

05 Isuzu's Sustainable Management Foundation

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Promotion of Sustainability

Isuzu has established a sustainability promotion structure centered on the Sustainability Committee. The committee promotes sustainability activities throughout the Group by discussing and making decisions on sustainability-related management issues, business policies, and business strategies. By reflecting changing social trends and society's expectations of companies in Isuzu's medium- to long-term business activities, the committee aims to enhance the sustainable growth of society and the Company.

Message

In ISUZU Transformation—Growth to 2030, the medium-term management plan formulated in April 2024, Isuzu has set forth a detailed vision and path to be followed by 2030 in order to realize its corporate philosophy, the ISUZU ID (□ page 23). As a commercial mobility solutions company that aims to resolve issues faced by customers and society, such as achieving carbon neutrality and logistics-focused digital transformation, we will strive to enhance our corporate value by creating both social and economic value. In ISUZU Transformation, we have set forth seven areas for realizing the ISUZU ID and linked them to the four elements of our mission—becoming No. 1 in customer satisfaction, sustainability, social impact, and employee engagement (□ page 25). To achieve this mission, the Isuzu Group will actively address global environmental issues, including climate change, with respect for human rights as the foundation of everything we do.

In fiscal 2024, the Sustainability Committee engaged in extensive discussions on the implementation of climate change measures and progress on human rights due diligence, and existing initiatives were enhanced and strengthened. In addition, since fiscal 2024, the Isuzu Group Sustainability Liaison Conference has been held for key subsidiaries in Japan and overseas to share information and collaborate with each other to promote efforts from a global perspective.

We will continue to promote sustainability-related initiatives in our pursuit of realizing the ISUZU ID.



Naohiro Yamaguchi

Chair of the Sustainability Committee, Director of the Board, and Managing Executive Officer

Isuzu's Structure for Promoting Sustainability

To promote sustainability throughout the Group, Isuzu has established the Sustainability Committee, which is chaired by a Director and comprises officers responsible for each of our business domains as well as other senior management personnel serving as standing members.

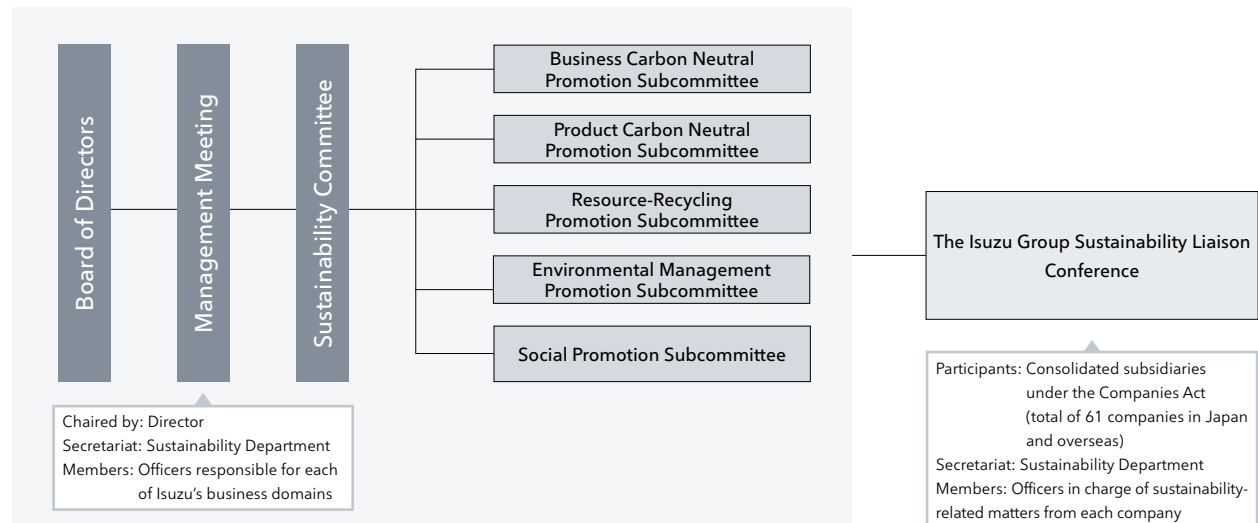
The Sustainability Committee meets regularly (at least four times a year) to deliberate and make decisions on matters pertaining to sustainability and reports the contents of the discussions to the Management Meeting and the Board of Directors as necessary.

Specialized environmental and social subcommittees, each chaired by a relevant standing committee member, have also been established under the umbrella of the Sustainability Committee, wherein detailed discussions are held on individual issues.

In addition, the Isuzu Group Sustainability Liaison Conference is held to help establish a structure for the Groupwide promotion of sustainability.

Sustainability Committee
Fiscal 2024
Meetings held: 5
Main agenda items:

- Discuss revision of sustainability-related policies
- Discuss and report on promotion of the 2030 Environmental Roadmap
- Report on progress regarding human rights due diligence
- Discuss activities of each subcommittee



Material Issues

The Isuzu Group has established eight material issues that it aims to resolve through its business activities. By addressing these issues, we will create both social and economic value.

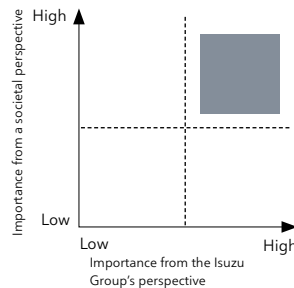
Identification of and Selection Process for Material Issues

Step 1 ▶ Identify and organize issues

We drew up a list of issues based on the Isuzu Group's business characteristics, business challenges, and daily communication with stakeholders. International guidelines such as the GRI Standards, ISO 26000, the Sustainable Development Goals, and the SASB Standards were also considered in the process.

Step 2 ▶ Prioritize issues and identify potential material issues

Taking into consideration the external environment, characteristics, strategies, and CSR activities of the Isuzu Group's businesses, we mapped out and prioritized issues from the perspectives of both Isuzu Group and society before identifying potential material issues.



Step 3 ▶ Engage in dialogue with experts

To assess the validity of the potential material issues and gain insight into society's expectations for Isuzu, we held a dialogue with two experts and refined our list of potential material issues based on this dialogue. At the Management Meeting in 2018, we decided on nine material issues for Isuzu Group.

Step 4 ▶ Revise list of chosen material issues

In 2021, after much deliberation by the Sustainability Committee and other internal bodies, we organized the issues into the two themes of "value provided to society," which takes an offensive stance, and "cornerstones supporting value creation," which takes a defensive stance, and decided at the Management Meeting to proceed with only eight material issues.

	Material Issues	Approach to Resolving Issues	Relevant Pages	Relevant SDGs
Value provided to society	Realization of a society in which people and goods can be transported safely, securely, and efficiently	<ul style="list-style-type: none"> • Create innovation in the fields of automated driving and connected technologies while leveraging business collaborations with trusted partners • Enhance after-sales service networks in addition to supplying products equipped with state-of-the-art safety features 	Expansion of Value Provided through the Evolution of Connected Services Page 29 Raising Profitability by Enhancing After-Sales Services Page 36	
	Balance between global environmental sustainability and global economic growth	<ul style="list-style-type: none"> • Reduce environmental impact of manufacturing processes and promote recycling-oriented business while providing 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 	Isuzu's Strategy to Achieve Carbon Neutrality Page 30 Environmental Initiatives Page 57	
	Enrichment of livelihoods and stimulation of economies in emerging countries	<ul style="list-style-type: none"> • Popularize commercial vehicles by expanding sales channels and the customer base for commercial and light commercial vehicles • Provide products and services that contribute to the enrichment of livelihoods and the development of economic infrastructure in a manner suited to the needs of each country and region 	Priority Market Strategies Page 39	
	Maintenance of suitable living environments during times of disaster and emergency	<ul style="list-style-type: none"> • Provide products and services that are reliable in times of disaster and emergency, including emergency vehicles and products that are compatible with a variety of energy sources, as well as after-sales service networks to assist in the restoration of damaged vehicles 	Provision of Carbon-Neutral Solutions Page 33 Raising Profitability by Enhancing After-Sales Services Page 36	
Cornerstones supporting value creation	Improvement of technologies and provision of reliable products and services	<ul style="list-style-type: none"> • Make quality our top priority and pursue safety and environmental technologies tailored to the needs of the times • Ensure the quality of our products and services by establishing a system to ensure quality throughout our value chains 	Improvement of Technology and Provision of Reliable Products and Services Page 64	
	Respect for and among employees and promotion of diversity	<ul style="list-style-type: none"> • Respect the human rights and diversity of our employees, strive to maximize their abilities, and create an environment in which they can work safely and with peace of mind • Develop a comprehensive human resource management infrastructure to realize human capital management based on the ISUZU ID 	Achievement of Human Capital Management Rooted in the ISUZU ID Page 51 Occupational Health and Safety Initiatives Page 60 Diversity and Inclusion Page 60 Respect for Human Rights Page 61	
	Coexistence and co-prosperity with local communities and stakeholders	<ul style="list-style-type: none"> • Engage in two-way communication with the various business partners involved in our supply chains and build relationships of trust by conducting open and fair business transactions • Gain an accurate awareness of the needs of local communities and our stakeholders and respond accordingly by respecting national and regional cultures and working to engage and harmonize with local communities and society through our business activities 	Supply Chain Management Page 62	
	Appropriate governance	<ul style="list-style-type: none"> • Strengthen oversight functions and ensure accountability to all stakeholders by enhancing the rationality and speed of decision-making 	Corporate Governance Page 69	

Environmental Initiatives

As part of the mission of the ISUZU ID, the Isuzu Group aims to be No. 1 in sustainability by proactively addressing environmental conservation considerations in all business fields.

Based on Isuzu Long-Term Environmental Vision 2050, the Company will advance the preservation of the global environment and economic development by reducing environmental impact, promoting circular business, and creating innovations toward decarbonization.






Management Framework

Isuzu has established a framework for promoting sustainability, including environmental issues, through the Sustainability Committee [Page 55](#), chaired by a director.

Under the Sustainability Committee, we have established four environmental subcommittees, each with members from Isuzu Group affiliates involved in a particular area, to promote environmental activities aimed at resolving individual issues. The activities of each subcommittee are reported to the Board of Directors and the Management Meeting through the Sustainability Committee.

Environmental Bodies

Business Carbon Neutral Promotion Subcommittee	Focusing mainly on production activities, which are the Group's main source of CO ₂ emissions, this subcommittee promotes cross-divisional activities, aiming to achieve carbon neutrality in the Isuzu Group's business activities.
Product Carbon Neutral Promotion Subcommittee	This subcommittee promotes various activities that contribute to the carbon neutrality of products, including decarbonization technologies and decarbonized energy sources, aiming to achieve well-to-wheel carbon neutrality.
Resource-Recycling Promotion Subcommittee	This subcommittee promotes waste control and recycling activities throughout all of Isuzu's business activities, including those pertaining to products and services, with the goal of achieving a 100% resource-recycling rate.
Environmental Management Promotion Subcommittee	This 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.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap		Progress
Aspiration	Goals	Global Action	
 Zero GHG emissions from operations	Halve CO ₂ emissions* from 2013 levels by 2030 <small>* Scope 1 and Scope 2</small>	<ul style="list-style-type: none"> Reduce total energy use Install and expand clean energy use Leverage innovative technologies 	<ul style="list-style-type: none"> Isuzu's Strategy to Achieve Carbon Neutrality Page 30 Disclosure Based on the TCFD Framework Page 58
 Zero GHG emissions across product life cycles	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-produced models by 2030 while promoting the practical implementation of carbon-neutral vehicles 	
 100% recycling of waste and end-of-use vehicles	Advance a circular economy	<ul style="list-style-type: none"> Thoroughly manage output* of all operating sites Increase resource efficiency Transition to circular business model <small>* Output refers to waste, emissions, and wastewater here.</small>	<ul style="list-style-type: none"> Monitoring of all bases ongoing to manage and optimize resource emissions Total number of units in operation for maintenance lease of remanufactured unit vehicle GIGA type-Re: 20 (as of June 2024)
 Safe, reliable operations and products	Strengthen environmental management and supplier engagement	<ul style="list-style-type: none"> Build Groupwide environmental management system Build a sustainable supply chain Identify and promote adaptation to environmental/nature risks in operations 	<ul style="list-style-type: none"> Implementation of data collection using calculation standards common to the Group Start of rollout of the Isuzu Group Supplier Sustainability Guidelines to the entire Group (April 2024) Response rate of suppliers to Environmental Management Self-Evaluation Report: 98.6% (Fiscal 2024)
 Conserve of native biodiversity in local communities	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 	<ul style="list-style-type: none"> Launch of study on dependence and impact on nature in the value chain <small>For details, please see Sustainability Report 2024.</small>

Environmental Initiatives

→ Disclosure Based on the TCFD Framework

Governance

To promote sustainability throughout the entire Group, Isuzu has established the Sustainability Committee, which is chaired by a director and comprises officers responsible for each of our business domains as well as other senior management personnel serving as standing members.

The Sustainability Committee meets regularly (at least four times a year) to deliberate and make decisions on a wide variety of matters pertaining to sustainability, such as risks associated with climate change and the Company's response to human rights and diversity issues. Depending on the level of importance of matters discussed, the contents of the deliberations are reported to the Management Meeting and the Board of Directors as necessary.

Specialized environmental and social subcommittees, each chaired by a relevant standing committee member, have also been established under the umbrella of the Sustainability Committee, wherein detailed discussions are held on individual issues.

In particular, with regard to efforts to achieve carbon neutrality, we have established a system for examining specific response policies and activities and implementing them in practice through the Business Carbon Neutral Promotion Subcommittee, which promotes activities to achieve carbon neutrality in business activities with a focus on production, and the Product Carbon Neutral Promotion Subcommittee, which promotes various activities that contribute to the carbon neutrality of products through decarbonization technologies and decarbonization energy.

Please see [page 55](#) for details on ISUZU's structure for promoting sustainability and [page 57](#) for details on our environmental management framework.

Risk Management

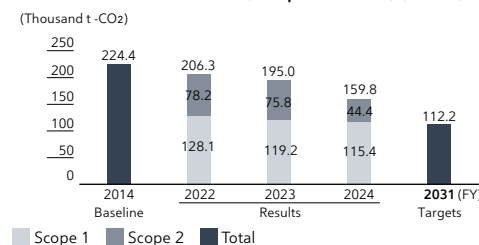
Overall risks related to climate change are managed under a Groupwide risk management system led by the Group chief risk management officer (CRMO). The Sustainability Committee identifies and assesses specific climate change risks and manages the progress of countermeasures based on each risk's potential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

For more information, please see Risk Management on [page 78](#).

Metrics and Targets

The Company has established Isuzu Environmental Vision 2050 with the aim of realizing zero greenhouse gas (GHG) emissions throughout the life cycles of its products by 2050. To this end, we have set a target—as outlined in the 2030 Environmental Roadmap—to reduce the Group's Scope 1 and 2 GHG emissions by 50% from 2013 levels by 2030.

Trends in CO₂ Emissions (Scope 1 and 2) (Isuzu)



Furthermore, we endorse the Paris Agreement's aim to limit the global temperature increase to 1.5°C, and we are working to set science-based targets to achieve this goal. As part of this pursuit, we have submitted a letter of commitment to the Science Based Targets initiative and will continue our efforts to realize a decarbonized society.

Strategy

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

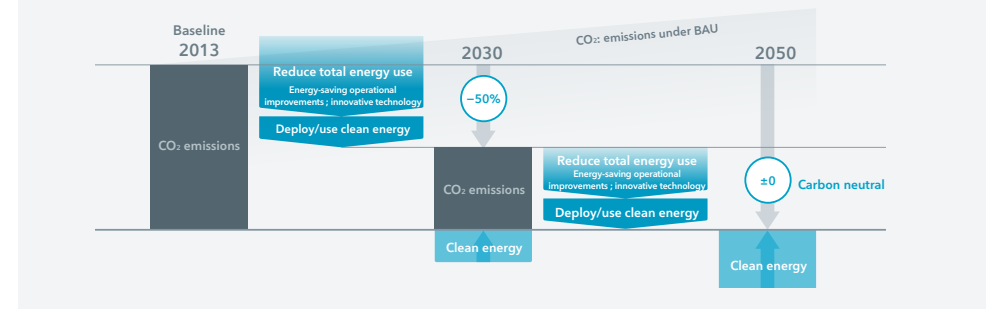
The Group is working to develop multi-pathway carbon-neutral solutions and reduce direct GHG emissions from our business activities, aiming to become carbon neutral by 2050. Through these efforts, we aim to reduce risks and capitalize on opportunities.

► Deployment of Carbon-Neutral Solutions

For more details, please see Isuzu's Strategy to Archive Carbon Neutrality on [page 30](#).

► Reduction of GHG Emissions Directly from Business Activities

We will reduce GHG emissions produced directly by our business activities by improving energy efficiency through energy conservation and the electrification of facilities, reducing total energy consumption through the introduction of innovative technologies, and promoting the introduction and use of clean energy, such as renewable energy.



Environmental Initiatives

→ Disclosure Based on the TCFD framework

⊕ Long-Term Environmental Scenarios

The 4°C Scenario (RCP8.5*1 and SSP3*2)

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

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

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

▶ Products

Vehicles

- The development and provision of next-generation powertrains continues for light commercial vehicles that support short distance, low-volume transportation, such as electric vehicles
- New trends such as electrification emerge for medium- and heavy-duty commercial vehicles
- Internal combustion engines continue to play a major role in vehicles that support long-distance, high-volume transportation, such as medium- and heavy-duty commercial vehicles

Powertrains

- The use of sustainable, decarbonized clean energies
- A need arises to develop and market energy loss-free powertrains with unprecedented fuel-efficiency, as well as products equipped with such powertrains

▶ Services

- Automated driving, platooning, and full trailer trucks currently undergoing demonstration tests become commonplace
- More efficient transportation methods are routinely used

▶ Business Activities

- The Company switches to decarbonized clean energy in production and other business activities
- The Company minimizes resource input volumes and strictly enforces the efficient use of waste with a view to achieving carbon neutrality

*1 Climate scenario created by the United Nations Intergovernmental Panel on Climate Change (IPCC)

*2 Socioeconomic scenario created by the United Nations IPCC

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

⊕ Risks and Opportunities

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

Occupational Health and Safety Initiatives

Basic Approach

Based on its Health and Safety Philosophy, Isuzu places employee health and safety at the foundation of its business activities and acts accordingly. This philosophy applies to all employees of Isuzu, regardless of their employment status, and all employees of affiliated companies working on its premises.

Occupational Health and Safety Framework

The Isuzu Group's safety promotion activities are implemented under a framework coordinated by the Group CRMO, with ultimate responsibility lying with the president and COO.

An Occupational Health and Safety Committee meeting is held once a month at all of Isuzu's business sites, where labor and management discuss issues such as industrial safety, traffic safety, health management, and improvements for the workplace environment. Committee meetings are also held on a departmental basis to ensure the smooth sharing of information from discussions held at the main Occupational Health and Safety Committee meetings.

For details on specific initiatives, please refer to the "Respect for Employees" section of the Sustainability Report.

Launch of the Special Committee for Safety Promotion

In 2023, we experienced a string of serious, potentially fatal accidents at our manufacturing plants and the service centers of our dealerships. As a group, we came to realize that this is a critical situation that threatens to undermine the foundations of our management and that our workplace safety was in a very poor state. In light of this, we have decided to return to our roots of "safety first" and concentrate on safety measures.

As a sign of this commitment, in September 2023 Isuzu launched the new Special Committee for Safety Promotion, chaired by the COO. Meeting monthly, the committee works to support countermeasures against accidents and industrial incidents, consider mechanisms to prevent safety-related issues from being disregarded or becoming a mere formality, and allocate management resources. Additionally, the Isuzu Group has designated April 7th, the date on which a serious accident occurred, as "Safety Day."

As April 7th fell on a Sunday in 2024, production lines were shut down on April 5th for half a day at our Fujisawa and Tochigi plants, and town hall meetings for the production department were held with the COO and other executives, as well as field communication with team leaders, in which executives and employees discussed the content and challenges of safety promotion activities being undertaken at the on-site level.



Field communication at the Fujisawa Plant

Diversity and Inclusion

Basic Approach

In addition to continuing its existing efforts to properly respect its employees, the Isuzu Group is studying and promoting issues and measures from the perspectives of both motivation and the work environment, with the aim of becoming No. 1 in employee engagement, as stated in the ISUZU ID, throughout the Group.

Active Participation by Diverse Human Resources

We believe that by accepting and utilizing differences in age, gender, nationality, disability, and employment and hiring environments, we can increase employee engagement, create new ideas, and improve the competitiveness of the Company by creating value. We will implement various measures to create a welcoming work environment for all employees, regardless of their attributes or stages in life.

Isuzu is fully aware that promoting diversity and inclusion is a key element for the Company to achieve sustainable growth and continue contributing to society. Isuzu has set the following goals for 2024 as part of its action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. (Period of plan: three years, from April 1, 2024 to March 31, 2027)

Goals

- (1) Increase Isuzu's percentage of female managers to the top level of the automobile industry* (target: 4.7%)
- (2) Promote understanding of employees who balance work and childcare and enable male employees who are raising children to take childcare leave (target: 100%)

* Based on 14 member companies of the Japan Automobile Manufacturers Association

Diverse Workstyles

Under our basic policy of increasing productivity through the pursuit of the right workstyle for the job, our Workstyle Reform Promotion Council actively discusses new measures to resolve workplace issues and quickly deploy them throughout the Company.

Furthermore, in order to realize workstyle reforms that reflect employee opinions, we have organized an employee-led workstyle study team called "ISUZUTTO!" The content of the discussions by this team are proposed to the Workstyle Reform Promotion Council and are used to achieve various workstyle reforms. Specifically, in order to support more flexible workstyles, Isuzu has introduced and is working to improve upon the following systems:

- Introduction of a non-core flex time system
- Relaxation of regulations for working from home for the sake of childcare or nursing care (expanded from up to two times a week to up to four times a week)
- Flexibility in use of annual paid leave (to enable use in one-hour increments)

For details of our specific initiatives, please refer to the "Respect for Employees" section in the Sustainability Report.

Respect for Human Rights

The Isuzu Group Human Rights Policy

In February 2022, we established the Isuzu Group Human Rights Policy by a Board of Directors' resolution. In addition, in May 2023, we revised this policy based on the contents of the ISUZU ID, our new corporate philosophy announced in December of the same year. This policy conforms to the United Nations Guiding Principles on Business and Human Rights and reiterates Isuzu's commitment to its corporate social responsibility to contribute to the realization of a sustainable society by promoting business activities that respect human rights. In accordance with this policy, Isuzu will comply with international codes, laws and regulations, Group codes, and other requirements.

Moreover, the Company will develop a Groupwide human rights promotion system, engage in human rights due diligence, and provide appropriate training to officers and employees. In addition, we will engage in dialogue with our stakeholders and strive to promote understanding among our business partners.

Further information on [the Isuzu Group Human Rights Policy](#).

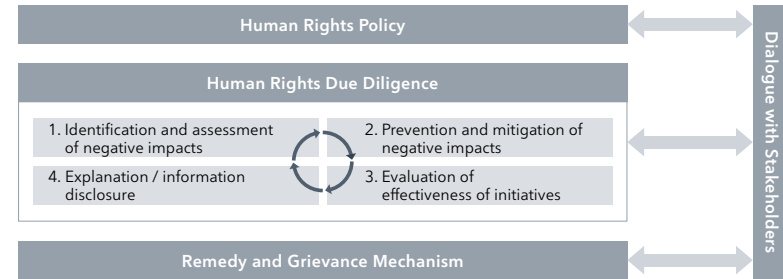
Management Structure

Human rights issues are deliberated on by the Sustainability Committee, which is chaired by a director and consists of executive department heads and other members of management, and important matters discussed are reported to the Management Meeting and the Board of Directors. Execution is mainly conducted by the Sustainability Department, which is a dedicated department, together with related departments. At meetings of the Social Promotion Subcommittee, a working group under the Sustainability Committee that deals with social issues, representatives from all departments discuss human rights issues. In addition, at the Isuzu Group Sustainability Liaison Conference, information is shared with sustainability managers from Group companies both in Japan and overseas, and a human rights officer is appointed at each company to work together as a group to promote efforts to respect human rights.

Human Rights Due Diligence

Based on the Isuzu Group Human Rights Policy, the Isuzu Group is building a human rights due diligence process with reference to the OECD Due Diligence Guidance for Responsible Business Conduct, the Japanese government's Guidelines for Respecting Human Rights in Responsible Supply Chains, and other standards and is working to put respect for human rights into practice. In our efforts to implement these efforts, it is important to raise awareness, and we therefore regularly provide basic human rights education to employees of our Group companies both in Japan and overseas. In addition, to promote business activities that respect human rights throughout our supply chain, we have been holding human rights seminars for our business partners every year since fiscal 2022.

Human Rights Due Diligence



⌚ Medium- to Long-Term Plan for Human Rights Due Diligence

Fiscal 2023 to fiscal 2024: Establish a human rights due diligence system at Isuzu

Fiscal 2025 to fiscal 2027: Build a PDCA cycle at the Group level

Fiscal 2028 to fiscal 2031: Implement and evolve the PDCA cycle

⌚ Identifying and Assessing Negative Impacts

Process 1 Identify human rights issues: Identification and classification of potential and actual issues

Process 2 Conduct impact assessment of human rights risks: Quantification and assessment of issues and identification of prominent issues

Process 3 Determine priority human rights themes: From among prominent issues, the following two priority themes have been decided upon for the short to medium term.

(1) Issues regarding foreign workers within the Group, including sales subsidiaries, as well as in the broader supply chain

(2) Management of human rights issues and initiatives in the value chain, including logistics and downstream value chains

→ **Formulation of action plans:** Planning and implementation of risk prevention and mitigation measures centered on priority themes

⌚ Preventing and Mitigating Negative Impacts

Dialogue with Foreign Workers

Currently, many foreign workers, including foreign technical intern trainees, are employed in Japan's automobile industry, and we have confirmed that many companies within the Isuzu Group and among our business partners also accept foreign technical intern trainees. Therefore, we consider issues related to foreign workers to be an important human rights theme in the Isuzu supply chain and are taking various measures to address them.

Respect for Human Rights

As part of this initiative, we have been conducting annual interviews with foreign technical trainees since fiscal 2023. In order to ensure objectivity and neutrality, the interviews were conducted face-to-face with the cooperation of a third-party organization, Caux Round Table Japan (CRT Japan). As a result, CRT Japan's Executive Director Hiroshi Ishida commented, "Overall, the relationship between foreign workers and the Company is healthy, and although there is some room for improvement, there are currently no human rights issues that are cause for particular concern." Going forward, we will continue and expand these activities with the cooperation of our suppliers, and will respond earnestly to any suggestions for improvement.

> Mechanisms for Redress and Handling Grievances

Establishment of Consultation Contact Points for Foreign Workers in the Supply Chain

As part of efforts to establish a relief mechanism for foreign workers, in October 2022 we participated in the consultation and relief contact point project of the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI). This project utilizes the JP-MIRAI portal site to provide necessary information to foreign workers, provide anonymous, multilingual external consultation services, and provide feedback to participating companies. Currently, Isuzu and two of its Group companies are participating in this for the sake of its foreign workers.

> Dialogue with Stakeholders

Isuzu believes it is important to communicate its thoughts to various stakeholders and also to actively listen to what they have to say. We recognize that respecting human rights is important to the conducting of our business, and we will continue to engage in dialogue with our stakeholders and address human rights issues with the cooperation of external human rights experts.

Dialogue between Executives and External Experts

In February 2024, we invited Yosuke Sakurai of Mitsubishi UFJ Research and Consulting Co., Ltd. to hold a stakeholder dialogue on the topic of business and human rights. In the first half, Mr. Sakurai gave a speech to executives who are members of the Sustainability Committee, and in the second half, he held a dialogue with Isuzu executives. During the dialogue, opinions were exchanged regarding Isuzu's human rights initiatives and approach to issues, and Mr. Sakurai offered some advice.

 Please refer to the ["Human Rights" section of the Sustainability Report](#) for specific details on our efforts to respect human rights.

Supply Chain Management

Basic Approach

We share the ISUZU ID purpose of "Moving the World - for You" with our business partners and work together in our purchasing activities. We will conduct open and fair trade, engage in two-way communication with various business partners related to the supply chain, and build trusting relationships.

We have also formulated our Basic Purchasing Vision and Basic Purchasing Policy and are thoroughly educating our employees on said vision and policy. In addition, for our business partners we formulated the Isuzu Group Supplier Sustainability Guidelines and the Isuzu Green Procurement Guidelines with the aim of ensuring an understanding of Isuzu's approach and initiatives among our business partners. Isuzu will continue to conduct purchasing activities based on mutual trust with its business partners and aim to build a stronger supply chain to ensure a stable supply of quality products.

Management Structure

Isuzu's Purchasing Division holds monthly quality meetings to report on and discuss the quality status of purchased parts in the previous month, the audit results on new suppliers, and ISO/IATF-related internal and external audit results. Furthermore, the Purchasing Division's quality, compliance promotion, and environmental meetings are held once a month, and information from each committee is disseminated to each department within the Purchasing Division. The Purchasing Division's activity policies related to compliance and the environment are determined by these meeting bodies.

The Isuzu Group Supplier Sustainability Guidelines

Isuzu has taken the Isuzu Supplier Sustainability Guidelines that it reworked in December 2022 and renamed them the "Isuzu Group Supplier Sustainability Guidelines" in April 2024.

We have worked to enhance the content of these guidelines to share sustainability-related values on matters such as the environment and human rights throughout the Isuzu's Group's supply chain, as well as requesting that our both our business partners and those in their supply chains make efforts to familiarize themselves with the guidelines and understand the actual status of their sustainability efforts. We ask our business partners to sign a consent form to confirm that they comply with the requirements of these guidelines. As of May 2024, we have received signatures from business partners who account for approximately 95% of our annual purchasing.

We have also prepared a self-assessment questionnaire (SAQ) to evaluate whether initiatives are being implemented in line with the sustainability guidelines and began implementing the SAQ in fiscal 2024. In fiscal 2024, we asked 284 major suppliers (representing 96% of annual monetary purchasing value) to submit SAQs, and found that 17 suppliers had sustainability-related risks. For suppliers where risks were identified, we conducted on-site or remote interviews and are working to make improvements.

Supply Chain Management

Monitoring of Business Partners' Initiatives

🔍 Quality

We calculate evaluation scores on a monthly basis to monitor the quality of delivered products and the market quality of our business partners and suppliers. While there were no suppliers that fell into the category of "managed companies," whose delivery quality evaluation score and number of defects did not reach a certain standard, there were several suppliers that fell into the category of "companies that require observation," whose delivery quality required improvement as their evaluation score reached a certain level but the number of defects was above a certain level. We asked these suppliers to participate in monthly quality meetings and work together on improvement activities to raise quality. As a result of these efforts, approximately 91% of our business partners met the standards for delivery quality evaluation scores in fiscal 2024.

🔍 Business Continuity Plan

In fiscal 2024, procurement risks became apparent, including restrictions on raw material imports and the risk of changing shipping routes due to global conflicts. In response, we have been considering responses such as holding large inventories and considering operations that would enable procurement from outside risk areas.

We are putting together a business continuity plan/business continuity management system, and we will work on supply chain visualization as a new challenge. In the event of a natural disaster, we utilize the system to immediately obtain reports on the degree of impact on deliveries from suppliers. Through these activities, we will clarify vulnerabilities in the supply chain and promote strategic inventory retention, thus shortening lead times and mitigating geopolitical risks. We are also making efforts to minimize the time required for the resumption of operations, and we are building a system for responding to disasters by speeding up the initial response and collaborating with our business partners to restore operations as quickly as possible as well as minimize the impact on the sales of Isuzu products.

🔍 Environment

We ask our suppliers to report on their environmental management system promotion activities using a self-assessment report on environmental management. In fiscal 2024, we asked 367 business partners to self-evaluate using this self-assessment report on environmental management, and the response rate reached 98.6%, a record high, for yet another year, with the average score also reaching a record high. We were able to confirm that the number of suppliers participating in these activities is expanding even further.

In fiscal 2023, we adopted the CDP Supply Chain program to monitor our suppliers' climate change-related initiatives and greenhouse gas emissions.

In addition, from fiscal 2024, we began presenting the Environmental Sustainability Award to recognize our suppliers' environmental initiatives.

🔍 Cybersecurity

Starting from fiscal 2022, we have been asking our suppliers to review the JAMA/JAPIA Cybersecurity Guidelines and to conduct a self-assessment using the Automobile Industry Security Checklist in order to confirm and improve the status of their companywide cybersecurity measures. In addition, in order to comply with the international regulation UN-R155 on cybersecurity for vehicle products and domestic regulations (Road Transport Vehicle Act Safety Standards) from fiscal 2023, we have been asking our suppliers who handle applicable products to build and confirm the status of operation of their cybersecurity management systems.

🔍 Responsible Procurement of Minerals and Raw Materials

Isuzu regards the use of conflict minerals, which cause human rights violations, environmental destruction, and illegal mining in conflict regions and serve as a source of funding for armed groups, as a serious issue. In the Isuzu Group Supplier Sustainability Guidelines, we request confirmation that there is no involvement in such conflicts throughout the supply chain. Starting in fiscal 2022, we have launched surveys of our suppliers regarding the use of conflict minerals in their supply chains and the status of their efforts regarding responsible mineral sourcing. From fiscal 2023, we have been conducting surveys using the unified formats of the Conflict Minerals Reporting Template and the Extended Minerals Reporting Template provided by the RMI.* In fiscal 2024, we formulated the Isuzu Group Responsible Minerals Sourcing Policy. We will continue to request this of our suppliers and encourage responsible mineral sourcing.

To promote human rights due diligence efforts in the supply chains of our suppliers, in fiscal 2024 we once again invited external experts to hold an online seminar titled "Responsible Minerals Sourcing Seminar" on the environment surrounding minerals sourcing and the mineral due diligence expected of companies.

* Responsible Minerals Initiative: U.S. organization working on the issue of conflict minerals

Business Partner Consultation Service

We have established a business partner consultation service within our Risk Management Department's Compliance Promotion Group's office as an impartial consultation service for our business partners, and we welcome compliance-related inquiries from our business partners.

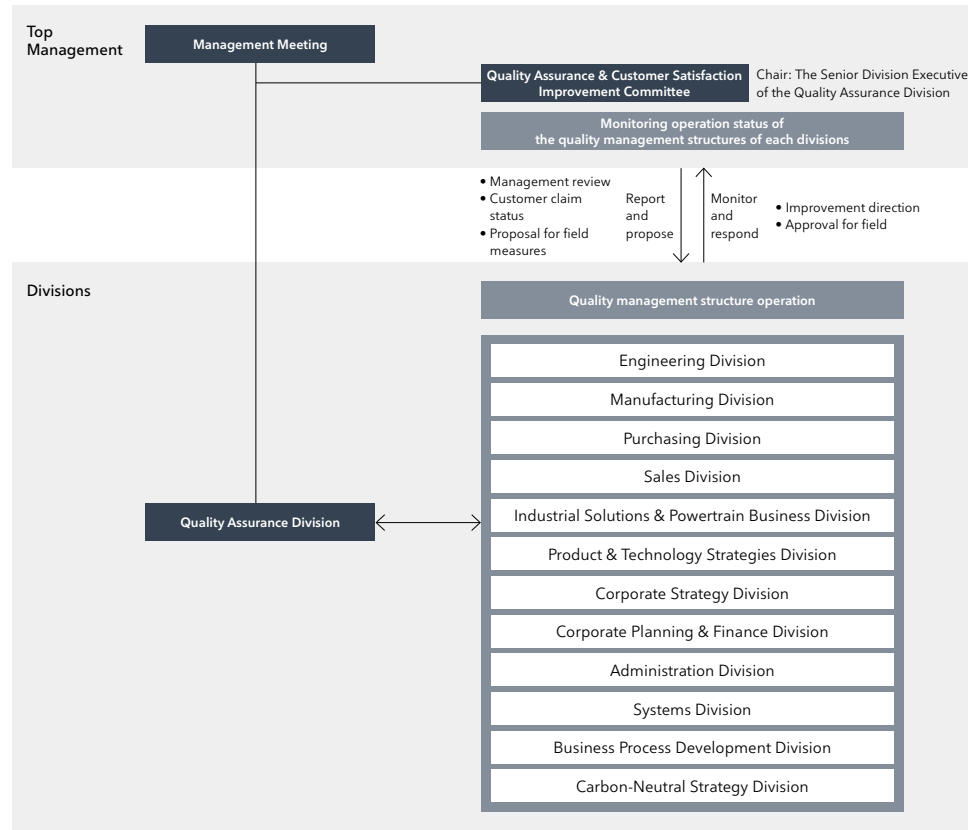
🌐 For details on specific initiatives, please refer to the ["Supply Chain Management"](#) section of the Sustainability Report.

Improvement of Technology and Provision of Reliable Products and Services

We will earn the trust of our customers by providing high-quality products and services from a variety of perspectives so that we can help address social issues and create richer lives for our customers.

Companywide Quality Assurance System

In order to fulfill its social and quality responsibilities as a manufacturer, the Company has established the quality assurance system shown in the schematic below, and the Company is unified in its efforts, led by the Quality Assurance Division, to improve quality. Specifically, the Quality Assurance & Customer Satisfaction Improvement Committee, which is chaired by members of the Quality Assurance Division, holds monthly meetings to share the status of quality assurance efforts from the senior management teams of all divisions, holds discussions on improving customer satisfaction, and monitors the operation of the quality management system in each division. The results are applied to quality assurance activities in each business unit.



Initiatives to Improve Product Quality

During the development stage, we strive to improve quality by focusing on three principal elements: safety technology, economic technology, and environmental technology. In particular, for trucks, which are indispensable to people and society, improving safety technology is extremely important, and we are developing safety features for each vehicle model to prevent accidents and reduce damage. In addition, we collect information on after-sales operation and usage and apply that data to our quality improvement efforts.

At the purchasing stage, we work closely with our suppliers to thoroughly improve the quality of the items we purchase. We have a total of 680 suppliers both in Japan and overseas, and we regularly check the delivery and market quality of all our suppliers.

At the production stage, we have systematized our manufacturing philosophy, methods, and production know-how based on the principle of "quality first" as Isuzu Monozukuri, and we share this knowledge among our production plants around the world, enabling us to develop highly standardized manufacturing.

Initiatives to Improve Service Quality

Isuzu aims to establish a highly standardized service system both in Japan and overseas. We have 251 service locations in Japan and 3,750 overseas (as of March 2024).

We also hold skills contests aimed at improving the maintenance techniques that support our after-sales services and provide training to dealership service engineers and advisors to improve their service operation capabilities, maintenance skills, and ability to handle challenging repairs.



The Isuzu World Service Technical Competition

For details on specific initiatives, please refer to the "Quality" section of the Sustainability Report.