

**ISUZU**

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# CSR Report **2016**



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**ISUZU MOTORS LIMITED**

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# EDITORIAL POLICY

Isuzu CSR Reports are published to provide an understanding of the “important issues for both our stakeholders and Isuzu,” with regard to the CSR activities carried out by the Isuzu Group. The reports are intended to reinforce communication with the Group’s stakeholders and thus to further develop CSR activities that can meet the expectations of stakeholders and society.

In this year’s report, we have reviewed information disclosure in response to the GRI Guidelines 4th Edition (G4), the international guidelines for sustainability reports published in May 2013. We have also embarked upon the identification of materiality and plan to clearly indicate in our 2017 report the materiality that the Isuzu Group needs to focus on.

## Scope of Report

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

\* “Isuzu” in this report refers to “Isuzu Motors Limited” alone.  
\* For details, see our Annual Report.



Annual Report

[www.isuzu.co.jp/world/investor/annual/pdf/annual16e\\_all.pdf](http://www.isuzu.co.jp/world/investor/annual/pdf/annual16e_all.pdf)

## Period Covered

This report includes activities carried out between April 1, 2015 and March 31, 2016 in principle. However, significant matters in other periods are also partly included in this report.

Please visit the Isuzu website for our FY2015 business summary and financial information.

## Publication Information

Published September 2016 (Previous report: Published August 2015; Next report: Due to be published August 2017)

## Referenced Guidelines

▶ GRI Sustainability Reporting Guidelines 4th Edition

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

## Significant Changes within the Reporting Period

Isuzu Motors Limited has undergone the following changes in scale, structure and ownership during period of the report.



Formation of consolidated subsidiary CJSC SOLLERS-ISUZU  
[http://www.isuzu.co.jp/world/press/2015/12\\_25prs.html](http://www.isuzu.co.jp/world/press/2015/12_25prs.html)

## Inquiries about the Report

CSR & Eco Planning Group, Corporate Communications Dept.,  
Isuzu Motors Limited

# MESSAGE FROM THE PRESIDENT

I would like to express our appreciation for your continued extraordinary support and understanding.

Amid the many changes taking place in the business environment, the social role that companies have to play is getting bigger and bigger. Particularly important for them is the resolution of social issues toward the creation of a sustainable society, namely climate change prevention and resource conservation, and it is vital that they use their respective business characteristics to achieve this.

Under Isuzu's current Midterm Business Plan (April 2016 through March 2018), we are offering "Isuzu unique solutions" that utilize our company's business characteristics, establishing CSR initiative policies and taking actions that contribute to sustainable social development.

Based on these policies, and as a corporate citizen co-existing with communities, we have promoted activities through Isuzu business operations, such as continually contributing to local communities and supporting disaster areas, developing clean diesel engines to combat global environmental issues, dealing with water-damaged vehicles in response to increasingly extreme weather, and making route buses barrier-free to cope with an aging society.

To actively deepen Isuzu's CSR activities and meet our growing corporate social responsibilities, we believe strengthening communication with our stakeholders is vital. This year, the second year of our Midterm Business Plan, in order to implement CSR more actively and widely than ever before, we will have our Corporate Communications Department, newly named in April 2016, promote CSR activities. By enhancing opportunities for communication with stakeholders and informing many of them about Isuzu's CSR activities, we will try to improve our corporate value.

Going forward, we aim to further raise our corporate value as a company reaching out to society (and creating social value) by offering "Isuzu unique solutions" and consistently helping to solve social issues. To this end, we ask for your continued valuable support.

President and Representative Director  
**Masanori Katayama**





# CORPORATE PROFILE

## Corporate Profile

<b>Name:</b>	ISUZU MOTORS LIMITED
<b>Head Office:</b>	6-26-1 Minami-Oi, Shinagawa-ku, Tokyo 140-8722 Japan Tel. 81-3-5471-1141
<b>President and Representative Director:</b>	Masanori Katayama
<b>Establishment:</b>	April 1937
<b>Capital:</b>	40.6 billion yen(March 2016)
<b>Employees</b>	Consolidated 32,418 Non-Consolidated 7,928 (March 2016)
<b>Major Products:</b>	Heavy- medium- and light-duty trucks,buses, passenger vehicle engines, industrial-use diesel engines.
<b>Sales:</b>	Consolidated 1,927.0 billion yen Non-Consolidated 1,076.4 billion yen (April 2015-March 2016)
<b>Operating profit</b>	¥171, 559 million (year ending March 2016)
<b>No. of consolidated subsidiaries</b>	87 (as of March 2016)

### Isuzu Corporate Vision

#### Isuzu will always mean the best

A leader in transportation, commercial vehicles and diesel engines,  
supporting our customers and respecting the environment

### Isuzu Corporate Mission

#### Trust, Action, Excellence

A global team delivering inspired products and services  
committed to exceeding expectations

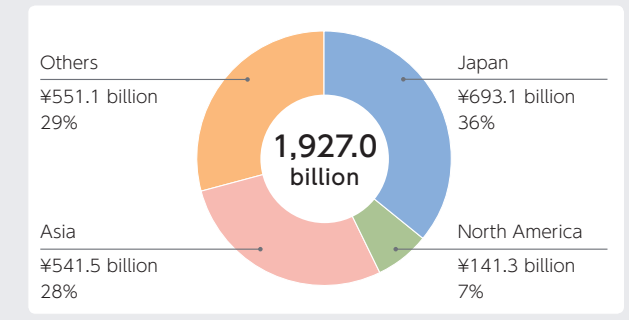
### Business deployment by region (Isuzu Group companies)

The Isuzu Group has established development, manufacturing and sales bases not only in Japan but also worldwide, sharing our ideas on Monozukuri, and promoting the homogenization of our services and support.

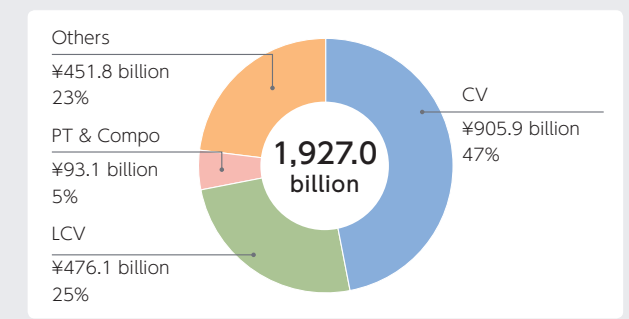
At present, Isuzu products are sold in a hundred and several tens of countries and regions. The Elf, for example, the leading light-duty truck brand in Japan, is recognized as the global standard among light-duty trucks having captured the top share in numerous countries worldwide. Our D-MAX pick-up truck, currently based in Thailand and exported to more than 100 countries, is further evidence that confidence in Isuzu is spreading worldwide.



### Consolidated sales composition by region



### Consolidated sales composition by business



CV: Heavy/Medium-duty trucks & buses  
 LCV: Pick-up trucks  
 PT & Compo.: Vehicle engines & Industrial engines

# ISUZU'S CSR ACTIVITIES

## Basic Ideas

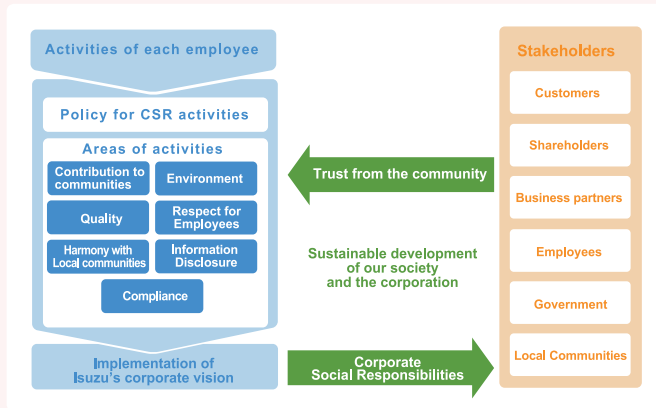
For sustainable development together with society, we at Isuzu emphasize the importance of fulfilling our social responsibility and achieving our corporate vision while building up trusting relationships with our stakeholders, and we call this "Isuzu's CSR activities".

The activities are intended to realize our corporate vision through the achievements of each Isuzu employee, understanding the "Policies of Isuzu's CSR Activities" and applying them to its business field.

Isuzu leverages its strength in obtaining the trust of society and contributing to sustainable development with society through its CSR activities as well as fulfilling its social responsibility.

## Basic Policy for CSR activities

<b>Winning trust from our customers</b>	We aim to win trust from our customers by providing valuable products and services to society, and thus contribute to the creation of a prosperous society.
<b>Promoting fair and sound activity</b>	Isuzu business is based on transactions under fair and free competition. Isuzu also keeps a sound and proper relationship with the government and politicians, and as a corporate citizen, acts strongly against anti-social forces and organizations
<b>Ensuring fair disclosure of corporate information</b>	We broadly communicate with our stakeholders in society not limited to shareholders, and ensure timely, appropriate and fair disclosure of our corporate information.
<b>Respect for Employees</b>	We create a safe and comfortable work environment respecting each employee's personality and character so that everyone can fully demonstrate their capabilities.
<b>Making a contribution to environment conservation</b>	We actively work on environmental conservation not only through our business activities but also as a corporate citizen residing on earth by getting involved in social and regional environmental conservation activities.
<b>Contributing to society</b>	Isuzu proactively undertakes social contribution activities as a good corporate citizen.
<b>Ensuring harmony with international and regional communities</b>	We respect the cultures and customs of the nations and regions where we operate, and contribute to their development through our business activities.



Isuzu Corporate Vision  
[▶ page 04](#)



## Isuzu Group Stakeholders

The Isuzu Group conducts business and develops CSR activities with its main stakeholders (those who have a vested interest) in the table on the right.

The table describes examples of communication between Isuzu and our stakeholders to whom we are responsible.

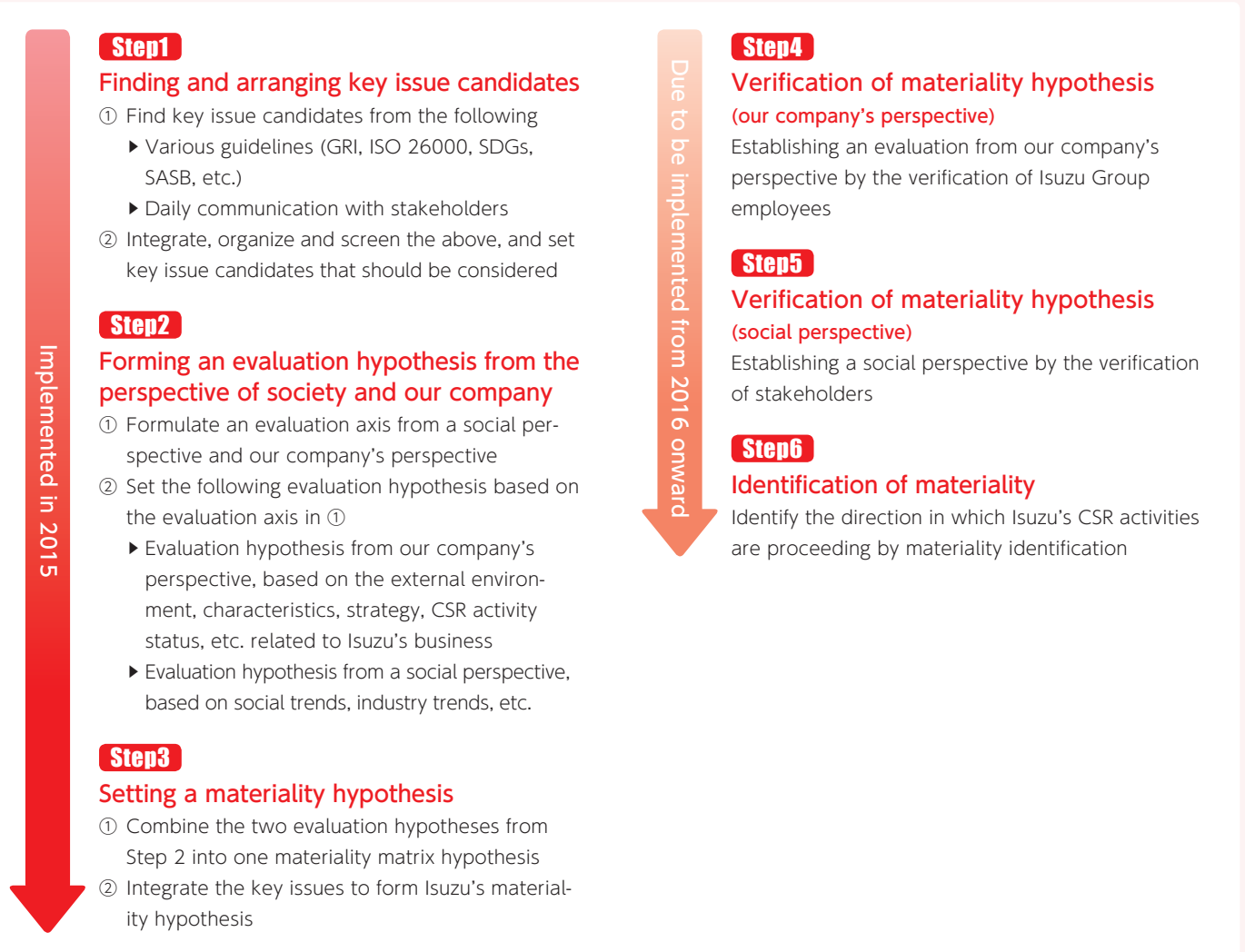
Main stakeholders	Responsibility to stakeholders	Main dialog opportunities & information disclosure
<b>Customer</b>	<ul style="list-style-type: none"> <li>▶ Stable supply of products and services</li> <li>▶ Supply of safe, reliable products and services</li> <li>▶ Supply of worthwhile products and services</li> <li>▶ Supply of environmentally friendly products and services</li> <li>▶ Suitable supply of product information</li> <li>▶ Appropriate response and support for customers</li> <li>▶ Improved customer satisfaction</li> <li>▶ Proper management of customer information</li> </ul>	<ul style="list-style-type: none"> <li>▶ Daily sales activities</li> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>
<b>Shareholder</b>	<ul style="list-style-type: none"> <li>▶ Appropriate return of profits back to shareholders</li> <li>▶ Timely and suitable disclosure of corporate information</li> <li>▶ Maintenance and increase of corporate value</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>▶ Fair and equitable selection and trading</li> </ul>	<ul style="list-style-type: none"> <li>▶ Daily purchasing activities</li> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>▶ Fair and equitable assessment and treatment</li> <li>▶ Assignment/utilization and training of suitable personnel</li> <li>▶ Respect for human rights</li> <li>▶ Respect for diversity</li> <li>▶ Promotion of work-life balance</li> <li>▶ Consideration for industrial health and safety</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>▶ Legal compliance</li> <li>▶ Payment of taxes</li> <li>▶ Cooperation with measures</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>
<b>Regional society</b>	<ul style="list-style-type: none"> <li>▶ Protection and respect for local culture and customs</li> <li>▶ Contribution to local development</li> <li>▶ Cooperation with local activities</li> <li>▶ Workplace accident/disaster prevention</li> </ul>	<ul style="list-style-type: none"> <li>▶ Participation in local events</li> <li>▶ Invitation to workplace events</li> <li>▶ CSR News, CSR Report (Isuzu website)</li> </ul>



## Initiatives toward Materiality Identification

GRI (Global Reporting Initiative), which formulates and publishes international guidelines on corporate sustainability reports, released its GRI Guidelines 4th Edition in May 2013 calling for information disclosure focused on key issues (materiality). Isuzu is pressing ahead with the identification of key issues (materiality) in order to comply with these guidelines by the following steps.

In 2015 we had progressed to Step 3 (Setting a materiality hypothesis) and in 2016 are due to carry out up to Step 6 (Identification of materiality).





# CSR ACTIVITIES WITH LOCAL COMMUNITIES IN MALAYSIA

Incorporated in 1994, ISUZU HICOM Malaysia Sdn Bhd (herein-after referred to as "IHM") manufactures ISUZU commercial vehicles for the domestic Malaysian market. Over the years IHM has established its presence in Malaysia and helped local communities through its CSR activities.

The CSR activities at IHM can be classified as follows:

- 1 ▶ Community
- 2 ▶ Education
- 3 ▶ Workplace
- 4 ▶ Supply Chain Management
- 5 ▶ Environment

## 1 ▶ Community

### Flood Relief Efforts

At times, flooding along the east coast of Peninsular Malaysia can become a natural disaster, displacing hundreds of families and destroying livelihoods and properties. As part of its relief efforts, IHM has set up a team called the Emergency Response Team (ERT) to provide aid to affected employees and families in local communities during the flood season.

For instance, in 2014, over 114 employees and their families were affected by floods. ERT members visited flood relief centers to distribute rice, bottled water, canned food, sugar, blankets, towels and other necessities, and helped to clean up damaged houses after the floods.

In addition to our direct contribution to flood victims in surrounding communities, ERT made a trip to help flood victims in Gua Musang, Kelantan, one of the rural areas in Malaysia that was badly hit by the great flood in 2015.



Essential supplies distributed at disaster relief center | IHM emergency call-out team members

### Blood Donation Campaign

IHM in cooperation with local hospital has organized the Blood Donation Campaign every twice a year. The objectives of this campaign are to raise awareness on the importance of blood donation and help to reduce the insufficiency of blood supply at the National Blood Centre.

In 2015, the campaign attracted a crowd of 100 people and managed to collect 65 bags of blood. The employees were also advised on the importance of health screening for early detection of diseases.



IHM employees who actively donate blood

### National Day Parade

IHM celebrates Malaysia's Independence Day by joining the local authorities and communities in an annual parade held every 31 August in commemoration of Malaysia's independence. For two consecutive years since 2014, IHM has won 1st place in the local parade competition.



IHM parade wins for second year in succession





## 2 Education

### Scholarship

As part of IHM's initiative to support and boost the Malaysia tertiary education sector, IHM has established bonding and privileged scholarships to cover tuition costs for selected students from DRB-HICOM University of Automotive Malaysia (DHUAM) to pursue their studies at diploma and degree level in automotive courses at DHUAM or overseas.

The scholarships come with employment opportunities following successful completion of studies with students serving an employment bond of seven years at IHM.

### Industrial Training

IHM offers practical students from various universities and institutions the opportunity to participate in a structured industrial training program. For FY2015/16 alone, a total of RM32,000 has been allocated for training allowances involving 40 practical trainees.

Through this program, IHM aims to provide students the opportunity to apply what they have learned and expand their knowledge whilst equipping them with invaluable on-the-job experience. This program also extends an opportunity to experience first-hand the business of the automotive industry, its challenges and expectations.

### Welcoming visitors

According to IHM's visitors record, since 2011 a total of 1,710 visitors have visited IHM from various Malaysian schools, universities and colleges, government sector, private sector, shareholders and business partners. Through the visits, visitors especially students have gained substantial exposure to the automotive industry.



### School donation—sports attire

IHM also participated in the sponsorship of sports attire for a local school football team in May 2016.

## 3 Workplace

### Rewarding Employees' Children

IHM continues to reward and recognize the children of IHM employees who excel in their studies. Since 2011, a total of 87 IHM children who sat for major examinations in primary and high schools received an award for high achievement. This approach will help to boost education excellence in the country and encourage the children of IHM employees to excel in their studies.



Award ceremony

### IHM Hari Raya Open House

To spread the joy of a festive season, more than 800 employees and internal contractors have gathered annually to celebrate Hari Raya, one of the most celebrated festivals in Malaysia. In keeping with the spirit of Hari Raya, IHM provides all employees with various kinds of delicious Malaysian food.

\* Hari Raya  
This is a celebration held after the end of Ramadan, and is the biggest festival in Malaysia, as mentioned above. After the end of Hari Raya, the prime minister, cabinet members and ministers from different states hold an open house with free drinks and sweets available for visitors.



### Pekan Hari Raya Open House

IHM also celebrates Hari Raya with local communities by participating in locally organized Pekan Hari Raya Open House. During the festival, IHM together with other participating automotive companies serve 7,000 pieces of satay, special grilled skewered meat, which is a famous and tempting Malaysian dish.



### 3 ▶ Workplace

#### Family day/Annual dinner

IHM Family Day or Annual Dinner has been held every year in the month of May. Employees and their families have a great time together at the venue with lots of fun and activities including games and entertainment followed by a well-organized lunch or dinner buffet.

The lucky draw has become an annual attraction with many of the employees going home with a holiday package tour, electrical goods, and so on.



Employees and their families enjoying themselves at a games tournament

#### Go-Karting

IHM has participated in the DRB-HICOM Karting Championship organized by DRB-HICOM University of Automotive Malaysia since 2010. The event continues to bring employees closer together as one big corporate family in an exciting motor sport experience.



#### Safety campaign

IHM staff's well-being is a foremost concern for IHM and so they are encouraged not take their health for granted. Various activities have been organized during the annual Safety Campaign to help improve the well-being of our employees including talks on road safety and the distribution of stop smoking and healthy food banners and pamphlets. Health screening is promoted amongst employees aged 40 years and above in cooperation with private clinics.



Declaring commitment to safety during operation etc. in the workplace

### 4 ▶ Supply Chain Management

#### Vendors Convention



The IHM Vendors Convention is organized annually to appreciate the contributions of vendors towards the ISUZU brand in Malaysia. Over 60 local vendors from Malaysia and Indonesia participate in the event. During the convention, outstanding vendors are presented with awards for their performance in four categories: Quality Improvement, Best Quality, Best Delivery, and Overall Performance.

### 5 ▶ Environment

#### My Beautiful Malaysia Program

In 2014, IHM participated in the 'My Beautiful Malaysia Day' program aimed at spreading volunteerism among the citizens of the country. IHM took part in cleaning up beaches along with local communities.



#### Cleanup around IHM Site

Since 2008, IHM has taken the initiative to clean up the area in front of its premises including the main and side roads. The activity is conducted by IHM employees every Monday and Friday. The cleanup team removes trash and does any necessary cleaning to ensure the area in front of IHM is clean and presentable.





# CSR activities highlights in FY2015

CSR activities highlights are symbolic activities in FY2015 about 7 active areas of Isuzu CSR sets by "Basic Policy for CSR activities".



Participated in 21st Spring Tree-Planting Day at the former Ashio Copper Mine

**Social Contributions**  
▶ P.13

Initiatives to deal with heavy rain from Tropical Storm Etou



**Environment**  
▶ P.21

**Information disclosure**  
▶ P.51

The 2015 ISUZU Spo-Rec (Sports and Recreation) in Omori (Headquarters)



**Respect for Employees**  
▶ P.40

Communication tools



**Harmony with Local Communities**  
▶ P.47



Isuzu World Service Skills Contest (I-1GP)

**Quality**  
▶ P.31

**Compliance**  
▶ P.52

Compliance training for managers



Isuzu Summer Festivals 2015





# SOCIAL CONTRIBUTIONS

## Initiative Policy

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

Underpinned with the policy, we conduct the initiatives using Isuzu's unique business assets (human resource, technologies, know-how, equipment, etc.) and self-motivated activities performed by the individual employees.

### Disaster Area Support

Although five years have passed since the Great East Japan Earthquake, Isuzu will go on supporting reconstruction and answering the needs of the stricken areas, such as by holding workshops for children there to learn about the pleasure and importance of Monozukuri. We will also continue to provide support for areas affected by other disasters in Japan and around the world, aiming for Isuzu unique solutions.



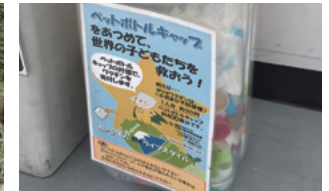
### Next Generation Development

We are holding Isuzu Truck Traffic Safety Classes and special school lessons in various locations, where we introduce the initiatives of the DeuSEL® Project, the practical realization of next-generation bio-diesel fuels, in an easy-to-understand way.



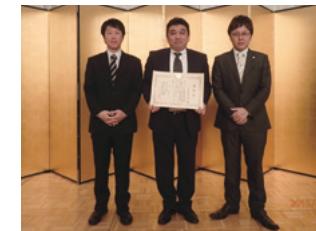
### Employee Participation Activities

Isuzu is implementing education through employee participation activities, so that each and every employee becomes interested in a wide range of social issues and is aware of how to meet those needs.



### Global Activities

Isuzu has been sending technicians on Antarctic research expeditions for more than half a century, from the first Japanese Antarctic Research Expedition in 1956 to the current 57th one, contributing through our technologies to the maintenance of snow vehicles and engines (for both vehicles and power generators) used in research activities.





# Disaster Area Support Initiatives

## Great East Japan Earthquake Reconstruction Support

### Internal Events and Other Support for Disaster Areas

#### Efforts to keep alive memories of the Great East Japan Earthquake

The 2015 Isuzu World Conference, which brings overseas Isuzu distributors together under one roof, was held in Tokyo in November 2015. The venue became very lively when local sake casks were brought in from the earthquake stricken areas in Tohoku (Fukushima, Iwate, etc.) for new Isuzu distributors who have just become our global partners to carry out "kagami biraki", the traditional breaking open of the casks.



Kagami biraki, praying for the growth and health of participants  
The local sake from Tohoku was very well received and brought a real sense of post-quake reconstruction

#### Hospitality gifts at overseas events

Whenever we held meetings in the Middle East or Europe, we gave participants some products from the Otsuchi Recovery Sashiko Project, which works for the reconstruction of stricken areas in Tohoku, along with an introduction and a message from the organization.

\* Otsuchi Recovery Sashiko Project (run by NPO Terra Renaissance): An organization aimed at giving women independence through the manufacture of products by Sashiko stitching, a traditional technique from Tohoku.



Attending the European Service meeting with Sashiko Stitching in hand.



Attending the Middle East Service meeting with Sashiko Stitching in hand.



We added an organization introduction and message to convey the current state of the stricken areas

#### Future Initiatives

Going forward, we will continue to utilize various opportunities to support organizations working for the reconstruction of the stricken areas.

### Joint activities with Michinoku Revival Partners

We participated with Michinoku Revival Partners (hereinafter, "Partners") in March 2014, an ongoing initiative supporting the reconstruction of disaster areas. The Partners are a corporate consortium\* with multiple corporations from different industries united with the intention of providing support to the stricken areas.

\* Isuzu and six other companies from various industries (Kao, JCB, Sompō Japan Nipponkoa Insurance, Dentsu, Toshiba, Benesse Holdings: as of March 2016, titles omitted) took part, with the NPO ETIC, as secretariat.



Discussion among members of local organizations of disaster areas and participating companies

#### Major joint achievements

- ▶ Participated in various disaster area support programs held by the Partners.
- ▶ Supported groups in the disaster areas through business activities such as purchasing hospitality gifts from the Partners' member groups to distribute at internal events.
- ▶ Held the Isuzu Monozukuri Hands-on Workshops jointly with the groups to support children in the disaster areas.

## Disaster Area Support Initiatives

### 311 “Tsunagaru (Connect)” Project

ETIC., the NPO acting as secretariat for the Partners, launched this project so that relief for the disaster areas wouldn't be forgotten. “After the 3-11 earthquake, there was a swelling of support from overseas and within Japan, which should leave a positive impact. This should be recognized for years as it concerns everyone.” The members agreed with this call to action, and the project was established.

Isuzu has supported this message and encourages those in the company to think about connections between people.



Experiencing “Tsunagaru (Connect)” together at event in Hibiya Park, Tokyo

### Future Initiatives

The Partners are developing a social movement rather than individual or one-off activities, with the aim of producing industry and employment in more areas, which will lead to regional innovation.



311 “Tsunagaru (Connect)” Project stacker

### Supporting disaster areas in Japan and overseas

#### Initiatives to deal with heavy rain from Tropical Storm Etau (Kanto and Tohoku, September 2015)

##### Starting to deal with water-damaged vehicles

With the aim of quickly restoring cars damaged by flooding caused by torrential rainfall from Tropical Storm Etau in September 2015, Isuzu and Isuzu Motors Sales (Shinagawa, Tokyo) carried out coordinated inspections and repairs in the stricken areas together with local distributors.



Providing instructions on inspection and repair based on Water-Damaged Vehicle Inspection & Repair Manual

### Donations

Isuzu donated five million yen to support the people and communities impacted by Tropical Storm Etau.

#### Donation for Nepal earthquake

Isuzu made a donation of two million yen through the Japanese Red Cross Society in support of victims of the earthquake that struck Nepal in May 2015.

#### Initiatives for the 2016 Kumamoto earthquakes

##### Supported truck operations in stricken areas with historical operational data

To support heavy-duty and light-duty truck operations in areas hit by the Kumamoto earthquakes in April 2016, Isuzu provided historical operational data utilizing Mimamori data to the NPO ITS Japan\*1 and published it on the Internet as a route map\*2. In this way, we were able to secure driving routes for the transportation and delivery of relief supplies and to find evacuation centers via those driving routes.

\*1 ITS Japan: Established in January 1994 in order to promote R&D and practical realization in the field of ITS (Intelligent transport systems which improve traffic in terms of safety, environment and convenience through the integration of people, roads and vehicles using advanced information and communications technologies), changed its name in June 2001.  
\*2 Publication of the main route map was completed in early May 2016.



Route map published online

### Donations

Isuzu made a donation of five million yen to support the people and communities impacted by the earthquakes.

## Disaster Area Support Initiatives

### Isuzu Monozukuri Hands-on Workshops for Children in the Disaster Areas

Employees engaged in manufacturing or development operations prepared this program with the purpose of giving children easily understandable lessons about their monozukuri activities as well as the significance of Isuzu's corporate vision of supporting transport.



Isuzu Monozukuri Hands-on Workshops  
<http://www.isuzu.co.jp/world/csr/contribution/performance/002.html>

### Casting Classes

In January 2016, in collaboration with Otsuchi Ringakusha Collaborative School run by the NPO Katariba, Isuzu held Monozukuri Hands-on Workshop: Casting Classes at Iwate Prefecture Otsuchi Children's Center and Otsuchi Choritsu Kirikiri Elementary School.

- \* As well as the above two locations, casting classes were also held in Onagawa and Ishinomaki in Miyagi Prefecture in 2015.
  - \* This was our tenth casting class since we first held one in Minami-Soma in August 2014. The total number of participants was 215, and 24 of our employees took part too as instructors.
- By casting Isuzu characters (Giga-kun, Elf-kun, Elga-chan) out of metal, Isuzu shared the value and joy of Monozukuri with children and people of all ages.



Kirikiri Elementary School children



Scenes from Otsuchi Children's Center. The participants worked hard at tasks ranging from sand filling to polishing.

### Design Class

In July 2015, in collaboration with Otsuchi Ringakusha Collaborative School run by the NPO Katariba, Isuzu held Monozukuri Hands-on Workshop: Design Classes in Otsuchi-cho, Iwate Prefecture for 49 elementary school students.

This project was endorsed by Murakami Lumbermill (Rikuzentakata-shi, Iwate Prefecture), who created and donated car bodies made of Kesensugi (a famous wood from Iwate). University students and local high school pupils also participated as volunteers. The support of many people made this a lively and fun class.



Commemorative photo of everyone holding their finished trucks (Kirikiri Elementary School)



The Isuzu instructors (Design Center members) respond earnestly to the children's serious expressions



"Look, look!" Taking pride in their trucks (Top: Otsuchi Children's Center, Bottom: Kirikiri Elementary School)



## Disaster Area Support Initiatives

### Monozukuri Hands-on Workshop achievements (up to FY2015)

Casting Class	
August 2014	Minamisoma Solar Agripark (Fukushima)
December 2014	The Beans Fukushima (Fukushima)
August 2015	Onagawa Kogakukan Collaborative School (Miyagi)
September 2015	Ishinomaki Switch & Ishinomaki TEDIC (Miyagi)
January 2016	Otsuchi Ringakusha Collaborative School (Otsuchi Children's Center & Kirikiri Elementary School (Iwate))
Design Class	
December 2014	Onagawa Kogakukan Collaborative School (Miyagi)
December 2014	Frontier Minamisoma (Fukushima)
July 2015	Otsuchi Ringakusha Collaborative School (Otsuchi Children's Center & Kirikiri Elementary School (Iwate))

\* Hosts are all organizations supported by Michinoku Revival Partners

### Future Initiatives

Employees who wish to show the children the fun and significance of monozukuri are planning to prepare new programs and enhance the content of the Isuzu Monozukuri Hands-on Workshops.

More workshops are scheduled to take place in other locations in communities around the Isuzu plants in addition to the disaster areas.



## Initiatives for next generation development

### Isuzu Truck Traffic Safety Class held

In November 2015, an Isuzu Truck Traffic Safety Class was held for sixth grade pupils from Mukawa Central Elementary School (Mukawa, Yufutsu-gun, Hokkaido at nearby Wacom Hokkaido Co. Ltd. (hereinafter, "Wacom Hokkaido")).

The purpose of the class was to prevent the children from getting into traffic accidents with trucks. On the day, Wacom Hokkaido staff became the teachers, setting a quiz about the difference between the turning tracks followed by front and back inner wheels, the role of mirrors, and mirror blind spots, and getting the children to think about trucks and traffic safety.

Experiencing blind spots etc. when sitting in the driver's seat of the new Giga truck elicited responses from the children such as "I realized the importance of blind spots and the difference in turning tracks of front and back wheels", "I learned a great deal", and so on.

\* This program is also planned for disaster areas in Tohoku where many trucks are engaged in restoration work.



Children from Mukawa Central Elementary School who participated in the class



Quiz on blind spots with the new Giga truck. What numbers cannot be seen from the driver's seat?



Experiencing difference in turning trucks of front and back wheels at a junction. Considering the length of a truck, will it hit or miss the pole?

### DeuSEL® Project special lesson held at elementary school

In November 2015, a visiting lesson was held for three fifth grade classes at Sakado Elementary School in Kawasaki, Japan. It was the second school to receive this lesson after Kozan Junior High School in Aichi in January 2015, but this time, together with project partner euglena Co., Ltd, we brought in a DeuSEL® bus.

The children took notes as they listened intently to the explanation, and when they went for a test ride in the DeuSEL® bus, their shrieks of joy resounded inside.

The teachers involved were complimentary too, saying that the lesson was easy to understand and very useful as an environmental education exercise.



Scene from the visiting lesson



The questions kept coming even during breaktime



Great excitement on the DeuSEL® bus



## Initiatives for next generation development

### Educational Aid Program at Training School for Auto Mechanics (Philippines) ISUZU HEART & SMILE PROJECT First graduation and entrance ceremonies held since reopening

The Auto Mechanic Training Center (Tacloban, Leyte Island, Philippines) received catastrophic damage from the typhoon that hit the country in November 2013. It was reopened in February 2015, and in August 2015, the first graduation and entrance ceremonies since the reopening were held.

All 14 graduates received an NC4 qualification, the highest qualification for auto mechanic in the country, and began their lives as mechanics at distributors and repair shops.

\* As of October 2015, 149 people have graduated with an NC4 qualification and now work as mechanics not only in the Philippines but also abroad at auto distributors and auto repair shops.



The 14 graduates overcame many difficulties to reach this point. Isuzu expects great things from them as they enter the workforce.



This term's graduates featured in the morning edition of a Japanese national newspaper

### Visit to Philippine Elementary School Supported by TABLE FOR TWO (TFT)

In January 2016, in collaboration with the NPO TABLE FOR TWO International and Action, Isuzu and Isuzu Philippines Corporation (Philippines) visited an elementary school in the Philippines supported by the TFT program.

The school visited this time, Balaybay Resettlement Elementary School (Luzon Island, Philippines), began receiving TFT support in June 2014. This has created a positive growth cycle in which school attendance among supported children has risen to 98% due to the provision of school meals, leading to a rise in academic development due to the elimination of malnutrition.



Balaybay Resettlement Elementary School



Children of Balaybay Resettlement Elementary School



Presentation of ballpoint pens and basketballs



Messages of thanks from the children

## Employee Participation Activities

### Introduction of TFT Program into all Isuzu offices and plants

The TFT (TABLE FOR TWO) Program, which was already running in Isuzu headquarters, was introduced to the Fujisawa and Tochigi plants in May 2015.

This has given employees more opportunities to take part in the TFT Program, thus providing school lunch to more children in developing countries.

### The Isuzu TFT Program

When employees donate, either by selecting a certain menu item (something healthy, for example) or by a direct cash donation, Isuzu matches the amount of that donation, and the total is used to provide school lunches to children in developing countries through the NPO TABLE FOR TWO International.



Fujisawa Plant TFT Menu



The Fujisawa cafe's Euglena Latte



Tochigi Plant TFT Menu

## Employee Participation Activities

### Implemented the Isuzu Itadakimasu (Let's Eat) with 3,000 People! Campaign

In October and November 2015, Isuzu held the Isuzu Itadakimasu (Let's Eat) with 3,000 People! Campaign as a TFT Program alongside World Food Day.

This project focuses on food issues in the world and Japan, asking us to consider what we can do towards finding a solution. All Isuzu employees took part.



Item	Target	Result
No. of users	3,000	3,698

### Participated in Children's Forest Project Support through Second-hand Books!

In order to "educate and raise awareness about social contributions" among employees, Isuzu began to participate in "Children's Forest Project Support through Second-hand Books!" in the area around Isuzu headquarters (Shinagawa-ku, Tokyo) from November 2015.

The Children's Forest Project, in which children plant and nurture trees at their school and in their region, is implemented by the NGO OISCA. The program aims to encourage children to "value and love nature".

The proceeds from donated books are contributed to the "Children's Forest" Project.



A collection box placed in the area around Isuzu headquarters

### Future Initiatives

There are plans to place collection boxes in the Fujisawa and Tochigi areas too.

### Participation in the 8th Mt. Fuji Forestation Project

In May 2015, 55 employees and family members participated in the 8th Mt. Fuji Forestation Project.

The project aims to restore the strong forest ecosystem of Mt. Fuji with its many plant species. Isuzu has been taking part in the project since 2008.

### 255 Trees Planted and Nets Installed

Reforestation had been carried out several years before, but this time replacement trees were planted and anti-deer netting installed in areas where plants had died due to deer grazing or snowstorms.

Over the course of two and a half hours, the participants planted 255 trees with protective nets at an altitude of about 1,600 meters. Although it was difficult work, it brought the participants into contact with nature on Mt. Fuji, and from their facial expressions afterwards it was clear that they felt refreshed after their exertions.



The good weather provided a clear view of Mt. Fuji



Planting trees and installing nets



Employees and their families participated energetically, and Mt. Fuji's gentle breeze blew away their sweat and fatigue



## Employee Participation Activities

### Eco Cap Activity

This activity began at Isuzu in 2008. Collected caps are used to raise money through an NPO for polio vaccines for children in developing countries, and sent to elementary schools in Kanagawa Prefecture for their children's social contribution activities.



Area	No. of caps collected	Reference
Fujisawa Plant, Tochigi Plant	999,788	Donated money through an NPO for 1,999 polio vaccinations
Headquarters	78,000	Various donations through elementary schools' social contribution activities

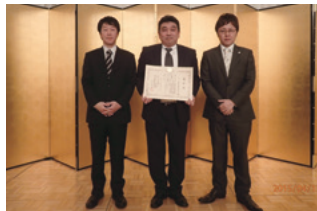
## Global Activities

### Award for Achievement in Antarctic Monitoring from the National Institute of Polar Research

Isuzu has been sending its technicians to Antarctica on loan to the National Institute of Polar Research for more than half a century, from the first Japanese Antarctic Research Expedition in 1956 to the current 57th one. In April 2015, in recognition of this long-term contribution, we received the Award for Achievement in Antarctic Monitoring from the National Institute of Polar Research (NIPR).

### Supporting research work and the lives of the team

The Japanese Showa Station in Antarctica has been part of many achievements including the detection of the ozone hole in 1982, and is currently carrying out global warming monitoring via large-scale atmospheric radar. Isuzu has contributed its technologies such as for the maintenance of snow vehicles and engines (for both vehicles and power generators) used in this harsh natural environment. In this way, we are supporting the research work and the lives of the team stationed there.



Receiving a certificate on behalf of successive Isuzu members



Isuzu flag standing at Showa Station. It shows the names of all Isuzu team members since the first expedition



Isuzu truck working at Antarctica

## Future Initiatives

In the fields of Disaster Area Support and Next Generation Development, Isuzu will utilize its technology and knowhow to expand its activities from perspectives such as safety, environment, and Monozukuri.

In the field of Employee Participation Activities, Isuzu will enrich its initiatives and increase the number of employees taking part, and expand opportunities for them to take a broader interest in social issues through such participation. Regarding Global Activities, Isuzu will continue such efforts in order to fulfill its obligations according to its mission of developing overseas business.



# ENVIRONMENT

## Environmental Philosophy and Policy (Charter on the Global Environment)

The Isuzu Group has drawn up a Global Environment Charter that clarifies its environmental vision for realizing a rich and sustainable society.

## Implementation System

The Isuzu Group has established five bodies under the Global Environment Committee in order to implement environmental conservation activities in all its business operations. They address the resolution of diverse environmental issues, carrying out discussions and decision-making on matters of environmental conservation.

### Basic Policy

- ▶ Realization of a rich, sustainable society
- ▶ Reduced environmental load of all business operations
- ▶ Collaborative participation in social activities

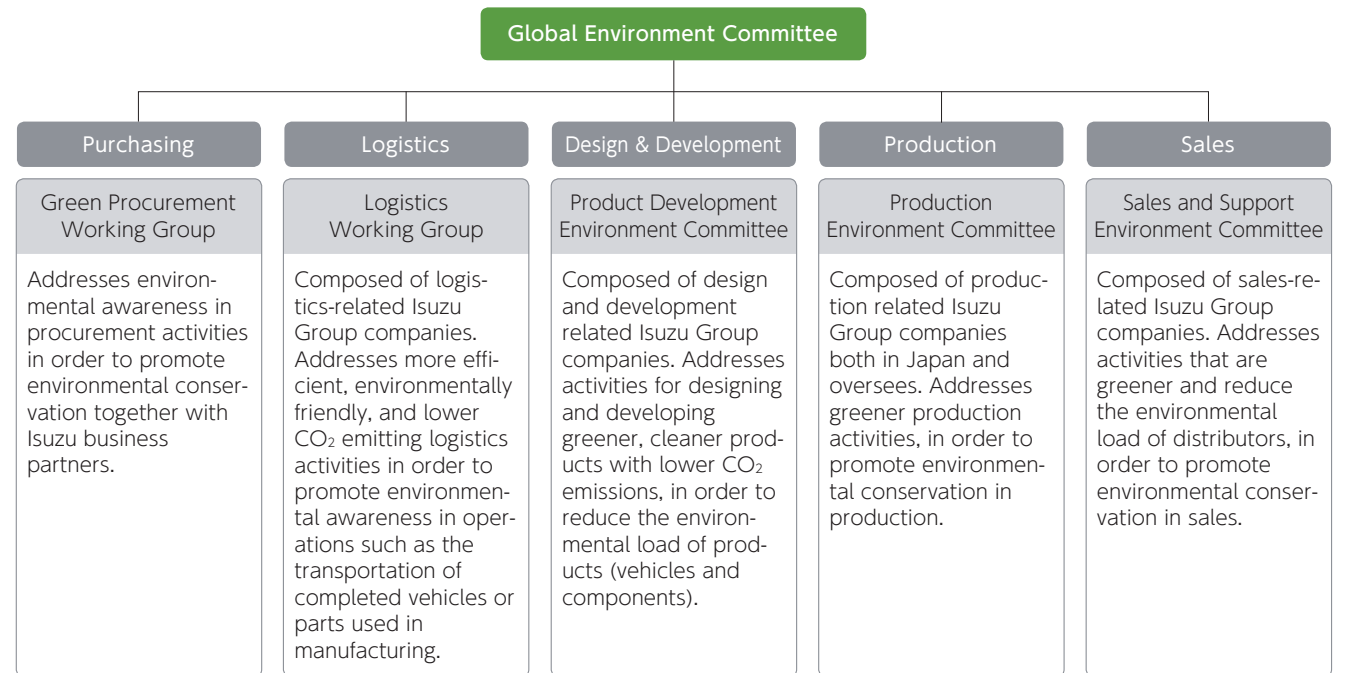
### Action Guidelines

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

### Agenda of Global Environment Committee

1. Isuzu Group's environment-related initiative policy and plan
  - ▶ Isuzu Group's Charter on the Global Environment
  - ▶ Mid- to long-term plan, annual plan
2. Progress of activities that follow the Isuzu Group's environmental initiative policy and plan
3. Key matters related to environmental problems surrounding the Isuzu Group

## Structure of Global Environment Committee



# Activity Reports

## Environmental initiatives in procurement activities

Isuzu has established the Isuzu Green Procurement Guidelines for promoting environmental conservation together with its business partners, who Isuzu asks to promote environmental conservation activities based on an understanding of these Guidelines.

### Isuzu Green Procurement Guidelines (outline)

1. Procurement basic vision / Basic policy / Slogan
2. Requests for our business partners
  - ▶ Construction of environmental management systems
  - ▶ Control of environmentally hazardous substances
  - ▶ Initiatives for environmental reform in business activities of business partners
  - ▶ LCA compliance
  - ▶ Reduction of logistics-related CO<sub>2</sub> emissions and packaging materials

### Promoting measures by our business partners

1. Structuring environmental management systems
2. Reducing environmental load

Supply Chain Management  
[▶ page 59](#)

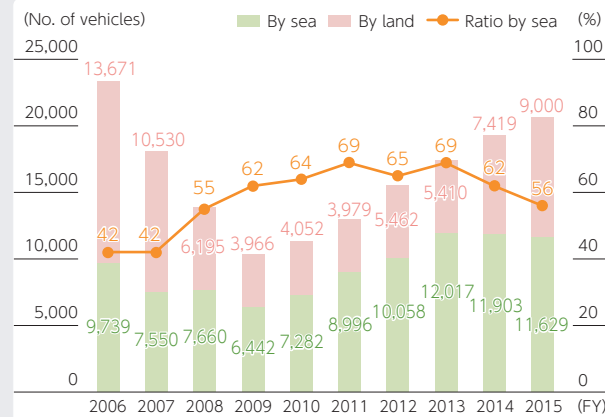
## Environmental initiatives in logistics processes

Isuzu engages in environmentally friendly logistics throughout the whole Group, streamlining its various logistics processes such as the transportation of completed vehicles or parts used in vehicle manufacture, promoting fuel-efficient driving during transportation, and so on.

### Reducing CO<sub>2</sub> emissions in logistics processes

Isuzu is engaged in reducing CO<sub>2</sub> emissions in its logistics processes by reviewing the transportation routes of parts, promoting fuel-efficient driving during transportation, and increasing the amount of marine transportation by developing new shipping routes (modal shift).

#### State of modal shift during product vehicle transportation



### Other main initiatives for reducing CO<sub>2</sub> emissions

- ▶ Improved transportation efficiency due to thorough truck transport management according to load
- ▶ Increased use of returnable racks that can be folded when returning
- ▶ Increased trailer transportation and improved filling rates of goods within containers

### Reduced amount of packaging materials through review of packaging configurations

In the Isuzu Group, packaging configurations are continually reviewed and measures taken to reduce packaging materials.

Isuzu is reducing the amount of wood conventionally used for fastenings by switching from wooden to special material fastenings. It is also cutting down on packaging materials by promoting the use of returnable racks for transportation packaging to Thailand, for which steel cases have been used.

#### Changing goods fastenings



Conventional method



After review

#### Increase in returnable racks



Packed state



Upon return


## Initiatives for environment in product development

The Isuzu Group has set See Technology as its base concept for development, with the aim of advancing technologies in the three areas of Safety, Economy and Environment.

From the aspect of the environment, Isuzu has selected eight priority issues and set up a special committee for each one to address environmentally conscious product development.



► You can find details about products sold by Isuzu below.

 Product information  
<http://www.isuzu.co.jp/world/product/index.html>

### Fuel economy improvement (global warming prevention)

Isuzu is engaged in the development of technologies that will meet future Japanese and overseas regulations on fuel economy and CO<sub>2</sub> emissions and achieve top-level fuel efficiency.

### Cleaner emissions

Isuzu is engaged in the development of high-efficiency diesel engines that will combine compatibility with future emission regulations and improved on-road fuel efficiency.

### Reduction of vehicle exterior noise

Isuzu is engaged in the development of noise reduction technology to meet future Japanese and overseas noise regulations and the introduction onto the market of noise regulation compliant vehicles.

### Reduction of environmentally hazardous substances

Isuzu is addressing the further reduction of environmentally hazardous substances and the reinforcement of its management system using IMDS.

### Improvement of air-conditioning refrigerant

Isuzu is engaged in developing a new refrigerant system suitable for buses and trucks.

### Promotion of recycling

Isuzu is engaged in the promotion of recycling-oriented design that will contribute to the more effective use of resources.

### Promotion of in-vehicle VOC reduction

Isuzu is committed to reaching its voluntary targets for reducing in-vehicle VOC emissions and to the development of an assessment method. It has already reached its voluntary targets for reducing in-vehicle VOC emissions in the new Giga and Erga models in Japan.

### Development and diffusion of next-generation vehicles

Isuzu is addressing the market penetration of hybrid vehicles and natural gas fueled vehicles, which help to lower CO<sub>2</sub> emissions.

In 2015, it released a revamped hybrid Elf light-duty truck and a new CNG model Giga heavy-duty truck in Japan.



## Addressing the environment in production activities

To reduce the environmental load of the Isuzu Group's production activities, its manufacturing companies in Japan and overseas all work together to reduce the energy and resources used and the waste generated during manufacturing.

### Promoting green production activities

#### CO<sub>2</sub> emission reduction activities

At Isuzu Fujisawa Plant (Fujisawa, Kanagawa Prefecture), we have minimized the total length of the facilities in the vehicle priming process by installing work rotating conveyance equipment. This has greatly reduced the amount of energy used compared with the previous chain conveyor type priming facility.

#### Waste reduction activities

As well as carefully separating waste on a routine basis, Isuzu also takes a positive approach to waste reduction activities. At Isuzu Engine Manufacturing Hokkaido Co., Ltd. (Tomakomai, Hokkaido) and Isuzu Tochigi Plant (Tochigi, Tochigi Prefecture), we have devised a way of eliminating soluble oil from cutting oil drainage generated during manufacturing, and taken measures to reduce the volume of cutting oil waste generated.

#### Chemical substance reduction activities

We have reduced the amount of hazardous substances used in the preparatory washing and painting processes of vehicle underbody parts. Chemicals containing hazardous substances that could have an environmental impact on groundwater in the event of leaking have been replaced with chemicals not containing such hazardous substances.

#### Global warming prevention activities

We are promoting activities aimed at global warming prevention throughout the Isuzu Group, limiting emissions of ozone depleting substances by reinforcing the inspection of facilities using CFCs, and installing non-CFC equipment during facility upgrades.

### Production Group environmental meetings (Japan)

Isuzu Group companies concerned with production regularly hold meetings to present examples of their activities and review specific cases. This helps to promote more efficient production activities by horizontally developing all the companies' know-how and skills.



Isuzu Group environmental meeting

### Isuzu Group Energy-Saving & 3R Awards (Japan)

Among production-related Group companies, the Isuzu Group Energy-Saving & 3R Award have been implemented since FY2013. Entry activities related to energy conservation or 3R improvements are gathered from within the Isuzu Group, mainly its Production Division, the best of which receive an award. Examples of entries are shared throughout the Isuzu Group to promote horizontal development. These awards are aimed at providing further momentum to the Group's environmental activities.

#### 2016 3R Award (No Energy-Saving Award presented) "Zero direct waste of coolant fluid"

- Isuzu Engine Manufacturing Hokkaido Co.,Ltd.  
Untreated waste coolant (water-soluble cutting oil) used to be discharged as industrial waste, but Isuzu began improvement activities aimed at zero emissions of industrial waste. We studied processing methods using pulverized coal and created a treatment facility from equipment parts no longer used within the plant. The facility started operating in November 2015. Since then, we have been able to increase the maximum treatment volume of waste coolant per year from 180 to 270 tons, and to reduce the amount of waste coolant discharged as industrial waste to zero.



Award winning members

## Promoting effective utilization of resources through rebuilding and reuse (Isuzu Engine Manufacturing Hokkaido Co.,Ltd.)

The Isuzu Group is engaged in the formation of a recycling-oriented society, promoting the effective utilization of resources through the rebuilding and reuse of engines and various parts.

At Isuzu Engine Manufacturing Hokkaido Co.,Ltd., recovered engines and parts are dismantled, cleaned and tested. If any parts need to be replaced, new ones are prepared and the item reassembled. Items that pass the same inspection standards as new products just off the production line are taken as rebuilt and reused products. These products are sold by the Isuzu Group in Japan. Rebuilt and reused products enable more effective utilization of resources by keeping raw material use and manufacturing energy lower than for newly manufactured products. The Isuzu Group has been selling rebuilt engines for light-duty trucks in Japan since autumn 2015.

Having expanded the lineup of rebuilt and reused products to Japanese market including injectors and DPDs (diesel particulate diffusers) that use rare metals, we are carrying out the effective utilization of even more resources.



Engine being dismantled



Engine being reassembled

## Environmental initiatives in sales activities

To promote environmental conservation in the Isuzu Group's sales activities, its distributors all work together to conduct green sales and engage in environmental load-reducing activities.

### Environmental load-reducing activities of Isuzu dealers in Japan

#### Efforts to increase environmentally friendly sites

Isuzu is trying to increase its environmentally friendly sites by actively installing LED lighting or skylights when renovating or building new sales offices. At newly built sites, we have started to switch to water treatment facilities that are more environmentally conscious than existing ones, by installing biological effluent treatment equipment for treating water discharged during vehicle maintenance or vehicle washing.



New site with LED lighting installed



Service shop with LED lighting installed

### Environmental improvement activities in Japan

Isuzu dealers are optimizing their environmental efforts through evaluation and improvement activities using their own environmental check sheets. Isuzu aims to increase its environmentally friendly distributors by entering and winning more awards under the Eco-friendly Auto Repair Shop awards system of the regional transport bureaus of the Ministry of Land, Infrastructure, Transport and Tourism.

## Promotion of green sales activities in Japan

Isuzu dealers are doing all they can for the environment in their overall business activities.

They are continuously addressing all possible environmental activities, such as using hybrid vehicles and other environmentally friendly vehicles as company cars, and implementing the Cool Biz and Warm Biz campaigns.

### Promotion of domestic and overseas fuel-efficient driving seminars

Considering the life cycle of Isuzu products, the largest CO<sub>2</sub> emissions come from using products (vehicles). The Isuzu Group has been holding seminars on fuel-efficient driving in Japan and overseas since 1995, to inform customers who have bought an Isuzu vehicle about ways of driving more efficiently according to the performance of their vehicle.

#### Track record over the past 3 years

Year	Courses	Participants
FY2015	193	2,714
FY2014	192	2,769
FY2013	194	2,804

## Environmental Communication

In the Isuzu Group, we participate in environmental activities of local communities and are committed to proactive information disclosure.

### Participation in the 20th Fujisawa Environment Fair “Fujisawa Eco Eco(Eco2) Fair 2015”

The 20th Fujisawa Environment Fair was held in November 2015 at the Fujisawa Civic Hall and the Okuda Park multi-purpose area in Fujisawa City. At the event, civil groups, corporations, universities, governmental bodies, and various other groups present their own environmental initiatives, and Isuzu takes part every year. As well as presenting its green initiatives on panels, Isuzu also showed a DVD introducing the DeuSEL® Project and let about 150 children make special DeuSEL® Bus paper crafts.



Isuzu exhibition booth

### Environmentally Integrated City-Building Project certification from Kanagawa Prefecture

The Isuzu Monozukuri Service Training Center (Fujisawa, Kanagawa Prefecture) was certified in September 2015 by Kanagawa Prefecture as an Environmentally Integrated City-Building Project. This certification is based on the Guidelines for Building Environmentally Integrated Model Cities in Urban Areas of the Central and Shonan Regions, which are used for creating urban areas that coexist in harmony with the environment in the prefecture’s central and Shonan regions.



事業者 いすゞ自動車株式会社  
事業の名称 いすゞ自動車ものづくりサービス トレーニングセンター整備事業

### Participation in tree-planting activities

#### Participated in Mt. Fuji Forestation Project

Isuzu has taken part in the Mt. Fuji Forestation Project ever since its launch in 2008. Many employees and their families have taken part in this project to date, which aims to restore the strong forest ecosystem of Mt. Fuji with many of its indigenous plant species.

#### Participated in 21st Spring Tree-Planting Day at the former Ashio Copper Mine

Isuzu Tochigi Plant employees took part in the planning of tree planting on the hills of Ashio district, which were devastated by smoke and other pollution from the Ashio Copper Mine. It is said that it will take more than 100 years for the greenery to fully return to the hills of Ashio. The employees took part in the 21st Spring Tree-Planting Day held in April 2016, which offered them a valuable opportunity to reexamine environmental issues nearby.



Scene from Ashio tree-planting activity



## Environmental Communication

### Conservation of biodiversity

Facilities and offices belonging to the Isuzu Group are promoting the conservation of biodiversity through its protection of their local natural environment.

#### Example of WAcorn Hokkaido Co., Ltd.

Automobile testing company WAcorn Hokkaido Co., Ltd. (Mukawa, Yufutsu District, Hokkaido, hereinafter referred to as "WAcorn Hokkaido") has a huge site 92 times the size of Tokyo Dome, on which various test courses are built. Within this vast area is an abundance of nature, and to keep protecting it, WAcorn Hokkaido carries out environmental protection activities on the site together with people from the surrounding community.

#### Protecting the freshwater Mukawa River

To protect the Mukawa River, one of the best fresh water rivers in Hokkaido, Isuzu has built a mud-control dam in the regulating reservoir on its site to control the water in the reservoir and, eventually, maintain the quality of the water entering the Mukawa River. Moreover, after consultation with Mukawa Town, Japanese oaks were planted within the site to conserve the rich water sources that can be found in the thick forest. The oaks, which are locally grown in the neighboring communities, are known for effective wellhead protection.

The continuation of such activities has seen the arrival of migrating red-crowned cranes, Hokkaido's prefectural bird and an endangered species, as well as colonies of Asian skunk cabbage and so on.

\* Mud-control dam: A structure installed in a small mountain stream etc. to prevent landslides. Unlike ordinary dams, it is dedicated to preventing landslide disasters. It is different from general dams and is specifically designed to prevent landslide damages.



Mud-control dam installed in the site



Planted Japanese Oaks



Visiting red-crowned cranes



Colony of Asian skunk cabbages



**FY 2015 Activity Results (Isuzu Group)** Environmental activity results of 21 production-related Group companies (9 in Japan and 12 overseas)

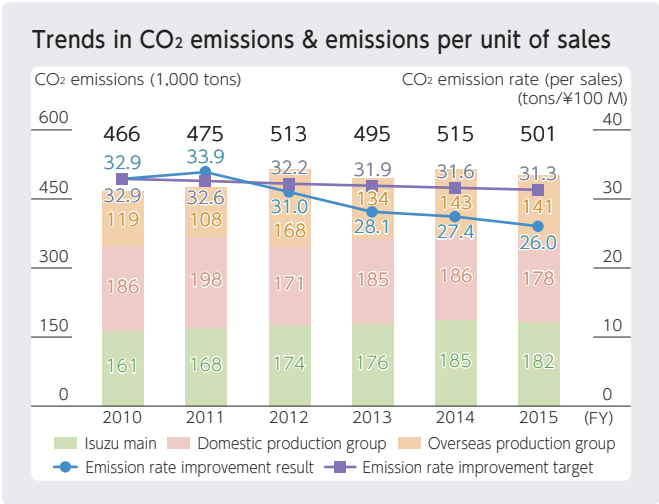
**CO<sub>2</sub> emission reduction activities**

Activities to reduce CO<sub>2</sub> emissions per unit of sales

**Mid- to long-term target:**  
At least 5% below FY2010 figure by FY2015

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**FY2015 results:** CO<sub>2</sub> emissions: 501,000 tons  
CO<sub>2</sub> emissions per unit of sales:  
26.0 tons/¥100 M (21% down from FY2010)



We have actively engaged in CO<sub>2</sub> emission reduction activities in Japan and overseas, successively reaching our targets since fiscal 2012.

We even reached our targets at sites that use more energy than before due to added production lines or the introduction of new equipment, through continuous efforts to reduce total energy usage by promoting streamlining such as consolidating production lines.

**Waste reduction activities**

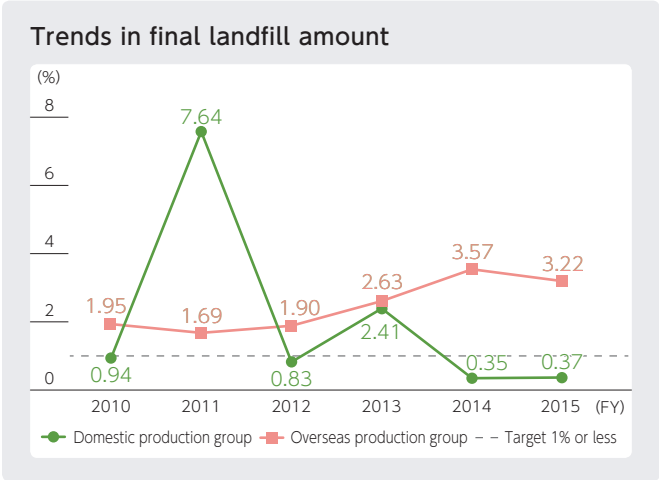
Industrial waste landfill reduction activities

**Mid- to long-term target:**  
Landfill amount (tons)  
= 1% or less of total waste generated (tons) by 2015  
(Domestic production group only)

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**FY2015 achievements**  
Landfill amount (tons) / Total waste generated (tons)  
= 1.21% (All production group)  
Landfill amount (tons) / Total waste generated (tons)  
= 0.37% (Domestic production group)

\* Final landfill amount: 2,555 tons (Domestic production group: 515 tons (42 tons down from FY2014))



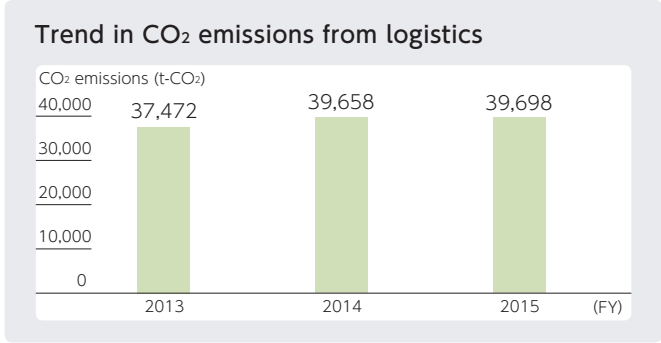
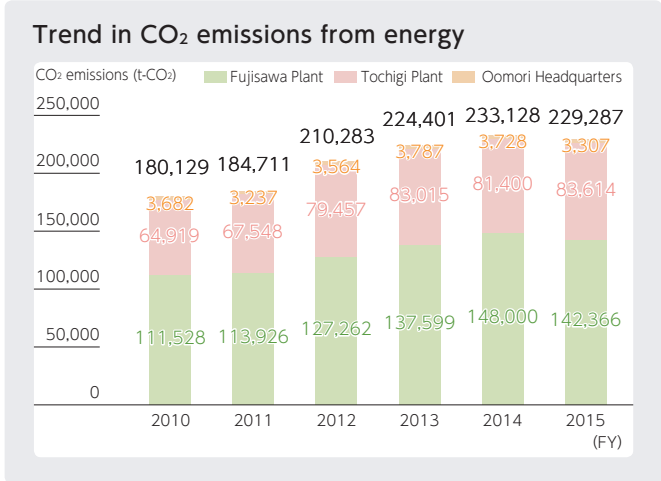
In the domestic production group, recycling has been implemented and a stable rate of landfill of below 1% maintained. In the overseas production group, although there is a trend toward an increase in landfill for reasons of disposal costs etc., we are continuing to promote recycling and working to decrease landfill amounts.

\* In FY 2011, the amount of landfill in Japan temporarily increased because of the impact of the Great East Japan Earthquake on recycling contractors.  
\* In FY 2013, the amount of landfill temporarily increased because some recycling contractors were limited in how much waste they could accept due to the processing of debris from the 2011 earthquake.

# FY 2015 Activity Results (Isuzu)

## CO<sub>2</sub> emission reduction activities

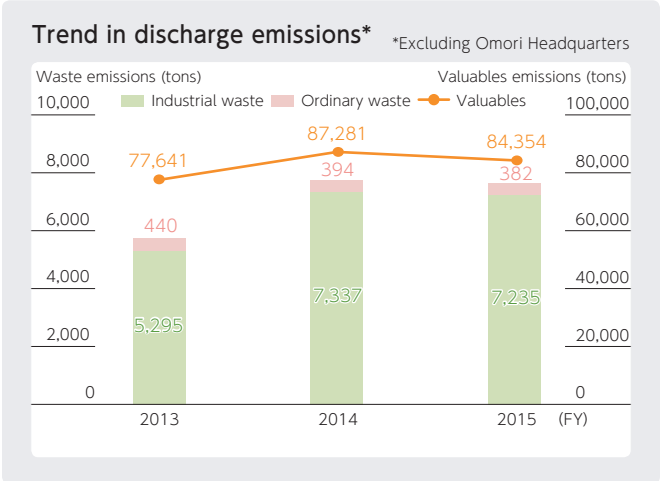
Fujisawa Plant and Tochigi Plant showed a rising trend in energy usage due to increased production. Tochigi Plant showed a further rising trend with the introduction of new equipment, but both plants worked to reduce their overall usage by promoting streamlining such as consolidating production lines. In logistics, we worked to reduce CO<sub>2</sub> emissions by encouraging modal shifts and promoting greater transportation efficiency (P.22).



## Discharge reduction activities

Isuzu is promoting the effective use of waste and engaging in activities to reduce discharge that includes valuables. By trying to curb emissions of both waste and valuables, we are working toward the formation of a recycling-oriented society.

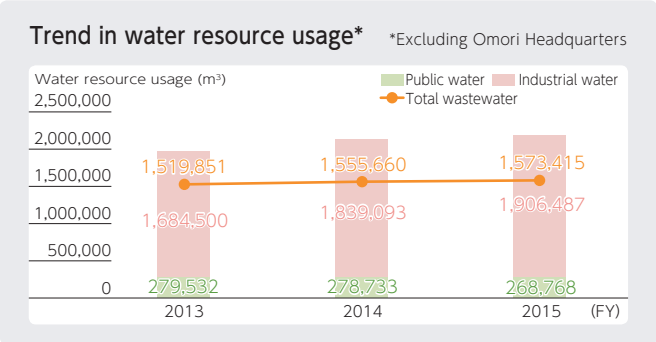
\* Isuzu has already achieved zero emissions, with no landfill since 2011.



## Water usage reduction activities

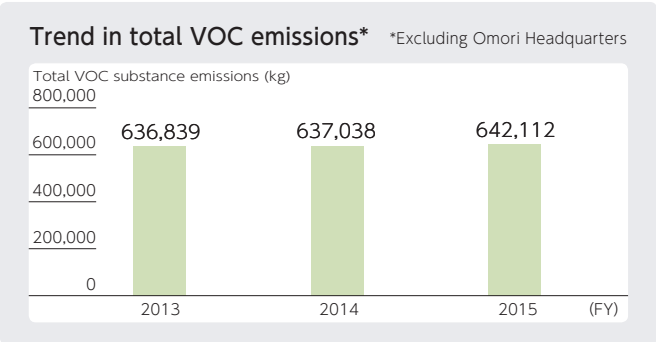
Because large volumes of water are used in automobile manufacturing, Isuzu has started to address the conservation of the earth's limited water resources.

We have been trying to understand the state of water usage within the company and, from fiscal 2015, started a water risk survey in order to understand the water risk in Isuzu.



## VOC emission reduction activities

Isuzu is curbing emissions by the recovery of VOC (volatile organic compounds), and has reduced VOC emissions from its plants and reviewed and improved its painting processes, which have particularly large VOC emissions.



### Environmental accounting

To conduct environmental activities efficiently and continuously, Isuzu has added up its environmental conservation costs and environmental conservation effects.

Isuzu has disclosed information with the aim of helping management decisions to carry out efficient investment in environmental activities, and as an evaluation index for businesses.

#### Environmental conservation costs (Target period: April 1, 2015 to March 31, 2016)

Total investment was ¥4,001 million, ¥3,925 million down year on year.

Total expenses were ¥41,056 million, ¥4,314 million up year on year. Details are shown in the table below.

Unit: ¥1 million

		Investment	Expenses	Main activities
Business area costs	Pollution prevention costs	523	128	Implementing air pollution prevention, water contamination prevention, etc.
	Global environmental conservation costs	74	631	Implementing energy-saving activities, climate change strategy, etc.
	Resource recycling costs	36	459	Implementing proper disposal of waste, upgrades to waste disposal sites, etc.
Upstream/downstream costs		0	2,106	Implementing reuse of used automobiles, promoting 3Rs for waste
Management activity costs		31	297	Promoting environmental management, updating system for gathering information such as environmental data
R&D costs		3,337	37,380	R&D of eco-friendly products in terms of emission control, etc.
Social activity costs		0	37	Supporting environmental conservation activities such as tree planting, donating to environmental conservation organizations
Environmental damage costs		0	18	Levies on pollution impact, conservation measures related to soil and groundwater pollution, etc.
Total		4,001	41,056	

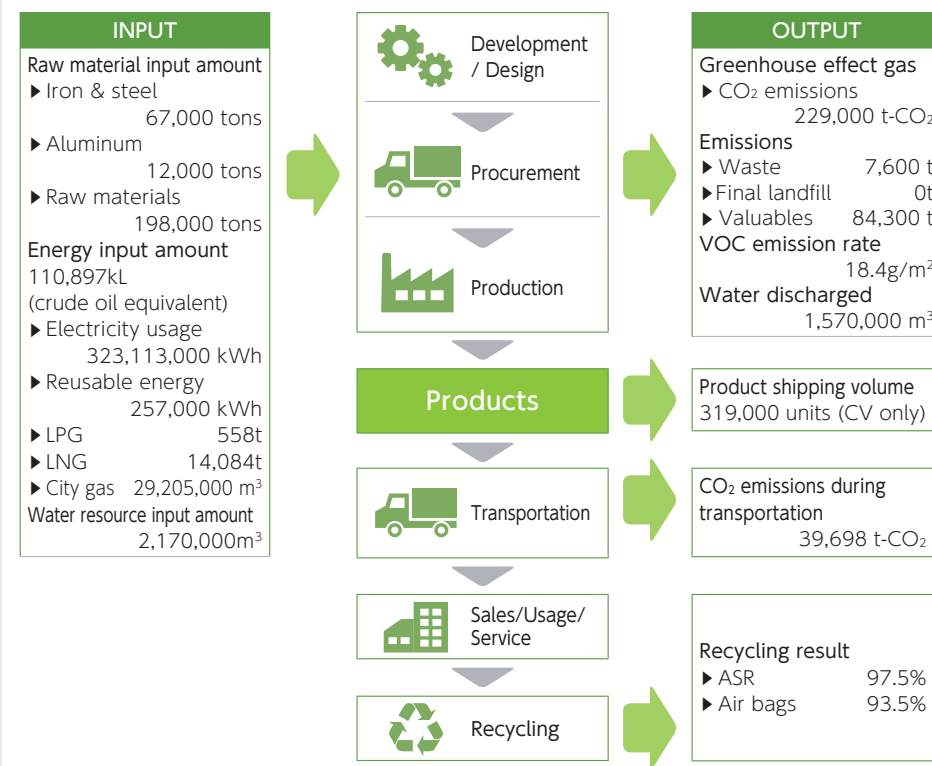
#### Environmental conservation effects (Target period: April 1, 2015 to March 31, 2016)

Category	Kind of effect	Effect
Economic effect (millions of yen)	Reduction in energy cost through energy conservation	11
	Profit on sale of valuables	1,148
Quantitative effect (tons)	CO <sub>2</sub> reduction (tons of CO <sub>2</sub> )	249

### Business activity and environmental hazard

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

#### FY2015 Material flow (Isuzu only)





# QUALITY

## Basic Ideas

Our corporate vision is "Isuzu will always mean the best. A leader in transportation, commercial vehicles, and diesel engines, supporting our customers and respecting the environment." This is the very basis of all our quality activities, through which we provide useful products and services to our customers.

## Initiative Policy

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

Isuzu provides products and services that fully satisfy customers. If, however, a customer does have trouble with an Isuzu vehicle, we have established service systems and service parts supply systems for quick recovery so that customers can rest assured in using Isuzu's products every day. In doing this, Isuzu is committed to building long-term, trusting relationships with customers.

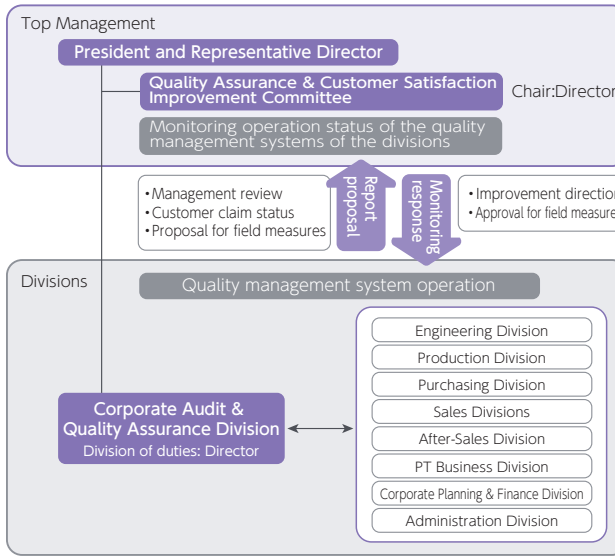


## Total quality assurance system

Isuzu is prepared itself for full social and quality responsibilities as a manufacturer under the Isuzu quality assurance scheme structured as shown below. Corporate Audit & Quality Assurance Division lead Isuzu's united efforts toward enhanced quality.

The Quality Assurance & Customer Satisfaction Improvement Committee (Quality Assurance / CS Committee) is chaired by the director and is held monthly so that the top management of all divisions can have discussions and share information on the quality status as well as the monitoring operation status of the quality management systems of the divisions. The outcomes are shared to drive forward the quality assurance activities of the business divisions.

### Isuzu quality assurance system



## Quality management system (Acquisition of ISO 9001 & ISO/TS 16949)

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

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



ISO9001



ISO/TS16949

## Initiatives for higher product quality

### Basic Ideas

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

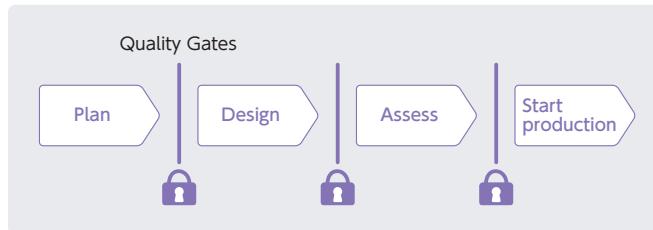
### Initiatives at the development stage

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 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. FMEA\* (failure mode and effect analysis) and other methods are used to enhance reliability and durability.

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



### Initiatives at the manufacturing stage

Isuzu is reinforcing its human resources and production systems to offer high-level integrated products on a worldwide scale.

In particular, Isuzu's manufacturing principle of Quality First, which includes its methodology and production know-how, is systematized into Isuzu Manufacturing Management (IMM).

By making this IMM our production standard and adopting it in our plants in different countries, we have ensured a constant level of Isuzu quality worldwide, regardless of the people, plants and countries that produce our products.



Isuzu production line where IMM has been introduced

 Manufacturing Quality (IMM)  
<http://www.isuzu.co.jp/world/corporate/about/production.html>

## Initiatives for higher product quality

### Initiatives for higher field quality

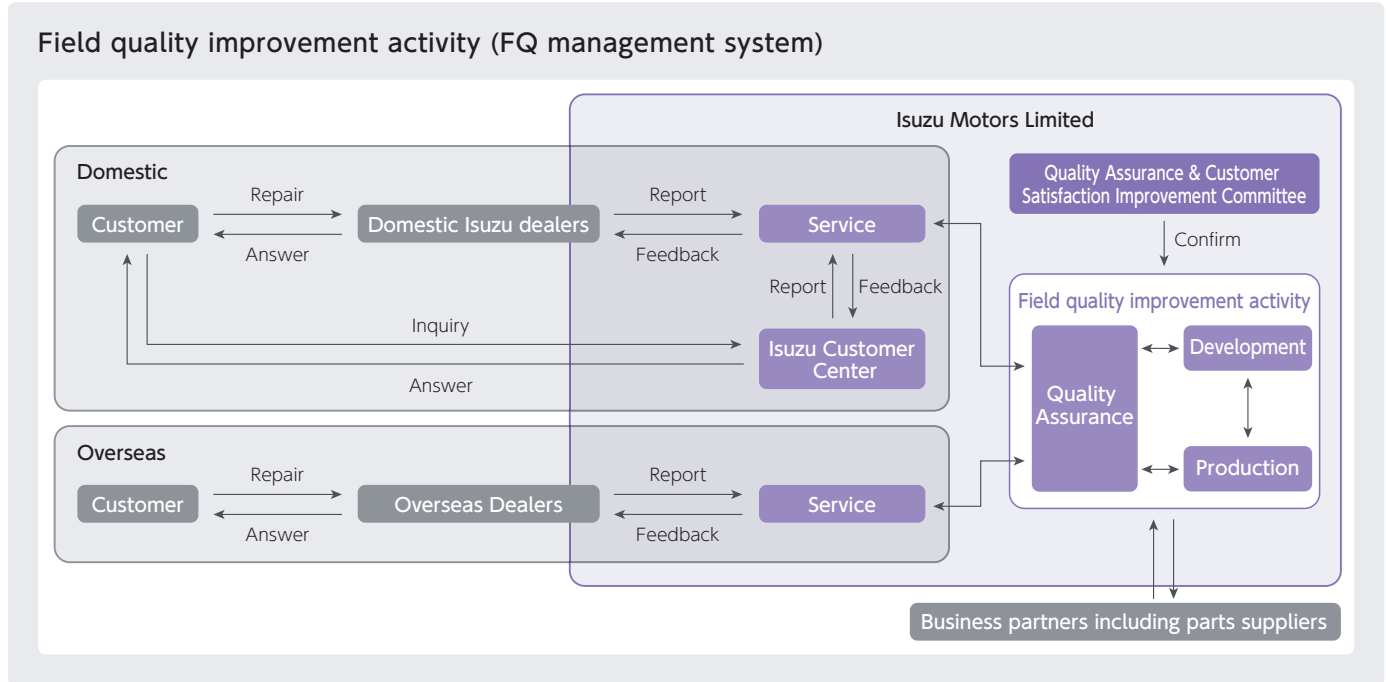
Isuzu constantly strives to make improvements by listening to and analyzing customer opinions, which are fed back into each quality-related process to ensure never-ending improvements in field quality.

### Initiatives toward improved field quality

Taking advantage of the FQ management system\*, Isuzu collects quality information from markets and 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 distributors as field quality information to direct to our quality improvements. We also regularly share information on the status of our response to field quality information and key quality issues with top management and all employees.

\* FQ (Field Quality) management system  
Activities to develop and improve quality information gathered from the field by the system shown on the right



### Initiatives for Recall Campaigns

The activities are intended to prevent defective vehicles from causing accidents and to ensure the safety of our business partners and drivers and their assets. Based on the purpose of these activities, we ensure that our customers' vehicles operate properly by conducting recall/improvement measures/service campaigns if necessary. We are always prepared to take prompt and accurate actions from the customer's perspectives in various circumstances.

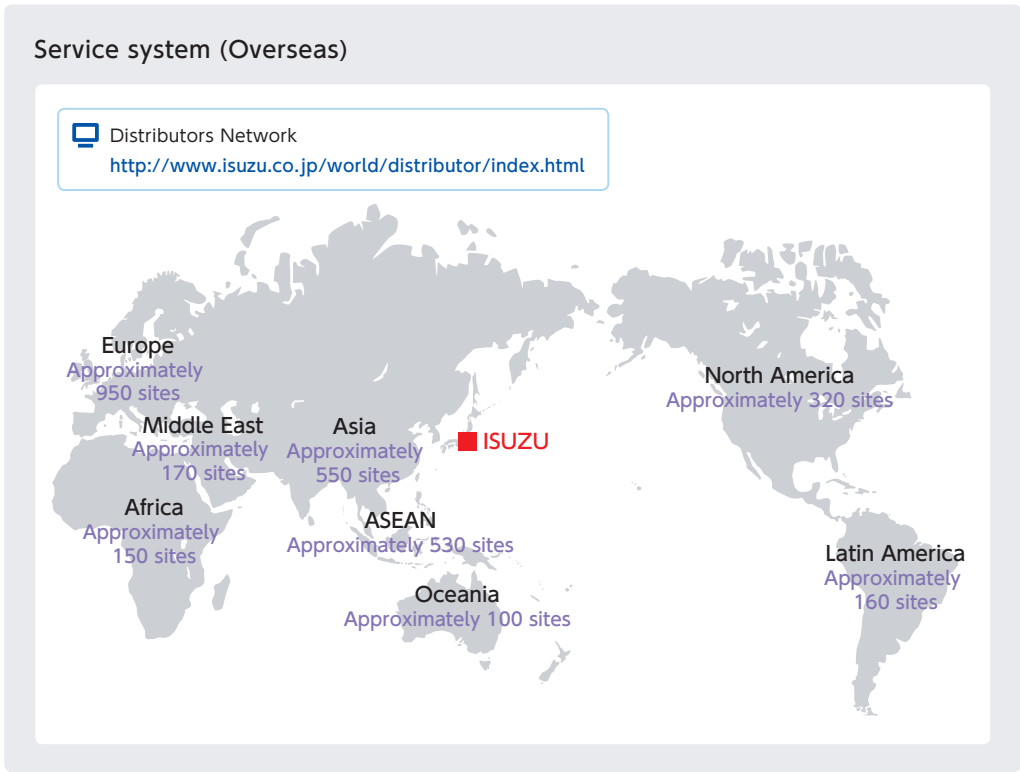
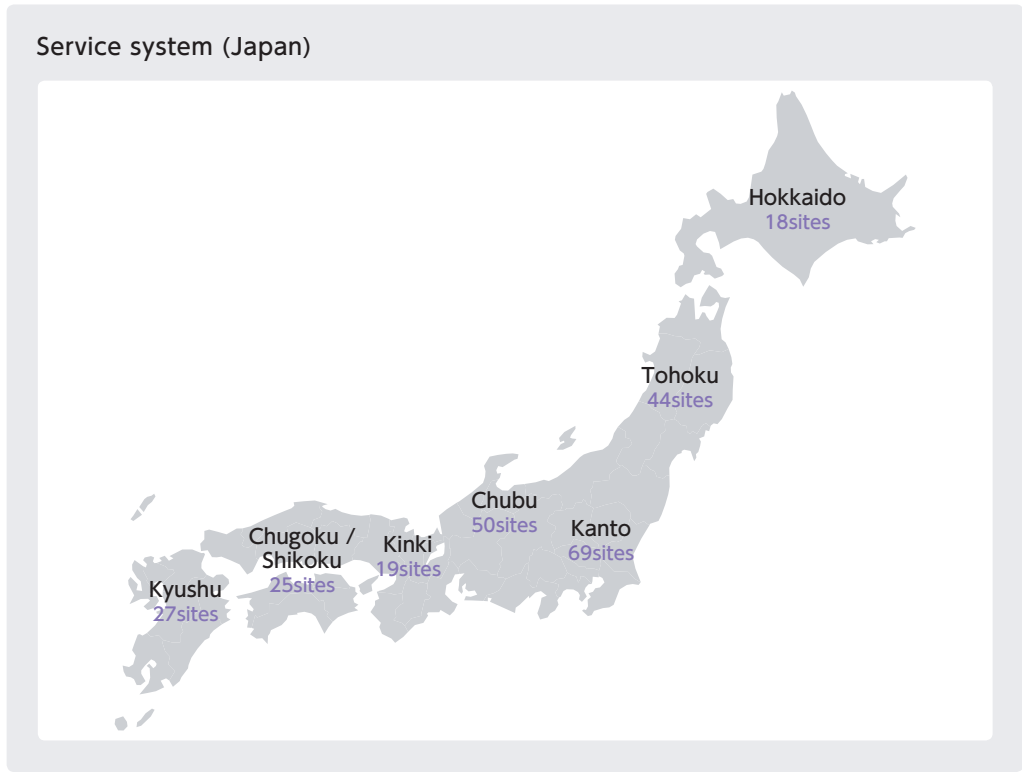
## Initiatives for higher service quality

### Basic Ideas

Isuzu provides standardized support both in Japan and overseas so that we can offer high-quality services.

### Thorough service system

Isuzu is currently fully committed to the post-delivery customer support services. Our customers always expect high quality. Therefore, we at Isuzu aim to establish high-quality integrated service systems for customers in Japan and overseas.





## Initiatives for higher service quality

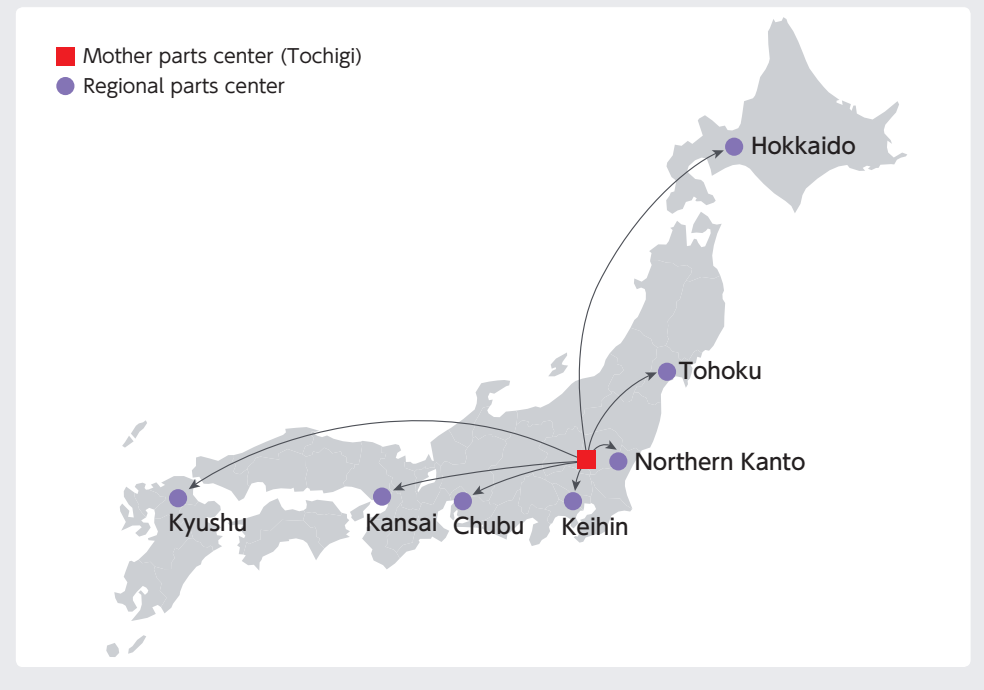
### Parts supply system

Isuzu delivers service parts quickly and accurately to all areas via its network of our mother parts center (Tochigi, Japan) and regional parts centers in Japan and overseas.

#### Domestic

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

#### Parts supply system (Japan)



#### Overseas

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

#### Parts supply system (overseas)





## Initiatives for higher service quality

### Improvement of maintenance engineering

#### Isuzu World Service Skills Contest (I-1GP) Held

Competent service staff members and mechanics from across the world gather and compete against each other based on their engineering skills and knowledge. The purpose is to improve service on a country level and to help provide the utmost satisfaction to Isuzu customers. The participants tackle challenges to defeat the other nations / areas and become number one.

The 10th Isuzu World Service Skills Competition (November 2015) was the biggest ever, with 43 teams from 35 countries taking part. Many people from around the world, including those supporting their own country, closely watched the high-level skills of the competitors.



The venue this time was the Isuzu Monozukuri Service Training Center, opened in January 2015, and many people from around the world attended

#### 35 countries participating at the 10th Isuzu World Service Skills Competition (November 4, 2015)

Results	CV Category* <sup>1</sup>		LCV Category* <sup>2</sup> (Exhibition Match)
	Category A* <sup>3</sup>	Category B* <sup>4</sup>	
1st prize	Japan (Isuzu Motors Chugoku-Shikoku Co. Ltd.)	Philippines (ISUZU PHILIPPINES CORPORATION)	Indonesia (P.T.ISUZU ASTRA MOTOR INDONESIA)
2nd prize	New Zealand (ISUZU NEW ZEALAND)	Indonesia (P.T.ISUZU ASTRA MOTOR INDONESIA)	Philippines (ISUZU PHILIPPINES CORPORATION)
Special prizes	Newcomer's Prize	Qatar (JAIDAH HEAVY EQUIPMENT)	
	Jump-up Prize	South Africa (ISUZU TRUCK SOUTH AFRICA (PTY) LIMITED)	
	Fighting Spirit Prize	America (ISUZU COMMERCIAL TRUCK OF AMERICA, INC.)	Malaysia (ISUZU MALAYSIA SDN. BHD.) Peru (GENERAL MOTORS PERU S.A.)

- \* Names of representative companies given in brackets
- \* 1: CV Category = Commercial Vehicle Category
- \* 2: LCV Category = Light Commercial Vehicle Category
- \* 3: Category A = Euro 5 or equivalent level of emission regulations (11 countries)
- \* 4: Category B = Other than Category A (24 countries)



Competitors seriously tackling skills and academic tests. The support was enthusiastic too



Prizewinners (top) and entrants (bottom)

## Initiatives for higher service quality

### Service/Parts Skill Competition

Isuzu holds an annual skill competition in which workers compete on a collection of all their day-to-day technologies.

#### National Service/Parts Skill Competition (Japan)

The competition is held every year with the slogan "Impressive services for our customers with our established techniques and customer-oriented mind-set!"

Isuzu encourages education and training programs because they help Isuzu After Sales staff to enhance their engineering skills, which leads to higher customer satisfaction. The competition also provides motivation and its aim is to strengthen ties among staff members while they compete with each other in individual matches to be the best in the country.

#### FY2015 achievements

FY2015 National Service/Parts Skill Competition (November 2015)

Approximately 150 participant members from all over the country were qualified to the final.



### Training employees of Isuzu domestic dealers

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

#### FY2015 achievements

Education at the Isuzu Monozukuri Service Training Center	41 courses and 215 sessions
Maintenance engineering workshop (for all domestic dealers)	35 sessions




Practical training at the Monozukuri Service Training Center



### Customer support

#### Fuel efficient and safe driving seminars and various support programs

Isuzu has been offering our customers seminars on fuel efficient and safe driving since 1995. In Fujisawa Plant, we have an on-site seminar facility called Isuzu Premium Club, which is exclusively for our customers. It is equipped with test courses so that we can offer more versatile seminars with rich material.

 Promotion of domestic and overseas fuel-efficient driving seminars (FY2015)  
[page 25](#)

 Customer Support  
<http://www.isuzu.co.jp/world/corporate/about/customer.html>

#### Mimamori telematics for commercial vehicles (available in some markets)

We recommend the use of Mimamori, Isuzu's own advanced driving information system, as a way of monitoring customers' driving status.

## Initiatives for higher operation quality

### Basic Ideas

Isuzu leverages efforts to raise awareness about quality and knowledge since we believe that in addition to enhancing product and service quality, enhancing the performance quality of individual employees helps build up the quality that meets customer needs.

### Education for raising awareness and knowledge among employees

Isuzu provides employee education in both awareness and knowledge with the aim of improving operational quality.

#### Raising awareness

##### Discussions among employees

To raise awareness of operational quality, Isuzu holds a series of discussions among employees about “doing a good job for our customers” on the themes of telephone inquiries from customers to the Isuzu Customer Center, and the Quality Month Message given by top management to employees every November, which is Quality Month\*.

\* 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.

FY2015 achievements	
Theme of Quality Month message	“Let’s retain our technology, skills and knowledge within a structure and do a good job!”

### Stationing young engineers at distributors

Young engineers also have the opportunity to work in domestic dealers or in the front lines of service so that they can design products from a customer-oriented mind set.

FY2015 achievements	
Stationing young engineers at domestic dealers	25 participants

### Quality awareness education for Isuzu domestic dealers

To build up their quality awareness as part of the Isuzu Group, all Japanese dealers undergo awareness education programs where they learn the importance of quality-related operations including accurate and prompt information sharing, the reliable collection of defective parts, and the early implementation of recall campaigns.

FY2015 achievements	
Quality awareness education for domestic dealers	28 sessions



Scene from training



## Initiatives for higher operation quality

### Improving knowledge (Knowledge enhancing program)

Isuzu provides an education program for employees based on quality-related knowledge, including training on laws and regulations and on QC. The laws and regulations training includes programs on recall systems and Road Transport Vehicle Law while the QC training includes an entry-level QC course, a basic problem solving course and a problem solving practice course for quality improvement.

#### FY2015 achievements

The Road Transport Vehicle Law/Recall scheme	Session held. (for the new employees)
QC entry-level course	154 participants
Basic problem solving course (QC Training I)	128 participants
Practical problem solving course for quality improvement (QC Training II)	52 participants



Working on a paper helicopter assignment during a QC course

### Isuzu Technical High School

Isuzu Technical High School provides the necessary basic knowledge for engineers and aims to develop future leaders. Not only do students learn the required knowledge and skills for monozukuri (craftsmanship), but the school also guides them toward a deep understanding of monozukuri as well. They also enter the National Skills Competition in order to ascertain the results of their technical training.



Bronze medal-winning automobile plating skills

#### FY2015 achievements

The 53rd National Skills Competition  
(December 2015)

Automobile Plating Category:  
1 bronze medal



Bronze medal-winning automobile plating assignment work  
Produced from a single steel sheet according to drawn instructions within the working time (7 hours)





# RESPECT FOR EMPLOYEES

## Basic Ideas

Isuzu respects the personal character and individuality of each of its employees so that they can show their skills to the full, and aims to create a safe, sound and comfortable work environment that gives them a sense of prosperity and achievement.



## Industrial health and safety

### Ideas on safety

Isuzu is carrying out various measures to build a safe, secure working environment, and aims to create workplaces that fully comply with its safety basics: the Three Safety Principles, Isuzu's Five Safety Behaviors, and the Ten Prohibited Items.

### Policy

#### Principles of Safety

##### Three Safety Principles

- ▶ Order and neatness
- ▶ Inspections and maintenance
- ▶ Standard operations

##### Isuzu's Five Safety Behaviors

- ▶ Press the red button the moment you notice something wrong
- ▶ Work as a team by giving signals to each other
- ▶ Follow procedures carefully when setting up
- ▶ Pause and check before touching anything
- ▶ Start work with an inspection and finish work with maintenance

##### Ten Prohibited Items

1. Do not touch working machinery and rotating objects.
2. Do not remove fitted covers, hoods, rails or safety devices.
3. Do not climb onto or step over conveyer belts, pits, or pallets.
4. Do not use gloves when operating a drill or rotary cutter.
5. Do not handle steel sheets or chips with bare hands.
6. Do not make decisions at work without consulting others.
7. Do not rush up and down stairs. Do not put your hands in your pockets. Do not run.
8. Do not smoke while walking. Only smoke in designated areas.
9. Do not walk underneath objects suspended from cranes.
10. Do not rush around corners or through doors.

## Industrial health and safety

### Initiatives for creating safe and secure workplaces (FY2015)

Main Themes	Action Items
Prevention of industrial accidents	<ul style="list-style-type: none"> <li>▶ Increasing safety knowledge and awareness</li> <li>▶ Ensuring safety in operations (Reviewing procedure manuals, giving instruction in work safety, etc.)</li> <li>▶ Making production facilities intrinsically safe</li> </ul>
Prevention of fire accidents	<ul style="list-style-type: none"> <li>▶ Properly maintaining and controlling facilities and equipment that use hazardous materials</li> <li>▶ Understanding and eliminating causes of fire accidents</li> </ul>
Prevention of traffic accidents	<ul style="list-style-type: none"> <li>▶ Preventing traffic accidents involving workers commuting by car or motorcycle</li> <li>▶ Improving road safety awareness campaigns</li> </ul>
Health promotion	<ul style="list-style-type: none"> <li>▶ Arranging consultations with industrial physicians for workers doing excessive overtime</li> <li>▶ Implementing training for mental health managers</li> </ul>
Improvement of work environment	<ul style="list-style-type: none"> <li>▶ Continually performing environmental evaluations during safety assessments</li> <li>▶ Promoting the creation of a comfortable working environment</li> </ul>
Disaster measures	<ul style="list-style-type: none"> <li>▶ Reviewing disaster measures (Updating manuals, gradually updating disaster prevention equipment, etc.)</li> </ul>



Plant safety patrol conducted by general health and safety manager (Carried out during National Safety Week)

### Future Initiatives

Isuzu will tackle the challenge of creating work sites that allow the employees to fully comply with the safety basics: the Three Safety Principles, Isuzu's Five Safety Behaviors, and the Ten Prohibited Items.

We also aim to reach our plant safety control targets through the steady continuation of activities such as safety patrols, close-call surveys, and hazard prediction.

### Initiatives for maintenance and promotion of good health

Main Themes	FY2011	FY2012	FY2013	FY2014	FY2015
Specific healthcare guidance	567	737	748	709	723
Patients receiving health check-ups	4,920	4,710	4,837	5,574	5,251
Mental health counseling users	94	66	73	120	101
24-hour telephone health counseling users	252	202	186	214	220
Recreation and sports event participants	250	276	137	681	736
Home visits & guidance for the elderly	9	9	15	14	10
Health seminar participants	18	22	12	46	26
Lifestyle-related disease prevention, promoting gargling & hand washing, walking challenge program, etc.	2,291	2,134	2,101	1,980	1,973
Breast cancer screening	41	133	121	109	141

\* Figures indicate no. of participants

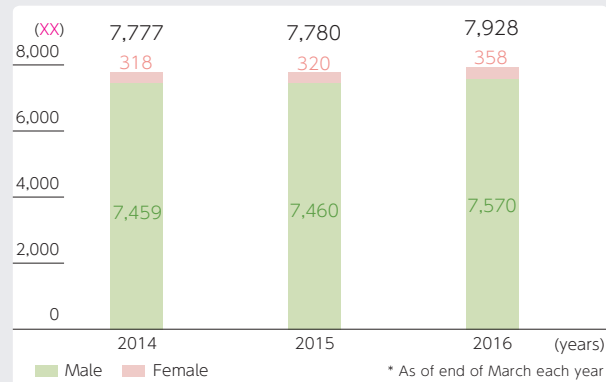
\* Including Isuzu health insurance system details

# Utilization of Diverse Human Resources

## Basic Ideas

Isuzu respects differences between people such as age, gender, nationality, level of 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. Isuzu is therefore promoting a range of measures, including employing diverse human resources such as the disabled or foreigners, and creating an environment in which it is easier to do short-time work, take maternity or nursing care leave, and so on.

### Trend in employee numbers



### No. of people according to age (years) (Unit: employees)

	Less than 30	30-39	40-49	50 and over
Total	1,614	1,850	2,206	2,258
Male	1,531	1,762	2,069	2,208
Female	83	88	137	50

\* As of end of March

## Initiatives toward new employment

Although the impact of the external environment and internal environment need to be considered, Isuzu's policy for recruitment is, where possible, to continue hiring a stable number of new graduates without being influenced by variations in business climate or results. The company's 2015 personnel turnover was 2.9% (including mandatory retirement). The average rate over the last three years of new graduate employees who left within a year was 0.9% for university graduates and 3.4% for high school graduates. This personnel turnover is quite low compared with the situation in the rest of the society. We hope to maintain these recent turnover figures by conducting recruitment activities that match Isuzu with job applicants, building an internal system of following up on recruits, and trying to keep them motivated through training etc.

### No. of new graduates recruited (Unit: employees)

	FY2013	FY2014	FY2015	
Total	154	205	236	
Male	143	189	214	
Female	11	16	22	
Breakdown	Admin/technical worker (university)	101	126	139
	Admin/technical worker (high school/college)	5	6	15
	Skilled worker (high school/vocational college)	48	73	82

### No. of foreigners employed (Unit: employees)

Joined April 2015	2
Joined April 2016	4

### Personnel turnover (Includes mandatory retirement)

	FY2013	FY2014	FY2015
Personnel turnover	3.1%	3.4%	2.9%

## Utilization of Diverse Human Resources

### Promoting the role of women

Isuzu fully understands that women will play a more important role in Japan for the country to achieve sustainable economic growth going forward. At present, Isuzu has about 360 female employees, of whom approximately 9% are at management or executive level, and will actively develop and promote more in future.

### Action plan to promote the role of women

Based on the April 2016 Act on Promotion of Women's Participation and Advancement in the Workplace, Isuzu has drawn up the following action plan.

- ▶ Make the number of female managers (and executives) in FY 2020 1.5 times what it was in FY 2014.
- ▶ Make the proportion of female administrative employees 40% and technical employees 7% by FY 2020.

### Promoting the role of old people (post-retirement)

Isuzu has established a retiree rehiring system and created a work environment in which employees can continue playing a role after 60 years old. Currently, nearly 500 people are employed as rehired retirees.

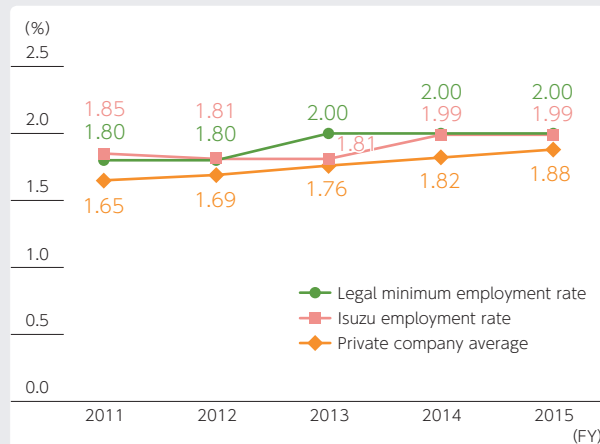
#### Trend in rehired retiree numbers

	FY2011	FY2012	FY2013	FY2014	FY2015
No. of people	318	361	441	488	486

### Encouraging employment of disabled people

We are promoting the employment of disabled persons with a view to achieving a society where people support each other, regardless of disabilities. To constantly exceed the legal minimum employment rate of disabled people, we actively recruit them not only after graduation but also mid-career. Isuzu also places disabled people not only in administrative positions but in technical workplaces too, taking into account each person's disability and based on what suits their aptitude and wishes, so that they can play an active role.

#### Trend in employment rate of disabled persons



### Promoting work-life balance

Developing a sustainable society or company requires a work-life balance that enables everyone, regardless of gender, to work with a sense of satisfaction and fulfillment while having time for things like bringing up their children and nursing their relatives. Isuzu therefore encourages less working out of hours and more taking of annual paid leave. It has also set up a system of different kinds of leave including parental leave, nursing care leave, and volunteer leave, as well as a short-time work system.

#### Trend in parental leave utilization

(Unit: employees)

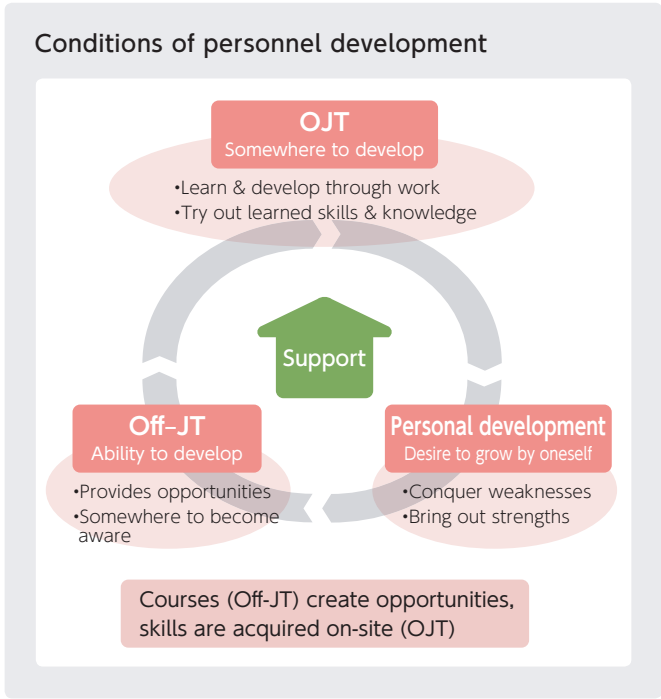
	FY2011	FY2012	FY2013	FY2014	FY2015
Male	2	1	2	4	10
Female	21	13	15	21	17
Total	23	14	17	25	27



# Personnel Development

## Basic Ideas

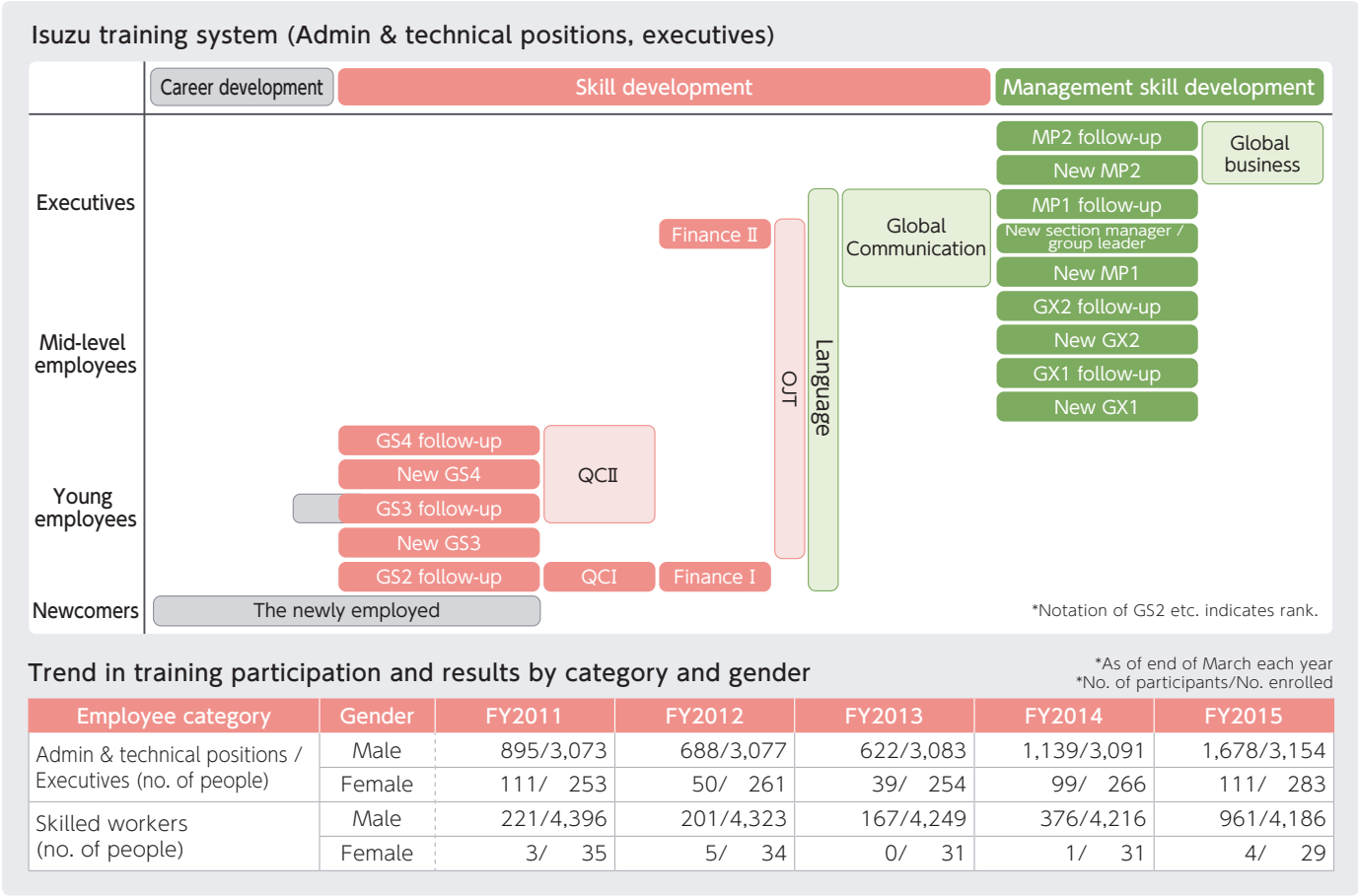
Isuzu puts on-the-job practical training at the heart of its personnel development. Off-the-job training consists of courses away from the workplace, and is somewhere for employees to pick up skills their company needs and identify the direction in which they themselves should grow. This is because, amid all the changes and competition of globalization, every employee is required to think and act for themselves. Isuzu has therefore examined and clarified the skills needed at each 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 is made up of three areas: career development, skills development, and management capability development. Career development is aimed at new employees and young employees, and cultivates personnel who can expand their own expertise and develop their career by themselves. Skills development helps employees to improve their skills and

acquire the knowledge and insight to play a more global role, with a focus on the abilities required at their particular level and position. Management capability development is training aimed at enhancing managerial ability and humanity in order to cultivate the managers of the future.



## Personnel Development

### Skills transmission and development

Isuzu is working to enhance skill levels, having established a graded training system for its skilled workers on “Skills transmission and development”, which is a topic in its Mid-term Business Plan.

#### Initiatives by division

[Production Division]

1. For special skills that are advanced and require long experience, each workplace carries out its own skills transmission training while the Production Division as a whole provides more systematic skills transmission training.

\* Graded training for skilled workers: New employee, young, mid-career, supervisor, etc.

2. Isuzu workers enter the annual National Skills Competition in their aim to acquire the highest skills in Japan, and have won prizes in successive years.

▶ 2012

Bronze medal: Mechanical Device Assembly (1 person)  
Fighting Spirit Prize: Turning (1 person)

▶ 2013

Fighting Spirit Prize: Mechanical Device Assembly (1 person)  
Automobile Plating (1 person)

▶ 2014

Bronze medal: Mechanical Device Assembly (1 person)  
Fighting Spirit Prize: Automobile Plating (2 people)

▶ 2015

Bronze medal: Automobile Plating (1 person)

3. We provide advanced skills training and leader training in collaboration with external training institutions. The number of workers who have passed the National Trade Skill Testing & Certification has doubled since 2011. Training departments (including Isuzu Technical High School) have joined together with workplaces to run study sessions and practice sessions that support further qualification acquisition.

[Engineering Division]

1. Every year we formulate career plans with career goals shared by senior and junior workers, and implement various curriculums for them to learn skills according to their level through training courses and OJT.
2. Isuzu conducts advanced skills training not only at the Isuzu Monozukuri Service Training Center but also in collaboration with external training institutions such as Polytechnic Centers.
3. Isuzu is working to improve test-driving skill levels, having established its own accreditation system for test vehicle driving.

### Future Initiatives

In its commitment to “Monozukuri work”, one of the initiatives in its Mid-term Business Plan, as well as “operation support work”, Isuzu is tackling personnel development not only in Japan but also overseas, the aim being to cultivate excellent personnel for the future and enhance the strength of the Isuzu Group as a whole.

Improving Employee Satisfaction

Basic Ideas

Isuzu works intensely to improve employee satisfaction (ES) because we consider it to be a management challenge in terms of CSR and human resource development.

The ES survey is conducted periodically (every other year) to monitor changes in satisfaction levels of Isuzu employees by analyzing fixed point observations. It has been conducted seven times to date. Isuzu utilizes the results of these surveys as valuable data for formulating various corporate measures, and will promote reforms toward further ES improvement in future. The next survey is due to be carried out during fiscal 2016.

Welfare events held

Plant tours (for employees' families)

Guided tours of Fujisawa Plant and Tochigi Plant were offered to families of employees during the Isuzu Summer Festivals 2015.

Fujisawa Plant welcomed approximately 280 family members and Tochigi Plant approximately 90. The tours provided a rare opportunity for children to see where their mothers and fathers work.



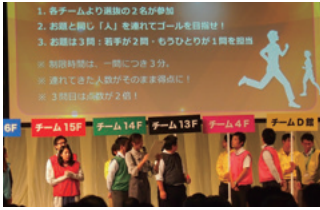
Looking and listening with great interest to the explanation of the plant

The 2015 ISUZU Spo-Rec (Sports and Recreation) in Omori (Headquarters)

2015 ISUZU Spo-Rec in Omori was held at the company's Omori headquarters in October 2015. Selected members from each floor of the headquarters building took part in various inter-floor contests. Many employees had an enjoyable time getting a glimpse of a different side to their colleagues.



The customary Pedometer Dance, in which the creative costumes are also judged



People Catcher, a competition to find people at the venue according to a theme

2015 Plant Executive Cup Bowling Competitions at Isuzu Fujisawa/Tochigi Plants

Plant Executive Cup Bowling Competitions were held at the Fujisawa Plant and Tochigi Plant. Preliminary matches were held beforehand from August, with a total of 2,700 participants in Fujisawa and Tochigi testing their skill in order to reach the finals. The finals took place in November 2015 at the Fujisawa and Tochigi districts, and included teams not only from Isuzu but also from affiliated companies. Many colleagues and family members also came to show their enthusiastic support.



The support from colleagues and family members created plenty of excitement at the venue



Contestants put their heart into every throw



# HARMONY WITH LOCAL COMMUNITIES

## Initiative Policy

We in the Isuzu Group want to be trusted by our neighbors as a member of their communities, and to contribute to the development of those communities. We lead our operations across the world and show our respect for cultures and customs of nations and regions through our business activities. As a good corporate citizen, we play our roles on a global basis as well.



## Initiatives in Japan

### Isuzu Summer Festivals 2015

Both Fujisawa Plant and Tochigi Plant held their summer festivals in July 2015. The festivals were intended to show appreciation to the employees and their family members for their daily efforts as well as to the local community and residents for their cooperation. Fujisawa Plant welcomed approximately 21,000 visitors and Tochigi Plant approximately 7,700. The local residents also enjoyed the festivals.



#### [Fujisawa Plant]



Shonandai High School brass band parade



Majestic Isuzu manto mikoshi (portable shrine)

#### [Tochigi Plant]



Visitors enjoyed events such as a Taiko drum performance (left), making soba noodles (center), and a belly dance show (right)



The whole workplace having a great time



Forging workplace unity at a barbecue



Lavish fireworks bring the summer festival to a close



### Cosponsored Kanagawa Philharmonic Orchestra Factory at Elementary Schools near Fujisawa Plant

In January 2016, Isuzu supported the "Orchestra Factory" by the Kanagawa Philharmonic Orchestra at Fujimidai Elementary School and Shonandai Elementary School in Fujisawa, Kanagawa Prefecture.

This was the second year Isuzu had held this activity, which aims to let children experience many people combining their feelings and efforts to create a wonderful thing (in this case, music) by listening to and co-performing with a live orchestra, and imagine what making things (Monozukuri) in a factory is like. This year too, we were able to bring a moving experience to many children.



Children listening attentively to the orchestra's performance



Children fascinated with the colors and shapes of the instruments

### Received Letter of Gratitude for Supporting Kanagawa Philharmonic Orchestra

Since 2013 Isuzu has been supporting the Kanagawa Philharmonic Orchestra, whose basic philosophy is to "create regionally-focused musical culture," and cosponsoring arts experience classes at elementary schools near the Fujisawa Plant. In July 2015, the Governor of Kanagawa Prefecture, Mr. Yuji Kuroiwa, representing the Kanagawa Philharmonic Bluedal Supporters Organization, sent Isuzu a letter of gratitude for its support.



The letter being presented by Shuji Oishi (left), Managing Director of the Kanagawa Philharmonic Orchestra, on behalf of Mr. Kuroiwa

### Participation in Shonan Beach "Gomizero (Zero Trash) Cleanup Campaign"

The Shonan Beach Gomizero (Zero Trash) Cleanup Campaign, hosted by Fujisawa City and the Kanagawa Coastal Environmental Foundation, was held again in May 2015, and Isuzu Fujisawa Plant participated as it does every year. The cleanup is organized to protect beaches along the coastline of Enoshima, Katase, Kugenuma, and Tsujido and maintain them as places that everyone in the community can enjoy. 210 Isuzu volunteers, including employees of Fujisawa Plant and its partner companies and their family members, took part. Overall, 6,400 people participated, removing a total of 1.8 tons of trash.



Cleaning up at Katase Higashihama



Employees and their families who took part

### Exhibited at 2015 Fujisawa Industry Festival

The 2015 Fujisawa Industry Festival (sponsored by the Fujisawa Chamber of Commerce & Industry and supported by the City of Fujisawa), an event introducing many of Fujisawa's commercial and industrial products and other special products to those in and outside the city, was held in Fujisawa City in May 2015. Isuzu introduced itself and the environmental initiatives of its Fujisawa Plant, and also exhibited its Elf E-cargo truck. About 73,500 visitors to the festival enjoyed fine weather on both days. Many of them, including parents with their children, came the Isuzu booth.



Isuzu's Elf E-cargo truck on display



Children excited to sit in the driver's seat

### Superintendent General Award received for long-term safety efforts in local communities

A member of Isuzu General Affairs & HR Department in Omori headquarters received the Superintendent General Award (for Crime Prevention) in May 2015 in recognition of his efforts in local communities. This award was given for his many years of active participation in local safety activities, and his valuable contribution to the creation of friendly, crime-free communities.



Superintendent General Award medal



Isuzu General Affairs & HR Dept. member recognized for long-term crime prevention initiatives

Initiatives in Asia

Launched Diesel Engine Education Course in Regional Vocational Training School (Indonesia)

P.T. Isuzu Astra Motor Indonesia (IAMI) launched the Isuzu Educational Program in the SMK Mandiri Medan vocational school in Medan, North Sumatra, which teaches the latest diesel technology such as common rail. The opening ceremony was held in December 2015. This is the second IAMI education course to be started following the one at the SMK 2 Klaten School (in Yogyakarta) in October 2014.



Commemorative photo taken with students



Engines and industrial tools were also donated

Presented Scholarships to Children of Isuzu Drivers - "Smart With Isuzu" (Indonesia)

Each year, P.T. Isuzu Astra Motor Indonesia (IAMI) gives scholarships to support the children of Isuzu drivers as they enter school. In 2015, 160 children received these scholarships. A presentation ceremony was held at a motor show venue in Indonesia in August 2015, where the children were awarded their scholarships.



IAMI members with children who received scholarships

Held traffic safety class by police officers too

At the same time, IAMI held a traffic safety class by police officers to help protect children from traffic accidents. Designed to raise the children's awareness of traffic safety, including a quiz on traffic rules and prizes awarded for the correct answers, it turned into a very exciting event.



The appearance of real police officers caused great excitement among the children



## Initiatives in Latin America

### Contributing to the Region with Event Commemorating IMEX's 10th Anniversary (Mexico)

In 2015 was the tenth anniversary of the founding of Isuzu Mexico (Isuzu Motors Mexico S. de. R.L., or IMEX).

To commemorate this anniversary and express our appreciation to Mexican society, IMEX held a caravan event, La Caravana ISUZU Va Por México 2015 (Isuzu Mexico Charity Caravan Tour 2015), in support of disadvantaged people. IMEX asked schools and children's facilities in all the regions of Mexico what materials they needed, and then over a period of four months procured items such as desks, play equipment and food supplies from Isuzu user corporations and delivered them to those regions.



IMEX was welcomed all over the country



Launching ceremony of caravan event



IMEX employees delivered materials directly

### Visits to Children's Facilities at Christmas (Colombia)

Since its foundation in 2008, GM Isuzu Camiones Andinos de Colombia, Ltda. (GMICA), in collaboration with GM Colmotores, a sales company also located in Colombia, has sent its employees every Christmastime to visit children living in child welfare facilities near the company's sites. In December 2015, GMICA held parties at the children's facilities, giving these children from disadvantaged backgrounds a wonderful time by playing games with them and handing out presents.



Interacting with the children through games



Commemorative photo with children holding their presents

### Future Initiatives

We will respect the initiatives of Isuzu Group companies around the world as we promote activities that meet the needs of regional communities.



# INFORMATION DISCLOSURE

## Basic Ideas

Isuzu aims to be a highly transparent company, disclosing impartial corporate information in a timely and appropriate manner in order to earn the broad trust of society.

## Disclosure and communication of corporation information

At Isuzu, we put out information on our website with the aim of providing information that concerns all our stakeholders and building communication with those stakeholders.

Category	Where on the Website	Supervision section
Products	Product Lineup (Isuzu Homepage)	Sales Headquarters
Distributors Network	Distributors Network (Isuzu Homepage)	Sales Headquarters
About Isuzu Motors Limited	Corporate Profile (Isuzu Homepage)	Corporate Planning & Finance Division
I.R. Information / Investor Relations (Isuzu Homepage)	Investor Relations	Corporate Planning & Finance Division
CSR Activities	CSR	Corporate Planning & Finance Division





# COMPLIANCE

## Basic Ideas

Isuzu puts forth the corporate vision "Isuzu will always mean the best. A leader in transportation, commercial vehicles, and diesel engines, supporting our customers and respecting the environment". To have the Isuzu corporate value recognized by society and continuously accomplish our corporate vision, it is essential that each one of our directors and employees act according to Isuzu's compliance standards, that is, not only complying with laws and regulations but also keeping high ethical standards that live up to the trust society puts in us. Isuzu places the highest priority on implementing such compliance standards. Isuzu has developed the "Basic Policy for Compliance" as the summary and intends to have all executive members and employees knowledgeable and informed of the policy.

## Initiative Policy

1. **Winning trust from our customers**  
We aim to win trust from our customers by providing products and services that are useful to society, and thus contributing to the creation of a prosperous society.
2. **Promoting fair and sound activities**  
Isuzu business is based on transactions under fair and free competition. We also maintain sound and normal 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 communicate not only with our shareholders but also our stakeholders in broader society, disclosing our corporate information promptly, appropriately and impartially.
4. **Respect for Employees**  
We create a safe and comfortable work environment respecting each employee's personality and character so that everyone can fully demonstrate their capabilities.
5. **Contributing to environmental conservation**  
We not only address environmental conservation through our business activities, but also actively engage in social and regional environmental conservation activities as a corporate citizen of the Earth.
6. **Contributing to society**  
We actively carry out 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 through our business activities.

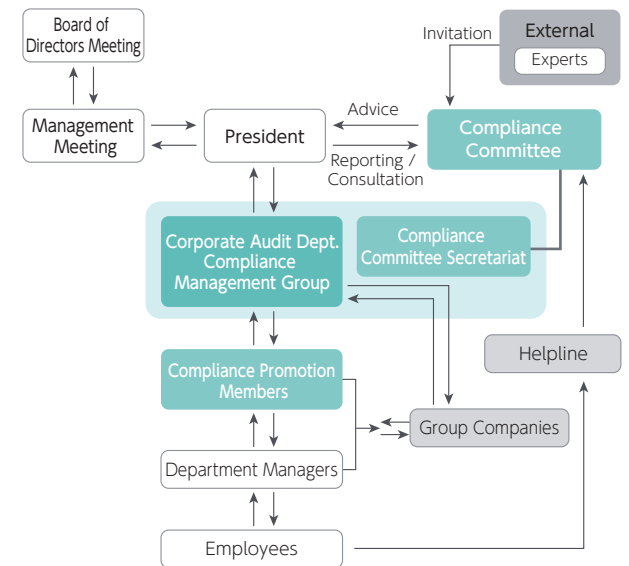
## Compliance Promotion System

### Isuzu internal

Isuzu has created a system for implementing specific activities and established internal and external (helpline) routes for collecting suggestions regarding Isuzu compliance.

Moreover, the Compliance Committee was launched as the President's advisory group to seek objective advice, audits, and evaluations about promoting compliance.

### Compliance Promotion System Outline



## Compliance Committee

The Compliance Committee is organized with four invited external intellectuals, the President, and three executive members to ensure fairness and integrity in order to promote compliance.

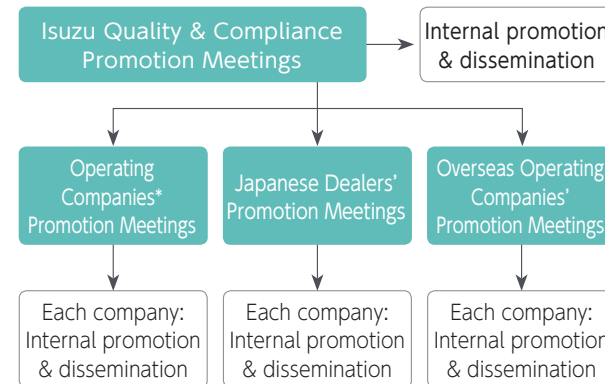
## Helpline

The Helpline has been set up at an external law firm for the purpose of collecting suggestions on internal compliance from employees, securing a route to understanding issues. To protect information providers, individuals' names etc. are kept secret. Care is also taken so that they are not treated unfavorably in any way within the company.

## Isuzu Group

Isuzu introduced "Group Company Management Rules" with the purpose of managing the Isuzu Group companies through integrated standards so that the management level can be improved and compliance risks can be prevented within the group. By regularly holding quality and compliance promotion meetings, with Group companies separated by business category, and having Group companies work toward common Group targets, we are increasing their compliance awareness and promoting horizontal development such as discovered compliance risks, responses etc., which has resulted in risk prevention.

### Outline of Compliance Promotion System in Isuzu Group



\* Operating companies: Related companies in Japan except Japanese dealers

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

To raise awareness of Isuzu Group compliance activities, we have set some common Group targets and are tackling compliance as a whole Group. In fiscal 2015 we addressed thorough compliance with the Subcontracting Act, thorough compliance with the Special Measures Act Concerning the Passing-on of Consumption Tax, and the drink driving eradication campaign.

### Implementation of compliance surveys

We regularly implement surveys with the aim of confirming the spread of compliance awareness and uncovering compliance risks. In fiscal 2015 we surveyed a total of 21,712 people from 47 companies including Isuzu and its Group companies.

### Compliance education

Isuzu conducts level-oriented education on basic compliance and various laws and regulations through classroom lectures and e-learning, with the aim of fostering compliance awareness. Manager training and education programs on various laws and regulations are also provided to group companies, the aim being for all Isuzu Group employees to act with a common awareness of compliance. In fiscal 2015 a total of 7,800 employees from 20 companies within the Isuzu Group attended such lectures.

#### Main education themes in FY2015 in Japan

- ▶ Basic compliance education for new employees
- ▶ Compliance education for managers
- ▶ Education about the Subcontract Act
- ▶ Education about the Special Measures Act Concerning the Passing-on of Consumption Tax
- ▶ Education about authorized exporter declaration procedures
- ▶ Education about the Waste Management and Public Cleaning Act
- ▶ Education about the Fire Service Act
- ▶ Education about the Water Pollution Control Law
- ▶ Education about harassment
- ▶ Drunk driving eradication campaign DVD screening

### Compliance training for managers implemented (January to March 2016 / Japan)

Isuzu carried out compliance training centered on harassment for all its managers at department manager level or below (about 1,000 people). The aim is to create comfortable workplaces by having managers who are in charge of giving instructions to their staff understand harassment. This training is also being implemented gradually throughout Group companies.



Scene from a training workshop

### Overseas business guidelines

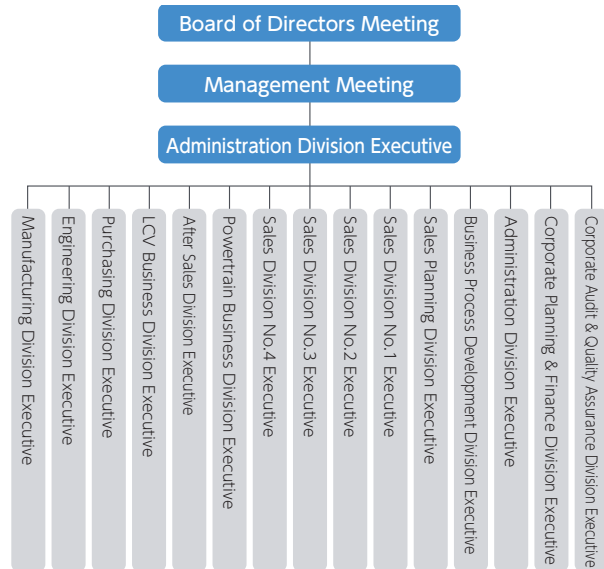
Isuzu's business activities have spread to various countries around the world. So that we conduct our business activities with respect for the laws and regulations, business practices, and religious and cultural values of each country, we have created a set of overseas business guidelines for developing appropriate business abroad.

# RISK MANAGEMENT

## Basic Ideas

Isuzu has set up a system in accordance with our Risk Management Regulations by which each division's Risk Management Officer conducts the risk management of their division and a Chief Executive for Risk Management controls the company's overall risk. We conduct thorough risk management by understanding and assessing the status of risk management at the Management Meeting and, in the event of a crisis, discussing, determining and implementing a response (including systematic) at the Management Meeting and reporting to the Board of Directors where appropriate.

### Management system



## BCP initiatives

### Purpose of BCP in Isuzu

Isuzu fully recognizes its corporate duties (social responsibilities) and has therefore drawn up a business continuity plan (BCP) for quickly restoring the supply of its products and services even in times of difficulty after a large-scale disaster, and has been executing, updating and managing this plan.

### BCP basic policy

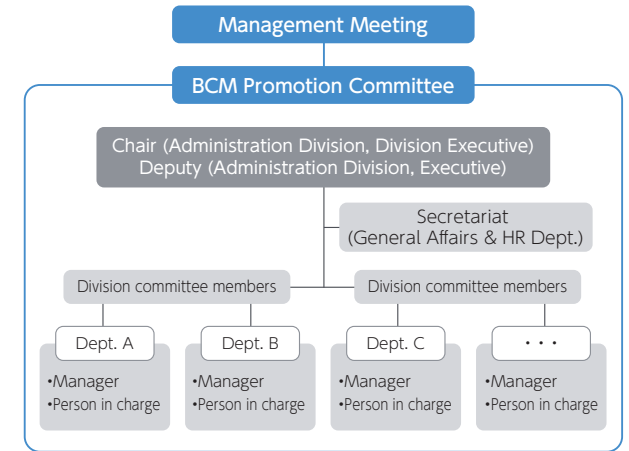
#### Basic policy on business continuity

- (1) We will secure the safety of our executives, employees and their families.
- (2) We will strive to make facilities, machinery etc. safe and prevent a secondary disaster.
- (3) We will minimize the impact on our customers and business partners.
- (4) We will try to restore and continue operations at an early time.

### Risks invoking BCP

The designated targets of Isuzu's BCP are key risks that could potentially lead to the long-term suspension or shutdown of operations.

### BCP Promotion System at normal times





# CORPORATE GOVERNANCE

## Basic Ideas

Isuzu believes that the establishment of corporate governance structures that provide a framework for discipline is indispensable to its ability to generate consistent profits and enhance corporate value through its business activities. Recognizing that the fundamental purpose of corporate governance is to respect the position of all its stakeholders and build smooth relations with them, Isuzu endeavors to ensure fairness and transparency in its corporate affairs through the timely and appropriate disclosure of important information.

## Corporate Governance System

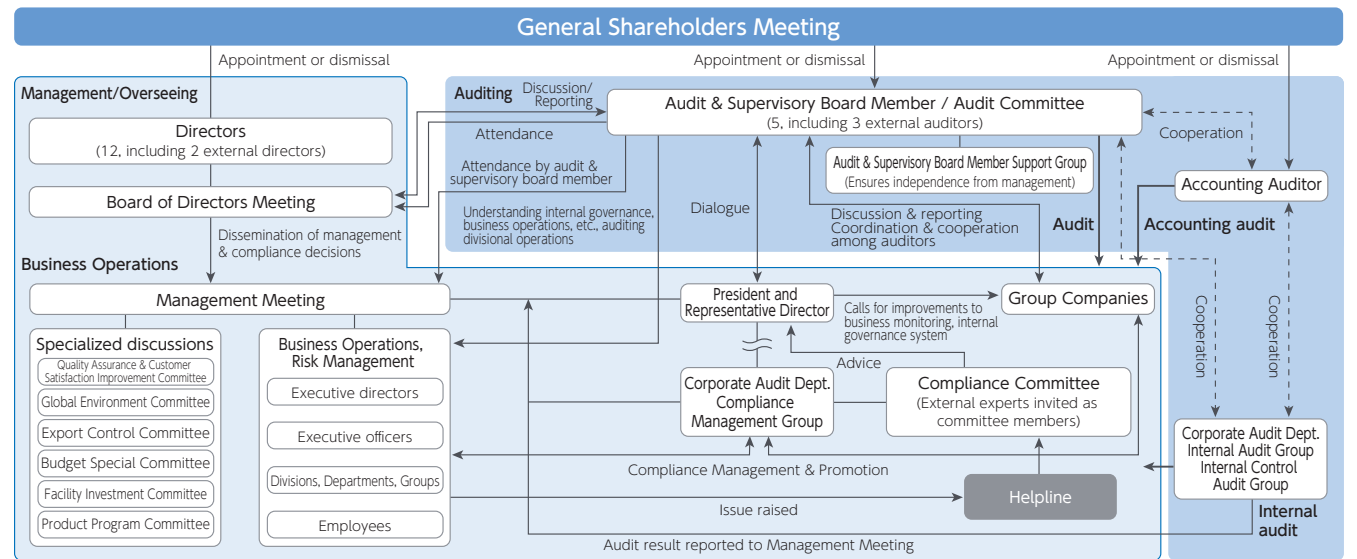
Isuzu adopts a corporate auditor system and has established a Board of Directors and an Audit Committee as internal bodies to oversee and audit important managerial decisions.

To speed up managerial decision-making and business operations, Isuzu has set up a Management Meeting to examine and make decisions on critical management matters, in accordance with resolutions of the Board of Directors. The Management Meeting meets every other week as a rule and reports on the status of business operations at the monthly meeting of the Board of Directors. Isuzu has also created various committees that report to the Management Meeting in order to streamline

discussion of issues in their specialized areas.

We have also continued to use an executive officer system to provide proper support for our directors' business operations. In addition to attending Board of Directors meetings and other important meetings, auditors solicit reports from directors and other leaders concerning the execution of their duties, review important decision-making documents and other materials, investigate operational and financial conditions at Omori headquarters and major worksites, request reports from subsidiaries as needed, and audit company operations.

## Corporate Governance System



## Board of Directors & Audit Committee

The Board of Directors Meeting is made up of 12 directors (including two external directors). It holds monthly Board of Directors meetings as well as extraordinary meetings as needed, at which it discusses and makes decisions on important business operations. To be appointed, directors require a deep knowledge and experience of management and an adequate understanding of Isuzu's business and the auto industry, based on which they also need to be able to make decisions and speak appropriately. As well as promoting such highly resourceful and able people from within the company, Isuzu also appoints a few from outside to the Board of Directors Meeting, in order to increase the diversity of its discussion and decision-making and enhance its overseeing function. To properly support the directors' business operations, Isuzu also uses an executive officer system of reporting regularly to the Board of Directors Meeting on the status of operations.

The Audit Committee is made of up 5 audit & supervisory board members (including 3 external members). Each audit & supervisory board member attends the Board of Directors Meeting and audits the of business operations of the directors in accordance with the audit plans set out by the Audit Committee. We have also set up standing Management Audit Meetings attended by all audit & supervisory board members including external members ahead of regular Board of Directors Meetings, which enhance the function of management audits.



Board of Directors and Officers

<http://www.isuzu.co.jp/world/investor/director.html>

## Management Meeting and Committees

To speed up managerial decision-making and business operations, Isuzu has set up a Management Meeting to examine and make decisions on critical management matters, in accordance with resolutions of the Board of Directors Meeting. It has also created various committees that report to the Management Meeting in order to streamline discussion of issues in their specialized areas.

Committee Name	Chair	Function/Role
Quality Assurance & Customer Satisfaction Improvement Committee	Officer with jurisdiction for Corporate Audit & Quality Assurance Division	Dealing with quality issues requiring notification according to regulations on decision-making related to the improvement of company-wide quality assurance and customer satisfaction (CS), etc.
Global Environment Committee	Related division executive officer	Discussing matters concerning environmental conservation in Isuzu Group, etc.
Export Control Committee	Officer in charge of Corporate Audit & Quality Assurance Division	Inspecting exports of strategic goods and strategic technologies beforehand in order to eradicate legal violations related to their export
Budget Special Committee	CFO or officer in charge of Corporate Planning & Finance Division	Comprehensively deliberating on items related to company-wide budget
Facility Investment Committee	Officer in charge of Corporate Planning & Finance Division	Deliberating on items related to company-wide capital investment
Product Program Committee	Overall Chief Engineer	Deliberating about individual product development proposals, target-setting and control, and promotion and evaluation

## Status of internal audits and corporate auditors' audits

Regarding internal audits, Isuzu strengthens its legal compliance, the reliability of its financial reporting, its operational effectiveness, and so on through the implementation and support for internal audits by the Corporate Audit Department. In addition to attending Board of Directors Meeting and other important meetings, Audit & Supervisory Board Members receive reports from directors and other leaders concerning the execution of their duties, review important decision-making documents and other materials, investigate operational and financial conditions at Omori headquarters and major worksites, request reports from subsidiaries as needed, and audit company operations.

## External officers

We have appointed two external directors (non-standing) and three external corporate auditors (of whom one is full-time). There is no interest in Isuzu which should be disclosed in terms of organizational/human relations or transactions with these outside members. While some of the board members own shares of company stock, there is no interest in Isuzu which should be disclosed in terms of capital relations. External officers are therefore able to recognize the neutral and impartial role Isuzu should play in society and to oversee its management without showing any favor toward managers or particular

stakeholders. Isuzu has no actual written standards or policy concerning the independence of external officers for selection, but it does ensure their independence by not considering for selection anyone who is a related party, or is at the time of selection the director or employee of a corporation that is a related party, or has been the director or employee of that corporation, or is a lawyer or certified public accountant belonging to a corporation with which Isuzu has a signed advisory contract or audit contract at the time of selection.

### External Directors/Auditors and reasons for selection

Name	Position	Reason for appointment
Kazuhiro Mori	Director of the Board	As the leader of a public-listed company, his responsibilities have included holding dialogs with general investors and giving market briefings, and he has experience of steering management.
Hiroyuki Maekawa	Director of the Board	As the leader of a public-listed company, his responsibilities have included holding dialogs with general investors and giving market briefings, and he has experience of steering management.
Tetsuhiko Shindo	Standing Corporate Auditor	He has a high level of expertise and a wealth of experience in finance and corporate financial affairs, as well as considerable knowledge in financial affairs and accounting.
Yasuharu Nagashima	Auditor	He has a specialized perspective and a wealth of experience in corporate legal affairs.
Tadashi Takahashi	Auditor	He has a wealth of experience and knowledge in finance and corporate management.

## Remuneration for Directors and Audit & Supervisory Board Members

The remuneration of Isuzu Directors is determined within the range approved by the shareholders' meeting according to decisions made by Board of Directors Meeting, including remuneration levels of other companies and Isuzu's achievements. The amount of the remuneration for each Director reflects that individual's position and the performance of Isuzu and the individual concerned. Moreover, the remuneration of Audit & Supervisory Board Members is determined within the range approved by the shareholders' meeting according to decisions made by auditors' meetings, including remuneration levels of other companies and Isuzu's achievements.

Exec category	Remuneration (¥1 M)	No. of execs
Directors (except external)	599	11
Audit & Supervisory Board Member (except external)	68	2
External Directors & Corporate Auditors	70	4

\* As of the end of March 2016

\* No. of execs covered

The above remuneration amounts are for the current fiscal year and are not confined to positions held from the day after the closing of the most recent regular shareholders meeting. The numbers of executives covered therefore include those who had retired at the closing of regular shareholders meetings held during the current fiscal year.

# SUPPLY CHAIN MANAGEMENT

## Basic Ideas

To fulfill our corporate social responsibility, win public confidence, and contribute to the development of a sustainable society, Isuzu addresses various issues in fields such as environment, quality, compliance, social contribution while recognizing the importance of gaining the cooperation and trust of all our stakeholders including business partners.

### Purchasing Basic Vision

Isuzu would like to support smooth production by procurements. Toward the goal, Isuzu guarantees satisfactory quality, delivery time and quantities of purchased products and offers new technologies through purchasing markets. Isuzu believes that these will help establish interactive communication built on mutual trust with our business partners.

### Purchasing Basic Policy

1. With quality as our first priority, Isuzu aims to build a system of creating and delivering products that satisfy our 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 our corporate competitiveness while developing procurement activities aimed at win-win relationships with our business partners.

### Purchasing Slogan

Isuzu encourages reform in our OPEN (Optimum Procurement to Embody the Needs) procurement activities, which are aimed at adapting to market needs and establishing optimum procurement routes.



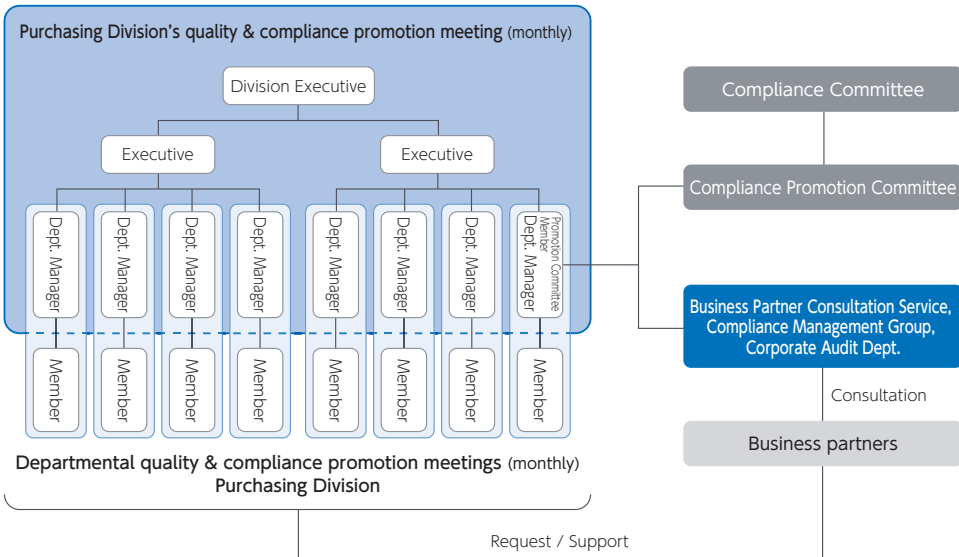
\* The slogan depicts an image of the reform to be recognizable internally and externally. Also, "OPEN" indicates transparency of procurement.



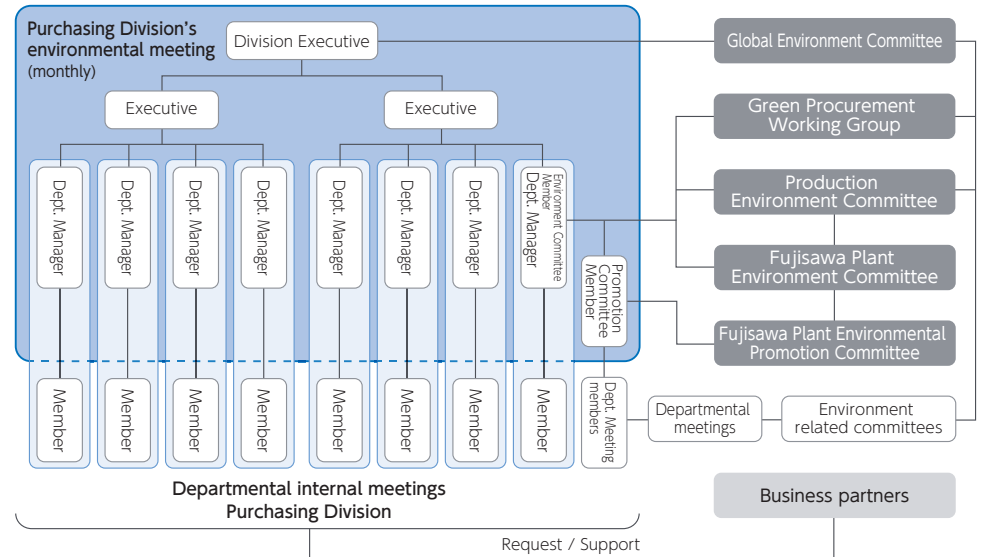
## Purchasing Promotion System

The Purchasing Division holds both Quality and Compliance Promotion Meetings and Environmental Meetings once a month. Information from these committees is passed onto all the departments within Purchasing Division. The Purchasing Division's policy on activities related to compliance and the environment is determined at these meetings. We have also established a Business Partner Consultation Service within our Corporate Audit Department's Compliance Management Group, providing impartial consultations for our business partners on compliance related matters.

### Compliance promotion system

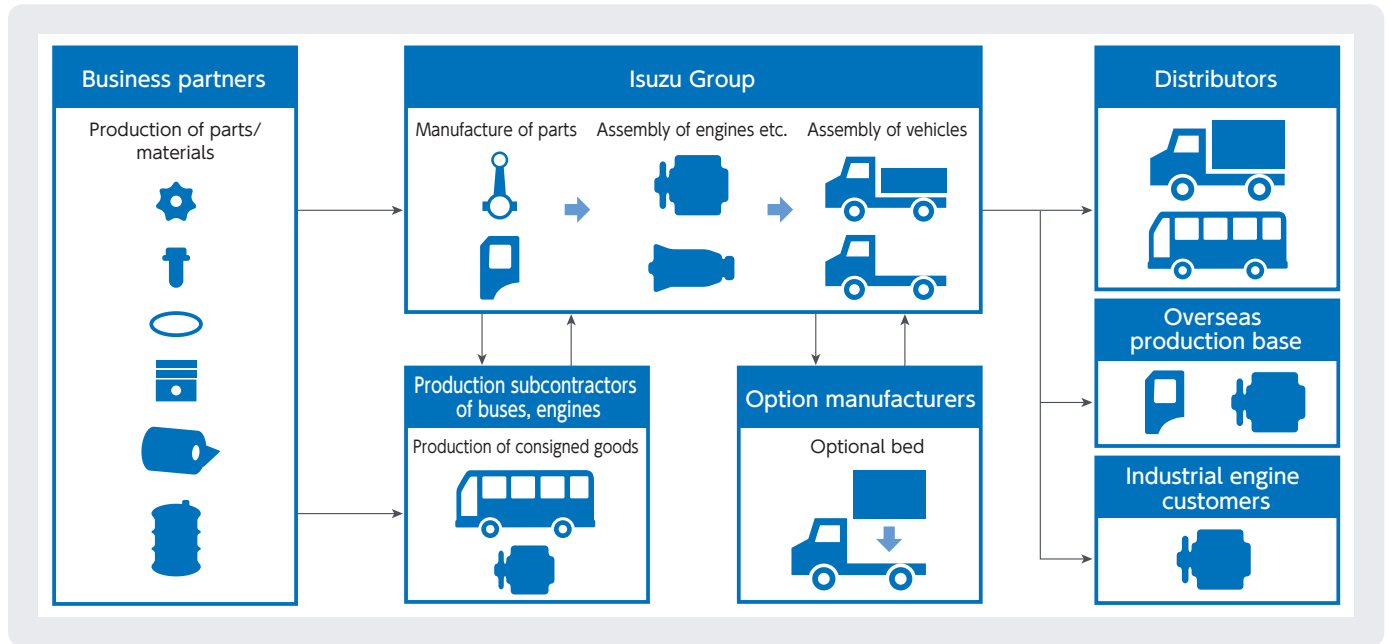


### Environmental management system

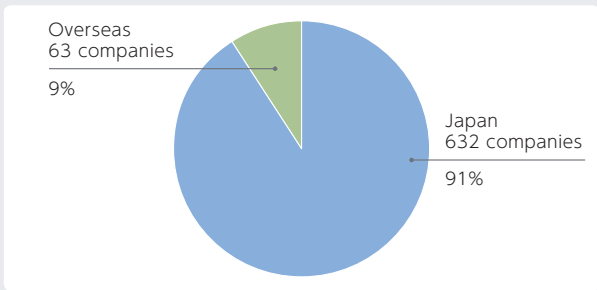


### Isuzu Supply Chain

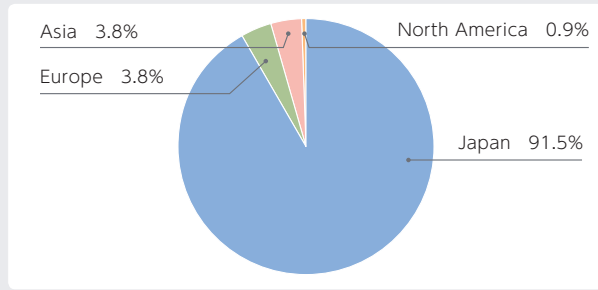
Isuzu chooses its suppliers according to a fair and equitable selection process regardless of whether in Japan or overseas. We are working to enhance our corporate competitiveness while developing procurement activities aimed at win-win relationships with our business partners. A total of 695 companies in Japan and abroad are business partners of Isuzu. About 90% of these partners are based in Japan. In terms of transaction amount, the procurement of parts makes up about 80% of the total.



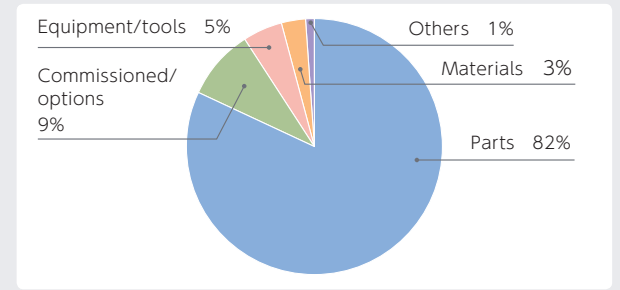
No. of partner companies



Transaction amount (by country/region)

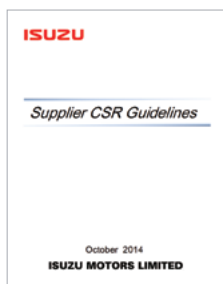


Transaction amount (by item)



### Isuzu Supplier CSR Guidelines

Isuzu has established the Isuzu Supplier CSR Guidelines, which summarize the requests we have for our business partners concerning our CSR activities, corporate vision, procurement basic vision, and so on. These guidelines were developed based on the Supplier CSR Guidelines issued by Japan Automobile Manufacturers Association, Inc. and the CSR Guidebook by Japan Auto Parts Industries Association. (Drawn up October 2014)



Isuzu Supplier CSR Guidelines  
[http://www.isuzu.co.jp/world/csr/supplychain/pdf/isuzu\\_csr\\_guideline.pdf](http://www.isuzu.co.jp/world/csr/supplychain/pdf/isuzu_csr_guideline.pdf)

### Isuzu Green Procurement Guidelines

Isuzu 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 2012)

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



Isuzu Green Procurement Guidelines  
[http://www.isuzu.co.jp/world/csr/eco/policy/index\\_tab3.html#anc-02](http://www.isuzu.co.jp/world/csr/eco/policy/index_tab3.html#anc-02)

# A THIRD-PARTY OPINION



**Takeshi Mizuguchi**

Professor, Takasaki City  
University of Economics

In the “FOCUS” section of this year’s CSR Report, you introduce Isuzu’s CSR activities in Malaysia following last year’s feature on Indonesia I think that supporting local communities and participating in various local activities is vital for a company such as yours, which does business in more than 100 countries worldwide. Your ongoing support for disaster areas is also commendable. Your “flood-damaged vehicle repairs” to get flooded vehicles running again is recognized as something only an automobile manufacturer could tackle. Meanwhile, two major CSR-related international agreements came into effect during fiscal 2015. They are the United Nations’ Sustainable Development Goals (SDGs), and the Paris Agreement negotiated at the 21st Conference of the Parties of the UN Framework Convention on Climate Change (COP 21). Responding to the calls in these agreements is also a key challenge for CSR. The Paris Agreement, in particular, included a consensus to hold the increase in the global average temperature to well below 2°C, and set a target of balancing the emission and absorption of man-made greenhouse gases by the latter half of this century. Your company has been addressing environmental issues having

established its Charter on the Global Environment quite some time ago, and this latest report also introduces your various efforts to reduce CO<sub>2</sub> emissions. Although I also want to pay respect for your steady environmental efforts toward reducing waste, cleaning up emissions, rebuilding and reusing engines and parts, and so on, the target of the Paris Agreement to try and cut substantial emissions to zero will require a whole other level of initiatives. Some of other automobile companies have already announced ambitious vision with a long-term perspective. I understand that measures are even more difficult for trucks and buses compared with passenger cars, but that is why there is a need to set and commit to clear goals.

For instance, the international NPO CDP, the UN Global Compact and others are involved in the Science Based Targets initiative. This is demanding the formulation of reduction goals that are consistent with the 2°C goal. Participation in this kind of international activity is one thing Isuzu could look at.

A series of corruption cases last year and this year has fundamentally shaken confidence in Japanese and foreign major automobile companies. This report covers your compliance promotion system as well as your education and training, but I feel you could have gone further into this based on cases from other companies. Of course you have taken sufficient measures internally, but please remain vigilant and avoid the same mistakes that other companies have made. Your report clearly shows that you are addressing CSR with great integrity. However, the standards that the world is demanding from companies, such as on climate change strategy, are getting higher and higher. Having tackled CSR so sincerely up until now, I trust you will avoid complacency and continue to live up to international expectations.

## Response to the third-party opinion

CSR & Eco Planning Group, Corporate Communications Dept.  
Isuzu Motors Limited

We are extremely grateful to Professor Mizuguchi for his valuable opinions on the Isuzu Group’s CSR activities. He recognized our initiatives that support local communities overseas as well as our activities specific to being an automobile company such as restoring flood-damaged vehicles. Isuzu will press on with its CSR activities aimed at resolving social issues with a focus on “Isuzu unique solutions”, and continue and strengthen the points that he praised.

We also received the professor’s views on the global social agenda laid out in SDGs and COP 21. In addition to our existing CSR activities and climate change measures, we also want to consider what the Isuzu Group is capable of from a wider perspective and link it to an increase in our corporate value.

He also gave his opinion about the series of corruption issues in the automobile industry. On this point, we did set up an investigation committee to examine whether such concerns exist within Isuzu too, the result of which was that we reported to the Ministry of Land, Infrastructure, Transport and Tourism that we had no irregular practices. However, we will continue to make every effort in the quality and compliance fields and live up to the confidence that our customers have in us as an automobile company.

As we seek more opportunities to provide information to our stakeholders referring to Professor Mizuguchi’s ideas, we will do our best to meet expectations and maintain confidence in us, and to fulfill our social responsibilities as a global corporation.



# GRI GUIDELINES INDEX

Item	Index	Location
<b>GENERAL STANDARD DISCLOSURE ITEMS</b>		
<b>Strategy and Analysis</b>		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Message from the President (P.03)
G4-2	Provide a description of key impacts, risks, and opportunities.	Message from the President (P.03) Isuzu CSR > Basic Ideas (P.06) <a href="#">[WEB]</a> Annual Report
<b>Organizational Profile</b>		
G4-3	Report the name of the organization.	Corporate Profile (P.04) <a href="#">[WEB]</a> About Isuzu > Corporate Profile <a href="#">[WEB]</a> Investor Relations > Fact Book
G4-4	Report the primary brands, products, and services.	Corporate Profile (P.04) <a href="#">[WEB]</a> About Isuzu > Corporate Profile <a href="#">[WEB]</a> Investor Relations > Fact Book <a href="#">[WEB]</a> Product Lineup <a href="#">[WEB]</a> Distributors Network <a href="#">[WEB]</a> About Isuzu > Global Business - Products
G4-5	Report the location of the organization's headquarters.	Corporate Profile (P.04) <a href="#">[WEB]</a> About Isuzu > Corporate Profile <a href="#">[WEB]</a> Investor Relations > Fact Book
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Corporate Profile (P.04) <a href="#">[WEB]</a> About Isuzu > Global Business - Overseas Subsidiaries Offices
G4-7	Report the nature of ownership and legal form.	Corporate Profile (P.04) <a href="#">[WEB]</a> Corporate Profile <a href="#">[WEB]</a> Investor Relations > Fact Book
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Corporate Profile (P.04) <a href="#">[WEB]</a> Investor Relations > Fact Book <a href="#">[WEB]</a> About Isuzu > Global Business - Overseas Subsidiaries Offices <a href="#">[WEB]</a> About Isuzu > Global Business - Results
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Total number of operations</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations)</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations)</li> <li>• Quantity of products or services provided</li> </ul>	Corporate Profile (P.04) <a href="#">[WEB]</a> About Isuzu > Corporate Profile <a href="#">[WEB]</a> Investor Relations > Fact Book

Item	Index	Location
G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>	<p>Corporate Profile (P.04)</p> <p>Respect for Employees &gt; Personnel Development &gt; Basic Ideas (P.42)</p> <p>[WEB] About Isuzu &gt; Corporate Profile</p> <p>[WEB] Investor Relations &gt; Fact Book</p> <p>[WEB] Annual Report</p>
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	
G4-12	Describe the organization's supply chain.	Supply Chain Management > Isuzu Supply Chain (P.61)
G4-13	<p>Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:</p> <ul style="list-style-type: none"> <li>• Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)</li> <li>• Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination</li> </ul>	Editorial Policy (P.02)
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	<p>Compliance &gt; Promotion System (P.52)</p> <p>Quality &gt; Initiatives for Higher Product Quality &gt; Initiatives for higher field quality (P.33)</p> <p>Environment &gt; Environmental Philosophy and Policy (Charter on the Global Environment) (P.21)</p> <p>Environment &gt; Implementation System (P.21)</p>
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	Isuzu's CSR Activities > Isuzu Group Stakeholders (P.07)
<b>Identified Material Aspects and Boundaries</b>		
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	Editorial Policy (P.02)
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	Isuzu's CSR Activities > Initiatives toward materiality identification (P.08)
G4-19	List all the material Aspects identified in the process for defining report content.	

Item	Index	Location
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> <li>• Report whether the Aspect is material within the organization</li> <li>• If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> <li>—The list of entities or groups of entities included in G4-17 for which the Aspect is not material or</li> <li>—The list of entities or groups of entities included in G4-17 for which the Aspects is material</li> </ul> </li> <li>• Report any specific limitation regarding the Aspect Boundary within the organization</li> </ul>	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: <ul style="list-style-type: none"> <li>• Report whether the Aspect is material outside of the organization</li> <li>• If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified</li> <li>• Report any specific limitation regarding the Aspect Boundary outside the organization</li> </ul>	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	
<b>Stakeholder Engagement</b>		
G4-24	Provide a list of stakeholder groups engaged by the organization.	Isuzu's CSR Activities > Isuzu Group Stakeholders (P.07)
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Isuzu's CSR Activities > Isuzu Group Stakeholders (P.07)
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Isuzu's CSR Activities > Isuzu Group Stakeholders (P.07) A Third-party Opinion (P.63)
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Isuzu's CSR Activities > Isuzu Group Stakeholders (P.07) A Third-party Opinion (P.63)
<b>Report Profile</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Editorial Policy (P.02)
G4-29	Date of most recent previous report (if any).	Editorial Policy (P.02)
G4-30	Reporting cycle (such as annual, biennial).	Editorial Policy (P.02)
G4-31	Provide the contact point for questions regarding the report or its contents.	Editorial Policy (P.02)
<b>GRI CONTENT INDEX</b>		
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	GRI Guidelines Index (P.64)
<b>ASSURANCE</b>		
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	

Item	Index	Location
Governance		
GOVERNANCE STRUCTURE AND COMPOSITION		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance > Corporate Governance System (P.56) [WEB] Annual Report
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	
G4-38	a. Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> <li>• Executive or non-executive</li> <li>• Independence</li> <li>• Tenure on the governance body</li> <li>• Number of each individual's other significant positions and commitments, and the nature of the commitments</li> <li>• Gender</li> <li>• Membership of under-represented social groups</li> <li>• Competences relating to economic, environmental and social impacts</li> <li>• Stakeholder representation</li> </ul>	Corporate Governance > Corporate Governance System (P.56)
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance > Corporate Governance System (P.56)
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> <li>• Whether and how diversity is considered</li> <li>• Whether and how independence is considered</li> <li>• Whether and how expertise and experience relating to economic, environmental and social topics are considered</li> <li>• Whether and how stakeholders (including shareholders) are involved</li> </ul>	Corporate Governance > Corporate Governance System (P.56) [WEB] Annual Report
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> <li>• Cross-board membership</li> <li>• Cross-shareholding with suppliers and other stakeholders</li> <li>• Existence of controlling shareholder</li> <li>• Related party disclosures</li> </ul>	
HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY		
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Environment > Implementation System (P.21) Quality > Total quality assurance system (P.31) Compliance > Compliance Promotion System (P.52) Risk Management > Basic Ideas (P.55) Corporate Governance > Corporate Governance System (P.56) Supply Chain Management > Purchasing Promotion System (P.60)



Item	Index	Location
HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION		
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	Corporate Governance > Corporate Governance System (P.56) [WEB] Annual Report
HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT		
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	Environment > Implementation System (P.21) Compliance > Compliance Promotion System (P.52) Risk Management > Basic Ideas (P.55) Corporate Governance > Corporate Governance System (P.56)
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	
HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING		
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	
HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE		
G4-49	Report the process for communicating critical concerns to the highest governance body.	Compliance > Compliance Promotion System (P.52)
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
REMUNERATION AND INCENTIVES		
G4-51	<p>a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration:</p> <ul style="list-style-type: none"> <li>• Fixed pay and variable pay: <ul style="list-style-type: none"> <li>— Performance-based pay</li> <li>— Equity-based pay</li> <li>— Bonuses</li> <li>— Deferred or vested shares</li> </ul> </li> <li>• Sign-on bonuses or recruitment incentive payments</li> <li>• Termination payments</li> <li>• Clawbacks</li> <li>• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees</li> </ul> <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	Corporate Governance > Remuneration for Directors and Audit & Supervisory Board Members (P.58)

Item	Index	Location
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance > Remuneration for Directors and Audit & Supervisory Board Members (P.58)
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Corporate Governance > Remuneration for Directors and Audit & Supervisory Board Members (P.58)
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
<b>Ethics and Integrity</b>		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Profile (P.04) Social Contribution > Initiative Policy (P.13) Environment > Environmental Philosophy and Policy (Charter on the Global Environment) (P.21) Quality > Basic Ideas (P.31) Compliance > Basic Ideas (P.52) Supply Chain Management > Basic Ideas (P.59)
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Compliance > Compliance Promotion System (P.52)
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Compliance > Compliance Promotion System (P.52)
<b>SPECIFIC STANDARD DISCLOSURES</b>		
<b>Disclosures on Management Approach</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> <li>• The mechanisms for evaluating the effectiveness of the management approach</li> <li>• The results of the evaluation of the management approach</li> <li>• Any related adjustments to the management approach</li> </ul>	
<b>Category: Economic</b>		
<b>ASPECT: ECONOMIC PERFORMANCE</b>		
G4-EC1	Direct economic value generated and distributed	[WEB] Annual Report
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	
G4-EC3	Coverage of the organization's defined benefit plan obligations	
G4-EC4	Financial assistance received from government	[WEB] Annual Report

Item	Index	Location
ASPECT: MARKET PRESENCE		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	
ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure investments and services supported	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Environment > FY 2015 Activity Results (Isuzu) > Environmental accounting (P.30)
ASPECT: PROCUREMENT PRACTICES		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Supply Chain Management > Isuzu Supply Chain (P.61)
Category: Environmental		
ASPECT: MATERIALS		
G4-EN1	Materials used by weight or volumeMaterials used by weight or volume	Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental load (P.30)
G4-EN2	Percentage of materials used that are recycled input materials	
ASPECT: ENERGY		
G4-EN3	Energy consumption within the organization	Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental load (P.30)
G4-EN4	Energy consumption outside of the organization	
G4-EN5	Energy intensity	
G4-EN6	Reduction of energy consumption	Environment > Activity Reports > Initiatives for the environment in product development (P.23) Environment > FY 2015 Activity Results (Isuzu Group) > CO <sub>2</sub> emission reduction activities (P.28) Environment > FY 2015 Activity Results (Isuzu) > CO <sub>2</sub> emission reduction activities (P.29)
G4-EN7	Reductions in energy requirements of products and services	Environment > Activity Reports > Initiatives for the environment in product development (P.23)
ASPECT: WATER		
G4-EN8	Total water withdrawal by source	Environment > FY 2015 Activity Results (Isuzu) > Water usage reduction activities (P.29) Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental hazard (P.30)
G4-EN9	Water sources significantly affected by withdrawal of water	
G4-EN10	Percentage and total volume of water recycled and reused	
ASPECT: BIODIVERSITY		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	

Item	Index	Location
G4-EN13	Habitats protected or restored	Environment > Environmental Communication > Conservation of biodiversity (P.27)
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	
ASPECT: EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment > FY 2015 Activity Results (Isuzu Group) > CO <sub>2</sub> emission reduction activities (P.28) Environment > FY 2015 Activity Results (Isuzu) > CO <sub>2</sub> emission reduction activities (P.29) Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental hazard (P.30)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment > Activity Reports > Environmental initiatives in logistics processes (P.22) Environment > FY 2015 Activity Results (Isuzu) > CO <sub>2</sub> emission reduction activities (P.29) Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental hazard (P.30)
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environment > FY 2015 Activity Results (Isuzu Group) > CO <sub>2</sub> emission reduction activities (P.28)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environment > Activity Reports > Environmental initiatives in logistics processes (P.22) Environment > FY 2015 Activity Results (Isuzu Group) > CO <sub>2</sub> emission reduction activities (P.28) Environment > FY 2015 Activity Results (Isuzu) > CO <sub>2</sub> emission reduction activities (P.29)
G4-EN20	Emissions of ozone-depleting substances (ODS)	
G4-EN21	NOx, SOx, and other significant air emissions	
ASPECT: EFFLUENTS AND WASTE		
G4-EN22	Total water discharge by quality and destination	Environment > FY 2015 Activity Results (Isuzu) > Water usage reduction activities (P.29) Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental hazard (P.30)
G4-EN23	Total weight of waste by type and disposal method	Environment > FY 2015 Activity Results (Isuzu Group) > Waste reduction activities (P.28) Environment > FY 2015 Activity Results (Isuzu) > Discharge reduction activities (P.29) Environment > FY 2015 Activity Results (Isuzu) > Business activity and environmental hazard (P.30)
G4-EN24	Total number and volume of significant spills	

Item	Index	Location
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Not applicable
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	
ASPECT: PRODUCTS AND SERVICES		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environment > Activity Reports > Initiatives for the environment in product development (P.23)
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	
ASPECT: COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	
ASPECT: TRANSPORT		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Environment > Activity Reports > Environmental initiatives in logistics processes (P.22)
ASPECT: OVERALL		
G4-EN31	Total environmental protection expenditures and investments by type	Environment > FY 2015 Activity Results (Isuzu) > Environmental accounting (P.30)
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supply Chain Management > Isuzu Green Procurement Guidelines (P.62)
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	
Category: Social		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
ASPECT: EMPLOYMENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Respect for Employees > Utilization of Diverse Human Resources > Initiatives toward new employment (P.42)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Respect for Employees > Utilization of Diverse Human Resources > Promoting the role of old people (post-retirement) (P.43) Respect for Employees > Utilization of Diverse Human Resources > Promotion of work-life balance (P.43) Respect for Employees > Improving Employee Satisfaction > Welfare events held (P.46)
G4-LA3	Return to work and retention rates after parental leave, by gender	Respect for Employees > Utilization of Diverse Human Resources > Promotion of work-life balance (P.43)



Item	Index	Location
ASPECT: LABOR/MANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	
ASPECT: TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Respect for Employees > Personnel Development > Education/training scheme (P.44)
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Respect for Employees > Utilization of Diverse Human Resources > Promoting the role of old people (post-retirement) (P.43) Respect for Employees > Personnel Development > Education/training scheme (P.44)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Corporate Profile (P.04) Respect for Employees > Utilization of Diverse Human Resources > Basic Ideas (P.42) [WEB] Annual Report
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	
ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	
SUB-CATEGORY: HUMAN RIGHTS		
ASPECT: INVESTMENT		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	

Item	Index	Location
ASPECT: NON-DISCRIMINATION		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
ASPECT: CHILD LABOR		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
ASPECT: FORCED OR COMPULSORY LABOR		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
ASPECT: SECURITY PRACTICES		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	
ASPECT: INDIGENOUS RIGHTS		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	
ASPECT: ASSESSMENT		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	
SUB-CATEGORY: SOCIETY		
ASPECT: LOCAL COMMUNITIES		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Social Contribution (P.13) Harmony with Local Communities (P.47)
G4-SO2	Operations with significant actual and potential negative impacts on local communities	
ASPECT: ANTI-CORRUPTION		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	
G4-SO4	Communication and training on anti-corruption policies and procedures	Compliance > Compliance education (P.54) Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
G4-SO5	Confirmed incidents of corruption and actions taken	
ASPECT: PUBLIC POLICY		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	

Item	Index	Location
ASPECT: ANTI-COMPETITIVE BEHAVIOR		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	
ASPECT: COMPLIANCE		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supply Chain Management > Isuzu Supplier CSR Guidelines (P.62)
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>		
ASPECT: CUSTOMER HEALTH AND SAFETY		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Quality > Initiatives for Higher Product Quality (P.32) Quality > Initiatives for Higher Service Quality (P.34)
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Quality > Initiatives for Higher Product Quality > Initiatives for Recall campaigns (P.33)
ASPECT: PRODUCT AND SERVICE LABELING		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	
G4-PR5	Results of surveys measuring customer satisfaction	
ASPECT: MARKETING COMMUNICATIONS		
G4-PR6	Sale of banned or disputed products	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	
ASPECT: CUSTOMER PRIVACY		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	
ASPECT: COMPLIANCE		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	