

Daihatsu Motor's Approach to Sustainability

As the automobile industry undergoes what is said to be a once-in-a-century transformation and companies strongly need to contribute to solving social issues including respect for human rights and environmental conservation, Daihatsu has established a structure for promoting sustainability so that we can steadily implement sustainability initiatives in response to those demands.

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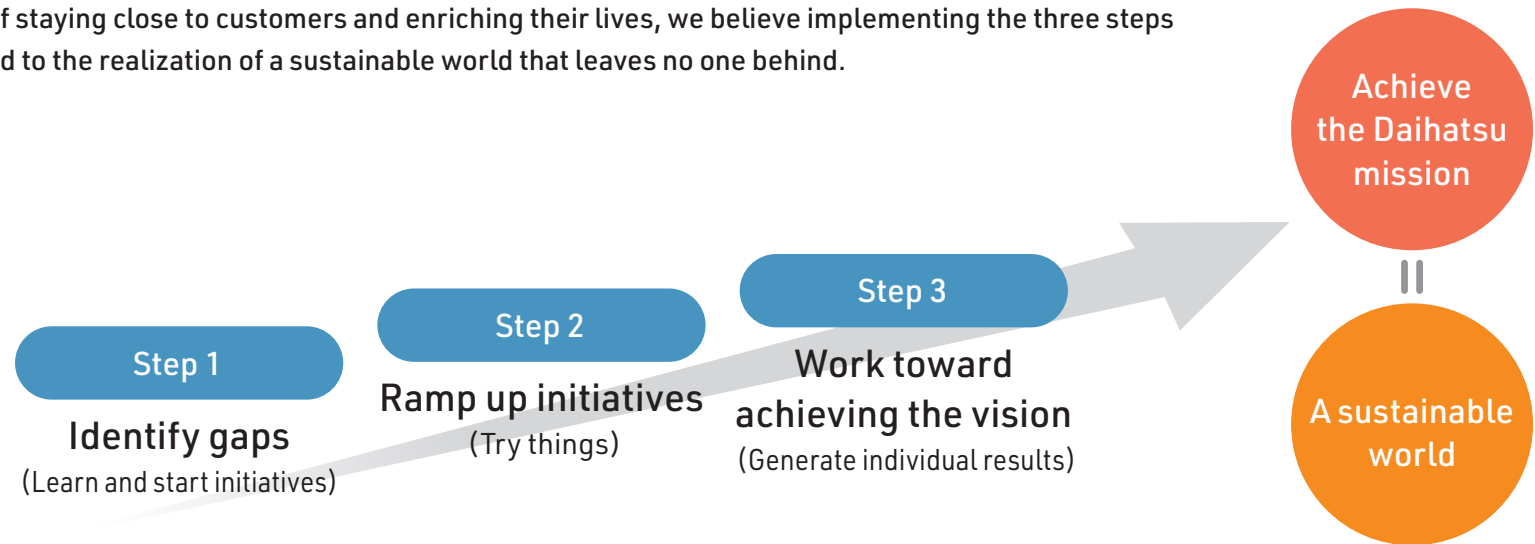
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Sustainability Initiative Implementation Methods

To achieve our mission of staying close to customers and enriching their lives, we believe implementing the three steps described below will lead to the realization of a sustainable world that leaves no one behind.



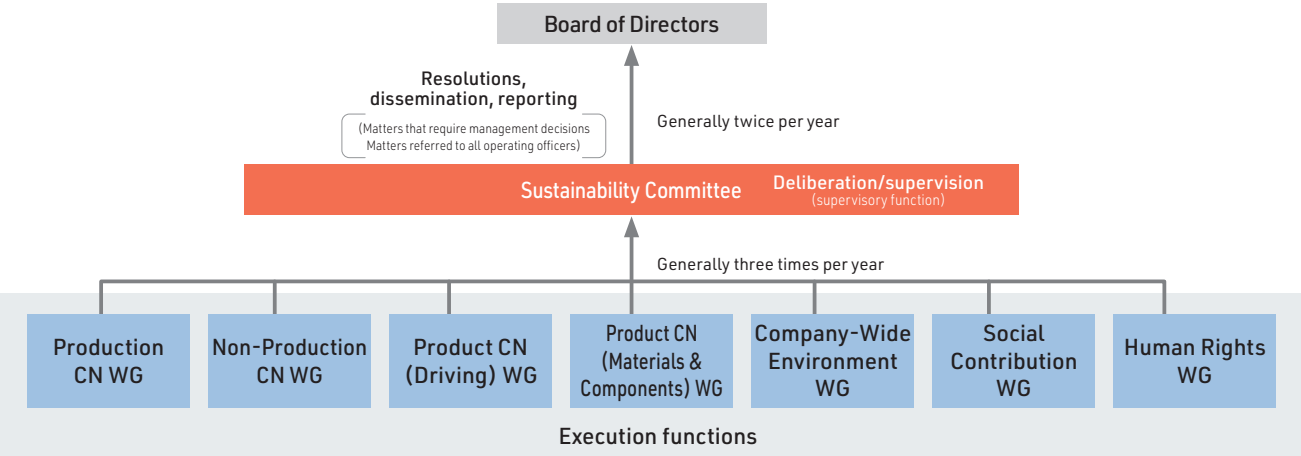
Category	Details of Initiatives		
	Step 1	Step 2	Step 3
Human Rights See p. 60	● Evaluate human rights risks ● Set priority action topics	● Start initiatives to avoid human rights risks (internal) ● Evaluate the effectiveness of initiatives ● Based on the above results: · Formulate a medium-term plan (including KPIs) · Refine the details of initiatives and implement groupwide	● Firmly establish initiatives and take action to achieve fundamental policies
Social Contribution See p. 70	● Ascertain current conditions (including Group companies) ● Select priority initiatives ● Formulate new initiative plans	● Formulate a medium-term plan ● Start new initiatives on a full scale ● Improve the details of initiatives and deploy to Group companies	● Firmly establish initiatives
Environment See p. 31	The 8th Daihatsu Group Environmental Action Plan See p. 33 to 34		

Sustainability Promotion Structure

The Sustainability Committee is responsible for proposing policies related to Daihatsu’s sustainability initiatives, their deployment to Daihatsu and its affiliated companies, and supervising and providing advice on the progress of initiatives in response to those policies. The executive vice president chairs the committee and its members are all chief officers, personnel responsible for sustainability at main overseas production sites, and the full-time Audit & Supervisory Board members. The committee also works to expand and enhance Daihatsu’s sustainability initiatives in accordance with the “Toyota Supplier Sustainability Guidelines” as members of the Toyota Group.

In addition, key sustainability issues, the progress of each working group (hereinafter, “WG”), matters related to policies and targets, and progress for each activity are regularly reported to the Board of Directors, with initiatives reviewed and refined based on those discussions with a view to continuously improving them.

Organizational Structure



Tasks of Each WG

Headed by a general manager who serves as its executive head; brings together individuals in related posts to work together to share information and discuss policy, KPIs, etc. of each working group.

WG	Details of Initiatives
Production CN WG	- Reducing CO₂ emitted during vehicle production at plants - Promoting energy-saving activities and studying the introduction of innovative technology and renewable energy
Non-Production CN WG	- Reducing CO₂ emitted by offices, etc. - Studying ways to reduce energy consumption of lighting and air conditioning, and transitioning to renewable energy, etc. for offices and other facilities
Product CN (Driving) WG	- Reducing CO₂ emitted during driving - Studying ways to improve gasoline engine fuel efficiency, and to expand electrified vehicles and carbon-neutral fuel vehicles
Product CN (Materials & Components) WG	- Reducing CO₂ emitted during component material production and processing - Studying ways to visualize emissions, produce emissions-reducing items, and achieve carbon neutral materials
Company-Wide Environment WG	Promoting environmental strategy, Environmental Action Plan, recycling-based society, existing in harmony with nature, and environmental management (excluding CN activities)
Social Contribution WG	Collaboration between business sites on social contribution activities and implementation
Human Rights WG	- Reducing the risk of human rights violations across the entire supply chain (procurement, manufacturing, logistics, and sales processes) - Promoting preventive initiatives

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Stakeholder Engagement

Daihatsu Sustainability Basic Policy

[Foreword]

We, at Daihatsu, comply with laws, regulations, and rules. We also uphold Corporate Philosophy of “Staying close to our customers and enriching their lives” as our mission. All of our employees contribute to the sustainable development of society through Daihatsu’s unique MONOZUKURI and KOTOZUKURI.

In addition, we are aware of our role as a corporate citizen, recognize the impact we have on society and the environment, and work with all stakeholders in good faith to deepen mutual understanding and foster long-term relationships of trust.

1. With our customers

- ◆ We, as a mobility company centered around compact cars that values the idea of staying close to our customers, provide safe, secure, high-quality products and services at affordable prices and enrich our customers’ lives.
- ◆ We strive to thoroughly protect the personal information of our customers, and of all people we encounter in our business activities.

2. With local communities

- ◆ We seek to become a company that has roots in the communities in which it operates. To this end, we respect local traditions, cultures, and customs and, through dialogue and cooperation with local parties, we contribute both to the resolution of societal issues and to the harmonious growth of local communities.

3. The global environment

- ◆ We believe that preserving the irreplaceable global environment for future generations is a responsibility shared by all humanity. We seek to minimize the environmental load of our business processes in every stage of our product lifecycles; at the same time, through the use of outstanding environmental technologies, we seek to realize a mobility society that places a lighter burden on the natural environment.

4. With our business partners

- ◆ We endeavor to coexist and co-prosper with our business partners through open and fair trade. We also collaborate with our business partners and with industry groups to fulfill our societal responsibilities in every stage of our supply chain.

5. With our shareholders and investors

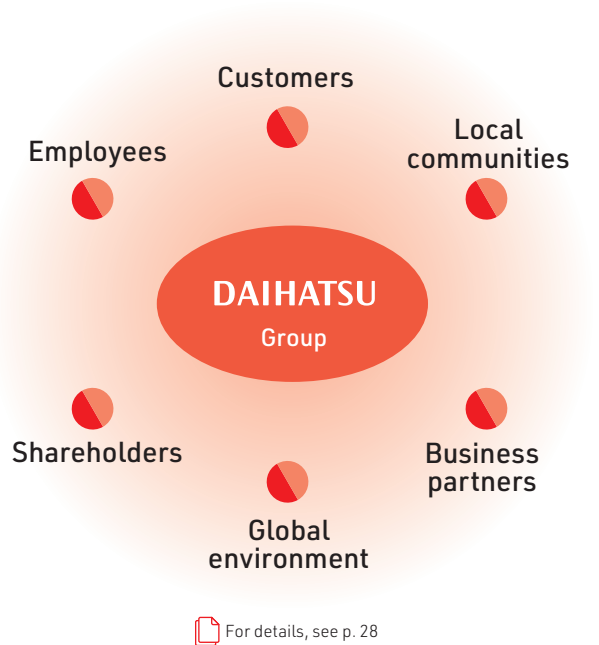
- ◆ We are committed to safeguarding the soundness and transparency of our management; at the same time, through proper and fair information disclosure and dialogue, we aim to improve our corporate value from a long-term perspective with our shareholders.

6. With our employees

- ◆ We respect the human rights of all the people we encounter in our business activities; at the same time, we seek to create environments in which all Group employees can work safely, healthily, and with energy and enthusiasm.
- ◆ We strive to create workplaces where employees get fairly evaluated; at the same time, we develop systems that enable employees to experience job satisfaction and achieve personal growth, and thereby foster an open company culture.

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Stakeholders of the Daihatsu Group



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Stakeholder	Main Methods of Engagement	Overview
Customers	Market Research	We identify customer needs through surveys, interviews, and observations of product usage, and reflect those insights in product planning and development. We also conduct research tailored to the needs of each overseas market.
	On-Site Work Experience	Particularly for commercial vehicles, we accompany customers in their day-to-day operations to better understand real usage environments and apply those insights to product improvements.
Local communities	KOTOZUKURI	Through community-based initiatives, we expand points of contact with customers and local communities while enhancing experiential value.
	Collaboration with NPOs	We support initiatives for pregnant and postpartum women and help create a safe and supportive social environment.
	Ikeda Area Platform	We participate in regional revitalization initiatives and carry out community-based activities in collaboration with local shopping districts and students.
	Community Briefings	Through community briefings and environmental patrols, we promote communication with local communities and deepen understanding of environmental conservation at both domestic and overseas sites.
	Public Events at Daihatsu Plants	Each plant hosts open house events for members of the local community.
Business partners	Supplier Sustainability Guidelines Toyota Supplier Sustainability Guidelines	To promote sustainability together with our business partners, we issue guidelines outlining specific initiatives and expectations. We also communicate and reinforce compliance with the guidelines issued by our parent company, Toyota, ensuring they are thoroughly understood and followed.
	Policy Briefings and Monthly Meetings	We regularly share information with business partners regarding activity policies and priority initiatives.
	Communication with Purchasing Representatives	Through initiatives such as the Daihatsu Suppliers Club (DSC) and business partner appreciation meetings, purchasing representatives and related departments maintain ongoing dialogue with business partners to improve quality and reduce costs.
Shareholders	Shareholders' Meeting	Daihatsu is a wholly owned subsidiary of Toyota. We see shareholders who have invested in Toyota as our own important stakeholders and strive to enhance corporate value by taking actions based on the Group Vision.
Employees	Labor-Management Consultation Frameworks	To reflect employees' views in management, we engage in ongoing dialogue on work styles and management issues through workplace discussion meetings and labor-management councils.
	Internal Newsletter	We share company initiatives and employee activities to boost motivation and encourage stronger internal communication.
	"Fureai-Hiroba" Town Hall Meeting	We provide opportunities for direct dialogue between management and employees to deepen understanding of management initiatives, gather frontline feedback, and enhance motivation.
Memberships	Committees, etc.	We participate in committees and other activities organized by industry associations, fulfilling our responsibilities through information gathering and involvement in decision-making processes.

For more information on our engagement with stakeholders, please also see "NP Challenge" and "Social Contribution."

 See "NP Challenge" pp. 47 to 48

 See "Social Contribution" pp. 70 to 76

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Instilling Our Corporate Philosophy

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Efforts to Instill Our Corporate Philosophy

Daihatsu's Mission is "Staying close to our customers and enriching their lives." Since our founding in 1907, our products may have evolved, but this commitment has remained unchanged. The values we will continue to cherish are embodied in our corporate philosophy.

To ensure that every employee understands and puts this corporate philosophy into practice, Daihatsu promotes it through dialogue with management, workshops, and a range of HR training programs. At the same time, we are advancing initiatives that connect the corporate philosophy to employees' everyday actions, while also incorporating the feedback shared through these dialogues and training opportunities.

Dialogue with Management

The Daihatsu Corporate Philosophy, newly reorganized in September 2024, was shared at the "Fureai-Hiroba" town hall meeting, a discussion event for management and employees. The president and chief officers spoke about the thoughts behind the corporate philosophy and how they themselves intend to act on it, helping drive efforts to embed the corporate philosophy throughout the company.



Discussions streamed to the whole company in real time

The background and intentions behind the reorganization of the corporate philosophy have also been published on the company intranet, where employees can access them at any time. A video message from the president sharing his thoughts with employees has also been made available.

Workshops Based on Corporate Philosophy

We hold discussion-based Corporate Philosophy Workshops. In this workshop, we use group work focused on comparing one's own ideas to the corporate philosophy and discovering similarities to help participants learn about the ideas and vision behind the language used and develop a deeper familiarity with the corporate philosophy.

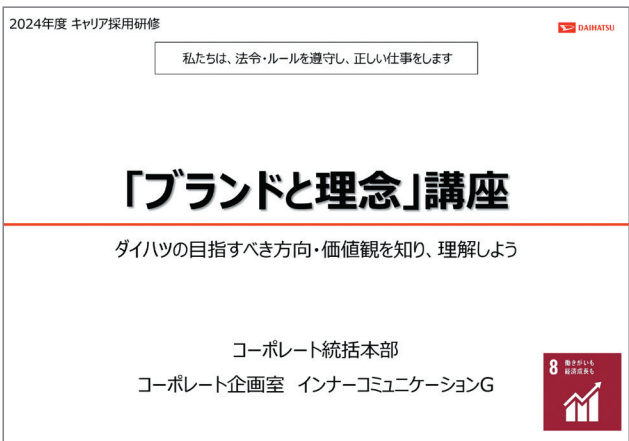
We encourage employees to think of the newly reorganized corporate philosophy as something that connects with their own personal values.



At these workshops, we discover connections between our own thoughts and the corporate philosophy

Personnel Training

We hold a Corporate Brand and Philosophy Seminar as part of introductory training for new graduates and career hires. Through this training, they deepen their understanding of the ideas behind the Daihatsu Corporate Philosophy and we create an opportunity to think about our corporate identity. From the very start of their careers at Daihatsu, employees are encouraged to understand that each individual's actions contribute to strengthening the brand's value.



New employees start their work by correctly knowing Daihatsu's brand value

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