

**ISUZU MOTORS LIMITED** 

CSR Report 2014

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#### CSR Report 2014















- Corporate Governance/ Supply Chain Management
- Editorial Policy
- GRI Guidelines Index
- Environmental Impact Data

# **Editorial Policy**

# **Editorial Policy**

The Isuzu CSR Reports are published to provide an understanding of the "important issues for both our stakeholders and Isuzu," with regards to the CSR activities carried out by the Isuzu Group. Such references as GRI guidelines\* were used to prepare this report.

The reports are intended to reinforce communication with the Group's stakeholders and thus to further improve the CSR activities where the Isuzu Group can meet the expectations of stakeholders and society.

\* GRI Guideline (GRI Sustainability Reporting Guideline): GRI Guideline is a unified international guideline formulated by GRI (Global Reporting Initiative), an international NPO, in an attempt to improve the quality, reliability and comparability of contents of CSR reports (sustainability reports).

# **Scope of Report**

Centering on Isuzu Motors Limited, this report describes the activities carried out by Isuzu Group companies in Japan and abroad.

\* "Isuzu" in the report means "Isuzu Motors Limited" alone.

# **Period Covered**

This report includes activities carried out between April 1, 2013 and March 31, 2014 in principle. However, significant matters in other periods are partly included in this report.

Please refer to Isuzu web pages for FY2013 business activities and financial information.

#### Social Contribution Initiatives

Isuzu proactively conducts social contribution programs as a good corporate citizen.



# Social Contribution Initiative Policy



Isuzu leads its social contribution initiatives to meet social expectations and needs.

Social Contribution Initiative Policy

# **Support Activities for the Great East Japan Earthquake**



Isuzu carries out long-term support activities for areas affected by the Great East Japan earthquake.

- Participation in Michinoku Revival Partners
- ▶ Erga Hybrid Buses to help transportation on BRT in the affected areas
- Participation in joint creative project, Pine
  Tree for Hope, with 14 companies of the
  Japan Automobile Manufacturers
  Association
- Presentation of local sake from a disaster-affected area at an internal event
- Support for drama club of Natori Kita High School, Miyagi Prefecture, for the national competition

#### **Initiatives in Japan**



# Isuzu introduces FY2013 initiatives taken in Japan.

- ▶ "DeuSEL® Project" Kick-off for commercialization of next-generation bio-diesel fuel
- Support for vehicles that suffered water damage in Typhoon No. 18
- Next-generation development support
- Other initiatives

#### **Initiatives in Overseas**



# Isuzu introduces FY2013 initiatives taken in Overseas.

- Educational aid program at a training school for auto mechanics (The Philippines)
- Held a workshop of Isuzu engines and transmissions at the Industrial Training Institutes(ITI) in India.
- Participate in the 55th Japanese Antarctic Research Expedition of Ministry of Education, Culture, Sports, Science and Technology Antarctic observation business
- Other initiatives

# **Social Contribution Initiative Policy**







# Isuzu proactively conducts social contribution programs as a good corporate citizen.

Isuzu positions its social contribution efforts as "initiatives in responses to meet social expectations and needs." Every single Isuzu employee needs to show his/her interest in social issues extensively and needs to take actions for those needs as an Isuzu member. We consider that it is important to make Isuzu a partner trusted by society.

Underpinned by this policy, we conduct initiatives using our unique business assets (human resources, technologies, know-how, equipment, etc.) and self-motivated activities performed by the individual employees.

# Support Activities for the Great East Japan Earthquake







# Initiatives through our business operations

## **Participation in Michinoku Revival Partners**

Isuzu joined the "Michinoku Revival Partners" in March 2014 to help offer long-term support in the affected areas. The "Partners" is a corporate consortium\* with the purpose of supporting the self-sustaining recovery of affected areas in collaboration with multiple participant companies that use their business advantages for the project.

\* The project has ETIC., a non-profit organization, as the secretariat and attracts the participation of Isuzu and six other companies that span industry borders (Ajinomoto Co., Inc., Kao Corporation, Sompo Japan Nipponkoa Insurance Inc., Dentsu Inc., Toshiba Corporation, and Benesse Holdings, Inc.).

As part of the "Partners" initiatives, the Michinoku Supporters' Meeting was held at Isuzu Hall on March 1, 2014. The meeting provided an opportunity for discussions between leaders trying to create business in the affected areas and corporate employees. The aims is for both parties to learn and benefit through working together so that corporate employees can offer their skills and experience for solving issues that the leaders are facing.



Presentation by a leader from the affected area



Sessions held at each group

#### Erga Hybrid Buses to help transportation on BRT in the affected areas

East Japan Railway Company (JR East Japan) is working on temporary restoration with BRT\* in the zones where railroad services are currently interrupted.

In June 2013, Erga Hybrid Buses were delivered to JR East Japan as a contribution to safe and convenient high-speed transportation services on the Ofunato BRT line.

The entire Isuzu Group had conducted a driving test on the service line to ensure safe and stable transport before the delivery. After the service started, once again the group gathered its integrated forces to support the service and meet the expectations of users.

\* BRT stands for Bus Rapid Transit. It is a mass-transit system that achieves high-capacity transport without risk of traffic. Their BRT uses railroad line buses that had been damaged by the tsunami of the Great East Japan Earthquake after exclusively paving the surface with asphalt.





# Participation in joint creative project, Pine Tree for Hope, with 14 companies of the Japan Automobile Manufacturers Association



Wishing for a speedy recovery from the Great East Japan earthquake, a single pine tree replica, 1/10th scale and made of steel sheet, was created in collaboration with 14 companies from the Japan Automobile Manufacturers Association as a symbol of hope and was presented at the Tokyo Motor Show. The tree has a total of over 1,000 steel pine leaves that deliver hope to every person who appreciates the tree. They were faithfully reproduced by veteran craftsmen of the companies using metal-sheet techniques and other advanced technologies.

The Japan Automobile Manufacturers Association donated the replica to Rikuzen Takada City in March 2014, and it is scheduled to be exhibited in a new community facility of the city in April 2015.

# Presentation of local sake from a disaster-affected area at an internal event

At the end of November 2013, Isuzu World Conference 2013 was held for all overseas Isuzu distributors. While products of a sake brewery, one of Isuzu customers in the affected areas, were offered, a speech was dedicated to them with gratitude for their support given after the earthquake at a party of the conference. The participant distributors enjoyed the delicious sake and saw signs of the resilience of the affected areas.



Local sake offering from the affected area



Enjoying the local sake from the affected area

# Other initiatives

# Support for drama club of Natori Kita High School, Miyagi Prefecture, for the national competition



Drama club members of Natori Kita High School paid a visit to Isuzu Motors Tohoku, Limited

In August 2013, Natori Kita High School in Miyagi Prefecture participated the 59th national high school drama competition, hosted in Nagasaki Prefecture, as the representative of Tohoku district. Isuzu Motors Tohoku Limited supported the transportation fee for their costumes and theater settings.

Their original theme featured a female student of the school who fell victim to the earthquake and received the award of excellence in the national competition as well. The members of the drama club paid a visit to Isuzu Motors Tohoku Limited on a later day.

# **Initiatives in Japan**







## Initiatives through our business operations

# "DeuSEL® Project" Kick-off for commercialization of next-generation bio-diesel fuel

To reduce environmentally hazardous substances and develop alternative fuel, Isuzu launched the "DeuSEL®\* project" jointly with euglena Co., Ltd. (euglena) with the purpose of commercializing next-generation bio diesel fuel made of microalgae, euglena (Midorimushi in Japanese). It is effective even with the content rate 100% as it does not negatively affect vehicle engines. Under the project, euglena takes a lead in research and development of next-generation bio diesel fuel and its production while Isuzu verifies the fuel. We aim to establish the technology by 2018. As the first activity step, shuttle buses that use DeuSEL® started a periodic service on the route between Isuzu Fujisawa Plant and Shonandai Station. (From July 1, 2014)

\* DeuSEL®: World's first bio diesel fuel developed by euglena from the microalgae, euglena. Greenhouse gas is emitted from running vehicles. Euglena offsets the gas by absorbing CO<sub>2</sub> in the course of photosynthesis of its growth phase. This alternative fuel reduces CO<sub>2</sub> emissions more than the conventional fossils fuels. The name is a combination of "diesel" and "euglena" and is recognized as a trademark jointly held by Isuzu and euglena.





Two top representatives at a press release



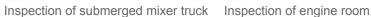
Shuttle bus at Fujisawa Plant

# Support for vehicles that suffered water damage in Typhoon No. 18[Isuzu Motors Kinki Ltd./Isuzu Motors Sales Ltd./Isuzu]

In 2013, Typhoon No.18 brought record amounts of heavy rain to Kyoto, Shiga, and Fukui prefectures in particular, which resulted in river floods and submerged vehicles for some of our customers. The water-damaged vehicles included six submerged mixer trucks and one lorry among the ones delivered to the Kyoto service center of Isuzu Motors Kinki. Co. Ltd.. After vehicles are immersed with water or salt water at floods, most of them end up being disposed of because it may be too costly to replace a great many parts. However, mixer trucks and lorries were difficult to procure due to a surge in demand in the affected areas of Tohoku. In response to a customer request that the damaged vehicles needed to be restored urgently, we were determined to come over and inspect them to see if they could be restored and make a cost estimate.

Isuzu sent its employees to the areas to inspect the sections where restoration could be done, using its experience of past disasters and aiming to meet customer needs.







# **Next-generation development support**

# Initiatives to develop next-generation car designers and car modelers

As support for the development of creative human resources that carry hopes for the future of the automobile industry, Isuzu sends its employees to workshops as instructors; car designing challenge (hosted by the Society of Automotive Engineers of Japan), which are aimed at middle school and high school students, and exciting car modeler lessons (hosted by Japan Automobile Manufacturers Association, Inc.), which are aimed at elementary and middle school students where children can enjoy experience-based learning.



"Car design challenge!"



"Exciting car modeler lesson"

# Initiative to deliver fun elements of manufacturing performance to children who carry hopes of the next-generation

The Japan Foundry Engineering Society offers experience-based workshops for children who carry hopes for the next-generation. In the workshops, they can closely witness casting advantages that are used in vehicle engine units. This is jointly held with casting manufacturers and universities as well as car makers, and the purpose is to provide children with an experience where they learn about casting and have fun. Isuzu instructors gave lectures and support in hands-on lessons during the experience-based learning. Also a Isuzu 3D character model, ELF-kun, was donated as a learning material.





Children absorbed in workshops

Casting of "ELF-kun"

#### Initiative to transfer advanced techniques to high school students

Amid young people's fading interest in technology, the Ministry of Health, Labour and Welfare and Kanagawa Prefecture encourage the development of an environment where the youth are motivated to be mechanics and learn highly advanced techniques for industry foundation.

Isuzu has agreed to participate in the initiative for young mechanics. In the hope of creating a foundation to support future Japanese industries, Isuzu sends its employees who had participated in the National Contest of World skill Competition to technician high schools while giving lectures and presentations on engine lathes, automobile metal sheet, or mechanic assembly.



demonstration



Showing serious interest in the lathe Impressed by hammer control for sheet metals



Experience of basic techniques for mechanic assembly

# Other initiatives

## **Eco Cap Activity**

Both the Fujisawa and Tochigi plants have participated in this initiative since 2008. In FY2013, a total of 920,000 plastic bottle caps were collected in the two plants, and the money raised was used to deliver polio vaccines to around 1,900 children through an NPO.

Also, the Omori Headquarters joined the initiative in February 2014, and caps are collected and delivered to elementary schools in Kanagawa Prefecture if they also participate in the initiative.

## Participation in Mt. Fuji Forestation Project



"Isuzu has taken part in a project to reproduce the 100-hectare forest located around the second station of Mt. Fuji, which has suffered from damage by pests since 2008. In FY2013 again, Isuzu employees voluntarily installed nets on trees and plants that had been planted in June so that they are protected from deer.

Mt. Fuji was recognized as a UNESCO world heritage site in June 2013. The area subject to the initiative is part of the world heritage site. Isuzu continuously supports the Mt. Fuji Forestation Project. We strive to help maintain the values of the mountain and keep the world heritage name for future generations.

# **Initiatives in Overseas**







# Educational aid program at a training school for auto mechanics (The Philippines)[ISUZU HEART & SMILE PROJECT]



Graduation ceremony for the 6th-generation graduates

Since November 2008, Isuzu has conducted an educational program at a vocational school for auto mechanics under the TESDA\*1 in Tacloban City on the island of Leyte, in the Philippines. Seventeen 6th-phase students graduated in May 2013 and eighteen 7th-phase students in November of the same year. They are certified with NC-IV, one of the highest-ranked national certificates, and are now playing major roles in dealers and maintenance shops as auto mechanics.

The total number of certified students is 135, and we are seeing more graduates who work in local Isuzu dealers win awards at preliminary contests of the Isuzu mechanic skill competition. This vocational school was badly affected by Typhoon Haiyan, which hit the country in November 2013. It is currently under reconstruction and aiming for the earliest possible restoration. Isuzu employees voluntarily made a donation to those affected students and school faculty members.

Isuzu would like to contribute to the Philippine economy as well as development of the automobile industry in the Philippines by continuing to provide support in areas including engineering.

\* TESDA: Technical Education and Skills Development Authority

# Held a workshop of Isuzu engines and transmissions at the Industrial Training Institutes(ITI) in India.

In March 2014, Isuzu Motors India Private Limited (IMI) made a donation of training materials including engines and transmissions to Tirupati, Industrial Training Institutes (ITI), the vocational school located near Isuzu new plant to come, and sent instructors to hold a workshop for the trainers of the institute. These actions were taken to endorse our idea that Isuzu promotes initiatives with consideration for human resource development of the communities around Isuzu operations for growth of the local communities. Local news media organizations also expressed their expectations for the initiative, in which Isuzu Group makes contributions to local communities including employment creation from a plant launch scheduled in 2016.



ITI school building



At an engine hands-on workshop

# Participate in the 55th Japanese Antarctic Research Expedition of Ministry of Education, Culture, Sports, Science and Technology Antarctic observation business

Isuzu is only one private-sector corporation that has sent members to engage in mechanic tasks of the set-up division of the 1st Japanese Antarctic Research Expedition in 1956 through the 55th team in 2013 for over a half century. Showa Station at the Antarctic Pole is currently monitoring global warming with large air radars. The team members from Isuzu provide maintenance work on Isuzu vehicles and engines (snow vehicles/generators) with their established techniques as contribution and support to the monitoring work and lives of the members.



Isuzu truck contributing at the Antarctic Pole



Snow vehicle fitted with Isuzu engine (Made by Ohara Corporation)

# Other initiatives

## Relief support for the Sichuan earthquake in China

Isuzu donated relief money through the Japan Red Cross as support for the victims and regions affected by an earthquake that hit Yaan City, Sichuan, China on April 20, 2013.

#### Relief support for damage from a typhoon in the Philippines

Isuzu donated relief money through the Japan Red Cross and World Vision (an international NGO group) as support for the victims and regions affected by a typhoon that hit the Philippines on November 8, 2013.

## Prize donation at rally charity event to charitable organization (France)



2013 prize winners

The Isuzu distributor in France, Midi France S.A.S., jointly organized "Rallye Aicha des Gazelle," the only rally event in the world where only female participants are allowed. "Isuzu Media Relay Challenge" is a special award that targets Isuzu vehicle teams (D-Max). The special award gives an opportunity for winners to select a charitable organization to donate to. The 2013 winners donated their prize to the Nursery Dakar Association, aiming to protect neglected babies and children.

# **Environmental Initiatives**

The entire Isuzu Group is taking initiatives to address environmental conservation.



## **Environmental Initiative Policy**



Isuzu tackles environment conservation through its business operations as a global corporate citizen.

Isuzu Charter on the Global Environment

## **Environmental Management**



#### Isuzu introduces its environmental management.

- ▶ Environment Promotion System
- Isuzu Green Procurement Guidelines
- Development and operation of Environment Management System (EMS)
- Business activity and environmental hazard



#### Isuzu introduces the major environmental initiatives of the Isuzu Group.

- CO2 reduction activity when our products are used (Fuel-efficiency Seminar)
- ▶ Energy-saving and electricity-saving initiatives
- Consolidated environmental management (initiatives by the Isuzu Group)
- Initiatives by Fujisawa Plant and Tochigi Plant

## **Environmental Initiatives**

# **Environmental Initiative Policy**













## Isuzu Charter on the Global Environment

This is Isuzu's environmental vision to create a prosperous and sustainable society.

#### Policy Statement



- We will create a prosperous and sustainable society
- We will reduce environmental impacts throughout our operations.
- We will collaborate with the community and participate in social activities.

#### Action Guidelines

Isuzu Charter on the Global Environment

- 1. Create a sustainable society
- Promote environmental technology
- Comply with laws and work towards self-imposed targets
- Formulate an environmental management system and collaborate with affiliate companies
- Enhance communication with and contributions to society
- Promote education and training and nurture environmental awareness

# **Environmental Management**













# **Environment Promotion System**

#### Isuzu Global Environment Committee

Led by the Isuzu Global Environment Committee (founded in August 1990), we have launched four environment committees to seek solutions for environmental issues.

- \* Establishment of policy on environmental challenges
- Progress management of activities based on the policy on environmental issues
- Discussion on important matters regarding environmental issues
- \* Promotion of external PR activities, internal education activities, etc.



# **Isuzu Green Procurement Guidelines**

Our business partners are expected to lead environmental initiatives along the lines of the Isuzu Green Procurement Guidelines based on an understanding of the purposes.

#### < Isuzu Green Procurement Guidelines (outline) >

- 1. Purchasing basic vision / Basic policy / Slogan
- 2. Our requests to our business partners
  - Structuring environmental management systems
  - Certification of ISO14001
  - Managing environmentally hazardous substances
  - Usage restriction with specified parts and compliance to the substances subject to reporting
  - Provision of information on materials and environmentally hazardous substances
  - Reduction of environmentally hazardous substances
  - Reduction of interior VOC
  - Ban of inclusion of environmentally hazardous substances
  - Suitable disposal of wastes from equipment installations or constructions
  - Initiatives for environmental improvements in business activities of our business partners
  - Compliance with related environmental laws and regulations
  - Improvement of economic performance
  - \* Response to LCA
  - Reduction of CO<sub>2</sub> emissions and packaging/shipping materials from logistics

# Promoting measures by our business partners

#### 1.Construction of environment management system

- We encourage our business partners to obtain the ISO14001 certificate or to structure environment management systems based on certificates and registration systems equivalent to ISO14001.
- Compliance with related environmental laws, regulations and related ordinances enforced by local governments.

#### 2. Control of environmentally hazardous substances

- Data Collection of Energy Input/Waste of Designated related parts
- Continuous collection of material data using IMDS\*1
- Promoting a reduction in parts containing highly concentrated VOC\*2 / Survey on newly regulated substances
- \*1 IMDS: International Material Data System
  System to collect material components of parts and information on chemicals through the Internet
- \*2 VOC: Volatile Organic Compounds

  Volatile organic compounds such as formaldehyde and toluene

# Development and operation of Environment Management System (EMS)



ISO14001 certificate

Isuzu structures the environment management system (EMS) and verifies that it is operating properly through periodic internal audits. Furthermore, the Isuzu EMS has been certified with ISO14001 and continuously verified for valid operations through external audits as well as the internal audits.

\* ISO14001 certificates are recommended not only to Isuzu but also to the entire Isuzu Group inside and outside Japan.

Isuzu values the issues found through the internal and external audits for improvements. The issues are assessed for validity after actions, if any, are taken.

# **Business activity and environmental hazard**

Through a product life cycle (development, procurement, manufacturing, logistics, product operation, and disposal), Isuzu reduces environmentally hazardous substances. They are analyzed in each process with the focus placed on the ones highly likely to pose a risk.

#### <FY2013 environmentally hazardous substance result>

#### **INPUT**

#### Raw materials input

Iron and steel

319,000 tons

Aluminum

35,000 tons

Chemicals (plastic) 29.000 tons

#### Energy input

103,000 kl (Converted to crude oil)

#### Water resources input

1.95 million m3

# Development /Design



#### Procurement



#### Production



#### **OUTPUT**

#### Greenhouse gas

CO<sub>2</sub> emissions 176,000 tons

#### Waste

Total generated 5,710 tons Amount recycled 5,710 tons Amount of landfill waste 0 tons

#### Air pollution material (Actual measurements)

Nox(ppm)

Fujisawa Plant	Maximum	Average
Boiler	22	17.4
Metal melting furnace	50	37.3
Paint/ drying furnace	30	11.8

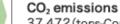
Tochigi Plant	Maximum	Average
Boiler	74	61
Metal furnace	72	52.4

Dust and soot(g/Nm³)				
Fujisawa Plant	Maximum	Average		
Boiler	0.0037	0.0028		
Metal melting furnace	0.02	0.0081		
Paint/ drying furnace	0.013	0.0048		
Tochigi Plant	Maximum	Average		
Boiler	0.001	0.001		
Metal furnace	0.006	0.003		

VOC emission rate 17.6 g/m3 Water discharged 1.52 million m<sup>3</sup>

#### Transportation





37,472 (tons-Converted to crude CO<sub>2</sub>)

#### Sale/Usage/Service





#### Recycle



#### The recycling results

Shredder dust(ASR) 97.1% 94.6% Air bags

Freon

Recovered CFC 311.3kg Recovered HFC 3,331.4kg

\*CFC:Chloro-fluorocarbon HFC:Hydrochloro-fluorocarbon

# **Environmental Initiatives**













# CO<sub>2</sub> reduction activity when our products are used (Fuel-efficiency Seminar)

Isuzu tackles the issue of "reduction of CO2 emissions" to combat global warming as the entire group. CO2 is emitted the most during usage of the products in the course of a product's life. Thus, our efforts are aimed at realizing products with low-level CO2 emissions. We host fuel-efficient driving workshops and transportation strategy seminars where customers learn how to drive in a fuel-efficient way according to our product performances.

These programs have been continuously carried out since 1995, and a total of 2,804 customers attended from Japan and overseas in FY2013. Also, workshops for trainers and local support staff are offered in order that they may hold the same seminars in Asia, South America, and Africa, where our product marketing is expanding. These programs will be further enhanced and extended so that our customers can improve their fuel efficiency and reduce CO<sub>2</sub> emissions.



Fuel-efficient driving workshop with driving experience in India



Transportation strategy seminar in India

# **Energy-saving and electricity-saving initiatives**

The system of a stable energy supply has been reviewed in Japan but we still face a difficult situation in the summer and winter seasons in terms of electricity consumption.

In response, Isuzu has made various energy-saving efforts that have produced results since the Great East Japan Earthquake. In addition to our conventional activities, Co-generation System (CGS) was introduced in FY2013 for substantial energy conservation. Furthermore, Isuzu started an energy-saving and electricity-saving measure that allows people to use solar power systems as promotion to utilize recyclable energy.

## Introduction of Co-generation System (CGS)



Tochigi Plant Co-generation System

The new CGS was introduced in the Tochigi Plant and started the operation in November 2013. The power generation capacity is approximately 8,700 kWh. The system can supply around 40% of the plant's electricity and save on energy bills by around 17%. It also reduces the peak purchased electricity of the entire company by approximately 17%.

Isuzu uses CGS with natural gas fuels to cover around 40% of the maximum power consumption of the all Isuzu sites. It is a positive step forward in Isuzu's low-carbon activity and energy diversification measure.

## Introduction of solar power systems



Fujisawa Plant's solar power panels

A new solar power facilities was introduced in the Fujisawa Plant for recyclable energy and it started operation in March 2014. It achieves a maximum output of 225 kW, expected annual power generation of 226 MWh, and can provide power for 70 general households approximately.

This facility delivers efficient performance by reducing purchased electricity during the electricity-saving period in summer or winter. Moreover, it can act as an emergency power source in an unexpected situation in cases where external power is shut down after a disaster like an earthquake so that plant and plant visitor safety is ensured.

# Consolidated environmental management (initiatives by the Isuzu Group)

Reduction of CO<sub>2</sub> emissions -- Changes in CO<sub>2</sub> emissions per sales unit in 10 domestic companies and 13 foreign companies of Isuzu production group

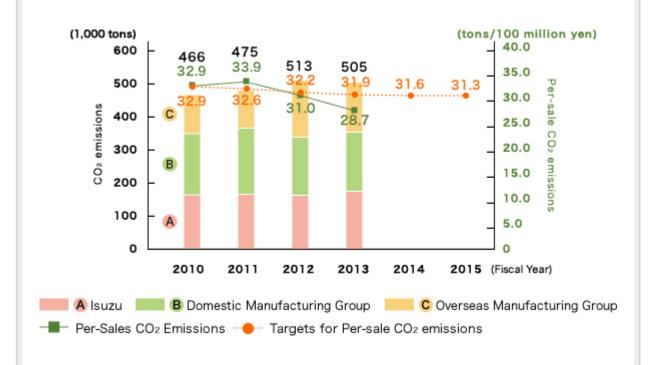
#### Targets

CO2 emissions per sales unit: Reduction of 5% or more from FY2010 by FY2015

#### FY2013 Achievements

CO<sub>2</sub> emissions amount: 505,000 tons

CO2 emissions per sales unit: 28.7 tons/hundred million yen (12% reduction from FY2010)



# Reduction of waste - Changes in amount of final landfill wastes in 10 domestic companies and 13 foreign companies of Isuzu production group

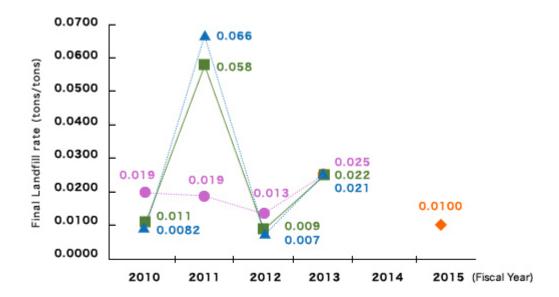
#### Targets

Final landfill waste rate by FY2015: (Amount of landfill wastes (ton)/Total waste (ton)) = 0.01 or less (Applied only for Isuzu domestic production group)

#### FY2013 Achievements

Final landfill waste rate: 0.022 tons/ton

\* Amount of final landfill waste: 5,152 tons (Domestic production group: 3,712 tons)
Amount of total waste: 230,692 tons (Domestic production group: 173,868 tons)



- Landfill rate (tons/tons) Isuzu
- Landfill rate (tons/tons) Overseas Manufacturing Group
- Landfill rate (tons/tons) Domestic Manufacturing Group
- Reduction targets
- \* The final landfill waste rate in FY2011 significantly increased in all of the domestic manufacturing groups, because a cement manufacturer that recycled molding sand from cast processes had fallen victim to the Great East Japan Earthquake. It increased in FY2013 as they took priority in disposal of debris from the earthquake.

# Initiatives by Fujisawa Plant and Tochigi Plant

# Reduction of CO<sub>2</sub> emissions - Changes in CO<sub>2</sub> emissions per production unit

#### Targets

CO2 emissions per production unit: Reduction of 5% or more from FY2010 by FY2015

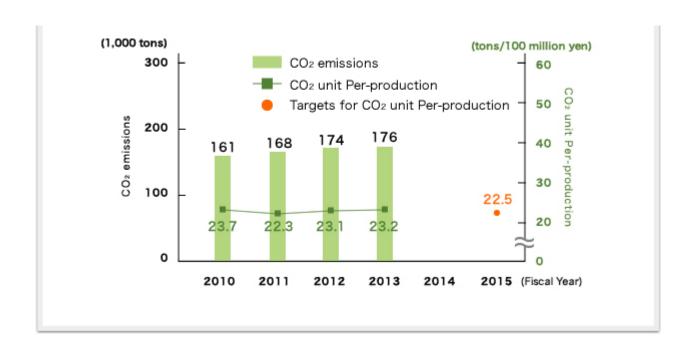
#### FY2013 Achievements

CO<sub>2</sub> emissions amount: 176,000 tons

CO2 emissions per production unit: 23.3 tons/hundred million yen (2% reduction from FY2010)

#### [ Major CO<sub>2</sub> Reduction Initiatives ]

- Use of a large-scale combined heat and power system to provide electricity and a heat source for plants
- Use of small-scale combined heat and power systems for new buildings
- Use of highly efficient multi-can boilers
- \* Use of inverter air-conditioning equipment and power equipment
- Promotion of "eco-stop" and "no-idling"
- Improving the working efficiency of large-scale air compressors (deployment of small-sized equipment)
- Introduction of lighting equipment which uses renewable energy
- Introduction of high-efficiency lighting equipment
   Additionally, the following facilities have been installed in FY2013.
  - -Added the Co-generation system for new buildings (Tochigi Plant).
  - -Installation of a solar power facilities (Fujisawa Plant).



#### Reduction of waste - Changes in amount of final landfill wastes

#### Targets

Final landfill waste rate by FY2015: (Amount of landfill wastes (ton)/Total waste (ton)) = 0.001 or less

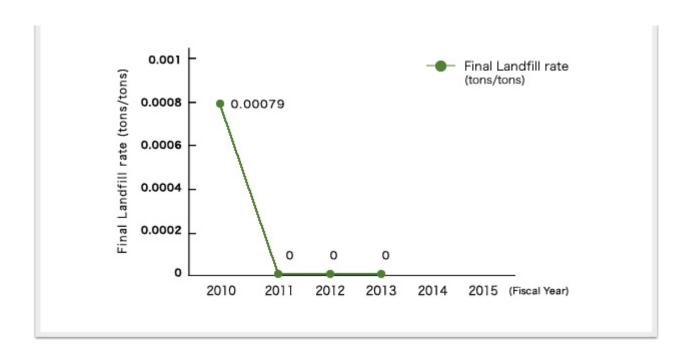
#### FY2013 Achievements

Final landfill waste rate = 0.0

\* Amount of landfill waste: 0.0 tons; total industrial waste amount: 5,712 tons

#### [ Waste reduction activities ]

- Expansion of items to be converted to valuable resources by seeking new purchasers
- \* Careful sorting and collection; promoting recycling after disassembly and scrapping
- \* Reduction of the total amount of waste and reduction of by-products
- Promotion of material recycling of plastic products
- Expansion of recycling by sorting waste oil
- Promotion of recycling the clay attached to foam polystyrenes
- \* Reduction of emission by returning wooden pieces used as partitions
- Promotion of turning helmets and safety caps as valuables
- Recycling of compact rechargeable batteries
- Reduction of paint residues by changing the chemicals used in the circulation tank
- Recycling of iron powders from the forging process into as steel materials



# Reducing VOC\* emissions in Fujisawa Plant

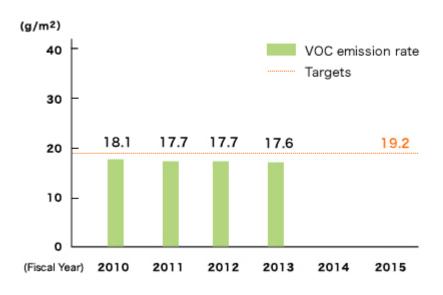
\* VOC: Volatile organic compounds (mainly organic solvents)

## Targets

VOC emission rate: under 19.2 g/m²

#### FY2013 Achievements

VOC emission rate: 17.6 g/m<sup>2</sup>



## Land contamination initiative

In August 2013, some soil containing specified hazard substances (mercury and lead) was found near the northern east part of the Fujisawa Plant site. The content exceeded the environmental standard. Isuzu reported the contamination to Fujisawa City and removed it by drilling works in November 2013.

# Effective use of water resources

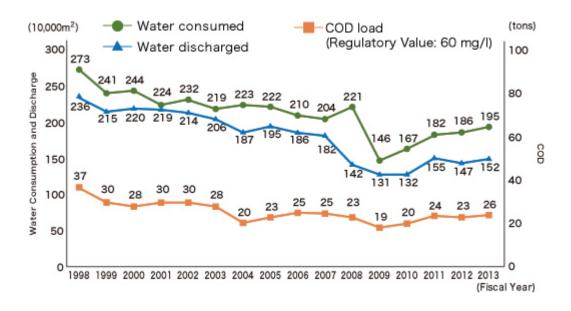
Isuzu effectively uses water resources by promoting water saving and water recycling in the final water treatment process, and filtering ground water for daily life usage.

#### FY2013 Achievements

Water Consumption: 1,950,000 m<sup>3</sup>

COD\*: Fujisawa Plant 35.0 mg/l (regulatory value: 60.0 mg/l)
Tochiqi Plant 18.8 mg/l (regulatory value: 20.0 mg/l)

- \* COD: Chemical Oxygen Demand. It indicates the necessary oxygen amount to oxidize organic compounds in water. It is a representative water quality indicator. Also referred to as oxygen consumption.
- \* The Fujisawa Plant's water consumption rose by about 2% from the previous year due to the increase in production volume.



# **Power-saving Initiatives in Logistics**

#### Targets

Reduce energy consumption (per unit\*): By 1% or more compared to FY2012

\* Per unit: Energy consumption (crude oil equivalent kl)/Net sales of Isuzu Group (millions of yen)

#### FY2013 Achievements

Reduce energy consumption (per unit): By 2.5% compared to FY2012

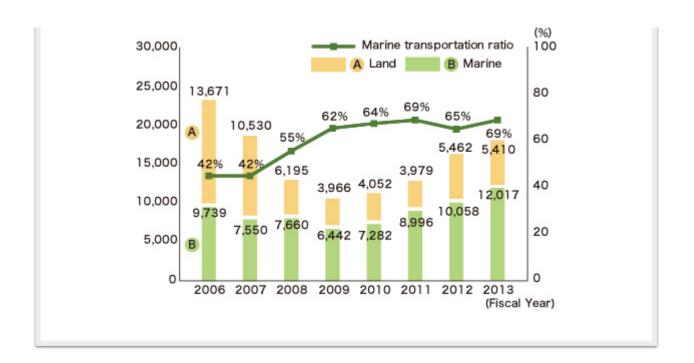
#### [ Major Activities ]

- Increased efficiency of truck transportation
   Management of transportation according to the payloads of the trucks
- Improvement on transportation of export containers
   Increasing transportation by trailers with better container filling rate
- Promotion of modal shift Increased marine transportation in cooperation with dealers in transportation of product vehicles
- Promotion of use of the foldable racks on return
   Reduced material usage and improved transportation efficiency by expanding the range of usage of the racks.
- \* Promotion of eco-driving

  By cooperating with the logistic companies, energy conservation driving, and the fuel consumption management are promoted.



Truck transportation using automobile carrier



#### Quality Initiatives

Isuzu puts forth the corporate vision, "Isuzu will always mean the best: A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment," as we consider this to be the principle behind all the measures we take for product quality, and it helps us to provide useful products and services to our customers.



## Basic Policy for Quality Initiatives



By putting first priority on quality, we at Isuzu create products that bring satisfaction to our customers in a profound way, and our goal is to contribute to society as a company with a rich sense of humanity.

- Basic Policy for Quality Initiatives
- Quality system

## Initiatives for higher product quality



From the stage of product development to production and operation in the field, a number of activities are conducted for quality improvement.

- Initiatives at the development stage
- Initiatives at the manufacturing stage
- Initiatives for higher quality in the field

## Initiatives for higher service quality



To provide high-quality aftersales services, Isuzu strives to structure a uniform servicing system both in Japan and overseas.

- Service system
- Service parts supply system
- Improvement of maintenance engineering
- Customer support

## Initiatives for higher operation quality



We at Isuzu not only make efforts to improve the quality of our products and services, but also work to raise the awareness and enhance the knowledge of each employee with regards to the quality of their individual operations, as we believe that will result in providing the quality demanded by customers.

Awareness and knowledge education for employees

## **Basic Policy for Quality Initiatives**



#### **Basic Policy for Quality Initiatives**



We at Isuzu not only make efforts to improve the quality of our products and services, but also work to raise the awareness and enhance the knowledge of each employee with regards to the quality of their individual operations, as we believe that will result in providing the quality demanded by customers.

#### **Quality system**

#### **Quality Management System**

#### ISO9001 and ISO/TS16949 certified

All of Isuzu offices have been certified with ISO9001:2008, an international standard of quality management.

Moreover, the components to be delivered to GM (General Motors, based in the U.S.) are certified with ISO/TS16949:2009, the standard for the automobile sector. Isuzu has been striving to enhance its operational quality using such measures.





top: ISO9001,

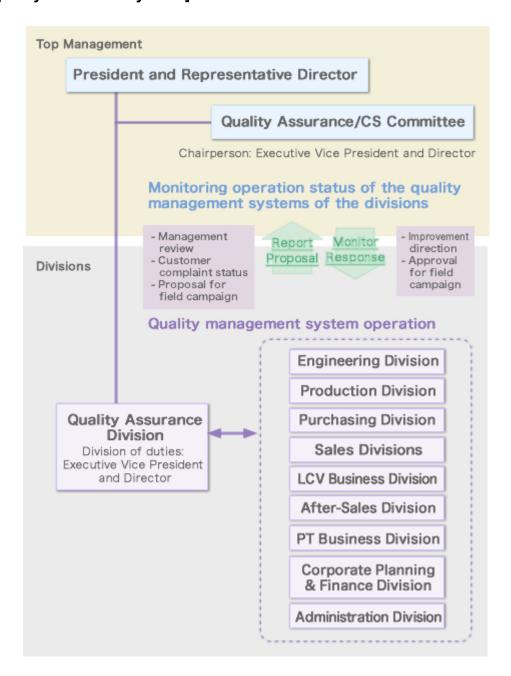
bottom: ISO/TS16949

#### Total quality assurance system

Isuzu has prepared itself to fully meet its social and quality responsibilities as a manufacturer under the Isuzu quality assurance system structured as shown below. The Quality Assurance Division leads Isuzu's united efforts toward enhanced quality.

The Quality Assurance/CS Committee is chaired by the Executive Vice President and Director and is held each month as a place to have discussions and share information on quality status among the top management of all divisions as well as the monitoring operation status of the quality management systems of the divisions. The outcomes are shared to drive forward quality assurance activities of the business divisions.

#### [ Isuzu quality assurance system ]



#### Quality system and Initiatives for higher qualities

#### Initiatives for higher product quality

A number of activities have been undertaken to improve quality at stages from product development and production to operation in markets.

- Initiatives at the development stage
- Initiatives at the manufacturing stage
- Initiatives for higher field quality

#### Initiatives for higher service quality

Isuzu structures an integrated service system that helps provide high-quality services both in Japan and overseas.

- Service system
- Service parts supply system
- Improvement of maintenance engineering
- Customer support

#### Initiatives for higher operation quality

We at Isuzu leverage our efforts to raise awareness about quality and improve knowledge since we believe that enhancing the quality of operations performed by individual employees will help create quality that meets customer needs as well as product and service quality.

Awareness and knowledge education for employees

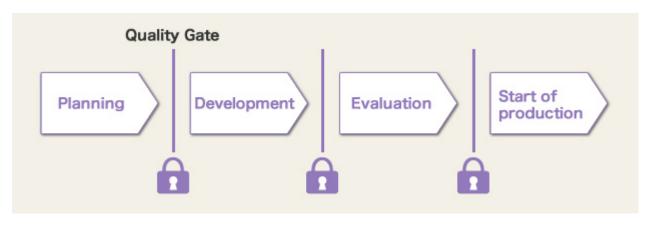
#### Initiatives for higher product quality



#### Initiatives at the development stage

Our product development philosophy is "gaining trust from every person," and this is supported by the basic concept of "S.E.E. Technology"; S.E.E. stands for the three important issues of Safety, Economy, and the Environment.

To acquire the high quality which would underpin this philosophy, we set "quality gates (milestones)" at different product development stages, where the quality and the maturity of the products are confirmed so that product development can be advanced.



Isuzu's focus is placed on failure and its recurrence prevention during the development stages above. FMEA\* (failure mode and effect analysis) or other methods are used to enhance reliability and durability.

\* Failure Mode and Effect Analysis

#### Initiatives at the manufacturing stage



Isuzu is reinforcing its human resources and production systems to offer high-level integrated products worldwide. Especially, the manufacturing principle of Isuzu, "Quality First," which includes its methodology and production know-how are systematized into Isuzu Manufacturing Management (IMM). This IMM applies to every Isuzu plant around the world as the manufacturing standard; hence, Isuzu is capable of maintaining consistent quality for all, at all plants, and in all locations around the globe.

#### Initiatives for higher quality in the field

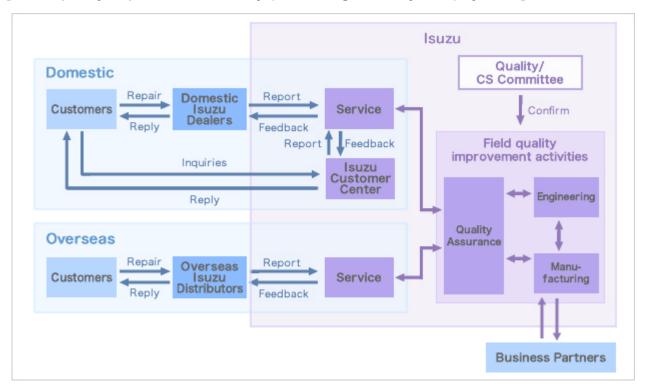
Isuzu constantly strives to make improvements by listening to, and analyzing the opinions of customers, and they are fed back to each quality-related process to ensure never-ending improvements in field quality.

#### Initiatives for field quality improvement

Taking advantage of the FQ management system\*, Isuzu collects information on quality from markets and then implements cause investigations and responds to issues in a prompt and accurate manner.

- \* FQ (Field Quality) management system: Information on quality is collected from markets and shared in the system shown in the chart below for improvements.
  - Customer opinions that was gathered in Isuzu Customer Center (Japan) , warranty repair records, and improvement requests from Isuzu distributors as the field quality information and connects that to its quality improvements.
  - Also, the top management and all employees regularly share information about important quality issues and the progress of responses to field quality information.

#### [ Field quality improvement activity (FQ management system) system ]



#### **Initiatives for the Recall Campaigns**

The activities are intended to prevent defective vehicles from causing accidents and to secure the safety and the assets of our business partners and drivers. Based on the purpose of these activities, we ensure our customers' vehicles operate properly by conducting recall campaigns if necessary. We are always prepared to make prompt and accurate actions from the customer's perspectives under various conditions.

FY2013 Number of recall campaigns: 12 (FY2012: 17)

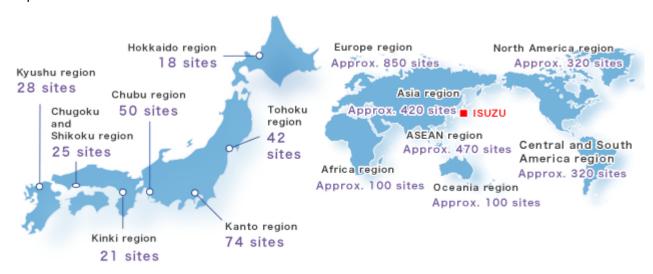
#### Initiatives for higher service quality



#### Service system

#### **Enhancing service network**

Isuzu is currently fully committed to the customer support services that take place after we deliver vehicles to our customers. In Japan, such services are one step ahead and we are expanding this advanced service system to other countries. As our customers always expect high quality, we at Isuzu aim to establish high-quality integrated service systems regardless of whether the customer is in Japan or overseas.



#### Service parts supply system

Our service parts are supplied to each destination in a timely and accurate manner through a network structure that contains the Tochigi mother parts center and regional parts centers in Japan and overseas.

#### Domestic

Our seven regional parts centers ship out service parts to service parts sites of our distributors.



#### Overseas

The Isuzu service parts supply network has been extended into the Middle and Near East, Central America, Europe, ASEAN, and Oceania in addition to our distributors across the globe.



#### Improvement of maintenance engineering

#### Training for employees of Isuzu domestic dealers

Isuzu offers training programs to employees of the domestic dealers that support the Isuzu service network so that they can boost their maintenance engineering skills and learn more advanced repair work

#### [FY2013 Achievements in Japan]

- \* Training program in the Isuzu Training Center(Japan): 175 sessions for 24 courses
- Maintenance engineering workshop (for all domestic dealers): 34 sessions





At practical training sessions at the Isuzu Training Center(Japan)



At a group training session during the maintenance engineering workshop

#### Service/parts skill competition(Japan)

In the skill competitions that take place every year the participants compete in their daily skill training results.

#### National service/parts skill competition (Japan)

The competition is held every year under the slogan, "To offer impressive services to our customers with our established techniques and customer-oriented mind-set!" Isuzu encourages education and training programs as they help Isuzu After Sale staff members to enhance their engineering skills, which leads to higher customer satisfaction. The competition is also motivating and aims to strengthen ties among the staff members while they compete with each other in individual matches as they strive to become No. 1.

#### [FY2013 National Service/Parts Skill Competition (November 2013)]

Approximately 120 participants from all over the country who reached the final.







#### Isuzu World Service Skill Competition (1-1GP)

Competent Service staff members and mechanics from across the world gather and compete with each other with their engineering skills and knowledge. The purpose is to upgrade their service levels at a country level and to help deliver total satisfaction to Isuzu customers. The participants tackle challenges to become the best in the world.

## [ The 8th Isuzu World Service Skill Competition (November 2013), 28 participant countries ]

- \* Category A: 1st Japan., 2nd Australia
- \* Category B: 1st Indonesia, 2nd Saudi Arabia
- \* Category A: Emission regulation level, Euro5, or equivalent (11 countries)

Category B: Except Category A (17 countries)







#### **Customer support**

#### Fuel efficiency and safe driving seminars.

Isuzu has been offering seminars on fuel efficiency and safe driving since 1995. At the Fujisawa Plant, we have a seminar facility called "Isuzu Premium Club" on the site, which is equipped with test courses, exclusively for our customers so that we can offer more versatile seminars with rich contents.

## Advanced telematics system "Mimamori-kun" (available in some markets)

As a means to monitor the user's driving status, Isuzu recommends its customers to install its unique advanced telematics system known as "Mimamori-kun."

#### Initiatives for higher operation quality



#### Awareness and knowledge education for employees

Isuzu's employee training programs focus on both aspects, raising awareness and deepening knowledge, to improve the quality of operations.

#### Raising awareness

Given themes from telephone calls that the Isuzu Customer Center received or the message about quality that are issued to employees by the top management every November (the Quality month in Japan), the employees have discussions about doing "good jobs for customers" and their awareness is raised about enhanced operational quality.

Another opportunity is given to young engineers; they work in a domestic dealers or at a service front line so that they can design products with a customer-oriented mindset.

\* Quality month: the Union of Japanese Scientists and Engineers, the Japanese Standards Association, and the Japan Chamber of Commerce and Industry have defined every November as the quality month to promote quality improvement activities.

#### [FY2013 Achievements]

Message/theme of the Quality month: Learn the nature of your work and do "better jobs."

Number of young engineers assigned to undergo the distributor experience: 19

Furthermore, all domestic dealers undergo awareness education programs where they recognize again the importance of quality-related operations including sharing information in an accurate and prompt manner, fully collecting defective parts and promptly implementing recall campaigns so that their awareness of quality as part of the Isuzu Group is built up.

[ FY2013 Achievements ] 29 sessions



At an awareness education session in a domestic dealers

#### Improving knowledge

#### Education program for knowledge

Isuzu has training programs on laws and regulations and QC to offer quality-related knowledge to employees. The training on laws and regulations includes programs on recall systems and the Road Transport Vehicle Act (Japanese Law) while the QC training includes an entry-level QC course and problem solving practice course for quality improvement, both of which are suitable for newly employed to mid-level employees.

#### [FY2013 Achievements]

- \* Road Transport Vehicle Act/Recall system (for the newly employed): Session held.
- \* QC course: 106 employees enrolled.
- \* Problem-solving skills for higher quality, hands-on course: 54 employees enrolled.



At a regulation training session for the newly employed





Working on a paper-made helicopter assignment during one of the QC courses

#### Isuzu Technical High School

Isuzu Technical High School provides the necessary basic knowledge for engineers and aims to develop future leaders. Not only do students learn the required knowledge and skills for "monozukuri" (craftsmanship), but they are also guided by the school to have a deep understanding of "monozukuri" as well. The school participates in skill competitions to confirm the results of the thorough training sessions the students have received.

The 51th National Skills Competition (November 2013)

"Mechanical assembly category," "Automobile plating category": 1 person received an Excellent Fighting Spirit award



Presenting his hands-on skills under the Mechanical assembly category



Presenting his hands-on skills under the Automobile plating category

#### Respect for Employees

Isuzu introduces its initiatives about respect for employees held in Japan.



## **Initiative Policy About Respect for Employees**





Isuzu respects the individuality and characters of each Isuzu employee and strives to create sound, safe, and comfortable work environments to help the employees achieve results and have job satisfaction.

Initiative Policy About Respect for Employees Personnel development (training for awareness and knowledge: activities held in Japan)



Isuzu introduces its human resource development approaches for better motivation and higher skills of the individual employees.

- Education/training system in Japan
- Various seminar achievements in Japan
- SR awareness education in Japan
- Support for engineer trainees

Higher Employee Satisfaction (ES)/Continued Initiatives About Respect for Employees (Japan)



Isuzu introduces FY2013 achievements of the higher employee satisfaction and continued initiatives held in Japan.

- Higher employee satisfaction (ES)
- Initiatives about respect for employees

# **Initiative Policy About Respect for Employees**



Isuzu respects the individuality and the personal character of each Isuzu employee and helps them to work to the full extent while creating a sound, safe, and conformable work environment where they can feel a sense of achievement and satisfaction.

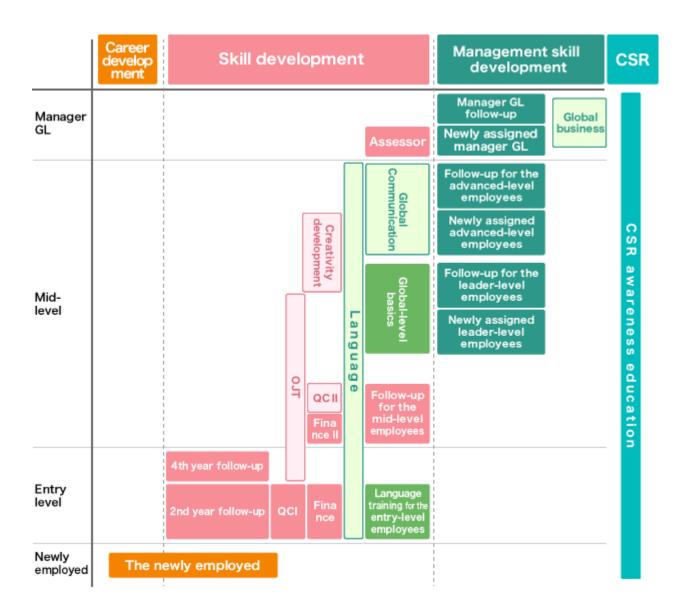
# Personnel development (training for awareness and knowledge: activities held in Japan)



Enhanced skills and better awareness of the individual employees lead to growth of the entire Isuzu Group following the growth of each employee. This idea underpins the policy for Isuzu's extensive educational programs. Our recent focus has also been placed on training for CSR awareness and knowledge.

#### **Education/training system in Japan**

In FY2013, we at Isuzu worked on its education system under the theme of "human asset development," which pushed our education/training programs up to the next level. Business environments are drastically changing these days. Under such conditions, each employee is required to make decisions and take actions. Therefore, we now carry out detailed research and specify what skills are needed in each position level for an even more enhanced education system that allows the employees to learn necessary skills at the necessary timing.



### Various seminar achievements in Japan

Different positions and jobs may require different personal qualities, and Isuzu offers various training activities so that employees can acquire the necessary knowledge and insight to be able to function well in the global environment.

Moreover, the company motivates each employee to build his/her own careers path and encourages managers to practice management based on the career paths of their members. Aiming to back up our employees in both aspects, we have established group training programs, consultation structures and systems that encourage communication and help employees to have a greater awareness of their roles.

(Unit:Employees)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Position-based training	873	618	783	920	915
Career design	150	131	137	151	167
Business skills	0	0	216	226	211
Human skills	58	26	103	303	313
Special training*	95	85	639	62	76
Language training	95	59	153	74	95
Total	1,271	919	2,031	1,736	1,777

<sup>\*</sup> Special training: QC training, Creativity development training, Product knowledge improvement training, etc.

## CSR awareness education (Japan) (April 2013 to March 2014)

Regular discussions are held under one theme that is selected from the CSR categories and all employees take part in the discussion in their work sites. This is aimed at raising each employee's awareness about CSR activities.

The date of the training conducted	Category	Theme	
May 2013	Compliance	Eradication of Drink driving	
June 2013	Environment	Reduction of CO <sub>2</sub> emissions	
July 2013	Compliance	Learning the Road Transport Vehicle Act.	
November 2013	Quality	Learn the nature of your work and do "better jobs."	
December 2013	Compliance	The compliance that Isuzu aims at	

#### Support for engineer trainees

Isuzu is making improvements to the skills and techniques of employees across the group. As part of our activities, we provide training to technical trainees in the Fujisawa Plant and Tochigi Plant. We had 196 trainees who came from mainly ASEAN countries including Thailand, the Philippines, China, and Indonesia in FY2013. They learn Isuzu's quality control and know-how for a bit under six months, and this is expected to boost the human resource development activities and capabilities of the entire group.



Mr. Arief Priambudi, skill trainee from P.T. Isuzu Astra Motor Indonesia

The name of a country	FY 2013		
Thailand	154		
Philippines	10		
China	12		
Indonesia	20		
Total	196		

(Unit:Employees)

# Higher Employee Satisfaction (ES)/Continued Initiatives About Respect for Employees (Japan)



#### **Higher employee satisfaction (ES)**

We at Isuzu intensively work to improve employee satisfaction (ES) because we consider that it is as an important management challenge as our CSR - human resource development.

An ES survey is periodically conducted in Japan (every other year) to monitor changes in the satisfaction levels of Isuzu employees through analysis of fixed-point observations.

Isuzu has conducted six ES surveys to date. The survey results will be used as valuable data that helps build up company policies. Our efforts continue to improve ES.

## Initiatives about respect for employees

#### **Creating Safe and Sound Workplaces**

Main Themes	Action Items
Prevention of industrial accidents	Increase in safety knowledge and awareness. Ensure safety during work (Review procedure manuals, instruction in work safety, etc.) Confirm intrinsic safety of production facilities.
Prevention of fire accidents	Appropriately maintain and control facilities and equipment that use hazardous materials.  Understand and eliminate factors causing fire accidents.
Prevention of traffic accidents	Prevent traffic accidents of commuters by car and motorcycle.  Improve traffic safety awareness campaigns.
Health promotion	Industrial physicians interview employees with excessive overtime.  Implement training of mental health administrators.
Improvement of work environment	Continue performing environmental evaluation during safety assessments.  Promote the creation of comfortable work environment.
Disaster measures	Reviewing measures against earthquake (creating manuals, developing disaster prevention facility in several phases etc.)

## **Creating healthy mind and body**

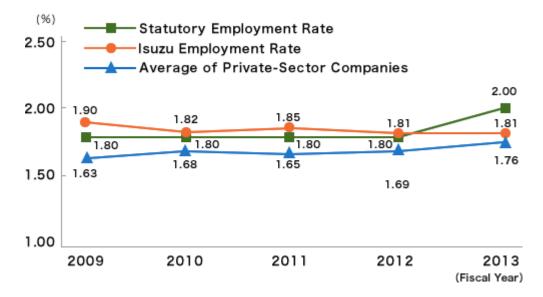
(Unit:Employees)

Main Themes	Action Items		
Specific healthcare guidance (for metabolic syndrome)	FY2013 Achievements (Total participants)	748 employees	
Patients receiving health check-ups	(Total participants)	4,837 employees	
Mental health counseling users		73 employees	
24-hour telephone health counseling users		186 employees	
Recreation and sport event participants		137 employees	
Home health services/guidances for elderly patients		15 employees	
Seminar participants		12 employees	
Lifestyle-related disease prevention, promoting gargling/hand washing, walking challenge program, and other health related activities.		2,101 employees	
Breast cancer screening		121 employees	

#### **Promoting Employment with the Emphasis on Diversity**

#### Promoting the employment of disabled people

We are promoting the employment of people with disabilities with a view to achieving a society where people support each other, regardless of whether or not they have disabilities. We will continuously offer our support to people with disabilities.



#### Harmony with Local Communities

As your local society member, as your good international citizen



## Initiative Policy for Harmony with Local Communities



Isuzu aims to be trusted as a member of local society and contribute to the development of local society.

Initiative Policy for Harmony with Local Communities

#### Initiatives in Japan (Isuzu)



### Isuzu introduces FY2013 initiatives led by Isuzu.

- Isuzu Summer Festivals 2013
- Participation in the 18th Fujisawa Environment Fair
- Cooperation for local activities to promote bicycle safety
- Support for Kanagawa Philharmonic Orchestra
- Other initiatives

## Initiatives in Japan (Isuzu Group companies)



Isuzu introduces FY2013 initiatives led by Isuzu Group companies in Japan.

WAcom Hokkaido Co., Ltd.

#### Initiatives in Overseas Countries (Subsidiaries and Affiliates)



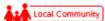
Isuzu introduces FY2013 initiatives led by overseas affiliates.

Isuzu vehicle donation to a child welfare organization



## Initiative Policy for Harmony with Local Communities





We at Isuzu and the Isuzu Group wish to be trusted by the local communities where we are located as a community member and contribute to the development of our communities. We lead our operations across the world and show our respect for cultures and customs of nations and regions through our business activities. As a good corporate citizen, we play our roles on a global basis as well.

#### Initiatives in Japan (Isuzu)





#### **Isuzu Summer Festivals 2013**

Both the Fujisawa and Tochigi plants had their summer festivals in August 2013. The festivals were intended to show our appreciation to the employees and their family members for their daily efforts and also appreciation to the local community members and residents for their cooperation.

The Tochigi Plant held events with gratitude to the community members, the employees, and their family members who have continuously supported Isuzu for 41 years since the plant's launch under the theme, "We thank you for your continued support!".

Meanwhile the Fujisawa Plant's eagerly awaited firework event was resumed for the first time in five years as a main event and it entertained the employees and community members.

The Fujisawa Plant welcomed around 18,000 visitors and the Tochigi Plant 6,000 visitors, and the neighbors posted their thank you messages on the Isuzu websites.







## The 18th Fujisawa Environment Fair Participation in "Future with nature! Fujisawa Eco2 Fair"

On November 23, 2013, the 18th Fujisawa Environment Fair took place in the Fujisawa City Meiji Citizens Center and Tsuchiuchi Park in Fujisawa City. Isuzu participates in the event, hosted by Fujisawa City, every year. In this event, Isuzu had its characters introduce the environmental initiatives in the plant. After a quiz show about the initiatives, the respondents enjoyed making "eco-bags" using Isuzu character stamps.







Isuzu characters

## Cooperation for local activities to promote bicycle safety

On October 18, 2013, Isuzu collaborated with Oi Police Station (Tokyo) to conduct its bicycle safety education and focused attention on bikers and pedestrians around the Omori Headquarters. The event is held to enhance awareness of Tokyo City residents about social life rules through their traffic manners so that safe traffic can be promised to bikers and pedestrians.





#### Support for Kanagawa Philharmonic Orchestra



The Kanagawa Philharmonic Orchestra ("Kanagawa Philharmonic") stresses its principle mission of creating a music culture that is closely linked to the community by leading a broad range of music activities at schools, nursing institutions, or senior homes in Kanagawa and the Great East Japan Earthquake affected areas as volunteer work as well as its periodic concerts. Isuzu supported the purpose of the Kanagawa Philharmonic's contributions to communities and its stable operations with a donation in 2013 June. In collaboration with Kanagawa Philharmonic, future events are scheduled to offer musical and cultural experiences to school children in the communities.

## Other initiatives

## Plant tours for neighborhood elementary schools, universities, and members of resident associations

The tours have been offered to invite many people so that the visitors can understand the numerous operational processes required until Isuzu trucks are completed at production sites and plant environmental activities.

#### Elemental schools, resident associations and the chamber for living environments in Fujisawa City and Ayase City

In a plant tour for elementary students, Isuzu presents truck production sites and distributes "Supporting transportation - Isuzu's work," a plant tour brochure, for elementary students, to give them a full understanding of Isuzu's manufacturing systems. We were happy to receive many thank you messages from the students after their participation.

Moreover, a presentation about the environmental initiatives taken in the plant was given to the members of the Chamber for the Living Environment in Muraoka Ward, Fujisawa City. Isuzu holds orientations about environment initiatives taken in the plant at the city center or other locations in response to requests from the Chamber for the Living Environment in Fujisawa City.

#### [FY2013 Achievements]

- Elementary Schools in Fujisawa City and Ayase City: 3,000 students from 26 schools
- Resident associations: Approx. 90 members from 55 residential associations
- Chamber for Living Environment: Approx. 20 members from Muraoka Ward, Fujisawa City







Thank you messages from students Plant tour

Orientation

#### University in the community



Listening to a student's presentation

As part of a course for university students in the community, Isuzu offers plant tours and introduces environmental initiatives taken in the plants. In two weeks' time, the students that participated gave presentations with comments or opinions followed by a discussion with Isuzu on the contents. The first tour for students who study the environment took place in 2012. Isuzu is grateful for the high evaluations given by the students and their professor at the discussions held after the tour.

#### Cleanup activities in the neighborhood of Isuzu plants

Plant employees and the employees of other related companies located on-site implementing cleanup activities around the plants once every month.



#### [ Participants in FY2013 ]

Fujisawa Plant: 1,126 participants Tochigi Plant: 50 participants

### Presenting Christmas cakes to child welfare institutions

Isuzu donates Christmas cakes each year to the local administrative organizations where each Isuzu operation office is located, as a way to participate in public welfare activities.

#### [FY2013 Achievements]

- Omori Head Office: Offered 550 cakes to 59 institutions, such as child care centers and nurseries in Shinagawa, Tokyo.
- \* Fujisawa Plant: Offered 600 cakes to 128 institutions for the disabled, nursing homes, and child foster centers in Fujisawa City, Kanagawa.
- Tochigi Plant: Offered 335 cakes to 26 nurseries and kindergartens in Tochigi City, Tochigi.

#### **Donating toys to nurseries in Tochigi City**

The Tochigi Plant has donated picture books, musical instruments, toys, play equipment, and so on twice a year to nurseries in Tochigi City since 2010 as a way to offer parenting support in the community. In FY2013, the donations were delivered to eight nurseries and included items such as tricycles, nursery gyms, balance beams, xylophones, picture-story cards, and large picture books.

## **Initiatives in Japan**

## (Isuzu Group: WAcom Hokkaido Co., Ltd.)





## "Deer Crossing" sign installation



Road to WAcom from a nearby national highway and the sign

Hokkaido faces an increasing number of accidents with deer (Yezo deer) colliding into cars every year. Yezo deer often appear on the roads to WAcom Hokkaido Co., Ltd. ("WAcom") from nearby national highways. In order to protect neighbors and visitors to WAcom from accidents, the company requested Mukawa Town to set up "Deer Crossing" signs.

The sign attracts drivers' attention and helps them to avoid deer-related accidents when they drive around.

# Attendance in the town's traffic safety campaign with a number of people lined up waving flags



Waving flags to call for attention to traffic safety

On September 20, 2013, WAcom participated the campaign along with the nationwide autumn safety traffic movement, in which a number of people line up on a road waving flags to call drivers' attention to safety in their local town, Mukawa, so that they can raise awareness of the importance of traffic rules and risks.

# Initiatives in Overseas Countries (Subsidiaries and Affiliates)





# Isuzu vehicle donation to a child welfare organization [Indonesia/South Africa/Mexico]

In April 2013, P.T. Isuzu Astra Motor Indonesia, (IAMI), an Isuzu base in Indonesia, made a donation of one D-MAX and one Panther to UNICEF Indonesia in collaboration with a local distributor, Astra International.

The donation was made to celebrate IAMI's 10th anniversary of providing support to the local UNICEFF office.



Also, General Motors South Africa(PTY)LTD., a distributor in South Africa, donated four D-MAXs to Kommunity Group, an organization that offers simple desks to children in poverty-stricken areas of the country, in May 2013. The simple desks are of a folding type that allows children to bring them back from school and use them at home. The vehicles that the distributor donated are used to deliver these desks to children.



In August 2013, Isuzu Motors de Mexico, S. de R. L. ("IMEX") donated a welfare bus equipped with a lift to a welfare group called Teleton. After IMEX marked total sales of 20,000 units in the Mexican market, it donated the bus to show its appreciation to the country. The bus is used to take children to and from a child rehabilitation center.











Children enjoying clean water

In 2013, Isuzu celebrated the 50th anniversary of the start of manufacturing Isuzu vehicles in Thailand, which now plays a very important role in exporting pickup trucks to over 110 countries worldwide. Such successful growth in Thailand was possible thanks to several factors: Isuzu has provided products that meet customer needs and expanded business activities that have matched national policies of Thailand. Moreover, our development has always been in harmony with the steps that Thai society has made because our company's principle is to act as an organization that is beneficial to society. In addition to automobile production, local society has welcomed our efforts thanks in part to the following Isuzu's initiatives closely linked to various communities.

### **Isuzu Group Foundation**

In 1987, Tri Petch Isuzu Sales Co., Ltd. (TIS) raised funding to start the Tri Petch Isuzu Foundation (TPF) as an event to celebrate the 30th anniversary of truck imports to Thailand. In 1993, Isuzu Motors Co., (Thailand) Ltd. (IMCT) and Isuzu Engine Manufacturing Co., (Thailand) Ltd. (IEMT) raised funding for TPF so that it could change its name to the Isuzu Group Foundation (IGF, Isuzu Group Foundation). The foundation helps make donations to the Thai royal family, manage scholarship schemes and have automobile technology transfer while carrying out various other activities.

#### [IGF purposes]

- Support economically disadvantaged students with scholarships
- Support automobile-related technology development
- Support activities to prevent car accidents
- Collaborate with other organizations through social contribution programs



Scholarship award ceremony



Donation of tools and equipment to the **Engineering Department of Thammasat** University



training school



Workshop for instructors of vocational Support for foundation of an engineering transfer center at the vocational school

### Isuzu Social Club

Local employees of Isuzu Motors Co., (Thailand) Ltd (IMCT) are actively engaged in volunteer work to contribute to their communities.

Isuzu Social Club (ISC) is a volunteer circle founded by the local employees in IMCT. The activity began in 1981 before it was recognized by IMCT in 1991. IMCT started offering financial support in 2005 for (1) planting trees and maintaining water resources; (2) donating learning materials and sport supplies to local schools; and (3) offering lunches to financially disadvantaged children.

The activities are rooted in each community area where the local employees reside. They research the needs and issues of each community. After discussions in the ISC committee, the 10 or so projects that are selected (per year) are tackled by the circle.



Poultry house donated to a local school



Mushroom-cultivating facility donated to a local school



Play equipment donated to local children



Meeting facility donated to a community

## 50th anniversary of start of manufacturing at Isuzu Motors. Co., (Thailand) Ltd. (IMCT)

In 2013, suggestions by the local employees in Thailand led to a very successful celebration of 50 years of manufacturing in IMCT with activities including neighborhood cleaning, bus stop sign production and donation, and a blood donation to the Red Cross.





Cleaning around the plant

Blood donation conducted in the office

## "ISUZU gives water for life": Water Project

In 2012, as one of the events to celebrate 55 years of truck imports to Thailand, 18 of the Isuzu Group companies in Thailand kicked off a joint project to help install clean water systems and supply clean drinking water to schools that had contaminated water. This project is coordinated with the Department of Groundwater Resources under the Ministry of Natural Resources and Environment in Thailand and is aimed at installing clean water systems in six schools per year. This is expected to improve the quality of life for students and teachers of the schools as well as neighborhood residents. As of end of March 2014, clean water systems have been set up in seven schools since the start of the activity.

The project received the Health Promotion Award of "Asia Responsible Entrepreneurship Awards 2014" in June 2014, which honors contributions to sustainable economic growth and is hosted by Enterprise Asia\*.

\* Research institution (NGO) recognizes and supports entrepreneurs in the Asian region.



Donated clean water system building



Presentation for the clean water system



Children enjoying clean water

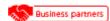


Receiving the Health Promotion Award

#### **Information Disclosure**













Isuzu discloses corporate information in a timely and appropriate manner for higher corporate transparency, and aiming to broadly win the trust of society.

Also, we are making efforts to share information and concerns by building schemes that encourage smooth communication within the company, among the group companies, and with society as well.

## **Communication and Disclosure of Corporate Information**

Isuzu uses its websites to provide information relevant to our stakeholders and to develop communication with all of them.

About our products	Product Lineup
Distributors Network	Distributors Network
About Isuzu Motors Limited	Corporate Profile
I.R. Information	Investor Relations
CSR activities	CSR

## Compliance Initiatives

Isuzu does not leave any questions unanswered and welcomes an open exchange of opinions.

We strongly believe that in order to realize our corporate vision, and to enhance our corporate value, it is vital to accomplish the compliance activities. Since April 2005, the Isuzu Group has been making continuous efforts to develop and modify its system for compliance.









## **Basic Policy for Compliance**













Isuzu puts forth the corporate vision "Isuzu will always mean the best. A leader in transportation, commercial vehicles, and diesel engines, supporting our customers and respecting the environment." To have the Isuzu corporate value recognized in the society and continuously accomplish its corporate vision, it is indispensable that all directors and employees individually take actions according to Isuzu's compliance standards; i.e., not only to comply with laws and regulations but also to possess a high code of ethics and be trusted by society.

Isuzu places the highest priority on implementing such compliance standards. Isuzu has developed the "Basic Policy for Compliance" as the summary and intends to have all executive members and employees knowledgeable and informed of the policy.

#### [Basic Policy for Compliance]

- 1. Winning trust from our customers
- 2. Promoting fair and reasonable business
- 3. Ensuring appropriate disclosure of corporate information
- Showing respect for employees
- 5. Making contribution to preserving our environment
- 6. Contributing to society
- Ensuring harmony with international and regional communities

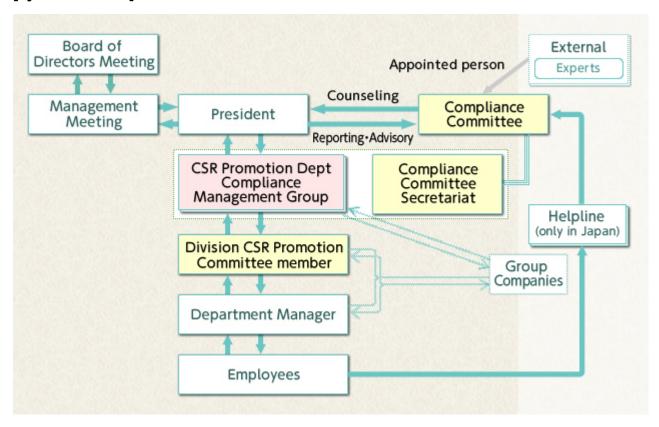
## **Compliance Promotion System**



The system has been well established to implement specific activities and has set internal and external (helpline) routes to collect suggestions regarding Isuzu compliance.

Moreover, the Compliance Committee, with invited external intellectuals as members, has been launched with the purpose of acquiring objective advice, audits, and evaluations about promotion of compliance and system development.

#### [system Outline]



# Compliance Promotion System in Isuzu group companies







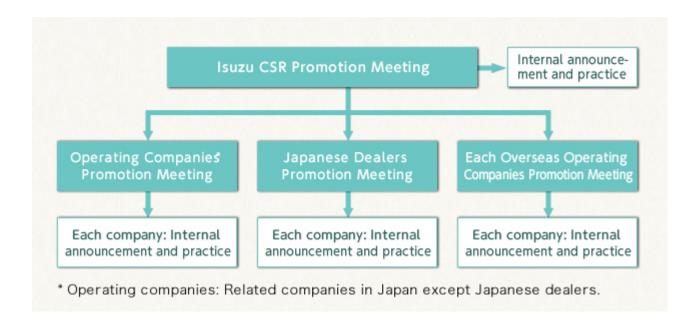






Isuzu introduced the "Group Company Management Rules" with the purpose of managing the Isuzu Group companies through integrated standards so that the management level can be improved and compliance risks can be prevented within the group.

Compliance promotion meetings are regularly held for the group companies that are classified by business activity, aiming to help implement activities and achieve common group targets. Through activities at the meetings, the group companies enhance their attention to compliance while exchanging information on compliance risks and responses so that risks can be prevented.



## **Compliance Activities(only in Japan)**













#### Activities for the Isuzu Group's common issues.

In order to stimulate group compliance activities, the group companies are given general issues for the group so that the entire group makes integrated efforts to solve them.

#### [FY2013 General Issues]

- Thorough compliance of the Subcontract Act
- Through compliance of Act on Special Measures Concerning Prevention and Correction of Actions That Interfere with Shifting of the Consumption Tax with the Aim of Ensuring Smooth and Appropriate Passing-on of the Consumption Tax
- Drink driving eradication campaign

#### **Compliance education**

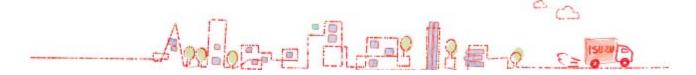
Isuzu has given its employees compliance education, e-learning, and lectures about laws and regulations including the Subcontract Act, insider laws, etc., aiming to foster their awareness of compliance.

This attempt also applies to the group companies; manager training and law and regulation training are given to provide common awareness about compliance throughout the entire group.

#### [Major training programs in FY2013]

- Subcontract Act
- Road Transport Vehicle Act
- \* Act on Special Measures Concerning Prevention and Correction of Actions That Interfere with Shifting of the Consumption Tax with the Aim of Ensuring Smooth and Appropriate Passing-on of the Consumption Tax
- Authorized exporter declaration procedure
- Education for zero drink drivings
- Compliance that Isuzu aims for
- Tax practice compliance

## Corporate Governance / Supply Chain Management



#### **Corporate Governance**



We at Isuzu respect every perspective of our stakeholders and would like to develop sound relationships with them. This is the basic goal of our corporate governance.

- Basic approach to corporate governance
- Corporate governance system

## **Supply Chain Management**



We at Isuzu introduce initiatives of the entire supply chain including our business partners.

- Purchasing basic vision
- Purchasing Basic Policy
- Purchasing slogan
- ISUZU Supplier CSR Guideline
- ISUZU Green Procurement Guidelines

## **Corporate Governance**













## Basic approach to corporate governance

The Company believes that the establishment of corporate governance structures that provide a framework for discipline is indispensable to its ability to generate consistent profits and enhance corporate value through its business activities.

Recognizing that the primary purpose of corporate governance is to respect the positions of stakeholders and build smooth relationships, the Company endeavors to ensure fairness and transparency in its corporate affairs through the timely and appropriate disclosure of important information. In particular, the Company understands that implementing internal controls and maintaining an environment that protects the rights and interests of shareholders, while assuring equality among them, is an important element of corporate governance.

Furthermore, to this end the Company considers it essential that the Board of Directors and Audit Committee, which are tasked with supervision of the Company's management, function adequately and fulfill their duty of accountability toward shareholders.

## Corporate governance system

The Company has established a Board of Directors and an Audit Committee as internal bodies to oversee and audit important management decisions.

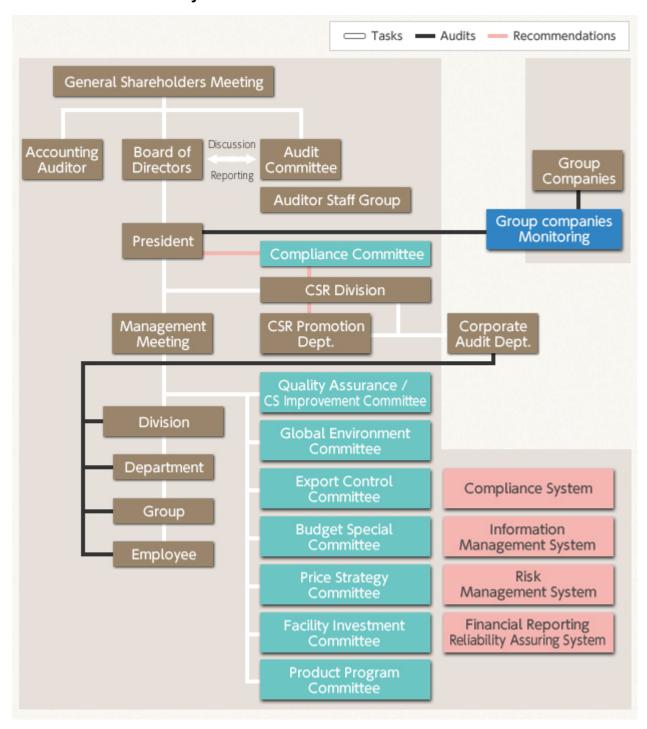
To speed up managerial decision-making and business operations, Isuzu has set up a Management Meeting that meets every other week as a rule to examine and make decisions on critical management concerns, in accordance with resolutions of the Board of Directors.

Furthermore, the Company has created various committees that report to the Management Meeting in order to streamline discussion of issues in various specialized areas.

In addition, we have introduced an executive officer system for properly supporting our directors' business operations.

In addition to attending Board of Directors meetings and other important meetings, auditors solicit reports from directors and other leaders concerning the execution of their responsibilities, review important decision-making documents and other materials, investigate operational and financial conditions at the head office and major worksites, request reports from subsidiaries as needed, and audit Company operations.

#### < Isuzu's Internal Audit Systems >



## **Supply Chain Management**



## **Purchasing Basic Vision**

Isuzu ensures satisfactory quality, delivery and quantity of purchased parts so that smooth production is achieved through our purchasing activity. We also help to provide a new technology through our purchasing activity in the market to contribute to profitability of the company.

## **Purchasing Basic Policy**

- 1. With having the "quality" as the first priority, Isuzu seeks to create and offer products that would satisfy our customers.
- 2. Isuzu aims to procure domestic or overseas parts, under fair competition, if the parts are satisfactory in terms of quality, pricing and delivery.
- 3. Isuzu enhances corporate competitiveness while developing procurement scheme aiming to form win-win relationships with our business partners.

## **Purchasing slogan**



OPEN (Optimum Procurement to Embody the Needs)

Isuzu aims to meet market needs and establish the optimum procurement route, while promoting reform of procurement.

\* This is our purchasing slogan aiming to embody the image of reform and disseminate it inside and outside the company. Encourage change in purchasing activity to meet market needs and establish optimum procurement route.

Also, "OPEN" includes the meaning of "Openness in Procurement"

## ISUZU Supplier CSR Guideline

"ISUZU Supplier CSR Guideline" (English), a summary of CSR requests to our business partners as well as Isuzu CSR activities, Corporate Vision, and Procurement Basic Vision, is now available. (October 2014)



This guideline was developed based on Supplier CSR Guideline issued by the Japan Automobile Manufacturers Association, Inc. and CSR Guidebook by the Japan Auto Parts Industries Association.

□ "ISUZU Supplier CSR Guideline"(PDF)

## Isuzu Green Procurement Guidelines



"Isuzu Green Procurement Guidelines" (Japanese), a summary of environmental requests to our business partners as classified by business activity as well as introduction of the Isuzu Charter on the Global Environment, is now available. (Last revised: October 2012) Our business partners are expected to lead environmental initiatives along with the Isuzu Green Procurement Guidelines based on an understanding of the purposes.

## **Environmental Impact Data**







# Principle environmental impact data (CO<sub>2</sub> emissions, CO<sub>2</sub> unit per production process, amount of landfill waste, etc.)

Plant: Fujisawa Plant and Tochigi Plant

Items		FY2013 Achievements	Notes
Energy consumption (converted to crude oil)		103,100 kl	Fujisawa Plant and Tochigi Plant
Water consumption		1.95 million m³	Fujisawa Plant and Tochigi Plant
CO2 emissions		176,000 t	Fujisawa Plant and Tochigi Plant
CO2 unit per production		23.3 tons/100 million yen	Fujisawa Plant and Tochigi Plant
Waste	Total generated	5,710 t	Fujisawa Plant and Tochigi Plant
	Amount recycled	5,710 t	Fujisawa Plant and Tochigi Plant
	Amount of landfill waste	0 tons	Fujisawa Plant and Tochigi Plant
Water discharged		1.52 million m³	Fujisawa Plant and Tochigi Plant
VOC emission rate		17.6g/m²	Fujisawa Plant

## **Environmental Accounting (accounting scope: Isuzu)**

To ensure that Isuzu is efficiently and continually protecting the environment, Isuzu adds up its environmental conservation costs and effects.

The objective of this type of accounting is to provide a tool for making decisions on how to invest efficiently in environmental conservation, and this information is also disclosed as a business measure.

#### **Environmental conservation costs**

The amount of investment was 5,858 million yen, which was an increase of 3,638 million yen from the previous year.

The costs were 27,103 million yen, which was an increase of 3,262 million yen from the previous year. Details are shown in the table below.

<sup>\*</sup> Target period: April 1, 2013 to March 31, 2014

(Unit: millions of yen)

		Amount of investment	Costs	Major activities
Business-area cost	Costs for pollution prevention	9	143	Prevention of air pollution / Wastewater treatment, Maintenance of pollution prevention facilities
	Costs for environmental conservation	1,383	387	Introduction of the co-generation systems and solar power systems
	Costs for waste treatment and reduction efforts	51	464	Costs for waste treatment and waste reduction efforts
Upstream and d	Upstream and downstream costs		2,294	Re-manufacturing engine transmissions
Management activity costs		82	347	Costs for internally addressing the Japanese Automotive Recycling Law, environmental education
Research and development costs		4,312	23,404	Introduction of development facilities and manufacturing facilities for environmentally friendly products to comply with domestic emissions regulations
Social activity costs		0	47	Costs of supporting environmental conservation activities
Environmental damage recovery costs		0	16	Surcharge on pollution impact
Total		5,858	27,103	

## **Effects of environmental conservation**

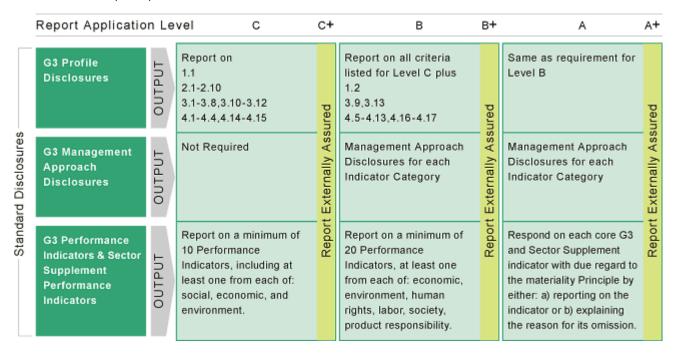
\* Target period: April 1, 2013 to March 31, 2014

Classification	Details of effects	Effects
Economic effect (Unit: millions of yen)	Energy cost reduction through energy conservation	218
	Profit on sales of variable resource	1,823
Quantitative effect (tons)	CO2 reduction (CO2 amount: tons)	7,723

#### **GRI Guidelines Index**

This Report was made in compliance with GRI Guideline (GRI Sustainability Reporting Guideline) 2006 (G3.1). GRI Guideline is a unified international guideline formulated by GRI (Global Reporting Initiative), an international NPO, in an attempt to improve quality, reliability and comparability of contents of CSR reports (sustainability reports). In this Index, matters corresponding to indices of "GRI Guideline 2006 (G3.1)" are disclosed with judgment of Isuzu Motors Limited.

This Report falls under the category of application level C as defined in the GRI Sustainability Reporting Guideline 2006 (G3.1).



Items		Indicator	Pages in relevant Isuzu Websites		
1. Strate	1. Strategy and Analysis				
1.1		Statement from the most senior decision-maker of the organization.	➤ Top management message		
1.2		Description of key impacts, risks, and opportunities.	➤ Top management message		
2. Organ	nizational	Profile			
2.1		Name of the organization.	Corporate Profile Corporate Data		
2.2		Primary brands, products, and/or services.	Corporate Profile Corporate Data Product Lineup Distributors Network Guidance Global Business - Products -		
2.3		Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Corporate Profile Corporate Data		
2.4		Location of organization's headquarters.	Corporate Profile Corporate Data		
2.5		Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Global Business - Overseas Subsidiaries Offices -		
2.6		Nature of ownership and legal form.	Corporate Profile Corporate Data		

2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	➤ Global Business - Overseas Subsidiaries Offices - ➤ Global Business - Results -
2.8	Scale of the reporting organization, including:  Number of employees;  Net sales (for private sector organizations) or net revenues (for public sector organizations);  Total capitalization broken down in terms of debt and equity (for private sector organizations); and Quantity of products or services provided.	<ul> <li>Corporate Profile</li> <li>Corporate Data</li> <li>Consolidated Financial Highlights</li> <li>Summary of Consolidated         Financial Data</li> <li>Summary of Non-Consolidated         Financial Data</li> <li>Consolidated Sales Results</li> </ul>
2.9	Significant changes during the reporting period regarding size, structure, or ownership including:  • The location of, or changes in operations, including facility openings, closings, and expansions; and  • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	▶ Editorial Policy
2.10	Awards received in the reporting period.	-

3. Report Parameters					
Report F	Report Profile				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	▶ Editorial Policy			
3.2	Date of most recent previous report (if any).	▶ Editorial Policy			
3.3	Reporting cycle (annual, biennial, etc.)	≥ Editorial Policy			
3.4	Contact point for questions regarding the report or its contents.	g ≥ Editorial Policy			
Report S	cope and Boundary	•			
3.5	Process for defining report content, including:  • Determining materiality;  • Prioritizing topics within the report; and  • Identifying stakeholders the organization expects to use the report.	Editorial Policy Isuzu's CSR Activities			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	▶ Editorial Policy			
3.7	State any specific limitations on the scope or boundary of the report.	≥ Editorial Policy			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	▶ Editorial Policy			

3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.  Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	▶ Environmental Impact Data		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	-		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	-		
GRI Content Ind	ex	T.		
3.12	Table identifying the location of the Standard Disclosures in the report.	▶ GRI Guidelines Index		
Assurance	Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	-		

#### 4. Governance, Commitments, and Engagement Governance 4.1 Governance structure of the ▶ Corporate Governance organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. 4.2 Indicate whether the Chair of the Corporate Governance highest governance body is also an executive officer. 4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. 4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

Processes in place for the highest

of interest are avoided.

governance body to ensure conflicts

4.6

Corporate Governance

4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Corporate Governance
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<ul> <li>Corporate Vision/Corporate         Mission</li> <li>Basic Policy for Compliance</li> <li>Isuzu Charter on the Global         Environment</li> <li>Basic Policy for Quality Initiatives</li> <li>Purchasing Basic Policy</li> </ul>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.	Compliance Promotion System Environmental Management Corporate Governance
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	-

Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes cendorses.	- or	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:  • Has positions in governance bodies;  • Participates in projects or committees;  • Provides substantive funding beyond routine membership dues; or  • Views membership as strategic.	-	

Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	≥ Isuzu's CSR Activities	
4.15	Basis for identification and selection of stakeholders with whom to engage.	≥ Isuzu's CSR Activities	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<ul><li>▶ Initiatives in Overseas</li><li>▶ Harmony with Local Communities</li></ul>	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<ul><li>▶ Initiatives in Overseas</li><li>▶ Harmony with Local Communities</li></ul>	

5. Management Approach And Performance Indicators				
Econom	Economic			
Management Approach			<ul> <li>Isuzu's CSR Activities</li> <li>Basic Policy for Compliance</li> <li>Corporate Governance</li> <li>Financial Reports</li> <li>Mid-term Business Plan</li> </ul>	
Econom	ic Perform	ance		
EC1	Core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	-	
EC2	Core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	► Environment Impact Data	
EC3	Core	Coverage of the organization's defined benefit plan obligations.	▶ Annual Report 2014	
EC4	Core	Significant financial assistance received from government.	-	

Market presence				
ivial ket presence				
EC5	Add	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	-	
EC6	Core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	▶ Supply Chain Management	
EC7	Core	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	-	
Indirect	economic i	impacts		
EC8	Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	➤ Initiatives in Overseas ➤ Harmony with Local Communities	
EC9	Add	Understanding and describing significant indirect economic impacts, including the extent of impacts.	▶ Environmental Impact Data	

Environmental			
Management Approach			<ul> <li>Isuzu's CSR Activities</li> <li>Environmental Initiative Policy</li> <li>Environment Promotion Scheme</li> <li>Environmental Initiatives</li> <li>Environmental Impact Data</li> </ul>
Material	S		
EN1	Core	Materials used by weight or volume.	Environmental Initiatives Environmental Impact Data
EN2	Core	Percentage of materials used that are recycled input materials.	Environmental Initiatives Environmental Impact Data
Energy			
EN3	Core	Direct energy consumption by primary energy source.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN4	Core	Indirect energy consumption by primary source.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN5	Add	Energy saved due to conservation and efficiency improvements.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN6	Add	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	➤ Environmental Initiatives
EN7	Add	Initiatives to reduce indirect energy consumption and reductions achieved.	➤ Environmental Initiatives

Water			
EN8	Core	Total water withdrawal by source.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN9	Add	Water sources significantly affected by withdrawal of water.	Not applicable
EN10	Add	Percentage and total volume of water recycled and reused.	-
Biodiver	sity		
EN11	Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable
EN12	Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-
EN13	Add	Habitats protected or restored.	-
EN14	Add	Strategies, current actions, and future plans for managing impacts on biodiversity.	-
EN15	Add	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	<u>-</u>

Emissions, effluents and waste			
EN16	Core	Total direct and indirect greenhouse gas emissions by weight.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN17	Core	Other relevant indirect greenhouse gas emissions by weight.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN18	Add	Initiatives to reduce greenhouse gas emissions and reductions achieved.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN19	Core	Emissions of ozone-depleting substances by weight.	Not applicable
EN20	Core	NOx, SOx, and other significant air emissions by type and weight.	▶ Environmental Impact Data
EN21	Core	Total water discharge by quality and destination.	▶ Environmental Impact Data
EN22	Core	Total weight of waste by type and disposal method.	➤ Environmental Initiatives ➤ Environmental Impact Data
EN23	Core	Total number and volume of significant spills.	Not applicable
EN24	Add	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable
EN25	Add	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	_

Product	s and ser	vices	
EN26	Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	▶ Environmental Initiatives
EN27	Core	Percentage of products sold and their packaging materials that are reclaimed by category.	-
Complia	ance		"
EN28	Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not applicable
Transpo	ort		JI.
EN29	Add	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	▶ Environmental Initiatives
Overall			
EN30	Add	Total environmental protection expenditures and investments by type.	▶ Environmental Impact Data

Social: Labor Practices and Decent Work				
Manage	ement App	roach	➤ Basic Policy for Compliance ➤ Respect for Employees	
Employ	ment			
LA1	Core	Total workforce by employment type, employment contract, and region.	➤ Principal Overseas Subsidiaries, Affiliates and Offices	
LA2	Core	Total number and rate of employee turnover by age group, gender, and region.	-	
LA3	Add	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	➤ Respect for Employees	
LA15	Core	Return to work and retention rates after parental leave, by gender.	-	
Labor/n	nanageme	nt relations	1	
LA4	Core	Percentage of employees covered by collective bargaining agreements.	-	
LA5	Core	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	-	

Occupa	Occupational health and safety		
LA6	Add	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	-
LA7	Core	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	-
LA8	Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	▶ Respect for Employees
LA9	Add	Health and safety topics covered in formal agreements with trade unions.	▶ Respect for Employees

Training and education			
LA10	Core	Average hours of training per year per employee by employee category.	-
LA11	Add	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Respect for Employees
LA12	Add	Percentage of employees receiving regular performance and career development reviews.	Respect for Employees
Diversity	and equa	l opportunity	
LA13	Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	-
LA14	Core	Ratio of basic salary of men to women by employee category.	-

Social: Human Rights					
Manage	Management Approach  Basic Policy for Compliance				
Diversity	and equa	l opportunity			
HR1	Core	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	-		
HR2	Core	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	-		
HR3	Add	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	➤ Basic Policy for Compliance ➤ Respect for Employees		
Non-disc	crimination				
HR4	Core	Total number of incidents of discrimination and actions taken.	Not applicable		
Freedon	n of associ	ation and collective bargaining			
HR5	Core	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	-		
Child labor					
HR6	Core	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	-		

Forced and compulsory labor			
HR7	Core	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	-
Security	/ practices		
HR8	Add	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	▶ Basic Policy for Compliance
Indigen	ous rights		
HR9	Add	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
Aspect:	Assessme	ent	
HR10	Core	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	-
Aspect:	Remediat	ion	
HR11	Core	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not applicable

Social: Society			
Management Approach			▶ Basic Policy for Compliance
Commu	nity		
SO1 Core Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		-	
SO9	Core Operations with significant potential or actual negative impacts on local communities.		Not applicable
SO10	Core	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not applicable
Corrupti	Corruption		
SO2 Core Percentage and total number of business units analyzed for risks related to corruption.		-	
SO3	Core	Percentage of employees trained in organization's anti-corruption policies and procedures.	➤ Compliance Promotion System in Isuzu group companies ➤ Respect for Employees
SO4	Core	Actions taken in response to incidents of corruption.	Not applicable

Public policy			
SO5	Core	Public policy positions and participation in public policy development and lobbying.	-
SO6	Add	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	-
Anti-com	Anti-competitive behavior		
SO7	Add	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable
Compliance			
SO8	Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not applicable

Social: Product Responsibility			
Manage	ment Appr	roach	➤ Basic Policy for Compliance ➤ Basic Policy for Quality Initiatives
Custom	er health a	nd safety	
PR1	Core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<ul> <li>Initiatives for higher product quality.</li> <li>Initiatives for higher service quality.</li> </ul>
PR2	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	-
Marketir	ng commu	nications	T.
PR3	Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	-
PR4	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not applicable
PR5	Add	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	-

Marketing communications			
PR6	Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	-
PR7	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not applicable
Customer privacy			
PR8	Add	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not applicable
Compliance			
PR9	Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not applicable

<sup>\*</sup> Adobe's Adobe Reader is required to read pdf documents. Adobe Reader can be downloaded and installed for free from Adobe's website.

Adobe Systems Co., Ltd. Website (Adobe Reader download)

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## Employee



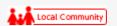
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