

ISUZU



Sustainability Report 2022

Contents

Management

Message from the Chairperson of the Sustainability Committee	02
Sustainability Promotion System	02

Environment

Management Approaches	04
Climate Change Measures	08
Resource Recycling	15
Environmental Risk Prevention Measures	16
Biodiversity Conservation	18

Social

Quality	22
Respect for Employees	33
Human Rights	49
Supply Chain Management	52
Contributions to Local Communities and Society	58

Governance

Corporate Governance	67
Compliance	73
Risk Management	77

Participation in External Initiatives 81

External Evaluation

External Evaluation	83
A Third-party Opinion	84

ESG Data 85

Content Indices

GRI Standards Index	95
ESG Comparison Table	103

Editorial Policy

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

Scope of Report

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

* In this report, Isuzu refers to Isuzu Motors Limited alone, and the Isuzu Group refers to the entire Isuzu Group including Group companies.

Period Covered

In principle, the report covers activities from April 1, 2021 to March 31, 2022 (FY2022) ; however, some content covers activities that occurred subsequent to the reporting period.

Publication Information

Published September 2022
(Next report: scheduled for September 2023)

Referenced Guidelines

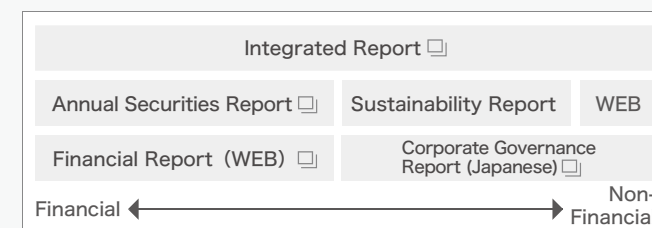
GRI Sustainability Reporting Standard

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

Inquiries about the Report

Isuzu Motors Limited
Sustainability Dept.
Environment&CSR Planning Group
TEL +81-45-299-9126

Status of the Publication



Forward-looking Statements

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

Message from the Chairperson of the Sustainability Committee

Message from the Chairperson of the Sustainability Committee

Isuzu Motors Limited
Executive Vice President, and Director



Shinichi Takahashi



Isuzu Group aims to realize a sustainable society through its business activities as a manufacturer of commercial vehicles that support logistics and social infrastructure. A leader in *transportation*, commercial vehicles, and diesel engines, supporting our customers and respecting the environment.

As the world continues to change dramatically, it is now less than a decade until 2030, the target year of the SDGs. Investors and other stakeholders are increasingly requesting and expecting ESG initiatives. Dealing with climate change has become a common challenge for all humankind, and the world is accelerating its efforts to become carbon neutral. Additionally, COVID-19 and its aftermath have reaffirmed the importance of logistics as social infrastructure, and the practical application of connected and automated driving is expected to advance logistics.

To solve social issues through our business activities, we have set carbon neutrality and problem-solving in the logistics industry as the axis of innovation for our Midum-Term Business Plan 2024. We are also working on management from an ESG perspective, which is the result of the evolution of our existing sustainability activities. Isuzu has established a Sustainability Committee to provide a framework for the promotion of sustainability issues. As part of the promotion of these issues, we have formulated the 2030 Environmental Roadmap to progressively realize the initiatives of the Isuzu Environmental Vision 2050, signed the United Nations Global Compact, and promoted business activities that respect human rights based on the Isuzu Group Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights. Additionally, the Committee deliberates and decides on diversity and inclusion initiatives, the proactive disclosure of information to the CDP (as has been done in the past), and TCFD information disclosure, including the risks and opportunities posed by climate change.

The Sustainability Committee also reports to the Management Meeting and the Board of Directors as appropriate and is deeply involved in management while working to resolve social issues. We will continue to accelerate our ESG initiatives by further enhancing and strengthening our management from an ESG perspective.

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

Sustainability Promotion System

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

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

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

Composition of the Sustainability Committee

Sustainability Committee Composition



Sustainability Committee Meetings in FY2022

Main Agenda Items

- 2030 Environmental Roadmap
- Sustainability Awareness
- Human Rights Initiatives
- Activities of Each Subcommittee
- Diversity and Inclusion

Environment



Management Approaches

Basic Approach

For the Isuzu Group's basic approach related to the environment, it established and is implementing the goals of pursuing its business activities in all areas with conservation of the global environment in mind, and developing and operating its environmental management structure to reduce the burden on the environment in all of its business areas.

Vision Framework

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

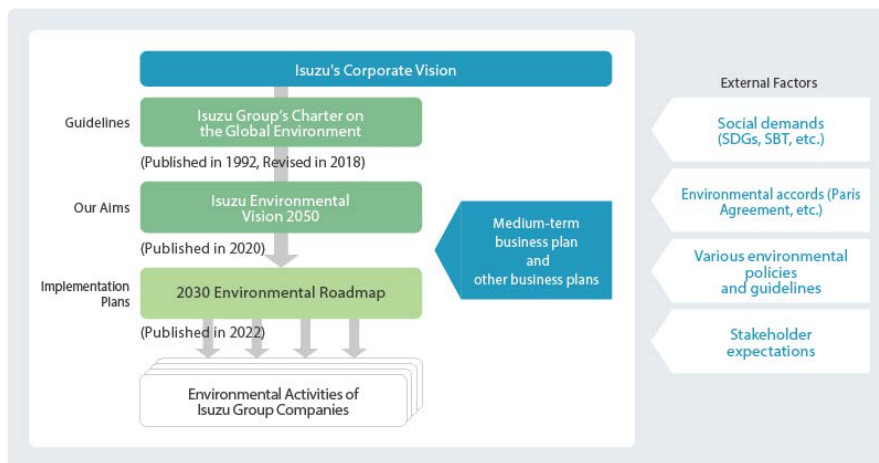
All Isuzu Group members use the Charter as a guideline when engaging in environmental activities. It was first published in 1992, and in line with dramatically changing societal trends and social demands, was revised in 2018.

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

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

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

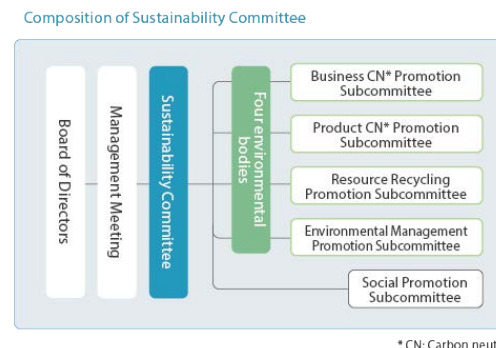
Vision Framework Chart



Management Structure

The Isuzu Group has established four environmental bodies under the Sustainability Committee to facilitate environmental conservation activities in all of its business operations. These four bodies consist of Isuzu Group affiliate companies operating in environmentally relevant fields. They set and pursue their goals to resolve many different problems and improve their environmental activities. The Sustainability Committee, chaired by the Executive Vice President and including executives in charge of each area, meets regularly (at least four times a year) to deliberate and make decisions on a wide variety of matters related to the resolution of Isuzu's key environmental issues and environmental conservation, including climate change measures.

Composition of Sustainability Committee



Role of Four Environmental Bodies

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

Management Approaches

Isuzu Group's Charter on the Global Environment

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

Basic Policy

► Realization of a prosperous and sustainable society

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

► Reduced environmental burden for all business operations

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

Action Guidelines

1 Create a sustainable society

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

2 Comply with environmental laws and minimize the environmental load

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

3 Promote environmental technology

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

4 Maintain proactive social communication

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

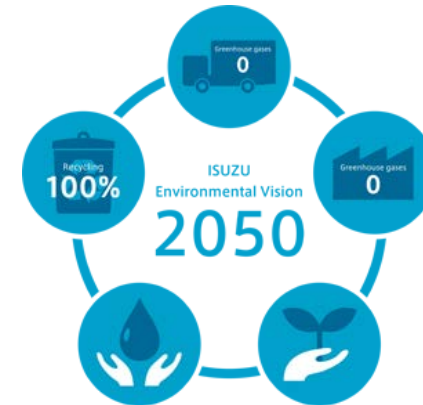
5 Foster environmental awareness as corporate citizen

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

Isuzu Environmental Vision 2050

Formulating Our Vision

In order for society to be prosperous and sustainable in 2050, and for Isuzu to continue to support *transportation*, in March 2020 the Isuzu Group published our Isuzu Environmental Vision 2050. To help ensure a prosperous and sustainable society, each and every member of the Isuzu Group is committed to undergoing the challenge of achieving our Isuzu Environmental Vision 2050 together with our customers and partners.








Toward the Realization of the Environmental Vision

We believe that the road to the realization of Isuzu's environmental vision, as explained in the Isuzu Environmental Vision 2050, is a very long and arduous one. Our goal is to enable each and every person in the Isuzu Group to think and act on Isuzu's four environmental priorities. In June 2022, we created the 2030 Environmental Roadmap as a roadmap that clarifies the challenges the Isuzu Group wants to take on and the vision it aims to achieve by 2030, a milestone. This roadmap is a summary of how Isuzu thinks and wants to achieve its environmental vision as of 2022, based on the thoughts of all concerned. Some of the situations may change drastically in the future due to technological advances and social changes. While flexibly responding to various changes, Isuzu will promote GX (Green Transformation) in all of its business activities to realize the Aspiration shown in the Environmental Vision.

Management Approaches

2030 Environmental Roadmap

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

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
	Aspiration	2030 Challenge
 <p>Zero GHG emissions directly from business activities</p>	<ul style="list-style-type: none"> We reduce CO₂ emissions* by 50% by 2030 as compared with 2013 * Scope1+Scope2 	<ul style="list-style-type: none"> We reduce total energy consumption We promote the introduction and expansion of clean energy We proactively introduce innovative technologies
 <p>Zero GHG emissions over the entire product lifecycle</p>	<ul style="list-style-type: none"> We offer a full lineup of CN vehicles to meet diverse needs 	<ul style="list-style-type: none"> By 2025, we identify new technologies to use By 2030, we expand mass production models while promoting social implementation
 <p>100% recycling rate of waste and discarded vehicles</p>	<ul style="list-style-type: none"> We promote activities to realize a circular economy 	<ul style="list-style-type: none"> We manage all resources discharged at all sites We promote the effective use of resources We make our business recycling-oriented
 <p>Pursue safe and secure operations and products</p>	<ul style="list-style-type: none"> We strengthen our environmental management and supplier engagement 	<ul style="list-style-type: none"> We establish a Group-wide environmental management structure We build a sustainable supply chain We identify and adapt to environmental and natural risks in our business activities
 <p>Conserve the biodiversity of the region</p>	<ul style="list-style-type: none"> We promote biodiversity conservation activities specific to each region 	<ul style="list-style-type: none"> We collaborate with local communities and promote activities to conserve the biodiversity unique to each region We promote proactive information disclosure We raise environmental awareness among employees and promote human resource development to support the realization of a society in harmony with nature

In Pursuit of Our Vision

Isuzu Environmental Vision 2050 is not easy to achieve.

We will gather a variety of wisdom and new technologies and cooperate with customers and business partners to pursue, from the perspective of multi-stakeholder partnership, many different efforts to make our society rich and sustainable.

> [Isuzu Environmental Vision 2050](#) 

Management Approaches

Contributions to Sustainable Development Goals (SDGs)

For the Isuzu Group to help realize a prosperous and sustainable society, we believe that activities aimed at achieving the Sustainable Development Goals (SDGs) adopted at the UN summit are important.

Isuzu will contribute to the achievement of the SDGs through the promotion of environmental activities and taking on the challenge of reducing environmental impacts.



Ensure healthy lives and promote well-being for all at all ages

- Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



Ensure availability and sustainable management of water and sanitation for all

- Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- Target 6.b: Support and strengthen the participation of local communities in improving water and sanitation management.



Ensure access to affordable, reliable, sustainable and modern energy for all

- Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.
- Target 7.3: By 2030, double the rate of improvement in global energy efficiency.



Ensure sustainable production and consumption patterns

- Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



Take urgent action to mitigate climate change and its impacts

- Target 13.2: Integrate climate change measures into national policies, strategies and planning.
- Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

- Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and eutrophication.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



Strengthen the means of implementation and revitalize the global partnership for sustainable development

- Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.
- Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Climate Change Measures

Basic Approach

Products and Services



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

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

Business Activities



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

*Direct GHG emissions from business activities: Scope1+Scope2

Management Structure

> Management Structure

Strategy Relating to Climate Change

Many different global environmental issues, linked to climate change, are significantly affecting our society and are critical issues that require urgent solutions. This awareness is common worldwide. Based on this awareness, carbon-neutral strategies are rapidly being introduced in Japan and many other countries. A move toward a decarbonized society is gaining momentum worldwide. Isuzu considers this as an opportunity for its growth and intensifies its commitment to the issue. Isuzu performed scenario analysis and specified risks and opportunities on the basis of its long-term environmental scenario up to 2050, based on IPCC's climate scenario and the social economy scenario created by IPCC and IEA. As a result, we renewed our awareness of the fact that global environmental issues such as climate change gravely affect the Isuzu Group's business activities and its products. Countering climate change requires the satisfaction of tighter environmental regulations and the development of new technologies. The global climate change also leads to frequent natural disasters that are increasingly severe. They may seriously affect Isuzu's business activities. Meanwhile, the society is increasingly anticipating the creation of an innovation to help achieve a decarbonized society. Addressing the issue properly will lead us to new business opportunities. To this end, the Isuzu Environmental Vision 2050 regards measures against climate change as one of the priority issues. We also have the Carbon Neutrality Plan for establishing, by 2040, a full lineup of products compatible with the transition to carbon neutrality, and for expanding the mass production and sales of electric vehicles over our major models in 2030.

Climate Change Measures

Long-term Environmental Scenarios

4°C Scenario

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

1.5°C Scenario

▶ In the 1.5°C scenario, regulations on GHG emissions are tightened and, because of technological innovation and other factors, the rise in temperature is kept at 1.5 degree C or smaller. This would make the society carbon-neutral. Tighter regulations and advance of technological innovation would greatly change our social and industrial structure.

Isuzu performed a scenario analysis based on IEA's scenario (e.g. 2DS/B2DS/SDS). The 1.5°C scenario would bring significant changes to Isuzu's products depending on their usage, and to our business activities.

▶ Products

● By type of vehicle

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

● Utilization of sustainable, decarbonized clean energy

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

▶ Service

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

▶ Business Activities

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

Risks and Opportunities

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

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

Classification	Risks	Opportunities	Action	Impact on our operations
Transition-related Risks and opportunities associated with transition to a decarbonized society	<ul style="list-style-type: none"> • Decrease in our market share due to delay in reacting to tighter environmental regulations 	<ul style="list-style-type: none"> • Increase in demand for zero-emission vehicles 	<ul style="list-style-type: none"> • Advance the efforts to establish a full lineup compatible with the transition to carbon neutrality 	Large
	<ul style="list-style-type: none"> • Increase in development and production costs for building compatibility with diverse power trains such as those for EVs and FCVs 	<ul style="list-style-type: none"> • Expansion of open innovation • Widespread use of reasonably priced clean energy 	<ul style="list-style-type: none"> • Utilization of alliance in pursuing efficient, collaborative development • Switching to reasonably priced clean energy to achieve low-carbon operations and reduce costs 	Large
	<ul style="list-style-type: none"> • Shrinkage of market of internal combustion vehicles using fossil fuel 	—	<ul style="list-style-type: none"> • Using next-generation fuel (carbon-neutral fuel) to utilize existing internal-combustion technologies and infrastructure 	Large
	<ul style="list-style-type: none"> • Decline in our brand power due to the incapability to address diverse needs of logistics infrastructure 	<ul style="list-style-type: none"> • Increase in needs for automatic driving, platooning and full-trailer trucks 	<ul style="list-style-type: none"> • Creation of logistics innovation contributing to carbon neutrality through co-creation with customers 	Large

Climate Change Measures

	<ul style="list-style-type: none"> Increase in energy costs and in reputational risks due to delays in the introduction of GHG reduction measures and renewable energy in our business operations overall 	<ul style="list-style-type: none"> Early introduction of renewable energy to reduce costs and boost our corporate image 	<ul style="list-style-type: none"> Expansion of introduction of renewable energy Continued encouragement of energy-saving activities to reduce energy costs 	Moderate
Physical Risks and opportunities concerning phenomena such as the aggravation of natural disasters and depletion of water resources	<ul style="list-style-type: none"> Damage to business operations due to the rising occurrences of abnormal weather (e.g. flood, typhoon) 	<ul style="list-style-type: none"> Increase in demand for disaster-proof vehicles Expansion of needs for infrastructure services resistant to natural disasters 	<ul style="list-style-type: none"> Providing disaster-proof vehicles Repair of flooded vehicles Expansion of BCP to strengthen our corporate culture 	Large

Information Disclosure Based on the TCFD Recommendations

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

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

Recommended disclosure item		Page
Governance	a) Explain the system for the organization's board of directors to supervise efforts to address climate-related risks and opportunities.	› Management Structure
	b) Explain the roles of management in the evaluation and management of climate-related risks and opportunities.	
Strategy	a) Explain the short-, medium- and long-term climate-related risks and opportunities identified by the organization.	› Strategy Relating to Climate Change › Long-term Environmental Scenarios › Risks and Opportunities › Products and Services › Business Activities
	b) Explain the impact of climate-related risks and opportunities on the business, strategic and financial planning of the organization.	
	c) Explain the impact of many different scenarios such as the 2 °C scenario on business, strategic and financial planning.	
Risk Management	a) Explain the process the organization uses to identify and evaluate climate-related risks.	› Management Structure › Long-term Environmental Scenarios
	b) Explain the process the organization uses to manage climate-related risks.	
	c) Explain how the process the organization uses to identify, evaluate and manage climate-related risks is integrated into the organization's general risk management.	
Indicators and Targets	a) Disclose the indicators used to evaluate climate-related risks and opportunities in line with the organization's strategy and risk management processes.	› ESG Data › Business Activities and Environmental Hazards › Isuzu Green Procurement Guidelines › Isuzu Environmental Vision 2050 › 2030 Environmental Roadmap
	b) Disclose greenhouse gas (GHG) emissions and related risks in Scope 1, Scope 2 and, if applicable, Scope 3.	
	c) Disclose the goals the organization uses to manage climate-related risks and opportunities and its track record for the achievement of the goals.	

Climate Change Measures

Initiatives

Products and Services

Efforts to Achieve Carbon Neutrality

To realize a decarbonized society, the achievement of carbon neutrality is the highest-priority social issue. Isuzu is aggressively pursuing carbon neutrality.

The achievement of carbon neutrality by 2050 requires that Isuzu successfully shift to carbon neutrality by shifting from fossil-fuels to carbon-neutral energy sources to power all of its new vehicles that will be available worldwide before that time. For that purpose, Isuzu is strongly pushing forward with its development of electric cars with a view toward mass production. We are conducting experiments for the introduction of BEVs and FCVs in society in an effort to identify the technologies that will enable us to achieve carbon neutrality. At the same time, we are preparing to introduce some of these products to the market.

We are assuming there will be situations where, for commercial vehicles, internal combustion engines will continue to be necessary. So we will continue to develop high-performance internal combustion engines as we prepare for future carbon-neutral fuels such as biofuels and renewable energy-derived synthetic fuels.

Development and Diffusion of Next-generations Vehicles

Light Electric Truck

In 2019, we started monitoring the use of the truck in home deliveries, deliveries from convenience stores and waste collection. The truck is being tested in terms of economic rationality and convenience and refined in preparation for the start of mass production in FY2023.



Heavy-duty Fuel Cell Truck

Collaborative development with Honda R&D Co., Ltd. began in 2020. The truck is being developed and will begin monitoring program in FY2023.



Light Fuel Cell Truck

In 2021, we launched a joint project We plan to cooperate with social implementation efforts in Fukushima Prefecture through the use of hydrogen technology, and also participate in social implementation in other cities through the provision of vehicles.



BEV Full-flat Route Bus

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

North American Medium-duty Electric Trucks

Under the Isuzu Cummins Powertrain Partnership Agreement, starting in 2022, a prototype vehicle equipped with a Cummins electric system will be built and tested for roll-out to North American customers.



Climate Change Measures

Working toward Next-generation Fuels

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

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

In preparation for the introduction of CN fuels in society, we will strongly push forward with our activities to accelerate the practical use and the spread of next-generation vehicles, including assessment and improvement of conformity and demonstration testing of vehicles in terms of performance, durability, reliability and other properties. Further, we will actively work with CN fuel manufacturers to identify issues and propose improvements regarding fuel quality and other matters. Commercial vehicles serving people and their logistics needs, the products that Isuzu manufactures, are available in many different types and are used in many different situations and environments. Some of these vehicles may be hard to electrify. The utilization of CN fuel in these vehicles can accelerate the shift to carbon neutrality. Commercial vehicles are global products that are sold worldwide. Depending on national or regional situations, however, it may be difficult to switch to electric vehicles. In these situations, the use of already available vehicles will continue. In these countries and regions, the availability of CN fuels with the potential to leverage the existing fuel-supply infrastructure would effectively facilitate carbon neutrality.

This led Isuzu to set up a department in April 2021 to advance and accelerate the utilization of CN fuels and to push forward with the extensive activities above. In pursuit of a globally carbon-neutral society, Isuzu will encourage the use of CN fuels and will continue to support *transportation*.

Business Activities

Use Less Energy

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

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

Efforts to Increase the Environmental Friendliness of Our Dealers' Sites

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



Kumamoto Branch, Isuzu Motors Kyushu Co.,Ltd.

Climate Change Measures

Creating Clean Energy

To create clean energy through the active utilization of renewable resources, Isuzu Group's companies in Thailand are installing large photovoltaic power generation systems. Since FY2019, Isuzu Motors Co., (Thailand) Ltd.(IMCT), Isuzu Engine Manufacturing Co., (Thailand) Ltd. and KDI Services & Technologies Co., Ltd. have installed solar panel systems with a total output of 3,460 kW. Other Group companies in Thailand are also planning to introduce energy-saving equipment and photovoltaic power generation systems.



KDI Services & Technologies

Switching to Clean Energy

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

Since FY2020, Isuzu has utilized the Aqua Premium rate plan offered by TEPCO Energy Partner, Inc. where a portion of the electricity purchased is hydroelectric power.

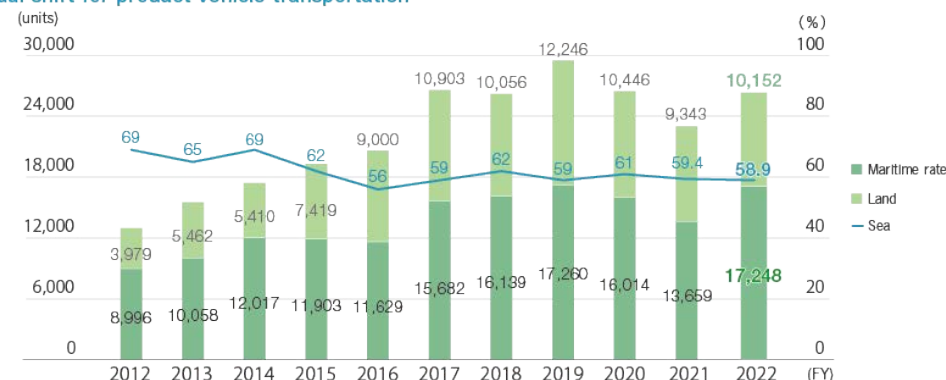
Through this plan TEPCO Energy Partner, Inc. sells the CO₂-emission-free electricity that it generates hydroelectrically, offering an option for customers who want a portion of the electricity they purchase to be carbon-free.

Additionally, in FY2023, Isuzu started purchasing electricity with non-fossil certificates and expanding the purchase of electricity derived from renewable energy sources. Isuzu will continue to utilize various mechanisms to further expand its use of clean energy.

Reducing CO₂ Emissions in Logistics Processes

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

Modal shift for product vehicle transportation



Main Initiatives for the Reduction of CO₂ Emissions

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

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

Increasing Container Round Use

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

This helps to stabilize logistics.

Climate Change Measures

Organizing of Green Sales Activities

Isuzu Dealers are doing all they can for the environment in every aspect of their business activities. They are continuously working to implement all possible environmental activities, including the selection of hybrid vehicles and other environmentally friendly vehicles for use as company cars, implementing Cool Biz and Warm Biz campaigns, and taking part in local area cleanup activities.

We are also promoting efforts to reduce carbon dioxide emissions at our sales offices and service centers, to further promote the use of recycled automobile parts etc., and to promote proper waste management. To this end, we are working toward acquiring certification as an environmentally friendly auto body shop, which is awarded to business sites that are actively engaged in environmental measures and comply with related laws and regulations. In FY2022, three sites received the Branch Director's Award.

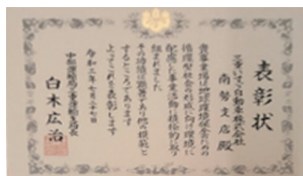
[Branch Director's Award won by]



Isuzu Motors Chubu Co.,Ltd.
Minato Service Center



Mie Isuzu Motors Limited
Ueno Sales Office



Mie Isuzu Motors Limited
Nansei Branch

Holding Fuel Efficient and Safe Driving Seminars

Considering the life cycle of Isuzu products, the majority of CO₂ emissions comes from product (vehicle) use.

The Isuzu has been holding seminars on fuel-efficient and safe driving in Japan and overseas since 1995, to provide Isuzu vehicles' buyers with tips on fuel-efficient driving in accordance with the performance of their vehicles.

Seminar Participation over the Past 3 Years

	Courses	Number of participants
FY2022	60	1,128
FY2021	54	884
FY2020	115	1,535



Fuel efficient and safe driving seminar

Resource Recycling

Basic Approach



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

Management Structure

> Management Structure

Initiatives

Promote Effective Resource Use

Reduced Packaging Materials

We make efforts as a Group toward reducing the amount of materials used through proper management and promoting shifts to returnable items as well as material recycling.

The Isuzu Group as a whole is in the process of reviewing packaging methods to reduce packaging materials, and in FY2018 we began using the returnable racks that have become the global standard. This is gradually expanding from the ASEAN region and is being promoted worldwide in regions including India and Africa.



Returnable Rack

Effective Utilization of Water Resources

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

Isuzu endeavors to conserve these finite water resources by, for example, encouraging the reuse of treated wastewater and the water used in processes and efforts to consume less water on a Group-wide basis.

Promoting Rebuilding

The Isuzu Group promotes the rebuilding of used engines and parts to more effectively use the limited resources that we have.

In the rebuilding of engines, used engines are disassembled, the parts are cleaned and inspected and worn parts are replaced with new ones before reassembly. The Isuzu Group provides customers with genuine Isuzu E-PARTS that have been refurbished to meet the same inspection criteria that new parts straight off the production line must meet. This enables our customers to use products that are more eco-friendly that have the same high quality.

Isuzu Engine Manufacturing Hokkaido Co., Ltd. rebuilds engines and parts to reduce resource input and manufacturing energy. We will further reduce resource and energy input through establishing evaluation standards for parts recycling technologies and recycled parts, improving the parts recycling rate, and promoting and expanding rebuilding.



Rebuilt Engine Reassembly

Promoting Recycling

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

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

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

* Automobile Shredder Residue

Environmental Risk Prevention Measures

Basic Approach



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

Management Structure

> Management Structure

Initiatives

Promoting Water Resource Conservation

Understanding and Responding to Water Related Risks

In recent years, climate change is increasing concern about the ability to secure water resources and about water-related risks such as flooding. In light of this, Isuzu began surveying water-related risks in FY2016 using Aqueduct, a global water risk evaluation tool.

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

Building a Society Free of Water Stress

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

Isuzu Gives Water...for Life

Since 2013, 21 Isuzu Group companies in Thailand have carried out the Isuzu Gives Water...for Life project. As of March 2022, the project has held 39 events. The goals of the project are to install water treatment systems and provide access to drinkable water at schools that are dealing with polluted water in outlying areas of Thailand. Through the project, teachers and students learn how to manage and maintain the system so they are able to sustainably secure access to drinking water. This program is a collaboration with Thailand's Department of Groundwater Resources and regional authorities. In FY2022, we continued to be constrained by the pandemic, but in response to requests from several schools, we resumed our activities while taking adequate infection control measures. In FY2023, we expect to further expand our activities and will continue to actively contribute to Thai society as a member of the Isuzu Group.



Environmental Risk Prevention Measures

Thorough Chemical Substance Management

We take thorough measures to minimize the environmental risks associated with chemical substances used in our business activities and products.

Managing Chemical Substances and Promoting Alternatives

For the chemicals used in Isuzu's business activities, such as paints and secondary materials, Isuzu conducts preliminary screening before introducing new products to ensure employee safety and reduce environmental risks, scrutinizes whether chemicals can be used, and maintains a database of the chemicals used. We use this data to make PRTR (Pollutant Release and Transfer Register) notifications and also encourage Isuzu Group companies to switch to substances with less environmental impact and review manufacturing processes to reduce the use of Hazardous chemical substances.

For chemicals contained in our products, from the design and development stages, we exercise great care when evaluating the chemicals contained in materials and components and take action to meet the chemical substance regulations in the countries they will be used. Chemical substance regulations are tightening, and to address them we are utilizing the International Material Data System (IMDS). The IMDS is the automotive industry standard, a global system for the communication of data regarding the chemicals contained in products, to ensure that the chemicals contained in our products are controlled based on the data obtained from our business partners and to reduce the use of regulated chemicals.

There were no chemical-related accidents in FY2022.

Activities to Control Emission of Ozone Depleting Substances

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

Together with Our Stakeholders

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

Biodiversity Conservation

Basic Approach



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

Isuzu Group Policy on Biodiversity

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

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

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

Basic Vision

- ▶ We, the Isuzu Group, understand the relationship all of our business activities have with the ecosystem. We support action that helps achieve a sustainable society through a harmony of business activities and biodiversity.

Action Guidelines

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

Management Structure

- > Management Structure

Initiatives

Promoting Biodiversity Conservation Efforts

We strive to conserve biodiversity around our business sites so that the sites work in harmony with the natural environment.

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

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



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



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

Biodiversity Conservation

Promoting Efforts to Protect Local Ecosystems

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

Watarase Reservoir Conservation Activities

Since 2016, Isuzu has been involved in conservation activities at the Watarase Reservoir near its Tochigi Plant.

The Watarase Reservoir is the largest reservoir area in Japan and is a Ramsar-registered wetland that serves an important flood control function to prevent flood damage in the region. It is also home to numerous plant and animal species, including endangered species. Isuzu has learned that proper management involving human intervention is necessary to maintain this rich biodiversity for the future and Isuzu continues to participate in activities such as reed cutting, removal of invasive alien species, and trash pickup organized by local governments and NPOs and led by volunteers from the Tochigi Plant. The ongoing conservation activities conducted with local residents have borne fruit and storks have been seen flying and nesting in the Watarase Yusui area.

15 staff members from two companies participated in the Watarase Reservoir Invasive Plant Removal Activity sponsored by Tochigi City in May 2021 to help eliminate non-native species from the expansive reservoir area.

In FY2022, we received letters of appreciation from Tochigi City and Oyama City recognizing us as an Environmental Conservation Organization and an Oyama City Watarase Yusui Wetland Conservation Support Organization respectively.



Participants in the Invasive Plant Removal Activity

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

Since FY2019, the Isuzu Fujisawa Plant has been participating in Kanagawa Prefecture's Forest Restoration Partner project. To protect the woodlands that are the source of the groundwater used by the plant, we continue with the work of preserving the Yadoriki Water Source Forest in Ashigarakami District.

Group companies at the Fujisawa Plant have also taken part in the effort starting in FY2020, with 64 employees and their families representing four companies participating in the conservation activities held in June and September 2019. While being reminded of the importance of biodiversity and preserving the forests that act as water sources, participants observed nature and helped thin neglected forest, helping return it to its natural state.

* The activity was not held in FY2022 due to COVID-19.



Thinning the forest

Promoting Sustainable Procurement

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

Our production briefings in FY2022 took place in April and November (biannual). To prevent the spread of COVID-19, they took the form of distribution of handouts which included our activity plan for the business period, and the evaluation results for the previous term and requests for the current term regarding the Environmental Management Self-Evaluation Report which we ask business partners to submit.

We hold online production briefing sessions twice a year for the 232 members of Isuzu's Supplier and provide them with detailed explanations of our new initiatives to deepen their understanding of our plans.

Biodiversity Conservation

Developing Human Resources to Build a Society in Harmony with Nature

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

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

Training Employees

Isuzu has been providing all employees with common educational programs on the environment since FY2017.

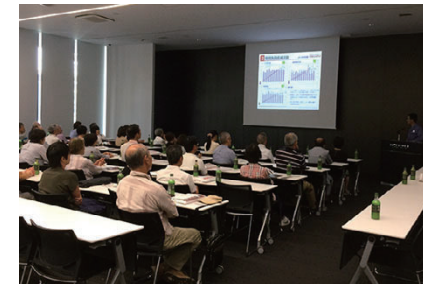
This environmental education initiative, covering all Isuzu employees, is held periodically. It raises awareness of environmental issues among employees and promotes a better understanding of the Company's environmental activities. The program combines e-learning and group training, reducing the CO₂ emissions generated by the transportation needs of participating employees. Similarly, the introductory training programs for new and mid-career recruits includes this environmental education, where they learn the reasons behind Isuzu's environmental initiatives and consider what they should do as Isuzu employees.

We also provide training regarding environmental laws and regulations as well as internal environmental auditor training every year to deepen employees' understanding and make them more competent.

Presenting Our Environmental Initiatives to Members of the Local Community

Every year, the Isuzu Fujisawa Plant invites key members of local residents' associations from six neighboring areas. The visitors receive an explanation about the environmental initiatives of Isuzu and the Fujisawa Plant and take part in a tour of the assembly lines. This annual event is a valuable opportunity to promote a better understanding of Isuzu's environmental initiatives and what we actually do for the cause, among people in the local community to whom we usually owe so much. These activities provide a valuable opportunity for Isuzu's neighborhood residents, to whom we are always grateful, to learn about Isuzu's environmental activities and actual initiatives. When the event was held in October 2019, 46 people attended, and everyone commented that they understood Isuzu's initiatives well, making it a valuable opportunity for better communication with neighborhood residents.

* Activities for FY2022 were voluntarily suspended to prevent the spread of COVID-19.



A presentation on our environmental conservation activities

Quality



Quality

Basic Approach

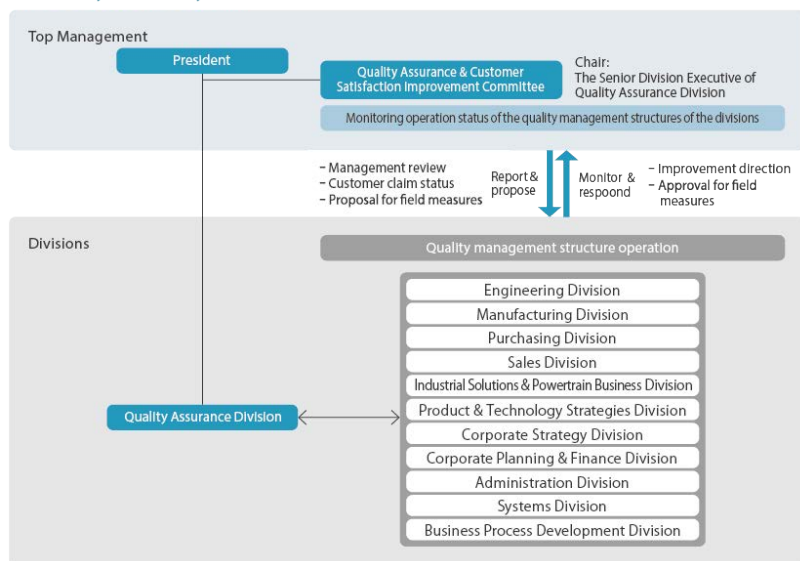
We gain the trust of our customers by providing products and services of high quality to our customers from various angles so as to be able to contribute to the solving of social issues toward the creation of a prosperous society.

Management Structure

Group-wide Quality Assurance System

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

Isuzu Quality Assurance System



Improving Quality within Isuzu Group

By giving priority to quality in everything, we create products that fully satisfy our customers and contribute to society, aiming to grow as a corporate group rich in humanity. To ensure the quality of Isuzu's products and services, it is important that we work carefully in each of the different stages of the value chain surrounding our products and services. We build readiness to assure quality in each of the different stages, including development, procurement, manufacturing and market launch, and manage the process accordingly. Through this, Isuzu ensures that its products and services fully satisfy customers. In the event that a customer has trouble with an Isuzu vehicle, we are organizationally ready to provide service and service parts to facilitate a quick recovery. Isuzu always seeks to ensure that customers can feel secure about using Isuzu's products every day, and is committed to building long-term relationships of trust with customers.

Isuzu's quality policy is to create and deliver products and services that satisfy its customers. Staying true to this policy, all companies in the Isuzu Group work together in quality improvement activities. This is based on our belief that we can deliver better products and services to our customers by improving the quality of business operations of all divisions, including back-office divisions. More specifically, we communicate our quality policy and share quality manuals throughout the Isuzu Group in an effort to improve the quality of our daily business operations.

Quality Management Structure (ISO 9001 and IATF 16949 certified)

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

Quality Activity Initiative Themes

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

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

Quality

Initiatives

Product Quality Improvement

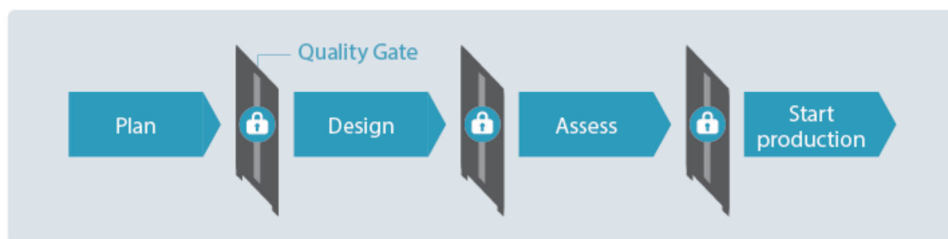
Basic Approach behind Product Quality Improvement

Isuzu's mission is to support *transportation*, as well as the environment people live in and the production activities of society. To achieve this, a number of activities have been undertaken to improve quality in every stage from product development and manufacturing up to market operation.

Initiatives at the Development Stage

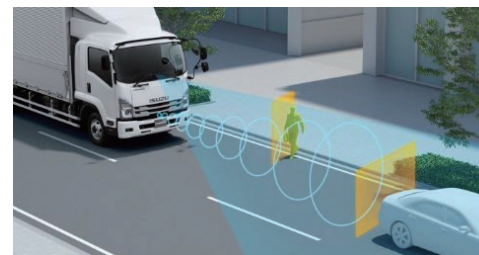
Our product development philosophy is to gain the trust of every person. This is supported by the basic concept of S.E.E. Technology, where S.E.E. stands for the three important issues of Safety, Economy, and the Environment. To acquire the high quality needed to underpin this philosophy, we set quality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

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



Safety Technologies

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



Pre-crash Braking
(Collision Avoidance Assist/Mitigation of Collision Damage)

When driving, millimeter-wave radar and cameras continuously detect and analyze the vehicles, pedestrians, bicycles, etc. in front of the vehicle, and if there is an increased risk of a collision, an alarm and brake control are triggered.



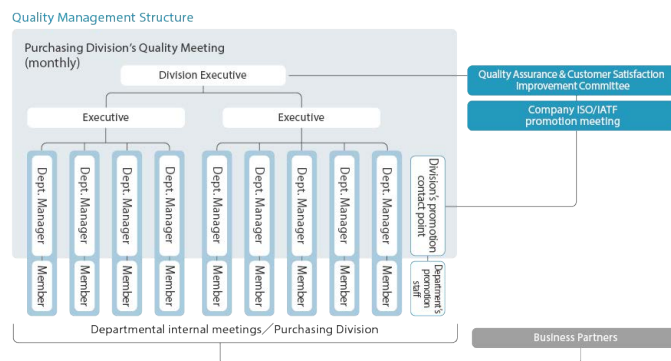
Lane Departure Warnings (LDWS)

The camera continuously monitors the driver's lane, and when lane departure is detected, the driver is alerted with an audible warning from the left and right speakers and a warning display on the multi-information screen.

Quality

Initiatives at the Procurement Stage

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



In Japan, we have a total of 675 business partners, about 90% of which are located in Japan. In terms of transaction amount, the procurement of vehicle and engine parts makes up about 80% of the total. To monitor the delivery quality and market quality of our business partners, we calculate a monthly evaluation score based on factors such as the number of defect occurrences, the number of defects, and the severity of defects. Business partners that do not meet a certain standard in their delivery quality evaluation scores are selected to be companies subject to management, and business partners that are close to becoming companies subject to management are selected as companies subject to observation. For these companies, we strive to improve delivery quality such as by holding quality meetings with them each month.

In FY2022, approximately 90% of our business partners satisfied the delivery quality evaluation score requirements. While no companies were selected as companies subject to management, some were chosen for observation, and improvement activities were carried out for these business partners in an effort to elevate quality. In addition, we conduct an on-site audit for some business partners at the time of the direct supply contract renewal assessment, implemented every three years, to verify their quality management structure operations. With new business partners, we conduct an on-site audit before starting our business relationship with them and evaluate the effectiveness of their quality management structures to see if they meet requirements for trading with us.

We are also making progress with creating a BCP/BCM system and carrying out measures to reconfirm our supply chain and minimize the time it takes to restart operations in the event of an emergency. By improving the speed of our initial response and cooperating with our business partners, we are working to facilitate rapid recovery and creating a system that minimizes the impact on Isuzu product sales.

Initiatives at the Manufacturing Stage

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

> Manufacturing Quality (Japanese Only)



Isuzu production line where IM has been introduced

Number of Employees Who Received the Training in FY2022

There were 656 participants in FY2022, with an average activity rate of 21 hours per participant (2-5 days/person).

(Reference)

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

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

* TPM (Total Productive Maintenance) means reviewing production equipment and improving it to streamline manufacturing.

In addition, in order to convey the above IM concept to UD Trucks Corporation, which joined the Isuzu Group in FY2022, a video introducing IM and a message from the Manufacturing Division Executive were shown at UD Trucks Corporation's Quality Month event.

Quality

Initiatives for Higher Field Quality

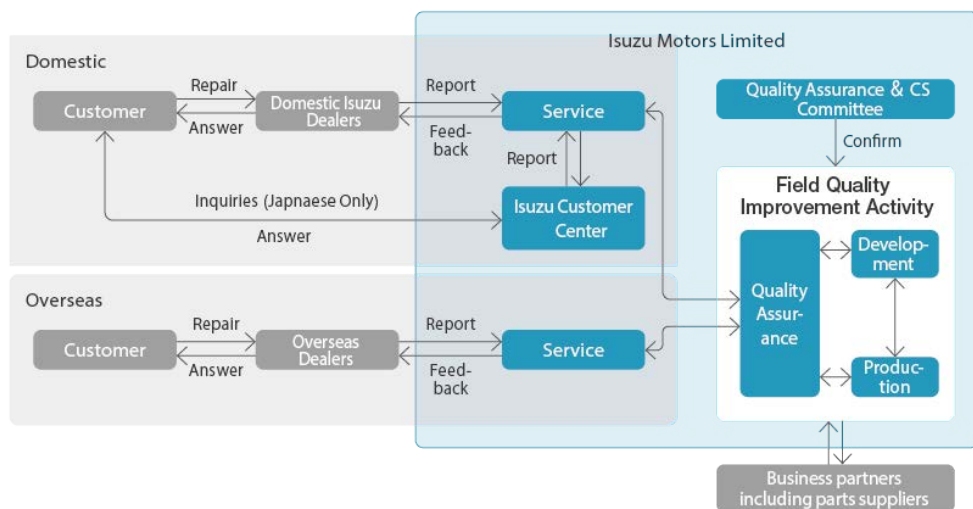
Isuzu strives to improve its field quality by paying close attention to customer opinions and analyzing and feeding them back to all quality-related processes to ensure that issues are addressed and improvements are made.

Initiatives toward Improved Field Quality

Taking advantage of the FQ management structure*, Isuzu collects quality information from markets then implements cause investigations and responds to issues promptly and accurately. Isuzu Customer Center (Japan) gathers customer opinions, warranty repair records, and improvement requests from sales dealers as field quality information to direct to our quality improvements. The collected information is used in our efforts to comply with regulations from various countries including domestic safety regulations for road vehicles, and to respond to them even more quickly. We also share information regarding the status of our response to field quality information and quality activities with top management and all employees on a monthly basis through our Quality Improvement Newsletter. Our Quality Improvement Newsletter features and shares quality activities such as the status of field quality improvement activities, the status of verification activities for initial quality of newly-launched vehicles in Japan, and the status of ISO/ATF activities. Through this, we seek to improve quality awareness throughout the entire Company.

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

Field Quality Improvement Activity (FQ Management Structure)



Initiatives for Recall Campaigns

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

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

Number of recalls and other notifications

	FY2020	FY2021	FY2022
Recalls	19	11	17
Improvement Measures	3	0	2
Service Campaigns	7	6	5

(Reference) UD Trucks recalls in FY2022: 14

> Recall Information (Japanese only)

Quality

Service Quality Improvement

Basic Approach behind Service Quality Improvement

Isuzu's mission is to support *transportation*, as well as people's living environments and the production activities of society. Consequently, it is important to ensure that our customers' vehicles keep working well and, if they don't, are quickly restored to working order. Isuzu provides standardized support both in Japan and overseas as part of its commitment to offering high-quality service. During the current COVID-19 pandemic, Isuzu's trucks have been playing an important role of supporting the availability of medical supplies and daily commodities. Isuzu is aware of its mission and social responsibility to, in any circumstances, unfailingly deliver the vehicles customers need and help them to keep running satisfactorily by providing after-sales service without delay.

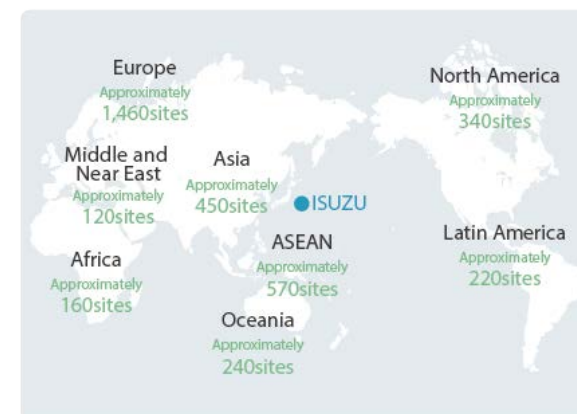
Thorough Service System

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

Domestic



Overseas



Parts Supply System

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

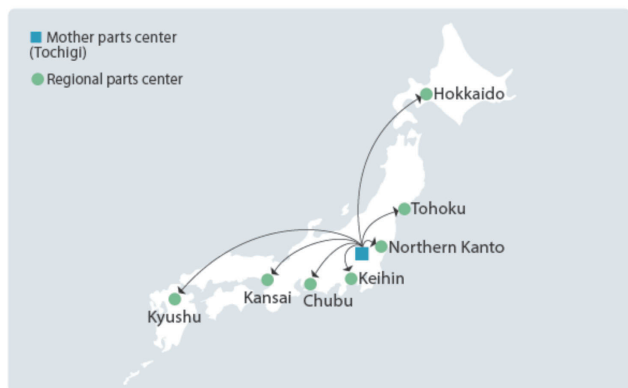


Isuzu Logistics Global Center commenced operations in April 2020

Quality

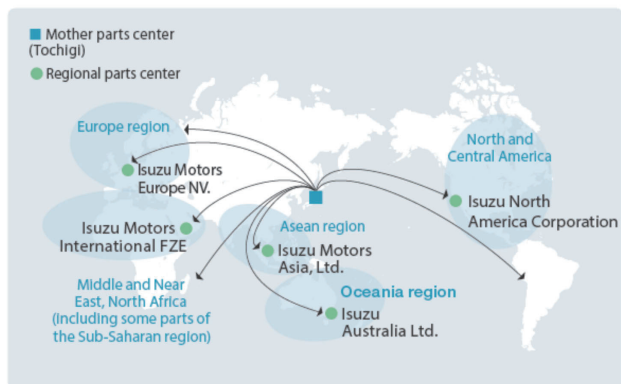
Domestic

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



Overseas

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



Improvement of Maintenance Engineering

Isuzu World Service Skills Competition (I-1GP)

The Isuzu World Service Skills Competition (I-1GP) gathers teams of servicing staff and engineers from different countries and regions across the world for competition in skills and knowledge to determine the world's best engineers. The international and interregional competition in skills and knowledge is aimed at improving service quality in their respective home fields so that Isuzu customers can enjoy the greatest satisfaction anytime, anywhere. Held since 2006.

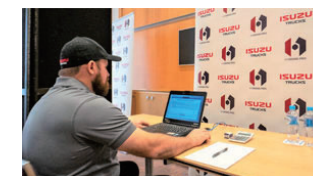
In FY2022, due to the global spread of COVID-19, it was concluded that it would be difficult to hold the competition as in previous years where finalists of the preliminary rounds were invited to Japan to participate in the final round of the competition. Consequently, an online service skills contest e-Competition was held for only the second time. The CV Division held a competition on November 24-26, 2021.

Usually, contestants are divided into Categories A and B depending on the level of gas emission regulations applicable to the vehicles they sell. In the FY2022 I-1GP, however, rather than being divided into categories, contestants competed in technical knowledge and virtual diagnosis of failure in their respective countries online, the same as last year. A total of 41 countries participated in the competition, including 3 countries making their first appearance in the I-1GP and 8 countries making their first appearance in the e-Competition.

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

Results of the 16th I-1GP

Group division: [1st] Japan, [2nd] Vietnam, [3rd] Indonesia
Individual division: [1st] Japan, [2nd] Vietnam, [3rd] Japan



Quality

National Service/Parts Skill Competition

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

* The event was scheduled to be held in FY2022, but was postponed to the following year due to COVID-19 infection.

Training Employees of Isuzu Dealers

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

In order not to stop training even in the midst of the pandemic, we are promoting remote training using web conferencing systems, etc., and in-house training at dealers, in addition to group training at the Isuzu Monozukuri Service Training Center.

FY2022 Results

	Number of Courses	Number of participants	Training Method
For service engineers	8 courses, 41 sessions	197	Group Training
	4 courses, 11 sessions	40	Remote Training
	3 courses, 41 sessions	351	In house Event
For service advisors	1 course, 1 session	23	Group Training
	8 courses, 31 sessions	259	Remote Training

Feedback from participants

- I was not good at electrical repairs, but after learning about electrical structure through the training, I am no longer bad at it at all. (Service Engineer, Dealer)
- I was able to learn about the mechanism and operation of parts that I used to replace without thinking about them, and I gained knowledge that I will be able to apply to my work in the future. (Service Engineer, Dealer)
- I am very happy that I was able to review my customer service skills through this training. I would like to continue to attend advanced training to further improve my skills. (Service Advisor, Dealer)

Maintenance Engineering Workshop in FY2022

27 sessions

Customer Support

Various Support Programs, including Fuel Efficiency and Safe Driving Seminars

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

Isuzu Customer Information

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

> [Customer Information \(FY2022\) \(Japanese only\)](#) 

Long Periods of Use

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

Quality

Isuzu Customer Center

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

Customer Testimonials

I have twin three-year-old sons; the other day we were driving past a service center and they cried because they wanted to go in. I was afraid the center would refuse, but when I called them to explain the situation, they said, 'It would be our pleasure to have you.' The branch manager gave us a tour and showed us the big trucks and the service plant, which the children enjoyed. We are very happy and grateful for your willingness to take time out of your busy schedule to accommodate us.

Isuzu Customer Center receives inquiries and comments not only from customers who use our trucks but also from local residents. In one instance, it received an appreciative e-mail for the amenable and warm behavior of the dealer staff. At the dealership's service center, engineers are enthusiastically engaged in inspection and maintenance to support customers' transportation needs on a daily basis and they appear very reliable. Isuzu Customer Center thanked the sender for the email and informed them that they had shared it with the dealer staff.

Actual Incoming Calls to the Isuzu Customer Center in FY2022



Intangible Support

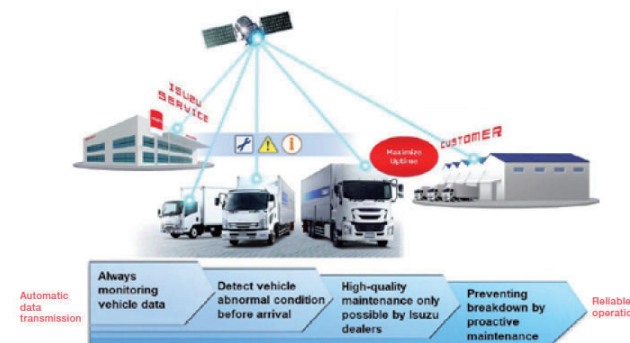
Mimamori (Telematics for Commercial Vehicles)

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

PREISM (Advanced Genuine Maintenance Service Utilizing Vehicle Data)

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

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



Quality

Operational Quality Improvement

Basic Approach behind Operational Quality Improvement

Isuzu's mission is to support *transportation*, as well as the environment people live in and the production activities of society. The quality of our products and services is derived from the work quality of each and every employee. Isuzu leverages efforts to raise awareness about quality and knowledge since we believe that enhancing the performance quality of each individual employee—and not just those divisions directly involved in product quality—creates the quality that meets customer needs.

Education for Raising Awareness and Knowledge among Employees

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

Discussions among Employees

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

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

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

Message for Quality Month FY2022

Theme : Deliver good work to customers through self-motivated improvement based on an awareness of working principles!

Target period : November to February. Target: All employees. Results: 6,946 employees participated (participation rate: 94%).

Reason for theme selection: In the rapidly changing technological innovation environment, a growing awareness of ESG and SDGs, and acceleration toward carbon neutrality, change and embracing challenges are required at Isuzu. Thus, it is important for each of us to always be aware of principles (fundamental rules, concepts, and systems) when we go about our work. Even as times change, we will maintain our principles while flexibly changing the basic rules to keep pace with an evolving situation and work to deliver good work to our customers using methods and rules that are appropriate for the times, thereby earning our customers' trust.

Additionally, at the Quality Month event of UD Trucks Corporation, which joined the Isuzu Group in FY2022, a video message on Isuzu's approach to operational quality from the Division Executive of the Quality Assurance Division was shown to UD Trucks employees.

Stationing Young Engineers at Dealers

For the purpose of developing the customer- and field-oriented mindsets necessary for product development, young engineers are stationed for half a year at five dealers nationwide for on-the-job training. By experiencing customer interaction on the frontlines of a distributor's operations, the young engineers directly listen to customers' feedback and empirically learn about the difficulties faced by customers as well as what makes customers happy. The lessons will be practically applied to product development.

* Following last year, the program was canceled in FY2022 to prevent the spread of COVID-19.

Quality

Quality Awareness Education for Isuzu Dealers

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

Number of Locations Where the Training Was Held in FY2022

22 place

Improving Knowledge (Knowledge-enhancing Program)

Isuzu provides legal and regulatory training and QC training programs to add to employees' knowledge of product quality. Legal education aims to provide employees with knowledge of the laws related to the quality of Isuzu products through training on the Road Transport Vehicle Act/Recall System. For QC training, we offer an entry-level QC course, a basic problem-solving course and a course for developing QC experts skilled in statistical analysis skills necessary for solving problems. The courses are aimed for employees to acquire problem-solving skills and practical skills for effectively encouraging quality improvement in the workplace.

Results

Road Transport Vehicle Act/recall system/QC training held*1 for new employees : 157 participants

Basic problem-solving skills training*1 : 226 participants

Expert training*2 : 21 participants

*1 Held online

*2 Held online. Instructor invited from outside.

Isuzu Technical High School

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

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

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

Competition Results

The 59th National Skills Competition, Dec. 17-20, 2021, at Tokyo Big Sight, Japan

Machine Assembly: 1 Bronze Award / 1 Honorable Mention

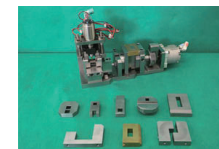
Lathe: 1 Bronze Award



Training and practical exercise at Isuzu Technical High School.



Practical machine assembly practical skill, winner of the Bronze Award and the Honorable Mention



Prize-winning machine assembly assignment



Bronze Award-winning lathe practical training



Award-winning lathe assignment

Respect for Employees



Respect for Employees

Basic Approach

We respect our employees, and put in place an environment where they can show their skills to the fullest and work safely and comfortably so that Isuzu and its employees can grow together.

Initiative Themes for Respecting Employees

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

1. Initiatives for a Diversity of Workstyles
2. Occupational health and safety (Including cooperating companies)
3. Utilization of Diverse Human Resources
4. Personnel Development
5. Improving Employee Satisfaction
6. Labor-Management Relations

Management Structure

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

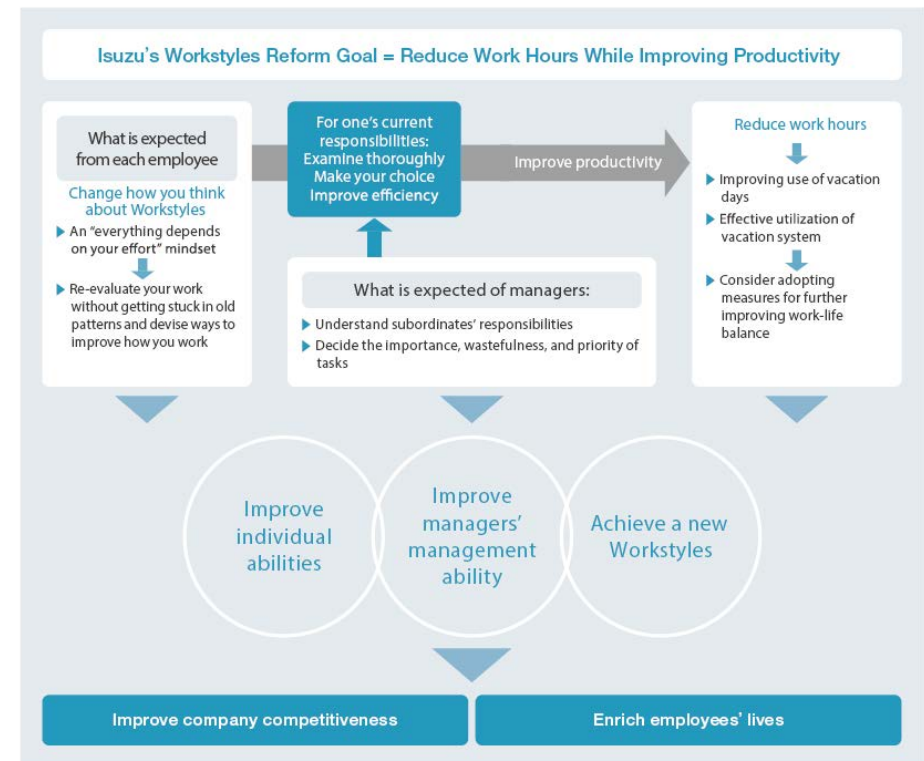
The Administrative Division Meeting is attended by the director in charge of the Administrative Division, the assistant director in charge of the Administrative Division, the executive director, and the heads of the Human Resources Planning Department, the General Affairs and Personnel Department, the Labor Relations Department, and the Legal Department.

Initiatives

Initiatives for a Diversity of Workstyles

Basic Approach Behind Workstyles Reform

The basic approach behind the Workstyles reform that Isuzu is aiming for is reducing work hours while improving productivity. To successfully implement Workstyles reforms throughout the Company, we convene Workstyles Reform Promotion Meetings once every three months. At Workstyles Reform Promotion Meetings, we discuss new plans and measures from the perspectives of job satisfaction and ease of working, and swiftly expand them across the company.

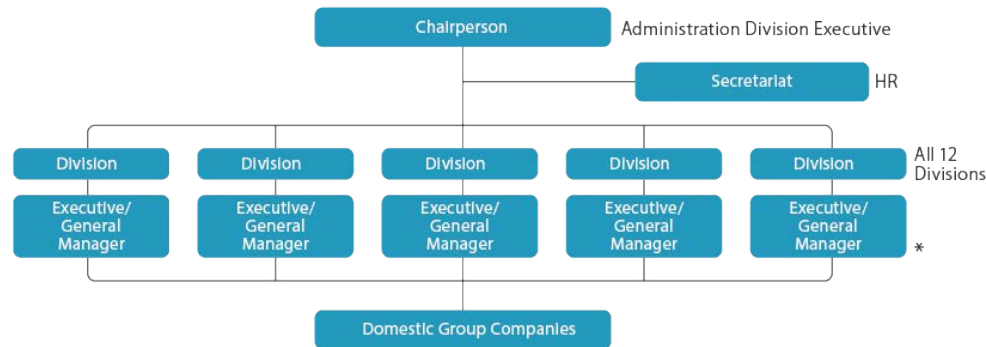


Respect for Employees

Workstyles Reform Promotion Meeting System

Members of the Workstyles Reform Promotion Meetings are executives (Associate Division Executives) of different divisions and representative department managers. Administration Division functions as a secretariat to organize the meetings. Isuzu Motors Labor Unions attends as an observer, which adds more effectiveness to the efforts while the opinions of representatives from employees are also taken into consideration.

Workstyles Reform Promotion Meeting System Diagram



* When an Executive (Associate Division Executive) or Department Manager member is absent, a substitute must attend

Workstyles Reform Promotion Meeting Activity Details

Promotion meetings held once every three months

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

Workstyles Reform Promotion Meetings Initiatives and Measures

Ease of working	Flexibility	Introduction of diverse forms of working <ul style="list-style-type: none"> • Telecommuting • Relaxing limits on frequency of half-day offs/ two-hour breaks • Satellite offices within business sites Consideration of diverse forms of working <ul style="list-style-type: none"> • Non-core flextime • Working remotely
	Reassurance	Enhancement of welfare benefit services Support for parenting/nursing care Support for life after retirement (DC pension)
Shift toward quality		Implementation of work reforms/system reforms <ul style="list-style-type: none"> • Shift toward streamlining/ leveling work • Start reforming mission-critical systems • Automation of routine tasks using RPA/AI

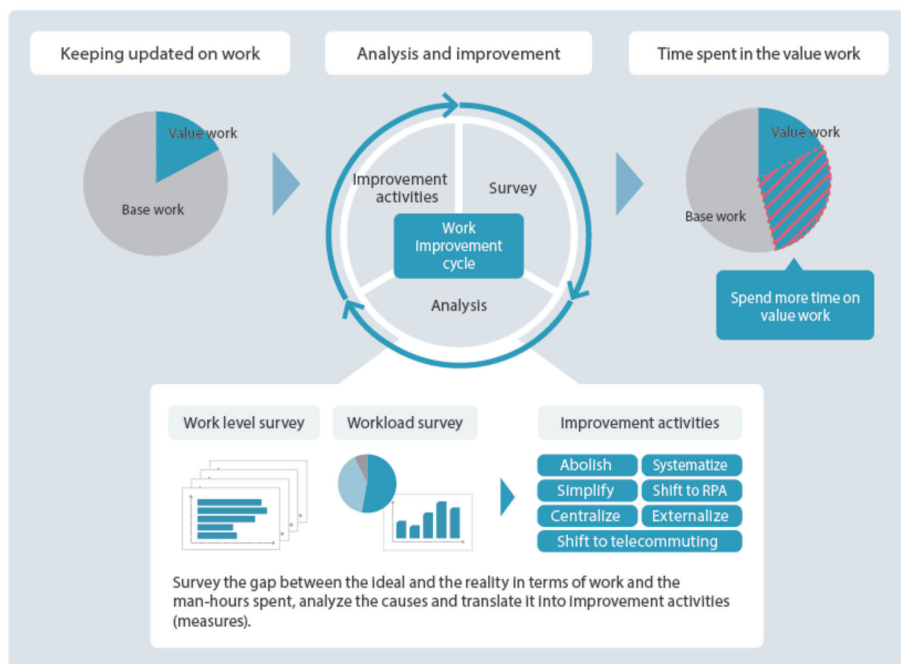
Respect for Employees

Efforts to Reduce Work Hours

Workstyles Reform Promotion Meetings analyze the base work*¹ of respective departments to automate and simplify it with the use of RPA and other means. The aim is more than just reducing work hours. We pursue improvements in productivity by appropriating the time saved by automation and simplification to the value work*².

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

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



Occupational health and safety

Basic Approach behind Occupational health and safety

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

Isuzu Health and Safety Philosophy

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

Our Policy for Safety and Health Activities

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

Respect for Employees

Occupational health and safety System

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

Safety Control Systems at Our Domestic Sites



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

Expand Experience-based Safety Training

Each workplace has a safety training center for employees to simulate disasters in relation to Isuzu's safety principles. Site workers simulate disasters at least once a year so that each one of them grows more sensitive to hazards. To prevent occupational accidents resulting from human error, we have introduced virtual safety training, a new approach to deepening employees' awareness about safety. Our hope is that virtual safety training will make it possible to check unsafe behavior that has remained undetected with tangible measures alone.



Hazard experience education using VR



An external instructor provides training through virtual experience of hazards

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

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



Respect for Employees

Improving the Workplace Environment (2) Use of Drones to Minimize the Risks of Falls That May Result from Work in High Places

Inspecting a roof using human workers entails difficulty with frequent inspection and the hazards typical of work in high places. This led Isuzu to introduce drone-based roof inspections. Use of drones saves workers from having to climb up onto the rooftop, which adds to their safety and also makes it possible to increase the frequency of inspection and obtain more detailed images. As a consequence, it also helps to streamline work. In the future, drones will also be used inspection of red-hot parts of metal furnace chimneys by infrared camera and to more accurately gather information in the event of a disaster.



Revamped Work Uniforms to Enhance Safety/Functionality and Environmental Friendliness

Incorporating the diverse needs of employees, we have reintroduced work uniforms for the first time in 30 years to improve work safety and comfort and create an attractive and comfortable work environment that is multifunctional and in line with the times. For this reintroduction, trials were conducted with approximately 400 employees in the Engineering Division and Manufacturing Division to collect feedback from female employees, identify any dissatisfaction with the uniform (burden during arm swiveling, bending, and leg opening exercises, etc.), and gather objective empirical data such as motion analysis and ventilation tests using a thermal imaging camera. In consideration of the environment, we recycle the work clothes after use and transform them into automobile interiors. The design is in indigo, a traditional Japanese color, and red, Isuzu's corporate color, to express Isuzu's history. Distribution of the uniforms to workplaces in the plant area will begin in August 2022, and Isuzu plans to extend the program to Isuzu Group companies in the future.

Effects of the Reintroduction of a Uniform on Work Clothing Issues

Category	Addressing issues	Current work clothes	After the reintroduction of uniforms
Work safety	Improved ease of movement Improved workability	Clothes have a tugging sensation (43.8 gf / cm ²) *1	Stiffness and feeling of stickiness are greatly improved by greater elasticity (19.4 gf / cm ²) *1
	Reduction of fire risk	-	Antistatic function (equivalent to JIS standard) Reduces the risk of fire due to static electricity
	Prevention of heat by improving ventilation	Equivalent to standard shirts (Ventilation : 10 cc) *2	Equivalent to Cool Biz products (Ventilation rate : 78 cc) *2
Comfort	Meeting workplace needs	 <ul style="list-style-type: none"> Tightness in sleeve and crotch areas, pressure when bending Sweat makes work clothes sticky 	 <ul style="list-style-type: none"> High elasticity relieves stress on the body Improved breathability to maintain coolness and prevent heat stroke
	Environmental preservation	Waste reduction	Disposal as general waste
			Recycled into automobile interior parts (Waste reduction effect of 4.4 tons/year)

*1 gf/ cm²: degree of weighted load per cm²

*2cc: Degree of moisture volatilization when work clothes are subjected to wind

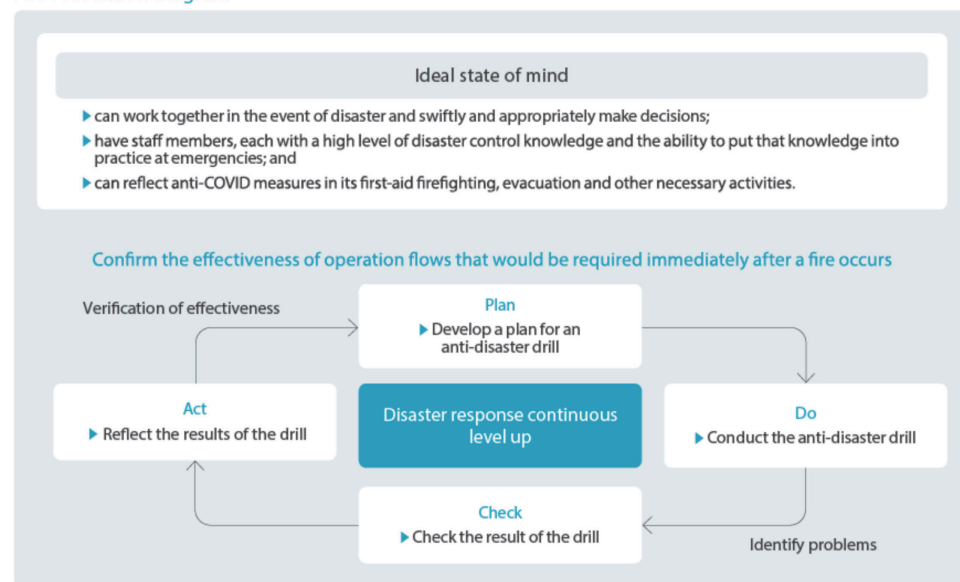
Respect for Employees

Anti-disaster and BCM Drills

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

For newly adopted chemicals subject to risk assessment, the Health and Safety Department conducts a risk assessment before use. At that time, the Health and Safety Department approves the use of the chemical after confirming the usage method, environment, and availability of protective equipment.

Fire Prevention Diagram



Maintaining and Promoting Employees' Health

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

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



A Healthy Menu item

Anti-COVID Measures

Against the spread of COVID-19, Isuzu adds anti-COVID equipment to its offices and factories, implements awareness-raising activities and work to prevent infection. If someone has been infected, we would take quick measures and meticulously address the individual's situation in a thorough effort to prevent the spread of infection. After the infected person completes their medical treatment, an industrial physician conducts a return-to-work interview, consults on aftereffects and offers other support so that the individual can return to the workplace with peace of mind. Additionally, we have been strengthening support for the vaccination of employees, their families, and local residents with the new coronavirus vaccine by holding inoculation programs in workplaces and providing vaccination sites.

Respect for Employees

Infectious Disease Control at Isuzu Motors South Africa (IMSAf)

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

COVID-19

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



IMSAf employees who received the vaccine



IMSAf site manager and local government officials during hospital renovations

HIV/AIDS

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

ISUZU MOTORS SOUTH AFRICA
INTERNAL COMMUNICATION

Contact Name:	Ida Blandford
Contact No:	041 403 2883
Date:	30 November 2021
Subject:	World AIDS Day
Objective:	To raise awareness on World AIDS Day
User Group:	All employees

MESSAGE

The theme for World AIDS Day this year is “End Inequalities. End AIDS. End Pandemics.” This World AIDS Day highlights the urgent need to end the inequalities that drive AIDS and other pandemics around the world.

Without bold action against inequalities, the world risks missing the targets to end AIDS by 2030, as well as a prolonged COVID-19 pandemic and a spiraling social and economic crisis.

Forty years since the first AIDS cases were reported, HIV still threatens the world. Today, the world is off-track from delivering on the shared commitment to end AIDS by 2030, not because of a lack of knowledge or tools to beat AIDS, but because of structural inequalities that obstruct proven solutions to HIV prevention and treatment.

Please make time tomorrow to remember not only those that we have lost, the infected and the affected, but also to assist in **ending inequalities.**

Together we can make a difference!

*Isuzu Cares,
I Care Too.*



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

Push Forward with Mental Health-related Measures

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

* Assistance by external experts

Respect for Employees

Helping Employees Who Have Been Ill to Return to Work

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

Efforts for Employees to Stay Healthy

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

(No. of people)

Priority Issues	FY2020	FY2021	FY2022
Examinees of Specific healthcare guidance	839	1,003	1,677
Examinees of comprehensive checkup	5,814	4,821	4,194
Mental health counseling users	64	86	100
Users of round-the-clock telephone health consultation	115	99	101
Participants in recreation and sports events*	2,301	-	-
Visiting the elderly to provide guidance*	11	7	-
Participants in health seminars*	132	1	-
Participants in Prevention of lifestyle-related diseases, gargle/hand-wash recommendation campaign, walking challenge, etc.	1,864	2,030	1,375
Users of training areas*	2,470	-	-
Examinees of Gynecological exam	1,360	1,373	1,399

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

Main Health Issues Recognized

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

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

Respect for Employees

Utilization of Diverse Human Resources

Promoting a Healthy Work-life Balance

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

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

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

Working Remotely

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

Promoting Opportunities for Women

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

Action Plan for Promoting Opportunities for Female Employees

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

- By the end of March 2024, make the number of female in senior managers twice as large as it was in FY2015 when the target number of female managers was set.

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

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



Respect for Employees

Diversity and Inclusion

Isuzu, Volvo Group, and UD Trucks have formed VOIS, a social network with the goal of promoting diversity and inclusion (D&I) through a three-company collaboration. The initiative provides leadership, coaching, and opportunities to share best practices from the three companies' activities to raise awareness of D&I and make a positive difference in the career advancement of employees. In May, a web conference dialogue between the presidents of both companies and an employee panel was shown as part of a discussion event attended (online or in-person) by 2,766 employees in Japan and overseas. We will continue to promote D&I through various activities.



Employee panel discussion

Promoting the Role of Post-retirement Employees

Isuzu has established a system to reinstate retirees so that people over 60 can continue working with us. Currently, about 770 retirees are reemployed at Isuzu.

Employment of Non-Japanese Personnel

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

Local Employment

The Isuzu Group's basic recruitment policy is to hire locals. We actively employ locally in the countries and regions in which we operate. Our overseas Group companies employ 15,572 people, mainly locally hired workers.

Encouraging Employment of People with Disabilities

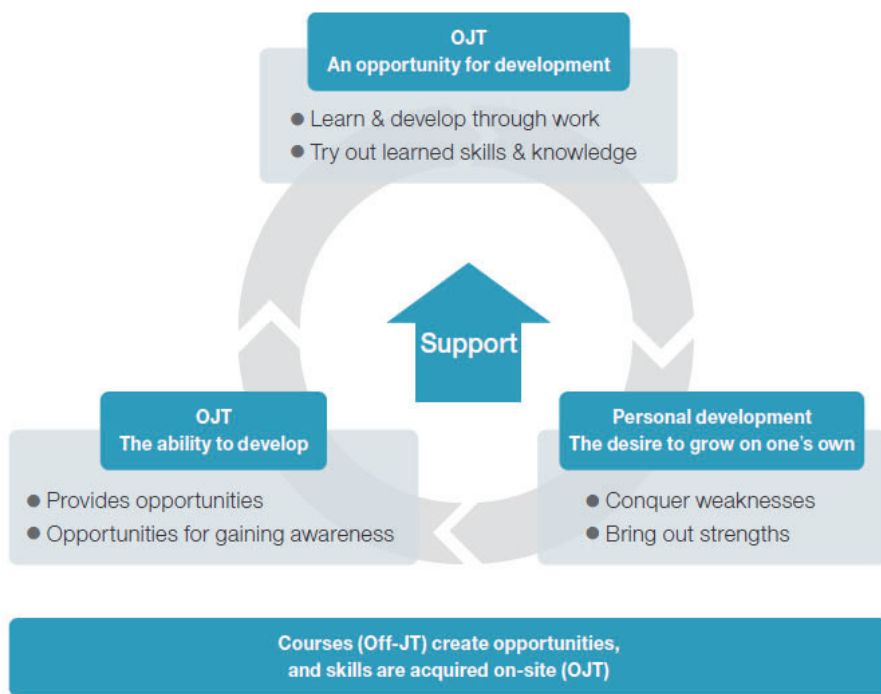
To help build a society where people with and without disabilities can support each other and live prosperous lives, we are actively hiring not only new graduates but also mid-career workers to employ people with disabilities. Isuzu also assigns employees with disabilities not only to administrative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

Respect for Employees

Personnel Development

Basic Approach behind Personnel Development

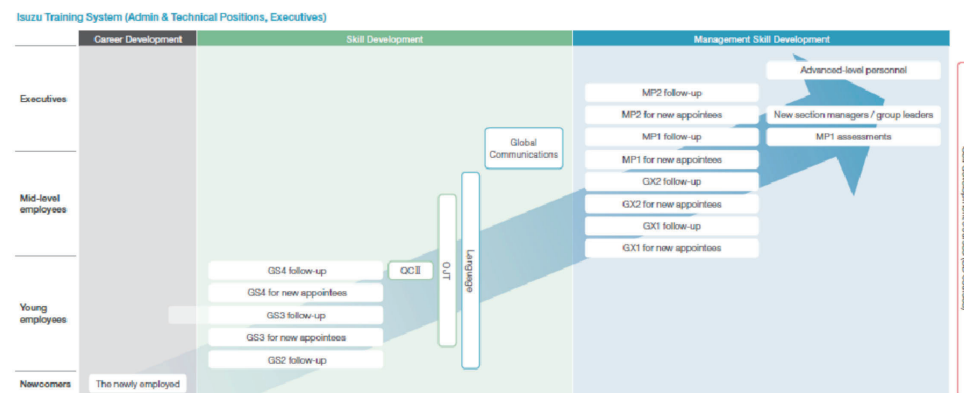
Isuzu considers that the core of human resources development is on-the-job training in which employees learn in their workplace. Off-the-job training consists of courses away from the workplace and is a way for employees to pick up skills their company needs and to identify the direction in which they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



Education/Training Scheme

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

Admin & Technical Positions, Executives



Respect for Employees

Technical Staff

Isuzu Technical Staff Training Programs

Technical staff training programs by skill level								
TS1 program	TS2 program	TS3 program	TS4 program	TX1 program	TX2 program	TX3 program	TX4 program	
			TS4 program Follow-up	TX1 program Follow-up	TX2 program Follow-up	TX3 program Follow-up	TX4 program Follow-up	
						Manager training program (MTP)		
						LM training program for new appointees		
						LM external training program		
						TL training programs 1 and 2 for new appointees		
						TL external training program and hands-on problem solving		
						TWI-JI trainer development seminar		
						TWI-JI trainer advanced seminar		
						TWI-JS trainer development seminar		
						Employee assignment training program		
Basic skill training for technical staff								
	TS2 IM/TPM training program	TS3/4 IM/TPM training program				LM/TL/IM training program		
Technical skill training programs for technical staff / administrative staff / skilled staff								
			Tightening skills					
	Measuring skills							
		Advanced measuring skills						
		Mechanical components		Sequencer				
		Hydraulic/atmospheric pressure		Advanced electricity I				
		Basic electricity		Advanced electricity II				
		Basic welding skills		Plating skills				
		Finishing skills		Machining skills				
		ENG assembly skills Assembly & disassembly		ENG assembly skills CESS & materials tabto				
		T/M assembly skills		F/D assembly skills				

* Employees must take graded training programs in () background color in order to be eligible for skill based promotion/career advancement.



Isuzu Technical High School

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

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



Training and practical training at Isuzu Technical High School

Skills Transmission and Development

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

Initiatives by Division

Manufacturing Division

1. Each workplace undertakes training activities to pass on the special skills that are advanced and require significant experience. In addition, the Manufacturing Division as a whole provides systematic training to pass on skills.
* Graded training for technical staff: New employee, young, mid-career, supervisor, etc.
2. Isuzu workers enter the annual National Skills Competition with the aim of acquiring the highest skills in Japan, and have won higher prizes for successive years.

FY2020

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

FY2021

Silver Prize: Machine assembly (1 person)
Bronze Prize: Automobile sheet metal work (1 person)
Honorable Mention: Automobile sheet metal work (1 person) and machine assembly (1 person)

FY2022

Bronze Prize: Machine assembly (1 person), lathe (1 person)
Honorable Mention: Machine assembly (1 person)

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

Engineering Division

1. Every year we prepare career plans with career goals shared among superiors and subordinates, and implement training courses with varying curricula and OJT for employees to acquire skills according to their job level.
2. Isuzu provides advanced skills training at the Isuzu Monozukuri Service Training Center and in collaboration with external training institutions such as polytechnic centers.
3. Isuzu has established its own accreditation system for test vehicle driving with the aim of improving employees' driving skills.

Respect for Employees

HR Performance Evaluation System

Personnel Development/Deployment Cycle

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

Fair Evaluation and Treatment

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

Career Development Support

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

Improving Employee Satisfaction

Basic Approach behind Improving Employee Satisfaction

Isuzu works intensely to improve employee satisfaction (ES) because we consider it to be a management issue in terms of CSR and human resource development. The ES survey is conducted periodically (every other year) to monitor changes in the satisfaction levels of Isuzu employees by analyzing fixed point observations. It has been conducted eight 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 the future.

Welfare Benefit System

Corporate Pension System

At Isuzu, the Isuzu Motors Corporate Pension Fund, a defined-benefit-type corporate pension system, is in effect. This system provides coverage by the Company according to a reserve fund for the purpose of supplementing public pension plans, with no contribution burdens placed on employees. A defined-contribution-type pension system is also in operation, providing employees with systems that allow them to live rich, fulfilling lives after retirement.

Elective (Optional) Corporate Defined-contribution Pension

- No. of members: 1,781 (as of the end of March 2022)
- Enrollment rate: 20.8% (target group of 8,562 employees)
- Contributions in FY2022: 235,485,500 yen

Employee Stock Ownership System

The employee stock ownership association is a welfare benefit system that allows employees to regularly acquire shares in the companies where they work as part of asset formation. Investments are deducted directly from salaries and bonuses, and the association serves as the contact point for acquiring company shares. Incentives are given by the companies according to the contribution amount.

- No. of members: 2,695 (including loan employees; as of the end of March 2022)

Respect for Employees

Labor-management Relations

Basic Approach behind Labor-management Relations

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

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

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

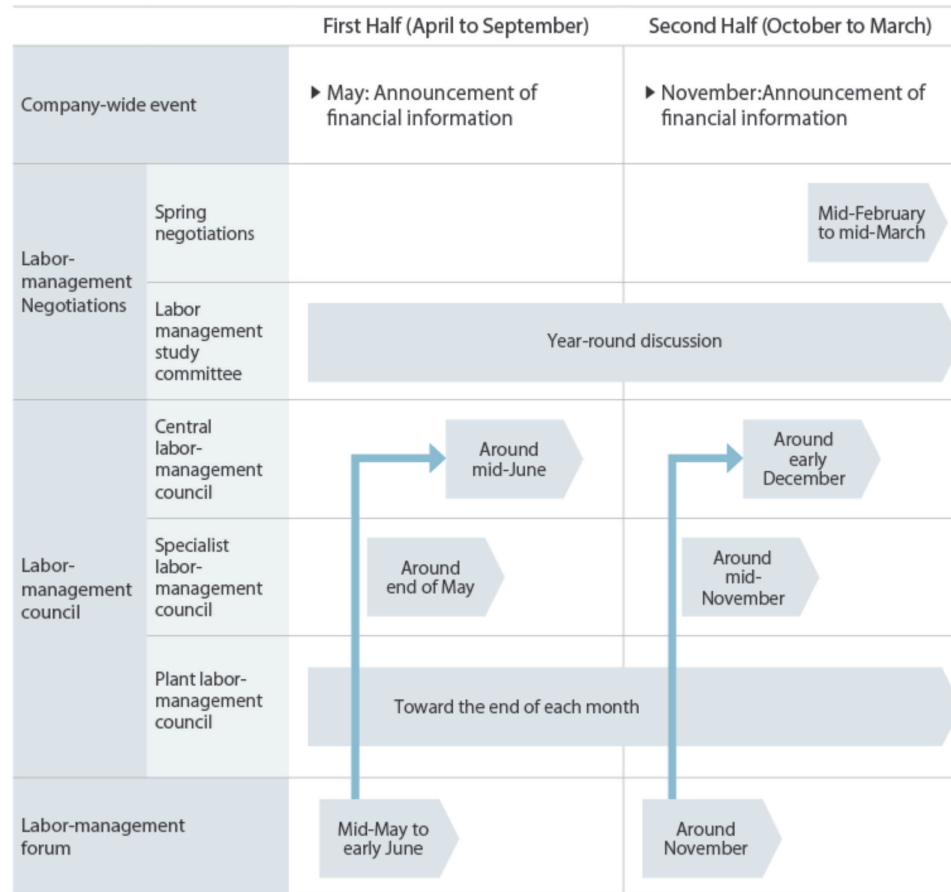
Major Labor-management Forums in Practice

Content of the Major Labor-management Forums

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

Respect for Employees

Annual Schedule for Major Labor-management Negotiations and Council Meetings



Human Rights



Human Rights

Isuzu Group Human Rights Policy

On February 25, 2022, the Board of Directors approved and established the Isuzu Group Human Rights Policy (hereinafter referred to as the Policy).

This policy complies with the United Nations Guiding Principles on Business and Human Rights and reiterates Isuzu's commitment to contribute to the realization of a sustainable society by promoting business activities that respect human rights as part of its corporate social responsibility amid expectations that the international community will foster a corporate culture of respect for human rights and make efforts across all business activities.

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

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

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

Management Structure

Amid expectations for fostering a corporate culture of respect for human rights and for initiatives in all aspects of business activities the Isuzu Group is promoting business activities that respect human rights as part of its corporate social responsibility. Human rights issues are deliberated upon by the Sustainability Committee, which is chaired by the Executive Vice President and consists of the officers in charge of each divisions and other members of management, and important issues are reported to the Management Meeting and the Board of Directors.

Initiatives

Education and Awareness-raising Activities for Respecting Human Rights

To raise awareness of the importance of respect for human rights, our training program for new employees involves the use of a compliance guidebook to teach them about human rights. In conjunction with the formulation of the Policy, we have also delivered human rights education on the theme of Business and Human Rights for our employees to deepen their understanding of respecting human rights in corporate activities. Moreover, Isuzu raises its people's awareness about human rights by communicating the practices relevant to the topics of the time. We will continue to provide human rights education to our employees.

Initiatives for Labor Issues

Living Wage Support

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

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

Risk Assessment for Labor Issues

Risks are identified in areas such as labor problems, discrimination, harassment, mental health, and management failures caused by differences in values and are evaluated quarterly to determine whether they have arisen and assess countermeasures to prevent risks and minimize their impact when they do arise.

In particular, our efforts to date regarding overseas technical intern trainees working in environments with different cultures and languages have been recognized, and in April 2022 we received certification as an excellent training provider. We will continue to eliminate human rights risks that could lead to forced labor while striving to create and maintain a more comfortable work environment and a support system in cooperation with supervisory bodies.

Human Rights

Assessing the Impact of Human Rights

We used the CSR Procurement Self-Assessment Questionnaire issued by the Global Compact Network Japan to confirm whether our supply chain has adopted human rights initiatives. We will continue to identify human rights risks in our supply chain and take preventive and mitigating measures through the implementation of human rights due diligence.

Black Economic Empowerment Policy Initiatives at Isuzu Motors South Africa

The Isuzu Group believes in employing local workers and actively recruits locally in the countries and regions in which it operates.

Isuzu Motors South Africa (IMSAf), which produces and sells commercial vehicles, buses, and LCVs for South Africa and neighboring countries, does not only promote employment in the region but is also actively working to support South Africa's Broad-Based Black Economic Empowerment (B-BBEE) policy.

Of IMSAf managers, 39% are HDSA*, of which 9% will be promoted in 2022. We also hired 16% more new HDSA.

IMSAf achieved Level 1 on the B-BBEE Scorecard for the third consecutive year. It remains the only commercial vehicle manufacturer to achieve Level 1 and was awarded the highest score ever given.

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

> [B-BBEE Scorecard](#) 

Supply Chain Management



Supply Chain Management

Basic Approach

We share our corporate vision of Isuzu will always mean the best. A leader in *transportation*, commercial vehicles and diesel engines, supporting our customers and respecting the environment with our business partners and cooperate with them while engaging in procurement activities. We conduct open and fair transactions and maintain mutual communication with the various business partners involved in our supply chain to build relationships based on trust.

Basic Approach behind Procurement Activities

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

Many of the parts and other items used in Isuzu's products are purchased from external business partners. The occurrence of a quality problem in a purchased product may cause significant inconvenience to customers using our products. Preventing such problems requires us to consistently secure good items. So Isuzu builds a system for assuring the quality of purchased products while forging relationships of trust with our business partners. Going forward, Isuzu will continue its quality improvement activities with its business partners and strive to strengthen its supply chain. In addition, Isuzu established Purchasing Basic Vision and Purchasing Basic Policy in 1997 to show the basic direction of its procurement activities and maintain their consistency. Our Purchasing Basic Vision and Purchasing Basic Policy are thoroughly communicated to new recruits and, through introductory training, to transferees from outside the Purchasing Division.

Basic Purchasing Vision

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

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

Basic Purchasing Policy

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

Purchasing Slogan

OPEN (Optimum Procurement to Embody the Needs)

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

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

* The name "OPEN" also indicates transparency of procurement



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

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

Explanation about our Purchasing Basic Vision and Purchasing Basic Policy was added to the introductory training for transferees to the Purchasing Division in FY2022. In this way, all employees of the division are thoroughly educated on the Basic Vision and Policy.

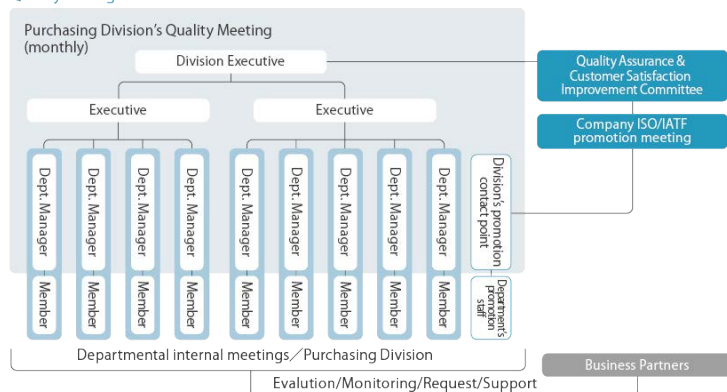
In addition, a seminar on the Act Against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and the Guidelines for Appropriate Trade in the Automobile Industry is held in an effort to encourage understanding about and compliance with the Act and the Guidelines which members of the Purchasing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

Supply Chain Management

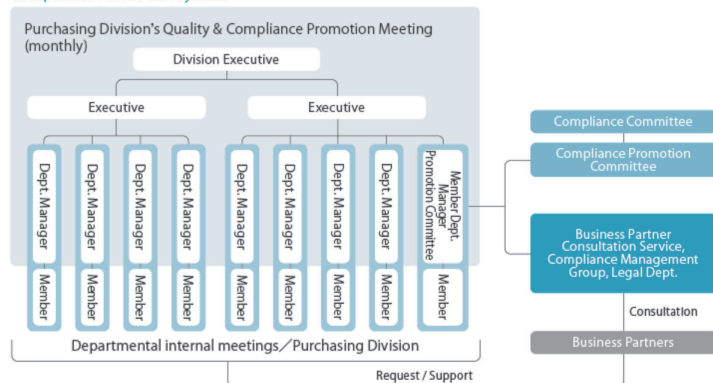
Management Structure

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

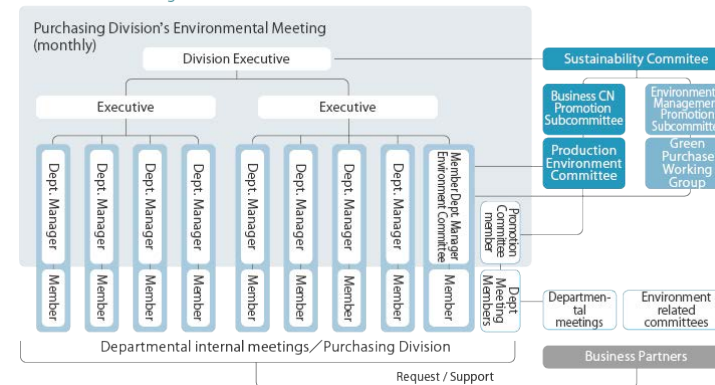
Quality Management Structure



Compliance Promotion System



Environmental Management Structure



Implementation of Departmental Education

New employees and other employees newly assigned to the Purchasing Division receive introductory training on compliance and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. All division members are provided with e-learning on sustainability and business and human rights seminar.

Business Partner Consultation Service

We maintain a Business Partner Consultation Service in our Legal Department's Compliance Management Group. It offers impartial consultations to our business partners. We are available for consultation from Business Partners regarding compliance issues.

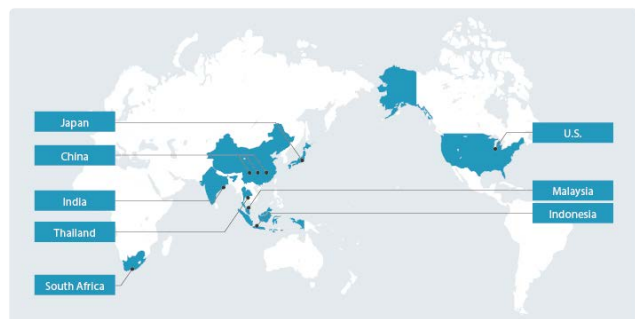
Supply Chain Management

Initiatives

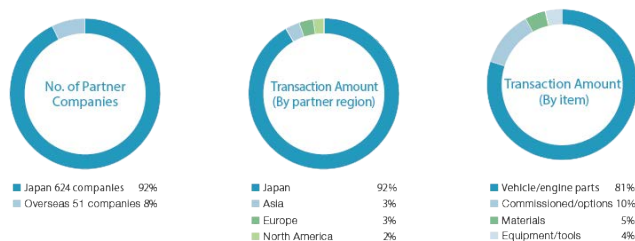
Isuzu Supply Chain

Isuzu chooses its Business Partners according to a fair and equitable selection process regardless of whether they are based in Japan or overseas. In our procurement activities, we pursue win-win relationships with our business partners and apply the same activities to our global supply bases to enhance our corporate competitiveness. Isuzu Group companies in Japan have a total of 675 domestic and overseas business partners. About 90% of these partners are based in Japan. In terms of transaction amount, the procurement of vehicle and engine parts makes up about 80% of the total.

Main Global Supply Hubs



Transactions in Japan



Regional Development and Job Creation

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

Various Guidelines for Business Partners

Isuzu Supplier CSR Guidelines

Isuzu has established the Isuzu Supplier CSR Guidelines, which summarize our requests to our business partners regarding issues such as our CSR activities, corporate vision and Purchasing Basic Vision. These guidelines are based on the Supplier CSR Guidelines issued by Japan Automobile Manufacturers Association, Inc. and the CSR Guidebook by the Japan Auto Parts Industries Association. (Last revised in March 2018) In March 2018, we added a section on conflict minerals.

* Conflict minerals: Minerals mined in and around the Democratic Republic of the Congo (cassiterite, wolframite, coltan, and gold ore), which are used to finance militant forces

Overview of Isuzu Supplier CSR Guidelines

1) Safety and Quality

- (1) Supply of products and services to meet consumer and customer needs
- (2) Supply of appropriate information related to products and services
- (3) Assurance of safety regarding products and services
- (4) Assurance of quality regarding products and services



2) Human Rights and Labor

- (1) Elimination of discrimination
- (2) Respect for human rights
- (3) Prohibition of child labor
- (4) Prohibition of forced or compulsory labor
- (5) Handling of conflict minerals
- (6) Wages
- (7) Working hours
- (8) Conversations and discussions with employees
- (9) Safe and healthy working environments



3) Environment

- (1) Environmental management
- (2) Reduction of greenhouse gas emissions
- (3) Prevention of air, water, land, and other types of environmental pollution
- (4) Resource conservation and waste reduction
- (5) Chemical substance management



4) Compliance

- (1) Legal compliance
- (2) Compliance with competition laws
- (3) Prevention of corruption
- (4) Management and protection of confidential information
- (5) Export transaction control
- (6) Protection of intellectual properties



5) Information Disclosure

- (1) Disclosure of information to stakeholders



6) Social Contributions

- (1) Harmony with local communities



> [Isuzu Supplier CSR Guidelines](#)

Supply Chain Management

Isuzu Green Procurement Guideline

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

> Isuzu Green Procurement Guideline 

Communication with Business Partners

Isuzu is strengthening communication with its business partners through briefings and meetings. Today, meeting each other face to face is difficult due to COVID-19. We try to maintain communication by sending information with the use of web tools and the distribution of documents. Also, we try to remain respectful in communicating with our business partners. We believe that interactive communication built on mutual trust with our business partners will strengthen our supply chain.

Main Opportunities for Communication with Business Partners

- ▶ Procurement policy briefing
- ▶ Production briefing
- ▶ Quality policy briefing
- ▶ Isuzu Kyowakai*

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

Deployment of ISUZU Supplier CSR Guidelines and ISUZU Green Procurement Guideline

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

Monitoring the Efforts of Our Business Partners

Quality

To monitor the delivery quality and market quality of our business partners, we calculate a monthly evaluation score based on factors such as the number of defect occurrences, the number of defects, and the severity of defects. If a business partner fails to meet a certain standard of quality in its delivery, it is categorized into a company subject to management. A business partner that is close to becoming a company subject to management is considered as a company subject to observation. We strive to improve delivery quality through efforts such as holding monthly quality meetings. In FY2022, the quality of the deliveries improved and approximately 90% of our business partners attained the standard score of delivery quality evaluation. None of the business partners was determined to be a company subject to management by failing to attain a certain standard of quality evaluation. However, some fell within the definition of a company subject to observation. We joined these business partners in their improvement activities and encouraged them to strive for better quality. In addition, we conduct an on-site audit of certain business partners when they undergo a triennial assessment for the renewal of a direct supply contract, to keep updated on their quality management structure operations. We conduct an on-site audit of our new business partners before starting business relationships with them and evaluate the effectiveness of their quality management structures to see if they meet requirements for trading with us.

BCP

Regarding crisis management, it is difficult to monitor crisis management monthly, so management issues are only noticed after an environmental accident or disaster has occurred. Therefore, Isuzu recognizes that it is vital to understand in advance the magnitude of the risks that our business partners are facing and to encourage activities that can eliminate/avoid/reduce the frequency of risks as necessary. Specifically, we regularly conduct crisis management surveys of our business partners. For those business partners that we have identified as high-risk, we check their production sites and offer advice for improvements. Additionally, the company conducts educational activities on holding a large inventory of finished products and parts and on preparedness for natural disasters. We are also promoting the establishment of a BCP/BCM system to verify the supply chain and minimize the disruption of operations in the event of a disaster. In the event of a disaster or other calamity, we will compose an initial response, cooperate with our business partners to achieve a quick recovery, and establish a system to minimize the impact on the sale of Isuzu products.

Supply Chain Management

Environment

Isuzu requests that its business partners report their activities related to the promotion of environmental management structures through the Voluntary Assessment Report on Environmental Management. For the Voluntary Assessment Report on Environmental Management for FY2022, we asked 364 business partners to conduct voluntary assessments. The evaluation results showed a record-high response rate, as in the previous year, and a record-high average score. We confirmed that the number of business partners engaged in these activities is increasing. Regarding improvements, the number of examples of energy-saving activities and reduction of water consumption increased, and the number of business partners engaged in the acquisition of environmental management structure certification, waste reduction activities, and management and reduction of environmentally hazardous substances also increased, confirming that awareness of environmental activities among our Business Partners has grown. Isuzu recognizes that promoting environmental activities is vital for strengthening its supply chain and will continue to bolster these activities in the future.

Main voluntary environmental assessment items

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

Human Rights

Since FY2022, we have been asking our business partners to answer the CSR Procurement Self-Assessment Questionnaire issued by the Global Compact Network Japan to confirm the status of their sustainability initiatives, including the use of conflict minerals and human rights initiatives. In FY2022, we asked about 300 major business partners to complete the survey and received responses from about 95% of them.

Environment Activity Seminars

In FY2022, we also held carbon neutral seminars and carbon neutral workshops for our business partners to improve environmental initiatives across the entire supply chain. Based on the results of these seminars and workshops, we will continue to visit our business partners and hold environmental seminars to boost environmental initiatives across our supply chain.

Human Rights Seminars

To promote human rights due diligence initiatives in our business partners' supply chains, we held an online seminar on business and human rights with external experts. In FY2023, we will raise the level of our efforts and further promote understanding of human rights issues among our business partners. Additionally, we will revise the Isuzu Supplier CSR Guidelines in response to the formulation of the Isuzu Human Rights Policy and promote further commitment by our business partners.

Handling of Conflict Minerals

Isuzu considers the use of conflict minerals to be a serious problem in the supply chain as these minerals cause human rights infringements, environmental destruction, and illegal mining in conflict zones, and are used to finance militant forces. Isuzu Supplier CSR Guidelines require that conflict minerals not be used. In FY2022, we launched a survey on the use of conflict minerals in our business partners' supply chains and the status of their initiatives for responsible mineral sourcing. We will continue to request our Business Partners and urge them to discontinue the use of conflict minerals.

Contributions to Local Communities and Society



Contributions to Local Communities and Society

Basic Approach

Isuzu's basic policy is to respect national and regional cultures, participate in and harmonize with local communities and societies through business activities etc., and at the same time actively contribute to the realization of a sustainable society.

Themes for Community Contribution Initiatives

1. Addressing Poverty

Poverty is a severe social problem not only in developing countries but in Japan, as well. Isuzu leverages its expertise as an automotive manufacture and actively engages in philanthropy fueled by employee participation.

2. Educational Support

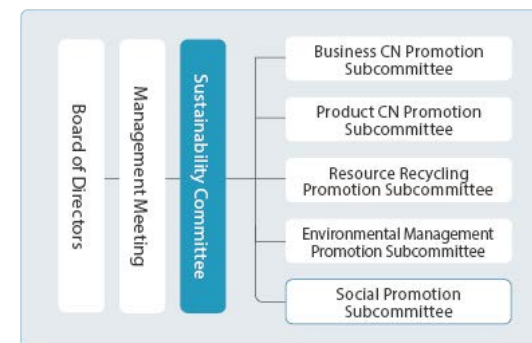
Isuzu strives to provide educational opportunities including field trip to study social studies and work experiences, environmental education, and artistic experiences from the perspective of the Company's specialization of manufacturing(*monozukuri*).

3. Harmony with Local Communities

Isuzu is committed to social contribution activities in the areas where we operate, striving to win the trust of local communities and contribute to their prosperity.

Management Structure

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



Mechanisms to Encourage Employee Participation

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

Support for External Initiatives and Coordination with Industry Groups

Support for External Initiatives and Coordination with Industry Groups

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

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

Contributions to Local Communities and Society

Initiatives

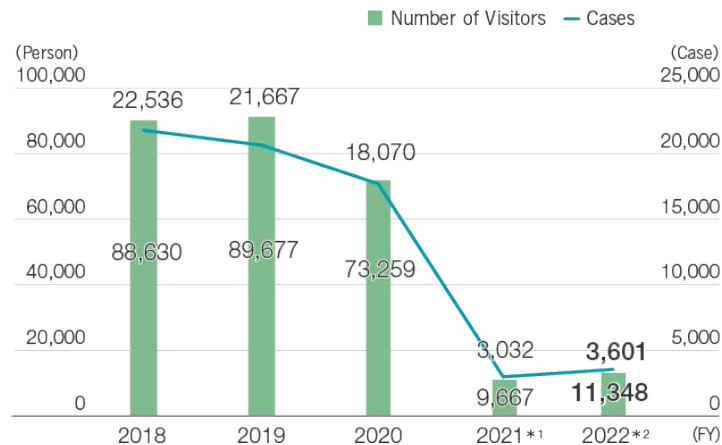
Educational Support and Harmony with Local Communities

Isuzu Plaza

Purpose for Establishing Isuzu Plaza

The Isuzu Plaza was opened next to the Fujisawa Plant in April 2017 as part of the Isuzu Motors 80th anniversary project. The Isuzu Plaza consists of three zones that include supporting *transportation*, Isuzu's manufacturing (*monozukuri*) and the history of Isuzu, so that people may feel the facility closer to them.

Number of Visitors



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

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

Direction of Exhibits and Activities

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

Cooperation with the Community (Example of Fujisawa City)

In November 2021, Fujisawa City donated Rescue Vehicle III (chassis made by Isuzu) to Isuzu. The vehicle was used to save many lives at disaster sites for about 14 years. This vehicle was displayed as part of a collaborative exhibition held in cooperation with Fujisawa City at Isuzu Plaza to promote awareness of fire prevention and firefighting operations, which is the PR theme of the Fujisawa City Fire Department. The exhibition received a high level of interest. Through these efforts, we will continue to be a trusted member of the community and contribute to the development of the local area.



Donation ceremony of rescue vehicle

Contributions to Local Communities and Society

Social Studies Field Trip Initiatives

Since the opening of Isuzu Plaza in April 2017, we have conducted social studies tours for fifth-grade students in the facility every year. The tour includes the Isuzu Fujisawa Plant adjacent to Isuzu Plaza. We strive to provide educational opportunities for visitors to help them understand the automobile industry by inviting them to observe the manufacturing process and ingenuity of plant workers first-hand, see and touch the vehicles, and think about the role of commercial vehicles, the environment, and safety.

Virtual Social Studies Tour Offerings and Objectives

Due to measures to prevent the spread of COVID-19, we have temporarily suspended the acceptance of visitors. When we stopped accepting visitors, we received many requests, mainly from elementary schools in the neighborhood, to allow students to tour the car factory. Drawing on the Plaza's long-held desire to provide more children with opportunities to learn about the automotive industry, we created a web-based Isuzu Virtual Social Studies Tour (IVSST) in collaboration with the Board of Education, elementary schools, and began a trial roll-out of the tour in September 2021. In the future, we will actively promote this project not only to support elementary schools that are unable to conduct field trips due to the pandemic but also as a new offering for elementary schools in remote areas that have few opportunities to teach their students about the automotive industry.

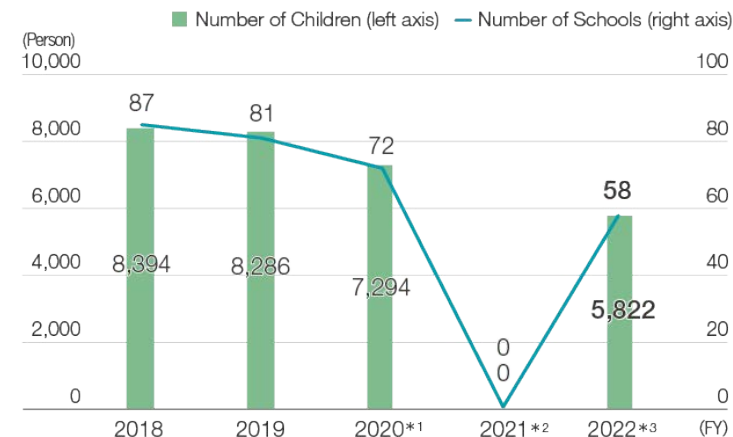


IVSST elementary school class



IVSST implementation at the Plaza

Social Studies Visit Data



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

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

*3 IVSST

Contributions to Local Communities and Society

Eliminating Poverty and Supporting Education

Support Program for Auto Mechanics Vocational School

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

This activity is not limited to mere financial assistance, but also includes support based on our own expertise.

Specifically, we dispatch Japanese instructors to the area to provide technical education support called Isuzu Juku. Based on this effort, the vocational school provides students with advanced maintenance skills in areas such as electricity, transmission, engines and braking, and also instills the mindset of 5S (seiri/sort, seiton/set in order, seiso/shine, seiketsu/standardize and shitsuke/sustain the discipline). Consequently, graduates from the vocational school are received favorably at their places of employment.

In October 2021, the graduation ceremony for the 18th class, the entrance ceremony for the 20th class, and the closing ceremony for current students were held. These were live-streamed online for the first time to Japan and parts of the Philippines. All 34 members of the 18th class of graduates passed their exams to acquire the NC4, the highest level of national certification for automotive mechanics in the Philippines, and found employment at Isuzu dealerships and other companies in November 2021.

The automobile mechanic vocational school has produced 351 graduates to date, including the 18th graduates. Many of them work at dealerships in the Philippines and overseas. Also, more graduates are coming to Japan for employment. From 2019 to the present, eight graduates have found employment at Isuzu dealerships in Japan. These graduates have been commended for their advanced technical capabilities. In fact, the vocational school has produced two I-1 Grand Prix* winners. Graduates from the vocational school are equipped with advanced technical skills and mindsets for activities, and are highly regarded by their employers.

Achievements at Competitions Worldwide

- ▶ I-1GP top three awards (CV 1st place in FY2016, CV 3rd place and LCV 2nd place in FY2017, and CV 1st place in FY2019)
- ▶ 1st place at TESDA's Philippine National Skills Competition in FY2018, participation in the FY2019 ASEAN competition/Achievements within the Isuzu Group
- ▶ Three graduates were accepted at Isuzu Motors Syutoken and MSTC in FY2019 and are working with in the Isuzu Group.
- ▶ Six graduates were accepted at Isuzu Motors Syutoken and Isuzu Motors Kinki in FY2020 and are working within the Isuzu Group.
- ▶ 3rd place at the 2020 I-1 GP e-competition (two of the players are graduates from TESDA) Evaluations of the project in the Philippines
- ▶ Commended by TESDA Main Office and the Office of the President in FY2009
- ▶ Received the Kabalikat award (the highest TESDA award at the national level), and commended by President Arroyo at the Malacañang Palace in FY2010
- ▶ Received the Gold Award under the CSR education category from the Society of Philippine Motoring Journalists (SPMJ) in FY2018

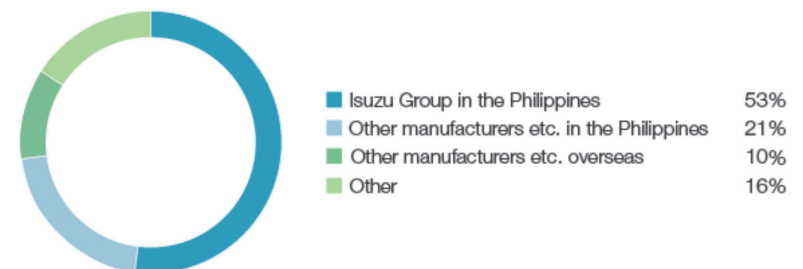


Winning the 3rd place at the 2020 I-1GP e-competition



These graduates work at Isuzu dealerships in Japan

Employment of Graduates (as of April 2022)



The 20th entrance ceremony



A student practices vehicle disassembly

Contributions to Local Communities and Society

Educational Support

Children's Lecture about Antarctic Exploration Held

Isuzu has been dispatching its fleet to pursue Antarctic exploration expeditions for 65 years, starting with the first expedition in 1956. It was led by a lecturer who is an alumnus of an Isuzu Antarctic research expedition in the hope that Isuzu's Antarctic activities, which contribute to society, will encourage children's curiosity and prompt them to think about their careers. Approximately 200 employees and their families participated in the related tour on December 11 and 18. On November 27, 2021, an Antarctic Children's Lecture Meeting was held at Tsujido Seaside Park. The presentation also introduced the importance of environmental conservation through an exploration of the current state of the environment and animal life in Antarctica and the work of Isuzu trucks, snowmobiles, and power generation engines in Antarctica's harsh environment, including the measures taken to keep them in operation and able to support scientific observation in the region.



Exhibition at the Antarctica lecture

The Isuzu Monozukuri Workshops Held

Since FY2015, Isuzu has been holding the Isuzu *Monozukuri* Workshop, which was devised to allow attendees to experience the fun and appreciate the importance of manufacturing (*monozukuri*).

The latest Design Class by the Design Center was held at the Shonandai Cultural Center on February 11 and Tsujido Seaside Park on March 21, with a total of 85 participants attending on both days. Design work and its role were explored and the participating children created unique works of art and drove the completed PP craft trucks on the original course. We will continue our activities to educate people about Isuzu *Monozukuri*.



Design workshop at Shonandai Cultural Center

DeuSEL® Project Special Lesson Held at Elementary School

On November 25, 2021, we conducted a class on DeuSEL® for fifth graders at Sakado Elementary School in Kawasaki City, while also taking thorough infection control measures such as constant ventilation of the bus and hand sanitizing when getting on and off the bus. The DeuSEL® Business Trip Class has been held for the past seven years with the aim of teaching children about the importance of future fuels and the global environment through the role of trucks and buses in society and has been well-received each time. Representatives from Isuzu and Euglena Co., Ltd. gave explanation about DeuSEL®, before the pupils test-rode a DeuSEL® bus and watched euglena. The Q&A session was filled with honest questions that were unique to children but were also to the point.

> DeuSEL® 



DeuSEL® travel class at Sakado Elementary School

Established Isuzu Town Featuring Informative Content for Children

Isuzu Town, featuring informative content for children, has been launched on the Isuzu website.

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



Contributions to Local Communities and Society

Isuzu Work Introduction Is Held

On January 19, 2022, Isuzu work Introduction was held at Shinagawa Gakuen in Shinagawa Ward to convey what it means to work to children through the example of the work done by Isuzu. The event, held as part of Shinagawa Ward's program named Shinagawa Dream Job, aims to get students interested in a profession, to think about their futures, and to learn how to achieve their dreams by directly listening to people from companies and communities who work in a variety of fields. Isuzu Work Introduction has continued since 2018 and this year marks the 4th holding of the event. The target group consisted of 130 first-year junior high school students. The preliminary course was an online class entitled Introduction to Isuzu Motors overview and, on the day of the work introduction, a face-to-face class was held, strictly adhering to infection control measures. Employees from three divisions of Isuzu introduced their jobs and discussed the importance and attractiveness of their work to the children.



Work Introduction at Shinagawa Gakuen

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

Isuzu co-sponsored the Orchestra Factory* event held by the Kanagawa Philharmonic Orchestra at Fujisawa Municipal Meiji Elementary School (January 25, 2022) in Kanagawa Prefecture. Given COVID-19, the event was held in two parts and the children participating in each part were kept separate to prevent infection. At Nakasato Elementary School in Fujisawa City, which was scheduled to hold the event on January 26, a rehearsal was held, but unfortunately, the event was canceled due to the spread of the infection. However, the Kanagawa Philharmonic presented all sixth graders from both schools due to graduate in March with a CD of the school song performed by the orchestra. This program, which is currently in its eighth year, aims to foster the pupils' creativity and enrich their artistic sensibility by providing them with an opportunity to experience live music. Isuzu will continue to give children exposure to the world of monozukuri.

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



Children attentively listen to the live performance

Contributions to Local Communities and Society

Harmony with Local Communities

Donating Cakes to Orphanages and Similar Institutions

Isuzu donates cakes to local orphanages and similar institutions every Christmas season. In FY2022, we donated Christmas cakes and other gifts to kindergartens, preschools and orphanages in the Omori, Fujisawa and Tochigi areas. The activity started in 1989 in the Omori area and 2007 in the Fujisawa and Tochigi areas.



Donation ceremony for Tochigi City

Participation in the Forestation of Mt. Fuji

We take part in the Mt. Fuji Forestation Project with an aim to restore the rich forests and ecosystems of the Hokuroku area near Mt. Fuji which was registered in UNESCO as a Cultural World Heritage Site in 2013. Since FY2009, we have participated in forestation activities and have collaborated with relevant organizations such as OISCA International and Yamanashi Prefecture Forestry Development and Production Cooperative.

In FY2022, due to the COVID-19 pandemic, it was difficult to visit the area to conduct afforestation activities. So, as another form of support, we donated 800 bottles of disinfectant spray to Fujisawa City made from the aroma extracted from a conifer called shirabe (a member of the fir family), which was collected as part of the Forestation Project of Mr. Fuji activity. We asked that these be distributed to each facility to show our appreciation and support of the essential workers who continue to work on the front lines of the pandemic and to help them feel the healing power of fragrance. A letter of appreciation for our efforts was sent on October 8.

Distribution to: Facilities for senior citizens, people with disabilities, and children such as after-school care and social welfare services.

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

Children's Forest, a project run by OISCA International, supports children's efforts to plant and grow trees at schools and in communities. The aim is for the children to develop a respect for greenery and a love of nature. Isuzu has been supporting the project since 2015. Isuzu's employees donate secondhand books for sale and the amount of their sales is appropriated to donations to the Children's Forest project.

Number of Buyable Books

	FY2020	FY2021	FY2022
Isuzu Omori Head Office	100	160	57
Fujisawa	430	76	244
Tochigi	15	0	0
Total	545	236	301

Contributions to Local Communities and Society

Addressing Poverty

TABLE FOR TWO (TFT) Program

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

Number of Donated School Meals (Equivalent)

	FY2020	FY2021	FY2022
Isuzu Omori Head Office	11,225	7,011	7,529
Fujisawa	3,426	2,411	3,722
Tochigi	1,620	1,786	4,042
Total	16,271	11,208	15,293

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

Food Drive

Isuzu runs a food drive initiative. Employees bring from home food items close to the end of their best-by dates, and donate them to the Registered NPO Second Harvest Japan which distributes the foodstuffs to local charity groups and institutions. It can reduce food waste and also improve social welfare.

Recovery Results

	FY2020	FY2021	FY2022
Number of participants	194	199	193
Weight (kg)	273.3	200.2	218.1

Social Contribution Expenditure

Isuzu (non-consolidated) social contribution expenditure in FY2022: 850 million yen

	Social contribution activity expenses	In-kind donation	Donation
Amount (millions of yen)	661	4	190

Assistance to Ukraine and Humanitarian Aid to Victims in Neighboring Countries

As part of our efforts to support Ukraine and provide humanitarian assistance to victims in neighboring countries, we have donated to Japan Association for the World Food Programme (hereinafter referred to as JAWFP), a non-profit organization that serves as a private-sector support window for the UN food aid agency.

On July 14, a letter of appreciation was presented to Isuzu by the UN WFP in recognition of this support.



Letter of appreciation from JAWFP



Photo of the letter of appreciation JAWFP staff with a three-year-old girl evacuated from Ukraine

Governance



Corporate Governance

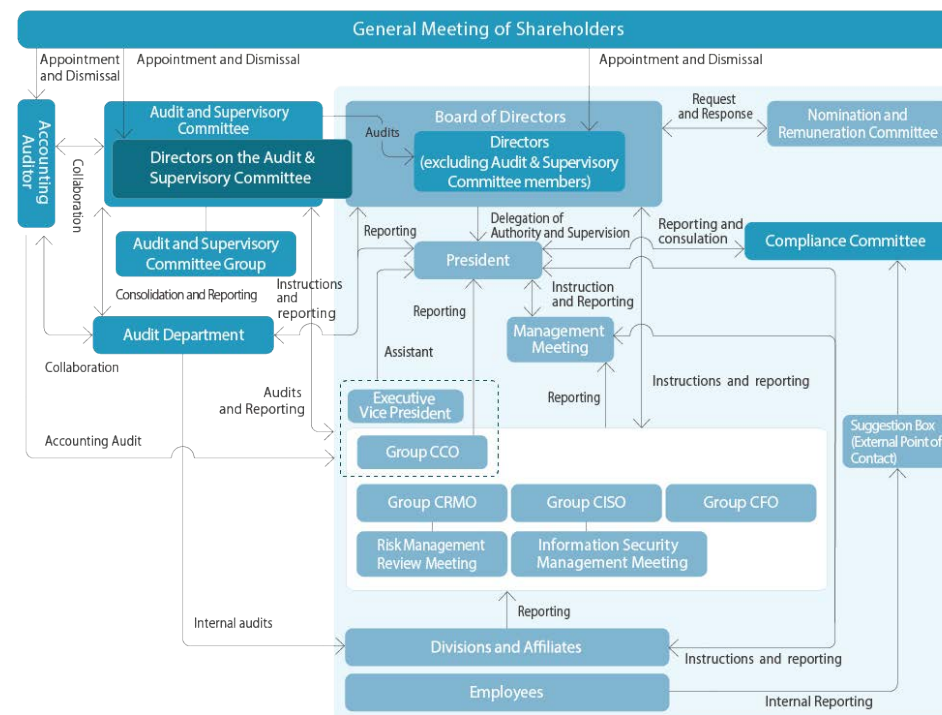
Basic Approach

In order for Isuzu to continuously increase revenues and enhance corporate value through its corporate activities, the Company believes that it is essential to establish a corporate governance system that provides a framework for regulating such activities. Furthermore, we believe that the fundamental purpose of corporate governance is to respect the perspectives of, and build constructive relationships with, all of our stakeholders, and to that end we endeavor to ensure fairness and transparency in our corporate affairs through timely and appropriate disclosure of important information. In particular, we believe that a key element of corporate governance is to develop an internal structure and environment that protects the rights and interests of all stakeholders and ensures equality among stakeholders.

Management Structure

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

Corporate Governance Structure



Corporate Governance

Board of Directors

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

Currently, the Board of Directors consists of 13 directors: Masanori Katayama, Shin-ichi Takahashi, Shinsuke Minami, Tetsuya Ikemoto, Shun Fujimori, Masahiro Yamaguchi, Mitsuyoshi Shibata, Kozue Nakayama, Tetsuhiko Shindo, Masayuki Fujimori, Kenji Miyazaki, Kanji Kawamura and Kimie Sakuragi. The Board is chaired by Masanori Katayama, President, and Representative Director. Five of the 13 directors (Mitsuyoshi Shibata, Kozue Nakayama, Tetsuhiko Shindo, Kanji Kawamura and Kimie Sakuragi) are independent outside directors.

Audit and Supervisory Committee

The Audit & Supervisory Committee follows the audit plan that it established, and audits and supervises the Board of Directors' decision making and directors' execution of business. Currently, the Audit and Supervisory Committee consists of five directors: Masayuki Fujimori, Kenji Miyazaki, Tetsuhiko Shindo, Kanji Kawamura and Kimie Sakuragi. The committee is chaired by Tetsuhiko Shindo, a director and a Standing Audit and Supervisory Committee Member. To strengthen the auditing and supervisory functions of the Audit Committee members and to enable them to collect information daily, share information at important internal meetings, and fully cooperate with the accounting auditors and the internal audit division, three members (Tetsuhiko Shindo, Masayuki Fujimori, and Kenji Miyazaki) have been selected as Standing Audit and Supervisory Committee Member.

Three of the five members (Tetsuhiko Shindo, Kanji Kawamura and Kimie Sakuragi) are outside directors that are more independent. All five members are selected members of the Audit and Supervisory Committee.

Nomination and Remuneration Committee

In addition to these statutory organizations, Isuzu has a Nomination and Remuneration Committee, an arbitrary organization on corporate governance that is designed to strengthen the independence, transparency and objectivity of the function of the Board of Directors involved in the nomination of candidate officers, selection of executives, decisions on officers' remuneration and other processes. Isuzu's Nomination and Remuneration Committee consists of four members including chairperson Masanori Katayama, President, and Representative Director, and three outside directors (Mitsuyoshi Shibata, Kozue Nakayama and Tetsuhiko Shindo). Under the Board of Directors, the committee deliberates and gives opinions on the questions received.

Executive Officer System and Management Meeting

By separating supervision and business execution, Isuzu is building a rapid decision-making and execution system through improvements in the deliberations in the Board of Directors, the supervisory organization, and the proper transfer of power from the Board of Directors. We also have executive officers and executives to take responsibility for a rapid decision-making and execution structure and for business execution in the areas of their assignment. The Management Meeting, consisting of Masanori Katayama (President, and Representative Director), division supervisors, Group CxOs and executive officers among others, is chaired by President Katayama and resolves and deliberates on the issues concerning our business management and execution within the scope of power transferred from the Board of Directors.

Group CxO System

To further strengthen governance, we appointed the following CxOs on April 1, 2020. These officers have supervisory authority Company-wide over specific areas across different divisions and Group companies. Additionally, as of April 1, 2022, a new Group CCO position was created to boost information and communication across all aspects of management, as well as internal collaboration.

- Group CCO (Chief Coordination Officer)
- Group CFO (Chief Financial Officer)
- Group CRMO (Chief Risk Management Officer)
- Group CISO (Chief Information & Security Officer)

Corporate Governance

Initiatives

Governance Themes

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

Term	115th	116th	117th	118th	119th	120th	121st
Year Ended	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023
Outside Directors (Women)	2 (0)	2 (0)	2 (0)	2 (0)	2 (1)	5 (2)	5 (2)
Officer Compensation	Introduced performance-linked stock-based compensation system	Decide the upper limit of the annual Amount of Directors' bonuses					
Advisory Committee				Establishment of Nomination and Remuneration Committee			
Separation of Execution and Supervision					Revise approval standards and rules	Shift to a company with Audit and Supervisory Committee	Appoint CCO
					Appoint CxOs	Delegate important decision-making on the execution of company business to Directors	

Improving the Functioning of the Board of Directors					Start the Effectiveness Assessment		Ratio Independent of Outside Directors: 1/3 or more
						Setting the agenda for management strategy	
						Creation of Skills Matrix	
						Initiation of Institutional Shareholder Engagement	

Corporate Governance

Board Effectiveness Assessment

Isuzu conducts an annual evaluation and analysis of the effectiveness of the Board of Directors to improve its operations. The following is a summary of the evaluation and analysis for FY2022 (ended March 31, 2022).

1. Process of analysis and evaluation for FY2022

Given that this is the first year of the Company's transition to a Company with Audit Committee System and the first year of its medium-term management plan, the evaluation focused on the status of the Company's governance initiatives in light of the revised Corporate Governance Code, in addition to confirming the status of supervision of the Company.

Questionnaires and interviews with chairpersons and newly appointed directors were performed by a third-party organization an evaluation. Based on the results of the evaluation, the secretariat summarized the issues identified and confirmed at the Board of Directors the issues to be considered in the future.

2. Response to previous evaluation

Main tasks for FY2021	Status of response in FY2022
<ul style="list-style-type: none"> Clarification of the division of the executive and supervisory roles and topics to be addressed by the Board of Directors Enhancement of discussions at Board of Directors meetings Expanding and improving the quality of materials provided to outside directors Setting up opportunities for the executive side to deepen its understanding of outside directors' perspectives Board Diversity considerations 	<ul style="list-style-type: none"> Change of Organization to a Company with an Audit Committee Significant delegation of authority for important business operations conducted by the Board of Directors to the Executive Directors (Management Meeting) Set agenda for strategic discussions (common understanding between internal and outside executives on topics that need to be discussed) Expansion of business execution reporting materials Participation of Audit and Supervisory Committee Member (outside) in advance briefings on Board of Directors' meeting materials Enhanced feedback of Board of Directors deliberations and questions/points raised with the Management Meeting Increase the ratio of independent directors, increase the number of female directors, and create a skills matrix

3. Efforts for this evaluation

Major issues and initiatives for FY2022	
Enhance discussions with an awareness of the diverse opinions of shareholders and stakeholders	We will share with the Board of Directors the increasingly diverse opinions of each stakeholder, on issues such as the responses to ESG management, and work to enhance discussions.
Enhanced discussion of cost-of-capital strategies and business portfolios	We will continue to evolve the discussion on the cost of capital and enhance the discussion on the future business portfolio to further enhance corporate value.
Enhancement of reports to the Board of Directors	We will strengthen cooperation with the Risk Management, Compliance, and other committees, as well as the Nominating and Remuneration Committee, and work to enhance reporting to the Board of Directors.

Officers' Remuneration

Basic Principles

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

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

Corporate Governance

Remuneration for Directors (excluding Audit and Supervisory Committee Member)

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

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

Remuneration for Outside Directors

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

Compensation for Directors Who Are Also Audit and Supervisory Committee Member

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

Total Amounts of Remuneration and Other Payments to Directors and Auditors

Classification	Total amount of compensation (million yen)	Amount of remuneration, etc. by type (million yen)				Number of eligible officers
		Basic compensation	Bonus	Remuneration based on the performance-linked stock compensation plan, etc.	Non-monetary compensation	
Directors (excluding Audit and Supervisory Committee Member and outside directors)	619	349	164	105	102	10
Audit and Supervisory Committee Members (excluding outside directors)	51	51	-	-	-	2
Auditors (excluding outside auditors)	15	15	-	-	-	2
Outside officer	89	89	-	-	-	6

* Isuzu has shifted to a company with an Audit and Supervisory Committee following the resolution passed in the 119th General Shareholders Meeting held on June 25, 2021. Isuzu has transitioned from a company with a board of corporate auditors to a company with an audit committee as of June 25, 2021.

Corporate Governance

Policy on Cross-shareholdings

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

Compliance

Basic Approach

Isuzu's corporate vision is "Isuzu will always mean the best. a leader in *transportation*, commercial vehicles, and diesel engines, supporting its customers and respecting the environment." In order for Isuzu's corporate value to be recognized and to continue to realize this corporate vision, we recognize that it is essential for each one of our executives and officers to follow Isuzu's compliance standards—that is, to comply with laws and regulations and also maintain high ethical standards that live up to the trust society places in us.

In particular, Isuzu has positioned thorough compliance with laws and regulations as the highest priority in its business management. In 2005, Isuzu formulated and began implementing the Basic Policy for Compliance, and thereafter the Company has been making efforts to disseminate and establish the policy among all officers and employees. The policy consists of seven categories and states that, if an incident occurs and causes the policy to be violated, senior management personnel must execute measures for problem resolution and investigation of the cause in an effort to prevent recurrences and must disclose information quickly and accurately to society and fulfill their accountability.

Basic Policy for Compliance

1. Winning the trust of our customers

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

2. Promoting fair and sound activities

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

3. Ensuring fair disclosure of corporate information

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

4. Respect for employees

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

5. Contributing to environmental conservation

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

6. Contributing to society

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

7. Ensuring harmony with international and regional communities

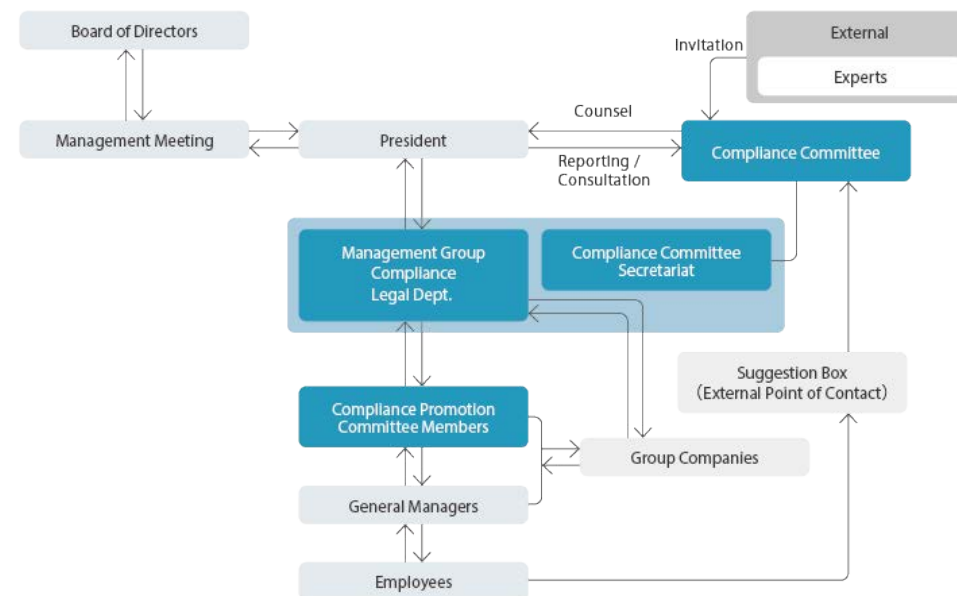
We respect the cultures and customs of nations and regions and contribute to their development

Management Structure

Compliance Committee

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

Compliance Promotion System Outline



Compliance

Establishment of an Employee Consultation Service

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

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

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

In FY2022, there were 34 cases (8 cases related to the Company and 26 cases related to Group companies) that were reported to or consulted on by the external consultation service. Those requests received through the internal and external consultation services were handled appropriately, and we confirm that there have been no serious compliance violations. The status of compliance efforts and the number of consultations and serious violations are reported to the Board of Directors.

Business Partner Consultation Service

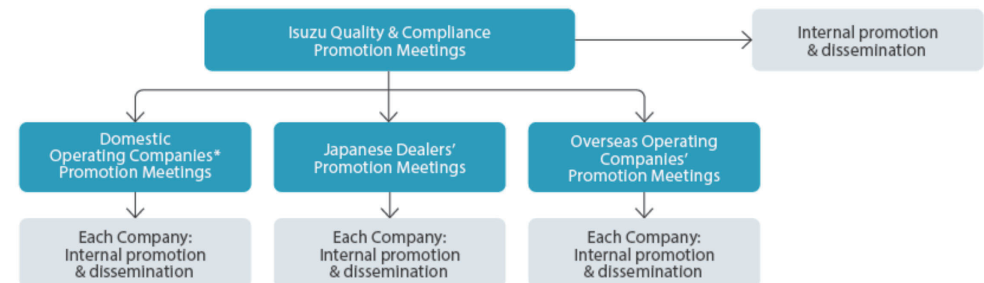
We also have a Business Partner Consultation Service within our Legal Depts. Compliance Management Group, for providing our business partners with impartial consultations on compliance-related matters.

Isuzu Group Compliance Promotion System

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

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

Outline of the Compliance Promotion System in Isuzu Group



* Related companies in Japan except Japanese dealers

Compliance

Initiatives

Activities to Address Group-wide Issues (in Japan)

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

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

Compliance Surveys (Japan)

We regularly conduct compliance surveys to monitor the spread of compliance awareness and uncover compliance risks. The survey results are reported to managers and compliance officers of Isuzu Group companies and are applied to the companies' activities. The FY2022 survey covered about 11,300 employees of the Isuzu Group companies and included questions on topics such as compliance training and guidance, overtime work, finding facts about harassment and awareness about drunk driving.

Activities of Overseas Group Companies

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



e-learning

Compliance Training

Isuzu provides its employees and Group companies with compliance education via classroom lectures and online in an effort to raise their awareness about compliance even more. With consideration of the COVID-19 situation, training programs and lectures were held online in FY2022. In this way, we take appropriate measures to prevent infections.

Training themes (examples)

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



Drunk driving eradication campaign (video streaming)

Compliance

Publication of Compliance Guidebook and Compliance Cards

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

Overseas Business Guidelines

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

Anti-bribery Initiatives

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

Prevention of Anticompetitive Practices

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

Tax Policy

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

- Compliance with Laws and Regulations
We will correctly interpret tax laws and related guidelines, and pay appropriate taxes in accordance with their intent.
- Prohibition of Tax Avoidance
We will not engage in tax avoidance activities that deviate from the intent and purpose of tax laws and regulations.
- Appropriate Transaction Pricing and Profit Sharing
In transactions with foreign affiliates, we will set prices that take into account arm's-length prices and pay appropriate taxes in accordance with the reality of local business activities.
- Good Relationships with Tax Authorities
We build good relationships with tax authorities in Japan and abroad based on a correct understanding of tax laws and regulations.
- Tax Transparency
We will strive to disclose tax information to all stakeholders in a timely and appropriate manner.
- Governance
A governance structure will be put in place to operate in accordance with this tax policy, and appropriate tax services will be provided.

Risk Management

Basic Approach

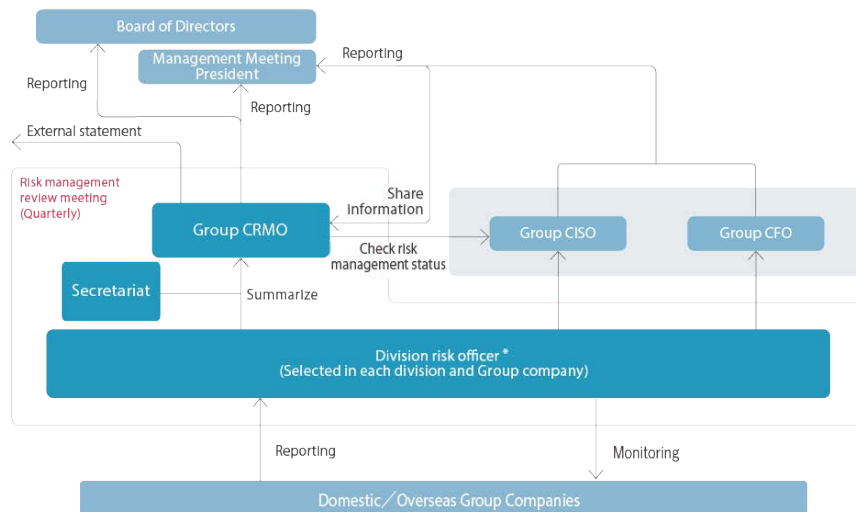
Amid a dramatically changing and increasingly uncertain business and management environment. in fiscal 2021, the Isuzu Group transitioned to a new risk management structure. At the same time, the position of chief risk management officer (CRMO) was created to serve as the locus of responsibility for risk management throughout the Group and to play the lead role in the Companywide risk management process. The CRMO regularly identifies and assesses risks in the Group's management and business operations and strives to manage them in an appropriate manner, making particular efforts to reduce them.

Management Structure

The Isuzu Group holds quarterly risk management review meeting to ascertain the progress of risk countermeasures as well as emergent risks and to continuously review said countermeasures and risk awareness.

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

Management Structure

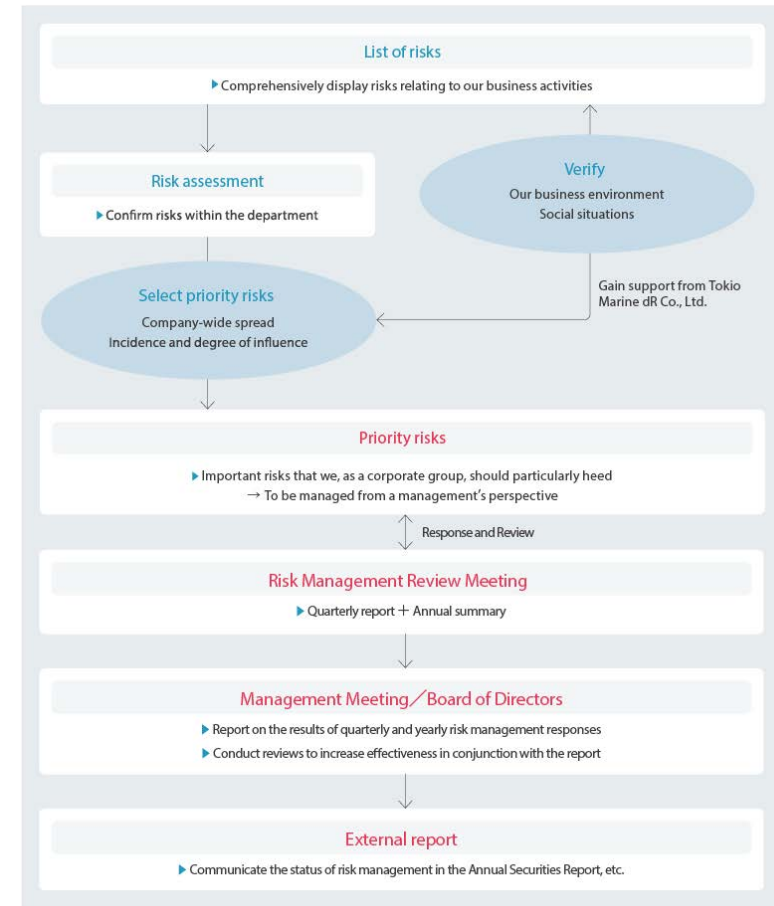


* In addition to risk management review meetings, separate meetings are held to liaise between the secretariat and members.

Risk Management Process

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

Diagram of Our Risk Management Process



Risk Management

Business and Other Risks

The following are the risk factors in the development of Isuzu Group's operations that relate to the business information, financial information and other information stated in the annual securities report and that may materially affect the judgment of investors.

These forward-looking statements are based on the judgments of the Group as of the date of submission of the annual securities report (June 28, 2022).

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

(10) Product defects	<ul style="list-style-type: none"> ■ Follow strict quality control standards in manufacturing products ■ Find failure-related information early and share it through the Quality Assurance & Customer Satisfaction Improvement Committee, discuss quality improvements across the Isuzu Group and supervise the operation of Group-wide quality management practices ■ Purchase of product liability insurance
(11) Information security risks faced by an IT society	<ul style="list-style-type: none"> ■ Appoint a person responsible for handling information security risks and set up an organization specialized in information security ■ Implement safety measures aimed to maintain and improve our information security by, for example, protecting personal and confidential data, keeping data and systems available and preventing falsification of data ■ Conclude agreements with alliance partners on information security
(12) Risks concerning protection of intellectual property	<ul style="list-style-type: none"> ■ Promote efforts to protect intellectual property
(13) Secure and retain good human resources and ensure that performance is demonstrated	<ul style="list-style-type: none"> ■ Major overhaul of the personnel system ■ Systematically recruit employees ■ Properly assign or reassign the right persons to the right positions ■ Operate the system concerning employees' education, training and career advancement ■ Properly use the personnel appraisal system ■ Establish a Group human rights promotion system in compliance with international norms, laws and regulations, and Group norms as per the Isuzu Group Human Rights Policy, engage in human rights due diligence, and provide appropriate education to directors and employees
(14) Legal restrictions etc.	<ul style="list-style-type: none"> ■ Gather information about legal restrictions and related issues from different countries, especially Japan, the United States, Thailand, China and Europe ■ Make investments and develop new technologies and products in preparation for changes in legal restrictions

Risk Management

(15) Risks latent in international activities and overseas expansion	<ul style="list-style-type: none"> ■ Keep updated on the following risks in different countries. <ul style="list-style-type: none"> • Fluctuation of political and economic situations • Unilateral changes in policies on permission, authorization and other issues and direct or indirect expropriation of the Isuzu Group's assets • Restrictions on imports, exports, and technology transfers • Restrictions on the control and transfer of information and data • Restrictions on the use and procurement of telecommunications and electronic equipment that pose a security risk • Potentially negative effects on taxes • Restrictions on money transfer and redemption • Difficulty to recruit and secure human resources • Underdeveloped technological and social infrastructure (e.g. electric power, water and sewage, roads, ports) • Social confusion resulting from terrorism, warfare, natural disaster, economic sanction and other factors
(16) Disasters, etc.	<ul style="list-style-type: none"> ■ Periodically inspect all equipment for prevention of disasters ■ Formulate action plans in case a disaster or any other problem occurs, and provide training based on the plans ■ Formulate preventive and action plans against new types of influenza and other unknown infectious diseases, and provide training based on the plans ■ At an early stage, use outside consultants and other resources to obtain global information on new types of influenza and other unknown infectious diseases ■ Properly stockpile masks and other necessary supplies ■ Implementation of various infection prevention measures, including telecommuting and other teleworking measures at Isuzu Group business sites, to minimize the impact of COVID-19
(17) Climate change	<ul style="list-style-type: none"> ■ Formulate the Isuzu Environmental Vision 2050 ■ Study and analysis of the impact on products, services, and business activities based on multiple long-term environmental scenarios ■ Measures to address the risks and opportunities associated with the transition to a decarbonized society and climate change, such as increased natural disasters and depletion of water resources, based on the degree of impact on the business ■ Disclosure of climate change-related information in line with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) ■ Sophisticate our preparedness to continue our business operations ■ Develop and market GHG-free products

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

COVID-19 Countermeasures

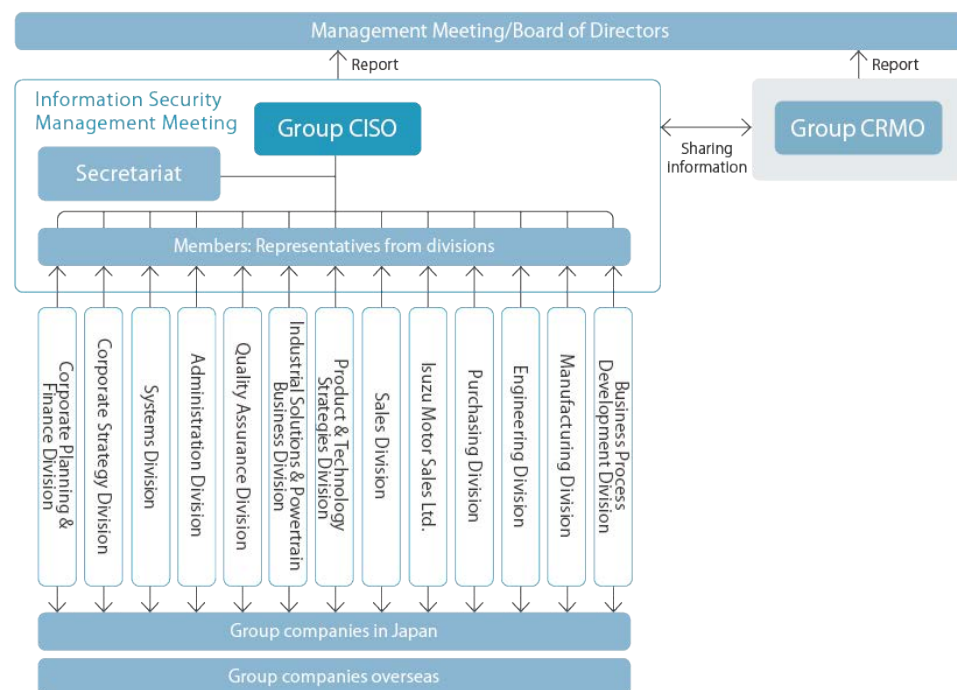
As a manufacturer of commercial vehicles, Isuzu continues to maintain its production and after-sales service systems while taking measures to prevent infections to maintain social infrastructure for the transportation of medical and lifestyle goods etc. Additionally, Isuzu is working to ensure the safety of local communities by conscientiously managing employee safety in accordance with government policy. As one of our initiatives to contribute to local communities, Isuzu Hospital and other Isuzu-affiliated facilities are opened for use as COVID vaccination venues at the request from municipal governments. The COVID-19 pandemic is changing people's values. Despite this, we will endeavor to identify needs from customers and communities and promptly take action.

Risk Management

Information Security

Isuzu has established the Group Information Security Policy under the leadership of the Group Chief Information & Security Officer (CISO) and is promoting Group-wide information security management across Isuzu and its consolidated subsidiaries.

Information Security Management Structure



In FY2022, the Isuzu Group established management structure and standards and conducted Company-wide education.

We have developed standards for information security not only for IT systems that manage internal confidential information but also for factory equipment systems and systems that affect vehicle security. In the future, we will continue to manage and improve information security by operating our business based on the above standards and checking the status of operations once a year. With regard to automobile security, we participate in J-Auto-ISAC*, which collects and analyzes information on automobile cybersecurity and records issues detected in the industry. Moreover, we have established a system to develop and manufacture automobiles with cybersecurity in mind. These activities are conducted with reference to the Ministry of Economy, Trade and Industry's Cyber Security Management Guidelines, the international regulation UN-R155 adopted by the World Forum for Harmonization of Automotive Standards (WP29) of the United Nations Economic Commission for Europe, and international standards such as ISO21434, ISO27001, and NIST SP800-171.

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



Participation in External Initiatives

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

Participation in the United Nations Global Compact

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

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



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



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

The TCFD is a task force established by the Financial Stability Board (FSB), an international organization of central banks and financial regulators from major countries, to provide a framework for climate change-related information disclosure. The TCFD's recommendations encourage companies, organizations, and others to disclose information on climate-related risks and opportunities. In Japan, companies and financial institutions that support the TCFD proposal have established the TCFD Consortium to discuss effective information disclosure and how to link disclosed information to appropriate investment decisions by financial institutions and others.

In April 2021, Isuzu endorsed the TCFD proposal and joined the TCFD consortium to disclose information in line with the TCFD framework.


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



Establishment of the Carbon-Neutral LNG Buyers Alliance

Isuzu and 14 other companies have established the Carbon-Neutral LNG Buyers Alliance in March 2021. This alliance was created to realize the spread of carbon-neutral LNG and increase the value of its use by bringing together Tokyo Gas, which procures and supplies carbon-neutral LNG, and the companies that purchase it to realize a sustainable society. The use of carbon-neutral energy is an important climate change countermeasure and means of contributing to SDGs and ESG corporate management. The Alliance members aim to contribute to the realization of a decarbonized society by 2050, and are working to make carbon-neutral LNG widely known throughout the world, to improve its reputation among investment institutions, and to establish its position in various domestic systems.

Isuzu has endorsed the declaration since its inception in 2018.

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



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

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

Isuzu participates in this council. Isuzu participates in this council and promotes consideration of activities to achieve zero emissions.

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



Participation in External Initiatives

GREEN OIL JAPAN

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



> [GREEN OIL JAPAN](#) 

Keidanren Initiative for Biodiversity

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



> [Keidanren Initiative for Biodiversity](#) 

External Evaluation

Adoption of ESG Indexes

FTSE BLOSSOM JAPAN SECTOR RELATIVE INDEX

Isuzu is included in the FTSE Blossom Japan Sector Relative Index created by global index provider FTSE Russell. The FTSE Blossom Japan Sector Relative Index reflects the relative performance of Japanese companies that excel in environmental, social, and governance (ESG) performance in their respective sectors. The Index has been adopted as a passive ESG management benchmark by the GPIF. Isuzu has been included in the component since March 2022.



S&P/JPX Carbon Efficient Index

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



SOMPO Sustainability Index

SOMPO Asset Management will establish its own index. This index will be utilized as a part of the company's SOMPO Sustainability Management initiative. This is an ESG management product for pension funds and institutional investors that invests in a wide range of companies with high ESG ratings. Isuzu has been included in the component for five consecutive years since 2018.



ESG Evaluation

CDP

CDP is a non-profit organization whose primary activity is to encourage corporations and local governments to disclose information on the measures they take to address environmental issues such as climate change. This is done at the request of institutional investors and major purchasing organizations worldwide that are concerned about environmental issues. Isuzu responded to the 2021 CDP Climate Change Questionnaire and received an A- rating.

Additionally, for two consecutive years, Isuzu has been selected for the Supplier Engagement Leader Board, the highest rating in the Supplier Engagement Evaluation, which assesses areas such as Scope 3 Management and Collaboration with Suppliers.



Isuzu Receives 3-Star Eruboshi Rating

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



A Third-party Opinion



**Development Bank of Japan Inc.
Research Institute of Capital Formation
Executive Fellow/
Deputy Director and Head of Research
Center on Financial Economic**

Keisuke Takegahara

This is the second year of your company's new disclosure structure, which consists of two pillars: the Integrated Report and the Sustainability Report. This opinion letter accompanies the Sustainability Report and, as in the previous year, covers both reports as they are inseparable elements of disclosure.

Looking at this year's disclosure as a whole, the most significant feature is that the division of roles across media has been further clarified, and the systematization of sustainability information disclosure has progressed.

The Integrated Report focuses on the value creation story and elaborates on its components. In addition to the progress made in creating the overall picture (p. 13) and clarifying the structure of value creation, the explanation of the individual elements and relating them to each other is excellent in its attempt to make the reader understand them as a whole system. In particular, the focus on the strengths of the value chain to clarify the value creation process, and the composition of the creation of innovation (the goal of the medium- and long-term strategies), which consists of next-generation product development including CN support and new product development for logistics evolution, will lead to various value offerings. I thought the content was rich in message, listing a wide variety of elements.

Value creation scenarios generally carry with them the risk of information overload and the risk they may fail to convey their intended message as they become more systematized. How to compensate for this is a differentiating factor, and the Integrated Report 2022 offers a unique solution by combining a substantial top message with a detailed explanation of the value creation story broken down into its components.

The top management message focuses on strategies to support growth over the medium to long term, and from time to time, each element of strength, such as the value chain, is identified as a foundation to support the strategies. After presenting the overall picture of the value creation story, the five components of the value chain and the medium- and long-term strategies are explained in detail over a total of 17 pages. The editorial design of the report is also effective in that the icons allow the reader to immediately understand what part of the value creation story is being explained, avoiding variations in understanding and interpretation. The disclosure of specific initiatives for medium- and long-term strategies was also effective in developing the reader's understanding. Since there is a limit to how far one can go in explaining an increasingly complex value creation story by relying entirely on the top management message, I believe that your company's approach will be very helpful to other companies that have already made progress in this area.

One area for improvement is the section following Isuzu's Materiality and the Foundations Underpinning Value Creation. Since this is an important component of the value creation story, it would be easier to explain it within the above system. Of the eight issues identified as materialities, which are the provision of value to society and the infrastructure that supports value creation, the former is clearly stated in the value creation story, while the latter is embedded in the sources of Isuzu's competitiveness figure, making it somewhat difficult to see the relationship between them. Given the international convergence of sustainability information disclosure, it is expected that the way materialities are presented will attract even more attention in the future, so there is room for improvement.

The Sustainability Report, on the other hand, has been completely transferred to the Internet. By clarifying the division of the roles of this report and the Integrated Report and focusing on disclosing individual ESG themes, I believe you have made better use of the serious editorial intent to date, which has been to carefully cover each of your diverse activities and communicate your efforts to a wide range of stakeholders. I learned about the steady progress made in various areas, such as the formulation of the 2030 Environmental Roadmap and progress in the area of human rights.

Additionally, your company's reporting system has further evolved with the addition of innovations that respond to the interests of the capital markets, such as a dialogue with outside directors and a message from the CFO. As the top management message also talks about strengthening the reform of the personnel system, I expect that further improvements will be made under this new system, including enhanced disclosure of human capital, which is becoming increasingly important.

ESG Data

Environment

FY2022 Activity Results (Isuzu Group)

CO₂ Emissions Mitigation Activities

FY2022 results:

[Japan] Total CO₂ emissions 465,809 t-CO₂

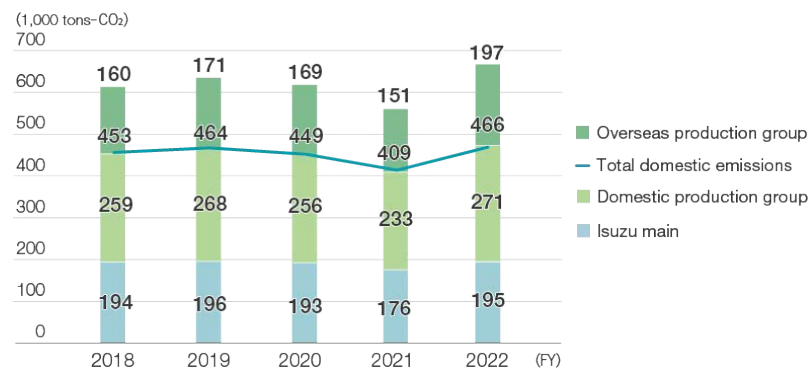
Both in Japan and overseas, each Group company has set its own reduction targets and is actively engaged in CO₂ emission-reduction activities.

In FY2021, energy consumption decreased significantly throughout the Group as a whole due to the suspension of operations in response to measures to prevent the spread of COVID-19. In FY2022, however, energy consumption increased in line with the recovery trend in production activities, and the CO₂ emissions of all domestic production-related Group companies increased by approximately 13% compared with FY2021.

As further production recovery is expected in line with anticipated changes in social conditions, we are committed to additional energy conservation and operational improvements to prevent the return to high emissions.

We will continue our efforts to reduce energy consumption by promoting more efficient facility operations and introducing energy-saving equipment when new facilities are installed.

[Japan & Overseas] Trends in CO₂ Emissions



Waste Reduction Activities

FY2022 results:

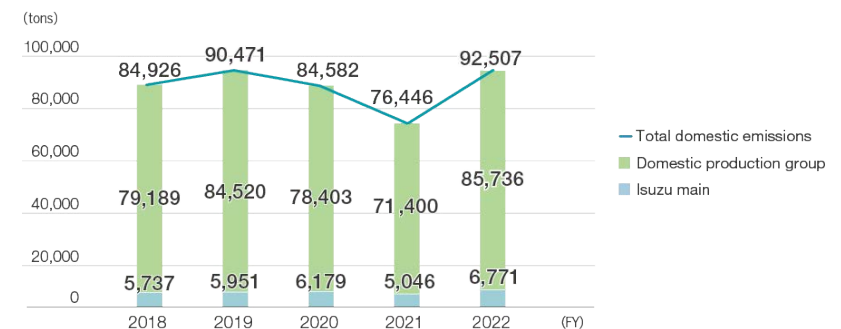
[Japan] Total waste generated 92,507t

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

In FY2021, the volume of waste generated from production activities decreased significantly due to the shutdown of operations to prevent the spread of COVID-19 across all domestic production Group companies. In FY2022, the recovery trend in production activities, coupled with an increase in emissions, resulted in emissions that could not be covered by conventional recycling treatment alone and had to be temporarily disposed of as industrial waste. Additionally, the infection control measures taken by employees generated waste that had not been anticipated, resulting in a 21% increase in the overall waste emissions of all domestic production Group companies compared with FY2021.

As further production recovery is expected in line with changes in social conditions, we will implement measures such as the further promotion of recycling and review of production methods that generate less waste to prevent a return to higher waste rates.

[Japan] Trends in Waste Generation



ESG Data

FY2022 Activity Results (Isuzu)

Isuzu's Environmental Management Systems

In the past, Isuzu operated its environmental management structures on a site-by-site basis. With the revision of ISO 14001 in FY2016, the systems were integrated on a Group-wide basis. In December 2016, we expanded ISO 14001 certification to all Isuzu sites, and shifted to ISO 14001:2015. At present, Isuzu is carrying out uniform environmental initiatives at all sites. Moreover, all companies of the Group work together to reduce the environmental burdens resulting from our business operations and to bolster our environmental management.

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

Violations and Accidents Related to Environmental Laws and Regulations in FY2022

Isuzu had no violations or environmental accidents related to environmental laws and regulations during FY2022.

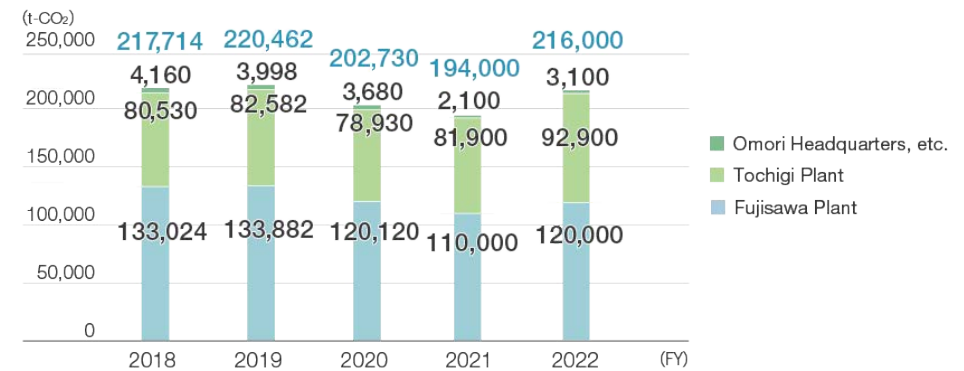
CO₂ Emissions Mitigation Activities

- Medium- and long-term target
Reduce CO₂ emissions from business activities to 205,630 t-CO₂ or less by the end of FY2024
- Targets and results for FY2022
Target: Reduce CO₂ emissions from business activities to 208,500 t-CO₂ or less by the end of FY2022
Result: 200,757 t-CO₂

In efforts to reduce the energy consumption and mitigate total CO₂ emissions, both the Fujisawa and Tochigi Plants have put in place measures to enhance efficiency, such as reviewing the production conditions and streamlining production lines.

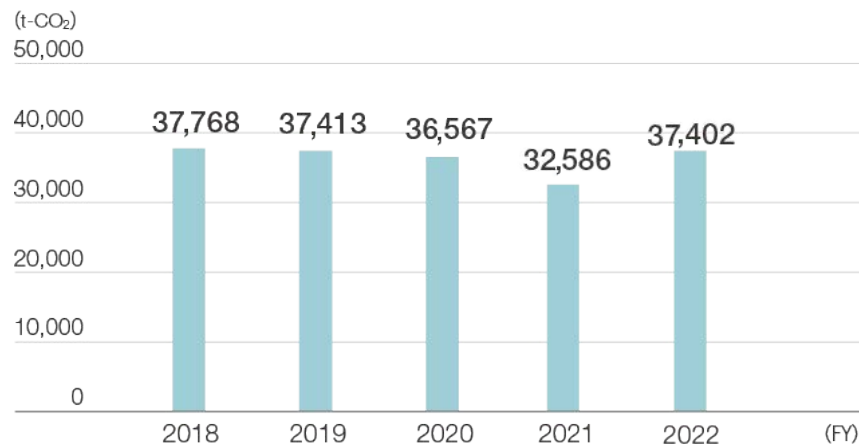
By promoting a modal shift in the distribution of parts and products and having all Group companies engaged in logistics work to improve transportation efficiency, we are striving to reduce our CO₂ emissions.

Trends in CO₂ Emissions from Energy

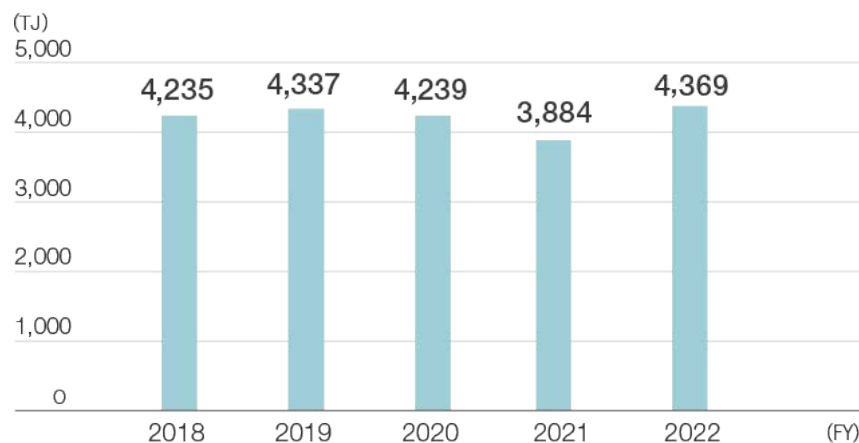


ESG Data

Trends in CO₂ Emissions from Logistics



Trends in Energy Consumption



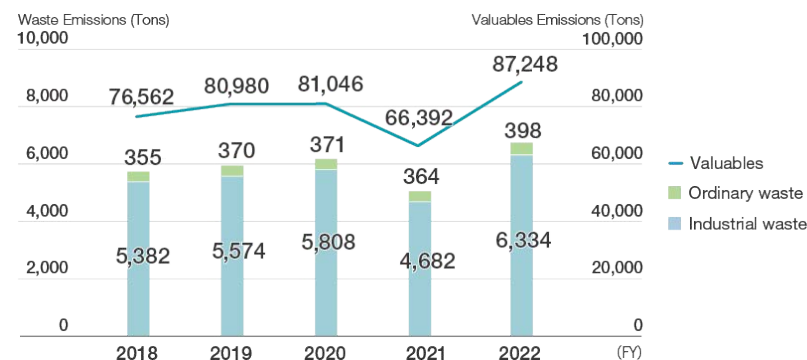
Activities to Reduce Resource Use

Reduce and Control Emissions

- Medium- and long-term target
By the end of FY2024, reduce the amount of waste generated by our business activities to 6,290 tons or less, and strive to optimize all emissions
- Targets and results for FY2022
Target: By the end of FY2022, reduce waste generated from business activities to 6,800 tons or less, and strive to optimize all emissions
Result: 6,657 tons

In addition to encouraging the effective use of waste generated from its business operations, Isuzu takes step to reduce and mitigate waste which includes valuable waste. Isuzu has already achieved zero emissions with no landfill disposal since FY2012. Additionally, since FY2020, we have worked on activities to optimize plastic use as part of our efforts to combat the problem of marine plastic pollution. Due to the characteristics of Isuzu's products, it is unlikely that marine plastic pollution is generated from our waste products, but our business activities use plastics in various ways. Isuzu promotes the appropriate use of plastic products by reviewing single-use and other measures.

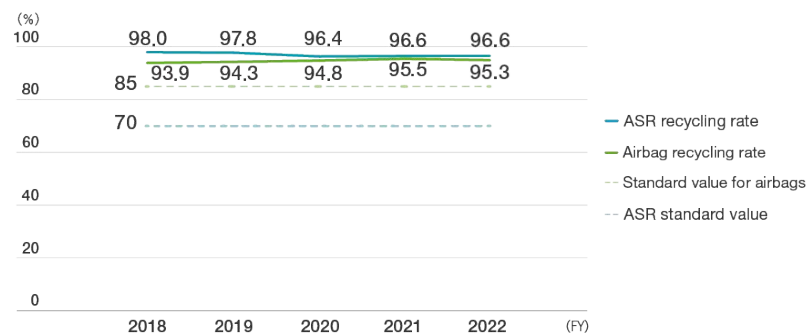
Trends in Waste Generation



* Excluding Omori Headquarters

ESG Data

Trends in Recycling Performance Based on Automobile Recycling

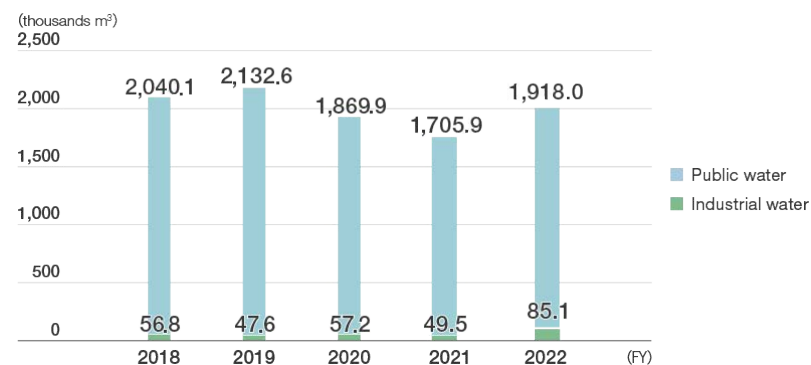


Reduction of Water Consumption

- Medium- and long-term target
Reduce water consumption in business activities to 2,330,900 tons or less by the end of FY2024
- Targets and results for FY2022
Target: Reduce water consumption in business activities to 2,106,000 tons or less by the end of FY2022
Result: 2,010,849 tons

Isuzu uses a large amount of water in vehicle manufacturing, plant maintenance, wastewater treatment, and other processes. To conserve our limited water resources, Isuzu promotes the reuse of water used in business processes and the use of treated wastewater and reduces the amount of water used.

Trends in Water Resource Consumption



* Excluding Omori Headquarters

Environmental Risk Reduction Activities

Control Chlorofluorocarbon Emissions

In response to the Act for Control of Chlorofluorocarbon Emissions (Act on Rational Use and Proper Management of Fluorocarbons) effective from April 2015, Isuzu is promoting proper refrigerant management for business-use refrigeration air conditioning equipment and other equipment using chlorofluorocarbons at all of its bases, and is implementing inspections of all such equipment. While this act requires business operators to report if their estimated leakage of chlorofluorocarbon exceeds 1,000 tons-CO₂/year, Isuzu has verified that its leakage volume for FY2022 was lower than this level.

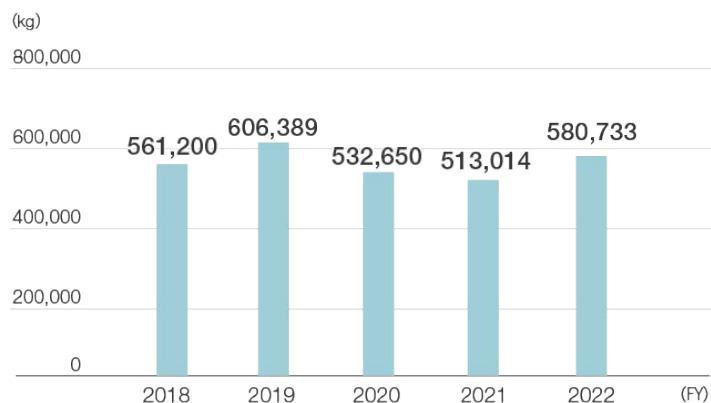
ESG Data

Reduction of VOC Emissions

- Medium- and long-term target
Maintain VOC emissions per painted area of 19.2 g/m² or less in the cab painting process
- Targets and results for FY2022
Target: Maintain VOC emissions per painted area of 19.2 g/m² or less in the cab painting process
Result: 18.2 g/m²

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

Trend in Total VOC Emissions



Managing Land Contamination

To prevent health hazards resulting from land contamination, Isuzu surveys land contamination conditions based on the Soil Contamination Countermeasures Act and ordinances whenever it performs construction of a certain scale or constructs a new building. In FY2022, a contamination survey was conducted when work began on the maintenance of existing buildings in the Fujisawa area of Kanagawa Prefecture, but no contamination requiring soil remediation work was identified. Additionally, cleanup work for lead contamination identified in the Fujisawa area in FY2021 was conducted in FY2022. The cleanup work was conducted in accordance with the law and all other regulations and the satisfactory completion of the work was confirmed by the government. Isuzu will continue efforts to unflinchingly investigate pollution in its construction projects and will take appropriate measures where necessary.

Proper Management of Emissions and Wastewater

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

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

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

Fujisawa Plant: 8 Tsuchidana, Fujisawa City, Kanagawa Prefecture

Air

Item	Equipment	Regulation Value	Measured Value	
			Maximum	Average
NO _x (ppm)	Boilers	60	26	22.2
	Metal melting furnaces	180	70	28.3
	Paint baking furnaces	230	53	52
Soot and dust (g/Nm ³)	Boilers	0.3	0.005	0.005
	Metal melting furnaces	0.2	0.009	0.003
	Paint baking furnaces	0.2	0.001	0.003

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

Water Quality Discharge Destination: Hikiji River

Item	Regulation Value	Maximum	Minimum	Average
pH	5.8-8.6	7.9	7.5	7.8
COD (mg/L)	60	30.0	8.6	18.5
BOD (mg/L)	60	18.0	4.3	10.4
SS (mg/L)	90	10.0	1.0	5.1
Oil content (mg/L)	5	3.0	1.0	1.5

ESG Data

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

Air

Item	Equipment	Regulation Value	Maximum	Average
NOx (ppm)	Boilers	150	63	26
	Metal heating furnace	180	120	57
	Gas engines	600	230	230
SOx (Nmi/h)	Total volume regulation	14.5	0.3	0.1
Soot and dust (g/Nm)	Boilers	0.1	0.001	0.001
	Metal heating furnace	0.2	0.004	0.002
	Gas engines	0.05	0.003	0.003

Water Quality Discharge Destination: Nagano River

Item	Regulation Value	Maximum	Minimum	Average
pH	5.8-8.6	7.5	6.9	7.2
BOD (mg/L)	20	14.3	1.1	2.8
SS (mg/L)	40	2.4	1.2	0.5
Oil content (mg/L)	5	0.0	0.0	0.0

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

Enhancement of Environmental Information Disclosure

Replies to CDP2021

With an aim of properly disclosing its measures on climate change, Isuzu has provided information since FY2017 to the CDP, an organization that evaluates corporate efforts related to climate change. Our score for CDP2021 was A-. Additionally, for the second consecutive year since 2020, the Company was listed on the Supplier Engagement Leader Board, the highest rating in the Supplier Engagement Assessment.

Since FY2018, in addition to climate change, Isuzu has also responded to Water Security and since FY2019 to Forest, widely disclosing its environmental management activities. Isuzu will continue to raise the level of its activities in this regard and information disclosure.

Third-Party Audits of Environmental Data

As demand for transparency and reliability in environmental information grows, Isuzu has been conducting third-party audits of its environmental data since FY2018. The audits are performed in compliance with ISO 14064-3 for CO₂ and with ISAE 3000 for waste and water resources. We have completed verification for both. We will remain aware of the importance of environmental data and will disclose such data in a reliable manner.

Participation in Project for Arrangement of Infrastructure for Environmental Information Disclosure

Since FY2017, Isuzu has been participating in the Ministry of the Environment's Project for the Arrangement of Infrastructure for Environmental Information Disclosure with the aim of promoting dialogues with investors and other stakeholders. We publish our environmental information on the project's portal site.

Participating in this project has enabled us to have more frequent individual dialogues with investors and other entities, helping us to promote our environmental initiatives.

Isuzu Eco-activities

In July 2021, Isuzu published an environmental leaflet, Isuzu's Eco-Katsu (Eco-Activities), to inform stakeholders about the various environmental activities Isuzu is implementing.

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

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

ESG Data

Environmental Accounting

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

Environmental Conservation Costs

(Target Period: April 1, 2021 to March 31, 2022)

Total investment was 2,862 million yen, a 1,627 million yen increase YOY.

Total expenses were 46,176 million yen, a 2,590 million yen increase YOY.

Details are shown in the table below.

(Unit: 1 million yen)

Classification		Investment	Expenses	Major activities
Business area costs	Pollution prevention costs	9	79	Prevention of air, water and other kinds of pollution
	Global environmental conservation costs	119	638	Implementing energy-saving activities, climate change measures, etc.
	Resource recycling costs	44	482	Proper disposal of waste, development and improvement of waste disposal sites, etc.
Upstream/downstream costs		2	4,098	Encouraging the recycling of used automobiles, 3Rs for waste, etc.
Management costs		0	401	Promoting environmental management, updating systems for gathering information such as environmental data, etc.
R&D costs		2,688	40,368	R&D for eco-friendly products compliant with emissions regulations, etc.
Social activity costs		0	95	Supporting environmental conservation activities such as tree planting, donating to environmental conservation organizations, etc.
Environmental damage costs		0	15	Pollution load levy, conservation measures against soil and groundwater pollution, etc.
Total		2,862	46,176	

Environmental Conservation Effects

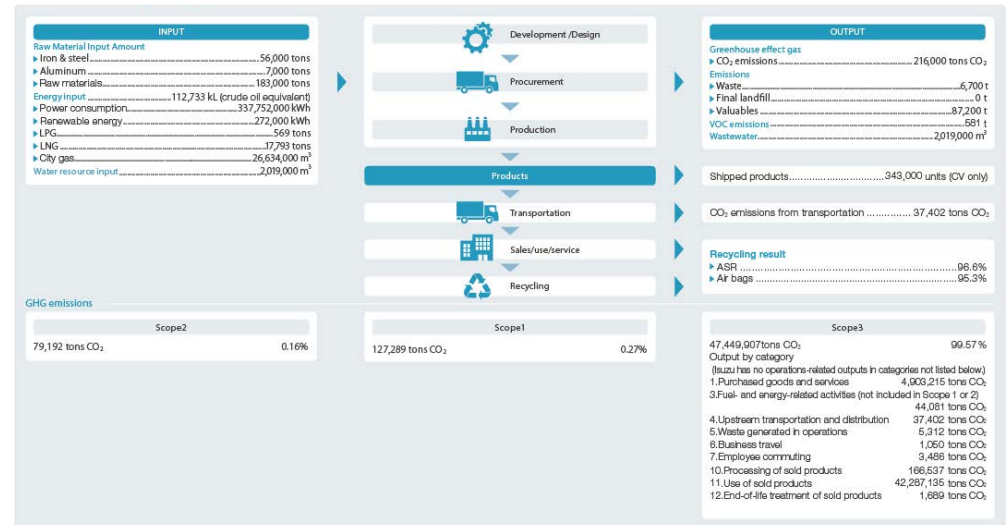
(Period: April 1, 2021 to March 31, 2022)

Category	Effect details	Effect
Economic effect (millions of yen)	Reduction in energy costs through energy conservation	6.2
	Profit on sale of valuables	3,213
Quantitative effect (tons)	CO ₂ reduction (tons of CO ₂)	207

Business Activities and Environmental Hazards

FY2022 Material Flow

FY2022 material flow (Isuzu only)



ESG Data

Social

Employee Data (Consolidated)

	Unit	FY2020	FY2021	FY2022
The number of employees	The number of employees	36,856	36,224	44,299
Male		-	-	39,166
Female		-	-	5,133
Outside Number: Average Number of Temporary Employees		10,069	10,183	14,320
Number of Employees by Region	The number of employees	36,856	36,224	44,299
Japan		-	22,626	28,727
Asia		-	10,811	12,475
Africa		-	1,418	1,676
Other Areas		-	1,369	1,421

Employee Data (Non-consolidated)

Employee

	Unit	FY2020	FY2021	FY2022
The number of employees	The number of employees	8,172	8,149	8,056
Male		7,717	7,691	7,591
Female		455	458	465
Of Which, Non-regular Employees		150	128	126
Number of New Graduates Hired	The number of employees	221	242	256
Male		199	224	239
Female		22	18	17
Number of Foreign Nationals Hired	The number of employees	2	4	7
Personnel Turnover*1	%	4.60	5.00	5.00
Personal Circumstances		1.74	1.52	1.68
Percentage of Employees with Disabilities*2		1.97	2.11	1.97
Rehired Retiree Numbers	The number of employees	624	692	762
Management (Senior Level)	The number of employees	1,379	1,398	1,417
Male		1,337	1,355	1,368
Female		42	43	49
Ratio of Women	%	3.14	3.17	3.58
Average Age	Years	41.4	41.3	41.2
Average Years of Service	Years	19.0	19.0	18.7
Average Annual Salary*3	Thousands of yen	7,764	7,593	7,534

*1 Including retirees.

*2 Figures as of June 1 of each year.

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

ESG Data

Number of Employees Using Childcare/Nursing Care Support Systems

	Unit	FY2020	FY2021	FY2022
Parenting Leave	The number of employees	47	53	66
Male		13	20	31
Female		34	33	35
Nursing Care Leave		5	0	0
Male		4	0	0
Female		1	0	0
Shortened Working Hours (Nursing Care and Childcare)		40	31	31
Male		17	4	3
Female		23	27	28

Health and Safety

Occupational Injuries

	Unit	FY2020	FY2021	FY2022
Total Number of Incidents	Cases	18	28	23
(Target)		(13)	(12)	(12)
Fatalities		0	0	0
(Target)		(0)	(0)	(0)

Lost Time Due to Injury Frequency Rate*1

	Unit	FY2020	FY2021	FY2022
Lost Time Due to Injury Frequency Rate		0.00	0.16	0.00
Automobile Manufacturing (Japan)*2		0.20	0.15	0.18

*1 Number of fatalities and injuries due to industrial incidents per 1,000,000 total actual working hours (number of fatalities/injuries and actual working hours) x 1,000,000.

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

Safety Training

	Unit	FY2022
Number of Safety Course Attendees	The number of employees	5,344

Personnel Development

Training Achievements

	Unit	FY2022
Total Hours of Training	Hours	231,993
Hours Per Employee		29

Social Contribution Activities

Social Contribution Expenditure in FY2022 (Non-consolidated): 850 Million Yen

	Unit	Social contribution expenditure	In-kind Donations	Donations
Amount	1 million yen	661	4	190

Main support

Humanitarian assistance for victims of war in Ukraine and neighboring countries

Support for the Tacloban Vocational Training School in the Philippines

Product Quality

	Unit	FY2020	FY2021	FY2022
No. of recalls	Cases	19	11	17

ESG Data

Governance

Corporate Governance Overview

		Unit	As of June 28, 2022
Directors	Board of Directors		13
	Independent Outside Directors	Person	5
	Proportion of Independent Outside Directors	%	38.46
	Female Directors	Person	2
	Proportion of Female Directors	%	15.38
Audit and Supervisory Committee	Audit Committee Members		5
	Independent Outside Directors		3
Nomination and Remuneration Committee	Nomination and Remuneration Committee Members	Person	4
	Independent Outside Directors		3

Meetings Held

		Unit	FY2020	FY2021	FY2022
Board of Directors	Number of meetings	Times	13	18	15
	Attendance rate among Outside directors	%	99	100	100
Audit and Supervisory Committee (Board of Corporate Auditors)	Number of meetings	Times	(12)	(15)	11 (5) *1
	Attendance rate	%	96	100	100
Nomination and Remuneration Committee	Number of meetings	Times	-	9	8

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






GRI Standards Index

GRI STANDARDS	Disclosures		Medium of publication	ISO26000
GRI 101: Foundation 2016				
General Disclosures				
102: General Disclosures (2016)	102-1	Name of the organization	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ 	6.3.10 6.4.1-6.4.2 6.4.3 6.4.4 6.8.5 7.8
	102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ Products & Solutions □ 	
	102-3	Location of headquarters	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ 	
	102-4	Location of operations	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ About ISUZU>Domestic affiliated companies (Japanese only) □ About ISUZU>Principal Overseas Subsidiaries, Affiliates and Offices □ 	
	102-5	Ownership and legal form	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ 	
	102-6	Markets served	<ul style="list-style-type: none"> About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ 	
	102-7	Scale of the organization	<ul style="list-style-type: none"> ESG Data>Social About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ 	
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> ESG Data>Social About ISUZU>Corporate Profile □ Investor Relations>Fact Book □ Securities Report □ 	

GRI STANDARDS	Disclosures		Medium of publication	ISO26000
	102-9	Supply chain	<ul style="list-style-type: none"> Social>Supply Chain Management 	
	102-10	Significant changes to the organization and its supply chain	<ul style="list-style-type: none"> Editorial Policy 	
	102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> Environment>Management Approaches>Isuzu Environmental Vision 2050 Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Environment>Management Approaches>Isuzu Group's Charter on the Global Environment Environment>Management Approaches>Management Structure Social>Quality>Initiatives>Initiatives for Higher Field Quality 	6.3.10 6.4.1-6.4.2 6.4.3 6.4.4 6.8.5 7.8
	102-12	External initiatives	<ul style="list-style-type: none"> Participation in External Initiatives Environment>Management Approaches>Contributions to Sustainable Development Goals (SDGs) 	
	102-13	Membership of associations	<ul style="list-style-type: none"> Participation in External Initiatives Social>Contributions to Local Communities and Society 	
	102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> Message □ Message from the Chairperson of the Sustainability Committee 	
	102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> Environment>Management Approaches>Isuzu Environmental Vision 2050 Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Securities Report □ 	4.7 6.2 7.4.2
	102-16	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none"> Isuzu Corporate Vision/Corporate Mission □ Environment>Management Approaches>Isuzu Group's Charter on the Global Environment 	4.4 6.6.3

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
		<ul style="list-style-type: none"> Environment>Management Approaches>Basic Approach Social>Quality>Basic Approach Social>Respect for Employees>Basic Approach Social>Human Rights>Isuzu Group Human Rights Policy Social>Supply Chain Management>Basic Approach Social>Contributions to Local Communities and Society>Basic Approach Governance>Corporate Governance>Basic Approach Governance>Compliance>Tax Policy 	
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> Governance>Compliance>Initiatives 	
102-18	Governance structure	<ul style="list-style-type: none"> Sustainability Promotion System Governance>Corporate Governance>Management Structure Securities Report  Corporate Governance Report (Japanese only)  	
102-19	Delegating authority	<ul style="list-style-type: none"> Sustainability Promotion System Governance>Corporate Governance>Management Structure 	
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> Sustainability Promotion System Environment>Management Approaches>Management Structure Social>Quality>Management Structure Social>Respect for Employees>Management Structure Social>Human Rights>Management Structure Social>Supply Chain Management>Management Structure Social>Contributions to Local Communities and Society>Management Structure 	6.2 7.4.3 7.7.5

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
		<ul style="list-style-type: none"> Governance>Corporate Governance>Management Structure Governance>Compliance>Management Structure Governance>Risk Management>Management Structure 	
102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders  	
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> Governance>Corporate Governance>Management Structure 	
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> Governance>Corporate Governance>Management Structure 	
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> Governance>Corporate Governance>Management Structure Securities Report  	
102-25	Conflicts of interest	<ul style="list-style-type: none"> Corporate Governance Report (Japanese only)  	
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> Message  Isuzu Corporate Vision/Corporate Mission  Sustainability Promotion System Environment>Management Approaches>Management Structure Social>Quality>Management Structure Social>Respect for Employees>Management Structure Social>Human Rights>Management Structure Social>Supply Chain Management>Management Structure Social>Contributions to Local Communities and Society>Management Structure Governance>Corporate Governance>Management Structure Governance>Compliance>Management Structure Governance>Risk Management>Management Structure 	6.2 7.4.3 7.7.5

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> Sustainability Promotion System Governance>Corporate Governance 	
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> Governance>Corporate Governance>Board Effectiveness Assessment Corporate Governance Report (Japanese only)  	
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> Sustainability Promotion System Environment>Management Approaches>Management Structure Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Social>Quality>Management Structure Social>Respect for Employees>Management Structure Social>Human Rights>Management Structure Social>Supply Chain Management>Management Structure Social>Contributions to Local Communities and Society>Management Structure Governance>Corporate Governance>Management Structure Governance>Compliance>Management Structure Governance>Risk Management>Management Structure Corporate Governance Report (Japanese only)  	

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> Governance>Risk Management>Risk Management Process Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Corporate Governance Report (Japanese only)  	
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> Governance>Risk Management>Risk Management Process Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Corporate Governance Report (Japanese only)  	
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> Sustainability Promotion System Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations 	
102-33	Communicating critical concerns	<ul style="list-style-type: none"> Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations Governance>Compliance>Management Structure 	
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> Governance>Compliance>Management Structure 	
102-35	Remuneration policies	<ul style="list-style-type: none"> Governance>Corporate Governance>Officers' Remuneration Securities Report  Corporate Governance Report (Japanese only)  	6.2 7.4.3 7.7.5
102-36	Process for determining remuneration	<ul style="list-style-type: none"> Governance>Corporate Governance>Officers' Remuneration Securities Report  Corporate Governance Report (Japanese only)  	

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> Governance>Corporate Governance>Officers' Remuneration Securities Report Corporate Governance Report (Japanese only) 	
102-38	Annual total compensation ratio	—	
102-39	Percentage increase in annual total compensation ratio	—	
102-40	List of stakeholder groups	<ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders 	5.3
102-41	Collective bargaining agreements	<ul style="list-style-type: none"> Social>Respect for Employees>Labor-Management Relations 	6.4.5
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders 	5.3
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders 	5.3
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> Building Relationships of Trust with Stakeholders 	5.3
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> Securities Report 	
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> Editorial Policy 	5.2
102-47	List of material topics	<ul style="list-style-type: none"> The Value Creation Story of Isuzu Corporate and Stock Information 	7.3.2 7.3.3 7.3.4
102-48	Restatements of information	<ul style="list-style-type: none"> Editorial Policy 	
102-49	Changes in reporting	<ul style="list-style-type: none"> Editorial Policy 	
102-50	Reporting period	<ul style="list-style-type: none"> Editorial Policy 	
102-51	Date of most recent report	<ul style="list-style-type: none"> Editorial Policy 	7.5.3
102-52	Reporting cycle	<ul style="list-style-type: none"> Editorial Policy 	7.6.2
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> Editorial Policy 	

GRI STANDARDS	Disclosures	Medium of publication	ISO26000	
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Editorial Policy 		
102-55	GRI content index	<ul style="list-style-type: none"> GRI Standards Index 		
102-56	External assurance	<ul style="list-style-type: none"> ESG Data>Third-Party Audits of Environmental Data 		
Material Topics				
103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> Environment>Management Approaches>Isuzu Environmental Vision 2050 The Value Creation Story of Isuzu 	5.2 7.3.2 7.3.3 7.3.4
	103-2	The management approach and its components	<ul style="list-style-type: none"> Sustainability Promotion System Environment>Management Approaches>Isuzu Environmental Vision 2050>2030 Environmental Roadmap Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations The Value Creation Story of Isuzu 	
	103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Sustainability Promotion System Environment>Management Approaches>Isuzu Environmental Vision 2050>2030 Environmental Roadmap Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations External Evaluation The Value Creation Story of Isuzu 	
201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> Social>Contributions to Local Communities and Society>Social Contribution Expenditure 	6.8.1-6.8.2 6.8.3 6.8.7 6.8.9
	201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> Environment>Climate Change Measures>Information Disclosure Based on the TCFD Recommendations 	6.5.5

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> Social > Respect for Employees > Improving Employee Satisfaction > Welfare Benefit System Securities Report <input type="checkbox"/> 	6.8.7
	Financial assistance received from government	—	—
202: Market Presence (2016)	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	—	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1-6.8.2
	202-2 Proportion of senior management hired from the local community	—	6.4.3 6.8.1-6.8.2 6.8.5 6.8.7
203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported	—	6.3.9 6.8.1-6.8.2 6.8.7 6.8.9
	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> Social > Contributions to Local Communities and Society > Social Contribution Expenditure 	6.3.9 6.6.6 6.6.7 6.7.8 6.8.1-6.8.2 6.8.5 6.8.7 6.8.9
204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none"> Social > Supply Chain Management > Initiatives > Isuzu Supply Chain 	6.4.3 6.6.6 6.8.1-6.8.2 6.8.7
205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> Governance > Compliance Securities Report <input type="checkbox"/> 	
	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> Social > Supply Chain Management > Communication with Business Partners Governance > Compliance > Initiatives > Compliance Training 	
	205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> Governance > Compliance > Management Structure 	
206: Anti-competitive Behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly	—	

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
207: Tax (2019)	practices		
	207-1 Approach to tax	<ul style="list-style-type: none"> Governance > Compliance > Tax Policy 	6.2
	207-2 Tax governance, control, and risk management	<ul style="list-style-type: none"> Governance > Compliance > Tax Policy 	6.2
	207-3 Stakeholder engagement and management of concerns related to tax	<ul style="list-style-type: none"> Governance > Compliance > Tax Policy 	
301: Materials (2016)	207-4 Country-by-country reporting	—	
	301-1 Materials used by weight or volume	<ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards 	6.5.4
	301-2 Recycled input materials used	<ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards 	6.5.4
302: Energy (2016)	301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none"> ESG Data > Environment > Business Activities and Environmental Hazards About Recycling Isuzu Vehicles (Japanese only) <input type="checkbox"/> 	6.5.4
	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> ESG Data > Environment > CO₂ Emissions Mitigation Activities ESG Data > Environment > Business Activities and Environmental Hazards 	6.5.4
	302-2 Energy consumption outside of the organization	—	6.5.4
	302-3 Energy intensity	—	6.5.5
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> ESG Data > Environment > CO₂ Emissions Mitigation Activities ESG Data > Environment > Business Activities and Environmental Hazards 	6.5.4 6.5.5
303: Water And Effluents (2018)	302-5 Reductions in energy requirements of products and services	<ul style="list-style-type: none"> Environment > Climate Change Measures > Initiatives > Products and Services 	6.5.4
	303-1 Interactions with water as a shared resource	<ul style="list-style-type: none"> Environment > Environmental Risk Prevention Management > Promoting Water Resource Conservation 	6.5.4

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
303:	303-2	Management of water discharge-related impacts	• ESG Data>Environment>Proper Management of Emissions and Wastewater 6.5.4
	303-3	Water withdrawal	• ESG Data>Environment>Reduction of Water Consumption • ESG Data>Environment>Business Activities and Environmental Hazards 6.5.4
	303-4	Water discharge	• ESG Data>Environment>Business Activities and Environmental Hazards 6.5.4
	303-5	Water consumption	— 6.5.4
304: Biodiversity (2016)	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Environment>Biodiversity Conservation 6.5.6
	304-2	Significant impacts of activities, products, and services on biodiversity	• Environment>Biodiversity Conservation 6.5.6
	304-3	Habitats protected or restored	• Environment>Biodiversity Conservation 6.5.6
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	— 6.5.6
	305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions	• ESG Data>Environment>Business Activities and Environmental Hazards 6.5.5	
305-3	Other indirect (Scope 3) GHG emissions	• ESG Data>Environment>Business Activities and Environmental Hazards 6.5.5	
305-4	GHG emissions intensity	— 6.5.5	
305-5	Reduction of GHG emissions	• Environment>Climate Change Measures>Initiatives>Products and Services • Environment>Climate Change 6.5.5	

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
305:	305-6	Emissions of ozone-depleting substances (ODS)	Measures>Initiatives>Business Activities • ESG Data>Environment>CO ₂ Emissions Mitigation Activities • ESG Data>Environment>Control Chlorofluorocarbon Emissions 6.5.3 6.5.5
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• ESG Data>Environment>Proper Management of Emissions and Wastewater 6.5.3
	306: Waste (2020)	306-1	Waste generation and significant waste-related impacts
306-2	Management of significant waste-related impacts	• Environment>Resource Recycling 6.5.3	
306-3	Waste generated	• ESG Data>Environment>Reduce and Control Emissions 6.5.3	
306-4	Waste diverted from disposal	— 6.5.3	
306-5	Waste directed to disposal	— 6.5.3	
307: Environmental Compliance (2016)	307-1	Non-compliance with environmental laws and regulations	• ESG Data>Environment>Isuzu's Environmental Management Systems 4.6
308: Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	• Social>Supply Chain Management >Isuzu Supply Chain 6.3.5 6.6.6 7.3.1
	308-2	Negative environmental impacts in the supply chain and actions taken	• Social>Supply Chain Management >Communication with Business Partners 6.3.5 6.6.6 7.3.1
401: Employment (2016)	401-1	New employee hires and employee turnover	• ESG Data>Social>Employee 6.4.3

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Social>Respect for Employees>Utilization of Diverse Human Resources>Promoting the Role of Post-retirement Employees Social>Respect for Employees>Utilization of Diverse Human Resources>Promoting a Healthy Work-life Balance Social>Respect for Employees>Improving Employee Satisfaction>Welfare Benefit System 	6.4.4 6.8.7
		<ul style="list-style-type: none"> Social>Respect for Employees>Utilization of Diverse Human Resources>Promoting a Healthy Work-life Balance ESG Data>Social>Number of Employees Using Childcare/Nursing Care Support Systems 	6.4.4
401-3	Parental leave	<ul style="list-style-type: none"> Social>Respect for Employees>Utilization of Diverse Human Resources>Promoting a Healthy Work-life Balance ESG Data>Social>Number of Employees Using Childcare/Nursing Care Support Systems 	6.4.4
402: Labor/Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	6.4.3 6.4.5
403: Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	6.4.6
	403-2	Hazard identification, risk assessment, and incident investigation	6.4.6
	403-3	Occupational health services	6.4.6 6.8.8
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.4.6
	403-5	Worker training on occupational health and safety	6.4.6 6.8.8
	403-6	Promotion of worker health	6.8.8
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business	6.4.6

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
403-8	relationships		
	Workers covered by an occupational health and safety management system		6.4.6
	403-9 Work-related injuries		6.4.6
	403-10 Work-related ill health		6.8.8
404: Training and Education (2016)	404-1	Average hours of training per year per employee	• ESG Data>Social>Personnel Development 6.4.7
	404-2	Programs for upgrading employee skills and transition assistance programs	• Social>Respect for Employees>Utilization of Diverse Human Resources>Promoting the Role of Post-retirement Employees • Social>Respect for Employees>Personnel Development 6.4.7 6.8.5
	404-3	Percentage of employees receiving regular performance and career development reviews	• Social>Respect for Employees>Personnel Development>HR Performance Evaluation System 6.4.7
405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	• ESG Data>Governance • ESG Data>Social>Employee Data (Consolidated) • ESG Data>Social>Employee Data (Non-consolidated) 6.2.3 6.3.7 6.3.10 6.4.3
	405-2	Ratio of basic salary and remuneration of women to men	— 6.3.7 6.3.10 6.4.3 6.4.4
406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	— 6.3.6 6.3.7 6.3.10 6.4.3
407: Freedom of Association and Collective Bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	— 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.5 6.6.6
408: Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	— 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10

GRI Standards Index

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
			6.6.6 6.8.4
409: Forced or Compulsory Labor (2016)	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	—	6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6
410: Security Practices (2016)	410-1 Security personnel trained in human rights policies or procedures	—	6.3.4 6.3.5 6.6.6
411: Rights of Indigenous Peoples (2016)	411-1 Incidents of violations involving rights of indigenous peoples	—	6.3.4 6.3.6 6.3.7 6.3.8 6.6.7 6.8.3
412: Human Rights Assessment (2016)	412-1 Operations that have been subject to human rights reviews or impact assessments	• Social>Human Rights	6.3.3 6.3.4 6.3.5
	412-2 Employee training on human rights policies or procedures	• Social>Human Rights	6.3.5
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	6.3.3 6.3.5 6.6.6
413: Local Communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Environment>Biodiversity Conservation • Environment>Environmental Risk Prevention Management • Social>Contributions to Local Communities and Society • Building Relationships of Trust with Stakeholders  	6.3.9 6.5.1-6.5.2 6.5.3 6.8
	413-2 Operations with significant actual and potential negative impacts on local communities	—	6.3.9 6.5.3 6.8
414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	• Social>Supply Chain Management	6.3.3 6.3.4 6.3.5 6.6.6

GRI STANDARDS	Disclosures	Medium of publication	ISO26000
	414-2 Negative social impacts in the supply chain and actions taken	• Social>Supply Chain Management	6.3.3 6.3.4 6.3.5 6.6.6
415: Public Policy (2016)	415-1 Political contributions	—	6.6.1-6.6.2 6.6.4
416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> • Social>Quality>Initiatives>Product Quality Improvement>Initiatives at the Procurement Stage • Social>Quality>Initiatives>Product Quality Improvement>Initiatives at the Manufacturing Stage • Social>Quality>Initiatives>Product Quality Improvement>Initiatives for Higher Field Quality • Social>Quality>Initiatives>Service Quality Improvement 	6.7.1-6.7.2 6.7.4 6.7.5 6.8.8
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	• Social>Quality>Initiatives>Product Quality Improvement>Initiatives for Higher Field Quality >Initiatives for Recall Campaigns	4.6 6.7.1-6.7.2 6.7.4 6.7.5 6.8.8
417: Marketing and Labeling (2016)	417-1 Requirements for product and service information and labeling	• Social>Quality>Initiatives>Service Quality Improvement	6.7.1-6.7.2 6.7.3 6.7.4 6.7.5 6.7.9
	417-2 Incidents of non-compliance concerning product and service information and labeling	—	4.6 6.7.1-6.7.2 6.7.3 6.7.4 6.7.5 6.7.9
	417-3 Incidents of non-compliance concerning marketing communications	—	4.6 6.7.1-6.7.2 6.7.3
418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	—	6.7.1-6.7.2 6.7.7
419: Socioeconomic Compliance (2016)	419-1 Non-compliance with laws and regulations in the social and economic area	—	4.6 6.7.1-6.7.2 6.7.6

ESG Comparison Table

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