

ISUZU



Sustainability Report
2023

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Editorial Policy

This report is being published to set out the Isuzu Group's activities regarding ESG issues that are considered important by both stakeholders and the Isuzu Group.

Scope of Report

The report covers activities undertaken by the Isuzu Group in Japan and overseas, centered on Isuzu Motors Limited.

* The term Isuzu and Isuzu Corporation in this text refer to Isuzu Motors Limited as an individual entity. On the other hand, Isuzu Group and consolidated refer to the Isuzu Group, including its subsidiary companies.

Period Covered

In principle, the report covers activities from April 1, 2022 to March 31, 2023 (FY2023); however, some content covers activities that occurred subsequent to the reporting period.

Publication Information

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Referenced Guidelines

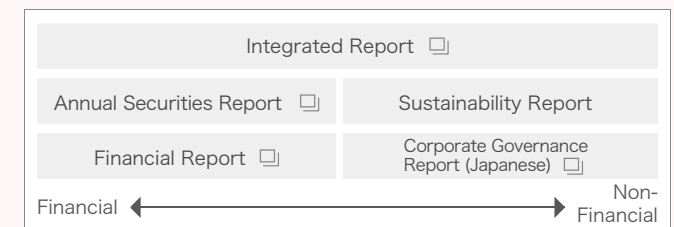
GRI Sustainability Reporting Standard

* Unified international guidelines formulated by the GRI (Global Reporting Initiative), an international NPO, in an attempt to improve the quality, reliability, and comparability of the content of Sustainability reports.

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Status of the Publication



Forward-looking Statements

This report contains not only information on the past and present but also future projections based on plans, forecasts, and management policies and strategies as of the date of publication. These forward-looking statements are based on assumptions and judgments made in light of the information available to us at the time they were made. Please note that changes in various factors could cause actual results or events to differ materially from what is described in our projections. Any revisions or repetitions of the information provided in previous reports and material changes to this information are included in this report. We ask our readers to be cognizant of the above.

Message from the Chairperson of the Sustainability Committee

Message from the Chairperson of the Sustainability Committee

Isuzu Motors Limited
Executive Vice President, and Director



Shinichi Takahashi



Amid a once-in-a-century transformation, environmental changes are accelerating, and businesses are becoming more complex. The automotive industry has less than 10 years until the SDGs target achievement year of 2030. Requests and expectations for ESG initiatives from stakeholders, including investors, are further increasing. Dealing with climate change has become a common challenge for all humankind, and the world is accelerating its efforts to become carbon neutral. Additionally, the importance of logistics as fundamental social infrastructure is high, and there are expectations for advancements in logistics, such as the practical application of connected and autonomous driving.

In light of these circumstances and with a greater determination to actively address societal challenges, on May 12, the Isuzu Group established a new corporate philosophy framework called "ISUZU ID." To fulfill the mission of "Moving the World - for You," we will invest a total of 1 trillion yen in ISUZU ID for research and development, facility investments, and business investments by 2030, focusing on initiatives such as carbon neutrality and logistics DX. To embody this mission, we will carry out actions such as implementing climate change measures and transforming our corporate structure towards becoming a group that fosters innovation. Furthermore, we will work on strengthening governance and expanding disclosure, while further deepening our traditional commitment to "management from an ESG perspective."

Isuzu has established a Sustainability Committee as a framework to promote sustainability issues, and it is responsible for deliberating and making decisions on measures aimed at addressing environmental and social challenges.

In FY2023, we advanced efforts towards the 2030 Environmental Roadmap formulated in June as part of our climate change measures strategy. Moreover, as a response to societal challenges, we conducted human rights due diligence across the entire supply chain and reinforced our commitment to respecting human rights. On a Group-wide basis, we are promoting sustainability activities across the Group by holding Isuzu Group Sustainability Liaison Conferences and working more closely with Group companies. In FY2024, we will continue to drive progress towards resolving societal challenges such as climate change and human rights risks while acknowledging their existence.

The Sustainability Committee also reports to the Management Meeting and the Board of Directors as appropriate and is deeply involved in management while working to resolve social issues.

We will continue to accelerate our ESG initiatives by further enhancing and strengthening our management from an ESG perspective.

We would like to thank our stakeholders for your continued understanding and support.

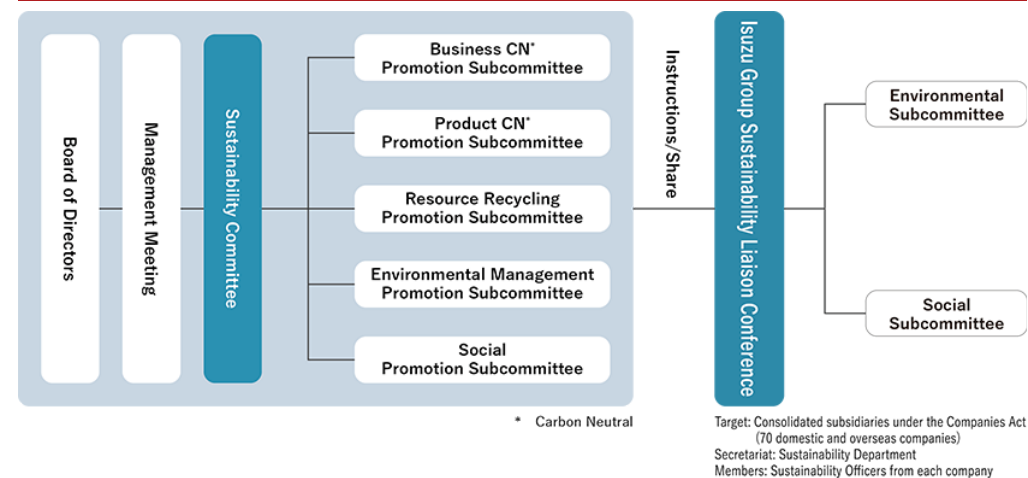
Sustainability Promotion System

The Isuzu Group has established the Sustainability Committee, chaired by the Executive Vice President, and Director of Isuzu Motors Limited and with permanent membership composed of the executives in charge of each area and other senior management, to promote sustainability throughout the Group.

The Sustainability Committee meets regularly (more than four times annually) to discuss and decide on matters related to sustainability, such as climate change risks and human rights. The matters discussed by the Sustainability Committee are reported to the Management Meeting and the Board of Directors depending on their importance.

Under the umbrella of the Sustainability Committee, specialized environmental and social subcommittees, each chaired by a relevant standing Committee member, have been established to address specific issues.

Management Structure



Sustainability Committee Meetings in FY2023

Meetings held:

- 6

Main Agenda Items

- Initiatives on Human Rights Issues
- Regarding the Establishment of a Framework for Promoting Energy Procurement to Achieve Carbon Neutrality in Our Business Activities
- DE&I Promotional Activity Plan
- Participation in the GX League
- Activity reports of each Subcommittee

Environment



Management Approaches

Basic Approach

The Isuzu Group considers environmental conservation in all its business areas and works to reduce the environmental impact of its activities through the development and operation of an environmental management structure. We are committed to achieving the Isuzu Environmental Vision 2050 and contributing to the realization of a sustainable society.

Vision Framework

The Isuzu Group regards conserving the global environment and pursuing our business activities in all areas with an environmental awareness as important business challenge. To this end we have established the Isuzu Group's Charter on the Global Environment.

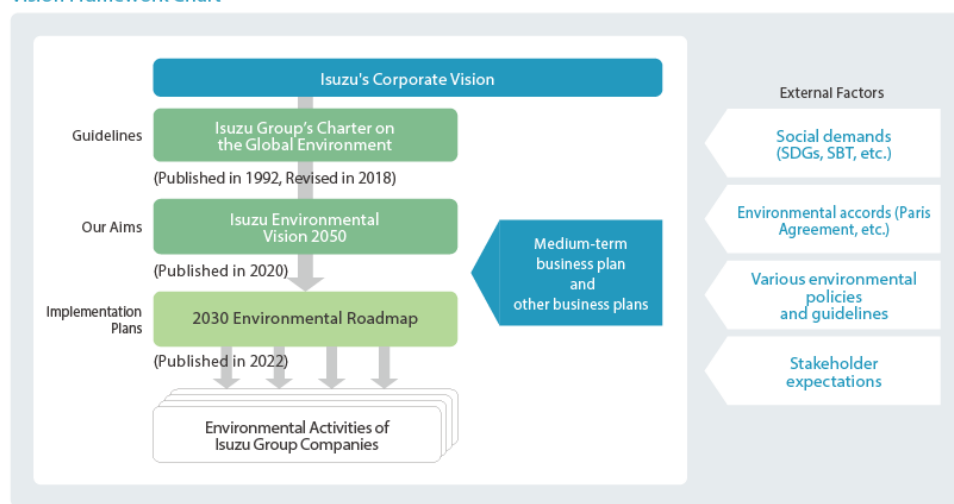
All Isuzu Group members use the Charter as a guideline when engaging in environmental activities. It was first published in 1992, and in line with dramatically changing societal trends and social demands, was revised in 2018.

In addition, in order to realize a sustainable society, and believing it is necessary to clarify the Isuzu Group's environmental aspirations from a longer-term perspective, in March 2020 we published our Isuzu Environmental Vision 2050.

In June 2022, Isuzu issued a new 2030 Environmental Roadmap, which presents the roadmap and challenges Isuzu sees for the year 2030 at this point in time in order to realize its long-term environmental vision.

By establishing and operating environmental management based on this philosophy system, the Isuzu Group contributes to reducing environmental burdens and building a sustainable society through the promotion of environmental activities in all of its global business domains.

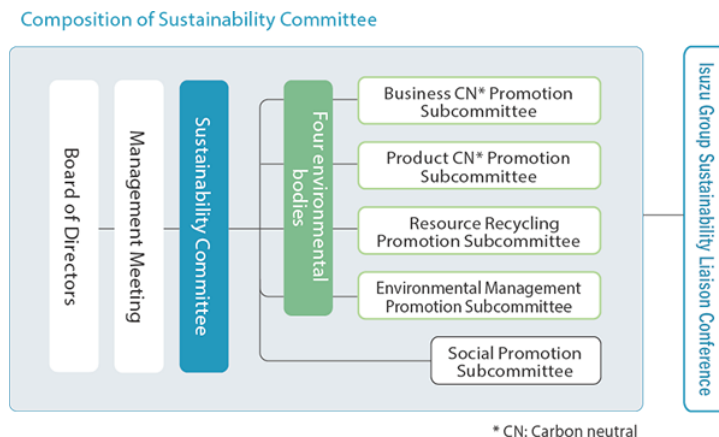
Vision Framework Chart



Management Structure

The Isuzu Group has established four environmental bodies under the Sustainability Committee to facilitate environmental conservation activities in all of its business operations. These four bodies consist of Isuzu Group affiliate companies operating in environmentally relevant fields. They set and pursue their goals to resolve many different problems and improve their environmental activities. The Sustainability Committee, chaired by the Executive Vice President and including executives in charge of each area, meets regularly (at least four times a year) to deliberate and make decisions on a wide variety of matters related to the resolution of Isuzu's key environmental issues and environmental conservation, including climate change measures. Since FY2024, we have reviewed the Isuzu Group's structure for promoting environmental activities and established a Group environmental meeting for all consolidated subsidiaries under the Group sustainability liaison committee. At the Group environmental meeting, we conduct grouping considering regional characteristics and business types, and promote environmental activities throughout the Isuzu Group to achieve the Isuzu Environmental Vision.

Composition of Sustainability Committee



Role of Four Environmental Bodies

| | |
|---|--|
| Business CN Promotion Subcommittee | Focusing mainly on production activities, which are the Group's main source of CO ₂ 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. |
| Product CN Promotion Subcommittee | 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. |
| Resource Recycling Promotion Subcommittee | The subcommittee promotes waste controls and recycling activities in all Isuzu's business activities including products and services, toward achieving 100% recycling of resources. |
| Environmental Management Promotion Subcommittee | 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. |

Management Approaches

Isuzu Group's Charter on the Global Environment

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

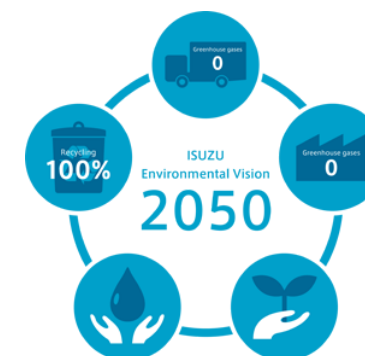
► 5 Foster environmental awareness as corporate citizen

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

Formulating Our Vision

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 published our Isuzu Environmental Vision 2050. To help ensure a prosperous and sustainable society, each and every member of the Isuzu Group is committed to undergoing the challenge of achieving our Isuzu Environmental Vision 2050 together with our customers and partners.



Toward the Realization of the Environmental Vision






We believe that the road to the realization of Isuzu's environmental vision, as explained in the Isuzu Environmental Vision 2050, is a very long and arduous one. Our goal is to enable each and every person in the Isuzu Group to think and act on Isuzu's four environmental priorities. In June 2022, we created the 2030 Environmental Roadmap as a roadmap that clarifies the challenges the Isuzu Group wants to take on and the vision it aims to achieve by 2030, a milestone.

This roadmap is a summary of how Isuzu thinks and wants to achieve its environmental vision as of 2022, based on the thoughts of all concerned. Some of the situations may change drastically in the future due to technological advances and social changes. While flexibly responding to various changes, Isuzu will promote GX (Green Transformation) in all of its business activities to realize the Aspiration shown in the Environmental Vision.

Management Approaches

2030 Environmental Roadmap

The 2030 Environmental Roadmap presents Isuzu's goals (2030 Challenge) and action plans (Global Action) to achieve a decarbonized and sustainable society by 2030.

| Aspirations of Isuzu Environmental Vision 2050 | 2030 Environmental Roadmap | |
|---|---|---|
| | Goals | Global Action |
|  <p>Zero GHG emissions from operations</p> | <ul style="list-style-type: none"> Halve CO₂ emissions* from 2013 levels by 2030 Scope1+Scope2 | <ul style="list-style-type: none"> Reduce total energy use Install and expand clean energy use Leverage innovative technologies |
|  <p>Zero GHG emissions across product life cycles</p> | <ul style="list-style-type: none"> Build a carbon-neutral vehicle lineup that meets diverse needs | <ul style="list-style-type: none"> Identify necessary technologies by 2025 Increase the number of mass-production models by 2030 while promoting practical implementation of carbon-neutral vehicles |
|  <p>100% recycling of waste and end-of-use vehicles</p> | <ul style="list-style-type: none"> Advance a circular economy | <ul style="list-style-type: none"> Thoroughly manage outputs* of all operating sites Increase resource efficiency Transition to circular business model <p>* Outputs refers to waste, emissions and wastewater here.</p> |
|  <p>Safe, reliable operations and products</p> | <ul style="list-style-type: none"> Strengthen environmental management and supplier engagement | <ul style="list-style-type: none"> Build Group-wide environmental management system Build a sustainable supply chain Identify and promote adaptation to environmental/nature risks in operations |
|  <p>Conserve native biodiversity in local communities</p> | <ul style="list-style-type: none"> Promote conservation of native local biodiversity | <ul style="list-style-type: none"> Partner with local communities to advance conservation Communicate our conservation efforts actively Raise awareness and train employees to be environmental stewards |

In Pursuit of Our Vision

The Isuzu Environmental Vision 2050 is not easy to achieve. The Isuzu Group will gather a variety of wisdom and new technologies and cooperate with customers and business partners to pursue, from the perspective of multi-stakeholder partnership, many different efforts to make our society rich and sustainable.

> [Isuzu Environmental Vision 2050](#) 

Contributions to Sustainable Development Goals (SDGs)

For the Isuzu Group to help realize a prosperous and sustainable society, we believe that activities aimed at achieving the Sustainable Development Goals (SDGs) adopted at the UN summit are important. Isuzu will contribute to the achievement of the SDGs through the promotion of environmental activities and taking on the challenge of reducing environmental impacts.

| | |
|---|---|
|  | <p>Ensure healthy lives and promote well-being for all at all ages</p> <ul style="list-style-type: none"> Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. |
|  | <p>Ensure availability and sustainable management of water and sanitation for all</p> <ul style="list-style-type: none"> Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. Target 6.b: Support and strengthen the participation of local communities in improving water and sanitation management. |
|  | <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <ul style="list-style-type: none"> Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. Target 7.3: By 2030, double the rate of improvement in global energy efficiency. |
|  | <p>Ensure sustainable production and consumption patterns</p> <ul style="list-style-type: none"> Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. |
|  | <p>Take urgent action to mitigate climate change and its impacts</p> <ul style="list-style-type: none"> Target 13.2: Integrate climate change measures into national policies, strategies and planning. Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. |
|  | <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <ul style="list-style-type: none"> Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and eutrophication. |
|  | <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <ul style="list-style-type: none"> Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally. |
|  | <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p> <ul style="list-style-type: none"> Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries. Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. |

Climate Change Measures

Basic Approach

Products and Services



We will aim for zero greenhouse gas (GHG) emissions* across the entire life-cycle of Isuzu Group products by 2050

*Zero GHG emissions: Net zero balance of GHG emissions and absorption

Business Activities



We will aim for zero greenhouse gas (GHG) emissions* arising directly from Isuzu Group operations by 2050

*Direct GHG emissions from business activities: Scope1+Scope2

Management Structure

> Management Structure

Science-Based Target Setting

Isuzu aims to minimize the risks and maximize the opportunities associated with climate change. To achieve a reduction in GHG emissions in line with the Isuzu Environmental Vision, Isuzu has developed the 2030 Environmental Roadmap, which considers the various measures appropriate for the Group's current operations. To move toward achieving carbon neutrality for society as a whole, Isuzu supports the Paris Agreement's goal of limiting global temperature rise to within 1.5°C and is progressing with science-based target setting to achieve this objective. As part of this effort, in 2022, Isuzu approved the international Science-Based Targets (SBT) Initiative in which we committed to aligning our business activities with the goals of the Paris Agreement. We will further clarify our climate change strategy in the future and continue working to become a sustainable company that contributes to a decarbonized society.

Strategy Relating to Climate Change

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. Isuzu views the response to climate change as an opportunity for growth and has intensified its commitment to the issue. Isuzu performed scenario analysis and specified risks and opportunities on the basis of its long-term environmental scenario up to 2050, based on the IPCC's climate scenario and the social economy scenario created by the IPCC and IEA. As a result, the global climate change also leads to frequent natural disasters that are increasingly severe. This renewed our awareness of the fact that natural disasters may seriously affect Isuzu's business activities and its products.

Countering climate change requires the satisfaction of tighter environmental regulations and the development of new technologies. Meanwhile, the society is increasingly anticipating the creation of an innovation to help achieve a decarbonized society. Addressing the issue properly will lead us to new business opportunities. To this end, the Isuzu Environmental Vision 2050 regards measures against climate change as one of the priority issues. Across all of Isuzu's business activities, with a focus on its production operations, the 2030 Environmental Roadmap establishes the target of a 50% reduction in CO₂ emissions (Scope 1 + Scope 2) by 2030 (as compared with emissions in FY2014). We also have the Carbon Neutrality Plan for establishing, by 2040, a full lineup of products compatible with the transition to carbon neutrality, and for expanding the mass production and sales of electric vehicles over our major models in 2030. We will invest 1 trillion yen by 2030 to achieve the Carbon Neutrality Plan alongside implementing connected strategies and other initiatives.

Climate Change Measures

Long-term Environmental Scenarios

4°C Scenario

In the 4°C scenario, continued reliance on fossil fuel allows climate change to go unchecked. This entails the aggravation of natural disasters. People and nations scramble for availability of fossil fuel, limited resources. This gives rise to wider gaps and a trend toward anti-globalization, rendering international governance dysfunctional. In the scenario, progression of climate change brings about an undesirable society that is prone to disaster and economically stagnant.

1.5°C Scenario

In the 1.5°C scenario, regulations on GHG emissions are tightened and, because of technological innovation and other factors, the rise in temperature is kept at 1.5°C or smaller. This would make the society carbon-neutral. Tighter regulations and advance of technological innovation would greatly change our social and industrial structure. Isuzu performed a scenario analysis based on IEA's scenario (e.g.2DS/B2DS/SDS). The 1.5°C scenario would bring significant changes to Isuzu's products depending on their usage, and to our business activities.

Products

► By type of vehicle

- For small commercial vehicles to support short-distance, small-quantity transportation, EVs and other next-generation, power-train vehicles are increasingly developed and offered
- Electrification and other trends emerged in mid to large-sized commercial vehicles.
- Internal-combustion engines will continue to play significant roles in mid- and large-sized commercial vehicles which support long-distance, large-quantity transportation.

► Utilization of sustainable, decarbonized clean energy

- We need to develop and market power trains with much greater fuel efficiency and smaller energy loss than conventional ones and the products equipped with such power trains.

Service

- We are currently conducting a demonstration test of automatic driving, platooning and full-trailer trucks, all of which have become popularized.
- More efficient means of transportation become common.

Business Activities

- In production and other business activities, we transition to decarbonized clean energy.
- We thoroughly practice minimization of resource input and efficient use of emissions with an aim to achieve carbon neutrality.

Risks and Opportunities

Risks brought by climate change are divided into transition risk and physical risks: the former accompanies a transition to a decarbonized society while the latter takes such forms as the aggravation of natural disaster and may exert physical impacts.

The climate change risks and opportunities anticipated in Isuzu's operations are as follows:

| Classification | Risks | Opportunities | Action | Impact on our operations |
|---|--|---|---|--------------------------|
| Transition-related Risks and opportunities associated with transition to a decarbonized society | <ul style="list-style-type: none"> • Decrease in our market share due to delay in reacting to tighter environmental regulations | <ul style="list-style-type: none"> • Increase in demand for zero-emission vehicles | <ul style="list-style-type: none"> • Advance the efforts to establish a full lineup compatible with the transition to carbon neutrality | Large |
| | <ul style="list-style-type: none"> • Increase in development and production costs for building compatibility with diverse power trains such as those for EVs and FCVs | <ul style="list-style-type: none"> • Expansion of open innovation • Widespread use of reasonably priced clean energy | <ul style="list-style-type: none"> • Utilization of alliance in pursuing efficient, collaborative development • Switching to reasonably priced clean energy to achieve low-carbon operations and reduce costs | Large |
| | <ul style="list-style-type: none"> • Shrinkage of market of internal combustion vehicles using fossil fuel | — | <ul style="list-style-type: none"> • Using next-generation fuel (carbon-neutral fuel) to utilize existing internal-combustion technologies and infrastructure | Large |
| | <ul style="list-style-type: none"> • Decline in our brand power due to the incapability to address diverse needs of logistics infrastructure | <ul style="list-style-type: none"> • Increase in needs for automatic driving, platooning and full-trailer trucks | <ul style="list-style-type: none"> • Creation of logistics innovation contributing to carbon neutrality through co-creation with customers | Large |
| | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Early introduction of renewable energy to reduce costs and boost our corporate image | <ul style="list-style-type: none"> • Expansion of introduction of renewable energy • Continued encouragement of energy-saving activities to reduce energy costs | Moderate |
| Physical Risks and opportunities concerning phenomena such as the aggravation of natural disasters and depletion of water resources | <ul style="list-style-type: none"> • Damage to business operations due to the rising occurrences of abnormal weather (e.g. flood, typhoon) | <ul style="list-style-type: none"> • Increase in demand for disaster-proof vehicles • Expansion of needs for infrastructure services resistant to natural disasters | <ul style="list-style-type: none"> • Providing disaster-proof vehicles • Repair of flooded vehicles • Expansion of BCP to strengthen our corporate culture | Large |

Climate Change Measures

Information Disclosure Based on the TCFD Recommendations

Isuzu is committed to the disclosure of climate change-related information in line with the framework recommended by the TCFD.

For the specific recommended disclosure items, see the relevant page.

| | Recommended disclosure item | Page |
|------------------------|--|--|
| Governance | a) Explain the system for the organization's board of directors to supervise efforts to address climate-related risks and opportunities. | <ul style="list-style-type: none"> > Management Structure |
| | b) Explain the roles of management in the evaluation and management of climate-related risks and opportunities. | |
| Strategy | a) Explain the short-, medium- and long-term climate-related risks and opportunities identified by the organization. | <ul style="list-style-type: none"> > Strategy Relating to Climate Change |
| | b) Explain the impact of climate-related risks and opportunities on the business, strategic and financial planning of the organization. | <ul style="list-style-type: none"> > Long-term Environmental Scenarios |
| | c) Explain the impact of many different scenarios such as the 2 °C scenario on business, strategic and financial planning. | <ul style="list-style-type: none"> > Risks and Opportunities > Products and Services > Business Activities |
| Risk Management | a) Explain the process the organization uses to identify and evaluate climate-related risks. | <ul style="list-style-type: none"> > Management Structure > Long-term Environmental Scenarios |
| | b) Explain the process the organization uses to manage climate-related risks. | |
| | c) Explain how the process the organization uses to identify, evaluate and manage climate-related risks is integrated into the organization's general risk management. | |
| Indicators and Targets | a) Disclose the indicators used to evaluate climate-related risks and opportunities in line with the organization's strategy and risk management processes. | <ul style="list-style-type: none"> > ESG Data > Business Activities and Environmental Hazards |
| | b) Disclose greenhouse gas (GHG) emissions and related risks in Scope 1, Scope 2 and, if applicable, Scope 3. | <ul style="list-style-type: none"> > Isuzu Green Procurement Guidelines |
| | c) Disclose the goals the organization uses to manage climate-related risks and opportunities and its track record for the achievement of the goals. | <ul style="list-style-type: none"> > Isuzu Environmental Vision 2050 > 2030 Environmental Roadmap |

Initiatives

Products and Services

Efforts to Achieve Carbon Neutrality

To realize a decarbonized society, the achievement of carbon neutrality is the highest-priority social issue. Isuzu is thus aggressively pursuing carbon neutrality. The achievement of carbon neutrality by 2050 requires that Isuzu successfully shift to carbon neutrality by shifting from fossil-fuels to carbon-neutral energy sources to power all of its new vehicles that will be available worldwide before that time. For that purpose, Isuzu is strongly pushing forward with its development of electric cars with a view toward mass production. In 2023, we released a mass-produced battery electric vehicle (BEV) as part of our new ELF model series, adding it to our new product lineup. Furthermore, we are conducting experiments on the introduction of FCVs in wider society to identify the technologies. At the same time, we are preparing to introduce some of these products to the market. We are assuming there will be situations where, for commercial vehicles, internal combustion engines will continue to be necessary. So we will continue to develop high-performance internal combustion engines, including hydrogen internal combustion engines, as we prepare for future carbon-neutral fuels such as biofuels and renewable energy-derived synthetic fuels.

EVision

Isuzu has launched a total solution program called "EVision" to support commercial EV adoption, resolve implementation challenges, quantify the effects of the decarbonization initiatives, and formulate further decarbonization proposals in a plan-do-check-act (PDCA) cycle to achieve carbon neutrality for customers.

Various issues may arise when customers seek to introduce commercial EVs relating to battery charging facilities, electricity prices, and quantifying the benefits of lowering vehicles' environmental burden. Through EVision, Isuzu will address these issues by providing solutions at each phase of EV adoption from the initial review of commercial EV introduction to actual introduction and post-introduction.

> EVision 

Climate Change Measures

Development and Diffusion of Next-generations Vehicles

Light Electric Truck

In 2019, we started monitoring the use of the light electric truck for home deliveries, deliveries to convenience stores, and waste collection. As we verify the economic rationality and convenience of the truck, a new battery electric vehicle (BEV) was added to the product lineup in March 2023 with the release of the new ELF model.

The new ELF's BEV can flexibly adapt to users' needs by aligning its functionality with that of diesel vehicles.



> Light Electric Truck

Heavy-duty Fuel Cell Truck

The collaborative development with Honda R&D Co., Ltd. began in 2020. A heavy-duty fuel cell truck is being developed and a monitoring program for the truck will begin in FY2024. Additionally, in May 2023, we signed a new contract to act as a development and supply partner for the fuel cell system scheduled for introduction in 2027. These efforts will contribute to the goal set by the Japanese government of introducing 5,000 electric heavy-duty commercial vehicles by 2030.



Light Fuel Cell Truck

In 2021, we launched a joint project called Commercial Japan Partnership Technologies (CJPT). Through this project, we will cooperate in efforts for the social implementation of hydrogen technology in Fukushima Prefecture. In 2023, we also participated in projects in Tokyo Metropolis.



> CJPT

BEV Full-flat Route Bus

To meet the need for zero-emission public buses, we are developing BEV full-flat Route buses with the aim of starting production in FY2025.

North American Medium-duty Electric Trucks

As part of the Isuzu Cummins Powertrain Partnership Agreement, a prototype vehicle equipped with a Cummins electric system was built and monitoring is being conducted. We will proceed with the verification of convenience and performance for future product development.



Working toward Next-generation Fuels

Isuzu recognizes that the use of next-generation fuels such as carbon-neutral synthetic fuels and biofuels (CN fuels) in vehicles is a technical issue that should be addressed at the same level as electrification to realize a carbon-neutral society. Carbon-neutral synthetic fuels are CN fuels refined from hydrogen that is, in turn, refined from renewable energy sources and carbon dioxide from the atmosphere or emitted by factories using a synthetic process powered by renewable energy. Biofuels are made from biomass that absorbs CO₂ from the atmosphere. They can also be CN fuels when renewable energy is used in the refining process. Japanese government subsidies have been made available for carbon-neutral synthetic fuels, including for the development of refining technology for social implementation. Society can expect the following benefits from the successful introduction of CN fuels.

- Utilization of existing internal-combustion engine technologies
- Immediate contribution to the achievement of carbon neutrality as soon as supply begins (utilization in already available vehicles)
- Utilization of existing fuel supply infrastructure such as existing fuel stations

In preparation for the social implementation of CN fuels and to accelerate its adoption, we are engaging in activities such as assessing and improving the conformity of vehicles and conducting demonstration tests to evaluate performance, durability, reliability, and other properties. Additionally, we are identifying issues and proposing improvements regarding fuel quality and other related matters. Moreover, we will actively participate in and vigorously advance efforts to promote CN fuels alongside our initiatives to engage with CN fuel manufacturers. We will also be actively involved in the establishment of systems that do not require additional investments in the distribution process, such as supply and sales, which the Japanese government and other entities are working on. Commercial vehicles serving people and their logistics needs, the products that Isuzu manufactures, are available in many different types and are used in many different situations and environments. Some of these vehicles may be hard to electrify. The utilization of CN fuel in these vehicles can accelerate the shift to carbon neutrality. Commercial vehicles are global products that are sold worldwide. Depending on national or regional situations, however, it may be difficult to switch to electric vehicles. In these situations, the use of already available vehicles will continue. In these countries and regions, the availability of CN fuels with the potential to leverage the existing fuel-supply infrastructure would effectively facilitate carbon neutrality.

In April 2021, Isuzu set up a department to advance and accelerate the utilization of CN fuels and has been promoting their aforementioned broad range of applications. In April 2023, we established a department to oversee and promote the CN strategy, further strengthening our efforts and expanding our promotion activities. In pursuit of a globally carbon-neutral society, Isuzu will continue to encourage the use of CN fuels. At the same time, it will accelerate the future of *transport*.

Climate Change Measures

Business Activities

Use Less Energy

We will continue to implement energy conservation initiatives throughout our business activities and our activities to reduce energy consumption by streamlining processes, reviewing and optimizing the operations of facilities, etc., and visualizing energy consumption at all Group companies.

We are producing substantial results throughout the Isuzu Group through our review of our conventional ways of using energy to identify more opportunities to conserve energy and deploying these solutions across our companies.

Furthermore, the Isuzu Group supports climate-related regulations such as the "Basic Policy on the Rationalizing Use of Energy and Shifting to Non-fossil Energy (Energy Conservation Law)" and the "Act on Promotion of Global Warming Countermeasures (Global Warming Prevention Law)" in the case of domestic regulations and responds appropriately through various reports to government agencies based on laws and policies.

Efforts to Increase the Environmental Friendliness of Our Dealers' Sites

Isuzu is trying to increase the environmental friendliness of its sites through proactive efforts such as the installation of LED lighting and skylights and the introduction of reusable energy systems when renovating or building new sales bases. Our newly built sites employ an effluent treatment system using microorganisms to prevent environmental pollution which may result from the wastewater generated during vehicle maintenance or washing. In such a way, we are promoting the transition to water treatment facilities that are more environmentally conscious than the existing ones.



SHIMANE-NISHI ISUZU MOTORS CO.,LTD

Creating Clean Energy

To actively generate clean energy through the proactive introduction of renewable energy, a new 1,156 kW solar power generation facility was installed at the Tochigi Plant in FY2023. Additionally, Isuzu Group companies in Thailand are currently installing large photovoltaic power generation systems. In and after FY2019, Isuzu Motors Co., (Thailand) Ltd., Isuzu Engine Manufacturing Co., (Thailand) Ltd., and Isuzu Logistics (Thailand) Co., Ltd. installed solar panel systems capable of a total output of 3,460 kW. Other Group companies in Thailand are similarly planning to introduce energy-saving equipment and photovoltaic power generation systems.



Tochigi Plant

Switching to Clean Energy

For energies used at business sites, we will sequentially switch to clean energy derived from renewable sources.

Since FY2020, Isuzu has utilized the Aqua Premium rate plan, which applies 100% hydroelectric power to a portion of the electricity purchased from TEPCO Energy Partner, Inc.

Through this plan TEPCO Energy Partner, Inc. sells the CO₂-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.

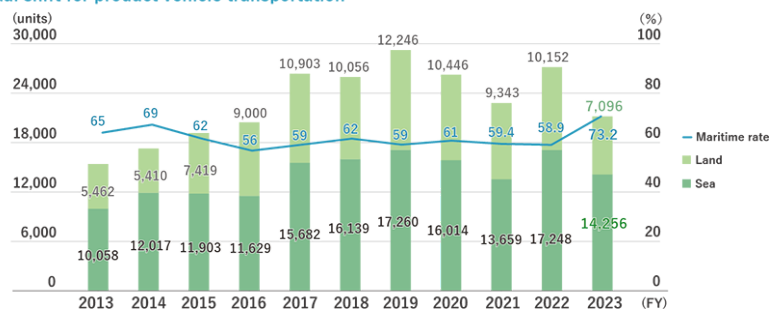
Additionally, in FY2023, Isuzu started purchasing electricity with non-fossil certificates and expanding the purchase of electricity derived from renewable energy sources. Isuzu will continue to utilize various mechanisms to further expand its use of clean energy. In FY2023, approximately 12% of Isuzu's electricity consumption was decarbonized. As for fuels, clean energy technologies such as electricity have not been established yet. Given the above, Isuzu began using carbon-neutral LNG as part of the fuel used at its factories in FY2022. Carbon-neutral LNG is liquefied natural gas that offsets the GHG emissions generated during the entire process from natural gas extraction to combustion using CO₂ credits (carbon offset), resulting in no net CO₂ emissions on a global scale even when the gas is burned. The CO₂ 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. Isuzu will continue to utilize various clean energy mechanisms and expand the introduction of clean energy in the future.

Climate Change Measures

Reducing CO₂ Emissions in Logistics Processes

Isuzu is reducing the CO₂ emissions in its logistics processes at the target rate of 1% per year by reviewing the routes it uses to transport parts, promoting fuel-efficient driving during transportation, and adding more shipping routes to increase marine transportation (modal shift).

Modal shift for product vehicle transportation



Main Initiatives for the Reduction of CO₂ Emissions

- Improved transportation efficiency as a consequence of efforts such as the thorough implementation of load-based truck transport management
- Increased use of returnable racks that can be folded during return
- Increased trailer transportation and increased container fill rates

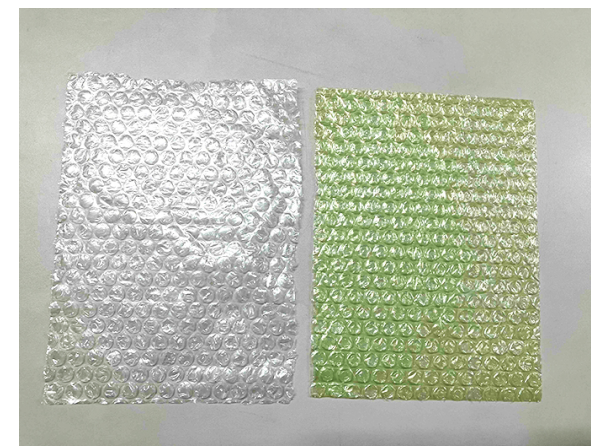
In 2020, a new parts center was added next to the Tochigi Plant, centralizing all of the warehouses that had been scattered around the surrounding area. This centralized transportation between warehouses and improved logistics efficiency. Further, an elevated bridge was installed between two existing parts center warehouses enabling truck transportation to be replaced by automated tractors, which further reduced CO₂ emissions.

Increasing Container Round Use

Isuzu works on the Container Round Use (CRU) system which diverts empty import containers to be used as export containers. The increase of CRU eliminates the need to transport empty containers, which reduces the CO₂ emissions from transportation and can also ensure the availability of containers. This helps to stabilize logistics.

Introduction of Biomass Materials

The Isuzu Group has introduced biomass materials containing sugarcane-derived bio-based "Green Polyethylene (Braskem)" to the packaging materials for KD shipments to overseas assembly plants. The main raw material of Biomass materials, sugarcane, absorbs CO₂ through photosynthesis during its growth process, offsetting the CO₂ emissions generated by its disposal and incineration. Since FY2018, we have switched the production of approximately 9 million A4-size polyethylene bags, which are the most commonly used bag type, from petroleum-based to plant-based sources, resulting in a reduction of approximately 7% in the CO₂ emissions generated by their manufacture. We subsequently expanded the use of plant-based materials to other sizes of polyethylene bags, and as of FY2024, all 10 sizes of polyethylene bag are now made of biomass materials. Additionally, starting from FY2023, all 16 sizes of bubble wrap cushioning materials are now fabricated in biomass materials containing approximately 15% bio-based content, resulting in a reduction of approximately 5% in CO₂ emissions. As of FY2024, we have reduced our overall biomass material emissions by approximately 120 tons of CO₂ per year. Moving forward, we will continue to promote the transition from petroleum-based packaging materials to plant-based packaging materials and aim for a GHG emission-free lifecycle for packaging materials.



Bio bubble wrap cushioning materials

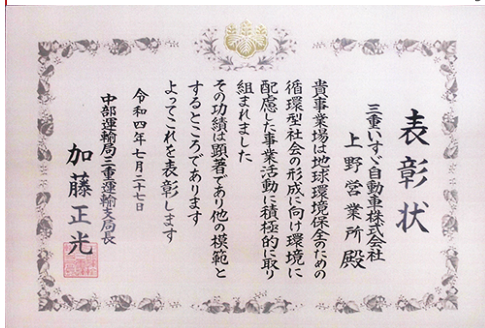
(On the right is the bio-based bubble cushioning wrap material, and on the left is the conventional bubble cushioning wrap material made from petroleum-derived plastic.)

Organizing of Green Sales Activities

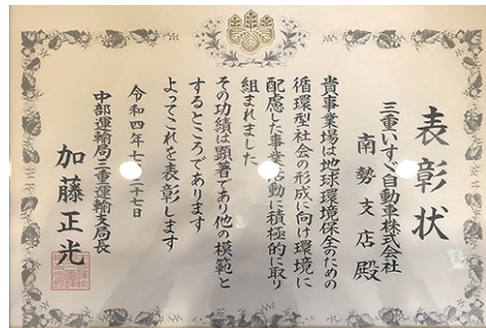
Isuzu dealerships are doing all they can for the environment in every aspect of their business activities. They are continuously working to implement all possible environmental activities, including the selection of hybrid vehicles and other environmentally friendly vehicles for use as company cars, implementing Cool Biz and Warm Biz campaigns, and taking part in local cleanup activities. Dealerships are also promoting efforts to reduce carbon dioxide emissions at sales offices and service centers, further promote the use of recycled automobile parts, etc., and promote proper waste management. To this end, we are working toward acquiring certification as an environmentally friendly auto body shop, which is awarded to business sites that are actively engaged in environmental measures and comply with related laws and regulations. In FY2023, two sites received the Branches Director's Award.

Climate Change Measures

New Branches Director's Award won by



Mie Isuzu Motor Co Ltd. Ueno Sales Office



Mie Isuzu Motor Co Ltd. Nansei Branch

Holding Fuel Efficient and Safe Driving Seminars

Considering the life cycle of Isuzu products, the majority of CO₂ emissions comes from product (vehicle) use. The Isuzu has been holding seminars on fuel-efficient and safe driving in Japan and overseas since 1995, to provide Isuzu vehicles' buyers with tips on fuel-efficient driving in accordance with the performance of their vehicles.

Seminar Participation over the Past 3 Years

| | Courses | | Number of participants |
|--------|---------|--|------------------------|
| FY2023 | 65 | | 885 |
| FY2022 | 60 | | 1,128 |
| FY2021 | 54 | | 884 |



Fuel-efficient and safe driving seminar

Efforts with Our Business Partners

Up to the present, Isuzu has been collaborating with business partners on carbon reduction activities by following the "Isuzu Green Procurement Guideline" as the foundation for initiatives such as "Environment Activity Seminars." In December 2022, Isuzu revised the "Isuzu Supplier Sustainability Guidelines" and added requests for compliance with environmental regulations and efforts to reduce greenhouse gas (GHG) emissions. We kindly ask our business partners to sign an agreement as confirmation of compliance with the Guidelines' requirements. In FY2023, we joined the CDP Supply Chain Program and have been strengthening our collaboration with our business partners by advancing efforts related to climate change and GHG emissions tracking. We will continue to advance efforts to achieve decarbonization throughout the entire supply chain.

Efforts Toward Achieving Carbon Neutrality in Thailand

There are various approaches to achieving carbon neutrality depending on the conditions and characteristics of a country or region. In April 2023, Isuzu Motors, together with Commercial Japan Partnership Technologies Corporation (CJPT), is collaborating with the Charoen Pokphand Group and the Siam Cement Group to advance collaboration toward achieving carbon neutrality in Thailand by promoting unique carbon-neutral initiatives tailored to the country. To initiate these efforts, we have organized carbon-neutral mobility test drives. We will now expand the scope of the collaboration and continue to work on Thailand's unique carbon-neutral initiatives, leveraging resources in the energy, data, and mobility sectors. Furthermore, to further accelerate CJPT's efforts toward carbon neutrality in Asia, we will establish a new subsidiary called "CJPT-Asia" (tentative name) in Thailand as soon as the necessary procedures and preparations are in place. Through this subsidiary, we aim to share our commitment with like-minded partners and cooperate extensively to achieve carbon neutrality.



Experience of test-driving at the carbon-neutral mobility event.

Climate Change Measures

Reforestation Activities in Thailand

The reforestation project launched in Thailand as the "Happiness Green Earth Project" reached its 10th year in 2022. On this occasion, 372 members of various Isuzu Group companies planted approximately 2,000 trees. Additionally, in 2022, we registered with the greenhouse gas emission reduction program set by the Thai government and have since obtained certification for carbon credits. This project contributes to achieving carbon neutrality through ESG-focused management and has led to increased environmental conservation awareness among our employees, including greater respect for biodiversity. Even through small steps, we will contribute to building a sustainable society.



Happiness Green Earth Project

Resource Recycling

Basic Approach



We will achieve 100% recycling of waste and end-of-use vehicles generated by Isuzu Group operations by 2050

Management Structure

> Management Structure

Initiatives

Promote Effective Resource Use

Reduced Packaging Materials

To reduce environmental impact across the entire Isuzu Group, we are optimizing logistics throughout the supply chain from packaging and shipping KD parts* to overseas factories. In FY2018, in the ASEAN region, we launched, expanded, and promoted the switch from disposable packaging racks, which were treated as waste at overseas assembly plants, to reusable returnable racks. Furthermore, in FY2020, we developed lightweight returnable racks, achieving a 33% reduction in individual rack weight. Additionally, to increase container fill rates, we also introduced two types of racks of different heights. As of FY2024, the deployment of these racks to major destination countries has been completed.

* Knockdown (KD) Production Parts.



New Type of Returnable Rack

We are also expanding the use of returnable racks for cabs to achieve resource circulation. Previously, for cabs, we used wooden one-way racks, but starting in October 2021, we switched to iron-made returnable racks. With the adoption of iron-made returnable racks, there is no longer a need for wood disassembly tasks at overseas factories such as removing nails, leading to improved safety. Furthermore, to exploit the upper space generated when loading completed cabs into containers, we developed returnable racks for parts that fit under the cab racks to improve container fill rates through stacking. By loading large parts, such as axles and other parts that were previously shipped using other containers, onto the returnable parts rack, we have reduced the need for approximately 300 40ft-container units per year, contributing to a reduction in greenhouse gas (GHG) emissions during transportation. Moving forward, we will continue to work toward realizing a sustainable society by promoting returnable solutions, reducing materials and containers, and advancing resource circulation to reduce GHG emissions.



Cab Returnable Rack (orange) + Parts Returnable Rack (grey)

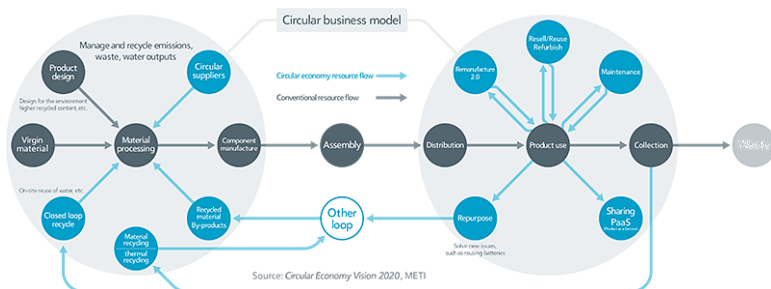
Effective Utilization of Water Resources

Isuzu's business activities entail the consumption of a large quantity of water in vehicle manufacturing, plant maintenance, effluent treatment and many other situations. Isuzu endeavors to conserve these finite water resources by, for example, encouraging the reuse of treated wastewater and the water used in processes and efforts to consume less water on a Group-wide basis.

Resource Recycling

Strengthening Initiatives Towards a Circular Economy

The transition to a sustainable society requires a shift from the linear economic system that emerged from the mass production and mass consumption model to a circular economic system. Isuzu will promote the transition to a circular economic system, which focuses on the efficient and cyclical use of resources at every stage of its business, to maximize added value more than ever before.



Initiatives for Maintenance Leases Utilizing Remanufactured Units

We have begun offering maintenance lease services for the large truck "GIGA type-Re" utilizing the Remanufactured^{*1} Unit.

This initiative involves reoffering maintenance lease services for reconditioned vehicles (hereafter "remanufactured unit vehicles") that have been subject to Isuzu's remanufactured technology to restore reusable engines, transmissions, and other components to new-like functionality after short-term, high-performance leasing. To restore functionality, we utilize the advanced genuine maintenance tool "PREISM" to assess the vehicle's condition and detect data on parts that require replacement.

Isuzu is striving for zero GHG emissions across the entire product lifecycle by 2050. Additionally, the Company is promoting activities toward achieving a "circular economy," aiming for 100% recycling of waste and end-of-life vehicles.

Due to their higher number of reusable parts compared with new vehicles, remanufactured unit vehicles enable the effective recycling of resources, reduce CO₂ emissions, and contribute to the realization of a carbon-neutral society. When comparing the CO₂ emissions generated by the manufacture of one unit of "GIGA type-Re" to the manufacture of a new vehicle, there is an approximate reduction effect of about 76 tons^{*2}.

Furthermore, we ensure the same durability and reliability in our remanufactured unit vehicles as in our new vehicles, providing equivalent value and supporting safe vehicle operations for our customers. Isuzu will continue its efforts to support "transportation" through the provision of environmentally friendly vehicles and to minimize the impact of transportation on the global environment.

*1 The term "remanufacture" refers to products that are like-new having been analyzed and had parts replaced etc. following the collection of used products.

*2 Calculated based on a heavy-duty "GIGA" truck that has traveled 1 million kilometers over five years.

Promoting Rebuilding

The Isuzu Group promotes the rebuilding of used engines and parts to more effectively use the limited resources that we have. In the rebuilding of engines, used engines are disassembled, the parts are cleaned and inspected and worn parts are replaced with new ones before reassembly. The Isuzu Group provides customers with genuine Isuzu E-PARTS that have been refurbished to meet the same inspection criteria that new parts straight off the production line must meet. This enables our customers to use products that are more eco-friendly but are of the same high quality as new products. Isuzu Engine Manufacturing Hokkaido Co., Ltd. rebuilds engines and parts to reduce resource input and manufacturing energy. We will further reduce resource and energy input by establishing evaluation standards for parts recycling technologies and recycled parts, improving the parts recycling rate, and promoting and expanding rebuilding.



Rebuilt Engine Reassembly

Promoting Recycling

The Isuzu Group promotes the recycling of the waste generated by its business operations through meticulous sorting on a daily basis and pursues activities to reduce and mitigate the generation of discharge, including by sorting out valuables from the discharge.

Domestically, we also recycle used-cars pursuant to Japan's Act on Recycling, etc. of End-of-Life Vehicles, as well as three designated items (ASR*, air bags, and chlorofluorocarbon).

Additionally, to recycle and properly dispose of ASR, we have created the Automobile Shredder Residue Recycling Promotion Team (ART), which works in cooperation with 12 other automobile manufacturers.

* Automobile Shredder Residue

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

Environmental Risk Prevention Measures

Basic Approach



We will pursue safe, reliable operations and products across the entire Isuzu Group value chain

Management Structure

> Management Structure

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. In light of this, Isuzu began surveying water-related risks in FY2016 using Aqeduct, a global water risk evaluation tool.

The survey showed that Isuzu faced no problems requiring urgent action in its use of groundwater or clean tap water. However, we also identified risks dependent on geographic and other conditions that could affect plant operations and supply chains in the event of torrential rains or extreme weather. In response to these findings, we are pushing forward with activities to reduce water resource consumption and to mitigate water-related risks in view of the risks faced in plant and business operations.

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

Since 2013, 21 Isuzu Group companies in Thailand have participated in the Isuzu Gives Water...for Life project. As of March 2023, the project has held 42 events. 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. This program is a collaboration with Thailand's Department of Groundwater Resources and regional authorities. In FY2023, despite continuing restrictions due to the COVID-19 pandemic, we conducted activities in response to numerous requests from several schools. At the same time, we received cooperation from related ministries and agencies in Thailand and implemented adequate infection control measures. We will continue to actively contribute to Thai society as a member of the Isuzu Group.



Isuzu Gives Water...for Life Project

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.

Managing Chemical Substances and Promoting Alternatives

Management of chemicals (such as paints and oils) used in our business activities.

To reduce their environmental risk and ensure employee safety, we have established internal regulations that require advance applications for the use of new chemicals. These applications are reviewed subject to relevant laws such as the Chemical Substances Control Law^{*1}, the Industrial Safety and Health Act, and the Poisonous and Deleterious Substances Control Act to determine the appropriateness of the chemicals' use. In FY2023, we conducted pre-screening for 208 chemicals. In those departments that will use these chemicals, we have implemented necessary measures based on the pre-screening results to ensure their safe use. Furthermore, we have digitized information on the chemicals used in the workplace, including the composition of the chemicals and their usage amounts. We regularly update this database, including adding information from advance applications. Based on this information, we are establishing Pollutant Release and Transfer Register (PRTR)^{*2} notifications and actively undertaking activities to reduce the use of harmful chemicals by shifting to environmentally friendly chemicals and 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.

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 source information about the chemicals contained in parts from the International Material Data System (IMDS), which is a global product substance information communication system for the automotive industry. We receive information from our business partners through IMDS and download 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.

There were no chemical-related incidents in FY2023.

Activities to Control Emission of Ozone Depleting Substances

Isuzu promotes activities aimed at controlling the emission of ozone depleting substances by reinforcing the inspection of facilities using CFCs and installing non-CFC equipment during facility upgrades.

Together with Our Stakeholders

We request that our business partners submit Environmental Management Self-Evaluation Reports which also include chemicals management data. We talk with our business partners to confirm the status of their chemicals management structures and exchange related information. In this way, we strive to improve chemicals management throughout our supply chain.

Biodiversity Conservation

Basic Approach



We will conserve native biodiversity in the areas surrounding Isuzu Group operations in partnership with NGOs and other stakeholders

Isuzu Group Policy on Biodiversity

In FY2019, Isuzu formulated an Isuzu Group Policy on Biodiversity while referring to materials such as the Ministry of the Environment's Guidelines for Private Sector Engagement in Biodiversity and the Keidanren Declaration of Biodiversity.

Based on this policy, the offices of each company within the Group conducts activities to help protect their unique regional natural environments and promote the conservation of biodiversity.

Since January 2020, we have endorsed the Keidanren Declaration of Biodiversity and have renewed our determination to work to conserve biodiversity through our business activities.

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.

Management Structure

> Management Structure

Initiatives

Promoting Biodiversity Conservation Efforts

Isuzu conducted expert-led biodiversity surveys on the sites of its Fujisawa and Tochigi Plants. The results revealed that the forests were poorly cared for at both sites, which negatively impacted their function as habitats for local species. Consequently, the ecosystem was losing its equilibrium while invasive species were thriving. In response to these results, volunteer employees began working on site maintenance in FY2017. Since then, efforts have continued to develop the areas for native species to thrive, and to restore the healthy forest environment.

A recent investigation has found that these efforts have helped to reduce invasive species at the sites and that the ecosystem is gradually regaining its equilibrium. We will continue these initiatives in the future, leveraging expert opinions to restore the ecosystem to its natural state and even enrich it. In this way we will maintain an environment for Isuzu to continue its operations as it has always been.



Fujisawa Plant: Preserving the area where Japanese ivy flourishes
(Left: Before, Right: After)



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

Biodiversity Conservation

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 will remain committed to protecting global biodiversity.

Watarase Reservoir Conservation Activities

Since 2016, Isuzu has been involved in conservation activities at the Watarase Reservoir near its Tochigi Plant. The Watarase Reservoir 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. It is also home to numerous plant and animal species, including endangered species. Isuzu has learned that proper management involving human intervention is necessary to maintain this rich biodiversity for the future and Isuzu continues to participate in activities such as reed cutting, removal of invasive alien species, and trash pickup organized by local governments and NPOs and led by volunteers from the Tochigi Plant. The ongoing conservation activities conducted with local residents have borne fruit and storks have been seen flying and nesting in the Watarase Yusui area.

In FY2022, we received letters of appreciation from Tochigi City for being recognized as an Environmental Conservation Organization, and from the city of Oyama for two consecutive years, in FY2022 and FY2023, as an Oyama City Watarase Yusui Wetland Conservation Support Organization, respectively.

9 staff members from two companies participated in the Watarase Reservoir Invasive Plant Removal Activity, sponsored by Tochigi City in May 2022, to help eliminate non-native species from the expansive reservoir area.



Participants in the Invasive Plant Removal Activity

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

Since FY2019, the Isuzu Fujisawa Plant has been participating in Kanagawa Prefecture's Forest Restoration Partner project. To protect the woodlands that are the source of the groundwater used by the plant, we continue with the work of preserving the Yadoriki Water Source Forest in Ashigarakami District. Group companies at the Fujisawa Plant have also taken part in the effort starting in FY2020, with 64 employees and their families representing four companies participating in the conservation activities held in June and September 2019. While being reminded of the importance of biodiversity and preserving the forests that act as water sources, participants observed nature and helped thin neglected forest, helping return it to its natural state.

* In FY2021 and FY2022, activities were suspended due to the prevention of the spread of COVID-19. However, activities resumed in FY2023.



Creating chairs using thinned wood

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 FY2020, 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. Students are encouraged to utilize this space for fieldwork and as a practical platform for considering community coexistence. We have provided a venue for presenting research outcomes to Isuzu. Additionally, employees are discovering the significance of ecosystem conservation afresh, while drawing inspiration from the innovative ideas of the students.

Biodiversity Conservation

Promoting Sustainable Procurement

In sourcing raw materials, we take into account sustainability and the conservation of biodiversity. Isuzu has established the Isuzu Green Procurement Guideline to promote environmental conservation activities in collaboration with our business partners. We ask them to engage in environmental conservation activities through annual production briefings and individual briefings.

Furthermore, in December 2022, we revised the Isuzu Supplier CSR Guidelines to include a request for initiatives in biodiversity conservation. We are also requesting appropriate management of water resources and chemicals, along with the efficient and circular utilization of resources. In FY2023, we conducted handouts distribution in June and an online briefing session in February, taking measures to prevent the spread of COVID-19. During the briefing session, we provided information about Isuzu's activity plan for FY2023, along with details regarding the Environmental Management Self-Evaluation Report, which we request business partners to submit. We shared the evaluation results from FY2022 and communicated their requirements for FY2023 concerning this report.

We provided our business partners, who are members of the Isuzu Kyowa-kai*, with detailed explanations to enhance their understanding of our future initiatives.

* Isuzu Kyowakai: A cooperative association comprising Isuzu's business partners

Adoption of Environmentally Friendly Materials

Wood has been used for the flooring of truck beds for many years, but it takes a long time for trees to reach maturity and be utilized as materials.

Isuzu has begun adopting bamboo, a member of the grass family, as an alternative flooring material to wood, in consideration of forest conservation.

Bamboo, with its fast growth rate that enables it to be utilized as a material in about five years, along with its excellent durability, can be 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

Developing Human Resources to Build a Society in Harmony with Nature

The Isuzu Group pursues good environment-related communication with its various stakeholders, including its customers, business partners, the surrounding community, shareholders, investors and employees. To this end, we participate in environmental activities in the local communities around where we operate and release many environmental data.

Enhancing its environment-related communication, the Isuzu Group endeavors to obtain more understanding about its environmental activities in pursuit of continued improvements. By proactively sharing information within the Group, we develop human resources that will help build a society in harmony with nature.

Training Employees

Isuzu has been providing all employees with common educational programs on the environment since FY2017. This environmental education initiative, covering all Isuzu employees, is held periodically. It raises awareness of environmental issues among employees and promotes a better understanding of the Company's environmental activities. The program combines e-learning and group training, reducing the CO₂ emissions generated by the transportation needs of participating employees. Similarly, the introductory training programs for new and mid-career recruits includes this environmental education, where they learn the reasons behind Isuzu's environmental initiatives and consider what they should do as Isuzu employees. We also provide training regarding environmental laws and regulations as well as internal environmental auditor training every year to deepen employees' understanding and make them more competent.

Presenting Our Environmental Initiatives to Members of the Local Community

Every year, the Isuzu Fujisawa Plant invites key members of local residents' associations from six neighboring areas. The visitors receive an explanation about the environmental initiatives of Isuzu and the Fujisawa Plant and take part in a tour of the assembly lines. This annual event is a valuable opportunity to promote a better understanding of Isuzu's environmental initiatives and what we actually do for the cause, among people in the local community to whom we usually owe so much.

These activities provide a valuable opportunity for Isuzu's neighborhood residents, to whom we are always grateful, to learn about Isuzu's environmental activities and actual initiatives.

When the event was held in October 2019, 46 people attended, and everyone commented that they understood Isuzu's initiatives well, making it a valuable opportunity for better communication with neighborhood residents.

* Activities for FY2023 were voluntarily suspended to prevent the spread of COVID-19.



A presentation on our environmental conservation activities

Quality



Quality

Basic Approach

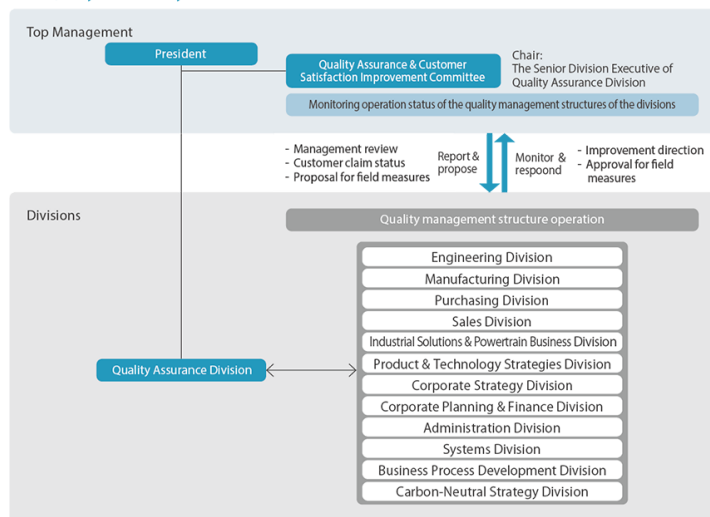
We gain the trust of our customers by providing products and services of high quality to our customers from various angles so as to be able to contribute to the solving of social issues toward the creation of a prosperous society.

Management Structure

Group-wide Quality Assurance System

Isuzu builds the QA system illustrated below with the aim of fully meeting its social and quality responsibilities as a manufacturer. Led by the Quality Assurance Division, all companies of the Isuzu Group work together to enhance our product quality. The Senior Division Executive of Quality Assurance Division chairs a monthly meeting of the Quality Assurance & Customer Satisfaction Improvement Committee (Quality Assurance & CS Committee), where the senior management of all divisions discuss and share information on quality-related facts and CS improvement so that the Committee can monitor how the divisions operate their quality management structures. The outcomes are shared to drive forward the quality assurance activities of the business divisions.

Isuzu Quality Assurance System



Improving Quality within Isuzu Group

By giving priority to quality in everything, we create products that fully satisfy our customers and contribute to society, aiming to grow as a corporate group rich in humanity. To ensure the quality of Isuzu's products and services, it is important that we work carefully in each of the different stages of the value chain surrounding our products and services. We build readiness to assure quality in each of the different stages, including development, procurement, manufacturing and market launch, and manage the process accordingly. Through this, Isuzu ensures that its products and services fully satisfy customers. In the event that a customer has trouble with an Isuzu vehicle, we are organizationally ready to provide service and service parts to facilitate a quick recovery. Isuzu always seeks to ensure that customers can feel secure about using Isuzu's products every day, and is committed to building long-term relationships of trust with customers. Isuzu's quality policy is to create and deliver products and services that satisfy its customers. Staying true to this policy, all companies in the Isuzu Group work together in quality improvement activities. This is based on our belief that we can deliver better products and services to our customers by improving the quality of business operations of all divisions, including back-office divisions. More specifically, we communicate our quality policy and share quality manuals throughout the Isuzu Group in an effort to improve the quality of our daily business operations.

Quality Management Structure (ISO 9001 and IATF 16949 certified)

All Isuzu business sites have earned ISO 9001:2015 certification, an international standard of quality management. Moreover, components to be delivered to General Motors Company have obtained IATF 16949:2016 certification, the standard for the automobile sector. Isuzu has been striving to enhance its operational quality using such measures.

Quality Activity Initiative Themes

The Isuzu Group has identified and is working on the following issues in an effort to promote business activities aimed at improving quality in all of its business areas.

1. Product Quality Improvement
2. Service Quality Improvement
3. Operation Quality Improvement

Quality

Initiatives

Product Quality Improvement

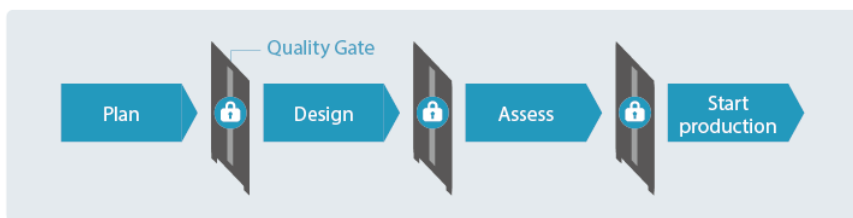
Basic Approach behind Product Quality Improvement

Isuzu's mission represents our determination to go beyond our previous corporate philosophy*. It emphasizes transport solutions for all goods and people, creating value that enriches society, while addressing pressing issues such as the need to attain carbon neutrality and adapt to a changing logistics landscape. To achieve this, a number of activities have been undertaken to improve quality at every stage from product development and manufacturing to market operation.

Initiatives at the Development Stage

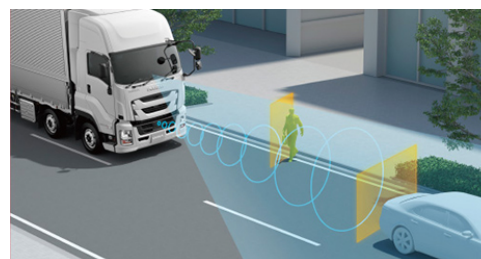
Our product development philosophy is to gain the trust of every person. This is supported by the basic concept of S.E.E. Technology, where S.E.E. stands for the three important issues of Safety, Economy, and the Environment. To acquire the high quality needed to underpin this philosophy, we set quality gates (milestones) at different stages in product development where the quality and the maturity of the products are confirmed so that product development can proceed. During the development stages below, Isuzu focuses on failures and preventing the recurrence of failures. Failure Mode and Effect Analysis (FMEA*) and other methods are used to enhance reliability and durability.

* Failure Mode and Effect Analysis: This systematic analysis approach helps to discover potential failures and prevent failures and defects.



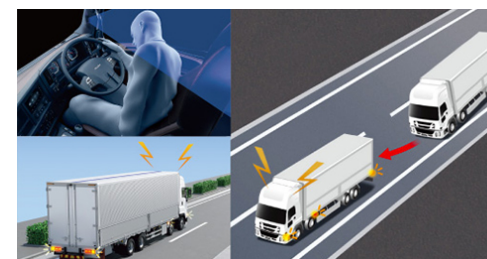
Safety Technologies

The quest for even higher safety in trucks—which have close ties to people and society—is a priority theme that does not change with the times. This is especially so for heavy- and medium-duty trucks, which have high total vehicle weights, as the damage caused is even larger. Therefore, the latest and most advanced responses are always required. In addition, trucks transport not only people, but also important goods. For example, even if an accident can be avoided by emergency braking when there is imminent danger, besides injury to people, there is still a high risk of causing damage to important goods such as when goods fall over. At Isuzu, we install necessary safety features to prevent accidents and reduce damage according to the vehicle type.



Pre-crash Braking (Collision Avoidance Assist/Mitigation of Collision Damage): While driving, millimeter-wave radar and cameras continuously detect and analyze the area in front of the vehicle. Depending on the distance to preceding vehicles or pedestrians, an alarm and brake control are triggered. In addition to the alarm, full braking is applied at an early stage when there is an increased risk of a collision with a preceding vehicle or pedestrian moving at low speed.

- > ELF
- > FORWARD
- > GIGA
- > GALA
- > ERGA
- > D-MAX, Mu-X

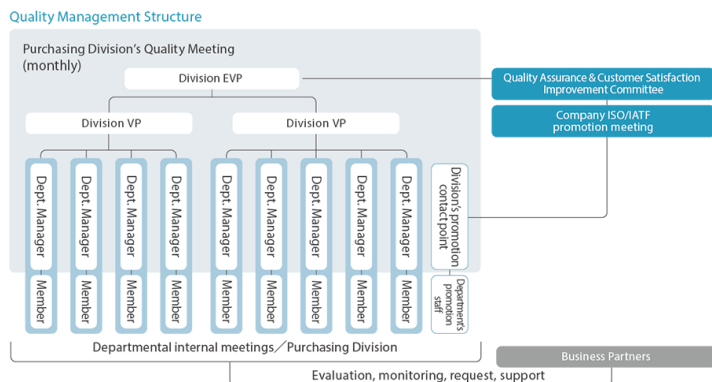


Emergency Driving Stop System (EDSS): If the driver experiences something abnormal such as sudden illness, the vehicle's Emergency Driver Stop System (EDSS) automatically applies the brakes and brings the vehicle to a stop. This is achieved through either the operation of the EDSS switch or abnormality detection by the Driver Status Monitor (DSM) system.

Quality

Initiatives at the Procurement Stage

Many of the parts and other items used in Isuzu's products are purchased from external business partners. When quality problems occur in purchased products, significant inconvenience is placed on customers using our products. While building relationships of trust with suppliers, Isuzu has established a quality management structure for products purchased from these suppliers to ensure a stable supply of good products to its plants. Going forward, we will continue to undertake quality improvement activities with our business partners and strive toward strengthening our supply chain.



In Japan, we have a total of 680 business partners, about 90% of which are located in Japan. In terms of transaction amount, the procurement of vehicle and engine parts makes up about 80% of the total. To monitor the delivery quality and market quality of our business partners, we calculate a monthly evaluation score based on factors such as the number of defect occurrences, the number of defects, and the severity of defects. Business partners whose evaluation scores and defect counts do not meet a certain standard are selected to be companies subject to management, and business partners whose evaluation scores meet a certain threshold but have defect counts exceeding a specific limit are selected as companies subject to observation, indicating a need for improvement in delivery quality. In FY2023, approximately 90% of our business partners satisfied the delivery quality evaluation score requirements. While no companies were selected as companies subject to management, some were chosen for observation, and improvement activities were carried out for these business partners in an effort to elevate quality. In addition, we conduct an on-site audit for some business partners at the time of the direct supply contract renewal assessment, implemented every three years, to verify their quality management structure operations. With new business partners, we conduct an on-site audit before starting our business relationship with them and evaluate the effectiveness of their quality management structures to see if they meet requirements for trading with us. We are also making progress with creating a BCP/BCM system and carrying out measures to reconfirm our supply chain and minimize the time it takes to restart operations in the event of an emergency. By improving the speed of our initial response and cooperating with our business partners, we are working to facilitate rapid recovery and creating a system that minimizes the impact on Isuzu product sales.

Initiatives at the Manufacturing Stage

Isuzu's customers require products of different specifications, and therefore Isuzu's products are available in many different variations. This is a characteristic of Isuzu. Isuzu is constantly committed to the development of human resources and improvement of production systems as it seeks to improve the quality of its diverse products to the same, high level and make them globally available. Isuzu systematizes and integrates its quality-first concept, methods and manufacturing knowhow into ISUZU MONOZUKURI (IM). IM is a production method implemented in every Isuzu manufacturing plant in Japan and overseas countries. At heart, its concept is to ensure that Isuzu-badged vehicles can be manufactured based on a uniform concept of workmanship and quality control, in any plant around the world. To homogenize variation at a high level based on IM, production line managers gather each morning before starting work and have a quality audit meeting, through which we share information centering on quality and ensure that our production lines are always adaptable to changes. Further, with IM-based efforts to deliver quality assurance on a global scale, Isuzu endeavors to become a company trusted by every customer who needs Isuzu's commercial vehicles and diesel engines. In addition to classroom and practical training on the fundamentals of IM, the employees involved in production are provided with applied practical training so they can apply the knowledge and skills acquired in basic training on the job site and make improvements according to the situation.

> Manufacturing Quality (Japanese Only)



Isuzu production line where IM has been introduced

Number of Employees Who Received the Training in FY2023

There were 995 participants in FY2023, with an average activity rate of 21 hours per participant (2-5 days/person).

(Reference)

Core skills training: Group training on IM concepts and TPM* is provided remotely.

Technical skills training: Approximately 30 types of practical skills training are delivered, including tightening training and engine assembly training.

* TPM (Total Productive Maintenance) refers to the review and improvement of production equipment to streamline manufacturing.

Quality

Initiatives for Higher Field Quality

Isuzu strives to improve its field quality by paying close attention to customer opinions and analyzing and feeding them back to all quality-related processes to ensure that issues are addressed and improvements are made.

Initiatives toward Improved Field Quality

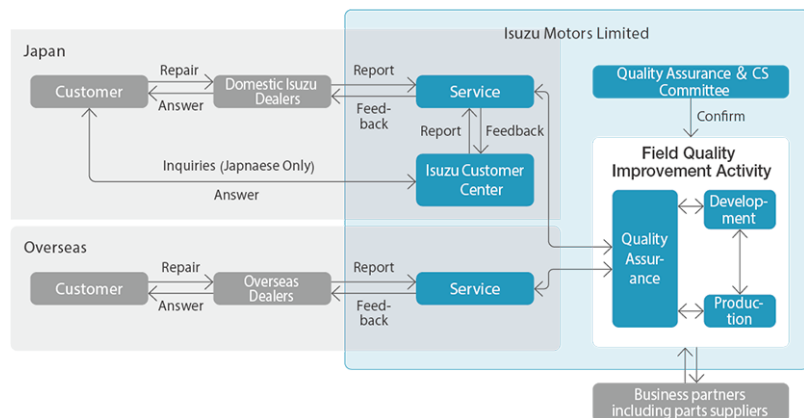
Taking advantage of the FQ management structure*, Isuzu collects quality information from markets then implements cause investigations and responds to issues promptly and accurately.

Isuzu Customer Center (Japan) gathers customer opinions, warranty repair records, and improvement requests from sales dealers as field quality information to direct to our quality improvements. The collected information is used in our efforts to comply with regulations from various countries including domestic safety regulations for road vehicles, and to respond to them even more quickly.

We also share information regarding the status of our response to field quality information and quality activities with top management and all employees on a monthly basis through our Quality Improvement Newsletter. Our Quality Improvement Newsletter features and shares quality activities such as the status of field quality improvement activities, the status of verification activities for initial quality of newly-launched vehicles in Japan, and the status of ISO/IATF activities. Through this, we seek to improve quality awareness throughout the entire Company

* FQ (Field Quality) management structure: an initiative to gather and distribute quality information from the markets for making improvements, based on the scheme illustrated below.

Field Quality Improvement Activity (FQ Management Structure)



Initiatives for Recall Campaigns

The aim of the recall system is to prevent defective vehicles from causing accidents and to ensure the safety and assets of our customers and drivers. Based on an understanding of the aim and its philosophy, Isuzu conducts recalls as required by the Road Transport Vehicle Act, improvement measures, and service campaigns in an effort to ensure smooth operation of our customers' vehicles. We are always prepared to take prompt and appropriate actions from the customer's perspective, taking into consideration the diversification of users' circumstances.

- **Recalls:** Where a vehicle may not be able to meet safety regulations for road transport vehicles (regulations to ensure vehicle safety or prevent pollution) due to a problem in design or the manufacturing process, the vehicle may be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism. This is referred to as a recall.
- **Improvement measures:** Where a vehicle cannot be left as is for safety reasons or for the prevention of pollution even though it complies with safety regulations, the system allows the vehicle to be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism, as long as the problem is attributable to design or the manufacturing process.
- **Service campaigns:** A service campaign allows a vehicle to which neither recall nor improvement measures applies to be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism, for the purpose of improving its merchantability and quality.

Number of recalls and other notifications

| | FY2021 | FY2022 | FY2023 |
|----------------------|--------|--------|--------|
| Recalls | 11 | 17 | 12 |
| Improvement Measures | 0 | 2 | 0 |
| Service Campaigns | 6 | 5 | 3 |

(Reference) UD Truck Recalls in FY2023: 5

> Recall Information (Japanese only)

Quality

Service Quality Improvement

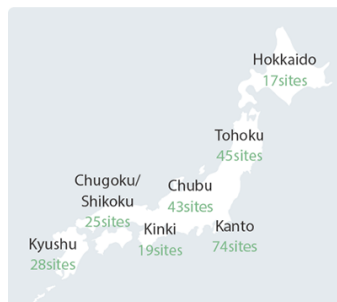
Basic Approach behind Service Quality Improvement

Isuzu's mission represents our determination to go beyond our previous corporate philosophy*. It emphasizes transport solutions for all goods and people, creating value that enriches society, while addressing pressing issues such as the need to attain carbon neutrality and adapt to a changing logistics landscape. Consequently, it is important to ensure that our customers' vehicles keep working well and, if they don't, are quickly restored to working order. Isuzu provides standardized support both in Japan and overseas as part of its commitment to offering high-quality service. During the current COVID-19 pandemic, Isuzu's trucks have played an important role in supporting the availability of medical supplies and daily commodities. We are aware of Isuzu's mission and social responsibility to, in all circumstances, unfailingly deliver the vehicles customers need and help them to keep running satisfactorily by providing after-sales service without delay.

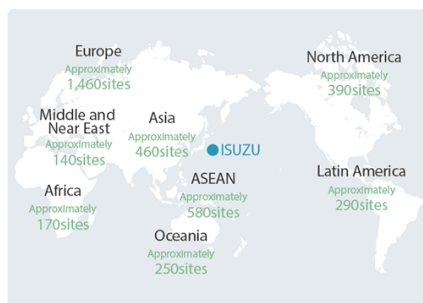
Thorough Service System

Isuzu is currently fully committed to post-delivery customer support. Our customers always expect high quality. Isuzu pursues the establishment of high-quality, integrated service systems both domestically and internationally.

Japan



Overseas



Parts Supply System

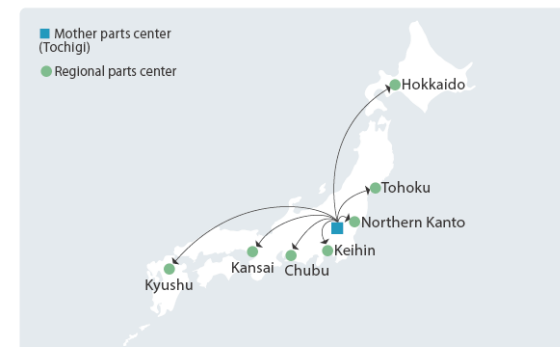
Isuzu delivers service parts in a timely and accurate manner to any place, leveraging its network of mother parts center (Tochigi, Japan) and regional parts centers in Japan and overseas. In addition, Isuzu Logistics Global Center commenced operations in April 2020. This is a state-of-the-art distribution warehouse designed to meet growing demand overseas for service parts. The new facility reinforces our readiness to supply parts to customers overseas. Moreover, the introduction of latest technologies has advanced the automation of in-warehouse work. Handling of heavy materials has been reduced in our in-warehouse work, which provides a better working environment for women and even elderly workers.



Isuzu Logistics Global Center commenced operations in April 2020

Japan

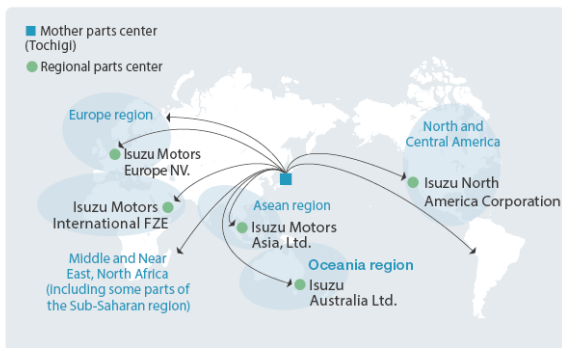
Seven regional parts centers ship the service parts to the service parts sites of Isuzu dealers.



Quality

Overseas

Isuzu's extensive service parts supply network includes regional parts centers in the Middle and Near East, North Africa, North and Central America, Europe, and the ASEAN and Oceania regions.



Improvement of Maintenance Engineering

Isuzu World Service Skills Competition (I-1 GP)

The Isuzu World Service Skills Competition (I-1 GP) gathers teams of servicing staff and engineers from different countries and regions across the world to compete in a skills and knowledge competition to find the world's best engineers. This is a global competition that aims to improve individuals' technical skills and the responsiveness of the engineers in Isuzu Group dealerships engineers (team technical skills). This international and interregional competition in skills and knowledge is aimed at improving service quality in their respective home fields so that Isuzu customers can enjoy the greatest satisfaction anytime, anywhere. The competition has been held since 2006. Considering the ongoing COVID-19 pandemic and the ongoing uncertain global situation in FY2023, it was concluded that it would be difficult to hold the competition, which involves inviting the finalists of the preliminary rounds to Japan to participate in the final round. Consequently, an online service skills contest e-competition was held for only the third time. The CV Division held a competition on November 2-4, 2022.

Usually, contestants are divided into Categories A and B depending on the level of gas emission regulations applicable to the vehicles they sell. However, as in FY2021, for the FY2022 I-1 GP, rather than being divided into categories, contestants competed in technical knowledge and virtual diagnosis of failure in their respective countries online, the same as last year. This time, in addition to the Commercial Vehicle (CV) category, the Light Commercial Vehicle (LCV) category made its debut in the e-competition. A total of 37 countries participated in the CV category and 22 countries in the LCV category, working to tackle common global challenges.

* Category A: Emissions regulation level Euro 5 or equivalent
 Category B: All contestants that do not fall under Category A

Results of the 17th I-1 GP

CV category

Group division: [1st] Thailand, [2nd] Philippines, [3rd] Japan
 Individual division: [1st] Japan, [2nd] Philippines, [3rd] Thailand

LCV category

Group division: [1st] Vietnam, [2nd] Thailand, [3rd] Philippines
 Individual division: [1st] Australia, [2nd] Vietnam, [3rd] Philippines



National Service/Parts Skill Competition

Isuzu holds an annual competition for workers to compete in the skills they have accumulated through their everyday work. The annual competition is aimed at improving the skills of service staff and engineers, promoting training, increasing customer satisfaction and motivating and strengthening ties among the staff members engaging in Isuzu's service staff and engineers.

Due to the spread of COVID-19, the event had been canceled since its last occurrence in 2019. However, in 2022, the competition was held again after a gap of three years, with the slogan "Faster, Hotter, More Accurate! Aim to be Isuzu's Number One!!" Participants competed in both individual and group events find the top staff members in the country.



Quality

Training Employees of Isuzu Dealers

We offer training programs to the service staff and engineers that support the transport needs of our customers so they can brush up on their service operations and maintenance engineering skills and learn more advanced repair techniques.

In addition to conventional group training at the Isuzu Monozukuri Service Training Center, we are further enhancing the skills of our workforce by introducing remote training (using web conferencing systems and e-learning platforms) and adapting self-hosted training to be held at dealerships.

FY2023 Results

| | Number of Courses | Number of participants | Training Method |
|-----------------------|-------------------------|------------------------|-----------------|
| For service engineers | 25 courses, 81 sessions | 517 | Group Training |
| | 1 course, 1 session | 30 | Remote Training |
| | 7 courses, 41 sessions | 474 | In house Event |
| For service advisors | 4 courses, 7 sessions | 109 | Group Training |
| | 17 courses, 33 sessions | 370 | Remote Training |

Feedback from participants

- I was able to learn about the internal structure of parts that cannot be understood from regular maintenance work, and it was very educational. In the future, I hope to make use of this knowledge in training junior staff. (Service Engineer, Dealerships)
- The in-depth explanation of the usage of the diagnostic tool was helpful in advancing my practical skills. (Service Engineer, Dealer)
- After receiving this training, the areas I was not confident in have now turned into strengths. I will apply what I have learned in the field going forward. (Service Engineer, Dealerships)

Maintenance Engineering Workshop in FY2023

30 sessions

Customer Support

Various Support Programs, including Fuel Efficiency and Safe Driving Seminars

Isuzu has been offering its customers seminars on fuel-efficient and safe driving since 1995. In recent years, we have been conducting demonstrations of key points for the use of vehicle devices and accident prevention, workshops on legal and regulatory trends and many other seminars based on customers' needs. Within Japan, these seminars are conducted at seminar facilities named Isuzu Premium Clubs located on the premises of our Fujisawa Plant and Isuzu Hokkaido Proving Ground. The Clubs are equipped with test courses and are exclusive for our customers. Seminars are also conducted at dealers all over Japan. To date, we have held these seminars overseas for customers from 31 countries. We strive to help our customers in Japan and all over the world to use our vehicles in safer and more eco-friendly ways.

Isuzu Customer Information

The Customer Information section of the Isuzu website draws the attention of users of Isuzu vehicles to potential incidents or failure risks arising from misuse or other problems.

> [Customer Information \(FY2023\) \(Japanese only\)](#)

Long Periods of Use

In recent years, along with changes in economic circumstances and other factors, our customers have tended to use their vehicles for longer periods and their mileage has been increasing. The safety of vehicles that have been in use for a long time can be guaranteed by ensuring that regular inspections and maintenance are performed. Isuzu keeps a sufficient stock of periodic replacement parts on hand to prevent failures from occurring and to meet customers' needs for periodic maintenance. We will keep working on inspection and maintenance, also taking into consideration the way in which vehicles are used and their use over extended periods.

Isuzu Customer Center

Isuzu Customer Center (Japan) was established for the purpose of applying customer feedback to product quality improvement. Customer feedback is shared with relevant departments both internally and externally to improve the quality of our products and services. We also provide opportunities to listen to the voices of our customers through internal training programs to enhance our customer-first approach and our sensitivity to what our customers want.

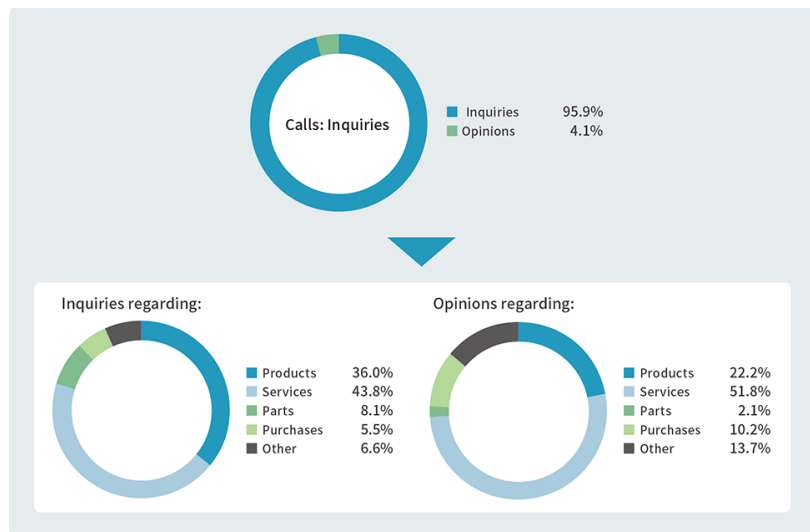
Customer Testimonials

'A tragic incident occurred where a preschooler was trapped inside a school bus, and its countermeasures have been covered in the news. However, I have doubts about whether a sick child would have the strength to sound the horn, whether anyone around would notice even if it did sound, and whether the child knows where to press to sound the horn in the first place. Is it not possible to develop easy-to-understand and easy-to-press emergency buttons or devices like sirens for preschoolers?'

At the Isuzu Customer Center, we also receive inquiries and feedback from customers who use trucks and buses regarding social issues related to human and logistics flow. Amid the increasing public awareness of safety and the environment, at Isuzu, we prioritize safety in our product development. The feedback received from our customers in this instance is considered valuable information and has been shared with relevant departments for future product development and other purposes. Isuzu will continue to work together as a united company to tackle and solve social issues in the future.

Quality

Actual Incoming Calls to the Isuzu Customer Center in FY2023



Intangible Support

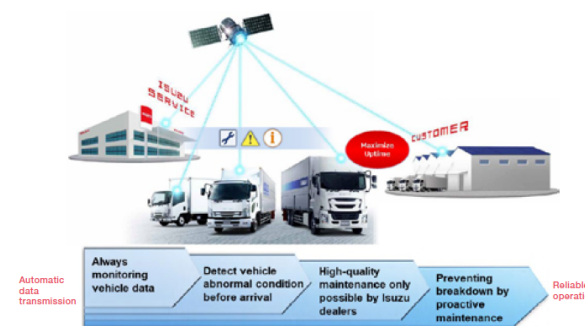
Mimamori (Telematics for Commercial Vehicles)

Isuzu has also put a great deal of energy into supporting commercial vehicles from intangible aspects. This is symbolized by Mimamori, our telematics system for commercial vehicles. It reads data from the vehicle's control computer and connects them via telecommunication to support driving and dynamics control. Mimamori has a package of useful content that includes daily operation reports, a digital tachograph, labor management and other means of support of daily compliance with laws; a full-scale function for controlling dynamic states which is effective for keeping informed of a vehicle's position and condition; support for the practice of safe and eco-friendly driving; and various features effective for crew training. It also greatly contributes to streamlining customers' driving control.

PREISM (Advanced Genuine Maintenance Service Utilizing Vehicle Data)

PREISM, an advanced genuine maintenance service, provides predictive and preventive maintenance at Isuzu service centers before a malfunction occurs, based on condition data transmitted from vehicles. This helps to shorten the vehicles' downtime and maintain their operation.

- **Prevention:**
Servicing details and maintenance cycles differ depending on the status of use of the vehicle. However, PREISM tracks data on each vehicle's condition, thus enabling optimally predictive and preventive maintenance for each vehicle, which checks malfunctions.
- **Immediate repairs:**
Even if a malfunction occurs, our Isuzu service centers can estimate servicing details from the malfunction data obtained prior to warehousing. Thus the vehicle's servicing time can be shortened. This can also reduce downtime and makes the vehicle's operation more secure. The full lineup of the heavy-duty GIGA, medium-duty FORWARD, and light-duty ELF trucks comes with a data transmission terminal as a standard feature, providing PREISM to support stable operation of a customer's vehicle.



EVision

Alongside the launch of Isuzu's first mass production battery electric vehicle (BEV), the "ELF (N-Series) EV," Isuzu Motors Limited has developed the total solution program "EVision"¹ to support customers considering introducing commercial BEVs and has begun service provision. The support provided in EVision includes finding solutions to EV introduction issues, quantifying the CO₂ emission reduction benefits, and proposing further decarbonization initiatives to move toward carbon neutrality.

¹ "EVision" combines the "EV" of electric vehicles with "Vision" in its many senses including sight, foresight, and future aspirations. It expresses Isuzu's support and initiatives for transparency regarding the issues and operations involved in EV introduction and its determination to provide solutions, thereby showing customers the way toward achieving carbon neutrality.

Quality

Operational Quality Improvement

Basic Approach behind Operational Quality Improvement

Isuzu's mission represents our determination to go beyond our previous corporate philosophy. It emphasizes transport solutions for all goods and people, creating value that enriches society, while addressing pressing issues such as the need to attain carbon neutrality and adapt to a changing logistics landscape. The quality of our products and services is derived from the work quality of each and every employee. Isuzu leverages efforts to raise awareness about quality and knowledge since we believe that enhancing the performance quality of each individual employee—and not just those divisions directly involved in product quality—creates the quality that meets customer needs.

Education for Raising Awareness and Knowledge among Employees

The foundation of work is the experience, knowledge (tools and methods), and skills possessed by each individual. But even with experience, knowledge and skills, it does not necessarily follow that the work will be done with good quality. For employees to maximize their skills and improve the quality of their work, it is essential that they remain motivated to do a good job. Isuzu therefore strives to improve the quality of its operations by educating employees to raise awareness and knowledge acquisition.

Discussions among Employees

To raise awareness about operational quality, Isuzu is holding a series of discussions for employees to talk about doing a good job from the customer's perspective, using customers' telephone inquiries received by the Isuzu Customer Center and the annual Quality Month* Message which is delivered from senior management to employees in November every year.

The aim of this Quality Month Message is for each individual to think over what it is to do a good job, find some clues to making it happen and put it all into action. The message is made known to all employees through the Isuzu News, published monthly, and is discussed at each department.

* Quality Month: The Union of Japanese Scientists and Engineers, the Japanese Standards Association, and the Japan Chamber of Commerce and Industry have designated every November as Quality Month for the promotion of quality improvement activities.

Message for Quality Month FY2023

Theme: Let's sow the seeds of discussion and work together to create cars and deliver good work to customers!

Target period: November to February. Target: All employees. Results: 7,928 employees participated (participation rate: 96%).

Reason for theme selection: In recent years, while the overall perception of companies in society has become less tolerant, wider society's expectations of Isuzu have increased significantly. In the midst of significant changes in the environment and the risks surrounding Isuzu, it is essential to strengthen the Company's foundation further to allow it to undertake even greater challenges. For that reason, it is essential that every employee adheres to the rules and carries out their tasks with certainty. However, blindly adhering to the rules is not sufficient; it is also necessary to verify and improve these rules in line with current thinking and times. It is crucial to share the issues identified as "RED" during checks and engage in discussion on these issues. By doing so and delivering excellent work to our customers, we will earn their trust.

Quality Awareness Education for Isuzu Dealers

To raise quality awareness among all Isuzu Group employees, quality awareness training is provided to dealers across Japan to reinforce the importance of quality-related tasks such as the accurate and prompt provision of information, reliable recall of defective parts, and early implementation of recall repairs.

Number of Locations Where Training Was Held in FY2023

22 places

Improving Knowledge (Knowledge-enhancing Program)

As a quality-related knowledge education program for employees, we conduct legal education, focusing on the Road Transport Vehicle Act/Recall System. The aim is to ensure that our employees understand the laws related to the quality of Isuzu products. Additionally, we offer a course for developing experts skilled in the statistical analysis necessary for solving problems. The courses are aimed for employees to acquire problem-solving skills and practical skills for effectively encouraging quality improvement in the workplace.

Results

Road Transport Vehicle Act/recall system: 171 participants
Expert training^{*1}: 19 participants

*1 Held online. Instructor invited from outside.

Quality

Isuzu Technical High School

Isuzu Technical High School provides education and training programs for our new technical employees (trainees) who are high school graduates. There are two courses: a three-month training early selection course and a training course. Both courses emphasize the necessary for Isuzu's monozukuri knowledge, skills, and attitude required as Isuzu technical employees. The trainees who show very high aspirations in manufacturing (monozukuri) enter the National Skills Competition to learn about the results of their day-to-day technical training and further improve their skills.

Moreover, school instructors to guide the trainees are selected from our employees working in the field. This allows the instructors to review their own operational knowledge, and at the same time to learn how to develop talent. As a consequence, the instructors will also improve.

In addition to developing trainees into full-fledged workers, the engineers involved with the training process should hone and hand down their skills. This should then contribute to qualitatively improving Isuzu's products.

Competition Results

The 60th National Skills Competition, November 4-7, 2022, Makuhari Messe, Japan

Machine Assembly: 1 Honorable Mention

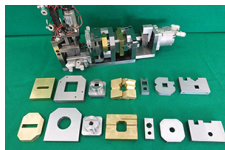
Lathe: 1 Honorable Mention



Training and practical exercise at Isuzu Technical High School.



Practical machine assembly skills, winner of the Honorable Mention



Prize-winning machine assembly assignment



Lathe practical training, winner of the Honorable Mention



Award-winning lathe assignment

Respect for Employees



Respect for Employees

Basic Approach

We respect our employees and have created an environment where they can exploit their skills to the fullest and work safely and comfortably so that Isuzu and its employees can grow together.

Initiative Themes for Respecting Employees

To make our policy of respecting our employees a reality, we have identified and are working on the following issues.

1. Initiatives to support a Diversity of Workstyles
2. Occupational Health and Safety (including cooperating companies)
3. Utilization of Diverse Human Resources
4. Personnel Development
5. Improving Job Satisfaction
6. Labor-Management Relations

Management Structure

Regarding human resource policy initiatives, in addition to reporting on human resource policy-related matters at management meetings on a case-by-case basis, management division meetings are held on regularly to share information on initiatives and progress among divisions.

The Administrative Division Meeting is attended by the EVP and VPs of the Administrative Division, as well as the heads of the Human Resources Planning Department, the General Affairs and Personnel Department, the Labor Relations Department, and Isuzu Hospital.

Initiatives

Initiatives to Support a Diversity of Workstyles

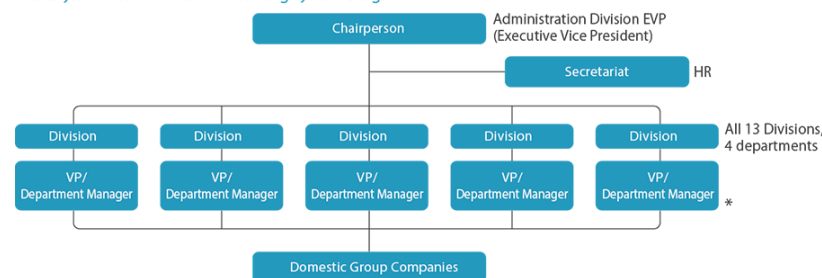
Basic Approach to Workstyles Reform

The basic approach behind the workstyles reform that Isuzu is aiming to achieve seeks to nurture workstyles that are suitable for the job while improving productivity. To successfully implement workstyles reforms throughout the Company, we hold workstyles Reform Promotion Meetings once every three months. At these meetings, we discuss new plans and measures from the perspectives of job satisfaction and ease of working, and swiftly expand them across the Company.

Workstyles Reform Promotion Meeting System

The members of the Workstyles Reform Promotion Meetings are the Vice Presidents (VPs) of different divisions and representative department managers. The Administration Division functions as a secretariat to organize the meetings. Isuzu Motors Labor Unions attend as observers, which makes the efforts adopted more effective as the opinions of employee representatives are taken into consideration.

Workstyles Reform Promotion Meeting System Diagram



* When a VP or Department Manager member is absent, a substitute must attend

Workstyles Reform Promotion Meeting Activity Details

Promotion meetings are held once every three months.

- Representatives from all divisions (VP and general managers) encourage discussions as members of the Workstyles Reform Promotion Meetings.
- Examples of initiatives in each division are shared and new initiatives (issues related to telecommuting etc.) are discussed.
- Representatives of all divisions develop and disseminate the content and decisions shared at the promotion meeting with their divisions.

Respect for Employees

Workstyles Reform Promotion Meetings Initiatives and Measures

1. Shift toward quality

- The pursuit of productivity improvement according to the nature of the job tasks. (Considering and refreshing workstyles, including telecommuting, for each division)
- Partially introduced non-core flextime to accommodate global time differences
- Efficiency and standardization of operations, as well as the automation of routine tasks through RPA utilization

2. Flexible workstyles

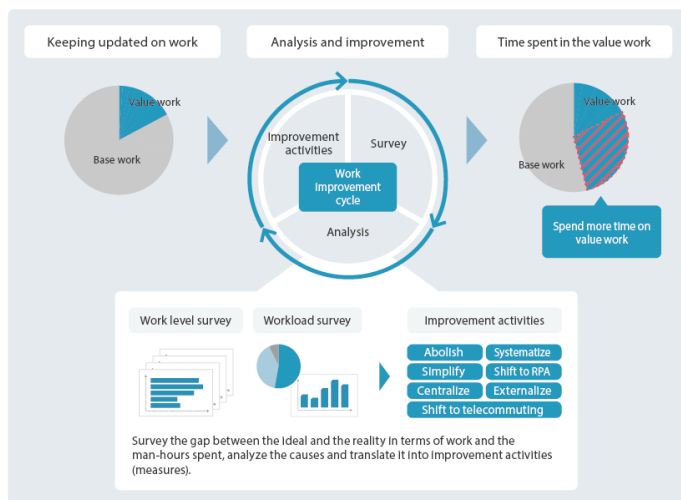
- Expansion of telecommuting to accommodate parenting/nursing care responsibilities.
- Telecommuting for employees returning to work after long-term leave, due to infertility or difficult medical treatments
- Flexible changes in work arrangements during the COVID-19 pandemic

Efforts to Achieve a Continuous Improvement in Productivity

Workstyles Reform Promotion Meetings analyze the “base work”^{*1} of respective departments to automate and simplify these with the use of RPA and other means. The aim of this approach is not only to reduce work hours but also to achieve continuous improvements in productivity by dedicating the time saved by automation and simplification to “value work”^{*2}.

*1 Base work: Regular work that is a function necessary for completing business and is performed within an existing framework.

*2 Value work: The kinds of work that, if you focus on them, make your company more competitive and improve the company's performance. Value work has high added value for the company.



Initiatives Occupational Health and Safety

Basic Approach to Occupational Health and Safety

Based on Isuzu's safety and health philosophy, we promote business activities with employee safety and health at their heart. The values are universal and remain unchanged at any time and in any environment. Please note that this philosophy applies to all persons employed by Isuzu regardless of their employment status and all employees of all affiliates working on the premises.

Isuzu Health and Safety Philosophy

わが社の安全衛生理念
安全はすべての人が協力して
作り上げるものです。
一、きれいで明るい職場にしましょう
二、災害は予測して退治しましょう
三、自ら進んで健康づくりに努めましょう

Our Policy for Health and Safety Activities

Each one of our employees goes back to the Isuzu Health and Safety Philosophy and gives utmost priority to safety in anything they do. We also work to raise our awareness about safety and health and encourage all employees to work together to ensure safety for all.

Respect for Employees

Occupational Health and Safety System

A Health and Safety Committee meeting is held once a month at all business sites to discuss between labor and management. Topics such as employees' industrial safety, road safety, health management and workplace environment improvements. Committee meetings are also held on a departmental basis to smoothly share the discussions held at the Health and Safety Committee meetings. For our domestic subcontractors, we have organizations such as the Isuzu Safety and Health Cooperative Association consisting of our affiliates, and strengthen our cooperation by providing guidance on safety, health, fire control and disaster control through monthly corporate diagnoses. In globalizing our operations, we also hold regular meetings to share information about occupational incidents that have occurred at our domestic affiliates and provide guidance where necessary.



* Health and safety management is overseen by the officer in charge of the Health and Safety Department, and reports are made as appropriate depending on the nature and urgency of the situation.

Occupational Health and Safety Efforts

Ensuring employee safety is the top priority for the Company, and Isuzu is diligently and steadily working on key issues to build a workplace that firmly upholds safety principles. Additionally, we actively strive towards achieving the safety management goals of our factories.

Occupational Incidents Target for FY2023

Total Number of Incidents: 6 cases
Total Number of Fatalities: 0 case

Initiatives in Risk Assessment

At Isuzu, for the reduction of disaster risks, when new manufacturing and development equipment is introduced, we strive to reduce equipment risk by conducting risk assessments on the planning, maintenance, use, and health and safety of the equipment before and after the equipment is put into operation. In addition, within existing processes, besides the workplace inspections mandated by regulations, plant managers and representatives from each workplace regularly conduct safety patrols to perform risk assessments for any issues such as 'unsafe conditions or behaviors.' By promptly addressing identified issues, we are promoting the creation of a safe workplace.

Expand Experience-based Safety Training

Each workplace has a safety training center for employees to simulate disasters and practice Isuzu's safety principles. Site workers simulate disasters at least once a year so that become more sensitive to hazards. To prevent occupational incidents resulting from human error, we have introduced virtual safety training to deepen employees' awareness of safety. We have been expanding the target audience for virtual safety training and enriching VR content since the previous period to further deter unsafe behavior that cannot be fully addressed through hardware measures alone.



Hazard experience education using VR



An instructor provides training through the virtual experience of hazards

Improving the Workplace Environment (1) Site Patrol from Multiple Perspectives

Based on the idea that differences in job positions, departments, age etc. have nothing to do with safety, Plant Executives of Isuzu go on patrol around their plant and also speak with workers. Additionally, mutual patrols by the health and safety personnel appointed at each workplace and the Labor Unions are conducted to identify on-site hazards from various perspectives and remove risks. These patrol activities aim to raise the level of health and safety by highlighting unsafe behavior and situations, identifying the good practices being carried out and new findings, and expanding them throughout the Company.



The state of the patrol

Respect for Employees

Improving the Workplace Environment (2) Use of Drones to Minimize the Risks of Falls that May Result from Work in High Places and Their Utilization During Earthquakes

Inspecting a roof using human workers entails difficulty with frequent inspection and the hazards typical of work in high places. Isuzu has established drone-based roof inspections. Use of drones saves workers from having to climb up onto the rooftop, which adds to their safety and also makes it possible to increase the frequency of inspection and obtain more detailed images. As a consequence, it also helps to streamline work. Furthermore, we utilize drones during disaster preparedness and business continuity management (BCM) training to establish a method for swift information gathering regarding the situation within a factory and surrounding areas in the event of a disaster.



Drones



Confirmation of aerial footage

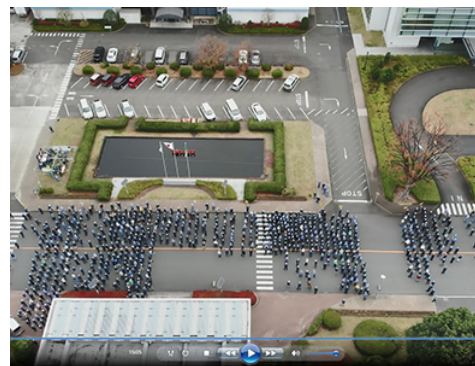
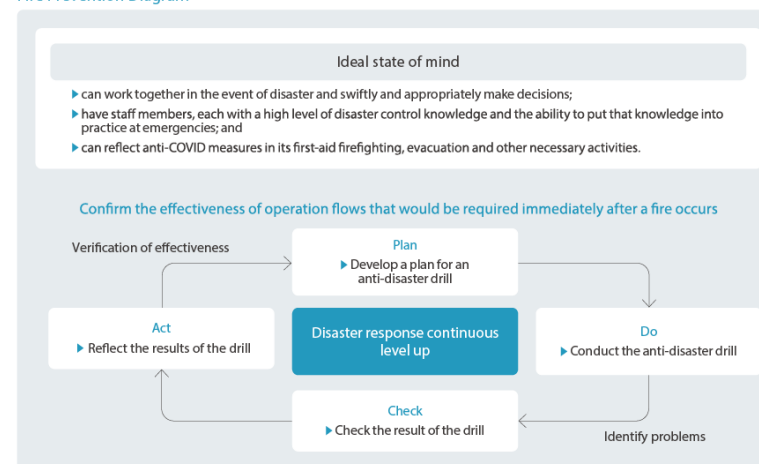
Improving the Workplace Environment (3) Fall Prevention Measures Through the Introduction of Stumble-resistant Safety Shoes

Aging tends to increase the risk of falls due to factors such as decreased muscle strength. During disasters, older people are also more prone to experiencing severe outcomes compared with younger age groups. Therefore, we have introduced "stumble-resistant safety shoes" to prevent workplace incidents and promote the creation of an age-friendly and comfortable working environment. Since their introduction, many employees have noted that they now feel less likely to stumble.

Anti-disaster and BCM Drills

Our business sites assume many different risks of disaster and conduct anti-disaster and BCM (business continuity management) drills to ensure a quick and proper disaster response. For a drill, a task force is set up and the staff practice evacuation from their respective workplaces. A fire drill is conducted in spaces where a fire could break out. We seek advice from outside consultants to minimize risks and pursue the establishment of a more practical flow of operations by following our measures against the spread of COVID-19. Additionally, in anticipation of people having difficulty returning home in the event of a disaster, we are taking measures to ensure the safety of our employees by stockpiling food and water and providing lodging and other facilities.

Fire Prevention Diagram



Evacuation drill with maintained social distance (aerial footage captured by a drone).



BCM training (setting up outdoor emergency response headquarters in preparation for a disaster)

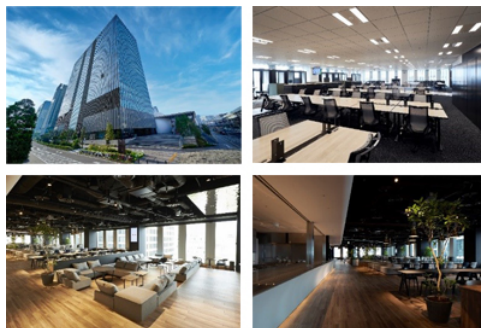
Respect for Employees

WELL Building Standard™

At Isuzu's Yokohama Headquarters, which relocated in May 2022, we have attained the highest level of "Platinum" certification under the U.S. health-focused building performance assessment system known as the "WELL Building Standard™".

WELL Building Standard™ is an international accreditation system that evaluates whether office spaces enable employees to work in a healthy and balanced environment for their physical and mental well-being. Operated by the U.S. non-profit International WELL Building Institute (IWBI), it has four certification levels (Platinum, Gold, Silver, Bronze), marking the first achievement for a domestic automotive manufacturer.

Isuzu aims to evolve management from ESG perspectives in its Isuzu Mid-term Business Plan. On the human resources and organizational front, it is striving for a transformation into a company that spurs innovation. During the process of relocating our headquarters, we focused on establishing a workplace environment where employees can work energetically while upholding their physical and mental well-being. Consequently, the office space that meets the Platinum level of the third-party certification "WELL Building Standard™" received high praise.



Maintaining and Promoting Employees' Health

Employees have regular and special health checks to stay healthy and prevent occupational diseases. Those with a medical finding receive individual guidance and/or a recommendation for a hospital visit. We also help workers who have been ill to return from an absence and balance their work and medical care. Our workers such as those working long hours may receive help on an individual basis. Our efforts to promote health also include the introduction of healthy menu items to the menu of staff cafeterias and measures against passive smoking.

To address global health issues, we provide health guidance and follow-up examinations based on the results of medical examinations for employees posted overseas and their accompanying family members, hygiene guidance according to the infection situation in the destination country, dengue fever, rabies, malaria and tuberculosis. Our support measures include providing the Recommended vaccinations, local medical information and consultation support, consultation services regarding medical examinations, medical treatment, guidance on mental and physical concerns while on assignment, and visits by industrial physicians to the destination country.

Anti-COVID Measures

To counter the spread of COVID-19, Isuzu has introduced anti-COVID equipment to its offices and factories, implemented awareness-raising activities and otherwise works to prevent infection. If someone has been infected, we quickly take meticulous steps to address the individual's situation in a thorough effort to prevent the spread of infection. After the infected person completes their medical treatment, an industrial physician conducts a return-to-work interview, consults on any after-effects, and offers other support so that the individual can return to the workplace with peace of mind. Additionally, we have been strengthening support for the vaccination of employees and their families with the new coronavirus vaccine by holding inoculation programs in workplaces.

Infectious Disease Control at Isuzu Motors South Africa (IMSAf)

Isuzu Motors South Africa (IMSAf), which produces and sells commercial vehicles, buses, and LCVs for South Africa and neighboring countries, is taking the following infectious disease measures as part of its efforts to address the health issues impacting its employees, their families, and the community.

COVID-19

In partnership with local medical institutions, IMSAf has set up a COVID-19 vaccination center within its facility to provide vaccination opportunities for employees and their families to prevent infection. IMSAf was also engaged in a project to renovate a local hospital, which was closed and dilapidated so that it could be used as a vaccination site for COVID-19. Specifically, the company will pay for the renovation project itself and the expenses necessary for the renovation, and IMSAf employees have worked together to open vaccination sites so that medical personnel and local residents could be vaccinated as soon as possible to prevent the spread of COVID-19 in the region.



IMSAf employees who received the vaccine

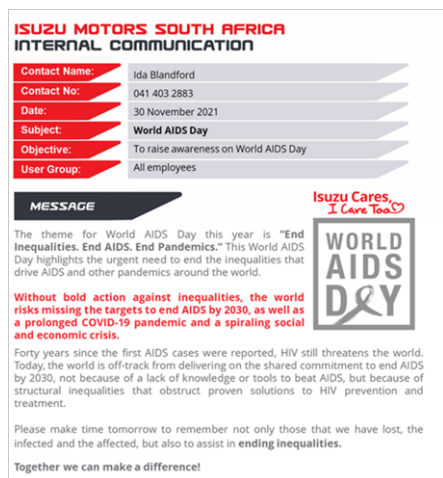


IMSAf site manager and local government officials during hospital renovations

Respect for Employees

HIV/AIDS

Every year on World AIDS Day, IMSAf employees and their families and friends hold a commemorative ceremony. By providing an opportunity to pray for those who have passed away and those who are impacted by HIV/AIDS, we help to raise awareness of HIV/AIDS and ultimately prevent it.



Email to employees informing them that a commemorative ceremony will be held on World AIDS Day

Push Forward with Mental Health-related Measures

Self-care support includes stress checks and subsequent interviews and self-care training for new employees. In addition to establishing a counseling system in the workplace, we provide line care training and counseling to managers based on the results of stress checks. The occupational health staff provides daily consultation services at the workplace, referrals to external organizations when necessary, coordination of employment measures in the workplace, and ongoing follow-up care. Additionally, we utilize EAP* as an external resource to provide counseling and training.

* EAP: Assistance by external experts

Helping Employees Who Have Been Ill to Return to Work

Isuzu's support activities are designed for employees to feel secure about returning to work from recuperation. Before returning to work, we conduct in-depth status checks and provide support for employees returning to work in cooperation with occupational physicians, public health nurses, workplaces, and labor relations staff. We support the preparations for the return to work by providing lifestyle guidance and training and utilizing rework facilities (external return-to-work support facilities) through EAP. After the return to work, we provide continuous follow-up through periodic interviews with industrial physicians and public health nurses to help ensure that the employee can continue to work with peace of mind.

Efforts to Help Employees Stay Healthy

With regard to the health management of employees and their families, Isuzu regularly analyzes receipts (medical expenses) and health check data to identify health issues that should be given priority and plans and implements healthcare services (data health plan).

(No. of people)

| Priority Issues | FY2021 | FY2022 | FY2023 |
|---|--------|--------|--------|
| Examinees of Specific healthcare guidance | 1,003 | 1,677 | 2,056 |
| Examinees of comprehensive checkup | 4,821 | 4,194 | 5,219 |
| Mental health counseling users | 86 | 100 | 76 |
| Users of round-the-clock telephone health consultation | 99 | 101 | 64 |
| Participants in recreation and sports events* | - | - | - |
| Visiting the elderly to provide guidance* | 7 | - | 3 |
| Participants in health seminars* | 1 | - | - |
| Participants in Prevention of lifestyle-related diseases, gargle/hand-wash recommendation campaign, walking challenge, etc. | 2,030 | 1,375 | 1,667 |
| Users of training areas* | - | - | 1,336 |
| Examinees of Gynecological exam | 1,373 | 1,399 | 1,456 |

* The numbers for recreation and sports events, visiting the elderly for guidance and health seminars have decreased significantly due to COVID-19.

Main Health Issues Recognized

- Medical expenses per person for the treatment of lifestyle-related diseases are increasing significantly in people in their 40s and older.
- Low utilization rate of health checks (specified health checks) among household members (dependents) delays disease prevention.
- The rate of smokers among employees is much higher than the average, negatively affecting the progress of health maintenance and promotion.

These are the main health issues recognized by Isuzu as the insurer, and we provide healthcare services with a focus on responding to these issues. Health management, measures for mental health, and other health-related issues are handled by the Health Consultation Offices under the General Affairs & HR Dept. and the Employee Relations Dept.

Respect for Employees

Utilization of Diverse Human Resources

Rationale for Utilizing a Diverse Workforce

Isuzu respects the differences between people such as age, gender, nationality, disability, and work environment, and believes that utilizing such differences can increase employee motivation and improve the Company's competitiveness through the creation of new ideas and value.

We will continue to promote various measures to employ those with disabilities, foreigners, and other employees of diverse backgrounds and work to create an environment that facilitates short-time work, childcare/nursing leave, and more.

Promoting a Healthy Work-life Balance

Isuzu's employees are encouraged to take at least 18 days of annual paid leave. More specifically, the Workstyles Reform Promotion Meetings share data such as the length of annual paid leave taken at each division and examples of related measures, in pursuit of a corporate climate where taking annual paid leave is easy. Employees are also encouraged to set no overtime days (every Wednesday and Friday), telecommute or have flextime to balance their work and life.

Key Programs to Support Employees to Provide Parenting and/or Nursing Care

| | | |
|----------------------|-------------------------------|---|
| Childbirth/parenting | Parenting leave program | May be taken in installments until the end of the April after the child reaches the age of two |
| | Leave for spouse's childbirth | Three days within a two-week period after the date of delivery |
| | Nursing care leave | Available for the nursing care of children until they begin elementary school |
| | Short working hour system | Shorter working hours are available until the end of the March after the child reaches the third grade of elementary school |
| | Teleworking system | Employees are permitted to work from home from the time of their pregnancy until the end of March immediately after the child enters the third grade of elementary school |
| Nursing care | Nursing care leave program | Period required for care (up to 1 year) |
| | Nursing care leave | Can be obtained to care for family members |
| | Short working hour system | Shorter hours are available for the period needed to care for the patient |
| | Telecommuting System | Employees are permitted to work from home to care for family members |

Working Remotely

Currently, telecommuting is offered according to the nature of the work in each division. We also have satellite offices in different areas so that employees can telecommute when they are visiting other business locations. Telecommuting involves reviewing our conventional work and how we do it. It also contributes to improvements in productivity.

Promoting Opportunities for Women

We are fully aware that the promotion of diversity and inclusion is an important factor to ensure our sustainable growth and continued contribution to society. At present, Isuzu has about 450 full-time female employees, of whom approximately 10% are at the management or executive levels. We have also obtained the highest level of Eruboshi certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We will continue our efforts to develop, promote and empower female employees.

Action Plan for Promoting Opportunities for Female Employees

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, Isuzu has drawn up the following action plan:

- By the end of March 2024, the number of women in senior management positions will be twice as large as it was in FY2015 when the target number of female managers was set.

Earning the Highest-level of Eruboshi Certification Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

This certification is awarded by the Minister of Health, Labour and Welfare based on the Act on Promotion of Women's Participation and Advancement in the Workplace to recognize companies that have achieved excellent results in promoting women in their workplaces. The certification is divided into four levels depending on the degree of achievement of criteria in the five categories specified by the Ministry of Health, Labour and Welfare (hiring, continued employment, work hours and other workstyle issues, the proportion of women in management positions and diversity of career courses). Isuzu earned Certification Level 3, the highest certification level.



Respect for Employees

Diversity and Inclusion

Isuzu Group and Volvo Group have established a network called "VOIS" with the objective of advancing Diversity, Equity & Inclusion (DE&I). This network aims to share best practices concerning DE&I within both groups and foster positive changes for their respective employees. In October 2022, an event focused on unconscious bias was held at the Volvo Group headquarters in Gothenburg, Sweden. The presidents and executives of both companies participated in a discussion about how unconscious bias affects relationships with customers, clients, and partner companies, the significance of inclusion in cross-functional work, and the role of DE&I in strategic collaborations. The event was live-streamed, and approximately 2,500 executives and employees from both groups participated, furthering their understanding of unconscious bias.



VG headquarters venue



President Minami sharing experiences from the time he used to work in the United States.

Promoting the Role of Post-retirement Employees

Isuzu has established a system to reinstate retirees so that people over 60 can continue working with us. Currently, about 800 retirees have been employed at Isuzu.

Employment of Non-Japanese Personnel

As part of our initiatives to provide an inclusive workplace environment where employees from diverse cultural backgrounds can work comfortably, we have implemented measures such as setting up on-site prayer rooms and offering menu items for those with religious dietary restrictions.

Local Employment

The Isuzu Group's basic recruitment policy is to hire locals. We actively employ locally in the countries and regions in which we operate. Our overseas Group companies employ 15,951 people, mainly locally-hired workers.

Encouraging the Employment of People with Disabilities

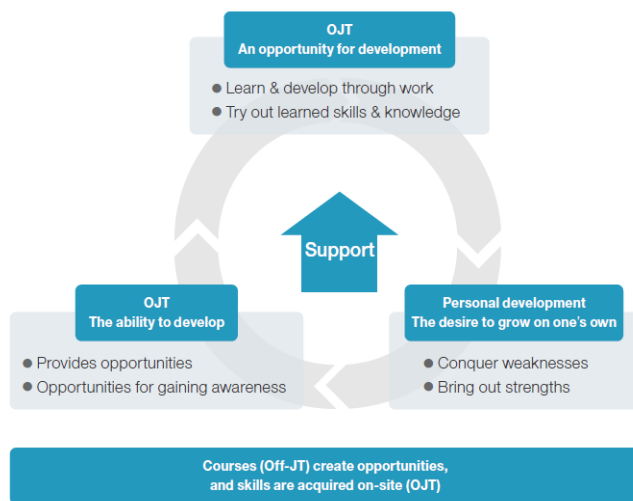
To help build a society where people with and without disabilities can support each other and live prosperous lives, we are actively hiring not only new graduates but also mid-career workers to employ people with disabilities. Isuzu also assigns employees with disabilities not only to administrative positions but to technical workplaces, taking into account their disabilities as well as their aptitudes and wishes so that they can exploit their talents.

Respect for Employees

Personnel Development

Basic Approach to Personnel Development

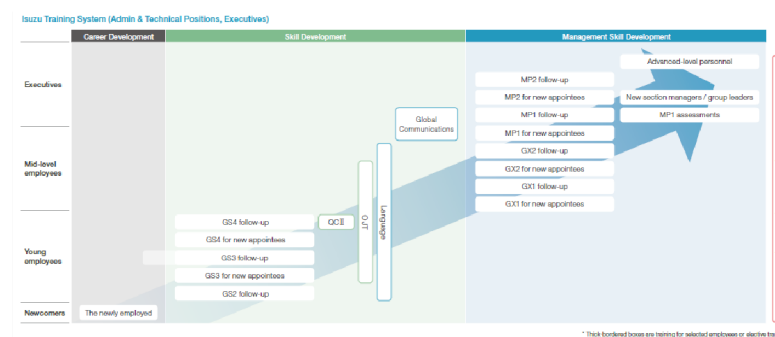
Isuzu considers the core of human resources development to be on-the-job training through which employees learn in their workplace. Off-the-job training consists of courses held away from the workplace and is a way for employees to pick up the skills their company needs and identify the direction in which the professional life should grow. Isuzu's approach to personnel development is based on the idea that every employee is required to think and act for themselves amid the intensification of changes and competition in the business environment. Isuzu has therefore examined and clarified the skills needed at each job level and built a substantial training system for employees to acquire the right skills at the right time.



Education/Training Scheme

Isuzu's training system comprises three areas: career development, skills development, and management capability development. Career development is aimed at training and enabling new employees and young employees to expand their own expertise and develop their career on their own. Skills development focuses on the abilities required at different job levels and positions and helps employees to improve their skills and acquire the knowledge and insight necessary to play a leading role globally. Management capability development is aimed at enhancing managerial skills and resourcefulness in order to develop the managers of the future.

Admin & Technical Positions, Executives



Technical Staff

| Technical staff training programs by skill level | | | | | | | | | |
|--|--------------|--------------|--------------------------------------|--|------------------------|---|--------------------------|--|--|
| T/S1 program | T/S2 program | T/S3 program | T/S4 program | T/X1 program | T/X2 program | T/X3 program | | | |
| | | | T/S4 program Follow-up | T/X1 program Follow-up | T/X2 program Follow-up | T/X3 program Follow-up | T/X4 program Follow-up | | |
| | | | | | | Manager training program (MP) | | | |
| | | | | | | LM training program for new appointees | | | |
| | | | | | | LM external training program | | | |
| | | | | | | TL training programs 1 and 2 for new appointees | | | |
| | | | | | | TL external training program and hands-on problem solving | | | |
| | | | | | | TWI-JI trainer development seminar | | | |
| | | | | | | TWI-JI trainer advanced seminar | | | |
| | | | | | | TWI-JS trainer development seminar | | | |
| Employee assignment training program | | | | | | | | | |
| (Basic skill training for technical staff) | | | Employee assignment training program | | | | LM/TL/M training program | | |
| (Technical staff training programs for technical staff / administrative staff / skilled staff) | | | | | | | | | |
| Tightening skills | | | | | | | | | |
| Measuring skills | | | | Advanced measuring skills | | | | | |
| | | | | Mechanical components | | Sequencer | | | |
| | | | | Hydraulic/atmospheric pressure | | Advanced electricity I | | | |
| | | | | Basic electricity | | Advanced electricity E | | | |
| | | | | Basic welding skills | | Plating skills | | | |
| | | | | Finishing skills | | Machining skills | | | |
| | | | | ENG assembly skills Assembly & disassembly | | ENG assembly skills CESS & materials table | | | |
| | | | | T/M assembly skills | | F/D assembly skills | | | |

Respect for Employees

Isuzu Technical High School

Isuzu Technical High School provides education and training program for our new technical employees (trainees) who are high school graduates. There are two courses: a three-month training course and a one-year training course. Both courses emphasize the knowledge, skills, and attitude required from Isuzu technical employees.

Moreover, school instructors to guide the trainees are selected from our employees working in the field. This allows the instructors to review their own operational knowledge, and at the same time to learn how to develop talent. As a consequence, the instructors will also improve.



Theoretical and Practical Training at Isuzu Technical High School

Skills Transmission and Development

Isuzu strives to enhance the skill levels of employees from the perspective of perpetuating and developing engineering skills by establishing a graded training system for technical staff.

Initiatives by Division

▶ Manufacturing Division

1. Each workplace undertakes training activities to pass on the special skills that are advanced and require significant experience. In addition, the Manufacturing Division as a whole provides systematic training to pass on skills.

* Graded training for technical staff: New employee, young, mid-career, supervisor, etc.

2. Isuzu workers enter the annual National Skills Competition with the aim of acquiring the highest skills in Japan, and have won higher prizes for successive years.

FY2020 Silver Prize: Automobile sheet metal work (1 person)

Honorable Mention: Automobile sheet metal work (1 person), lathe (1 person) and machine assembly (1 person)

FY2021 Silver Prize: Machine assembly (1 person)

Bronze Prize: Automobile sheet metal work (1 person)

Honorable Mention: Automobile sheet metal work (1 person) and machine assembly (1 person)

FY2022 Bronze Prize: Machine assembly (1 person), lathe (1 person)

Honorable Mention: Machine assembly (1 person)

FY2023 Honorable Mention: Machine assembly (1 person), lathe (1 person)

3. We provide advanced skills training and leadership training in collaboration with external training institutions. The number of workers who have passed the National Trade Skill Testing & Certification has doubled since 2011. Administration Division is working with workplaces to run study sessions and practice sessions to support employees in acquiring qualifications.

▶ Engineering Division

1. Every year we prepare career plans with career goals shared among superiors and subordinates, and implement training courses with varying curricula and OJT for employees to acquire skills according to their job level.

2. Isuzu provides advanced skills training at the Isuzu Monozukuri Service Training Center and in collaboration with external training institutions such as polytechnic centers.

3. Isuzu has established its own accreditation system for test vehicle driving with the aim of improving employees' driving skills.

Respect for Employees

HR Performance Evaluation System

Personnel Development/Deployment Cycle

At Isuzu, the process from training to assignment, evaluation, and treatment is described as the personnel development/deployment cycle. It is implemented as a mechanism that independently and systematically develops personnel.

Fair Evaluation and Treatment

Isuzu has a system for evaluating each employee in terms of criteria such as job performance, role, degree of contribution, skill improvement, and the extent to which he/she demonstrated his/her skills. The evaluation system helps to bring out the skills of each and every employee to the fullest and ensures that they are evaluated in a fair and equitable manner, without discrimination based on irrational reasons such as social standing, origin, race, beliefs, or gender. This leads to greater job satisfaction and motivation among employees.

Career Development Support

In addition to position-based education programs, Isuzu provides self-development support for employees to develop their careers, such as providing them with access to various business courses and online English conversation training.

Improving Job Satisfaction

Basic Approach to Improving Job Satisfaction

We will prioritize and actively work toward enhancing the sense of fulfillment all employees experience in their work with the Isuzu Group, positioning the experience of fulfillment as a mission within our corporate philosophy and considering it a significant management issue. To ensure that employees are energized, we will continuously conduct consciousness surveys regarding job satisfaction and observe any changes in the data. The results of these surveys will be utilized to formulate the next set of job satisfaction measures, and Isuzu will continue working toward becoming the number one company in job satisfaction.

Labor-management Relations

Basic Approach to Labor-management Relations

Isuzu respects employees' freedom to associate (or not) and freedom of collective bargaining and strives to create a comfortable working environment through cooperation between labor and management. Isuzu has established fair and sound labor-management relationships founded on mutual trust between management and employees, who cooperate to tackle challenges.

- Key management issues: Considered and discussed at labor-management councils and other meetings held regularly between labor and management.
- We also encourage lively discussions on our management policies with recommendations by the Labor Unions based on the current workplace situation.
- For the operation and review of various HR/labor-related systems and programs, we proceed after thorough discussions between employees and management based on each party's awareness of the issues.

Through such relationships between labor and management, we further strive to improve the effectiveness of various measures as well as the objectivity and transparency of our corporate management. Isuzu is committed to further developing an environment that is ideal both for the employees and the employer.

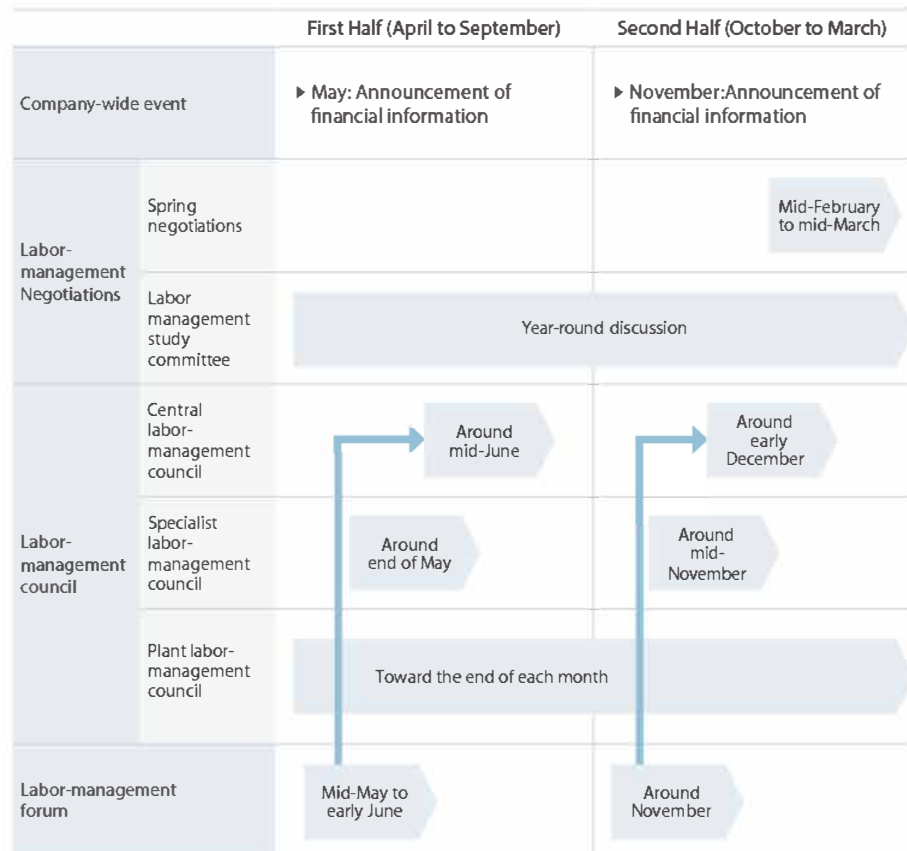
Major Labor-management Forums in Practice

Content of the Major Labor-management Forums

| | | |
|-------------------------------|-------------------------------------|--|
| Labor-management Negotiations | Spring negotiations | Main purpose: Labor-management negotiation regarding overall life improvements Agenda: Wages/bonuses, general working conditions Corporate representatives: President and Division EVP |
| | Labor management study committee | Main purpose: A forum for discussion throughout the year Agenda: General working conditions Attendees: General Manager of HR Planning Dept., General Manager of General Affairs & HR Dept., General Manager of Employee Relations Dept. |
| Labor-management Council | Central labor-management council | Main purpose: To discuss Company-wide business activities Agenda: Company management policy, production, sales, accounting, wages, R&D, etc. Corporate representatives: President and Division EVP |
| | Specialist labor-management council | Main purpose: Conducts specialist labor-management council meetings related to production Agenda: Policies for initiatives related to production, productivity improvements, and state of progress Attendees: Executive Officer and General Manager related to Manufacturing Division, VIP, General Managers |
| | Plant labor-management council | Main purpose: Monthly labor-management consultations Agenda: Operating structure, work environment, benefits, etc. Attendees: Plant Executives, relevant department manager, etc. |
| Labor-management forum | | Main purpose: A forum for the exchange of opinions between labor and management at the division level Agenda: Policies and issues of each division, workplace voices, etc. Attendees: EVP, VP, General Managers, etc. |

Respect for Employees

Annual Schedule for Major Labor-management Negotiations and Council Meetings



Human Rights



Human Rights

Isuzu Group Human Rights Policy

On February 25, 2022, the Board of Directors approved and established the Isuzu Group Human Rights Policy (hereinafter referred to as the Policy). This policy complies with the United Nations Guiding Principles on Business and Human Rights and reiterates Isuzu's commitment to contribute to the realization of a sustainable society by promoting business activities that respect human rights as part of its corporate social responsibility amid expectations that the international community will foster a corporate culture of respect for human rights and make efforts across all business activities.

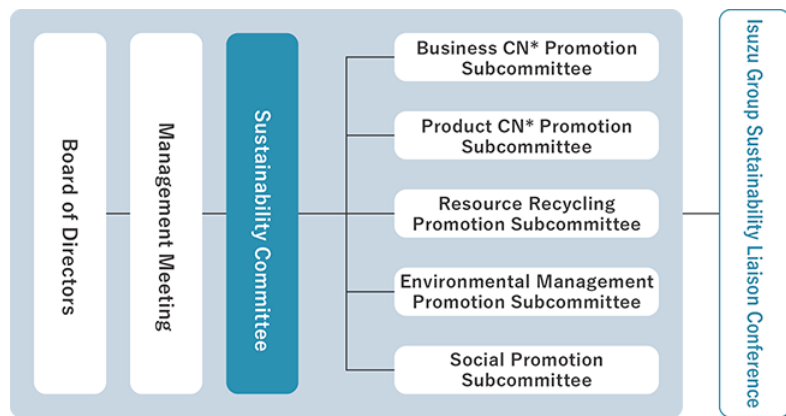
In accordance with this policy, Isuzu will comply with international norms, laws and regulations, group norms, etc., develop a Group human rights promotion system, engage in human rights due diligence, and provide appropriate education to officers and employees. Additionally, based on the importance of respect for human rights in business, we will engage in dialogue with our stakeholders and strive to promote understanding among our business partners.

For details, please refer to the Isuzu Group Human Rights Policy.

> [Isuzu Group's Human Rights Policy](#)

Management Structure

Amid expectations that the Company fosters a corporate culture of respect for human rights in all aspects of its business activities, the Isuzu Group is promoting business activities that respect human rights as part of its corporate social responsibility. Human rights issues are deliberated upon by the Sustainability Committee, which is chaired by the Executive Vice President and consists of the officers in charge of each division and other members of management. Important issues are then reported to the Management Meeting and the Board of Directors. The Sustainability Department, a dedicated department, is mainly responsible for the implementation of human rights safeguarding measures together with related divisions. A subcommittee of the Sustainability Committee, the Social Responsibility Promotion Subcommittee deals with social issues, and representatives from all divisions attend to discuss human rights matters. Furthermore, from FY2023, in the Isuzu Group Sustainability Liaison meetings, we now share information with sustainability managers from domestic and international Group companies and appoint human rights officers in each company. Together as a Group, we are promoting efforts to respect human rights.

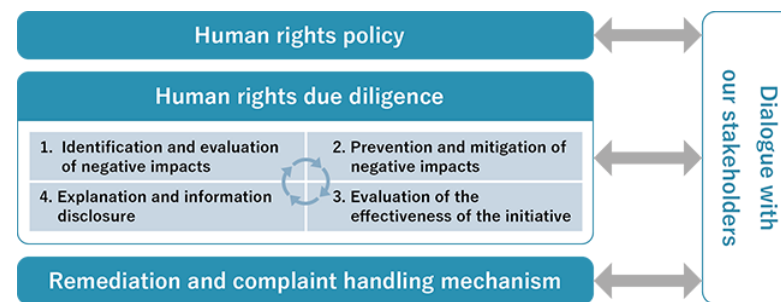


* CN: Carbon neutral

Human Rights Due Diligence

Isuzu Group is progressing with the establishment of a process for human rights due diligence and the practice of respecting human rights based on the Isuzu Group Human Rights Policy, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Process of human rights due diligence



Identification and Evaluation of Negative Impacts

In 2023, Isuzu Group, with the cooperation of external experts from the Caux Round Table Japan, conducted an assessment to identify potential risks to human rights arising from the Group's business activities. As a specific procedure, all departments participated in discussions about human rights concerns at each phase of the value chain within the Social Responsibility Promotion Subcommittee under the Sustainability Committee. Furthermore, interviews were conducted with the relevant divisions, and the discussions and interview contents were analyzed and organized from a societal perspective to identify human rights themes to be prioritized for action. After discussions in the Sustainability Committee, the human rights issues at play were decided in the Management Meeting.

Identified priority human rights themes to be addressed

- ① The issues involving foreign workers within the Company's group, including Isuzu dealers, are also relevant to the broader supply chain.
- ② Management of human rights issues and initiatives within the value chain, including downstream logistics.



Social Responsibility Promotion Subcommittee Workshops

Human Rights

Initiatives on Human Rights Due Diligence Concerning Foreign Workers

Japan's automotive industry currently engages many foreign workers, including technical interns. We have confirmed that Isuzu Group and our business partners are accepting overseas technical intern trainees in numerous companies. As a result, addressing issues related to foreign workers has become a significant human rights issue in Isuzu's supply chain, and we are implementing various measures in response to this. In April 2022, Isuzu's efforts were recognized in this regard when we received certification as an excellent training provider. We will continue to create and maintain a more comfortable work environment for foreign workers and a support system in cooperation with supervisory bodies.

Conducting Interviews with Overseas Technical Intern Trainees

As part of our human rights due diligence, we conducted interviews with overseas technical intern trainees in January and February 2023 at one of our Group companies and two of our business partners. The interviews were conducted in person with the assistance of a third-party organization, the Caux Round Table Japan (CRT), to ensure objectivity and impartiality. Based on the results of these interviews, Mr. Ishida, the Secretary-General of CRT, provided an evaluation comment stating that, overall, the relationship between foreign workers and the Company is sound, and although there is room for some improvement, there are no particular human rights issues of concern at this point. In the future, we will continue to expand and sustain our human rights activities with the cooperation of all our business partners, and we will respond sincerely to improvement suggestions and other feedback.

| | Company A (Group company) | Company B (business partner) | Company C (business partner) |
|---|--|--|---|
| Implementation date | January 31, 2023 | February 7, 2023 | February 8, 2023 |
| Nationality/Number/Gender of the subjects | Indonesian / 3 / Male | Chinese / 4 / Female | Indonesian / 3 / Male Thai / 1 / Male |
| Key comments from third-party organizations (excerpt) | <ul style="list-style-type: none"> Leaders and mentors are considerate and have established a trusting relationship with the trainees. A 40-minute bicycle commute is generally considered quite long, so we expect appropriate measures to prevent accidents. | <ul style="list-style-type: none"> Communication between the Company and the union is good, and the Company is also providing excellent support. We expect more consideration in the allocation of dormitory rooms, such as providing multiple options to choose from. | <ul style="list-style-type: none"> With leaders taking the initiative and responding promptly to concerns, a working environment where employees can feel at ease has been created. In some cases, certain Company housing units lack lockable safes and, we expect improvement measures to be implemented. |

Prevention and Mitigation of Negative Impacts

Education and Awareness-raising Activities for Respecting Human Rights

For employees

To deepen employees' understanding and emphasize the importance of respecting human rights in corporate activities, we offer human rights education with the theme of Business and Human Rights during the development of our human rights policy and as part of the onboarding training for new employees. Additionally, concerning domestic and overseas Group companies, we participate in the exchange of information on human rights through the Isuzu Group Sustainability Liaison meetings, and we regularly provide human rights education for personnel responsible for human rights.

For our business partners

At Isuzu, we have been holding human rights seminars for our business partners every year since FY2022 to promote business activities that respect human rights across the supply chain. In FY2023, we introduced Isuzu's human rights initiatives and hosted a guest lecture from the Caux Round Table Japan on the implementation of human rights due diligence.

Isuzu Supplier Sustainability Guidelines

Isuzu has been conducting socially responsible procurement activities in collaboration with our trading partners based on the 'Supplier CSR Guidelines' up until now. However, considering the changing trends in sustainability and the expectations of our stakeholders, we revised and updated the guidelines to the 'Isuzu Supplier Sustainability Guidelines' (hereinafter referred to as the 'Guideline') in December 2022. In this revision, we have enhanced the content to promote the shared values of sustainability, including environmental and human rights aspects, throughout Isuzu's supply chain. Based on the 'Isuzu Group Human Rights Policy' formulated in February of the same year, we encourage the utilization of this Guideline to advance your efforts, and we also request your cooperation in disseminating and understanding the Guidelines not only within your organization but also across your supply chain. We kindly request our business partners to agree with Isuzu's principles and confirm their commitment to comply with the requirements of this Guideline for all products and services supplied to Isuzu, by signing an agreement. As of May 2023, we have received signatures from approximately 80% of our business partners, representing around 80% of the annual purchase amount.

> [Isuzu Supplier Sustainability Guidelines](#) 

Human Rights

Initiatives for Labor Issues

Prevention of Child Labor

At Isuzu, the employment of children is strictly prohibited by regulations, and there were no instances of hiring individuals under the age of 18 in FY2022.

Prevention of Forced Labor

Employees directly employed by Isuzu are not compelled or restricted in their employment except as specifically agreed upon in accordance with employment rules and with the consent of the Isuzu Motors Labor Unions, organized by a majority of the employees. Furthermore, they will not be subject to discriminatory treatment based on nationality, creed, or social status in relation to the working conditions stipulated in the employment rules.

Living Wage Support

We have concluded an age-based minimum wage agreement with the Isuzu Motors Labor Association, the labor union of the majority of our employees, to provide a safety net for the living standards of our employees. We discuss and revise wage levels as necessary at annual labor-management negotiations. Additionally, we have established standards for bonuses and other benefits during leaves of absence to help safeguard employees' livelihoods.

This agreement is reported to the National Federation of Isuzu Motors Workers' Unions, the highest-level union, to encourage increasing minimum wages across the entire Group.

Risk Assessment for Labor Issues

Risks are identified in areas such as labor problems, discrimination, harassment, mental health, and management failures caused by differences in values. They are evaluated quarterly to determine whether they have arisen and assess countermeasures to prevent risks and minimize their impact when they do arise. Our efforts to date regarding overseas technical intern trainees working in environments with different cultures and languages have been officially recognized. Specifically, in April 2022 we received certification as an excellent training provider. We will continue to eliminate human rights risks that could lead to forced labor while striving to create and maintain a more comfortable work environment and a support system in cooperation with supervisory bodies.

Furthermore, there have been no confirmed violations related to labor laws that could impact Isuzu's business activities in FY2023.

Black Economic Empowerment Policy Initiatives at Isuzu Motors South Africa

The Isuzu Group believes in employing local workers and actively recruits locally in the countries and regions in which it operates. Isuzu Motors South Africa (IMSAf), which produces and sells commercial vehicles, buses, and LCVs for South Africa and neighboring countries, does not only promote employment in the region but is also actively working to support South Africa's Broad-Based Black Economic Empowerment (B-BBEE) policy. Of IMSAf managers, 39% are HDSA*, of which 9% will be promoted in 2022. We have also hired 16% more new HDSA*. IMSAf has achieved Level 1 on the B-BBEE Scorecard for the third consecutive year. It remains the only commercial vehicle manufacturer to achieve Level 1 and was awarded the highest score ever given.

* Historically Disadvantaged South Africans: South Africans who have been historically disadvantaged due to discrimination against Black people, women, etc. during the apartheid era.

Evaluation and Information Disclosure

Investigation Through Self-Assessment Questionnaire

Since FY2022, we have been asking our business partners to answer the CSR Procurement Self-Assessment Questionnaire issued by the Global Compact Network Japan to confirm the status of their sustainability initiatives concerning human rights. In FY2023, we received responses from approximately 90% of our business partners, corresponding to the annual purchase amount. Additionally, we requested responses from 65 consolidated subsidiaries both domestic and overseas and received responses from all of them (100%). Starting from FY2024, we will conduct surveys using a new self-assessment questionnaire aligned with the content of the Isuzu Supplier Sustainability Guidelines. In cases where risks become evident, we plan to initiate improvement efforts through discussions with our business partners and on-site investigations.

Remediation and Complaint Handling Mechanism

Establishment of an Employee Consultation Service

Isuzu has established three consultation counters for internal reporting and consultation on compliance: a workplace counter (under the supervision of supervisor), an intra-division counter (under the supervision of division managers), and a Company-wide counter (under the supervision of the Compliance Management Group, Legal Dept.).

These contact points act as impartial receivers of information and serve not only in cases of clear violations of laws and regulations or internal rules but also for consultation on matters that appear suspicious and as a contact point for inquiries regarding internal rules and laws and regulations related to business operations. Additionally, a suggestion box (External Point of Contact) has been set up at an external law firm as a contact point in the event that, for whatever reason, it is difficult to consult or resolve a problem through the internal consultation service. The internal and external consultation offices accept consultations and inquiries by e-mail, fax, telephone, and letter. In accordance with the Whistleblower Protection Act, the names of individuals who provide information and the content of such information are treated as confidential information and are protected to ensure that individuals will not be treated unfairly within the Company.

To familiarize staff with these consultation services, we distribute a Compliance Guidebook and Compliance Card to all employees, which includes contact information for each consultation service and the suggestion box. Additionally, Isuzu regularly informs employees of their contact point through Isuzu Quality and Compliance Promotion Meetings, posters, and other means. The Compliance Management Group of the Legal Dept. serves as the secretariat for matters reported or discussed at each contact point and works to confirm the facts and make improvements.

In FY2023, there were 46 cases (9 cases related to the Company and 37 cases related to Group companies) that were reported to or consulted on by the external consultation service. Those requests received through the internal and external consultation services were handled appropriately, and we confirm that there have been no serious compliance violations. The status of compliance efforts and the number of consultations and serious violations are reported to the Board of Directors.

Business Partner Consultation Service

We also have a Business Partner Consultation Service within our Legal Depts. Compliance Management Group, for providing our business partners with impartial consultations on compliance-related matters.

Human Rights

Participation in the JP-MIRAI Consultation and Relief Service Initiative

As part of the establishment of a relief mechanism for foreign workers, we participated in the consultation and relief service initiative of the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI) in October 2022. JP-MIRAI is a platform aimed at contributing to the creation of a prosperous and sustainable society by responsibly and stably accepting foreign workers and improving their work and living environments. This is in line with the Sustainable Development Goals (SDGs) targeted for the year 2030. The platform aims to make Japan a country of choice, a trusted destination for migrant workers around the world.

In this initiative, the JP-MIRAI portal site is utilized to disseminate necessary information to foreign workers. It also provides anonymous and multilingual external consultation services, as well as feedback to participating companies. Currently, we are participating with a focus on foreign workers from Isuzu Motors and two Group companies. Additionally, through participation in this initiative, we will engage in discussions with the JP-MIRAI Secretariat and other participating companies.

Dialogue with Stakeholders

At Isuzu, we believe that it is important to proactively convey our thoughts to various stakeholders and actively listen to their voices. We recognize the importance of respecting human rights when conducting business, and we will continue to engage in dialogue with stakeholders while seeking the assistance of external experts on human rights. Through these efforts, we aim to make progress in addressing human rights issues.

Participation in Stakeholder Engagement Program

Isuzu believes that it is important to understand the negative impacts on human rights resulting from its business activities from the perspective of stakeholders. Therefore, starting in FY2024, Isuzu has been participating in the Stakeholder Engagement Program organized by the Caux Round Table Japan. Through this platform, participating companies, experts, NGOs/NPOs, and others engage in dialogues on a wide range of human rights issues and, in so doing, gain an understanding of the perspectives of rights-holders and acquire the knowledge required to implement human rights due diligence as called for by the United Nations Guiding Principles on Business and Human Rights.

> Related Links: CRT Stakeholder Engagement Program 

Supply Chain Management



Supply Chain Management

Basic Approach

We will work together with our business partners, sharing and collaborating on the new corporate vision "Moving the World - for You," which goes beyond the framework of the conventional corporate vision "A Leader in Transportation," as we engage in procurement activities. We conduct open and fair transactions and maintain mutual communication with the various business partners involved in our supply chain to build relationships based on trust.

Basic Approach to Procurement Activities

Isuzu recognizes that gaining the cooperation and trust of its stakeholders, including its business partners, in the areas of Isuzu's activity such as the environment, quality, compliance, human rights, and community/social contributions, is extremely important to earning the trust of society, contributing to the sustainable development of society, and fulfilling its corporate social responsibility. To this end, it is working to address a variety of issues.

Isuzu established the Purchasing Basic Vision and Purchasing Basic Policy in 1997 to illustrate the direction of its procurement activities and maintain consistency across these activities. Our Basic Purchasing Vision and Basic Purchasing Policy are thoroughly communicated to new recruits and, through introductory training, to transferees from outside the Purchasing Division.

Many of the parts and other items used in Isuzu's products are purchased from external business partners. The occurrence of a quality problem with purchased items or the manifestation of environmental, social, or business continuity risks affecting the supply may cause significant inconvenience to customers using our products. To prevent such situations, Isuzu is strengthening its monitoring system regarding quality management, as well as environmental, social, and business continuity measures. Going forward, Isuzu will continue its purchasing activities based on mutual trust with its business partners and will aim to establish a more resilient supply chain to ensure the stable procurement of quality products.

Basic Purchasing Vision

We would like to support smooth production through procurement activities. To this end, we guarantee satisfactory quality as well as timely delivery and accurate quantities of purchased products, and we cooperate with the provision of new technologies through purchasing markets, contributing to Company profits. We believe that these actions will help establish interactive communication built on mutual trust with our business partners.

(Established: July 1997, last revised: April 2008)

Basic Purchasing Policy

1. With quality as our first priority, Isuzu aims to build a system for creating and delivering products that satisfy its customers.
2. Isuzu aims to procure parts based on fair and equitable competition, whether in Japan or overseas, so long as they are satisfactory in terms of quality, pricing, and delivery.
3. Isuzu works to enhance its corporate competitiveness while developing procurement activities aimed at win-win relationships with our business partners.

Purchasing Slogan

OPEN (Optimum Procurement to Embody the Needs)

Isuzu will match market needs and establish optimum procurement routes by encouraging procurement reforms.

The procurement slogan depicts an image of the reform so that it is recognizable internally and externally (established July 2010). It is also displayed on materials distributed inside and outside of the Company, as well as on business cards.

* The name "OPEN" also indicates transparency of procurement



Thorough Enforcement of the Basic Purchasing Vision and Basic Policy among Purchasing Division Members

Our Purchasing Basic Vision and Purchasing Basic Policy are written in the Purchasing Division Compliance Guidebook which is available on our in-house database for viewing by members of the Purchasing Division at any time.

Explanation about our Purchasing Basic Vision and Purchasing Basic Policy was added to the introductory training for transferees to the Purchasing Division in FY2023. In this way, all employees of the division are thoroughly educated on the Basic Vision and Policy.

In addition, a seminar on the Act Against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and the Guidelines for Appropriate Trade in the Automobile Industry is held in an effort to encourage understanding about and compliance with the Act and the Guidelines which members of the Purchasing Division must know well.

Supply Chain Management

Management Structure

Isuzu holds a Purchasing Division's Quality Meeting once a month for reporting and discussion on topics such as the quality of the previous month's purchased parts, results of audits on new business partners and results of internal audits and external assessments related to ISO and IATF. The Purchasing Division holds a Quality and Compliance Promotion Meeting and an Environmental Meeting once a month each. Information from these committees is passed to all departments within the Purchasing Division. The Purchasing Division's policy on activities related to compliance and the environment is determined at these meetings.

Implementation of Departmental Education

New employees and other employees newly assigned to the Purchasing Division receive introductory training on compliance and sustainability. All division members are provided with seminars on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Furthermore, we conduct an EV battery seminar as part of our organization's efforts to deepen knowledge about zero-emission vehicles and work toward achieving a decarbonized society.

Business Partner Consultation Service

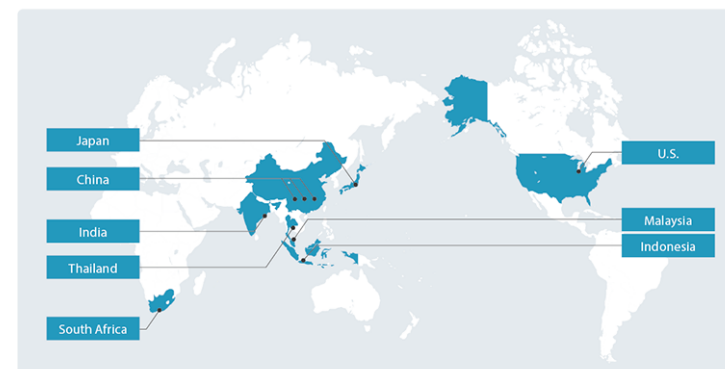
We maintain a Business Partner Consultation Service as part of our Risk Management Division's Compliance Management Group. It offers impartial consultations to our business partners. We are available for consultation with business partners regarding compliance issues.

Initiatives

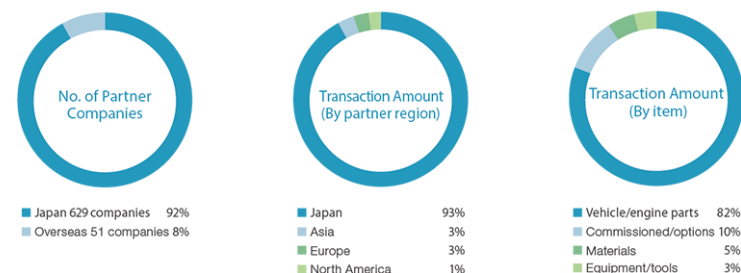
Isuzu Supply Chain

Isuzu chooses its Business Partners according to a fair and equitable selection process regardless of whether they are based in Japan or overseas. In our procurement activities, we pursue win-win relationships with our business partners and apply the same activities to our global supply bases to enhance our corporate competitiveness. Isuzu in Japan have a total of 680 domestic and overseas business partners. About 90% of these partners are based in Japan. In terms of transaction amount, the procurement of vehicle and engine parts makes up about 80% of the total.

Main Global Supply Hubs



Transactions in Japan



Regional Development and Job Creation

In the countries and regions where Isuzu operates, Isuzu promotes the use of local parts to contribute to the development of the local automotive industry and employment.

Supply Chain Management

Various Guidelines for Business Partners

Isuzu Supplier Sustainability Guidelines

Until recently, Isuzu has been conducting socially responsible procurement activities in collaboration with our business partners based on the Supplier CSR Guidelines. However, considering the changing trends in sustainability and the expectations of our stakeholders, in December 2022, we revised and updated the guidelines to create the Isuzu Supplier Sustainability Guidelines (hereafter the Guidelines). In this revision, we have enhanced the content to promote the shared value of sustainability, including environmental and human rights aspects, throughout Isuzu's supply chain. Based on the Isuzu Group Human Rights Policy formulated in February of the same year, we encourage the use of the Guidelines to advance your human rights efforts, and we also request your cooperation in disseminating and considering the Guidelines not only within your organization but also across your supply chain. We kindly ask our business partners to agree with Isuzu's principles and confirm their commitment to complying with the requirements of the Guidelines for all products and services supplied to Isuzu by signing an agreement. As of July 2023, we have received signatures from our business partners, representing about 90% of our annual purchase volume. Furthermore, we have created a Self-Assessment Questionnaire (SAQ) to evaluate whether initiatives aligned with the revised Guidelines are being implemented. We will commence the survey in FY2024. As of July 2023, we have received signatures from business partners that represent approximately 90% of the annual purchase volume. Where any risks are identified, we plan to conduct interviews and on-site audits with our business partners to implement improvement measures.

> [Isuzu Supplier Sustainability Guidelines](#) 

Isuzu Green Procurement Guideline

The Isuzu Group has established the Isuzu Green Procurement Guidelines, which introduce our Charter on the Global Environment and summarize the environment-related requests we have for our business partners by type of industry. (Last revised: October 2017.) Through the Isuzu Green Procurement Guidelines, we obtain an understanding of Isuzu's environmental initiatives from our business partners, and at the same time request that they promote environmental activities.

> [Isuzu Green Procurement Guideline](#) 

Communication with Business Partners

Isuzu is strengthening communication with its business partners through briefings and meetings. Despite the COVID-19 pandemic and in response to the changing situation, during FY2023, we gradually increased in-person information dissemination while also utilizing web tools. Also, we try to remain respectful in communicating with our business partners. We believe that interactive communication built on mutual trust with our business partners will strengthen our supply chain.

Main Opportunities for Communication with Business Partners

- New Year's business leaders' forums
- Procurement policy briefings
- Production briefings
- Quality policy briefings
- Isuzu Kyowakai*

* Isuzu Kyowakai: A cooperative association comprising Isuzu's business partners

Deployment of Isuzu Supplier Sustainability Guidelines and ISUZU Green Procurement Guidelines

The failure of a business partner to fulfill its corporate social responsibilities would significantly and adversely affect Isuzu's reputation and its production activities. For example, the occurrence of misconduct—such as falsification of inspection data or human rights-related problems—from our business partner would adversely affect Isuzu's image and, through actions such as discontinuation of supply of purchased parts, Isuzu's production activities. This would inconvenience the customers who use Isuzu's products. To avoid such risks, we ask our business partners to follow our Sustainability guidelines. When contracting with new business partners, we request that they follow the Isuzu Supplier Sustainability Guidelines, which include human rights, the environment, and anti-corruption measures such as restrictions on unfair business dealings and prohibitions on offering entertainment, gifts, and money.

Additionally, through the ISUZU Green Procurement Guideline, we ask our business partners to learn about Isuzu's environmental initiatives and promote environmental activities.

The guidelines are posted on the Isuzu Supplier Portal Site and the Isuzu website to inform business partners.

Monitoring the Efforts of Our Business Partners

Quality

To monitor the delivery quality and market quality of our business partners, we calculate a monthly evaluation score based on factors such as the number of defect occurrences, the number of defects, and the severity of defects. As a result, business partners whose evaluation scores and defect counts do not meet a certain standard are selected to be companies subject to management, and business partners whose evaluation scores meet a certain threshold but have defect counts exceeding a specific limit are selected as companies subject to observation, indicating a need for improvement in delivery quality. We strive to improve delivery quality through efforts such as holding monthly quality meetings. In FY2023, the quality of the deliveries improved and approximately 90% of our business partners attained the standard score of delivery quality evaluation. None of the business partners was determined to be a company subject to management by failing to attain a certain standard of quality evaluation. However, some fell within the definition of a company subject to observation. We joined these business partners in their improvement activities and encouraged them to strive for better quality.

In addition, we conduct an on-site audit of certain business partners when they undergo a triennial assessment for the renewal of a direct supply contract, to keep updated on their quality management structure operations. We conduct an on-site audit of our new business partners before starting business relationships with them and evaluate the effectiveness of their quality management structures to see if they meet requirements for trading with us.

BCP

From the perspective of business continuity, numerous challenges need to be addressed regarding our future production activities both in the short and medium-to-long term. These challenges include shortages in parts supply, infectious diseases, production plan changes due to natural disasters, and operational adjustments, among others. Furthermore, it is essential to be mindful of geopolitical risks. In FY2023, due to the spread of COVID-19 and the need to quarantine plants, procurement risks became evident. As a result, we have been considering measures to hold larger inventories and explore operations that allow sourcing from areas outside high-risk regions. We are also promoting the establishment of a BCP/BCM system to verify the supply chain and will tackle the new challenge of visualizing the supply chain. In the event of a natural disaster, we utilize our system to promptly request that business partners responsible for reporting the extent of the delivery impacts they are facing. We have formed a Crisis Management Team as part of our efforts to minimize the time required to resume operations. In the event of a disaster or other calamity, we will compose an initial response, cooperate with our business partners to achieve a quick recovery, and establish a system to minimize the impact on the sale of Isuzu products.

Supply Chain Management

Environment

Isuzu requests that its business partners report their activities related to the promotion of environmental management structures through the Voluntary Assessment Report on Environmental Management. We asked 365 business partners to conduct voluntary assessments for the Voluntary Assessment Report on Environmental Management for FY2023. The evaluation results showed a record-high response rate, as in the previous year, and a record-high average score. We confirmed that the number of business partners engaged in environmental activities is increasing. Regarding improvements, the number of examples of energy-saving activities and reduction of water consumption increased, and the number of business partners engaged in the acquisition of environmental management structure certification, waste reduction activities, and management and reduction of environmentally hazardous substances also increased, confirming that awareness of environmental activities among our business partners has grown. Additionally, we have joined to the CDP Supply Chain Program from FY2023 to promote efforts related to climate change and to track our business partners' GHG emissions. We received responses from suppliers representing approximately 90% of our annual purchases. Isuzu recognizes that promoting environmental activities is vital to strengthening its supply chain and will continue to work towards the gradual reduction of GHG emissions.

Main voluntary environmental assessment items

1. Environmental management structures
2. Notification of environmental personnel
3. Compliance with environment-related laws and regulations
4. Promotion of energy-saving activities
5. Reduction of water consumption
6. Reduction and appropriate treatment of waste
7. Reduction of emissions of regulated chemical substances
8. Submission of voluntary environmental management structure evaluation report
9. Managing environmentally hazardous substances
10. Reduction of CO₂ emissions and packaging/shipping materials in logistics

Human Rights

Since FY2022, we have been asking our business partners to answer the CSR Procurement Self-Assessment Questionnaire issued by the Global Compact Network Japan to confirm the status of their sustainability initiatives, including the use of conflict minerals and human rights initiatives. In FY2023, we received responses from business partners that account for approximately 90% of the annual purchase volume. From FY2024, we plan to use a new Self-Assessment Questionnaire (SAQ) aligned with the Isuzu Supplier Sustainability Guidelines to identify, evaluate, and implement improvements concerning human rights risks.

Cybersecurity

Since FY2022, we have been reviewing the JAMA/JAPIA cybersecurity guidelines of our business partners to confirm and improve their cybersecurity measures. Additionally, we kindly request that our business partners conduct a self-check using the Automotive Industry Security Check Sheet. Moreover, starting in FY2023, we have conducted cybersecurity management system establishment and operational status checks for 28 business partners handling products subject to UN-R155 and domestic regulations (Road Transport Vehicle Law Safety Standards) to ensure they comply with vehicle product cybersecurity requirements. In the future, we will continue to promote comprehensive cybersecurity measures among our business partners. To achieve this, we will conduct regular surveys to assess their improvement status and provide appropriate support from Isuzu as needed. Furthermore, to ensure compliance with regulations, we will conduct checks on the vehicle product cybersecurity management systems of the relevant business partners.

Environmental Activity Seminars

In FY2023, we disseminated information about our environmental initiatives, activities plan, chemical substances regulations, and Isuzu's policies to our business partners through the production briefing. Furthermore, to enhance the supply chain, we encouraged the use of self-assessment sheets created by relevant industry groups for product substance management. In FY2024, we will adapt to the changing situation, visit our business partners, and hold environmental seminars to boost environmental initiatives across our supply chain.

Human Rights Seminars

To promote human rights due diligence initiatives in our business partners' supply chains, we held an online seminar entitled "...in FY2023, following the human rights webinar for suppliers in FY2022 previous year and held an online seminar entitled "The Approach to 'Human Rights' in the Supply Chain." For this seminar, we invited external experts to discuss the human rights due diligence expected from companies and issues related to foreign workers in Japan. Additionally, we revised the Isuzu Supplier CSR Guidelines in response to the formulation of the Isuzu Human Rights Policy and issued the "Isuzu Supplier Sustainability Guidelines" in December 2022. In FY2024, we will raise the level of our efforts and further promote understanding of human rights issues among our business partners.

Responsible Mineral and Raw Material Sourcing

Isuzu considers the use of conflict minerals to be a serious problem in the supply chain as these minerals cause human rights infringements, environmental destruction, and illegal mining in conflict zones, and are used to finance militant forces. Therefore, we request confirmation of non-involvement in conflicts upstream in the supply chain through the "Isuzu Supplier Sustainability Guidelines." In FY2022, we launched a survey on the use of conflict minerals in our business partners' supply chains and the status of their initiatives for responsible mineral sourcing. The survey has been conducted since FY2023 using the unified format provided by Responsible Minerals Initiative (RMI). We will continue to ask our business partners to promote responsible mineral sourcing.

Interview with Technical Intern Trainees

At Isuzu, we are addressing issues related to foreign workers, including overseas technical intern trainees, as a significant human rights issue. In FY2023, we conducted interviews with overseas technical intern trainees at two of our business partners with the assistance of a third-party organization (the Caux Round Table Japan).

> Human Rights

Social Contribution



Social Contribution

Basic Approach

To create the Isuzu's purpose of "Moving the World - for You", we will continue our efforts towards carbon neutrality and contribute to the evolving logistics. Additionally, we will advance the following initiatives to contribute to the resolution of social issues by respecting national and regional cultures, and by engaging with local communities and societies through our business activities.

Themes for Social Contribution Initiatives

1. Balance between global environmental sustainability and global economic growth

In addition to reducing the environmental impact of manufacturing processes and promoting recycling-oriented business, we will provide economically friendly products and services that have low environmental impact through the creation of innovation geared toward decarbonization such as the development of products with advanced environmental performance that contribute to efficient transportation.

2. Realization of a society in which people and goods can be transported safely, securely, and efficiently.

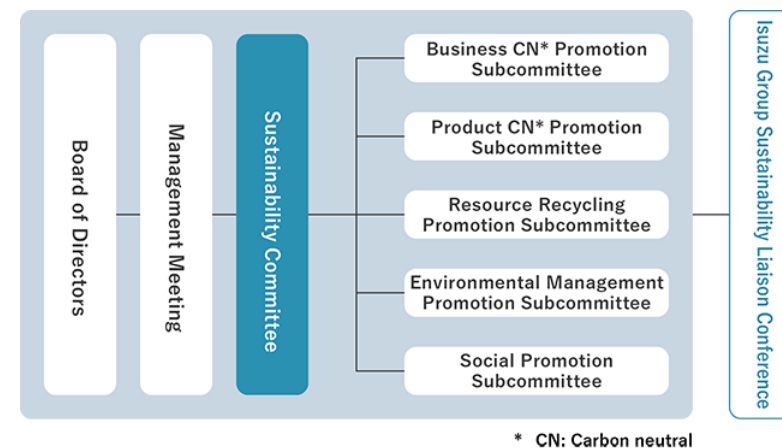
Isuzu creates innovation in the fields of automated driving and connected technologies while leveraging business collaborations with its trusted partners. Additionally, the Company will continue to make efforts to enhance its after-sales service network, in addition to supplying products equipped with state-of-the-art safety features so as to provide products and services that underpin the transportation industry.

3. Harmony with Local Communities

Isuzu is to respect national and regional cultures, participate in and harmonize with local communities and societies through business activities etc. By doing so, we will strive to win the trust of local communities and contribute to their prosperity.

Management Structure

Isuzu has established the Social Promotion Subcommittee headed by the Sustainability Committee to discuss and address social issues. Representatives from all divisions participate in the Social Responsibility Promotion Subcommittee, which examines ESG evaluation trends and sustainability management issues and promotes activities that lead to improvements in Isuzu's social reputation.



Mechanisms to Encourage Employee Participation

While encouraging employee participation by using posters and companywide e-mails, we also communicate the results of our activities on a broad scale both internally and externally with our in-house newsletter as well as Isuzu's website and community site.

Support for External Initiatives and Coordination with Industry Groups

Support for External Initiatives and Coordination with Industry Groups

We are promoting activities that invite employee participation while engaging in coordination and cooperation with various groups.

- World Vision International
- OISCA International
- Specified nonprofit corporation TABLE FOR TWO International
- Registered NPO Second Harvest Japan

Social Contribution

Initiatives

Harmony with Local Communities

Isuzu Plaza

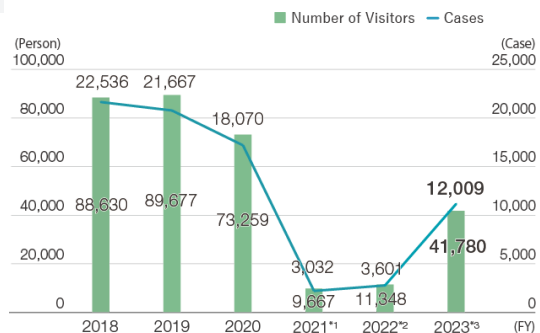
Purpose of Establishing Isuzu Plaza

The Isuzu Plaza was opened next to the Fujisawa Plant in April 2017 as part of the Isuzu Motors 80th anniversary project. The Isuzu Plaza consists of three zones that include “supporting transportation,” “Isuzu manufacturing (monozukuri),” and “the history of Isuzu,” which teach people about Isuzu and encourage them to feel closer to the Company. In the future, we will hold various events and manufacturing workshops to connect with the local community and foster relationships with people in the region.



Isuzu Plaza

Number of Visitors



* 1 Temporary closure of the museum (approximately 5.6 months) and restriction of visitors using the reservation system in response to the spread of COVID-19

** 2 Temporary closure of the museum (approximately 6.0 months) and restriction of visitors using the reservation system in response to the spread of COVID-19

** 3 We have implemented visitor restrictions through a reservation system to prevent the spread of COVID-19.

Direction of Exhibits and Activities

Exhibits and events proactively introduce Isuzu's social contribution activities. They help stakeholders understand the social contributions Isuzu makes through its products and services and the social contribution activities themselves and will motivate Isuzu Group employees to engage in such activities, thereby further promoting them. In the future, we plan to highlight the importance of trucks in supporting affluent lifestyles and Isuzu's efforts to solve social issues.

Cooperation with the Community

Since FY2022, Isuzu has been collaborating with Fujisawa City to promote activities that support the "awareness of fire prevention and firefighting operations." In FY2023, we launched a permanent exhibition of Rescue Vehicle III (chassis made by Isuzu) donated by Fujisawa City. In this exhibition, we have set up two monitors to showcase the purpose of the Fujisawa City Fire Department, the thoughts of its members, and Isuzu's manufacturing process to reach a wider audience. Furthermore, we held the Parent-Child Firefighting Event where firefighting personnel, who are regularly present at the scenes of disasters, provided explanations and practical demonstrations of their work. The event offered various activities, including lectures, virtual fire station tours, rides on a ladder truck, and rescue demonstrations by the high-angle rescue team. Attendees showed a high level of interest in and understanding of firefighting duties, and they also expressed their expectations regarding the activities. We will continue to hold these events regularly to contribute to the development of the local area.



Rescue vehicle



Parent-Child Firefighting Event

Social Contribution

Social Studies Field Trip Initiatives

For many years, Isuzu has been conducting tours of the Isuzu Fujisawa Plant as one of its educational support initiatives for fifth-grade students. These tours provide the students with a deeper understanding of the automotive industry. Since the opening of Isuzu Plaza in April 2017, a new tour has been established that combines a visit to the Fujisawa Plant with a visit to Isuzu Plaza. At the Plant, we provide an opportunity for visitors to experience the Plant and gain an understanding of the experiences of the workers and the ingenuity of the manufacturing process. At the Plaza, we offer a learning space where visitors can experience and understand the role of commercial vehicles, the environment, and safety.

Virtual Social Studies Tour Offerings and Objectives

Despite the COVID-19 pandemic, we wanted to provide more children with opportunities to learn about the automotive industry. With this intention in mind, we collaborated with the Board of Education and elementary schools to create a web-based Isuzu Virtual Social Studies Tour (IVSST)*. We started a trial roll-out of the tour in 2021, covering 58 schools. In FY2023, we made improvements in content, methods of progression, and more, with participation from 72 schools and 6,527 students.

IVSST was also implemented in three elementary schools in Mukawa-cho, Yufutsu-gun, Hokkaido, where the Isuzu Hokkaido Proving Ground is located. We provided learning opportunities about the automotive industry even to students in remote areas. Moving forward, we will continue to improve the curriculum and operations to provide a more enriching educational experience to a greater number of students.

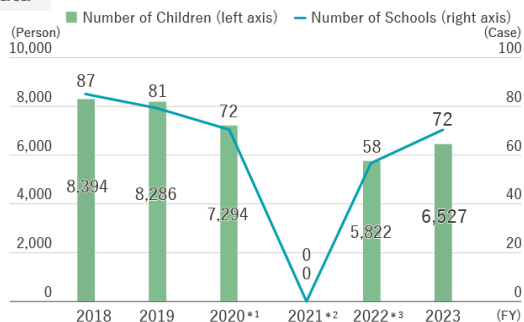


IVSST elementary school class



IVSST implementation at the Plaza

Social Studies Visit Data



* 1 11 schools and 969 persons cancelled their visits due to COVID-19.

* 2 Acceptance of visitors has stopped due to COVID-19.

* 3 IVSST

Eliminating Poverty and Supporting Education

Support Program for Auto Mechanics Vocational School

In November 2008, Isuzu launched its unique social contribution project to celebrate its 70th anniversary. As part of the project, Isuzu has been involved in a program run by the Technical Education and Skills Development Authority (TESDA) of Tacloban City on the island of Leyte in the Philippines. In the program, Isuzu supports an automobile mechanic vocational school in training economically disadvantaged young people.

This activity is not limited to mere financial assistance, but also includes support based on our own expertise. Specifically, we dispatch Japanese instructors to the area to provide technical education support called Isuzu Juku. Based on this effort, the vocational school provides students with advanced maintenance skills in areas such as electricity, transmission, engines and braking, and also instills the mindset of 5S (seiri/sort, seiton/set in order, seiso/shine, seiketsu/standardize and shitsuke/sustain the discipline). Consequently, graduates from the vocational school are received favorably at their places of employment.

In April and November 2022, the entrance ceremonies for the 21st and 22nd cohorts, respectively, and the closing ceremonies for current students were held. These were available to be live-streamed for the first time in Japan and parts of the Philippines. The automobile mechanic vocational school has produced 351 graduates (as of March 2023). Many of them work at dealerships in the Philippines and overseas. Also, more graduates are coming to Japan for employment. From 2019 up to March 2023, nine graduates have found employment at Isuzu and dealerships in Japan. These graduates have been commended for their advanced technical capabilities. In fact, the vocational school has produced two I-1 Grand Prix* winners. Graduates from the vocational school are equipped with advanced technical skills and professional mindsets and are highly regarded by their employers.

On November 18, 2023, the school will celebrate its 15th anniversary.

* Grand Prix: Isuzu World Service Technical Competition (I-1GP) National and regional tournaments to determine the world's most skilled individual in servicing/engineering, where Isuzu's most talented service staff and engineers from many different countries and regions gather to compete in knowledge and technical skills with the aim of raising the level of service in these countries and providing the best service to Isuzu customers at any time and any place.



The 22nd entrance ceremony



Japanese extracurricular lesson



A student practices vehicle disassembly

Social Contribution

Achievements at Competitions Worldwide

- I-1GP top three awards (CV 1st place in FY2016, CV 3rd place and LCV 2nd place in FY2017, and CV 1st place in FY2019)
- 1st place at TESDA's Philippine National Skills Competition in FY2018, participation in the FY2019 ASEAN competition / Achievements within the Isuzu Group
- Three graduates were accepted at Isuzu Motors Syutoken and MSTC in FY2019 and are working with in the Isuzu Group.
- Six graduates were accepted at Isuzu Motors Syutoken and Isuzu Motors Kinki in FY2020 and are working within the Isuzu Group.
- 3rd place at the 2020 I-1 GP e-competition (two of the players are graduates from TESDA) Evaluations of the project in the Philippines

Evaluation of the Same Project in the Philippines

- Commended by TESDA Main Office and the Office of the President in FY2009
- Received the Kabalikawit award (the highest TESDA award at the national level), and commended by President Arroyo at the Malacañang Palace in FY2010
- Received the Gold Award under the CSR education category from the Society of Philippine Motoring Journalists (SPMJ) in FY2018

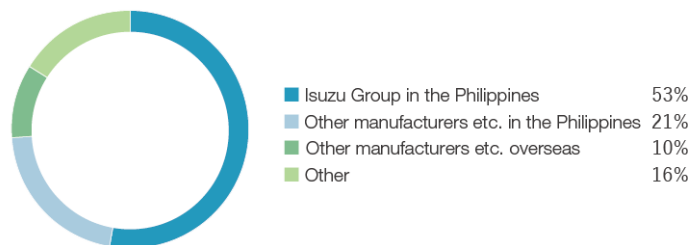


Winning the 3rd place at the 2020 I-1GP e-competition



These graduates work at Isuzu dealerships in Japan

Employment of Graduates (as of April 2023)



Educational Support

Children's Lecture about Antarctic Exploration Held

Isuzu has been dispatching employees to Antarctic exploration expeditions for 66 years, starting with the first expedition in 1956. Isuzu's trucks and engines have long supported Antarctic observation missions. An Antarctic Children's Lecture Meeting was led by a lecturer who is an alumnus of an Isuzu Antarctic research expedition in the hope that Isuzu's Antarctic activities, which contribute to society, will encourage children's curiosity and prompt them to reflect on their future careers. In FY2023, this event was held four times at Isuzu Plaza, Tsujido Seaside Park. Approximately 200 people attended. The presentation also introduced the importance of environmental conservation through an exploration of the current state of the environment and animal life in Antarctica and the work of Isuzu trucks, snowmobiles, and power generation engines in Antarctica's harsh environment, including the measures taken to keep them in operation and able to support scientific observation in the region.



Exhibition at the Antarctica children's lecture

The Isuzu Monozukuri Workshops Held

Since FY2015, Isuzu has been holding the Isuzu Monozukuri Workshop, which was devised to allow attendees to experience the fun and appreciate the importance of manufacturing(monozukuri) at the Shonandai Cultural Center and Tsujido Seaside Park. In this fiscal year, we held 12 Design Classes where participants experienced design work and roles. A total of 226 people took part. Furthermore, the Manufacturing (monozukuri) Experience Casting Workshop, utilizing Isuzu's technology, was held 4 times and boasted 64 participants. Additionally, the Fuel Cell Classroom, aimed at enhancing children's environmental awareness, had 40 participants. Also, 40 people participated in the Environmental Christmas Wreath Workshop, which used natural materials collected from Isuzu's Fujisawa and Tochigi plants to make wreaths. In the future, Isuzu will continue to hold workshops on its strengths in manufacturing (monozukuri) and efforts toward environmental protection.



Casting workshop at Isuzu Plaza

Social Contribution

DeuSEL® Project Special Lesson Held at Elementary School

On November 18, 2022, we conducted a class on DeuSEL® for fifth graders at Sakado Elementary School in Kawasaki City, while also taking thorough infection control measures such as constant ventilation of the bus and hand sanitizing when getting on and off the bus. This event has been held for the past eight years to teach children about the importance of future fuels and the global environment through the role of trucks and buses in society and has been well-received each time. Representatives from Isuzu and Euglena Co., Ltd. gave explanation about DeuSEL®, before the pupils test-rode a DeuSEL® bus and watched euglena. The Q&A session was filled with honest questions that were unique to children but were also to the point.

> DeuSEL® 



DeuSEL® travel class at Sakado Elementary School

Established Isuzu Town Featuring Informative Content for Children

Isuzu Town, featuring informative content for children, has been launched on the Isuzu website in 2021. It was designed to resemble a town called Isuzu Town and highlights the various transportation that children encounter in their daily lives. The content is suitable for children and is designed to make learning about logistics, which is indispensable to our daily lives, and the manufacturing that supports it enjoyable by incorporating play, videos, and illustrations. We create content that carefully considers what Isuzu should convey to the children who are responsible for the future.



Isuzu Work Introduction Is Held

On January 21, 2023, Isuzu work Introduction was held at Shinagawa Gakuen in Shinagawa Ward to convey what it means to work to children through the example of the work done by Isuzu. The event was held as part of Shinagawa Ward's Shinagawa Dream Job* program and has been run by Isuzu since 2018. Thus, this was the fifth event of this kind. The target group consisted of 120 first-year junior high school students. On January 12, during the preliminary learning session, an Introduction to Isuzu Motors overview was delivered in person. On the day of the job introduction lesson, three instructors from the international sales, engineering, and manufacturing departments conducted face-to-face classes. By arousing students' interests from various perspectives such as manufacturing and overseas experiences, we conveyed the importance and attractiveness of working by delivering firsthand accounts of job satisfaction and the sense of purpose one's professional life can offer.

* Shinagawa Dream Job: A program where students develop an interest in careers through listening to talks from companies and individuals who are active in various fields, allowing the students to contemplate their future and learn how to achieve their dreams.



Work Introduction at Shinagawa Gakuen

Social Contribution

Co-sponsoring the Kanagawa Philharmonic Orchestra Factory Event at Two Elementary Schools Near the Fujisawa Plant

Isuzu co-sponsored the Orchestra Factory* by the Kanagawa Philharmonic Orchestra, which was held at Fujisawa Municipal Matano Elementary School in Kanagawa Prefecture on October 6, and at Fujisawa Municipal Koito Elementary School on October 7. This program, which is currently in its ninth year, aims to foster the pupils' creativity and enrich their artistic sensibility by providing them with an opportunity to experience live music. Conductor Mr. Horii gave an easy-to-understand explanation of orchestras (and cars) to the lower-grade students, saying, "An orchestra is like a car; it cannot be completed (performed) if any part (instrument) is missing." Isuzu will continue to expose children to the world of monozukuri.

* Orchestra Factory: An event in which children can experience the creation of something wonderful (i.e., music) through a unified group effort by listening to live orchestral performances and performing with the orchestra members. The aim is for the pupils to imagine, by experiencing the music live, the act of manufacturing a product in a factory.



Children attentively listen to the live performance



Harmony with Local Communities

Donating Cakes to Orphanages and Similar Institutions

Isuzu donates cakes to local orphanages and similar institutions during the Christmas season. In FY2023, we donated Christmas cakes and more to kindergartens, preschools, and orphanages such as Yokohama City, Omori, Fujisawa, and Tochigi where our new head office is located. We have been donating cakes in the Omori area since 1989 and in the Fujisawa and Tochigi areas since 2007.



Donation ceremony for Tochigi City

Participation in the Forestation of Mt. Fuji

Isuzu participates part in the Mt. Fuji Forestation Project to restore the rich forests and ecosystems of the Hokuroku area near Mt. Fuji which was registered a UNESCO Cultural World Heritage Site in 2013. Since FY2009, we have participated in forestation activities and have collaborated with relevant organizations such as OISCA International and Yamanashi Prefecture Forestry Development and Production Cooperative. In FY2023, due to the COVID-19 pandemic, it was difficult to visit the area to conduct afforestation activities. So, as another form of support, we donated 700 bottles of disinfectant spray to Tochigi City made from the aroma extracted from a conifer called shirabe (a member of the fir family), which was collected as part of the Forestation Project of Mr. Fuji activity. These sprays were distributed by the Health and Welfare Department of Tochigi City. We asked that these be distributed to each facility to show our appreciation and support for the dedicated staff members who continue to work on the front lines of the pandemic and to help them feel the healing power of fragrance, even during these difficult times. The Mayor of Tochigi City presented us with a letter of appreciation for this initiative.

Distribution to: Staff members at facilities for senior citizens and day service centers.

'Children's Forest' Project Support Project: Making Use of Secondhand Books Activities

Children's Forest, a project run by OISCA International, supports children's efforts to plant and grow trees at schools and in communities. The aim is for the children to develop a respect for greenery and a love of nature. Isuzu started supporting this project in 2015 and from FY2023, Isuzu Group companies located in the new Isuzu main office building in Yokohama have also begun supporting the project. Specifically, Isuzu's employees donate secondhand books for sale and the funds are then donated to the Children's Forest project.

Social Contribution

Number of Buyable Books

| | FY2021 | FY2022 | FY2023 |
|-------------|--------|--------|--------|
| Head Office | 160 | 57 | 179 |
| Fujisawa | 76 | 244 | 29 |
| Tochigi | 0 | 0 | 0 |
| Total | 236 | 301 | 208 |

Addressing Poverty

TABLE FOR TWO (TFT) Program

At Isuzu, we introduce the Table For Two program (TFT) in the Company canteens and cafe areas to encourage employees to have healthy eating habits and also participate in social contribution activities. This allows an employee to donate ten yen automatically by buying a Healthy Menu item or healthy drink or using the charity box. Then, the same amount of donation is added by Isuzu, making the total amount of donation per person 20 yen per time. Through an NPO named the Table for Two International, donations are appropriated for school meals for impoverished children in developing countries.

Number of Donated School Meals (Equivalent)

| | FY2021 | FY2022 | FY2023 |
|-------------|--------|--------|--------|
| Head Office | 7,011 | 7,529 | 32,234 |
| Fujisawa | 2,411 | 3,722 | 3,736 |
| Tochigi | 1,786 | 4,042 | 2,344 |
| Total | 11,208 | 15,293 | 38,314 |

* The support of TFT extends to five countries, including Uganda, Ethiopia, Tanzania, Rwanda, and the Philippines. Isuzu operates business in all of these countries.

Food Drive

Isuzu carries out the "Food Drive" initiative to reduce food waste and contribute to the improvement of social welfare. Employees bring food items close to their best-by dates from home and donate them to the registered NPO Second Harvest Japan, which distributes the foodstuffs to local charity groups and institutions.

Recovery Results

| | FY2021 | FY2022 | FY2023 |
|------------------------|--------|--------|--------|
| Number of participants | 199 | 193 | 277 |
| Weight (kg) | 200.2 | 218.1 | 232.0 |

Social Contribution Expenditure

Isuzu (non-consolidated) social contribution expenditure in FY2023: 790 million yen

| | Social contribution activity expenses | In-kind donation | Donation |
|--------------------------|---------------------------------------|------------------|----------|
| Amount (millions of yen) | 702 | 4 | 85 |

Humanitarian aid for the victims of the earthquake in Turkey.

In response to the significant damage caused by the earthquake that occurred in southern Turkey on February 6, 2023, including house collapses and other extensive impacts, we donated funds as humanitarian aid through the Japanese Red Cross Society to assist the affected individuals.

Social Contribution Activities of Group Companies

Initiatives at Isuzu East Africa

At Isuzu East Africa (IEA), we are committed to engaging in social contribution activities with three pillars: road safety, training, and the environment, as part of our CSR initiatives. Through these activities, we establish connections with the government and local communities, which also contributes to the support for the Isuzu brand.

Activities for 'Training'

In Kenya, the transition rate from primary school to secondary school remains at about 50%. The main cause of this is primarily due to a lack of funding, causing many young people to miss out on educational opportunities. Therefore, IEA supports highly capable students from disadvantaged backgrounds to receive secondary education opportunities.



Every year, scholarships are provided to underprivileged students, and since 2005, approximately 70 students have gone on to local universities.

Governance



Corporate Governance

Basic Approach

In order for Isuzu to continuously increase revenues and enhance corporate value through its corporate activities, the Company believes that it is essential to establish a corporate governance system that provides a framework for regulating such activities.

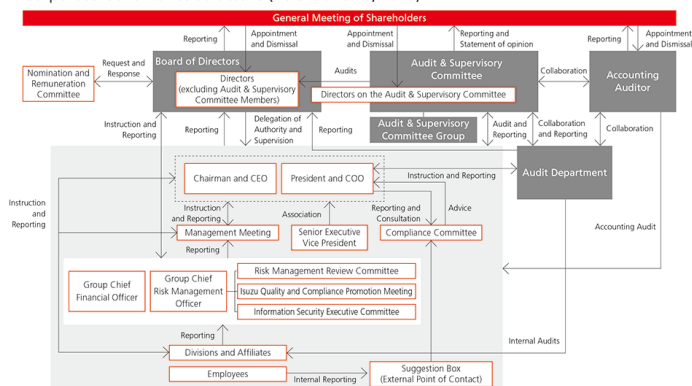
Furthermore, we believe that the fundamental purpose of corporate governance is to respect the perspectives of, and build constructive relationships with, all of our stakeholders, and to that end we endeavor to ensure fairness and transparency in our corporate affairs through timely and appropriate disclosure of important information. In particular, we believe that a key element of corporate governance is to develop an internal structure and environment that protects the rights and interests of all stakeholders and ensures equality among stakeholders.

Management Structure

Isuzu is a company with an Audit and Supervisory Committee. We have a Board of Directors and an Audit and Supervisory Committee to act as statutory meeting structures to resolve, supervise and audit the execution of our main business activities. In addition to these statutory meeting structures, the Management Meeting deliberates on important policies and plans, conducts business management and executes other overall business activities. We also have advisory bodies and meeting structures to facilitate supervision and decision-making on business execution.

The outline of our corporate governance structure is as follows (as of June 28, 2023).

Corporate Governance Structure (As of June 28, 2023)



Board of Directors

The Board of Directors lives up to the mandates and confidence of shareholders and, for the purpose of consistently enhancing our corporate value, makes important decisions and conducts supervision on issues that concern our business management. In principle, the Board of Directors holds monthly meetings and may also hold extraordinary meetings on an as-needed basis to deliberate and make decisions on necessary agenda items.

Currently, the Board of Directors consists of 13 directors. The Board is chaired by Masanori Katayama, Chairman CEO, and Representative Director. Five of the 13 directors are independent outside directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee follows the audit plan that it established, and audits and supervises the Board of Directors' decision making and directors' execution of business. Currently, the Audit and Supervisory Committee is composed of five directors who serve as Audit Committee Members. To strengthen the auditing and supervisory functions of the Audit Committee Members and to enable them to collect information daily, share information at important internal meetings, and fully cooperate with the accounting auditors and the internal audit division, three members (Makoto Anayama, Kenji Miyazaki, and Masao Watanabe) have been selected as Standing Audit and Supervisory Committee Member. The Committee is chaired by Makoto Anayama, a director and a Standing Audit and Supervisory Committee Member. Of the five Audit and Supervisory Committee members who are directors, three are independent outside directors. All five members are selected members of the Audit and Supervisory Committee.

Nomination and Remuneration Committee

In addition to these statutory organizations, Isuzu has a Nomination and Remuneration Committee, an arbitrary organization on corporate governance that is designed to strengthen the independence, transparency and objectivity of the function of the Board of Directors involved in the nomination of candidate officers, selection of executives, decisions on officers' remuneration and other processes. Isuzu's Nomination and Remuneration Committee consists of five members, including two internal directors (Masanori Katayama and Shinsuke Minami) and three outside directors (Mitsuyoshi Shibata, Kozue Nakayama, and Makoto Anayama). The chairman is Masanori Katayama, who holds the positions of Chairman, CEO, and Representative Director. The Committee deliberates and gives opinions on the questions it receives.

Executive Officer System and Management Meeting

By separating supervision and business execution, Isuzu is building a rapid decision-making and execution system through improvements in the deliberations in the Board of Directors, the supervisory organization, and the proper transfer of power from the Board of Directors. We also have executive officers and executives to take responsibility for a rapid decision-making and execution structure and for business execution in the areas of their assignment. The Management Meeting, consisting of Masanori Katayama, the Representative Director, Chairman of the Board, and CEO; Shinsuke Minami, the Representative Director, President, and COO; various Executive Vice Presidents (EVPs), group CxOs, and executive officers, is chaired by Shinsuke Minami and deliberates on issues concerning our business management and execution within the scope of power transferred from the Board of Directors.

Group CxO System

To further strengthen governance, we appointed the following CxOs. These officers have supervisory authority Company-wide over specific areas across different divisions and Group companies.

- Group CFO (Chief Financial Officer)
- Group CRMO (Chief Risk Management Officer)

Corporate Governance

Initiatives

Governance Themes

As corporate governance has been strengthened in Japan in recent years, Isuzu has endeavored to reform its governance. In June 2021, we shifted to a company with Audit and Supervisory Committee. We will remain committed to strengthening our governance and enhancing our corporate value.

| Term | 115th | 116th | 117th | 118th | 119th | 120th | 121st | 122nd |
|---|---|---|------------|--|--|--|-------------|---------------------|
| Year Ended | March 2017 | March 2018 | March 2019 | March 2020 | March 2021 | March 2022 | March 2023 | March 2024 |
| Outside Directors (Women) | 2 (0) | 2 (0) | 2 (0) | 2 (0) | 2 (1) | 5 (2) | 5 (2) | 5 (2) |
| Officer Compensation | Introduced performance-linked stock-based compensation system | Decide the upper limit of the annual Amount of Directors' bonuses | | | | | | |
| Advisory Committee | | | | Establishment of Nomination and Remuneration Committee | | | | |
| Separation of Execution and Supervision | | | | | Revise approval standards and rules | Shift to a company with Audit and Supervisory Committee | Appoint CCO | Appoint CEO and COO |
| | | | | | Appoint CxOs | Delegate important decision-making on the execution of company business to Directors | | |
| Improving the Functioning of the Board of Directors | | | | Launch the Effectiveness Assessment | | Ratio Independent of Outside Directors: 1/3 or more | | |
| | | | | | Setting the agenda for management strategy | | | |
| | | | | | Creation of Skills Matrix | | | |
| | | | | | Initiation of Institutional Shareholder Engagement | | | |

Board Effectiveness Assessment

Isuzu conducts an annual evaluation and analysis of the effectiveness of the Board of Directors to improve its operations. The following is a summary of the evaluation and analysis for FY2023 (ended March 31, 2023).

- Process of analysis and evaluation for FY2023
Isuzu conducted an evaluation focusing on the separation of "execution" and "supervision" status resulting from the organizational changes implemented two years ago, as well as the performance of the monitoring function of the Board of Directors. Questionnaires targeting all directors and interviews conducted by a third-party organization were carried out and the results were analyzed. Additionally, countermeasures for the issues identified through the analysis were devised, and a report was presented to the Board of Directors in May 2023 for evaluation and confirmation of future initiatives.
- Summary of evaluation results (strengths)
Isuzu's Board of Directors evaluated and confirmed the following three points as strengths.
 - We are steadily, proactively, and urgently working on establishing and enhancing the governance structure. The "delegation of authority to the Management Meeting" and the "strengthening of the Board of Directors' supervisory function" are being progressed effectively.
 - To enhance understanding of the agenda, there is a well-established practice of conducting pre-briefing sessions and distributing materials in advance for outside directors.
 - The Board is composed of a balanced team of members with diverse backgrounds, qualifications, and skills.
- Summary of evaluation results (challenges)
Isuzu's Board of Directors identified the following four points as challenges to enhance the Board's monitoring function.
 - Enhancement of appropriate agenda setting and discussions
 - Enhancement of reporting on internal control status, including the risk management structure.
 - Sharing the opinions of each stakeholder with the Board of Directors
 - Enhanced discussion of cost-of-capital strategies and business portfolios.
- Major issues in FY2022 and progress of initiatives for FY2023.

| Major issues in FY2022 | Progress of initiatives for FY2023 |
|---|--|
| (1) Enhance discussions with an awareness of the diverse opinions of shareholders and stakeholders | <ul style="list-style-type: none"> The voices and opinions of various stakeholders such as employees, business partners, shareholders, and investors were shared with the Board of Directors as needed. In particular, the sharing of the contents of financial reports and the provision of result updates have been strengthened. We will systematically capture and share the opinions of various stakeholders, taking into account IR/SR activities and ESG-related discussions, and engage in discussions accordingly. |
| (2) Enhanced discussion of cost-of-capital strategies and business portfolios | <ul style="list-style-type: none"> Efforts have been made to enhance the content of the performance explanations provided by the Group CFO. In particular, the content of the "CFO Message" in the Integrated Report has been discussed to move toward the desired direction. We will further enhance discussions on cost-of-capital strategies and business portfolio. |
| (3) Enhancement of reports to the Board of Directors (reports on risk management, compliance, and nomination and remuneration.) | <ul style="list-style-type: none"> Throughout the year, discussions on Risk Management and Compliance were conducted, leading to an improvement in the monitoring function of the Board's execution status. Taking into account the rapidly changing environment, we will strive to enhance reporting and clarify the main points of discussions. |

Corporate Governance

Officers' Remuneration

Basic Principles

The following are Isuzu's basic principles on remuneration for directors and executive officers.

1. Contribute to sustained growth of Isuzu and enhancement of its corporate value, and facilitate the sharing of value with shareholders.
2. Remuneration should be at the level necessary and appropriate for securing and keeping talented human resources with due consideration to the economic environment, market trends and the levels of remuneration in other companies.
3. The amount of remuneration should reflect the performance of the Company and the individual as well as his/her job responsibilities and positions.
4. The process for deciding remuneration should be objective, impartial and transparent.
5. Our officer remuneration system and the amounts of payment to officers should be periodically reviewed whenever the Mid-Term management plan is updated and with consideration of factors such as the economic environment, the levels and systems of remuneration for officers in other companies and the status of Isuzu's use of the system.

Remuneration for Directors (excluding Audit and Supervisory Committee Member)

Remuneration for directors (excluding the directors that are Audit and Supervisory Committee Member and outside directors) includes basic compensation, bonuses linked with the degree of achievement of the single-year consolidated performance target and the amount of remuneration that is based on the performance-linked stock compensation plan linked with the degree of achievement of the management indexes aimed within the period of a Medium-Term management plan. Methods for evaluating each officer's performance and deciding the officers' bonuses and the performance-linked stock compensation plan go through a procedure of consultation and provides opinions to the optional Nomination and Remuneration Committee, of which independent outside directors occupy the majority. In this procedure, the president fulfills his accountability and thereby secures the objectivity and impartiality of remuneration for officers.

| | | | |
|---|--|--|---|
| Details of Remuneration and Non-monetary compensation | Basic compensation | | Decided on the basis of the standard amounts that is predetermined for different positions and the evaluation of individuals' performance. |
| | | Bonus | <ul style="list-style-type: none"> • Linked to the degree of achievement of performance targets for a single fiscal year • A performance-linked coefficient in the range of 0% to 200% will be determined that represents the degree of achievement of consolidated operating income compared with the target in a single fiscal year, and bonuses will be determined by multiplying this coefficient by basic remuneration, which is the standard amount for the relevant position, and by the percentage of base pay (40%; 50% for the president and representative director). |
| | Performance linked compensation | Share based compensation | <ul style="list-style-type: none"> • Linked with the degree of achievement of the target during the period of a mid-term management plan. • Apply the weighted average to the degree of achievement of target values, including consolidated sales, consolidated operating profits and consolidated return on equity (ROE) in the proportion of 35%:35%:30%. Multiply it with the coefficient of the degree of growth of shareholder's value, etc.^{*1} to calculate the performance-linked coefficient within a range between 0% and 225.6%. Combined with this, use the standard amounts by position, which is the basis of basic compensation, and the component ratio (0.30 for president and 0.50 for Chairman) and assumed stock prices^{*2} to decide the points to give. <p>^{*1} Determined on the basis of the result of comparison between Isuzu's total shareholder return (TSR) and the growth rate of TOPIX (dividends included) during the relevant period</p> <p>^{*2} The average of the closing price of regular transactions of Isuzu shares in TSE on each day of the month before the month during which the relevant period started, with the exception of the days on which no transaction was closed (truncated to the closest whole number).</p> |
| Method for deciding the proportion | Basic compensation: Bonuses: Share-based compensation = 1.00:0.40:0.30 (1.00:0.50:0.50 for president and Chairman) (Assuming that the performance target is fully achieved) | | |
| Policy regarding the time of payment | Basic compensation | Monthly compensation (1/12 of basic compensation is paid monthly) | |
| | Bonus | Paid in July after the degree of achievement of the single-year (individual/Company) performance target is determined. | |
| | Share-based compensation | Paid in July after the degree of achievement of the performance target stated in the mid-term management plan and the TSR coefficient in comparison with TOPIX are determined. | |
| Procedure for deciding re-entrustment | Basic compensation | Evaluation of individuals' performances is re-entrusted to the president after the Board of Directors' resolutions. | |
| | Bonuses and share-based compensation | Automatically calculated on the basis of the degree of achievement of the target, standard amount and coefficients. The amounts depend solely on the Company's performance and thus involve no scope for discretion. | |

Corporate Governance

Remuneration for Outside Directors

Remuneration for outside directors consists of basic compensation only, in view of their roles and independence. Each director receives the fixed amount only and the remuneration involves no fluctuation that may result from performance evaluation and so on.

Compensation for Directors Who Are Also Audit and Supervisory Committee Member

The amount of remuneration for directors who are Audit and Supervisory Committee Member consists of basic compensation only, in view of their roles and independence. It is decided through discussion by the directors who are members of Audit and Supervisory Committee Member with consideration of factors such as the number of directors, economic environment, market trends and the levels of remuneration in other companies, within the range of the upper limit approved at the General Shareholders Meeting.

Total Remuneration Amounts and Other Payments to Directors

| Classification | Total amount of compensation (million yen) | Amount of remuneration, etc. by type (million yen) | | | | Number of eligible officers |
|--|--|--|-------|--|---------------------------|-----------------------------|
| | | Basic compensation | Bonus | Remuneration based on the performance-linked stock compensation plan, etc. | Non-monetary compensation | |
| Directors (excluding Audit and Supervisory Committee Member and outside directors) | 663 | 336 | 183 | 142 | 142 | 7 |
| Audit and Supervisory Committee Members (excluding outside directors) | 68 | 68 | - | - | - | 2 |
| Outside officer | 94 | 94 | - | - | - | 5 |

* This figure includes one director who retired as of the conclusion of the 120th General Shareholders Meeting held on June 28, 2022.

Policy on Cross-shareholdings

Isuzu believes that holding its business partners' shares on the assumption of long-term transactions is an effective means of building a stable relationship and should lead to the enhancement of its corporate value over the medium and long terms. To confirm the reasonability of holding business partners' shares, the Board of Directors annually performs an examination from two different aspects: it conducts a quantitative evaluation of each issue in terms of criteria such as whether the benefit of holding the shares at least equals the capital cost, and a qualitative evaluation of the significance of the shareholding, among other aspects. Consequently, any shares that we no longer see a reason to hold will be swiftly reduced. In executing our voting rights as a shareholder, we respect, as a shareholder with individual trade relations, the aims and intentions of the proposals and resolutions submitted from share issuer. If we see a risk of damaging a share issuer's value during the process of a dialogue with the share issuer or examination of a resolution; however, we will request the withdrawal or review of the resolution and will take action for each resolution, which may involve abstaining from the right to execute our voting rights.

Compliance

Basic Approach

Isuzu recognizes that it is essential for each one of our executives and officers to follow Isuzu's compliance standards—that is, to comply with laws and regulations and also maintain high ethical standards that live up to the trust society places in us. In particular, Isuzu has positioned thorough compliance with laws and regulations as the highest priority in its business management. In 2005, Isuzu formulated and began implementing the Basic Policy for Compliance, and thereafter the Company has been making efforts to disseminate and establish the policy among all officers and employees. The policy consists of seven categories and states that, if an incident occurs and causes the policy to be violated, senior management personnel must execute measures for problem resolution and investigation of the cause in an effort to prevent recurrences and must disclose information quickly and accurately to society and fulfill their accountability.

Basic Policy for Compliance

1. Winning the trust of our customers

We aim to win the trust of our customers by providing valuable products and services to society, and thus contribute to the creation of a prosperous society.

2. Promoting fair and sound activities

Isuzu does business based on fair and free competition. We also maintain sound and standard relationships with the government and politicians and act decisively as a corporate citizen against anti-social forces and organizations.

3. Ensuring fair disclosure of corporate information

We broadly communicate with our stakeholders as well as society as a whole, and ensure timely, appropriate, and fair disclosure of our corporate information.

4. Respect for employees

We create a safe and comfortable work environment that respects each employee's personality and character so that everyone can fully demonstrate their capabilities.

5. Contributing to environmental conservation

We actively work on environmental conservation not only through our business activities, but also as a resident of the planet by getting involved in social and regional environmental conservation activities.

6. Contributing to society

Isuzu proactively undertakes social contribution activities as a good corporate citizen.

7. Ensuring harmony with international and regional communities

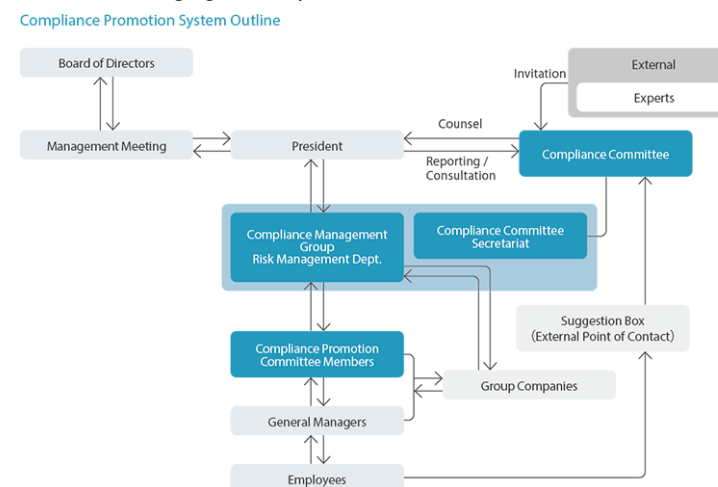
We respect the cultures and customs of nations and regions and contribute to their development

Management Structure

Compliance Committee

The Compliance Committee has been established as an advisory body to the President to ensure the openness and transparency necessary to promote compliance, and to strengthen Isuzu's compliance by receiving objective advice and guidance on policies and systems for compliance activities, confirmation of the operational status of each consultation counter, and other matters. This Committee is composed of seven members, including external experts (such as university professors and lawyers) appointed as committee members, as well as three Executives. The committee meets every three months. The Committee is also informed of the content of reports and consultations received at each consultation desk and oversees specific measures and their progress.

> Compliance Committee Meeting Agenda (Japanese)



Compliance

Establishment of an Employee Consultation Service

Isuzu has established three consultation counters for internal reporting and consultation on compliance: a workplace counter (under the supervision of supervisor, an intra-division counter under the supervision of division managers), and a Company-wide counter (under the supervision of the Compliance Management Group, Risk Management Dept.), etc.

These contact points act as impartial receivers of information and serve not only in cases of clear violations of laws and regulations or internal rules but also for consultations on matters that appear suspicious and as a contact point for inquiries regarding internal rules and laws and regulations related to business operations.

Additionally, a suggestion box (External Point of Contact) has been set up at an external law firm as a contact point in the event that, for whatever reason, it is difficult to consult or resolve a problem through the internal consultation service. The internal and external consultation offices accept consultations and inquiries by e-mail, fax, telephone, and letter. In accordance with the Whistleblower Protection Act, the names of individuals who provide information and the content of such information are treated as confidential information and are protected to ensure that individuals will not be treated unfairly within the Company.

To familiarize staff with these consultation services, we distribute a Compliance Guidebook and Compliance Card to all employees, which includes contact information for each consultation service and the suggestion box. Additionally, Isuzu informs employees of each contact point through posters and other means. The Compliance Management Group of the Risk Management Dept. serves as the secretariat for matters reported or discussed at each contact point and works to confirm the facts and make improvements.

In FY2022, there were 46 cases (9 cases related to the Company and 37 cases related to Group companies) that were reported to or consulted on by the external consultation service. The requests received through the internal and external consultation services were handled appropriately, and we confirm that there have been no serious compliance violations. The status of compliance efforts and the number of consultations and serious violations are reported to the Board of Directors.

Business Partner Consultation Service

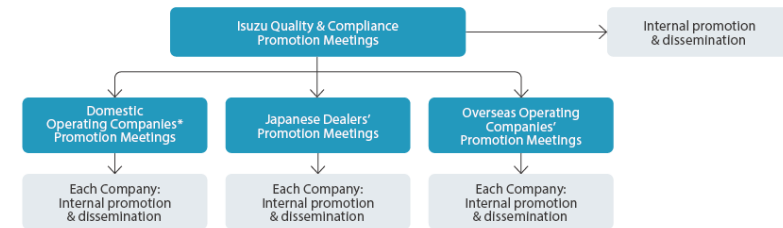
We also have a Business Partner Consultation Service within our Risk Management Depts. Compliance Management Group to provide our business partners with impartial consultations on compliance-related matters.

Isuzu Group Compliance Promotion System

Isuzu Quality and Compliance Promotion Meetings are held monthly, attended by compliance promotion committee members of the different divisions. The meetings are committed to the prevention of compliance risks through the sharing of information among divisions and the reporting of activities. Isuzu has also built a Group-wide system to prevent compliance risks. Domestically, we hold regular compliance promotion meetings attended by companies of the Isuzu Group, in an effort to promote the sharing of information and related activities. In our overseas locations, we share information with contact persons of the Isuzu Group companies periodically and make efforts to prevent compliance risks. Particularly in Thailand, home to one of Isuzu's main overseas bases, we regularly hold joint compliance promotion meetings of the Isuzu Group companies based in Thailand to facilitate the sharing of information and related activities.

In the event that a serious problem occurs, we will promptly receive reports from the company in accordance with the Group-wide management rules and will work with the company to resolve the problem.

Outline of the Compliance Promotion System in Isuzu Group



* Related companies in Japan except Japanese dealers

Compliance

Initiatives

Activities to Address Group-wide Issues (in Japan)

In Japan, we identify Group-wide issues and make Group-wide efforts to resolve them. For example, regarding efforts to eradicate drunk driving, as part of the automobile industry, Isuzu is raising the awareness of every single employee and makes ongoing efforts to discourage its employees, their families, friends and acquaintances from drunk driving or letting anyone else do so as the keywords. More specifically, we collect written pledges to eradicate drunk driving and hold regular seminars with the aim of renewing employees' awareness about the dangers inherent in drunk driving and the graveness of the social responsibilities that it entails.

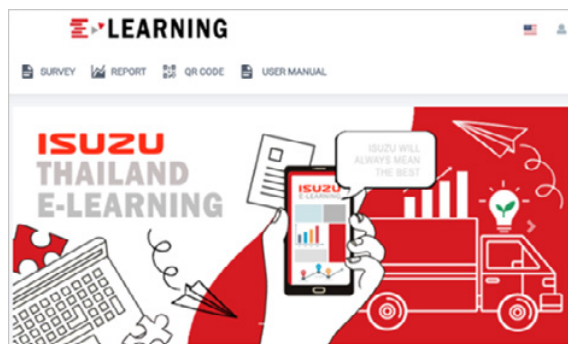
We also consider that building good human relations in the workplace is important for preventing harassment. For example, we organize regular workshops for managerial-level and general employees to deepen their understanding of the significance of regular, bidirectional communication between supervisors and subordinates.

Compliance Surveys (Japan)

We conduct compliance surveys every other year within the Company and annually within Group companies to monitor the spread of compliance awareness and uncover compliance risks. The survey results are reported to the managers and compliance officers of Isuzu Group companies and are applied to the companies' activities. The FY2023 survey covered about 11,000 employees of Isuzu Group companies and included questions on topics such as compliance training and guidance, overtime work, finding facts about harassment and awareness of drunk driving.

Activities of Overseas Group Companies

In Thailand, home to one of our major overseas locations, Isuzu follows the compliance activity plan. For example, we organize hierarchical workshops and e-learning and put up posters to raise awareness about the need to eradicate drunk driving and about compliance. Isuzu supports the promotion of compliance activities by holding regular compliance promotion meetings jointly with Group companies in Thailand to confirm progress and provide advice.



e-learning

Compliance Training

Isuzu provides its employees and Group companies with compliance education via classroom lectures and online in an effort to raise their awareness about compliance even more. With consideration of the COVID-19 situation, training programs and lectures were held online in FY2023. In this way, we take appropriate measures to prevent infections.

Training themes (examples)

- Basic compliance training for new employees
- Compliance training for new managers
- Training for new officers transferred to Isuzu Group companies
- Education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
- Anti-Drunk Driving Seminar
- Compliance training for mid-career recruits
- Training for new directors
- Harassment prevention training for managers
- Education on the authorized exporter declaration procedure



Anti-Drunk Driving Seminar (video streaming)

Publication of Compliance Guidebook and Compliance Cards

In January 2006, Isuzu issued and started distributing a Compliance Guidebook which is a compilation of codes of conduct to communicate the basic attitudes and principles required of all officers and employees of Isuzu. Similarly, members of divisions are given division-specific compliance guidebooks that compile cases of potential compliance incidents that may occur from daily work within a division or department. These guidebooks are reviewed every year and are updated to reflect any amendments to relevant laws and regulations and to encourage a better understanding among employees. Our employees are encouraged to always carry a compliance card containing information that is written in these guidelines, including Isuzu's policy on its compliance efforts, guidelines on compliance-related behavior and contact details of in-house and external consultation resources (helpines).

Overseas Business Guidelines

Isuzu's business activities are worldwide. To be able to pursue its business while respecting the laws, business customs, and religious/cultural values of different countries and regions, we have created a set of overseas business guidelines and conduct business properly.

Anti-bribery Initiatives

We have a code of conduct on entertainment and gifts as stated in our Compliance Guidebook. We make thorough efforts to ensure that all Isuzu officers and employees are informed of the code of conduct. Guidelines on entertainment- and gift-related conduct set forth more specific instructions. In FY2023, the same approach outlined above applies to foreign officials as well. No fines or other actions have been taken by the regulatory authorities in connection with this matter.

Compliance

Prevention of Anticompetitive Practices

In its Compliance Guidebook, Isuzu requires all of its officers and employees to thoroughly comply with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act Against Delay in Payment of Subcontract Proceeds, Etc. to subcontractors. Periodically provide education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to subcontractors. and other related subjects whenever necessary in thorough pursuit of compliance with the laws.

Tax Policy

Isuzu Group regards tax payment as an important duty of a corporate citizen. To contribute to society through appropriate tax payment, we have established this tax policy and applied it to our Group companies.

- **Compliance with Laws and Regulations**
We will correctly interpret tax laws and related guidelines of all countries and regions where we conduct business activities, and pay appropriate taxes in accordance with their intent.
- **Prohibition of Tax Avoidance**
We will not engage in tax avoidance activities that deviate from the intent and purpose of tax laws and regulations.
- **Appropriate Transaction Pricing and Profit Sharing**
In transactions with foreign affiliates, we will set prices that take into account arm's-length prices and pay appropriate taxes in accordance with the reality of local business activities.
- **Healthy Relationships with Tax Authorities**
We build good relationships with tax authorities in Japan and abroad based on a correct understanding of tax laws and regulations.
- **Tax Transparency**
We will strive to disclose tax information to all stakeholders in a timely and appropriate manner.
- **Governance**
The Group CFO will establish a governance structure to effectively ensure that proper tax operations of the Group are conducted in accordance with this tax policy.

Risk Management

Basic Approach

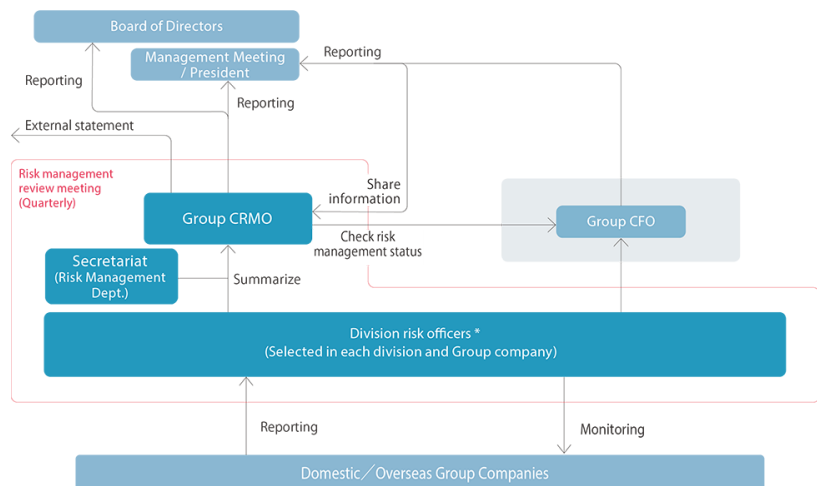
In a rapidly changing business and operating environment marked by increasing uncertainty, Isuzu has established a risk management framework by appointing a chief risk management officer (CRMO) to oversee the risk management structure within the Group. The CRMO regularly identifies and assesses risks in the Group's management and business operations and strives to manage them in an appropriate manner, making particular efforts to reduce them.

Management Structure

The Isuzu Group CRMO holds quarterly risk management review meetings to assess the progress of risk countermeasures in business execution departments and group companies, as well as to address emerging risks. Additionally, these meetings provide instructions for enhancing risk countermeasures and continuously reviewing the awareness of key risks that impact management.

Furthermore, if a risk emerges and triggers a major crisis, the Group CRMO is responsible for forming a response team, in which personnel chosen by the Group CRMO determine and execute various responses to minimize the impact of the risk in question. The results of these activities are constantly reported to management to ensure thorough crisis management at all times.

Management Structure

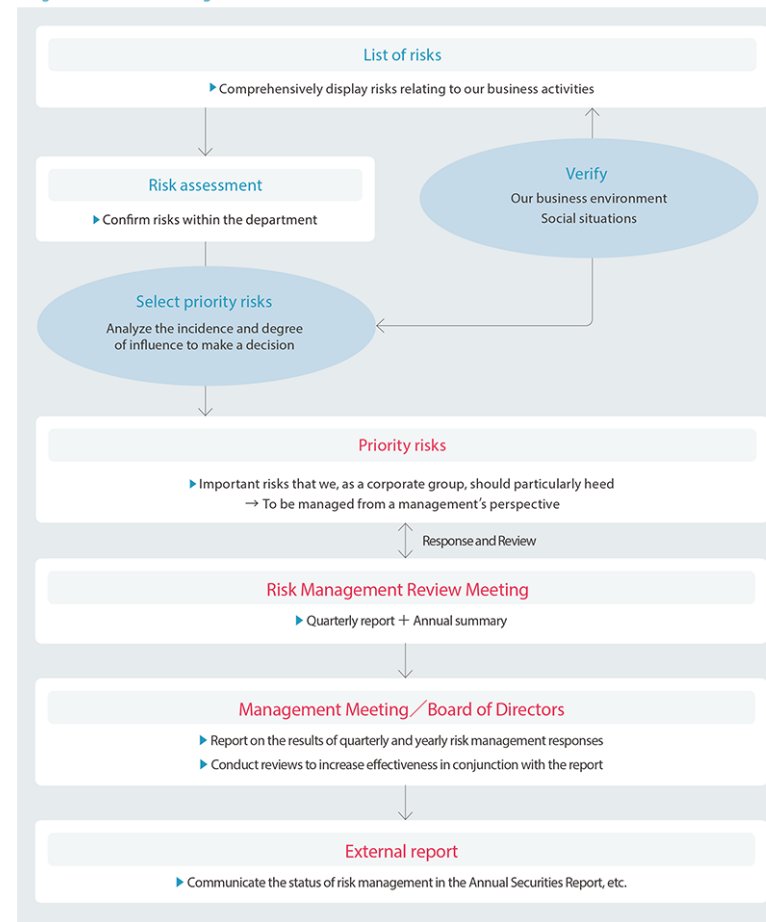


* In addition to risk management review meetings, separate meetings are held to liaise between the secretariat and members.

Risk Management Process

Isuzu comprehensively identifies risks related to its business activities, conducts risk assessments, selects priority risks that require special attention as a company, and formulates and implements response plans and other measures. Additionally, through monitoring, periodic reviews, management reporting, and external dissemination of information on the status of management, we strive to appropriately manage and reduce risks by reviewing priority risks and their countermeasures.

Diagram of Our Risk Management Process



Risk Management

Risks Associated with Business and Others

As risk factors pertaining to Isuzu Group's business operations, the following are the risk factors in the development of Isuzu Group's operations that relate to the business information, financial information and other information stated in the annual securities report and that may materially affect the judgment of investors. These forward-looking statements are based on the future mentioned in this document are based on Isuzu Group's assessment as of the end of March 2023.

| Risk item | Action |
|--|--|
| Risks attributable to global economy, financial market or automobile market | |
| (1) Fluctuation in economic situations and aggregate demand in major markets | <ul style="list-style-type: none"> ■ Accurately identify prospects of economic situations and demand ■ Disperse markets to sell our products |
| (2) Competition in the automobile market | <ul style="list-style-type: none"> ■ Achieve improvements in terms of product performance, safety, fuel efficiency, environmental impacts, prices and after-sales service among others ■ Continuously develop, manufacture and sell competitive products and provide after-sales service for such products |
| (3) Fluctuations in exchange and interest rates | <ul style="list-style-type: none"> ■ Encourage local production ■ Utilize derivatives including forward exchange contract transactions |
| Risks associated with business operations | |
| (4) Reacting to phenomena such as technological innovations and changes in business models | <ul style="list-style-type: none"> ■ Set up permanent departments to swiftly address technological and social changes and promote multiple projects all across the Isuzu Group |
| (5) Research and development | <ul style="list-style-type: none"> ■ Develop new technologies and products through the prediction of market needs and prioritization of R&D fields ■ Obtain new technologies and products through alliance and cooperation with parts manufacturers |
| (6) Joint ventures and other forms of alliance | <ul style="list-style-type: none"> ■ Discuss the necessity for partnership formation based on a broad range of information, such as management conditions and governance of a joint venture partner or an alliance partner and other important non-financial information |
| (7) Reliance on specific channels in sales and supply | <ul style="list-style-type: none"> ■ Maintain relations with major clients and find new clients to disperse risks |
| (8) Delays and shortages in procurement of materials and parts and soaring procurement costs | <ul style="list-style-type: none"> ■ Keep regularly updated on production capacity and credit risks of suppliers and the quality and costs of products etc ■ Confirm the status of human rights due diligence efforts, compliance with laws and regulations, and climate change issues in the supply chain |
| (9) Compliance reputation | <ul style="list-style-type: none"> ■ Build preparedness for preventing violations of laws and for taking action in the event that a compliance-related problem is identified ■ Set up a compliance committee consisting of learned individuals from the outside (e.g. attorneys) |

| | |
|--|---|
| (10) Product defects | <ul style="list-style-type: none"> ■ Follow strict quality control standards in manufacturing products ■ Find failure-related information early and share it through the Quality Assurance & Customer Satisfaction Improvement Committee, discuss quality improvements across the Isuzu Group and supervise the operation of Group-wide quality management practices ■ Purchase of product liability insurance |
| (11) Information security risks faced by an IT society | <ul style="list-style-type: none"> ■ Appoint a person responsible for handling information security risks and set up an organization specialized in information security ■ Implement safety measures aimed to maintain and improve our information security by, for example, protecting personal and confidential data, keeping data and systems available and preventing falsification of data ■ Conclude agreements with alliance partners on information security |
| (12) Risks concerning protection of intellectual property | <ul style="list-style-type: none"> ■ Promote efforts to protect intellectual property |
| (13) Securing and retaining excellent talent, generating results, etc. | <ul style="list-style-type: none"> ■ In the new personnel system, the following enhancements: <ul style="list-style-type: none"> • Establishing job descriptions and compensation systems to secure talent suitable for the job. • Creating an attractive workplace environment that supports self-directed career development. • Initiatives to support the growth of subordinates through ensuring frequent dialogue opportunities between superiors and subordinates. ■ In accordance with the Isuzu Group Human Rights Policy, educational and awareness-raising activities to heighten human rights awareness among executives and employees, as well as initiatives for Human Rights Due Diligence. |
| (14) Legal restrictions etc. | <ul style="list-style-type: none"> ■ Gather information about legal restrictions and related issues from different countries, especially Japan, the United States, Thailand, China and Europe ■ Make investments and develop new technologies and products in preparation for changes in legal restrictions |
| (15) Risks latent in international activities and overseas expansion | <ul style="list-style-type: none"> ■ Keep updated on the following risks in different countries. <ul style="list-style-type: none"> • Fluctuation of political and economic situations • Unilateral changes in policies on permission, authorization and other issues and direct or indirect expropriation of the Isuzu Group's assets • Restrictions on imports, exports, and technology transfers • Restrictions on the control and transfer of information and data • Restrictions related to the use and procurement of facilities, software, cloud services, and contractors that pose security risks. • Potentially negative effects on taxes • Restrictions on money transfer and redemption • Difficulty to recruit and secure human resources • Underdeveloped technological and social infrastructure (e.g. electric power, water and sewage, roads, ports) • Social confusion resulting from terrorism, warfare, natural disaster, economic sanction and other factors |

Risk Management

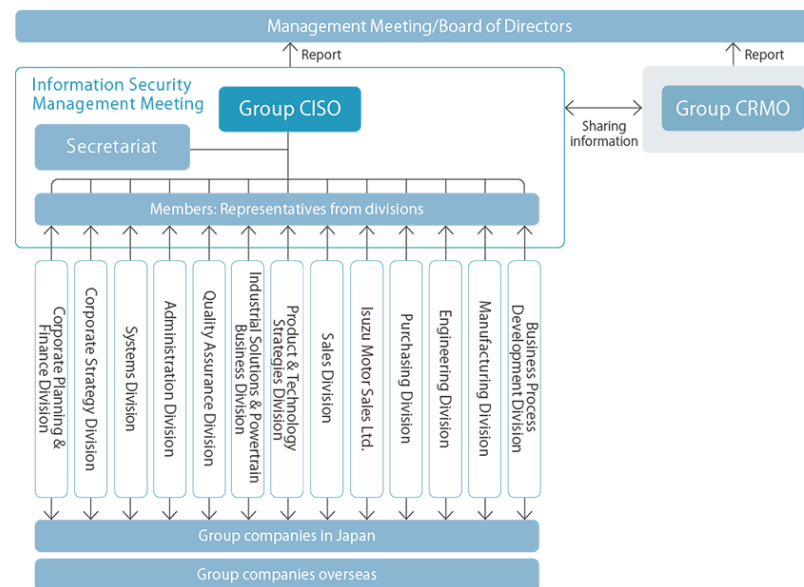
| | |
|-----------------------------|--|
| <p>(16) Disasters, etc.</p> | <ul style="list-style-type: none"> ■ Periodically inspect all equipment for prevention of disasters ■ Formulate action plans in case a disaster or any other problem occurs, and provide training based on the plans ■ Formulate preventive and action plans against new types of influenza and other unknown infectious diseases, and provide training based on the plans ■ At an early stage, use outside consultants and other resources to obtain global information on new types of influenza and other unknown infectious diseases ■ Properly stockpile masks and other necessary supplies |
| <p>(17) Climate change</p> | <ul style="list-style-type: none"> ■ Formulation of the Isuzu Environmental Vision 2050 ■ The Sustainability Committee manages the identification and assessment of the following risks, as well as the progress of countermeasures: <ul style="list-style-type: none"> • Consideration and analysis of the specific impact on products, services, and business activities based on multiple long-term environmental scenarios • Measures considering the degree of impact on the business with respect to risks/opportunities such as the transition to a decarbonized society, the increase in natural disasters due to climate change, and the depletion of water resources • Disclosure of climate change-related information in accordance with the framework recommended by the TCFD (Task Force on Climate-related Financial Disclosures) ■ Enhancement of business continuity posture ■ Development, market introduction, and production system establishment of GHG-free products, and decarbonization across the entire value chain. |

* For details of these risk items, also see our annual [securities report](#).

Information Security

Isuzu established the Group Information Security Policy under the leadership of the Group Chief Information and Security Officer (CISO) from April 2020 to March 2023 and is promoting Group-wide information security management across Isuzu and its consolidated subsidiaries.

Information Security Management Structure (Until March 2023, planned revisions from April 2023)



At our company, we are establishing and providing education on the information security management structure and standards within the Isuzu Group. We have developed standards for information security not only for IT systems that manage internal confidential information but also for products, plants, and IT system cybersecurity. We have implemented these standards in sequence.

We participate in J-Auto-ISAC*, which collects and analyzes information on automobile cybersecurity and records issues detected in the industry. Moreover, we have established a system to develop and manufacture automobiles with cybersecurity in mind.

These activities are conducted with reference to the Ministry of Economy, Trade and Industry's Cyber Security Management Guidelines, the international regulation UN-R155 adopted by the World Forum for Harmonization of Automotive Standards (WP29) of the United Nations Economic Commission for Europe, and international standards such as ISO21434, ISO27001, and NIST SP800-171. Regarding automotive cybersecurity and systems that impact automotive cybersecurity, we comply the international standards on automotive cybersecurity, which came into effect in July 2022.

Furthermore, based on the aforementioned standards, we conduct an annual review of operational status and continue to advance information security management and improvements.

* J-Auto-ISAC: Japan Automotive ISAC, a Japanese automotive cybersecurity organization.



Participation in External Initiatives

Isuzu is actively working toward the realization of a sustainable society through its participation in and endorsement of sustainability initiatives.

Participation in the United Nations Global Compact

The United Nations Global Compact is a worldwide framework for companies and organizations to act as good corporate citizens and achieve sustainable growth by exercising responsible and creative leadership. Companies and organizations that sign the UN Global Compact are required to support and implement the Compact's 10 principles in the 4 areas of human rights, labor, environment, and anti-corruption.

Isuzu is a signatory to the UN Global Compact and a member of the Global Compact Network Japan, a local network in Japan.

- > [the United Nations Global Compact](#) 
- > [Global Compact Network Japan](#) 



Adoption of Task Force on Climate related Financial Disclosure (TCFD) Recommendations

The TCFD is a task force established by the Financial Stability Board (FSB), an international organization of central banks and financial regulators from major countries, to provide a framework for climate change-related information disclosure. The TCFD's recommendations encourage companies, organizations, and others to disclose information on climate-related risks and opportunities.

In Japan, companies and financial institutions that support the TCFD proposal have established the TCFD Consortium to discuss effective information disclosure and how to link disclosed information to appropriate investment decisions by financial institutions and others. In April 2021, Isuzu endorsed the TCFD proposal and joined the TCFD consortium to disclose information in line with the TCFD framework.

- > [Disclosure Based on TCFD Recommendations](#)
- > [TCFD](#) 
- > [TCFD Consortium](#) 



Participation in the GX League

The Green Transformation League (GX League) is a platform for collaboration between companies (GX companies) and industry, academia, and government to achieve the challenging objectives of sustainable growth for present and future societies and carbon neutrality by 2050 and to drive social transformation founded on sustainability. Isuzu participated in the establishment of the GX League in May 2023 and will collaborate with industry, academia, government, and other stakeholders who share the same vision to promote the transformation of economic and social systems to achieve carbon neutrality.

- > [GX League](#) 



Establishment of the Carbon-Neutral LNG Buyers Alliance

Isuzu and 14 other companies have established the Carbon-Neutral LNG Buyers Alliance in March 2021. This alliance was created to realize the spread of carbon-neutral LNG and increase the value of its use by bringing together Tokyo Gas, which procures and supplies carbon-neutral LNG, and the companies that purchase it to realize a sustainable society. The use of carbon-neutral energy is an important climate change countermeasure and means of contributing to SDGs and ESG corporate management.

The Alliance members aim to contribute to the realization of a decarbonized society by 2050, and are working to make carbon-neutral LNG widely known throughout the world, to improve its reputation among investment institutions, and to establish its position in various domestic systems.

- > [Establishment of a Carbon Neutral LNG Buyers Alliance](#) 



Tokyo Zero-emission Innovation Bay (Zero-emission Bay)

Based on the Environment Innovation Strategy (decided by the Cabinet Office's Integrated Innovation Strategy Promotion Council on January 21, 2020), the organization plans and promotes research, development, and demonstration projects by industry, academia, and government stakeholders in the Tokyo Bay area, and aims to make the Tokyo Bay area the first zero-emission innovation area in the world. Isuzu participates in this council. Isuzu participates in this council and promotes consideration of activities to achieve zero emissions.

- > [Tokyo Zero-emission Innovation Bay \(Zero-emission Bay\)](#) 



Participation in External Initiatives

GREEN OIL JAPAN

The declaration sets the goal of establishing the biofuel business as an industry by introducing biofuel produced at the demonstration plant to mobile vehicles on land, sea, and air, and expanding the number of supporters who produce and use biofuel throughout Japan by 2030. The declaration aims to contribute to the realization of the SDGs through the achievement of these goals. Isuzu has endorsed the declaration since its inception in 2018.



> GREEN OIL JAPAN 

Keidanren Initiative for Biodiversity

The Keidanren Biodiversity Declaration Initiative is comprised of companies and organizations that work on the items that comprise the Keidanren Declaration of Biodiversity and Action Guidelines (revised version) formulated by the Nippon Keidanren and the Keidanren Committee on for Nature Conservation, or that agree with the overall intent.

Isuzu endorses the initiative and publishes its policies and examples of initiatives.



> Keidanren Initiative for Biodiversity 

Theme: Let's sow the seeds of discussion and work together to create cars and deliver good work to customers!

Target period: November to February. Target: All employees. Results: 7,928 employees participated (participation rate: 96%).

Reason for theme selection: In recent years, while the overall perception of companies in society has become less tolerant, wider society's expectations of Isuzu have increased significantly. In the midst of significant changes in the environment and the risks surrounding Isuzu, it is essential to strengthen the Company's foundation further to allow it to undertake even greater challenges. For that reason, it is essential that every employee adheres to the rules and carries out their tasks with certainty. However, blindly adhering to the rules is not sufficient; it is also necessary to verify and improve these rules in line with current thinking and times. It is crucial to share the issues identified as "RED" during checks and engage in discussion on these issues. By doing so and delivering excellent work to our customers, we will earn their trust.

External Evaluation

Adoption of ESG Indexes

FTSE4Good Index Series

The FTSE4Good Index Series is a benchmark and tradable index series for environmental, social, and governance (ESG) investors compiled by FTSE Russell, a renowned global index and data provider with a rich history. Isuzu has been included in the Series since June 2023.

> FTSE4Good Index Series

* FTSE Russell (tradename of FTSE International Limited and Frank Russell Company) has independently evaluated Isuzu based on the FTSE4Good criteria and confirmed that Isuzu meets the requirements to be included in the FTSE4Good Index Series. The FTSE4Good Index Series, created by the renowned global index provider FTSE Russell, is designed to measure the performance of companies that demonstrate strong environmental, social, and governance (ESG) practices. The FTSE4Good Index is used by a wide range of market participants to create and evaluate responsible investment funds and other products.



FTSE4Good

FTSE Blossom Japan Index

Similar to the FTSE4Good Index Series, the FTSE Blossom Japan Index is compiled by FTSE Russell to measure the performance of Japanese companies with high ESG ratings. This index is an ESG index adopted by the Government Pension Investment Fund (GPIF). Isuzu has been included in the Index since June 2023.

> FTSE Blossom Japan Index Series

* FTSE Russell (trademark of FTSE International Limited and Frank Russell Company) hereby confirms that Isuzu has met the requirements for inclusion in the FTSE Blossom Japan Index based on the results of a third-party assessment, making it a constituent stock of this index. The FTSE Blossom Japan Index is created by the global index provider FTSE Russell and designed to measure the performance of Japanese companies that excel in environmental, social, and governance (ESG) practices. The FTSE Blossom Japan Index is widely used to create and evaluate sustainable investment funds and other financial products.



FTSE Blossom
Japan Index

FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is compiled by FTSE Russell as a sector-neutral benchmark that demonstrates ESG. This index is an ESG index adopted by the Government Pension Investment Fund (GPIF).

Isuzu has been included in the Index since March 2022.

> FTSE BLOSSOM JAPAN SECTOR RELATIVE INDEX

* FTSE Russell (trademark of FTSE International Limited and Frank Russell Company) hereby confirms that Isuzu has met the requirements for inclusion in the FTSE Blossom Japan Sector Relative Index based on the results of a third-party assessment, making it a constituent stock of this index. The FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products.



FTSE Blossom
Japan Sector
Relative Index

S&P/JPX Carbon Efficient Index

The S&P Dow Jones Indices, one of the world's largest independent index companies, increases the investment weight of companies in the same industry that are highly carbon efficient and disclose information on their greenhouse gas emissions. The GPIF has adopted S&P/JPX Carbon Efficient Index as its global environmental equity index. Isuzu is included in the S&P/JPX Carbon Efficient Index.



SOMPO Sustainability Index

SOMPO Asset Management will establish its own index. This index will be used as a part of the company's SOMPO Sustainability Management initiative. This is an ESG management product for pension funds and institutional investors that invests in a wide range of companies with high ESG ratings.

Isuzu has been included in the component for six consecutive years since 2018.



Sompo Sustainability Index

External Evaluation

ESG Evaluation

CDP

CDP is a non-profit organization whose primary activity is to encourage corporations and local governments to disclose information on the measures they take to address environmental issues such as climate change. This is done at the request of institutional investors and major purchasing organizations worldwide that are concerned about environmental issues.

Isuzu responded to the 2022 CDP Climate Change Questionnaire and received a B rating.



The Nikkei SDGs Management Survey

The Nikkei SDGs Management Survey is conducted by Nikkei Inc. to evaluate companies that align their management strategies to SDGs and work toward solving social, economic, and environmental issues through their business activities.

Isuzu Motors Limited was awarded 3.5 stars in the 2022 Nikkei SDGs Management Survey.



Isuzu Receives 3-Star Eruboshi Rating

Isuzu has received the 3-star Eruboshi rating in recognition of its excellent implementation of initiatives for the promotion of women's activities based on the Law for the Promotion of Women's Activities.



ESG Data (Environment)

FY2023 Activity Results (Isuzu Group)

CO₂ Emissions Mitigation Activities

FY2023 results:
[Japan] Total CO₂ emissions 494,000t-CO₂

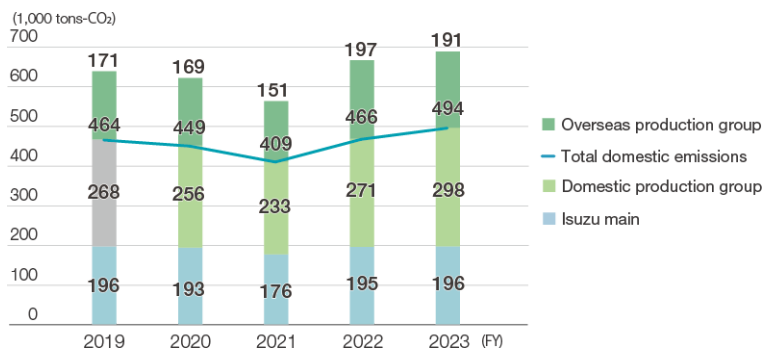
Both in Japan and overseas, each Group company has set its own reduction targets and is actively engaged in CO₂ emission-reduction activities.

In FY2021, energy consumption decreased significantly throughout the Group as a whole due to the suspension of operations in response to measures to prevent the spread of COVID-19. In FY2022 and beyond, as economic activities recover and production resumes, energy consumption is increasing due to the resurgence, resulting in a rise in energy usage as well. Additionally, with UD Trucks newly joining the Isuzu Group in FY2023, the CO₂ emissions of all domestic production-related Group companies increased by approximately 10% compared to FY2022.

Given anticipated changes in future societal conditions and the expected increase in energy usage, we are committed to pursuing further energy efficiency and operational improvements.

We will continue our efforts to reduce energy consumption by promoting more efficient facility operations and introducing energy-saving equipment when new facilities are installed. Alongside that, we will actively promote the adoption of renewable energy, aiming to decrease energy consumption and achieve both energy efficiency and cleaner operations. This way, we work towards reducing CO₂ emissions.

[Japan & Overseas] Trends in CO₂ Emissions



Waste Reduction Activities

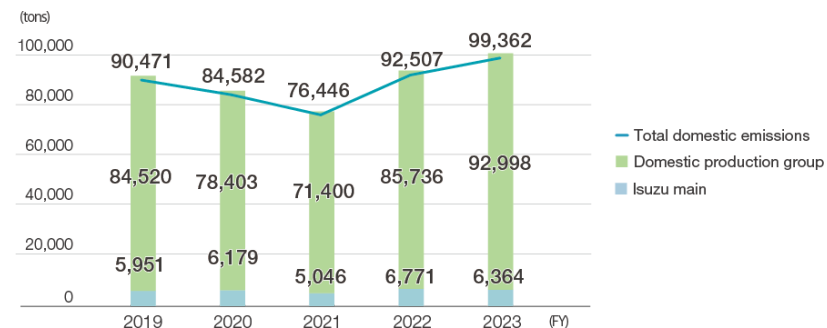
FY2023 results:
[Japan] Total waste generated 99,362t

Each Group company, both in Japan and overseas, has set its own reduction targets and is actively engaged in activities to reduce waste emissions.

In FY2021, the volume of waste generated from production activities decreased significantly due to the shutdown of operations to prevent the spread of COVID-19.

Since FY2022 and beyond, due to the recovery of economic activities and the resurgence of production, the amount of waste discharge has been increasing. Furthermore, the infection control measures taken by employees generated waste that had not been anticipated. Additionally, with UD Trucks newly joining the Isuzu Group in FY2023, the total waste emissions of domestically related group companies increased by approximately 8% compared to FY2022. We will implement measures such as the further promotion of recycling and review of production methods that generate less waste.

[Japan] Trends in Waste Generation



FY2023 Activity Results (Isuzu)

Isuzu's Environmental Management Structures

In the past, Isuzu operated its environmental management structures on a site-by-site basis. With the revision of ISO 14001 in FY2016, the systems were integrated on a Group-wide basis. In December 2016, we expanded ISO 14001 certification to all Isuzu sites, and shifted to ISO 14001:2015.

At present, Isuzu is carrying out uniform environmental initiatives at all sites. Moreover, all companies of the Group work together to reduce the environmental burdens resulting from our business operations and to bolster our environmental management.

> [Isuzu Motors's Environment Management](#)

ESG Data (Environment)

Violations and Accidents Related to Environmental Laws and Regulations in FY2023

Isuzu had no violations or environmental accidents related to environmental laws and regulations during FY2023.

CO₂ Emissions Mitigation Activities

- Medium- and long-term target
Reduce CO₂ emissions from business activities to 205,630 t-CO₂ or less by the end of FY2024
- Targets and results for FY2023
Target: Reduce CO₂ emissions from business activities to 214,560 t-CO₂ or less by the end of FY2023
Result: 188,592 t-CO₂

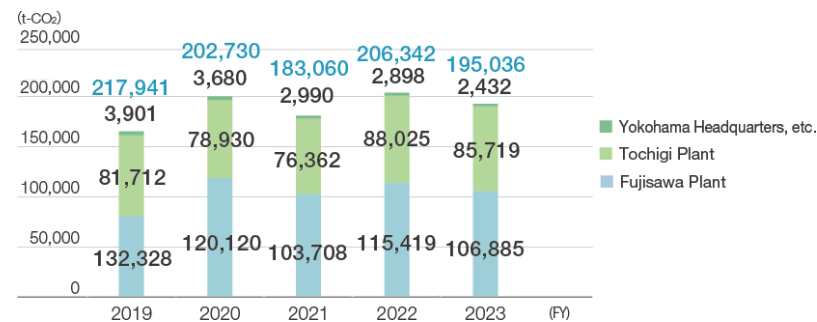
In efforts to reduce the energy consumption and mitigate total CO₂ emissions, both the Fujisawa and Tochigi Plants have continuously put in place measures to enhance efficiency, such as reviewing the production conditions and streamlining production lines. Moreover, we are utilizing clean electricity generated from renewable energy sources such as solar and hydro power for a portion of our purchased power, and we are further expanding the adoption of renewable energy. Additionally, we are increasing the installation of in-house solar panel systems. As of March 2023, we have newly installed approximately 1.1MW of photovoltaic power generation systems on the roof of the third building at Tochigi Plant Building No. 3. As a result, it is anticipated that the annual CO₂ emissions will be decreased by approximately 670 t-CO₂.



Tochigi Plant photovoltaic power generation systems commencement ceremony

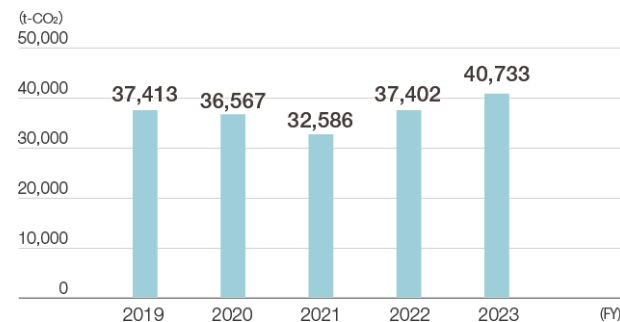
Furthermore, in the transportation sector, we are striving to reduce our CO₂ emissions by promoting a modal shift in the distribution of parts and products, and by involving all Group companies in logistics activities to enhance transportation efficiency.

Trends in CO₂ Emissions from Energy

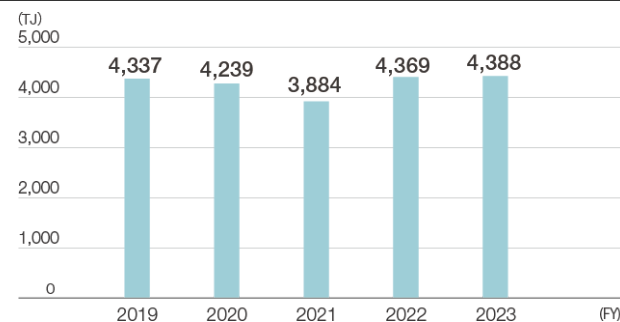


* The results for FY2019-2022 differ from the figures published for the previous year due to a revision of emission factors aimed at improving the accuracy of aggregation.

Trends in CO₂ Emissions from Logistics



Trends in Energy Consumption



ESG Data (Environment)

Activities to Reduce Resource Use

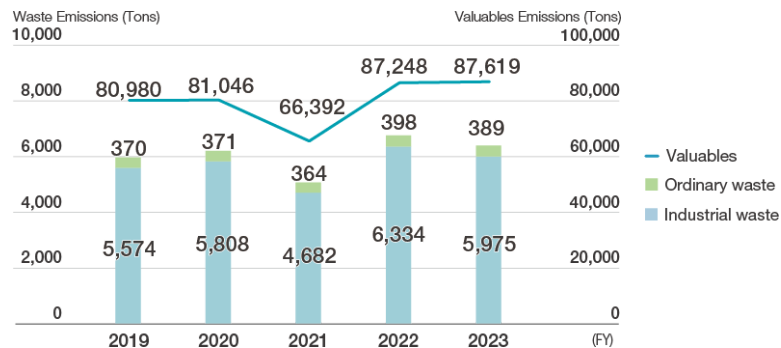
Reduce and Control Emissions

- Medium- and long-term target
By the end of FY2024, reduce the amount of waste generated by our business activities to 6,290 tons or less, and strive to optimize all emissions
- Targets and results for FY2023
Target: By the end of FY2023, reduce waste generated from business activities to 7,700 tons or less, and strive to optimize all emissions
Result: 6,894 tons

In addition to encouraging the effective use of waste generated from its business operations, Isuzu takes step to reduce and mitigate waste which includes valuable waste.

Isuzu has already achieved zero emissions with no landfill disposal since FY2012. Additionally, since FY2020, we have worked on activities to optimize plastic use as part of our efforts to combat the problem of marine plastic pollution. From FY2024, we are working towards reducing industrial waste related to plastic usage by establishing new reduction targets based on the "Act on Promotion of Resource Circulation for Plastics" and other relevant laws. Due to the characteristics of Isuzu's products, it is unlikely that marine plastic pollution is generated from our waste products. However, our business activities, particularly in the manufacturing process, involve the use of plastics in various ways. Isuzu promotes the responsible use of plastic products and the reduction of emissions by reviewing single-use and other measures.

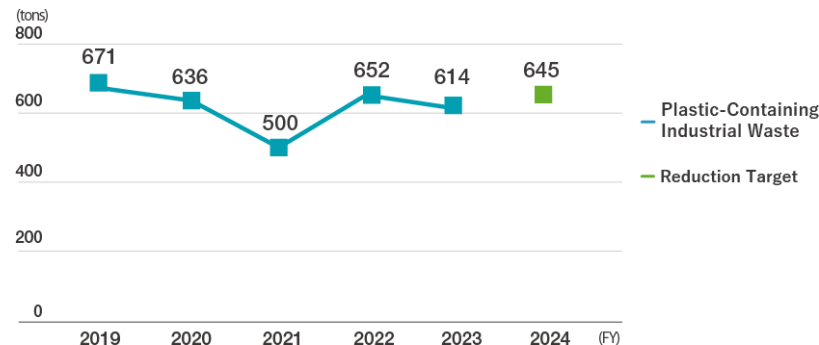
Trends in Waste Generation



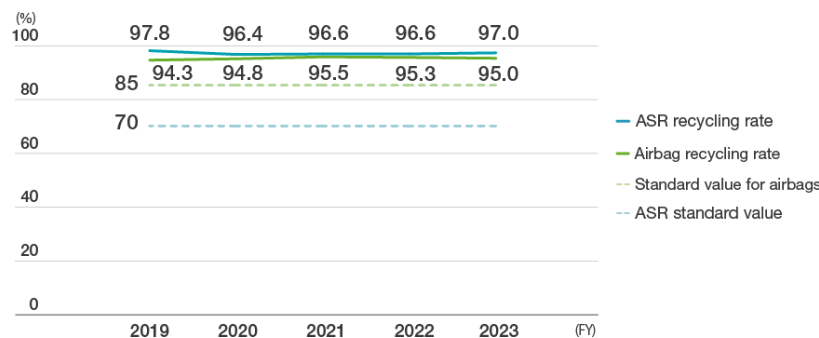
* Excluding Yokohama Headquarters

Trends in Plastic Product Waste Emission

Isuzu Motors began its initiatives in FY2022 to establish goals for reducing and recycling industrial waste emissions from plastic products. This move is in accordance with the "Act on Promotion of Resource Circulation for Plastics," as the company's plastic product industrial waste emissions exceeded 250 tons. In FY2023, our primary focus is conducting a survey to assess the actual state of waste emissions. Additionally, we are considering measures to further enhance the acceleration of emission reduction and recycling, which we have been consistently implementing.



Trends in Recycling Performance Based on Automobile Recycling



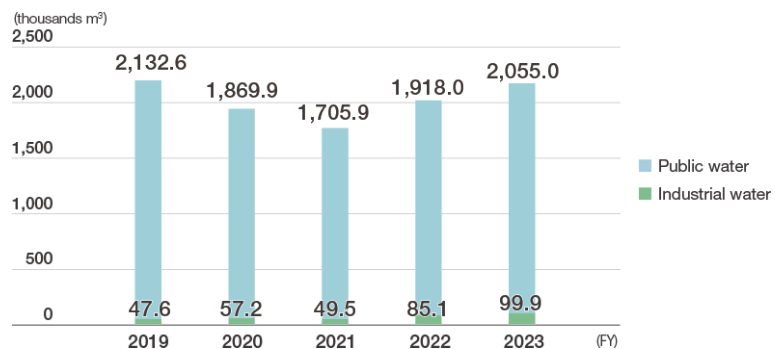
ESG Data (Environment)

Reduction of Water Consumption

- Medium- and long-term target
Reduce water consumption in business activities to 2,330,900 tons or less by the end of FY2024
- Targets and results for FY2023
Target: Reduce water consumption in business activities to 2,336,900 tons or less by the end of FY2023
Result: 2,162,872 tons

Isuzu uses a large amount of water in vehicle manufacturing, plant maintenance, wastewater treatment, and other processes. To preserve our limited water resources, Isuzu promotes the reuse of water employed in business processes, along with the use of treated wastewater. We are also working to reduce water consumption and utilize rainwater.

Trends in Water Resource Consumption



* Excluding Omori Headquarters

Environmental Risk Reduction Activities

Control Chlorofluorocarbon Emissions

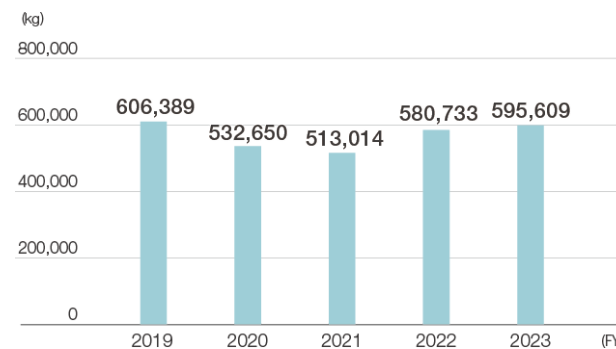
In response to the Act for Control of Chlorofluorocarbon Emissions (Act on Rational Use and Proper Management of Fluorocarbons) effective from April 2015, Isuzu is promoting proper refrigerant management for business-use refrigeration air conditioning equipment and other equipment using chlorofluorocarbons at all of its bases, and is implementing inspections of all such equipment. While this act requires business operators to report if their estimated leakage of chlorofluorocarbon exceeds 1,000 tons-CO₂/year, Isuzu has verified that its leakage volume for FY2023 was lower than this level.

Reduction of VOC Emissions

- Medium- and long-term target
Maintain VOC emissions per painted area of 19.2 g/m² or less in the cab painting process
- Targets and results for FY2023
Target: Maintain VOC emissions per painted area of 19.2 g/m² or less in the cab painting process
Result: 18.2 g/m²

Isuzu is reducing emissions through the recovery of volatile organic compounds (VOC), has reduced VOC emissions from its plants and reviewed and improved its painting processes, which entail particularly large VOC emissions. This activity is promoted through voluntary efforts to reduce VOC emissions by the Japan Automobile Manufacturers Association, Inc.

Trend in Total VOC Emissions



ESG Data (Environment)

Managing Land Contamination

To prevent health hazards resulting from land contamination, Isuzu surveys land contamination conditions based on the Soil Contamination Countermeasures Act and ordinances whenever it performs construction of a certain scale or constructs a new building.

In FY2023, no projects requiring investigations of soil contamination were implemented. Isuzu will continue efforts to unflinchingly investigate pollution in its construction projects and will take appropriate measures where necessary.

Proper Management of Emissions and Wastewater

By properly maintaining boilers and other smoke-generating facilities, we ensure that the amount of air pollutants from emissions such as NOx (nitrogen oxides) and SOx (sulfur oxides) is within regulatory standard values*.

Further, wastewater from our plants is processed in a wastewater treatment facility before being discharged to sewer systems or public water areas. The discharged water is analyzed on a regular basis to ensure that it is within regulatory standard values.

* Regulatory standard values are determined in accordance with laws or ordinances, whichever is stricter.

Fujisawa Plant: 8 Tsuchidana, Fujisawa City, Kanagawa Prefecture

Air

| Item | Equipment | Regulation Value | Measured Value | |
|------------------------------------|------------------------|------------------|----------------|---------|
| | | | Maximum | Average |
| NOx (ppm) | Boilers | 60 | 24 | 20.4 |
| | Metal melting furnaces | 180 | 53 | 24.5 |
| | Paint baking furnaces | 230 | 53 | 49.5 |
| Soot and dust (g/Nm ³) | Boilers | 0.3 | 0.008 | 0.008 |
| | Metal melting furnaces | 0.2 | 0.023 | 0.008 |
| | Paint baking furnaces | 0.2 | 0.014 | 0.008 |

* Since all facilities producing soot and smoke use city gas as their fuel, SOx is excluded from the scope of measurement.

Water Quality Discharge Destination: Hikiji River

| Item | Regulation Value | Measured Value | | |
|--------------------|------------------|----------------|---------|---------|
| | | Maximum | Minimum | Average |
| pH | 5.8-8.6 | 7.9 | 7.6 | 7.8 |
| COD (mg/L) | 60 | 21 | 6.7 | 13.1 |
| BOD (mg/L) | 60 | 18.0 | 4.8 | 8.9 |
| SS (mg/L) | 90 | 10 | 4 | 6.4 |
| Oil content (mg/L) | 5 | 4 | 1 | 1.5 |

Tochigi Plant: 2691 Hakuchu, Ohira-Machi, Tochigi City, Tochigi Prefecture

Air

| Item | Equipment | Regulation Value | Measured Value | |
|------------------------------------|-------------------------|------------------|----------------|---------|
| | | | Maximum | Average |
| NOx (ppm) | Boilers | 150 | 67 | 26 |
| | Metal heating furnace | 180 | 110 | 57 |
| | Gas engines | 600 | 182 | 168 |
| SOx (Nm ³ /h) | Total volume regulation | 14.5 | 0.3 | 0.1 |
| Soot and dust (g/Nm ³) | Boilers | 0.1 | 0.001 | 0.001 |
| | Metal heating furnace | 0.2 | 0.01 | 0.003 |
| | Gas engines | 0.05 | 0.002 | 0.002 |

Water Quality Discharge Destination: Nagano River

| Item | Regulation Value | Measured Value | | |
|--------------------|------------------|----------------|---------|---------|
| | | Maximum | Minimum | Average |
| pH | 5.8-8.6 | 7.7 | 7.2 | 7.4 |
| BOD (mg/L) | 20 | 15.7 | 1.9 | 4.4 |
| SS (mg/L) | 40 | 4.0 | 1.2 | 1.1 |
| Oil content (mg/L) | 5 | 0.0 | 0.0 | 0.0 |

* The COD is excluded from the scope of measurement since plant wastewater is discharged into rivers.

ESG Data (Environment)

Enhancement of Environmental Information Disclosure

Replies to CDP2022

With an aim of properly disclosing its measures on climate change, Isuzu has provided information since FY2017 to the CDP, an organization that evaluates corporate efforts related to climate change. Our score for CDP2022 was B. Since FY2018, in addition to climate change, Isuzu has also responded to Water Security and since FY2019 to Forest, widely disclosing its environmental management activities. Isuzu will continue to raise the level of its activities in this regard and information disclosure.

Third-Party Audits of Environmental Data

As demand for transparency and reliability in environmental information grows, Isuzu has been conducting third-party audits of its environmental data since FY2018. In FY2022, concerning CO₂ emissions, we expanded the scope to include the Group company, IJTT, and conducted an audit in accordance with ISO 14064-3. Additionally, for waste and water resources, an audit was conducted in accordance with ISAE 3000, and the verification process was successfully finalized. In FY2023, the implementation schedule was expedited to promptly disclose the results. Concerning Isuzu's CO₂, new measures were concentrated on Category 11 of Scope 1, Scope 2, and Scope 3, as well as waste and water resources. The third-party assurance in accordance with ISAE 3410 for CO₂ and ISAE 3000 for waste and water resources, ensuring compliance with environmental data verification, was conducted and successfully completed. We will remain aware of the importance of environmental data and will disclose such data in a reliable manner.

Participation in the GX League

Isuzu Motors aligned with the "GX League Basic Concept" newly introduced by the Ministry of Economy, Trade and Industry in FY2023, and became a participating company in the GX League. Subsequently, in FY2024, we have decided to take part in the newly established "GX League" and have become a participating company in the GX League starting from May 15th. Isuzu will continue to collaborate with industry, academia, and government stakeholders to advance the transformation of the entire economic and social system toward carbon neutrality (GX: Green Transformation), thereby contributing to the realization of a carbon-neutral and sustainable society in the future.

Participation in Project for Arrangement of Infrastructure for Environmental Information Disclosure

Since FY2017, Isuzu has been participating in the Ministry of the Environment's Project for the Arrangement of Infrastructure for Environmental Information Disclosure with the aim of promoting dialogues with investors and other stakeholders. We publish our environmental information on the project's portal site. Participating in this project has enabled us to have more frequent individual dialogues with investors and other entities, helping us to promote our environmental initiatives.

Isuzu Eco-activities

In July 2021, Isuzu published an environmental leaflet, Isuzu's Eco-Katsu (Eco-Activities), to inform stakeholders about the various environmental activities Isuzu is implementing. In addition to being available on the Internet, the printed version is also available for elementary school students on social studies tours and families visiting Isuzu Plaza to read at their leisure. The leaflet has been well received by employees who can easily understand the activities thanks to the easy-to-understand summaries provided. Volume 2 was published in February 2022. We will continue to make Isuzu's environmental activities known to as many people as possible through regular publications and updates.

> [Activities \(Japanese Only\)](#) 

Environmental Accounting

To conduct environmental activities efficiently and continuously, Isuzu has calculated the costs and effects of environmental conservation. We have disclosed information with the aim of helping to make management decisions for carrying out efficient investments in environmental activities, and as an evaluation index for businesses as well.

Environmental Conservation Costs

Total investment was 22,514 million yen, a 19,652 million yen increase YOY.
Total expenses were 48,679 million yen, a 2,503 million yen increase YOY.
Details are shown in the table below.

(Target Period: April 1, 2022 to March 31, 2023)

(Unit: million yen)

| Classification | | Investment | Expenses | Major activities |
|----------------------------|---|------------|----------|--|
| Business area costs | Pollution prevention costs | 1,011 | 145 | Prevention of air, water and other kinds of pollution |
| | Global environmental conservation costs | 1,724 | 640 | Implementing energy-saving activities, climate change measures, etc. |
| | Resource recycling costs | 272 | 399 | Proper disposal of waste, development and improvement of waste disposal sites, etc. |
| Upstream/downstream costs | | 0 | 3,217 | Encouraging the recycling of used automobiles, 3Rs for waste, etc. |
| Management costs | | 0 | 366 | Promoting environmental management, updating systems for gathering information such as environmental data, etc. |
| R&D costs | | 19,507 | 43,818 | R&D for eco-friendly products compliant with emissions regulations, etc. |
| Social activity costs | | 0 | 88 | Supporting environmental conservation activities such as tree planting, donating to environmental conservation organizations, etc. |
| Environmental damage costs | | 0 | 6 | Pollution load levy, conservation measures against soil and groundwater pollution, etc. |
| Total | | 22,514 | 48,679 | |

ESG Data (Environment)

Environmental Conservation Effects




(Period: April 1, 2022 to March 31, 2023)

| Category | Effect details | Effect |
|-----------------------------------|---|--------|
| Economic effect (millions of yen) | Reduction in energy costs through energy conservation | 98 |
| | Profit on sale of valuables | 3,881 |
| Quantitative effect (tons) | CO ₂ reduction (tons of CO ₂) | 2,194 |

Business Activities and Environmental Hazards




Primary Environmental Impact of Isuzu

Items marked with  have been verified by a third-party for the FY2023 data.

| | | FY2021 | FY2022 | FY2023 |
|---|--|-----------|---|---|
| INPUT | Energy input (GJ) | 3,886,485 | 4,371,653 | 4,387,635  |
| | Power consumption | 1,685,940 | 1,891,461 | 2,076,515 |
| | LPG | 23,520 | 28,905 | 31,812 |
| | LNG | 830,357 | 971,498 | 808,459 |
| | City gas | 1,062,950 | 1,198,535 | 1,173,833 |
| | Other energy | 280,976 | 279,082 | 297,016 |
| | Raw material input amount (thousand-t) | | | |
| | Iron & steel | 45 | 56 | 43 |
| | Aluminum | 7 | 7 | 10 |
| | Raw materials | 142 | 183 | 152 |
| Water usage (thousand m ³) | 1,755 | 2,019 | 2,174  | |
| Greenhouse gas (GHG) (t-CO ₂) ^{*1} | 183,104 | 206,266 | 195,036 | |
| Waste generation (thousand-t) | 5.0 | 6.8 | 6.9  | |
| Final landfill (thousand-t) | 0.0 | 0.0 | 0.0 | |
| Valuables (thousand-t) | 66.0 | 87.2 | 87.6 | |
| OUTPUT | Recycling result (%) | | | |
| | ASR | 96.6 | 96.6 | 97.0 |
| | Air bags | 95.5 | 95.3 | 95.0 |
| | VOC emissions (t) | 513 | 581 | 596 |
| | Wastewater (thousand m ³) | 1,755 | 2,019 | 2,174 |

*1 Sum of Scope 1 and Scope 2

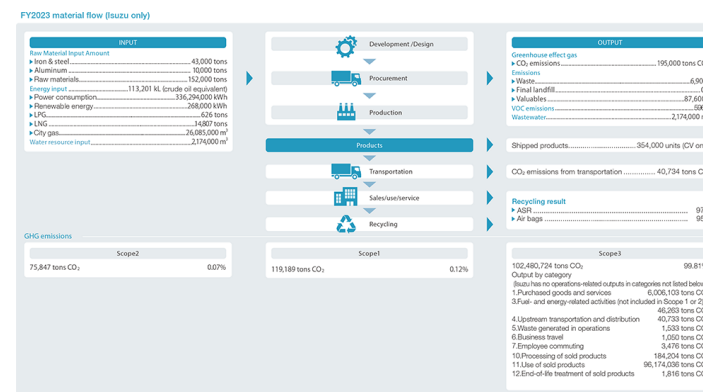
GHG emissions

| | | FY2021 | FY2022 | FY2023 |
|---------------|---|------------|------------|--|
| GHG emissions | Total greenhouse gas emissions (t-CO ₂) | 27,704,207 | 94,683,737 | 102,675,760 |
| | Scope1 | 114,195 | 128,074 | 119,189  |
| | Scope2 | 68,909 | 78,192 | 75,847  |
| | Scope3 Total | 27,521,103 | 94,477,471 | 102,480,724 |
| | Category 1 | 4,161,451 | 4,903,215 | 6,006,103 |
| | Category 2 ^{*1} | 0 | 0 | 21,510 |
| | Category 3 | 43,630 | 44,081 | 46,263 |
| | Category 4 | 32,586 | 37,402 | 40,733 |
| | Category 5 | 4,769 | 5,312 | 1,533 |
| | Category 6 | 1,059 | 1,050 | 1,050 |
| | Category 7 | 14,529 | 3,486 | 3,476 |
| | Category 8 | - | - | - |
| | Category 9 ^{*2} | 37,413 | - | - |
| | Category 10 | 242,167 | 166,537 | 184,204 |
| | Category 11 | 22,983,136 | 89,314,699 | 96,174,036  |
| Category 12 | 363 | 1,689 | 1,816 | |
| Category 13 | - | - | - | |
| Category 14 | - | - | - | |
| Category 15 | - | - | - | |

*1 In FY2023, emissions increased due to the relocation of our headquarters.

*2 Due to a revision in the calculation method, starting from the fiscal year FY2022, we now include Scope1, Scope2, and Scope3 Category 4.

Material Flow



ESG Data (Environment)

Calculation Standards

| | |
|---------------------------|---|
| Calculation Period | FY2023 (April 2022 - March 2023) |
| Metrics Calculation Scope | Non-consolidated: ISUZU MOTORS LIMITED |
| | Consolidated: ISUZU MOTORS LIMITED and its domestic and overseas subsidiaries |

| Energy Usage | Scope | Units | Calculation Standards |
|---|------------------|-------|---|
| Electricity Usage, Fuel Usage, and Heat Usage | Non-consolidated | GJ | <p>Total energy usage of electricity, fuel (city gas, liquefied natural gas, diesel oil, etc.), and heat (steam, chilled water)</p> <p>[Calculation Standards]</p> <ul style="list-style-type: none"> The Act on Promotion of Global Warming Countermeasures (Global Warming Prevention Law), and the Basic Policy on the Rationalizing Use of Energy and Shifting to Non-fossil Energy (Energy Conservation Law) <p>[Calculation Method]</p> <ul style="list-style-type: none"> Energy Usage = Usage Amount x Heat Conversion Factor^{*1} <p>*1 Heat Conversion Factor: Act on the Rational Use of Energy Periodic Report and Medium to Long-Term Plan (Specific Operators, etc.) Filing Guidelines.</p> |

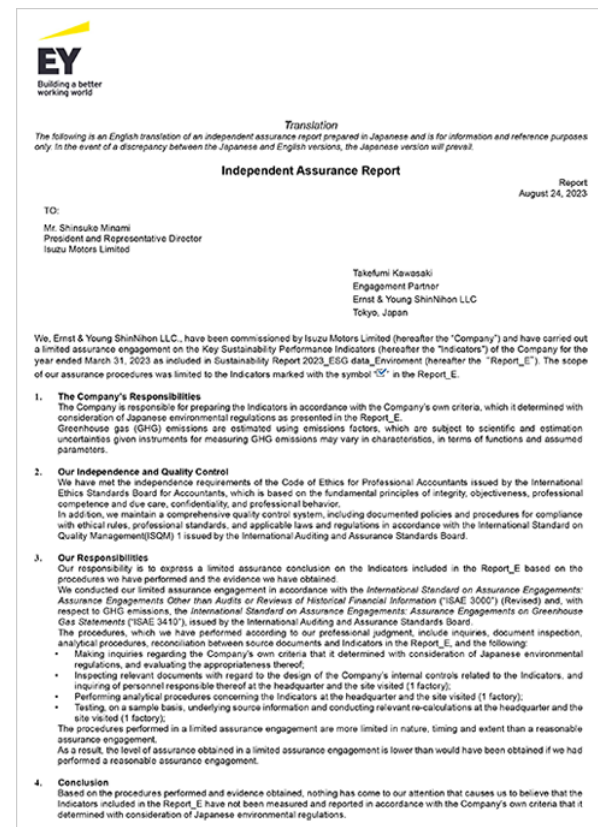
| Greenhouse Gas (GHG) | Scope | Units | Calculation Standards |
|---|------------------|-------------------|---|
| Scope1 | Non-consolidated | t-CO ₂ | <p>CO₂ emissions from fuel usage</p> <p>[Calculation Standards]</p> <ul style="list-style-type: none"> GHG Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Global Warming Prevention Law, Energy Conservation Law. <p>[Calculation Method]</p> <ul style="list-style-type: none"> Scope 1 Emissions = Each Fuel Usage x CO₂ Emission Factor^{*1} <p>*1 CO₂ Emission Factor: Ministry of the Environment "List of Calculation Methods and Emission Factors for the Reporting System"</p> |
| Scope2 | Non-consolidated | t-CO ₂ | <p>CO₂ emissions from externally supplied electricity and heat</p> <p>[Calculation Standards]</p> <ul style="list-style-type: none"> GHG Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Global Warming Prevention Law, Energy Conservation Law. <p>[Calculation Method]</p> <ul style="list-style-type: none"> Scope 2 Emissions (calculated based on market standards) = Electricity & Heat Usage x CO₂ Emission Factor^{*1} <p>*1 CO₂ Emission Factor (Heat/Electricity): Ministry of the Environment "List of Calculation Methods and Emission Factors for the Reporting System" / "Emission Factors by Electricity Providers"</p> |
| Scope3 Category 11 (The use of sold products) | Non-consolidated | t-CO ₂ | <p>CO₂ emissions from the use of sold products (vehicles, engines)</p> <p>[Calculation Standards]</p> <ul style="list-style-type: none"> GHG Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, <p>[Calculation Method]</p> <p>1) Vehicles</p> <ul style="list-style-type: none"> CO₂ Emissions = Annual Fuel Usage^{*1} (L) x Sales Volume (units) x Average Years of Use^{*2} (years) x CO₂ Emission Factor for Fuel Usage^{*3} <p>*1 Annual Fuel Usage = Annual Driving Distance ÷ Fuel Efficiency Translates to "Annual Driving Distance: Refer to the Ministry of Land, Infrastructure, Transport and Tourism's "Survey on Motor Vehicle Transport" Fuel Efficiency: Refer to the Ministry of Land, Infrastructure, Transport and Tourism's 'List of Automobile Fuel Efficiencies'</p> <p>*2 Average Years of Use: Refer to the 'Initial Registration Year Performance of Collected Vehicles' published by the Japan Automobile Recycling Promotion Center (JARC)</p> <p>*3 CO₂ Emission Factor for Fuel Usage: Refer to the Ministry of the Environment's "List of Calculation Methods and Emission Factors for the Reporting System"</p> <p>2) Engines</p> <ul style="list-style-type: none"> CO₂ Emissions = Representative Product's CO₂ Emissions During Use^{*4} (t-CO₂) x Sales Volume (units) x Allocation Ratio^{*5} <p>*4 CO₂ Emissions During Use of Representative Product (Construction Machinery) in t-CO₂: Refer to the Ministry of the Environment's 'Technical Guide for Calculating Greenhouse Gas Emissions in Road Construction Projects (Draft)'</p> <p>*5 The allocation ratio is based on the weight proportion of the engine in the representative product</p> |

ESG Data (Environment)

| | Scope | Units | Calculation Standards |
|-------------|------------------|-------------------------|--|
| Water Usage | Non-consolidated | thousand m ³ | Total Water Usage (tap water, groundwater, industrial water) [Calculation Standards] <ul style="list-style-type: none"> Isuzu Group Environmental Activity Guidelines [Calculation Method] <ul style="list-style-type: none"> Based on the calculation standards, the following values are aggregated. Tap water & industrial water: Usage amount as per the invoice. Groundwater: Measured values based on meters or similar devices managed according to measurement laws. Reference Legislation, etc.: Ministry of the Environment 'Environmental Reporting Guidelines' |

| | Scope | Units | Calculation Standards |
|------------------|------------------|------------|--|
| Waste generation | Non-consolidated | thousand t | Total Emissions of Industrial Waste and General Waste [Calculation Standards] <ul style="list-style-type: none"> Isuzu Group Environmental Activity Guidelines [Calculation Method] <ul style="list-style-type: none"> Aggregated figures and other data are based on the calculation standards and are recorded in the manifest. Manifest: Control manifest for industrial waste as stipulated by the Waste Management and Public Cleansing Act (Waste Management Law) Reference Legislation, etc.: Waste Management Law |

Independent Assurance Report (PDF)






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ESG Data (Social)

Consolidated Data

Employees















Items marked with  have been verified by a third-party for the FY2023 data.

| | Unit | FY2021 | FY2022 | FY2023 |
|---|-------------------------|--------|--------|--|
| The number of employees | The number of employees | 36,224 | 44,299 | 44,495  |
| Male | | - | 39,166 | 39,058  |
| Female | | - | 5,133 | 5,437  |
| Outside Number: Average Number of Temporary Employees | | 10,183 | 14,320 | 15,146 |
| Number of Employees by Region | The number of employees | 36,224 | 44,299 | 44,495 |
| Japan | | 22,626 | 28,727 | 28,544 |
| Asia | | 10,811 | 12,475 | 12,684 |
| Africa | | 1,418 | 1,676 | 1,781 |
| Other Areas | | 1,369 | 1,421 | 1,486 |
| Voluntary Resignation Rate | | - | - | 4.14 |
| Percentage of Employees with Disabilities* | % | - | - | 1.80 |

* Figures as of June 1 of each year.

Non-consolidated Data

Employee

| | Unit | FY2021 | FY2022 | FY2023 |
|---|----------------------------------|--------|--------|---|
| The number of employees | The number of employees | 8,149 | 8,056 | 8,056  |
| Male | | 7,691 | 7,591 | 7,581  |
| Female | | 458 | 465 | 475  |
| Number of New Graduates Hired | The number of employees | 242 | 256 | 296  |
| Male | | 224 | 239 | 270  |
| Female | | 18 | 17 | 26  |
| Number of Career Employees Hired | The number of employees | 55 | 58 | 112  |
| Male | | 50 | 52 | 94  |
| Female | | 5 | 6 | 18  |
| Number of Foreign Nationals Hired | The number of employees | 4 | 7 | 8 |
| Voluntary Resignation Rate | % | 1.52 | 1.68 | 2.15 |
| Resignation Rate, Including Retirement Due to Reaching the Retirement Age | % | 5.00 | 5.00 | 4.90 |
| Percentage of Employees with Disabilities* ¹ | % | 2.11 | 1.97 | 2.16  |
| Rehired Retiree Numbers | The number of employees | 692 | 762 | 813 |
| Management (Senior Level) | The number of employees | 1,398 | 1,417 | 1,433 |
| Male | | 1,355 | 1,368 | 1,385 |
| Female | | 43 | 49 | 48 |
| Ratio of Women | % | 3.08 | 3.46 | 3.35  |
| Average Age | Years | 41.3 | 41.2 | 41.0 |
| Average Years of Service | Years | 19.0 | 18.7 | 18.3 |
| Average Annual Salary* ² | Thousands of yen | 7,593 | 7,534 | 7,770 |
| Gender Wage Gap among Workers* ³ | All workers | - | - | 84.8  |
| | Regular employees | - | - | 81.1  |
| | Part-time and fixed-term workers | - | - | 105.8  |

*¹ Figures as of June 1 of each year.

*² Average annual salary includes non-standard salary and bonus.

*³ It represents the ratio of women's annual average wage to men's annual average wage.

ESG Data (Social)

Number of Employees Using Childcare/Nursing Care Support Systems

| | Unit | FY2021 | FY2022 | FY2023 |
|---|-------------------------|--------|--------|--------|
| Parenting Leave | The number of employees | 53 | 66 | 81 |
| Male | | 20 | 31 | 49 |
| Female | | 33 | 35 | 32 |
| Rate of male employees taking childcare leave* ¹ | | - | - | 87.7% |
| Nursing Care Leave | | 0 | 0 | 1 |
| Male | | 0 | 0 | 1 |
| Female | | 0 | 0 | 0 |
| Shortened Working Hours (Nursing Care and Childcare) | | 31 | 31 | 33 |
| Male | | 4 | 3 | 4 |
| Female | | 27 | 28 | 29 |

*1 This is a calculation of the percentage of employees who have taken childcare leave and childcare purpose leave.

Health and Safety

Occupational Injuries

| | | Unit | FY2021 | FY2022 | FY2023 |
|---------------------------|--------------|-------|--------|--------|--------|
| Total Number of Incidents | Target | Cases | 12 | 12 | 6 |
| | Achievements | | 28 | 23 | 29 |
| Fatalities | Target | | 0 | 0 | 0 |
| | Achievements | | 0 | 0 | 0 |

Lost Time Due to Injury Frequency Rate*¹

| | FY2021 | FY2022 | FY2023 |
|--|--------|--------|--|
| Lost Time Due to Injury Frequency Rate | 0.16 | 0.00 | 0.00 <input checked="" type="checkbox"/> |
| Automobile Manufacturing (Japan)* ² | 0.15 | 0.18 | 0.22 |

*1 Number of fatalities and injuries due to industrial incidents per 1,000,000 total actual working hours

*2 Source: Ministry of Health, Labour and Welfare, Survey of Occupational Accident Trends, statistics tables.

Safety Training

| | Unit | FY2022 | FY2023 |
|-----------------------------------|-------------------------|--------|--------|
| Number of Safety Course Attendees | The number of employees | 5,344 | 2,665 |

Personnel Development

Training Achievements

| | Unit | FY2022 | FY2023 |
|-------------------------|-------|---------|---------|
| Total Hours of Training | Hours | 231,993 | 184,079 |
| Hours Per Employee | | 29 | 23 |

Social Contribution Activities

Social Contribution Expenditure in FY2023 (Non-consolidated): 790 Million Yen

| | Unit | Social contribution expenditure | In-kind Donations | Donations |
|--------|---------------|---------------------------------|-------------------|-----------|
| Amount | 1 million yen | 702 | 4 | 85 |

Product Quality

| | Unit | FY2021 | FY2022 | FY2023 |
|----------------|-------|--------|--------|--------|
| No. of recalls | Cases | 11 | 17 | 12 |

ESG Data (Social)

Calculation Standards

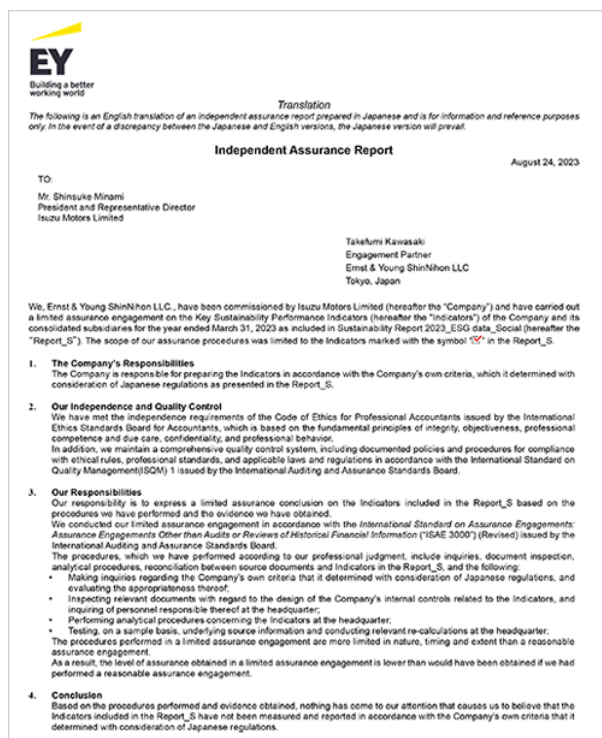
| | |
|---------------------------|---|
| Calculation Period | Fiscal Year 2023 (April 2022 - March 2023) |
| Metrics Calculation Scope | Non-consolidated: ISUZU MOTORS LIMITED |
| | Consolidated: ISUZU MOTORS LIMITED and its domestic and overseas subsidiaries |

| | Scope | Units | Calculation Standards |
|--|-----------------------------------|--------|---|
| Ratio of Women Management (Senior Level) | Non-consolidated | % | <p>Proportion of Female Managers Among All Managers</p> <p>* Managers refer to employees in positions at the level of section chief or higher, excluding executives</p> <p>[Calculation Method]</p> <p>Calculated as follows, based on the Isuzu Group Social Data Manual</p> <ul style="list-style-type: none"> Ratio of Female Managers (Senior Positions) = (Number of Female Managers in Senior Positions / Total Number of Managers in Senior Positions) × 100 <p>[Reference Legislation, etc.]</p> <p>Act on Promotion of Women's Participation and Advancement in the Workplace (Act on Promotion of Female Participation)</p> |
| Percentage of Employees with Disabilities | Non-consolidated | % | <p>Proportion of Regularly Employed Workers with Disabilities Relative to All Regularly Employed Workers</p> <p>[Calculation Method]</p> <p>Calculated as follows, based on the Isuzu Group Social Data Manual: Disability Employment Ratio = (Number of Regularly Employed Workers with Disabilities / Total Number of Regularly Employed Workers) × 100</p> <p>*1 Part-time workers (working 20 hours or more but less than 30 hours per week) are counted as 0.5 persons</p> <p>*2 Severely disabled individuals are counted as 2 persons</p> <p>*3 As Isuzu Hospital falls under the category of industries with an exclusion rate setting, the number of regularly employed workers is calculated at 70% of the actual number</p> <p>[Reference Legislation, etc.]</p> <p>Ministry of Health, Labour and Welfare 'Act to Facilitate the Employment of Persons with Disabilities'</p> |
| Number of Employees (By Gender) | Non-consolidated and Consolidated | People | <p>Non-consolidated: Excludes those seconded from Isuzu to external organizations, but includes those seconded to Isuzu from external organizations</p> <p>Consolidated: Excludes those seconded from the Isuzu Group to external organizations, but includes those seconded to the Isuzu Group from external organizations</p> <p>Aggregation Scope: For companies with a fiscal year ending in March, the data is as of March 31; for companies with a fiscal year ending in December, the data is as of December 31</p> |
| Number of New Graduate Hires (By Gender) | Non-consolidated | People | <p>Full-time employees who have been directly hired without a fixed term of employment, from among students who are job-hunting in anticipation of graduating from various schools and institutions</p> <p>However, individuals who have graduated from school within approximately the last three years and have successfully passed Isuzu's new graduate hiring process are also treated as new graduate hires</p> |
| Number of Career Employees Hired (By Gender) | Non-consolidated | People | <p>Among full-time employees who have been directly hired without a fixed term of employment, those who are not new graduate hires</p> |

| | | | |
|--|------------------|---|--|
| Gender Wage Gap Among Workers | Non-consolidated | % | <p>The ratio of the average annual wage of female workers to the average annual wage of male workers</p> <p>[Calculation Method]</p> <ul style="list-style-type: none"> For regular employment, non-regular employment, and all workers, the gender wage gap is calculated as follows: Gender Wage Gap = (Average Annual Wage of Women / Average Annual Wage of Men) × 100 <p>[Reference Legislation, etc.]</p> <p>Act on the Promotion of Women's Active Engagement in Professional Life</p> |
| Lost Time Due to Injury Frequency Rate | Non-consolidated | - | <p>The number of fatalities and injuries due to occupational accidents per one million actual man-hours worked</p> <p>[Calculation Method]</p> <p>Calculated as follows, based on the Isuzu Group Social Data Manual</p> <p>Lost Time Injury Frequency Rate = (Number of Fatalities and Injuries Due to Occupational Accidents / Total Actual Man-Hours Worked) × 1,000,00</p> |

ESG Data (Social)

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ESG Data (Governance)

Governance

Corporate Governance Overview

| | | Unit | As of June 28, 2023 |
|---------------------------------------|---|--------|---------------------|
| Directors | Board of Directors | Person | 13 |
| | Independent Outside Directors | | 5 |
| | Proportion of Independent Outside Directors | % | 38.46 |
| | Female Directors | Person | 2 |
| | Proportion of Female Directors | % | 15.38 |
| Audit and Supervisory Committee | Audit Committee Members | Person | 5 |
| | Independent Outside Directors | | 3 |
| Nomination and Remuneration Committee | Nomination and Remuneration Committee Members | Person | 5 |
| | Independent Outside Directors | | 3 |

Meetings Held

| | | Unit | FY2021 | FY2022 | FY2023 |
|---|---|-------|--------|---------|--------|
| Board of Directors | Number of meetings | Times | 18 | 15 | 15 |
| | Attendance rate among Outside directors | % | 100 | 100 | 100 |
| Audit and Supervisory Committee (Board of Corporate Auditors) | Number of meetings | Times | (15) | 11(5)*1 | 15 |
| | Attendance rate | % | 100 | 100 | 100 |
| Nomination and Remuneration Committee | Number of meetings | Times | 9 | 8 | 8 |

*1 The Board of Corporate Auditors had held five meetings by June 25, 2021, the date of the Company's transition into a company with an Audit and Supervisory Committee.

GRI Standards Index

Universal Standard

| GRI Standard | Indicator | Contents | |
|---------------------------------------|---|--|---|
| GRI 2: General Disclosures 2021 | 1. The organization and its reporting practices | | |
| | 2-1 | Organizational details | <ul style="list-style-type: none"> About ISUZU > Corporate Profile Investor Relations > Fact Book |
| | 2-2 | Entities included in the organization's sustainability reporting | <ul style="list-style-type: none"> About ISUZU > Corporate Profile Investor Relations > Fact Book |
| | 2-3 | Reporting period, frequency and contact point | <ul style="list-style-type: none"> Editorial Policy |
| | 2-4 | Restatements of information | <ul style="list-style-type: none"> Editorial Policy |
| | 2-5 | External assurance | <ul style="list-style-type: none"> ESG Data > Third-Party Audits of Environmental Data ESG Data > Third-Party Audits of Social Data |
| | 2. Activities and workers | | |
| | 2-6 | Activities, value chain and other business relationships | <ul style="list-style-type: none"> Social > Supply Chain Management |
| | 2-7 | Employees | <ul style="list-style-type: none"> ESG Data > Social About ISUZU > Corporate Profile Investor Relations > Fact Book Securities Report |
| | 2-8 | Workers who are not employees | <ul style="list-style-type: none"> ESG Data > Social About ISUZU > Corporate Profile Investor Relations > Fact Book Securities Report |
| | 3. Governance | | |
| | 2-9 | Governance structure and composition | <ul style="list-style-type: none"> Sustainability Promotion System Governance > Corporate Governance > Management Structure Securities Report Corporate Governance Report |
| | 2-10 | Nomination and selection of the highest governance body | <ul style="list-style-type: none"> Governance > Corporate Governance > Management Structure |
| | 2-11 | Chair of the highest governance body | <ul style="list-style-type: none"> Governance > Corporate Governance > Management Structure |

| GRI Standard | Indicator | Contents | | | |
|---------------------------------------|-------------------------------------|---|--|---|---|
| GRI 2: General Disclosures 2021 | 2-12 | Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> Message from the President COO Corporate Philosophy Sustainability Promotion System Environment > Management Approaches > Management Structure Social > Quality > Management Structure Social > Respect for Employees > Management Structure Social > Human Rights > Management Structure Social > Supply Chain Management > Management Structure Social > Social Contribution and Society > Management Structure Governance > Corporate Governance > Management Structure Governance > Compliance > Management Structure Governance > Risk Management > Management Structure | | |
| | | | 2-13 | Delegation of responsibility for managing impacts | <ul style="list-style-type: none"> Sustainability Promotion System Governance > Corporate Governance > Management Structure |
| | | | 2-14 | Role of the highest governance body in sustainability reporting | <ul style="list-style-type: none"> Sustainability Promotion System Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations |
| | | | 2-15 | Conflicts of interest | <ul style="list-style-type: none"> Corporate Governance Report |
| | | | 2-16 | Communication of critical concerns | <ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders |
| | | | 2-17 | Collective knowledge of the highest governance body | <ul style="list-style-type: none"> Sustainability Promotion System Governance > Corporate Governance |
| | | | 2-18 | Evaluation of the performance of the highest governance body | <ul style="list-style-type: none"> Governance > Corporate Governance > Board Effectiveness Assessment Corporate Governance Report |
| | | | 2-19 | Remuneration policies | <ul style="list-style-type: none"> Governance > Corporate Governance > Officers' Remuneration Securities Report Corporate Governance Report |
| | | | 2-20 | Process to determine remuneration | <ul style="list-style-type: none"> Governance > Corporate Governance > Officers' Remuneration Securities Report Corporate Governance Report |
| | | | 2-21 | Annual total compensation ratio | <ul style="list-style-type: none"> ESG Data > Social > Employee |
| | 4. Strategy, policies and practices | | | | |
| | 2-22 | Statement on sustainable development strategy | <ul style="list-style-type: none"> Message from the President COO Message from the Chairperson of the Sustainability Committee | | |

GRI Standards Index

| GRI Standard | Indicator | | Contents | | | | | | |
|---------------------------------|-----------|--------------------|---|------------------------------|---|---|--|--|---|
| GRI 2: General Disclosures 2021 | 2-23 | Policy commitments | <ul style="list-style-type: none"> Corporate Philosophy Environment > Management Approaches > Isuzu Group's Charter on the Global Environment Environment > Management Approaches > Basic Approach Social > Quality > Basic Approach Social > Respect for Employees > Basic Approach Social > Human Rights > Isuzu Group Human Rights Policy Social > Supply Chain Management > Basic Approach Social > Social Contribution and Society > Basic Approach Governance > Corporate Governance > Basic Approach Governance > Compliance > Tax Policy | | | | | | |
| | | | 2-24 | Embedding policy commitments | <ul style="list-style-type: none"> Environment > Management Approaches > Isuzu Environmental Vision 2050 Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations Environment > Management Approaches > Isuzu Group's Charter on the Global Environment Environment > Management Approaches > Management Structure Human Rights > Human Rights Due Diligence Social > Supply Chain Management > Initiatives Social > Quality > Initiatives > Initiatives toward Improved Field Quality | | | | |
| | | | | | 2-25 | Processes to remediate negative impacts | <ul style="list-style-type: none"> Environment > Management Approaches > Isuzu Environmental Vision 2050 Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations Governance > Compliance > Initiatives Securities Report | | |
| | | | | | | | 2-26 | Mechanisms for seeking advice and raising concerns | <ul style="list-style-type: none"> Governance > Compliance > Initiatives |
| | | | | | | | 2-27 | Compliance with laws and regulations | <ul style="list-style-type: none"> Governance > Compliance > Initiatives |
| | | | | | | | 2-28 | Membership associations | <ul style="list-style-type: none"> Participation in External Initiatives Social > Contributions to Local |
| | | | | | 5. Stakeholder engagement | | | | |
| | | | | | 2-29 | Approach to stakeholder engagement | <ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders | | |
| | | | | | 2-30 | Collective bargaining agreements | <ul style="list-style-type: none"> Social > Respect for Employees > Labor-Management Relations | | |

| GRI Standard | Indicator | | Contents |
|-----------------------------|-----------|--------------------------------------|--|
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | <ul style="list-style-type: none"> Sustainability Promotion System Environment > Management Approaches > Isuzu Environmental Vision 2050 > 2030 Environmental Roadmap Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations The Value Creation Story of Isuzu |
| | | List of material topics | <ul style="list-style-type: none"> The Value Creation Story of Isuzu Corporate and Stock Information |
| | 3-3 | Management of material topics | <ul style="list-style-type: none"> Sustainability Promotion System Environment > Management Approaches > Isuzu Environmental Vision 2050 > 2030 Environmental Roadmap Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations External Evaluation |

Topic-specific Standards (Economic)

| GRI Standard | Indicator | | Contents |
|---------------------------------------|-----------|--|--|
| 201: Economic Performance (2016) | 201-1 | Direct economic value generated and distributed | <ul style="list-style-type: none"> Social > Social Contribution > Social Contribution Expenditure |
| | | Financial implications and other risks and opportunities due to climate change | <ul style="list-style-type: none"> Environment > Climate Change Measures > Information Disclosure Based on the TCFD Recommendations |
| | 201-3 | Defined benefit plan obligations and other retirement plans | <ul style="list-style-type: none"> Securities Report |
| | 201-4 | Financial assistance received from government | - |
| 202: Market Presence (2016) | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | - |
| | | 202-2 | Proportion of senior management hired from the local community |
| 203: Indirect Economic Impacts (2016) | 203-1 | Infrastructure investments and services supported | - |
| | | 203-2 | Significant indirect economic impacts |
| 204: Procurement Practices (2016) | 204-1 | Proportion of spending on local suppliers | <ul style="list-style-type: none"> Social > Supply Chain Management > Initiatives > Isuzu Supply Chain |

GRI Standards Index

| GRI Standard | Indicator | | Contents |
|---------------------------------------|-----------|---|---|
| 205: Anti-corruption (2016) | 205-1 | Operations assessed for risks related to corruption | <ul style="list-style-type: none"> Governance > Compliance Securities Report □ |
| | 205-2 | Communication and training about anti-corruption policies and procedures | <ul style="list-style-type: none"> Social > Supply Chain Management > Communication with Business Partners Governance > Compliance > Initiatives > Compliance Training |
| | 205-3 | Confirmed incidents of corruption and actions taken | <ul style="list-style-type: none"> Governance > Compliance > Management Structure |
| 206: Anti-competitive Behavior (2016) | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - |
| 207: Tax (2019) | 207-1 | Approach to tax | <ul style="list-style-type: none"> Governance > Compliance > Tax Policy |
| | 207-2 | Tax governance, control, and risk management | <ul style="list-style-type: none"> Governance > Compliance > Tax Policy |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | <ul style="list-style-type: none"> Governance > Compliance > Tax Policy |
| | 207-4 | Country-by-country reporting | - |

Topic-specific Standards (Environmental)

| GRI Standard | Indicator | | Contents |
|-----------------------|-----------|--|---|
| 301: Materials (2016) | 301-1 | Materials used by weight or volume | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 301-2 | Recycled input materials used | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 301-3 | Reclaimed products and their packaging materials | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards About Recycling Isuzu Vehicles (Japanese only) □ |
| 302: Energy (2016) | 302-1 | Energy consumption within the organization | <ul style="list-style-type: none"> ESG Data > Environment > CO₂ Emissions Mitigation Activities ESG Data > Environment > Business Activities and Environmental Hazards |
| | 302-2 | Energy consumption outside of the organization | - |
| | 302-3 | Energy intensity | - |
| | 302-4 | Reduction of energy consumption | <ul style="list-style-type: none"> ESG Data > Environment > CO₂ Emissions Mitigation Activities ESG Data > Environment > Business Activities and Environmental Hazards |
| | 302-5 | Reductions in energy requirements of products and services | <ul style="list-style-type: none"> Environment > Climate Change Measures > Initiatives > Products and Services |

| GRI Standard | Indicator | | Contents |
|---------------------------------|-----------|---|---|
| 303: Water and Effluents (2018) | 303-1 | Interactions with water as a shared resource | <ul style="list-style-type: none"> Environment > Environmental Risk Prevention Management > Promoting Water Resource Conservation |
| | 303-2 | Management of water discharge-related impacts | <ul style="list-style-type: none"> ESG Data > Environment > Proper Management of Emissions and Wastewater |
| | 303-3 | Water withdrawal | <ul style="list-style-type: none"> ESG Data > Environment > Reduction of Water Consumption ESG Data > Environment > Business Activities and Environmental Hazards |
| | 303-4 | Water discharge | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 303-5 | Water consumption | - |
| 304: Biodiversity (2016) | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <ul style="list-style-type: none"> Environment > Biodiversity Conservation |
| | 304-2 | Significant impacts of activities, products, and services on biodiversity | <ul style="list-style-type: none"> Environment > Biodiversity Conservation |
| | 304-3 | Habitats protected or restored | <ul style="list-style-type: none"> Environment > Biodiversity Conservation |
| | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | - |
| 305: Emissions (2016) | 305-1 | Direct (Scope 1) GHG emissions | <ul style="list-style-type: none"> ESG Data > Environment > CO₂ Emissions Mitigation Activities ESG Data > Environment > Business Activities and Environmental Hazards |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 305-3 | Other indirect (Scope 3) GHG emissions | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 305-4 | GHG emissions intensity | - |
| | 305-5 | Reduction of GHG emissions | <ul style="list-style-type: none"> Environment > Climate Change Measures > Initiatives > Products and Services Environment > Climate Change Measures > Initiatives > Business Activities ESG Data > Environment > CO₂ Emissions Mitigation Activities |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | <ul style="list-style-type: none"> ESG Data > Environment > Control Chlorofluorocarbon Emissions |
| | 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | <ul style="list-style-type: none"> ESG Data > Environment > Proper Management of Emissions and Wastewater |


GRI Standards Index

| GRI Standard | Indicator | | Contents |
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| 306: Waste (2020) | 306-1 | Waste generation and significant waste-related impacts | <ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards |
| | 306-2 | Management of significant waste-related impacts | <ul style="list-style-type: none"> Environment > Resource Recycling |
| | 306-3 | Waste generated | <ul style="list-style-type: none"> ESG Data > Environment > Reduce and Control Emissions |
| | 306-4 | Waste diverted from disposal | - |
| | 306-5 | Waste directed to disposal | - |
| 308: Supplier Environmental Assessment (2016) | 308-1 | Non-compliance with environmental laws and regulations | <ul style="list-style-type: none"> Social > Supply Chain Management > Isuzu Supply Chain |
| | 308-2 | New suppliers that were screened using environmental criteria | <ul style="list-style-type: none"> Social > Supply Chain Management > Communication with Business Partners |

Topic-specific Standards (Social)

| GRI Standard | Indicator | | Contents |
|--|-----------|---|--|
| 401: Employment (2016) | 401-1 | New employee hires and employee turnover | <ul style="list-style-type: none"> ESG Data > Social > Employee |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <ul style="list-style-type: none"> Social > Respect for Employees > Utilization of Diverse Human Resources > Promoting the Role of Post-retirement Employees Social > Respect for Employees > Utilization of Diverse Human Resources > Promoting a Healthy Work-life Balance |
| | 401-3 | Parental leave | <ul style="list-style-type: none"> Social > Respect for Employees > Utilization of Diverse Human Resources > Promoting a Healthy Work-life Balance ESG Data > Social > Number of Employees Using Childcare/Nursing Care Support Systems |
| 402: Labor/Management Relations (2016) | 402-1 | Minimum notice periods regarding operational changes | <ul style="list-style-type: none"> Social > Respect for Employees > Labor-Management Relations |
| 403: Occupational Health and Safety (2018) | 403-1 | Occupational health and safety management system | <ul style="list-style-type: none"> Social > Respect for Employees > Work Health and Safety ESG Data > Social > Health and safety |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | |
| | 403-3 | Occupational health services | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | |
| | 403-5 | Worker training on occupational health and safety | |
| | 403-6 | Promotion of worker health | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | |
| | 403-8 | Workers covered by an occupational health and safety management system | |
| | 403-9 | Work-related injuries | |
| | 403-10 | Work-related ill health | |

GRI Standards Index

| GRI Standard | Indicator | | Contents |
|--|-----------|--|---|
| 404: Training and Education (2016) | 404-1 | Average hours of training per year per employee | <ul style="list-style-type: none"> Social > Respect for Employees > Personnel Development |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | <ul style="list-style-type: none"> Social > Respect for Employees > Utilization of Diverse Human Resources > Promoting the Role of Post-retirement Employees Social > Respect for Employees > Personnel Development |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | <ul style="list-style-type: none"> Social > Respect for Employees > Personnel Development > HR Performance Evaluation System |
| 405: Diversity and Equal Opportunity (2016) | 405-1 | Diversity of governance bodies and employees | <ul style="list-style-type: none"> ESG Data > Governance ESG Data > Social > Employee Data (Consolidated) ESG Data > Social > Employee Data (Non-consolidated) |
| | 405-2 | Ratio of basic salary and remuneration of women to men | - |
| 406: Non-discrimination (2016) | 406-1 | Incidents of discrimination and corrective actions taken | - |
| 407: Freedom of Association and Collective Bargaining (2016) | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | - |
| 408: Child Labor (2016) | 408-1 | Operations and suppliers at significant risk for incidents of child labor | - |
| 409: Forced or Compulsory Labor (2016) | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | - |
| 410: Security Practices (2016) | 410-1 | Security personnel trained in human rights policies or procedures | - |
| 411: Rights of Indigenous Peoples (2016) | 411-1 | Incidents of violations involving rights of indigenous peoples | - |
| 413: Local Communities (2016) | 413-1 | Operations with local community engagement, impact assessments, and development programs | <ul style="list-style-type: none"> Environment > Biodiversity Conservation Environment > Environmental Risk Prevention Management Social > Social Contribution Building Relationships of Trust with Stakeholders  |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | - |
| 414: Supplier Social Assessment (2016) | 414-1 | New suppliers that were screened using social criteria | <ul style="list-style-type: none"> Social > Supply Chain Management |
| | 414-2 | Negative social impacts in the supply chain and actions taken | <ul style="list-style-type: none"> Social > Supply Chain Management |

| GRI Standard | Indicator | | Contents |
|--|-----------|---|--|
| 415: Public Policy (2016) | 415-1 | Political contributions | - |
| 416: Customer Health and Safety (2016) | 416-1 | Assessment of the health and safety impacts of product and service categories | <ul style="list-style-type: none"> Social > Quality > Initiatives > Product Quality Improvement > Initiatives at the Procurement Stage Social > Quality > Initiatives > Product Quality Improvement > Initiatives at the Manufacturing Stage Social > Quality > Initiatives > Product Quality Improvement > Initiatives for Higher Field Quality > Initiatives for Recall Campaigns Social > Quality > Initiatives > Service Quality Improvement |
| | | Incidents of non-compliance concerning the health and safety impacts of products and services | <ul style="list-style-type: none"> Social > Quality > Initiatives > Product Quality Improvement > Initiatives for Higher Field Quality > Initiatives for Recall Campaigns |
| 417: Marketing and Labeling (2016) | 417-1 | Requirements for product and service information and labeling | <ul style="list-style-type: none"> Social > Quality > Initiatives > Service Quality Improvement |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | - |
| | 417-3 | Incidents of non-compliance concerning marketing communications | - |
| 418: Customer Privacy (2016) | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | - |

ESG Comparison Table

| | Supported items | Basic Approach/Policy | Management Structure | Initiatives |
|------------------|---|-----------------------|----------------------|-------------|
| E | Management Approaches | ● | ● | - |
| | Climate Change Measures | ● | ● | ● |
| | Resource Recycling | ● | ● | ● |
| | Environmental Risk Prevention Measures | ● | ● | ● |
| | Biodiversity Conservation | ● | ● | ● |
| S | Quality | ● | ● | ● |
| | Respect for Employees | ● | ● | ● |
| | Human Rights | ● | ● | ● |
| | Supply Chain Management | ● | ● | ● |
| | Social Contribution | ● | ● | ● |
| G | Corporate Governance | ● | ● | ● |
| | Officers' Remuneration | ● | - | - |
| | Compliance | ● | ● | ● |
| | Risk Management | ● | ● | ● |
| | Information Security | ● | ● | ● |
| Results and Data | | | ● | |
| Editorial Policy | | | ● | |