

# Environment

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# Environmental Management

## Basic Approach

The Isuzu Group actively strives to consider environmental conservation in all business segments, aiming to achieve Sustainability No.1, one of the MISSION outlined in ISUZU ID.

Additionally, through the development and operation of an environmental management structure, we work to reduce environmental impact in all aspects and are committed to achieving Isuzu Environmental Vision 2050 and contributing to the realization of a sustainable society.

### Isuzu Group's Charter on the Global Environment

All Isuzu Group members use the Charter as a guideline when pursuing environmental activities.

#### Basic Policy

► **Realization of a prosperous and sustainable society**

We, the members of the Isuzu Group, regard it as an important business challenge to preserve the global environment so that our planet remains prosperous and sustainable and can be passed on to future generations. In this regard, we pursue our business activities in all areas with an awareness of environmental conservation.

► **Reduced environmental burden for all business operations**

The Isuzu Group recognizes our responsibility in supporting transportation, offers enhanced products and services to our global customers through close cooperation with all Group companies, and develops and operates our environmental management system to reduce the environmental burden of all of our business areas.

#### Action Guidelines

► **1 Create a sustainable society**

We coordinate our business operations and environmental initiatives, thereby offering environmentally-aware, high-value-added products and services to society.

► **2 Comply with environmental laws and minimize the environmental load**

In an effort to minimize the impact on the environment from our business operations, we ensure that we comply with environmental laws and engage in key environmental issues in all of our business areas from development to production, distribution, sales and servicing, addressing climate change, resource recycling, prevention of environmental risks from hazardous substances, environmental measures and conservation of biodiversity.

► **3 Promote environmental technology**

We promote the development of technology to reduce the environmental load applied throughout the product lifecycle.

► **4 Maintain proactive social communication**

We maintain a positive attitude toward the disclosure of product, service, and business activity information on the environment, promoting good communication with members of society and communities, and work toward realizing a prosperous society.

► **5 Foster environmental awareness as corporate citizen**

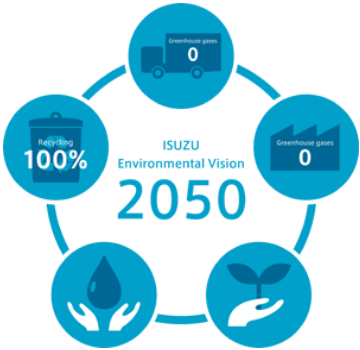
We engage in perpetual efforts to foster environmental awareness in each Group member as a corporate citizen operating in a local community, encouraging them to learn about and act toward environmental conservation.

## Isuzu Environmental Vision 2050

In order for society to be prosperous and sustainable in 2050, and for Isuzu to continue to support transportation, in March 2020 the Isuzu Group formulated our Isuzu Environmental Vision 2050.

The Environmental Vision represents the Isuzu Group's desired future state, established through a scenario analysis of 2050 based on climate-related and socio-economic scenarios.

The Environmental Vision identifies four key environmental challenges (Climate Change Measures, Resource Recycling Promotion, Environmental Risk Prevention Measures, Biodiversity Conservation), and by collaborating with stakeholders to advance these initiatives, we aim to achieve five Aspirations.









Environmental Management

2030 Environmental Roadmap

To achieve the Environmental Vision, we established the 2030 Environmental Roadmap (hereinafter referred to as the roadmap) in 2022. This roadmap outlines the goals (2030 Challenge) and specific action plans (Global Action) to be pursued by 2030 as intermediate stepping stones. This roadmap represents Isuzu's collective commitment to realizing the Environmental Vision, formulated through discussions with our stakeholders, as of 2022. Technological advancements and societal changes may significantly alter the situation in the future. While flexibly adapting to various changes, Isuzu will promote Green Transformation (GX) across all of its business activities to achieve the Aspirations in the Isuzu Environmental Vision.

Isuzu Environmental Vision 2050 and 2030 Environmental Roadmap

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	Goals	Global Action
 <p>Zero GHG emissions from operations</p>	<ul style="list-style-type: none"> <li>Halve CO<sub>2</sub> emissions* from 2013 levels by 2030</li> <li>* Scope 1 + Scope 2</li> </ul>	<ul style="list-style-type: none"> <li>Reduce total energy use</li> <li>Install and expand clean energy use</li> <li>Leverage innovative technologies</li> </ul>
 <p>Zero GHG emissions across product life cycles</p>	<ul style="list-style-type: none"> <li>Build a carbon-neutral vehicle lineup that meets diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>Identify necessary technologies by 2025</li> <li>Increase the number of mass-production models by 2030 while promoting practical implementation of carbon-neutral vehicles</li> </ul>
 <p>100% recycling of waste and end-of-use vehicles</p>	<ul style="list-style-type: none"> <li>Advance a circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Thoroughly manage outputs* of all operating sites</li> <li>Increase resource efficiency</li> <li>Transition to circular business model</li> <li>* Outputs refers to waste, emissions and wastewater here.</li> </ul>
 <p>Safe, reliable operations and products</p>	<ul style="list-style-type: none"> <li>Strengthen environmental management and supplier engagement</li> </ul>	<ul style="list-style-type: none"> <li>Build Group-wide environmental management system</li> <li>Build a sustainable supply chain</li> <li>Identify and promote adaptation to environmental/nature risks in operations</li> </ul>
 <p>Conserve native biodiversity in local communities</p>	<ul style="list-style-type: none"> <li>Promote conservation of native local biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Partner with local communities to advance conservation</li> <li>Communicate our conservation efforts actively</li> <li>Raise awareness and train employees to be environmental stewards</li> </ul>

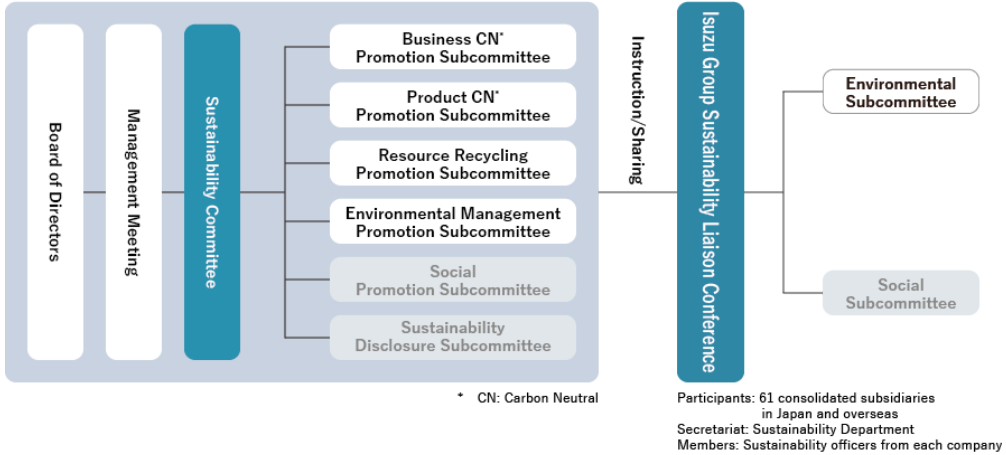
> Isuzu Environmental Vision 2050 

Management Structure

The Isuzu Group has established a Sustainability Committee chaired by a director and comprises officers responsible for each area, in order to promote sustainability throughout the Group.

Regarding the environment, Four Environmental Bodies have been established under the Sustainability Committee, with consolidated subsidiaries from each segment as members. These bodies work to address various environmental challenges. The activities of each body are reported to the Board of Directors and the Management Meeting through the Sustainability Committee.

In fiscal 2024, we established the Group Environmental Meeting under the Isuzu Group Sustainability Liaison Conference, targeting consolidated subsidiaries. In this meeting, subsidiaries are grouped based on factors such as region and business type, and activities are promoted across the entire Isuzu Group.





Four Environmental Bodies

<b>Business CN Promotion Subcommittee</b>	Focusing mainly on production activities, which are the Group's main source of CO <sub>2</sub> emissions, the subcommittee promotes cross-divisional activities to achieve the 2050 carbon neutral goal, aiming to achieve carbon neutrality in the Isuzu Group's business activities.
<b>Product CN Promotion Subcommittee</b>	The subcommittee promotes various activities that contribute to the carbon neutrality of products, including decarbonization technologies and energy, aiming to achieve well-to-wheel carbon neutrality.
<b>Resource Recycling Promotion Subcommittee</b>	The subcommittee promotes waste controls and recycling activities in all Isuzu's business activities including products and services, toward achieving 100% recycling of resources.
<b>Environmental Management Promotion Subcommittee</b>	The subcommittee promotes environmental activities in coordination with Group companies, centered mainly on environmental management measures such as ISO 14001 certification acquisition, environmental risk management, and biodiversity preservation.

Climate Change Measures

Basic Approach

Many different natural disasters, linked to climate change, are significantly affecting our society and addressing climate change has become a globally recognized urgent and top-critical issue. Based on this awareness, carbon-neutral strategies are rapidly being introduced in Japan and many other countries. The move toward a decarbonized society is gaining momentum worldwide. The Isuzu Group has set the goals of 'Zero GHG emissions from operations' and 'Zero GHG emissions across the product lifecycle' as Aspirations in Isuzu Environmental Vision 2050. We view addressing climate change as an opportunity for further growth for the Isuzu Group and are advancing various initiatives to achieve these goals. Additionally, Isuzu expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021 and is advancing the development of business strategies to address climate change through scenario analysis.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	2030 Challenge	Global Action
 <p>Zero GHG emissions from operations</p>	<ul style="list-style-type: none"> <li>Halve CO<sub>2</sub> emissions* from 2013 levels by 2030</li> <li>* Scope 1 + Scope 2</li> </ul>	<ul style="list-style-type: none"> <li>Reduce total energy use</li> <li>Install and expand clean energy use</li> <li>Leverage innovative technologies</li> </ul>
 <p>Zero GHG emissions across product life cycles</p>	<ul style="list-style-type: none"> <li>Build a carbon-neutral vehicle lineup that meets diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>Identify necessary technologies by 2025</li> <li>Increase the number of mass-production models by 2030 while promoting practical implementation of carbon-neutral vehicles</li> </ul>

Disclosure Based on the TCFD Framework

Governance

To promote sustainability throughout the entire Group, Isuzu has established the Sustainability Committee, which is chaired by a director and comprises officers responsible for each of our business domains serving as standing members. The Sustainability Committee meets regularly (at least four times a year) to deliberate on a wide variety of matters pertaining to sustainability, such as risks associated with climate change and human rights issues. Depending on the level of importance of matters discussed, the contents of the deliberations are reported to the Management Meeting and the Board of Directors as necessary. Specialized environmental and social subcommittees have also been established under the umbrella of the Sustainability Committee, wherein detailed discussions are held on individual issues. In addition, in fiscal 2026, a new Sustainability Disclosure Subcommittee was established to improve our information disclosure efforts in light of trends in sustainability information disclosure. In particular, with regard to efforts to achieve carbon neutrality, we have established a system for examining specific response policies and activities and implementing them in practice through the Business CN\* Promotion Subcommittee, which promotes activities to achieve carbon neutrality in business activities with a focus on production, and the Product CN\* Promotion Subcommittee, which promotes various activities that contribute to the carbon neutrality of products through decarbonization technologies and decarbonized energy.

\* CN: Carbon Neutral

- > Sustainability Promotion System
- > Environmental Management Structure

Risk Management

Overall risks related to climate change are managed under a Groupwide risk management system led by the Group Chief Risk Management Officer (CRMO). The Sustainability Committee identifies and assesses specific climate change risks and manages the progress of countermeasures based on each risk's potential impact on the Company's businesses.

- > Risk Management Structure

Metrics and Targets

The Company has established Isuzu Environmental Vision 2050 with the aim of realizing zero greenhouse gas (GHG) emissions throughout the lifecycles of its products by 2050. To this end, we have set a target—as outlined in the 2030 Environmental Roadmap—to reduce the Group's Scope 1 and 2 GHG emissions by 50% from fiscal 2014 levels by 2030. Furthermore, we endorse the Paris Agreement's aim to limit the global temperature increase to 1.5°C, and we are working to set science-based targets to achieve this goal. As part of this pursuit, we have submitted a letter of commitment to the Science Based Targets initiative in 2022 and will continue our efforts to realize a decarbonized society.



Climate Change Measures

Strategy

Isuzu conducted a scenario analysis under the long-term environmental scenarios of a 1.5°C and 4°C rise in temperature compared with pre-industrial revolution levels, and identified the risks and opportunities that climate change poses to the Isuzu Group's business activities and products. Measures to address these risks include compliance with strengthened environmental regulations and the development of new technologies. At the same time, society expects the creation of innovations that contribute to a decarbonized society, and Isuzu recognizes that responding appropriately will lead to new business opportunities.

The Group is working to develop multi-pathway carbon-neutral solutions and reduce direct GHG emissions from our business activities, aiming to become carbon neutral by 2050. Through these efforts, we aim to reduce risks and capitalize on opportunities.

> Initiatives

Scenario Analysis

Long-term Environmental Scenarios

4°C Scenario (RCP8.5\*1, SSP3\*2)

- Society's dependence on fossil fuels continues, climate change progresses, and natural disasters increase.
- There is a scramble for fossil fuels and anti-globalization advances due to increasing inequality, leading to the dysfunction of international governance.
- Economic stagnation due to vulnerability to disasters is anticipated.

1.5°C Scenario (RCP2.6\*1, SSP1\*2, 2DS\*3)

- A carbon-neutral society in which social and industrial structures have changed dramatically due to stricter regulations and technological innovation.
- The Isuzu Group's product lineup is expected to undergo major changes depending on the application, and there will be major changes in business activities.

<div>Products</div> <div>&lt;Vehicles&gt;</div> <ul style="list-style-type: none"> <li>The development and provision of next-generation powertrains continues for light commercial vehicles that support short-distance, low-volume transportation, such as electric vehicles</li> <li>New trends such as electrification emerge for medium- and heavy-duty commercial vehicles</li> <li>Internal combustion engines continue to play a major role in vehicles that support long-distance, high-volume transportation, such as medium- and heavy-duty commercial vehicles</li> </ul> <div>&lt;Powertrain&gt;</div> <ul style="list-style-type: none"> <li>The use of sustainable, decarbonized clean energies</li> <li>A need arises to develop and market energy loss-free powertrains with unprecedented fuel-efficiency, as well as products equipped with such powertrains</li> </ul> <div>Service</div> <ul style="list-style-type: none"> <li>Automated driving, platooning, and full trailer trucks currently undergoing demonstration tests become commonplace</li> <li>More efficient transportation methods are routinely used</li> </ul> <div>Business Activities</div> <ul style="list-style-type: none"> <li>The Company switches to decarbonized clean energy in production and other business activities</li> <li>The Company minimizes resource input volumes and strictly enforces the efficient use of waste with a view to achieving carbon neutrality</li> </ul>
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\*1 Climate scenario created by the United Nations Intergovernmental Panel on Climate Change (IPCC)

\*2 Socioeconomic scenario created by the United Nations IPCC

\*3 Socioeconomic scenario created by the International Energy Agency (IEA)

Climate Change Measures

Risks and Opportunities

Category		Risks	Opportunities	Countermeasures	Level of Impact on Operations
Risks and opportunities associated with transition to a decarbonized society	Government policy regulations	<ul style="list-style-type: none"> <li>Decrease in market share due to delayed response to increasingly strict environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>Increase in demand for zero-emission vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Promote initiatives to establish a full lineup of products compatible with carbon neutralization</li> </ul>	High
	Technology	<ul style="list-style-type: none"> <li>Increase in development and production costs to enable the compatibility of a wide range of powertrains in electric, fuel-cell, and other vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of open innovation</li> <li>Widespread adoption of affordable clean energy</li> </ul>	<ul style="list-style-type: none"> <li>Implement efficient joint development projects that leverage alliances</li> <li>Reduce carbon emissions from operations and curb costs by switching to affordable clean energy</li> </ul>	High
		<ul style="list-style-type: none"> <li>Decrease in brand power due to inability to respond to various needs in the logistics infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Increase in need for automated driving and platooning systems as well as full trailer trucks</li> </ul>	<ul style="list-style-type: none"> <li>Generate innovative logistics processes that contribute to carbon neutralization through co-creation activities with customers</li> </ul>	High
	Market	<ul style="list-style-type: none"> <li>Shrinking of the market for internal combustion engine vehicles that use fossil fuels</li> </ul>	—	<ul style="list-style-type: none"> <li>Leverage existing internal combustion engine technologies and infrastructure in the use of next-generation, carbon-neutral fuels</li> </ul>	High
	Reputation	<ul style="list-style-type: none"> <li>Increase in energy costs and in reputational risks due to delays in the introduction of GHG reduction measures and renewable energy in our business operations overall</li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction and enhancement of corporate image due to early introduction of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of introduction of renewable energy</li> <li>Continued encouragement of energy-saving activities to reduce energy costs</li> </ul>	Moderate
Material risks and opportunities that arise from increased natural disasters, depleted water supplies, and other such events		<ul style="list-style-type: none"> <li>Impact on operations from increased flooding, typhoons, and other extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>Increase in demand for disaster response vehicles</li> <li>Increase in need for robust infrastructure services at times of disaster</li> </ul>	<ul style="list-style-type: none"> <li>Provide disaster response vehicles</li> <li>Provide restoration services for waterdamaged vehicles</li> <li>Reinforce corporate structure though expansion of business continuity plan</li> </ul>	High

Initiatives

Products and Services

To achieve zero greenhouse gas (GHG) emissions across the entire lifecycle of Isuzu Group products by 2050, the Isuzu Group aims to make all new vehicle lineups sold worldwide carbon neutral by transitioning from fossil-derived energy to carbon-neutral energy sources. Isuzu is advancing the development of electric vehicles with an eye towards mass production and launched the new production model of the BEV (Battery Electric Vehicle) N-Series in 2023, and Japan's first BEV flat-floor route bus, ERGA EV in 2024. Additionally, for FCVs (Fuel Cell Vehicles), we are conducting demonstration experiments for social implementation and promoting their market introduction.

On the other hand, commercial vehicles used in various market conditions may still require internal combustion engines. Additionally, Isuzu Group's products are used worldwide, and in some countries or regions, electrification may be challenging. Therefore, Isuzu Group continues to advance the development of internal combustion engines that are compatible with carbon-neutral fuels\*.

\* Carbon-neutral fuels, including biofuels and synthetic fuels derived from renewable energy, are referred to as CN fuels.

Development and Diffusion of Next-Generation Vehicles

Light-Duty EV Truck

The N-Series (ELF in Japan) is the first mass-produced BEV truck developed by Isuzu to realize a carbon-neutral society. We are developing the N-Series by adding new dust trucks and aerial work platform trucks to our lineup in February 2025. Isuzu's proprietary electric Power Take Off (PTO) has been developed and adopted to supply power to truck upper structures.



> Light Electric Truck 

Heavy-Duty FCV Truck

Since 2020, we have been collaborating with Honda R&D Co., Ltd., and began public road testing in December 2023. Through this demonstration experiment, which will continue until September 2025, we will work on collecting data, accumulating insights, and identifying technical challenges in preparation for market introduction in 2027.

We will promote technological development in a multi-pathway approach based on Isuzu Environmental Vision 2050 and will develop FCVs as part of the product development and rollout that is suited to regional conditions and social trends.



> Heavy-Duty FCV Truck 

## Climate Change Measures

### Light-Duty FCV Truck

Light-duty FCV trucks have been jointly planned and developed by Isuzu and Toyota at Commercial Japan Partnership Technologies (CJPT) project starting in 2021.

We are supplying vehicles for initiatives for social implementation of hydrogen technology in Fukushima, Tokyo, and Fukuoka prefectures from 2023.



> CJPT

### BEV Flat-Floor Route Bus

In May 2024, we launched Japan's first BEV flat-floor route bus, the ERGA EV.

Isuzu believes that for route buses, which often travel on predetermined routes, BEVs are one of the most promising options as a carbon-neutral power source. Leveraging its long-standing experience in product development, Isuzu has developed a BEV flat-floor route bus, the ERGA EV, designed with consideration for passengers, drivers, and road conditions.

The ERGA EV has been adopted and is now in operation as shuttle buses operated by three bus operators at the 2025 World Exposition in Japan (Osaka-Kansai Expo).

> BEV Flat-Floor Route Bus



### North American Medium-Duty Battery Electric Trucks

To contribute to GHG reduction in North America, Isuzu announced its plan to launch medium-duty battery electric trucks equipped with Accelera by Cummins powertrains, aiming for a 2026 release.

Leveraging the strengths of both Cummins Inc. and Isuzu, we will support our customers in achieving zero emissions.

> Launch of Medium-Duty Electric Prototype Trucks in North America



### Provision of the Total Solutions Program for BEV Introduction and Operational Support, EVision

In 2023, Isuzu began offering EVision, a total solutions program for the introduction and operational support of BEVs, in conjunction with the market launch of the mass-produced BEV, the ELF EV.

EVision is a solution program designed to support customers in evaluating the introduction of commercial EVs, resolving implementation challenges, quantifying effects, and proposing further improvements to achieve carbon neutrality.

In anticipation of an increase in the number of EVs installed per customer location, we will develop energy management services that curb the rise in basic electricity rates due to recharging and will expand EVision service lineup so that a wide range of customers can use EVs without concerns.

> EVision

### EVision Cycle Concept (Commercial Vehicle Battery Swapping EV Concept)

As a new option for achieving carbon neutrality, Isuzu is developing and exploring battery swapping solutions. By separating the operation of the vehicle and the battery, this approach is expected to address various societal challenges. We have started in-house demonstration tests and are advancing the development of vehicles and battery stations with the goal of conducting demonstration experiments in Japan and Thailand by the end of fiscal 2026.



### CN Gas Fuels (Initiatives for Low-Carbon Fuels)

Regarding methane gas, biomethane is already being used and the development of e-methane production technologies is already underway.

Biomethane, in particular, is already being used in mass-produced vehicles, and the use of methane gas as a fuel for natural gas vehicles will directly lead to low-carbon and decarbonization efforts. Isuzu considers LNG vehicles as one of the realistic solutions to carbon neutralization for large trunk line transportation vehicles, and is promoting demonstration activities for their widespread use in cooperation with various stakeholders.

Examples include a liquefied biomethane demonstration with Mitsubishi Corporation in Hokkaido, and a biomethane project in Maniwa City, Okayama Prefecture, where we supplied vehicles for the demonstration. We will continue to work with our stakeholders on the CN gas demonstrations and promote efforts for carbon neutralization of mobility.

### Promotion and Adaptation of Carbon-Neutral Fuels

In April 2023, Isuzu established a division responsible for overseeing and advancing the Isuzu Group's CN strategy. As a company-wide cross-sectional activity, the Company is advancing its initiatives aimed at the societal implementation of CN fuels, including evaluating the impact of CN fuel use on vehicle performance and durability.

As a specific example, Isuzu, together with eight partner companies, applied for the Tokyo Metropolitan Government's 2024 Technology Development Support Project for the Promotion of New Energy, and our project, the Development of New HVO\* Mixed Fuel, Supply Chain Construction and Its Social Implementation was selected.

The nine selected companies have long been aiming to contribute to the realization of a sustainable society through the use of biofuels and other resources. Each company will develop, produce, store, transport, and demonstrate the use of new HVO-based biofuels in their respective fields, and promote efforts to establish supply chains and achieve social implementation.

Additionally, to accelerate the adoption of CN fuels, we will engage with CN fuel producers to address fuel quality issues and propose improvements. We will also actively participate in creating systems that do not require additional investments in distribution processes, such as supply and sales.

\* HVO: Hydrotreated Vegetable Oil. HVO is a fuel made by hydrogenating biomass (biological resources) and can be used either alone or mixed with diesel oil. It is one of the CN fuels that are more effective in reducing CO<sub>2</sub> emissions compared to petroleum-derived diesel oil.



## Climate Change Measures

### Business Activities

To achieve zero direct GHG emissions from business activities by 2050, the Isuzu Group is working on reducing overall energy consumption and expanding the use of renewable energy.

#### Reduction of Total Energy Consumption

We are continuing to implement energy-saving activities, including streamlining processes, reviewing and optimizing the operation of equipment, and visualizing energy consumption.

By reassessing our conventional operating methods and applying successful initiatives across the Group, we are contributing to a reduction in total energy consumption throughout Isuzu's business activities.

The Isuzu Group supports climate-related regulations in various countries, including domestic laws such as the Energy Conservation Law<sup>\*1</sup> and the Global Warming Prevention Law<sup>\*2</sup>, and addresses energy reduction through various reports to administrative agencies based on these laws and policies.

<sup>\*1</sup> The Energy Conservation Law, which relates to the rationalization of energy use and the shift to non-fossil energy

<sup>\*2</sup> The Act on Promotion of Global Warming Countermeasures

#### Expansion of Environmentally Conscious Sales Bases

When establishing or renovating sales bases, we are advancing the reduction of energy use by adopting LED lighting, skylights, and renewable energy systems. Additionally, during the establishment of new sites, we are promoting the expansion of environmentally conscious bases by adopting more environmentally friendly wastewater treatment equipment to prevent environmental pollution from wastewater generated during vehicle maintenance and washing.



Isuzu Motor Kinki Co., Ltd. Suminoe Service Center



Isuzu Motors Kyushu Limited Saga Service Center



Isuzu Motors Chubu Co., Ltd. Iida Service Center



Toyama Isuzu Co., Ltd. Toyama Sales Office

### Creating Clean Energy

To generate clean energy, in Japan, we installed a 1,156-kW solar power generation facility at the Tochigi Plant in fiscal 2023, bringing the total solar panel capacity at both the Fujisawa and Tochigi plants to 1,389 kW.

Additionally, Isuzu Group companies in Thailand are also promoting the installation of large-scale photovoltaic power generation systems. Since fiscal 2019, Isuzu Motors Co., (Thailand) Ltd., and other companies have installed solar panel systems capable of a total output of 7,069 kW.

In the future, the Isuzu Group plans to continue actively introducing energy-saving equipment and expanding the installation of clean energy generation systems, including solar power facilities.



Solar power generation facility at Thai International Die Making Co., Ltd. (TID)

## Climate Change Measures

### Switching to Clean Energy

We are also progressively transitioning to clean energy for the energy used at our business sites.

Since fiscal 2020, Isuzu has been using the Aqua Premium electricity rate plan from TEPCO Energy Partner, Inc., which applies 100% hydroelectric power to a portion of the electricity purchased. Through this plan TEPCO Energy Partner, Inc. sells the CO<sub>2</sub>-emission-free electricity that it generates hydroelectrically, offering an option for customers who want a portion of the electricity they purchase to be carbon-free.

Additionally, starting in fiscal 2023, Isuzu began purchasing electricity with non-fossil certificates and has been expanding its purchase of electricity derived from renewable energy sources.

Starting from fiscal 2024, Isuzu's Yokohama headquarters switched all of its electricity usage to power certified by non-fossil certificates. As a result, all electricity used by Isuzu Group offices located in the same building now comes from renewable energy sources. Through these efforts, approximately 26% of Isuzu's electricity consumption was decarbonized in fiscal 2025.

As for fuels, clean energy technologies such as electricity have not been established yet. In response to the current situation, Isuzu has been using carbon offset city gas (a global environmentally friendly fuel) as part of the fuel at its factories since fiscal 2022. Carbon offset city gas is liquefied natural gas that offsets the greenhouse gases emitted during the entire process from natural gas extraction to combustion using CO<sub>2</sub> credits (carbon offsets), thus being considered as not generating net CO<sub>2</sub> emissions on a global scale even when burned. The CO<sub>2</sub> credits are voluntary credits issued by internationally reputable organizations, and are the result of projects that meet the procurement requirements, quality standards, and other criteria of the adoption destination, ensuring that they have no significant adverse effects on the region or ecosystems.

To widely inform users of natural gas vehicles about these initiatives, Isuzu supplies carbon offset city gas to the natural gas station located at the Fujisawa Plant. All natural gas supplied at this station is carbon offset city gas.



Natural gas station at the Fujisawa Plant

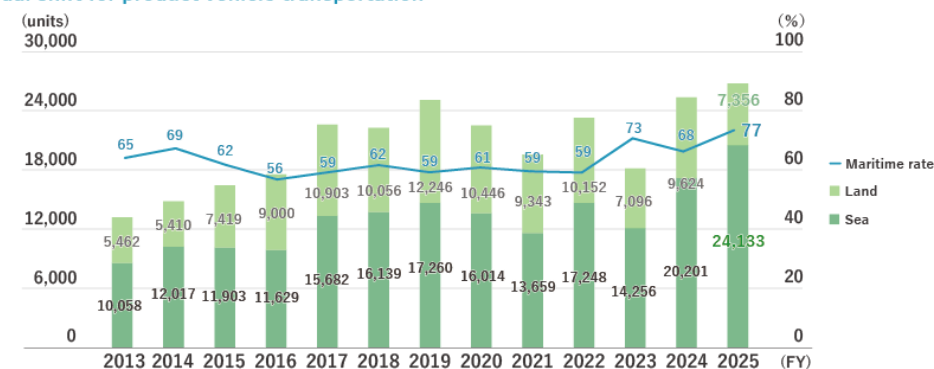
### Reducing CO<sub>2</sub> Emissions in Logistics Processes

Isuzu aims to reduce CO<sub>2</sub> emissions in its logistics processes by 1% annually and is implementing measures to achieve this goal.

#### Main Initiatives

- Review transportation methods
- Promote fuel-efficient driving during transportation
- Increase marine transportation (modal shift) through the development of new shipping routes
- Strictly manage truck transport according to cargo volume
- Expand the use of returnable racks that can be folded during return
- Expand trailer transport and improving cargo fill rates within containers
- Increase the use of container round trips

#### Modal shift for product vehicle transportation





## Climate Change Measures

### Review of Transportation Methods

The Isuzu Group is continuously reviewing and optimizing the transportation routes for products and parts, and is working to reduce CO<sub>2</sub> emissions associated with transportation by engaging in joint transportation within the Group.

In fiscal 2025, we reduced the number of delivery trucks by 40 compared to the previous year and saved 1,053 liters of fuel by checking the days when dealers and repair shops were closed and coordinating delivery services from the nationwide parts distribution centers. In addition, while the Group used to deliver products from the Kansai Distribution Center to the Mie Anotsu Parts Center via the Nara Service Center, the route was changed to delivery from the Chubu Distribution Center, shortening the transportation distance by approximately 30 km and reducing CO<sub>2</sub> emissions.

Furthermore, in an effort to solve the 2024 logistics issue, our delivery service from the Fujisawa area to the Tochigi area used to travel on ordinary roads, but the entire route has been changed to use expressways for the round-trip delivery, thereby improving fuel efficiency and reducing CO<sub>2</sub> emissions.

We are also working to reduce the environmental impact of our warehouses, which are our delivery bases, by switching from diesel forklifts that use diesel oil as fuel to electric forklifts, with the goal of achieving zero diesel-powered forklifts by fiscal 2030. From fiscal 2025, LED lighting in the Tochigi area warehouse was replaced with lighting with motion sensors, and a system was established to automatically turn off lights when the warehouse is unmanned. As a result, CO<sub>2</sub> emissions were significantly reduced and the work environment improved.



Electric forklift



Warehouse with lights turned off when unmanned with motion sensors

### Increasing Container Round Use

Isuzu is implementing carbon-neutral activities across the entire logistics sector, and in the areas of Tochigi, Fujisawa, Yokohama Port, and Ageo, we are working on the Container Round Use (CRU) system, which reuses empty containers as export containers after unloading from import containers.

Previously in the Tochigi area, empty export containers for knockdown (KD) parts packed at the Tochigi Plant were retrieved from Yokohama Port. However, now, the Company picks up import containers unloaded by other companies at a depot in an inland area near the Tochigi Plant, as designated by the shipping company, and reuses them as export containers for KD parts at the Tochigi Plant.

In the Fujisawa area, Isuzu collaborates with other companies to implement the CRU system by bringing empty containers, after unloading, to Isuzu Group warehouses near the Fujisawa Plant instead of returning them to Yokohama Port. These containers are then reused for the export of KD parts.

Since June 2024, we have also been working on the CRU system within the Isuzu Group. Empty containers used by overseas assembly plants to return returnable racks to the Fujisawa area are not returned to Yokohama Port, but are reused as export containers for KD parts in the same area.

These CRU activities in the four areas have enabled stable logistics and reduced fuel consumption during transportation by approximately 20,000 liters per year, leading to a decrease in CO<sub>2</sub> emissions.

Moreover, we received the Special Award of the Logistics Environment Grand Prize for fiscal 2023, 2024, and 2025, together with other cooperative companies, in recognition of our CRU activities from the Japan Association for Logistics and Transport.



Trophies for the Special Award of the Logistics Environment Grand Prize



Inside and outside of the container for shipping KD parts in the CRU system



Climate Change Measures

Reduction of Delivery Service for Cases for Packing Parts

As a further initiative, the Isuzu Group focused on the distribution of cases packed with KD parts to improve the efficiency of logistics operations. In the past, production and shipping plans were conducted separately, and cases packed with produced parts were transported from the KD parts plants to external warehouses for temporary storage, after which the parts were loaded into containers according to the shipping plan. In order to reduce the transportation of KD parts to external warehouses, production is now planned based on the shipping plan by destination. By working backward from the shipping date and setting the date for packing parts into cases at the KD parts plants, the next process of loading cases into containers can now be performed continuously at the KD parts plants, thus reducing the number of cases transported to external warehouses. As a result, we have reduced the number of transport services by heavy-duty truck by 1,250, fuel consumption by approximately 1,200 liters, and CO<sub>2</sub> emissions by approximately 3 tons per year since April 2024.



Loading parts into containers at a KD parts plant

Holding Fuel Efficient and Safe Driving Seminars

Considering the lifecycle of Isuzu products, the majority of CO<sub>2</sub> emissions comes from product (vehicle) use. Isuzu has been holding seminars on fuel-efficient and safe driving in Japan and overseas since 1995, to provide its customers with tips on fuel-efficient driving in accordance with the performance of their vehicles.

Seminar Participation over the Past 3 Years

	Number of Times	Number of Participants
FY2025	77	1,039
FY2024	76	999
FY2023	65	885



Fuel-efficient and safe driving seminar



Efforts with Our Business Partners

Isuzu conducts procurement activities based on the Isuzu Group Supplier Sustainability Guideline and requests our business partners to follow this guideline as well, including signing an agreement to confirm compliance. Additionally, we have established the Isuzu Green Procurement Guideline, which outline environmental requests by industry sector, to strengthen environmental management across the entire value chain in collaboration with our partners.

Since fiscal 2023, we have participated in the CDP Supply Chain Program, advancing efforts related to climate change and GHG emissions tracking, and further strengthening our collaboration with our business partners.

## Climate Change Measures

### Initiatives with Yokohama City

In October 2023, Isuzu signed a Collaboration Agreement for Achieving Carbon Neutrality in the Commercial Vehicle Sector in Yokohama City with Yokohama City. The agreement aims to promote the adoption of carbon-neutral vehicles in the commercial vehicle sector within Yokohama City and collaboration on initiatives to enhance transportation efficiency contributing to decarbonization.

As part of the initiatives, starting December 21, 2023, Isuzu participated in a demonstration project of the first public roadside charging station in Japan for BEV trucks. This project was initiated as collaborative activities to establish an efficient network of charging stations and has been promoted, aiming to create a regional model case.

The results of the demonstration tests conducted until March 2024 were highly evaluated, and it was decided to commercialize the charging stations from April 2024 onward. As a result, the public roadside charging stations are now in continuous operation and serve as important infrastructure in the promotion of electrification of commercial vehicles.

This transition to commercialization shows that our efforts with stakeholders to build a sustainable logistics system are steadily bearing fruit, and is an important step forward in laying the groundwork for the future promotion of BEV trucks.



Signed a collaboration agreement with Yokohama City



Commercialized public roadside charging station

> Yokohama City and Isuzu Motors have signed a collaboration agreement

> Participated in the demonstration project of Japan's first public road charging station for BEV trucks in Yokohama City

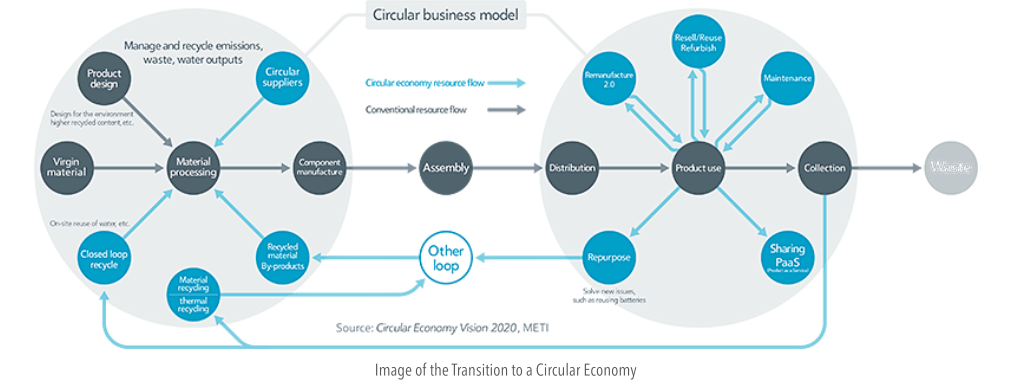


Resource Recycling Promotion

Basic Approach

The transition to a sustainable society requires a shift from the linear economic system, which emerged from a mass production and mass consumption-based economic model, to a circular economic system. The Isuzu Group has set a goal of achieving 100% recycling of waste and end-of-use vehicles as part of the Aspiration in Isuzu Environmental Vision 2050. We are advancing initiatives to realize a circular economy by focusing on resource conservation, reuse, and circulation throughout our business operations to maximize added value.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	2030 Challenge	Global Action
<div>100%</div> <div>100% recycling of waste and end-of-use vehicles</div>	<ul style="list-style-type: none"> <li>Advance a circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Thoroughly manage outputs* of all operating sites</li> <li>Increase resource efficiency</li> <li>Transition to circular business model</li> </ul> <p>* Outputs refers to waste, emissions and wastewater here.</p>



Initiatives

Promote Effective Resource Use

Reduced Packaging Materials: Expansion of the Introduction of Returnable Racks

As part of Isuzu Group's efforts to reduce environmental impact throughout logistics, we are promoting the expansion of environmentally friendly packaging materials, taking into account the entire process from packaging and shipping within the Group to disposal at overseas factories. In particular, since 2017, we have been advancing the introduction of returnable racks, which can be used repeatedly and are available for all destinations, and gradually expanding their use in the transportation of parts both in Japan and at overseas plants. The expanded use of returnable racks has enabled us to reduce the use of one-way racks for packaging knockdown (KD) parts, which previously became waste at overseas assembly plants.



Returnable racks

## Resource Recycling Promotion

The previously wooden, one-way cab racks were switched to iron-made returnable racks. This eliminated the need for tasks such as removing nails during wood disassembly at the time of disposal, thereby improving safety during operations.

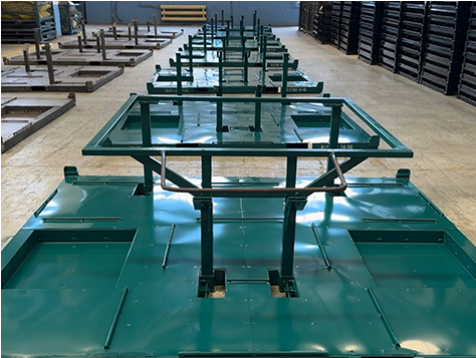
Additionally, starting in fiscal 2022, to make use of the upper space that arises when loading completed cabs into containers, we developed returnable parts racks that fit under the cab racks. This improved container fill rates through stacking. By loading large parts such as axles and parts that were previously shipped using other containers onto these returnable parts racks, we have been able to reduce the use of 40-foot shipping containers by approximately 300 containers annually, contributing not only to resource conservation but also to the reduction of GHG emissions during transportation.

In fiscal 2020, we also developed lightweight returnable racks that reduced individual rack weight by 33% compared to conventional ones, as well as two types of racks of varying heights to increase container fill rates. In fiscal 2024, the deployment of these racks to major destination countries was completed. Also, a new cab returnable rack, which has been developed for a new model vehicle type since fiscal 2025, was additionally introduced in fiscal 2026.

We will continue to promote the effective use of returnable materials to reduce environmental impact and improve logistics efficiency.



Cab returnable rack (orange) + parts returnable rack (blue)



New cab returnable rack

### Reduction of Packaging and Packing Materials: Discontinuation of the Use of Stretch Film

As part of its resource recycling activities, the Isuzu Group is working to reduce the amount of materials used for transportation between domestic locations. When transporting parts between two locations in Japan, a two-tiered cart is used, and a rain cover is placed over the cart to protect it from rain during outdoor work. In the past, stretch film was wrapped around the rain cover to prevent the packaged parts from falling through the cover, and the stretch film was disposed of after transportation. In addition, lifting the stretch film, which is 50 cm in height and weighs 2 kg, and wrapping it around the two-tiered cart twice worsens the pack posture of workers, causing pack pain, and there is a risk of parts falling. Therefore, starting in October 2024, the stretch film has been replaced by a lashing belt that can be used repeatedly. This makes operations easier by simply wrapping two lightweight lashing belts around the cart, and in terms of quality management, it eliminates the possibility of parts falling from the cart. This initiative has reduced the amount of stretch film waste by approximately 5 tons per year and improved operational efficiency.



(Before replacement) Wrapping stretch film



(After replacement) Wrapping lashing belts

## Resource Recycling Promotion

### Reduction of Packaging and Packing Materials: Switching from Plastic Fixing Material to Corrugated Cardboard Fixing Material

The Isuzu Group examines environmentally friendly packaging methods on a daily basis in order to create a sustainable society. In fiscal 2025, with the first production of KD parts for EV vehicles, we started full-scale development and adoption of environmentally friendly packaging materials in line with the vehicle concept.

In the past, when designing packaging specifications, plastic foam, which is derived from petroleum, was mainly used as a fixing material for parts, but we worked on the introduction of corrugated cardboard fixing materials in line with the EV vehicle concept.

Although there were many challenges to be overcome in terms of quality and cost, we were able to reduce plastic foam material by 308 kg per year by introducing corrugated cardboard fixing material for eight parts including radiators of EV vehicles starting in June 2024.

We will continue to incorporate environmentally friendly designs and contribute to reducing the impact on the environment in packaging.



Packaging of parts using corrugated cardboard fixing material

### Effective Utilization of Water Resources

Isuzu's business activities entail the consumption of a large quantity of water in vehicle manufacturing, plant maintenance, effluent treatment and many other situations.

To conserve limited water resources, we are working to reuse process water and wastewater, as well as to reduce water usage.

### Initiatives Towards a Circular Economy

#### Maintenance Leases Utilizing Remanufactured Units

Isuzu provides maintenance lease services for reconditioned vehicles (remanufactured unit vehicles), using Isuzu's remanufacturing<sup>\*1</sup> technology. This technology restores reusable engines, transmissions, and other major components to like-new functionality after short-term, high-performance leasing. In addition to reconditioned heavy-duty trucks, the GIGA type-Re, we started offering medium-duty trucks, the FORWARD type-Re, in March 2025 in response to customer requests.

In the restoration process of remanufactured unit vehicles, the advanced genuine maintenance tool PREISM is used to assess the vehicle's condition and detect data on parts that need replacement.

By reusing parts, we not only contribute to resource circulation but also achieve a reduction in CO<sub>2</sub> emissions during manufacturing by approximately 76 tons per vehicle for heavy-duty trucks<sup>\*2</sup> and 28 tons per vehicle for medium-duty trucks<sup>\*3</sup> compared to new vehicles. This initiative supports our goal of reducing greenhouse gas (GHG) emissions.

In the future, we intend to utilize our implementation experience and knowledge to expand our services to other types of vehicles and equipment, such as tractor heads and refrigerated freezer trucks, which are also requested by our customers.

<sup>\*1</sup> The term "remanufacturing" refers to making used products into like-new products through disassembly, parts replacement, etc. following the collection of used products.  
<sup>\*2</sup> Calculated based on a heavy-duty GIGA truck that has traveled approximately 1 million kilometers over five years.  
<sup>\*3</sup> Calculated based on a medium-duty FORWARD truck that has traveled approximately 0.7 million kilometers over five years.

#### Promotion of Rebuilt Products

The Isuzu Group is engaged in rebuilding used engines and parts by disassembling, cleaning, inspecting, and replacing worn parts with new ones before reassembling them.

We sell remanufactured products that meet the same inspection standards as new parts from the production line under the Isuzu genuine recycled parts brand E-PARTS.

Isuzu Engine Manufacturing Hokkaido Co., Ltd. rebuilds engines and parts to reduce resource input and manufacturing energy. In the future, we will establish evaluation standards for parts recycling technologies and recycled parts, improve the parts recycling rate, and promote and expand rebuilding to further reduce resource and energy input.



Rebuilt engine assembly

## Resource Recycling Promotion

### Promoting Recycling

#### Compliance with the Automotive Recycling Law

The Isuzu Group is committed to reducing the total amount of waste generated by its business activities and promoting the effective use of waste to minimize and control emissions, including valuable materials.

We handle end-of-use vehicles according to regulations in each country, and in Japan, we promote recycling under the Act on Recycling, etc. of End-of-Life Automobiles. This includes recycling the three designated items (ASR\*, airbags, and chlorofluorocarbons).

For the recycling of ASR, we operate the Automobile Shredder Residue Recycling Promotion Team (ART) in collaboration with 12 other automobile manufacturers to ensure proper handling of ASR.

\* Automobile Shredder Residue

> Initiatives Concerning the Act on Recycling of End-of-Life Automobiles (Japanese Only)



Environmental Risk Prevention Measures

Basic Approach

The Isuzu Group has set the Aspiration of pursuing safe and reliable operations and products as part of Isuzu Environmental Vision 2050. By strengthening our environmental management foundation and supplier engagement, we will work to prevent environmental risks.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	2030 Challenge	Global Action
<div>  </div> <div>Safe, reliable operations and products</div>	<ul style="list-style-type: none"> <li>Strengthen environmental management and supplier engagement</li> </ul>	<ul style="list-style-type: none"> <li>Build Group-wide environmental management system</li> <li>Build a sustainable supply chain</li> <li>Identify and promote adaptation to environmental/ nature risks in operations</li> </ul>

Initiatives

Promoting Water Resource Conservation

Understanding and Responding to Water-Related Risks

In recent years, climate change is increasing concern about the ability to secure water resources and about water-related risks such as flooding. Since FY2016, Isuzu has been using AQUEDUCT, a global water risk evaluation tool, to conduct surveys on water risks. The surveys have confirmed that while Isuzu uses groundwater and tap water, there are no urgent issues related to water usage itself. However, they have also revealed that geographic conditions could lead to operational risks and impacts on the supply chain due to flooding, drought, or water source depletion caused by extreme weather conditions such as heavy rainfall. In light of these findings, we are advancing efforts to address water risks, taking into account operational and business risks, by reducing water resource consumption and mitigating these risks.

Building a Society Free of Water Stress

The Isuzu Group contributes to building a society free of water stress, where all people can have access to safe water without concern.

Isuzu Gives Water...for Life

Twenty-one Isuzu Group companies in Thailand are collaborating with Thailand's Department of Groundwater Resources and regional authorities on the Isuzu Gives Water...for Life project, which contributes to building a water-stress-free society. The goals of the project are to install water treatment systems and provide access to drinkable water at schools in outlying areas of Thailand struggling with polluted water. Through the project, teachers and students learn how to manage and maintain the system so they are able to sustainably secure access to drinking water. Launched in 2013, the project held 44 events by March 2025. In addition, from a carbon neutral perspective, solar panels have been installed on the roof of the buildings to provide clean energy for the electricity needed to operate the water purification facilities, which began operation in 2025.



Isuzu Gives Water...for Life Project



Solar panels for water purification facilities

## Environmental Risk Prevention Measures

### Thorough Chemical Substance Management

We take thorough measures to minimize the environmental risks associated with chemical substances used in our business activities and products. In FY2025, a halon leakage occurred in the Fujisawa area due to mishandling during fire extinguishing equipment inspection. Immediately after the occurrence, we immediately reported the incident to the relevant authorities, investigated the cause, and took measures to prevent recurrence.

#### Management of Chemicals Used in Business Activities

To reduce environmental risks and ensure employee safety associated with chemicals used in our business activities (such as paints and lubricants), we have established internal regulations that require advance applications for the use of new chemicals. These applications are reviewed based on laws such as the Chemical Substances Control Law<sup>\*1</sup>, the Industrial Safety and Health Act, and the Poisonous and Deleterious Substances Control Act to determine the appropriateness of the chemicals' use. Based on the results of these pre-screenings, necessary measures are implemented before using the chemicals.

In FY2025, we conducted pre-screening for 189 chemicals.

Additionally, we have created a database for the chemicals used at our business sites, which includes information on their chemical composition and usage amounts. We continuously register new information from advance applications and update the database accordingly to strengthen management. This database helps us properly report to the Pollutant Release and Transfer Register (PRTR)<sup>\*2</sup> under the Chemical Management<sup>\*3</sup>, and ensures we stay compliant with amendments to environmental regulations including the Chemical Substances Control Law, the Industrial Safety and Health Act, the Poisonous and Deleterious Substances Control Act, and the Chemical Management. Furthermore, by referring to this database, we are actively working to reduce the use of harmful chemicals by shifting to environmentally friendly chemicals and revising our processes.

\*1 Chemical Substances Control Law: A law concerning the examination and regulation of chemical substances and their manufacture.

\*2 PRTR Law: A law concerning the Promotion of the Management of Chemical Substances.

\*3 Chemical Management: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register / PRTR)

#### Management of Chemicals Contained in Products

We take into consideration the chemicals contained in raw materials and components in the design and development stages and comply with the chemical regulations of various countries, including Japan's domestic laws, as well as the European REACH regulations, ELV directive, and the United States' TSCA. Isuzu has specified the chemicals that are prohibited or managed by Isuzu as part of the Isuzu Technical Standards considering national regulatory trends. These standards are applied to the raw materials and components used in our products.

We use the International Material Data System (IMDS), a global product substance information communication system for the automotive industry, to manage information about the chemicals contained in parts. We collect information from our business partners through IMDS and manage it in our internal system. We aggregate the data as needed, conduct checks for regulatory compliance, and make the necessary notifications and reports. Additionally, we utilize the data to reduce the use of chemicals that become subject to new regulations.

#### Reducing VOC Emissions

Isuzu is committed to reducing volatile organic compound (VOC) emissions in line with the voluntary initiatives promoted by the Japan Automobile Manufacturers Association. We work to decrease VOC emissions released from our facilities by implementing measures such as recovering VOCs and reviewing our painting processes.

### Ozone-Depleting Substance Emission Control

In accordance with the 2015 Act on Rational Use and Proper Management of Fluorocarbons, Isuzu implements proper management across all its sites, including reinforcing inspections of refrigerants in fluorocarbon-using equipment such as commercial refrigeration and air conditioning systems. Additionally, during equipment upgrades, we promote the introduction of non-fluorocarbon equipment to advance the control of ozone-depleting substance emissions.

In fiscal 2025, the amount of fluorocarbon leakage was below the statutory reporting threshold of 1,000 tons-CO<sub>2</sub>/year.

This commitment has been recognized, and in the 4th JRECO Fluorocarbon Measures Rating, Isuzu was selected as one of the top 94 companies (6% of surveyed companies) rated A, the highest rank, for fiscal 2025. This is the third consecutive year that Isuzu has been honored with this top rating, following fiscal 2023 and fiscal 2024. Moving forward, Isuzu will continue to promote initiatives to reduce fluorocarbon leakage through appropriate refrigerant management, thorough equipment inspections, and the adoption of non-fluorocarbon refrigerants.



4th JRECO Fluorocarbon Measures Rating Awards Ceremony

Environmental Risk Prevention Measures

Soil Contamination Management

To prevent health hazards caused by soil contamination, Isuzu conducts soil contamination surveys in accordance with the Soil Contamination Countermeasures Law and local regulations when undertaking construction projects of a certain scale or new building developments.

In FY2025, during the construction of the foundation for new equipment in the Fujisawa area, trichloroethylene exceeding the management standards was detected in the soil. Consequently, soil remediation work was conducted and completed in fiscal 2025, in compliance with legal requirements. (Trichloroethylene concentration: 0.022mg/L; Legal standard: 0.01mg/L; Note: There is no groundwater contamination.)

Isuzu will continue to thoroughly investigate contamination conditions and take appropriate measures in all construction activities.

Management of Air Pollutants and Wastewater

At Isuzu's factories, proper management of facilities that emit smoke, such as boilers, is ensured. We verify that air pollutants in exhaust gases, including NOx (nitrogen oxides) and SOx (sulfur oxides), are within regulatory limits.

Additionally, factory wastewater is treated by processing equipment before being discharged into sewers or public water bodies. The discharged water is regularly analyzed to confirm that it meets regulatory standards.

Management Across the Supply Chain


From the previous fiscal year, Isuzu utilizes the self-assessment sheet attached to the Guidelines for the Management of Chemical Substances in Products jointly formulated by the Japan Automobile Manufacturers Association and the Japan Auto Parts Industries Association to exchange information on our partners' management systems and efforts. Through this, we aim to enhance chemicals management throughout the entire supply chain.

Biodiversity Conservation

Basic Approach

Isuzu Group's business activities both depend on the natural world, which nurtures biodiversity, and also have various impacts on it. Therefore, Isuzu Group has developed its Biodiversity Policy, referring to guidelines such as the Ministry of the Environment's Guidelines for Private Sector Engagement in Biodiversity and the Keidanren Declaration for Biodiversity. We are committed to promoting actions that harmonize biodiversity with our business activities to achieve a sustainable society.

To achieve the Aspiration of conserving native biodiversity outlined in Isuzu Environmental Vision 2050, we work in collaboration with NGOs and other stakeholders to conserve the native biodiversity in the areas surrounding Isuzu Group operations. Additionally, Isuzu has supported the Keidanren Declaration for Biodiversity since January 2020.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	2030 Challenge	Global Action
 <p>Conserve native biodiversity in local communities</p>	<ul style="list-style-type: none"> <li>Promote conservation of native local biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Partner with local communities to advance conservation</li> <li>Communicate our conservation efforts actively</li> <li>Raise awareness and train employees to be environmental stewards</li> </ul>

Isuzu Group Policy on Biodiversity (Formulated in 2018)

Basic Vision

We, the Isuzu Group, understand the relationship all of our business activities have with the ecosystem.

We support action that helps achieve a sustainable society through a harmony of business activities and biodiversity.

Action Guidelines

- Each employee learns and has an understanding that our business activities are enabled by biodiversity and at the same time, are affecting it.
- We engage in activities that reduce our impact on biodiversity and protect it in all of our business activities.
- We protect biodiversity from a global perspective, taking into account the diversity of local communities.
- We promote cooperation and collaboration with our stakeholders in order to improve our conservation activities.
- We contribute to local communities, placing valuing on communication and cooperation with stakeholders through disclosing information on activities and other initiatives.

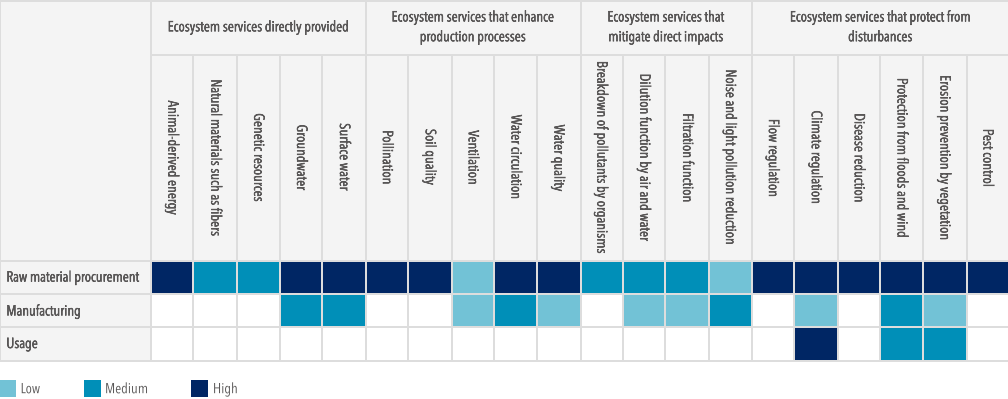
Initiatives

Assessment of Dependency and Impact on Nature

Isuzu uses the tool ENCORE\*<sup>1</sup> to understand the extent of our dependence and impact on nature. We have assessed these dependencies and impacts throughout our value chain and created a heatmap. Moving forward, we will advance the evaluation of risks and opportunities related to natural capital based on these results and our business operations.

For raw material procurement, we will enhance engagement with our business partners through communication on reducing environmental impact and GHG emissions. For manufacturing and use, we aim to reduce risks and seize opportunities through initiatives aligned with our 2030 Environmental Roadmap.

Heatmap of Dependencies\*<sup>2</sup>





Biodiversity Conservation

Heatmap of Impacts\*2

	Land-use change			Direct extraction		Climate change	Pollution				Other
	Land use	Freshwater use	Marine use	Water use	Other resource use	GHG emissions	Air pollution	Water pollution	Soil pollution	Waste	Noise and light pollution, etc.
Raw material procurement											
Manufacturing											
Usage											

Low
  Medium
  High

\*1 Exploring Natural Capital Opportunities, Risks, and Exposure

\*2 Regarding raw material procurement, since various raw materials (such as petroleum, minerals, glass, natural rubber) and procurement processes (such as chemicals, metals, electronic components, tires) are involved, we take care to adopt those with significant levels of dependency and impact to ensure that we do not underestimate the degree of dependence and impact.

Promoting Biodiversity Conservation Efforts

Isuzu is working on biodiversity conservation activities at its Fujisawa and Tochigi Plants in collaboration with nearby universities. Since 2013, Isuzu began conducting surveys of the flora and fauna on its plant premises. The results revealed that at both plants, insufficient forest maintenance was causing imbalances in the ecosystem and an overgrowth of invasive species, weakening the public functions of the satoyama (traditional rural landscapes). Based on advice from the universities, we have been maintaining the plant sites since fiscal 2017, including developing areas where native species can thrive. Since 2017, annual surveys have confirmed a decrease in invasive species and a trend towards improving the imbalance in the ecosystem.



Fujisawa Plant: Maintaining the site's forested area (Left: Before, Right: After)



Tochigi Plant: Maintaining the site's greenery area (Left: Before, Right: After)

Promoting Efforts to Protect Local Ecosystems

We promote efforts to protect regional ecosystems in local communities where we conduct business, working to conserve them along with their biodiversity. In addition, by encouraging these activities across the entire Isuzu Group, we remain committed to protecting global biodiversity.

Watarase-yusuichi Conservation Activities

Since 2016, Isuzu has been involved in conservation activities at the Watarase-yusuichi near its Tochigi Plant. The Watarase-yusuichi is the largest reservoir area in Japan and is a Ramsar-registered wetland that serves an important flood control function to prevent flood damage in the region. Isuzu, along with volunteers from its Tochigi Plant, nearby Group companies, and their families, participates in activities such as reed cutting, removal of invasive plants, and litter cleanup, organized by local governments and NPOs. The ongoing conservation activities conducted with local residents have borne fruit and storks have been seen flying and nesting in the Watarase-yusuichi. In fiscal 2022, Isuzu was recognized as an Environmental Conservation Organization by Tochigi City. Additionally, for four consecutive years, from fiscal 2022 to fiscal 2025, Isuzu received letters of appreciation from Oyama City as a Watarase-yusuichi Conservation Support Organization. Furthermore, the Tochigi Plant is involved in tree planting activities in Ashio, located upstream along the Watarase River, which flows into the Watarase-yusuichi. Ashio was once devastated by smoke pollution from copper smelting, leading to the deforestation of the surrounding mountains. By participating in reforestation efforts, Isuzu aims to create opportunities for learning about environmental conservation through activities both upstream and downstream.



Invasive plant removal activities



Awarded by Oyama City for four consecutive years



Participants in Ashio reforestation activities

## Biodiversity Conservation

### Participating in Activities to Develop Forests That Supply Water in Kanagawa Prefecture

Since fiscal 2019, the Isuzu Fujisawa Plant has been participating in Kanagawa Prefecture's Forest Restoration Partner project, conducting conservation activities to protect the forests in the Ashigarakami District that serve as the water source for the groundwater used by the plant.

Since fiscal 2020, Group companies within the Fujisawa Plant have also joined these efforts. Through thinning work to restore neglected forests to a healthy state and nature observation activities, participants are reminded of the importance of biodiversity and the significance of preserving the forests that serve as water sources.

Although activities were suspended in fiscal 2021 and fiscal 2022 to prevent the spread of COVID-19, they resumed in fiscal 2023. In November 2024, 20 employees from three companies and their families participated in the conservation activities.



Signage with the naming right



Vine cutting under the guidance of instructors

### Isuzu Plaza's Biotope

At Isuzu Plaza, a biotope has been established to replicate the unique ecosystem of the Fujisawa region, where the plaza is located. Since fiscal 2020, we have been collaborating with local university research labs. Our efforts include improvements like revising tree signage content to create a biotope that serves as a place of relaxation for the community, allowing everyone to feel closer to nature. We are actively seeking various pieces of advice to achieve this goal.

We encourage students to utilize this space for fieldwork and as a practical platform for considering community coexistence. We also provide them with opportunities to present their research findings to Isuzu. Additionally, employees are discovering the significance of ecosystem conservation afresh, while drawing inspiration from the innovative ideas of the students.

### Promoting Sustainable Procurement

#### Adoption of Environmentally Friendly Materials

Isuzu has replaced traditional wood used for truck beds with bamboo, a member of the grass family, in consideration of forest conservation.

Bamboo, with its fast growth rate that allows it to be used as a material in about five years, along with its excellent durability, is considered a suitable material for truck beds.

Bamboo flooring material is being used in many vehicle models, including the new ELF released in March 2023.



A vehicle utilizing bamboo flooring material

## Biodiversity Conservation

### Developing Human Resources to Build a Society in Harmony with Nature

Isuzu has been conducting regular environmental education for employees since fiscal 2017 to raise environmental awareness and deepen understanding of Isuzu's environmental activities.

This education is provided through a combination of e-learning and in-person training, which also helps reduce CO<sub>2</sub> emissions associated with employee travel.

Starting in fiscal 2024, Isuzu introduced common environmental education for executives and personnel responsible for environmental activities across the entire Isuzu Group. This initiative aims to enhance understanding of Isuzu Environmental Vision 2050 and 2030 Environmental Roadmap. This activity will be expanded to all Isuzu Group employees in the future, facilitating human resource development so that each member of the Isuzu Group can contribute to the realization of Isuzu Environmental Vision 2050 alongside our customers and partners.

### Communication with the Local Community Surrounding the Plant

At the Isuzu Fujisawa Plant, we provide an opportunity for members of local residents' associations from six neighboring areas to learn about Isuzu's and the Fujisawa Plant's environmental conservation initiatives.

In November 2024, 31 participants attended the event.



Explanation of environmental conservation initiatives