute to the growth of a sustainable society. We will further enhance and strengthen our existing sustainability activities in line with the 10 principles of the United Nations Global Compact, which include *Human Rights, Labor, Environment, and Anti-Corruption*.

From this year, in an effort to strengthen human rights protection activities, we started including environmental and human rights considerations in our procurement activities by incorporating human rights due diligence in our supply chain management.

Going forward, we will continue to focus on the expectations of society and voices of our stakeholders, incorporate appropriate sustainability perspectives in our management and business activities, and strengthen our approach to achieving sustainable growth for society and the company.