

DAIHATSU Sustainability Report 2023

Editorial Policy GRI ▶ 102-46, 102-50, 102-52, 102-54

The “Daihatsu Sustainability Report” is a publication that explains to stakeholders our approach to ESG and the initiatives of Daihatsu Motor Co., Ltd. and Daihatsu Group companies, which are members of the Toyota Group.

“CSR and Environmental Initiatives” on Daihatsu’s official website contains fundamentally the same information as that contained in this report.

Period Covered

This report focuses on the results of initiatives implemented in the previous fiscal year. When information is corrected, added, or otherwise revised, this report will be updated as necessary. For the update history, please see the following page.

Publication Times

March 2023
Once a year in principle

Referenced Guidelines

- GRI Sustainability Reporting Standards
 - GRI Standards item numbers are indicated in the corresponding page titles
 - GRI Content Index (p. 94)

Disclaimer

This report includes not only past and current facts pertaining to Daihatsu Motor Co., Ltd. and other companies within the scope of coverage of the report, but also plans and projections at the time of its publication as well as forecasts based on management policies and strategies. These forecasts are assumptions or determinations based on information available at the time they are stated, and the actual results of future business activities and events may differ from the forecasts due to changes in various conditions. In cases where information is corrected or restated and in cases where material changes occur, the details thereof will be indicated in this report. The stakeholders’ understanding about this point would be appreciated.

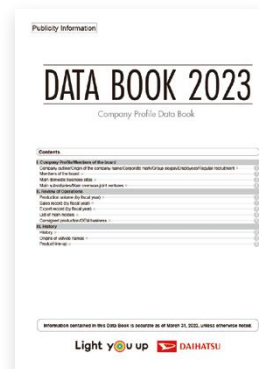
Sustainability-related Information Disclosures



• Sustainability Website



• DAIHATSU Sustainability Report 2023



• DATA BOOK 2023

Update History

• March 2024	Introduction	Editorial Policy Company Outline
	Environment	Fundamental Approach Environmental Management Building a Low-carbon Society Building a Society in Harmony with Nature
	Social	Human Resources Development Initiatives Safety and Health Social Contribution
	Governance	Corporate Governance Risk Management Compliance
	Data	Environmental Data Social Data GRI Content Index
• September 2023	Environment	Environmental Management Building a Recycling Society
	Data	Environmental Data
• March 2023	“Daihatsu Sustainability Report 2023” issued	

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Company Outline

GRI ▶ 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

Company name Daihatsu Motor Co., Ltd.

Representative Soichiro Okudaira, President

Head Office location 1-1 Daihatsu-cho Ikeda-shi, Osaka 563-8651

Date of establishment March 1, 1907

Capital 28.4 billion yen

Main business line Manufacture and sales of automobiles

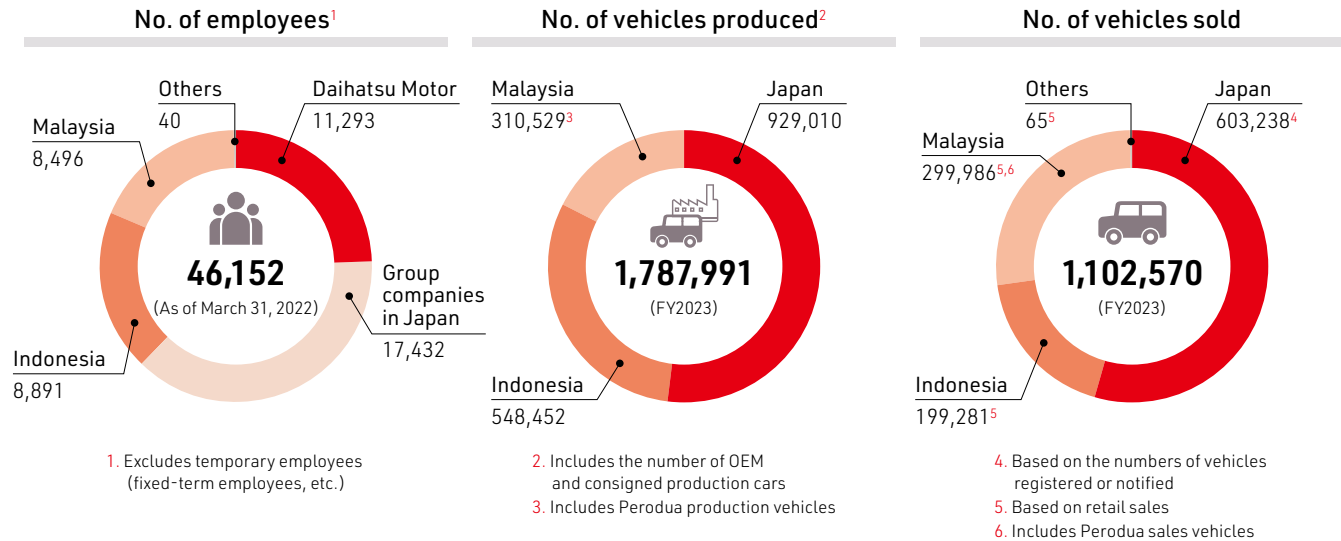
No. of employees 12,508
As of April 1, 2023

Group companies

(Companies)

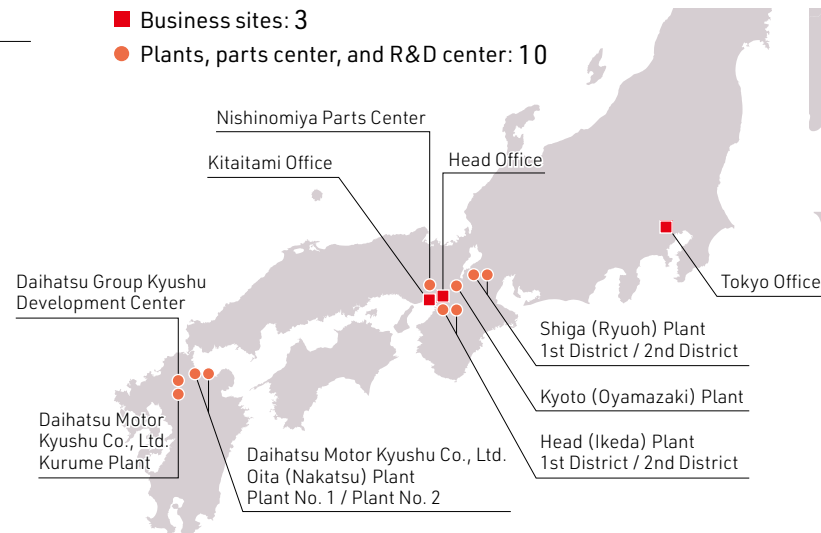
		Consolidated subsidiaries	Companies subject to the equity method
Japan	Production companies	6	6
	Non-production companies	5	–
	Sales companies	35	3
Overseas	Production companies	11	1
	Non-production companies	3	2
	Sales companies	–	–

Global/Regional Data

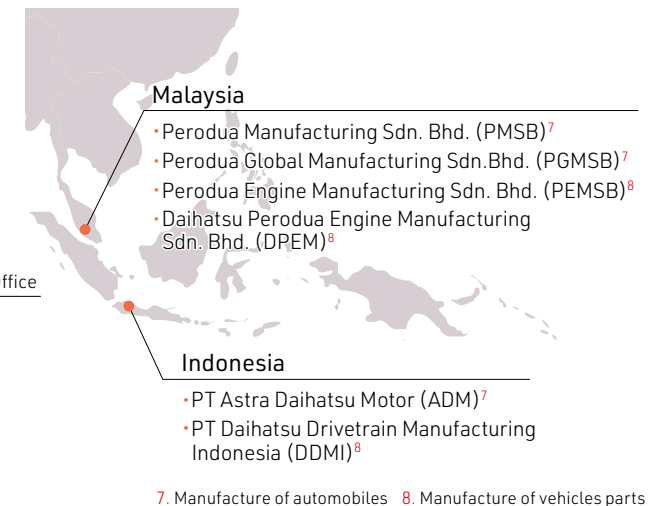


Main business sites in Japan

- Business sites: 3
- Plants, parts center, and R&D center: 10



Main overseas joint ventures



Message from the President GRI 102-14

Pursuing Sustainability Will Lead to Realization of the World that Daihatsu Seeks

The “Light you up” Group Slogan Is in Line with the Concepts of the SDGs

In the more than 100 years since its foundation in 1907, Daihatsu has achieved growth by pursuing MONODUKURI,* staying close to customers, and providing small cars that enrich people’s lives. This is the very reason for our existence. It is our hope that by becoming a sustainable company that remains true to our philosophy, we will continue supporting people’s lives and contributing to the development of an enriching society for the next 100 years.

The Daihatsu Group announced “Light you up” as its Group slogan in 2017. The “leave no one behind” concept of the SDGs for creating sustainable societies is in agreement with the idea of “casting light on each individual and providing unburdened lifestyles unique to each individual” incorporated within the “Light you up” slogan. In other words, the pursuit of sustainability will lead to realization of the world that Daihatsu seeks. The automobile industry is currently undergoing a once-in-a-century transformation. The small cars that we provide have become deeply rooted in society as environmentally friendly and reasonably priced vehicles that support people’s lives. Because of this, we have focused our efforts on producing high-quality, affordable products by focusing on details even at the level of 1 mm, 1 g, 1 yen, and 1 second in MONODUKURI. Societal factors to reduce CO₂ emissions have become increasing around the world in recent years. Automobiles are essential for people’s lives and livelihoods globally, and although reducing CO₂ in all processes from production to disposal is difficult, we are well aware that we must accomplish it.

In addition, human rights violations and other such issues are becoming more serious in Japan and other countries. The Daihatsu Group seeks to be close to people and to value each individual, and these are problems that the Group cannot under any circumstances tolerate. Consequently, we intend to focus on respect for human rights even more. Furthermore, economic decline, falling birth rates, aging populations, and other issues are becoming major problems in local communities, which are a crucial foundation for our business. We want to be a company that can grow sustainably along with local communities by contributing to solutions to these social problems and fulfilling expectations.

* A concept for auto manufacturing embodying Daihatsu’s unique value



Soichiro Okudaira
President

Message from the President GRI ▶102-14

Formulating “SDG Framework Categories” and Accelerating Sustainability Initiatives

We formulated “SDG framework categories” relating to people, society, and business as guides for implementing sustainability initiatives, and we are taking action by incorporating them into our action plans.

With respect to “people,” we will work to create an environment and culture where everyone respects human rights and diversity, and employees can work safely and happily.

With regard to “society,” each Group company seeks to be a business enterprise that society understands, identifies with, and trusts by working closely with countries and regions to solve problems.

And through our “business,” we will work to create a society where everyone can live comfortably for their entire life. To achieve these objectives, we seek to provide safe and unhindered means of transportation at affordable prices while proactively working to create a low-carbon, recycling society.

We have created new specialized bodies to ensure that measures undertaken under these “SDG framework categories” become firmly established and are reinforcing implementation structures.

As members of the Toyota Group, we conduct activities in accordance with the “Toyota Supplier Sustainability Guidelines.”¹⁾ These efforts include actions based on three pillars: “carbon neutrality of products,” “carbon neutrality in production,” and “harmonious coexistence with nature.”

With regard to product carbon neutrality, we seek to make all products sold in Japan electrified vehicles by 2030. To achieve carbon neutrality in production, we are taking this as an opportunity to reform MONODUKURI from the ground up and tackling challenges with the aim of achieving carbon neutrality by 2035. We are also working to achieve harmonious coexistence with nature by implementing community-based biodiversity conservation activities at individual business sites.

Contributing to All Stakeholders through Sustainability Initiatives

We hope to reinforce our sustainability initiatives and generate substantial value for all stakeholders. We supply high-quality, affordable products equipped with advanced technology to customers in a timely manner. We will support local communities through KOTODUKURI²⁾ intended to solve the problems that those communities are facing. We will also create mutually beneficial relationships with business partners based on open and fair procurement policies. And for employees, based on an awareness that “safety and health” are the foundations of everything, we will work to create workplaces where employees report to work in good spirits and go home with a smile. By continuing and deepening these efforts, we seek to be a company that customers, business partners, and society select as we work toward the realization of a sustainable society.

2. Increasing points of contact with customers and local communities in a way that is unique to Daihatsu

1. **Toyota Supplier Sustainability Guidelines**
Amid the rising importance of the environment, human rights, and other issues, Toyota Motor Corporation issued and implemented the “Toyota Supplier Sustainability Guidelines” in November 2021 as a statement of the measures that all Toyota Group companies should take for the realization of a sustainable world.

 **PDF:** Toyota Supplier Sustainability Guidelines

Corporate Philosophy GRI ▶ 102-16

Vision

**"Staying close to our customers
and Enriching their lives."**

through challenges in creating the world's best small cars
and building a mobility society.

Slogan

Light  u up

Corporate Philosophy

GRI ▶ 102-16, 102-43

Efforts to Instill Our Corporate Philosophy

We are trying to create an environment where all of our employees share and deepen their understanding of our vision and slogan in which we show our aims to pursue, and put it into practice while making it their own. Specifically, we are working to instill our vision and slogan through round-table discussions with management, training for new employees, and in-house newsletters.

Roundtable Discussions

Since 2021, we have been holding roundtable discussions between top management and employees to help them understand and act on our vision and slogan. In the first year, the president visited each business group and created opportunities to directly deliver messages to general managers and young employees, holding a total of 22 roundtable discussions. With the participation of representatives from each business group, we set up a forum where we can communicate honestly with each other. From the second year onwards, in order to further expand these activities, in addition to the president, we also started round-table discussions with the vice president and chairman. The president continues to interact with general managers and employee representatives of each business group, while the vice president participates in town hall meetings, mainly for young employees. In addition, the chairman undertakes discussions with employees who have not yet been in the company for five years. In this way, we are spreading our vision and slogan throughout the company. These roundtables are not only a place for top management to express their thoughts, but also one for front-line employees to make requests to management.



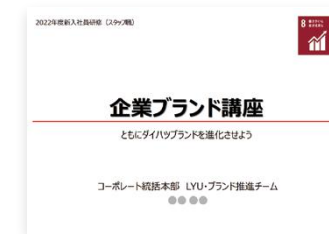
Communication between top management and employees in a small-group setting further enhances the penetration of the corporate philosophy



For President Okudaira, these meetings are not just forums to express his own thoughts, but also important opportunities to hear the opinions of employees working in the field

New Employee Training

We hold a "Corporate Brand Seminar" as part of introductory training for new graduates. Through this training, we deepen our understanding of what we aim to achieve in "Light you up," and provide an opportunity to think about Daihatsu's corporate identity. In this way, from the time they join Daihatsu, we are raising awareness of the importance of each and every employee's action in order to increase Daihatsu's brand value, and corporate power.



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

Today's Light you up-san (Case Study)

The thought contained in "Light you up" is "Bringing a light to each and every person in the world. Casting light on yourself, and illuminate each other. As a result, the feeling of caring for others spreads and overflows toward customers." We introduce employee actions that embody this idea with "Today's Light you up-san" in the in-house newsletter and intranet. We encourage a more realistic understanding of the vision and slogan by showing specific examples.



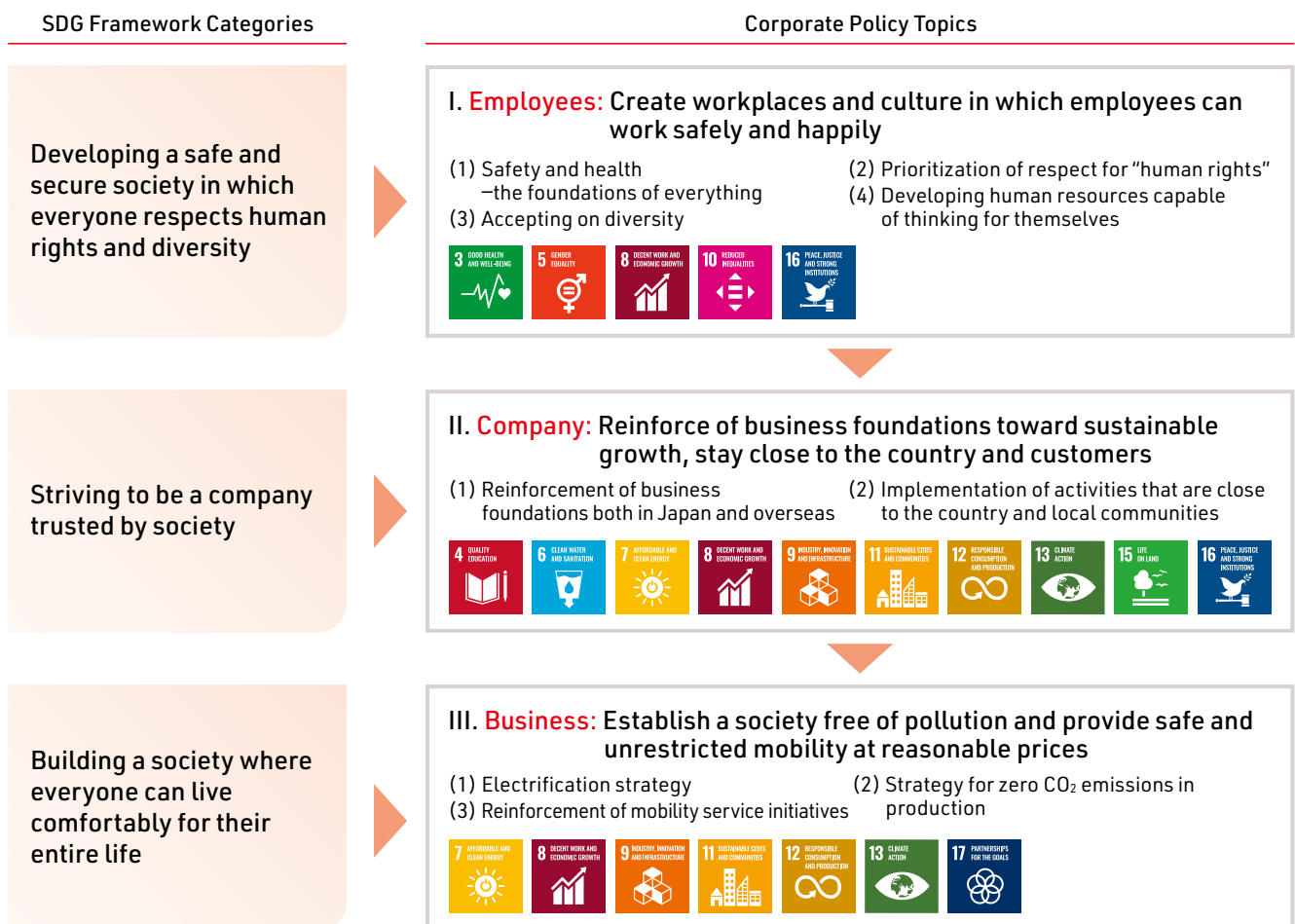
Introducing employee actions that embody the "Light you up" slogan

Promotion of Sustainability GRI ▶ 102-12, 102-29, 102-47, 103-1, 103-2

“SDG Framework Categories” as Priority Sustainability Initiative Areas

Daihatsu formulated “SDG framework categories” relating to people, society, and business as priority areas for its sustainability initiatives. We have incorporated three areas into our annual corporate policies—“developing a safe and secure society in which everyone respects human rights and diversity,” “striving to be a company trusted by society,” and “building a society where everyone can live comfortably for their entire life”—and are steadily implementing sustainability initiatives, mainly through specialized bodies.

Initiative Topics for 2023 Corporate Policies Setting corporate policy topics based on the “SDG framework categories”



“SDG Framework Category” Formulation Process

To formulate the “SDG framework categories,” Daihatsu selected candidate categories based on international requirements specified by the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and on Daihatsu’s management policies and issues. From among the candidates, we selected three categories based on the degree of importance to society and the risks and business opportunities for Daihatsu.

My SDG Declaration

To encourage each employee to take ownership of SDG activities, Daihatsu has incorporated corporate policies derived from the “SDG framework categories” into business group, division, and department policies, Group policies, and targets for individual employees. In addition, we deployed the “My SDGs Declaration,” a statement of SDG-related actions to be taken by individual employees, with the aim of raising employee awareness company-wide. Employees stated their declarations on posters and displayed them in their work sites.

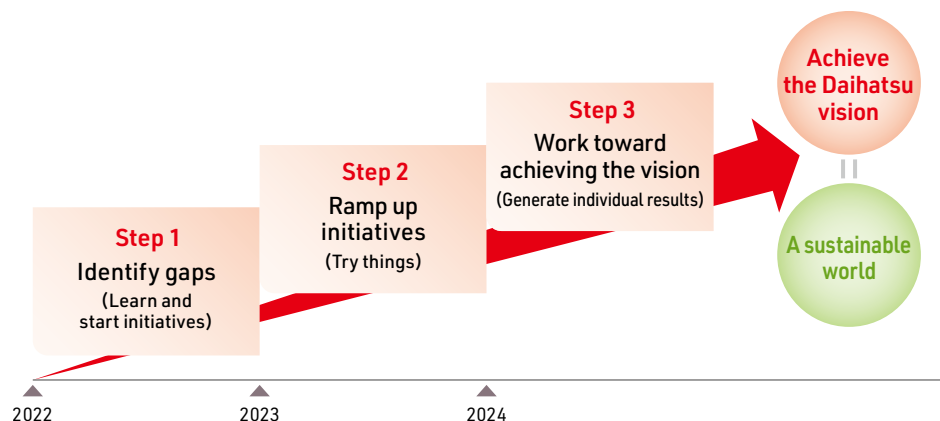


We have displayed the “My SDGs Declaration” posters in locations that are highly visible to employees

Promotion of Sustainability GRI ▶ 102-19, 102-20, 102-26, 102-32

Sustainability Initiative Implementation Methods

To achieve our vision 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.

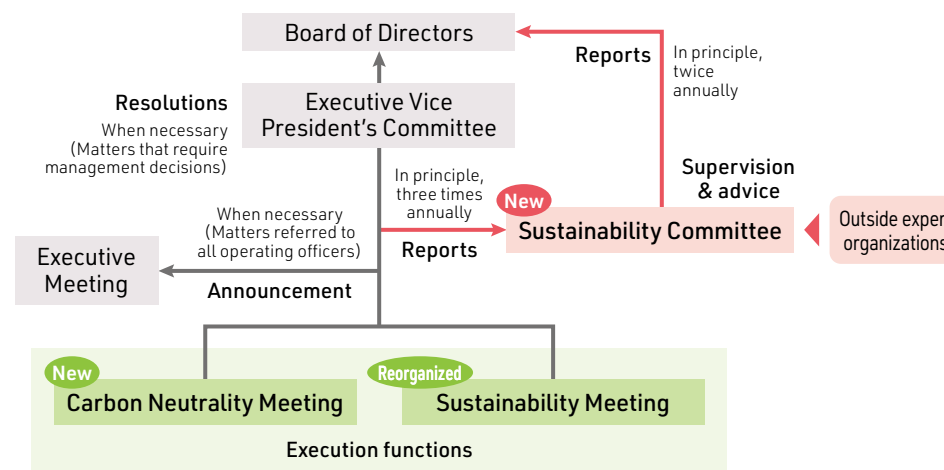


Sustainability Promotion Structure

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. Specifically, we established the “Carbon Neutrality Meeting,” spinning-off carbon neutrality issues from the existing “Daihatsu Environmental Meeting,” to accelerate investigation of and responses to carbon neutrality, a key issue. We also added “human rights” and “social contribution” to the scope of the Daihatsu Environmental Meeting and reorganized it as the Sustainability Meeting. In addition, we established the “Sustainability Committee” as a body to supervise and provide advice on activities by the “Carbon Neutrality Meeting” and “Sustainability Meeting,” which have execution functions. The “Sustainability Committee” periodically reports on the status of progress to the Board of Directors and works to enhance sustainability initiatives based on the opinions of outside expert organizations. Under this structure, we are staying close to customers and other stakeholders while undertaking sustainability initiatives that contribute to environmental conservation through activities unique to Daihatsu.

Category / Fundamental Policy	Details of Initiatives		
	Step 1	Step 2	Step 3
Human rights See p. 59	- 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. 69	- 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. 17	The Seventh Daihatsu Environmental Action Plan See p. 21–23		

Organization of Implementing Bodies



Promotion of Sustainability GRI ▶102-26, 102-30

Details of Activities by Committees and Meetings to Promote Sustainability

Sustainability Committee

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 announces policies at the beginning of the year and reports on progress to the Board of Directors mid-year and at the year-end. The committee also regularly creates opportunities to obtain opinions from outside expert organizations and works to expand and enhance Daihatsu’s sustainability initiatives in accordance with the “Toyota Supplier Sustainability Guidelines” as members of the Toyota Group.

Carbon Neutrality Meeting

The Carbon Neutrality Meeting, which is chaired by the chief officer of the Corporate Management Group and whose membership comprises all chief officers and relevant executive managers, meets quarterly to promote carbon neutrality throughout the Daihatsu Group. Based on global conditions and the strategies of the Toyota Group, the meeting formulates and implements Daihatsu Group strategies and action measures and follows up on their implementation by regularly sharing information with Toyota. The meeting establishes working groups to address issues such as CO₂ reduction in production, CO₂ reduction in products, and contributing to carbon neutrality in a new mobility society through means such as Mobility as a Service (MaaS) and connected services. The working groups investigate issues, propose solutions, and collaborate with relevant divisions including Group companies to achieve carbon neutrality.

Sustainability Meeting

The role of the previously-active “Daihatsu Environmental Meeting” was changed to that of a body that has execution functions for the Daihatsu Group’s sustainability initiatives. The chief officer of the Corporate Management Group chairs the Sustainability Meeting and its members are executive managers of each business group. We hold the meeting monthly to propose and promote environmental efforts other than those dealing with carbon neutrality, such as harmonious coexistence with nature and the development of a recycling society, and sustainability initiatives as a whole, including human rights and contributions to society and local communities. We circulate the decisions made and the direction of action determined by the meeting among all employees, and deploy to ensure thorough understanding through liaisons selected in advance for each business group.

Stakeholder Engagement GRI ▶102-21, 102-40, 102-42

Daihatsu Group’s Basic CSR Principles

Foreword

- At the Daihatsu Group, we are aware of our role as a corporate citizen. Through dialogue with our stakeholders, we seek to deepen our understanding of, and take responsibility for, the impact we have on society and the environment. Our goal is to thereby “develop a long-term relationship of trust with all our stakeholders.”
At the Group, we comply with all relevant laws and regulations in Japan and overseas; through our unique and innovative approach to car creating, all our employees contribute to the sustainable growth both of the Daihatsu Group itself and of society as a whole.

With our customers

- At the Daihatsu Group, we enhance the satisfaction of our customers by providing them with small cars and services that are safe, high-quality, and affordable. In this way, we hope to enable people the world over to live free, independent, and brilliant lives in which mobility plays a central role.
- We strive to protect the personal information of our customers, and of all people we encounter in our business activities.

With local communities

- At the Daihatsu Group, 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.

The global environment

- At the Daihatsu Group, 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.

With our business partners

- At the Daihatsu Group, 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.

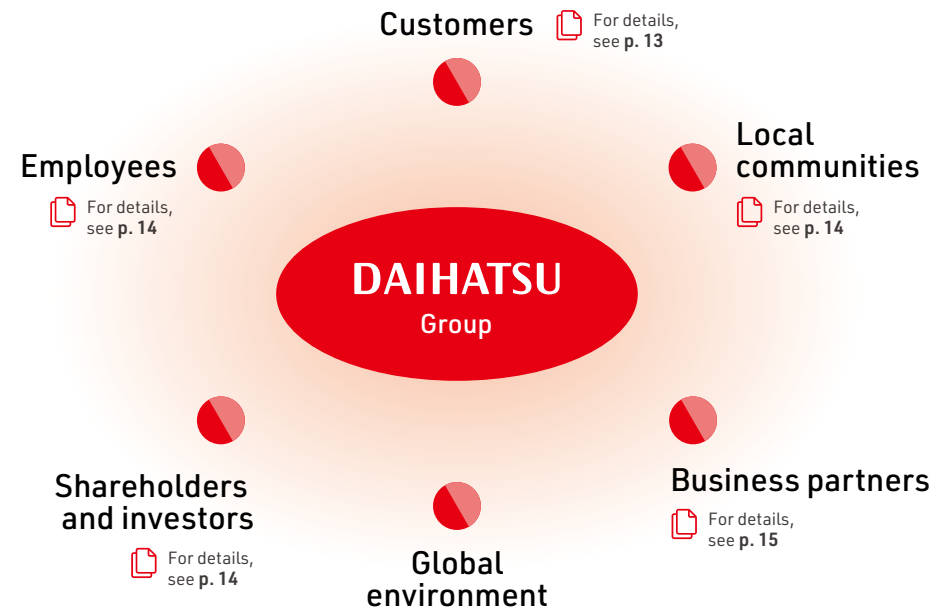
With our shareholders and investors

- At the Daihatsu Group, we work to safeguard the soundness and transparency of our management; at the same time, through proper and fair information disclosure and through dialogue with our shareholders and investors, we aim to improve our corporate value from a long-term perspective.

With our employees

- At the Daihatsu Group, 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.

Stakeholders of the Daihatsu Group



Stakeholder Engagement GRI ▶ 102-21, 102-40, 102-42, 102-43, 102-44

Customers

Communication with Customers

Daihatsu works to enhance means of communication, such as call centers and websites, with customers including individuals, businesses, and governmental agencies that are currently using Daihatsu vehicles as well as those who are considering purchasing a Daihatsu vehicle and also to provide accurate information in response to inquiries. We provide feedback on the opinions, requests, and indications received from customers to the relevant divisions and use this information as a tool for improving the quality of products and services and undertaking new initiatives.

Under the Group slogan, “Light you up,” Daihatsu strives to stay close to customers and provide better products and services that reflect the opinions of customers through MONODUKURI and KOTODUKURI.

Engagement with Customers through MONODUKURI

Daihatsu reflects knowledge gained through dialogue with customers in product planning and development. We conduct quantitative research, exemplified by questionnaire surveys, to identify the scale and distribution of market needs, and also engage as necessary in qualitative research, such as individual interviews of customers and observation of product use conditions. For example, we interview customers with children regarding issues that they have when using a vehicle with their children, leading to the adoption of new mechanisms to solve those problems. Also, specifically for commercial vehicles, our employees ride with customers in agricultural, forestry, and fisheries businesses to experience actual work with those customers, and incorporate product improvements based on real-world use environments. To plan and develop vehicles optimized for customer needs not just in Japan, but in foreign markets as well, we are actively conducting wide-ranging market research.



By visiting customers and listening to their stories directly, employees are able to gain an understanding of improvement and enhancement

Engagement with Customers and Local Residents through KOTODUKURI

Daihatsu is currently expanding its contacts with customers and local residents and promoting KOTODUKURI that provides high experiential value. For example, we are responding to issues that Japan is confronting, such as a low birth rate, an aging population, and the necessity of regional revitalization, by taking measures with close ties to various regions including locally based projects that leverage Daihatsu’s strengths to provide customers with access to unrestricted mobility and independent lives no matter how old they become. Specific measures include regularly holding “health and safe driving courses” in various regions through collaboration among industry, government, academia, and local communities to reduce traffic accidents and support independent living by seniors as well as measures to reinforce engagement with customers and local residents through grassroots programs such as the “Daihatsu ABC Badminton National Primary School Tournament” and support for women’s soccer.



Daihatsu conducts “health and safe driving courses” in various regions with the aims of reducing accidents and supporting independent living by seniors

Stakeholder Engagement GRI 102-21, 102-40, 102-42, 102-43, 102-44, 413-1

Employees, Local Communities, and Shareholders (Investors)

Communication with Employees

Daihatsu created labor-management council bodies to accurately reflect worksite opinions in management and advance in the same direction based on a shared understanding of management issues between labor and management. Specific activities include monthly meetings held at each worksite to discuss work-related issues. We hold Labor-Management Council meetings three times each year, which share and discuss key issues from each worksite. At the meetings, the management team takes ownership of worksite issues, examines them, and works to create solutions. Through this process, labor and management strive to engage in two-way communication that fosters a sense of unity for the development of Daihatsu based on the principle of building relationships of mutual trust and responsibility between labor and management. We also periodically issue internal newsletters to share information on Daihatsu's initiatives and employees who work on those efforts with the aims of raising employee motivation and promoting communication.



President Okudaira (right) and Chairman Higashizoe of the Daihatsu Workers Union Steering Committee at the 2022 new-year roundtable discussion with senior management

Daihatsu endeavors to create environments in which all employees can work with energy and enthusiasm while maintaining close ties with local communities and engaging in various activities with the aim of becoming a company-firmly rooted in the local community.

Communication with Local Communities: National and Local Governmental Agencies

Daihatsu proactively works in collaboration with governmental agencies to solve the problems faced by local communities. For example, in Ikeda City, the location of the Daihatsu Head Office, and Ryuoh-cho, the location of the Shiba (Ryuoh) Plant, we operate the Angel Vehicle Loan Program (Ikeda City) and the Daihatsu Tatsunoko Family Car Provision Scheme (Ryuoh-cho), respectively, which loan vehicles free of charge for three years to families that have a certain number of children. We also participate in a collaborative farming and livestock program operated by Ryuoh-cho office to promote a project for the development and social implementation of methane fermentation technology using the dung of locally grown Omi cattle. This advanced initiative was selected for demonstration research development of the New Energy and Industrial Technology Development Organization (NEDO) and Ryuoh-cho's Biomass Industrial City Concept, centered on this project, was also selected in FY2023. By working in collaboration with local governments, which are key stakeholders for Daihatsu, we began providing "welfare care MaaS" to support the mobility of local senior residents. Also, individual sales companies have entered into comprehensive collaboration agreements, support agreements, and other such agreements with local governments and conduct activities that contribute to enriching the lives of local residents.

Communication with Local Communities: Nonprofit Organizations

Daihatsu works closely with nonprofit organizations (NPOs), which focus on social contribution activities, as we strive to deepen our engagement with local communities. For instance, we support the activities of Himawari-no-kai, an NPO that advocates for traffic safety for pregnant women, to distribute maternity traffic safety stickers to pregnant women nationwide. We also converted Nibako mobile sales packages installed on the decks of light trucks into Dokodemo Play Parks (mobile playgrounds) and donated them to the nonprofit organization Hokusetsu Children Culture Association, which supports children at a time where there are fewer locations to play as a result of the COVID-19 pandemic. The Anywhere Play Parks have been well received as an initiative to create opportunities for outreach-type* community development.

* Outreach-type refers to a type of measure where rather than having users visit and use facilities, facilities seek the same results by reaching out to users.



Maternity Traffic Safety Stickers



Vehicles donated for Dokodemo Play Parks

Shareholders (Investors)

Daihatsu is a wholly owned subsidiary of Toyota Motor Corporation, and therefore, Toyota is Daihatsu's sole shareholder. We see shareholders who have invested in Toyota as our own stakeholders and strive to enhance corporate value as a member of the Toyota Group.

Stakeholder Engagement GRI ▶ 102-13, 102-21, 102-40, 102-42, 102-43, 414-2

Suppliers and Memberships

Daihatsu Supplier CSR Guidelines

Daihatsu established the Daihatsu Group Basic CSR Principles as an expression of the Group’s fundamental stance on the activities of all Group employees. We recognize the importance of CSR initiatives not only within the Daihatsu Group, but also at our suppliers. Accordingly, in consideration of changes in the domestic and overseas business circumstances, we have revised and issued the “DAIHATSU Supplier CSR Guidelines” in January 2020 as a request for more specific initiatives.

 **PDF:** Daihatsu Supplier CSR Guidelines

In order to supply to customers high-quality, affordable vehicles equipped with advanced technology, Daihatsu builds relationships based on trust and structures that enable stable procurement of parts, materials, and equipment while developing mutually beneficial relationships with business partners.

Communication with Suppliers

Daihatsu provides information on our activities and priority initiatives to suppliers as appropriate such as through yearly policy briefings. On a daily basis, Daihatsu buyers and relevant departments visit the manufacturing site of each supplier to confirm the actual products firsthand, tirelessly engaging in dialogue on issues such as quality and cost improvement. Daihatsu also established the Daihatsu Suppliers Club (DSC), which has approximately 620 companies, with the aims of promoting interaction among suppliers and creating opportunities for suppliers and Daihatsu to learn from each other.

The DSC holds annual meeting once each year, and there are opportunities for managing companies to exchange ideas and opinions four times annually. At the annual meeting, Daihatsu also actively provides information, and participating companies form a consensus on the pursuit of mutually beneficial relationships by responding promptly to changes in the business environment. At the suppliers Appreciation Meeting held at the same time, we commended suppliers that made significant contributions to enhanced safety, quality, product appeal and cost competitiveness and expressed our gratitude, deepening engagement with suppliers. We also conduct study sessions for suppliers on measures for achieving carbon neutrality to establish a shared recognition and urge them to take specific action to reduce CO₂ emissions. We provide information to suppliers on the Toyota Supplier Sustainability Guidelines, which we observe, and take action to ensure rigorous compliance.

Memberships

Daihatsu is a member of the Japan Automobile Manufacturers Association, Inc., Society of Automotive Engineers of Japan, Inc., Keidanren (Japan Business Federation), and various other trade organizations. We take a position of responsibility in each organization while gathering information through participation in committees and so on and participating in organizational decision-making.

Environment

17 Fundamental Approach



24 Environmental Management



32 Building a Low-carbon Society



37 Building a Recycling Society



44 Building a Society in Harmony with Nature



Fundamental Approach GRI ▶ 102-16

Basic Philosophy

Aiming to achieve a sustainable society, we in the Daihatsu Group actively strive to reduce environmental load and to improve environmental issues in all stages of the car creating business from planning to final disposal.

In addition, we share the details of our activities with our global stakeholders and work cooperatively on social contribution.

* These activities are taken by sharing and promoting the "Toyota Earth Charter" as a member of the Toyota Group

Basic Policy

1 Contribution toward a prosperous 21st century society

In order to contribute toward a prosperous 21st century, we aim to grow in harmony with the environment and challenge zero emissions in all areas of our business activities.

2 Pursuit of environmental technologies

Pursue all possible environmental technologies by developing and establishing new technologies that realize both environment and economy.

3 Voluntary actions

Develop a voluntary improvement plan based on thorough preventive measures and compliance with laws that addresses environmental issues on the global, national and regional scales, and undertake continuous implementation.

4 Working in cooperation with society

Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental conservation, including governments and local municipalities, in addition to affiliated companies and related industries.

Fundamental Approach GRI ▶102-16

Fundamental Approach

Daihatsu offers a lightness of feeling through provision of small cars that place minimum load on customers’ lifestyles and on the environment. We want to fulfill our corporate responsibility to protect the global environment for the next generation.

The Daihatsu Group’s* slogan is “Light you up.” We continue to provide life’s mobility to support various lifestyles around the world in freely enjoying brilliant individual lives.

To realize that our responsibility is harmonious coexistence with the earth and society, we formulated the “Daihatsu Group Environmental Action Plan 2030.” In line with this plan, we take on the challenges of activities aimed at realizing a society focused on low carbon, recycling society, and harmony with nature.

Each employee in the Daihatsu Group will maintain a high awareness of environmental conservation as they carry out this action plan.

* Daihatsu Group: Subsidiaries, companies subject to the equity method

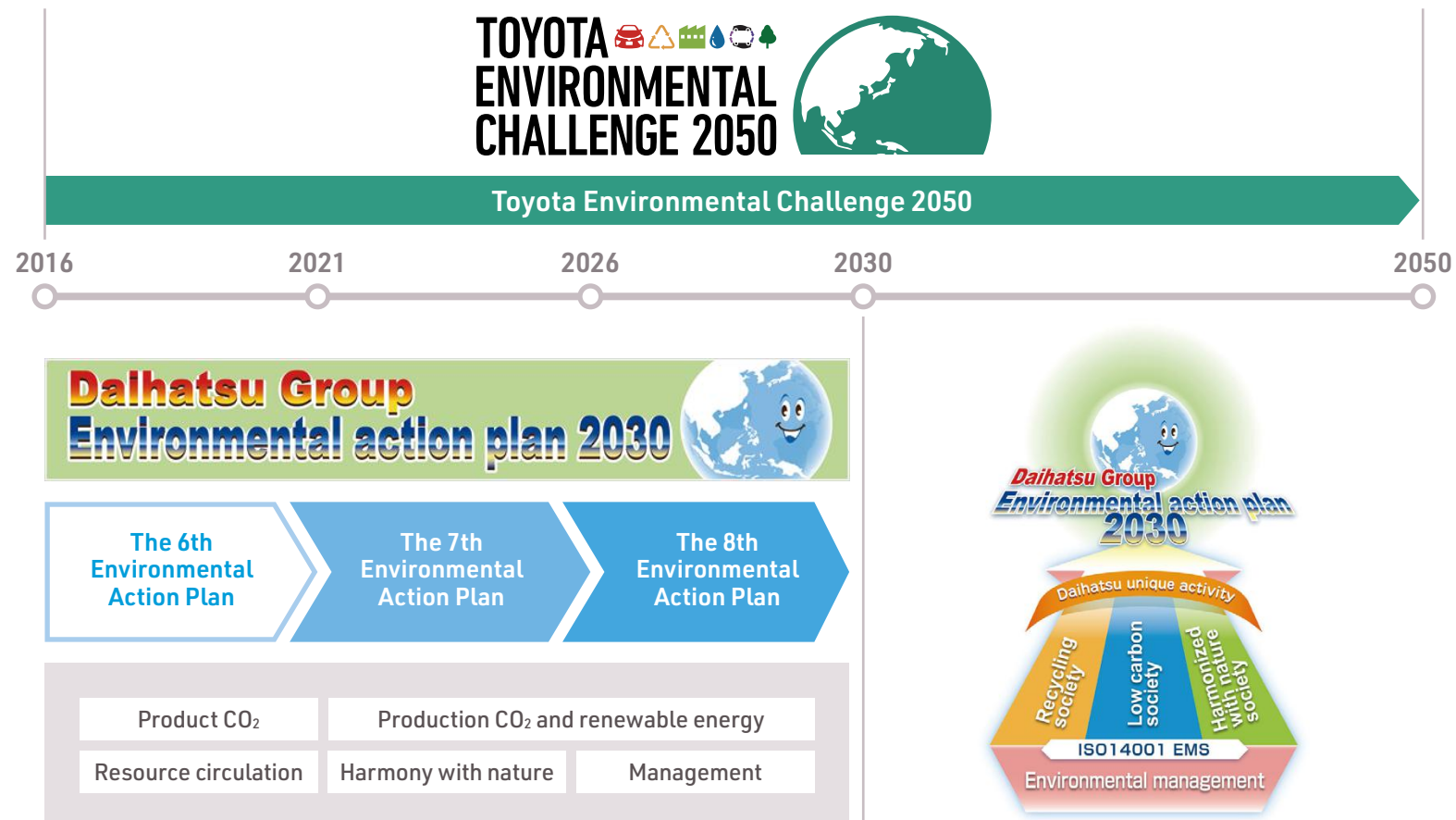
Daihatsu Motor Co., Ltd. Environmental Policy

- 1 Strive to preserve an abundant environment by considering the impact on the environment throughout the development, production, sales, and disposal of automobiles and units.
- 2 Establish environmental targets and goals, seeks to prevent environmental pollution, and contributes to the realization of a low-carbon society, recycling society, and society in harmony with nature.
- 3 Comply with environmental laws and regulations, as well as with its own environmental management regulations.
- 4 Make continuous improvements to its environmental management systems and develops human resources capable of pursuing Daihatsu’s unique qualities through contributions to the environment.
- 5 Illuminate each individual customer, values dialogue with local communities and with other related parties both in Japan and overseas, and engages in environmental conservation activities as an upstanding member of society.

Fundamental Approach GRI ▶ 102-11

Overall Image of Initiatives

As a member of the Toyota Group, Daihatsu is working toward achieving the “Toyota Environmental Challenge 2050,” a statement of long-term objectives for 2050. The “Daihatsu Group Environmental Action Plan 2030” is a medium-term initiative unique to Daihatsu for the period up to 2030. In accordance with this plan, we are taking action to achieve a low-carbon society, recycling society, and society in harmony with nature.



Fundamental Approach GRI ▶ 102-11

 **Web:** Daihatsu Group Environmental Action Plan 2030

Daihatsu Group Environmental Action Plan 2030



Based on our environmental management, the Daihatsu Group Environmental Action Plan 2030 is composed of activities aiming for a low-carbon society, recycling society, and society in harmony with nature and creates a roadmap for each field. For the long-term, we are working toward achieving the Toyota Environmental Challenge 2050 while advancing activities unique to Daihatsu.

Action Plan for Each Field and Relevant SDG Targets



Low-carbon Society

Daihatsu will respect the targets of the Paris Agreement and take action to reduce greenhouse gas (GHG) emissions. In the product field, we will respond to the CO₂ reduction targets of each country by introducing technology to improve fuel efficiency and electrification technology. To “provide access to safe, affordable, accessible and sustainable transport systems for all,” one of the SDG targets, we will provide mobility services unique to Daihatsu in the minimum units. In the production field, we will pursue energy saving production through comprehensive adoption based on SSC (simple, slim, and compact) technology. We will also introduce non-fossil fuel energy while working to reduce CO₂ emissions by 35% in comparison with 2013 levels by 2030 and achieve carbon neutrality in production by 2035.



Recycling Society

Daihatsu will conduct low-resource¹ car creating while focusing on details even at the level of 1 mm, 1 g, 1 yen, and 1 second and continue and rapidly evolve our efforts to create designs that facilitate recycling in order to achieve car-to-car reuse and recycling² by 2050. We also seek to create recycling schemes that can respond to vehicle advances such as electrification, and to build local schemes that can anticipate end-of-life vehicle recycling trends in countries where we conduct business. Meanwhile, we will address water, an important resource by assessing water risks in each region to minimize impact on the water environment.

1. Design and production committed to smallness, with minimal use of natural resources for net zero impact
2. Reuse and recycling of materials from end-of-life vehicles



Society in Harmony with Nature

Working together with local communities, Daihatsu Group companies will contribute to the conservation of biodiversity and take measures to leave a rich natural environment for the future with the aim of a net-zero environmental load from our business. Through these activities, we will instill the “Light you up” mindset in Daihatsu Group employees and local residents and foster social contribution by developing core human resources.



Environmental Management

The foundations of the Daihatsu Group's environmental initiatives are achieving zero environmental accidents and complaints and strict compliance. To this end, we are establishing action frameworks based on the ISO 14001 standards and taking action while engaging with Group companies. We also request the cooperation of business partners in Japan and overseas through the green purchasing guidelines issued by overseas business sites and work to enhance initiatives throughout the supply chain.



Fundamental Approach GRI ▶ 103-2, 305-5

2022 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Daihatsu has formulated the Environmental Action Plan 2030 (medium-term goals) and is proactively addressing environmental issues.

We are implementing a total of 15 action items under the Seventh Daihatsu Environmental Action Plan 2021–2025. A review of 2022 is as follows.

Category	Action Items	Specific Actions and Targets	Progress Results in 2022
 Low Carbon Society	Products	Improve fuel efficiency to reduce global CO ₂ emissions from new vehicles Reduce global CO ₂ emissions from new vehicles by 30% compared with 2010 levels (Japan) - Promote continuous improvement of fuel efficiency to achieve the 2030 fuel economy standards - Develop technologies to achieve with top level fuel efficiency performance (Overseas) - Deploy Daihatsu's fuel efficiency technology in a way that suits local infrastructure and social conditions	Reduced by 27% compared with 2010 levels
		Develop mobility powered by diverse energy sources - Promote technological development and market introduction of electric vehicles - Develop the mobility of low-carbon and multi-purpose, using diverse sources of energy, to respond to changes in social structure and the way vehicles are used	Developing a vehicle utilizing the hybrid system (e-SMART HYBRID) adopted in the Rocky
		Reduce exhaust gas emissions to contribute to improving urban atmospheric condition in each country and region Develop low-concentration exhaust gas technology and steadily introduce low exhaust emission vehicles into markets for contributing to improving urban atmospheric condition in each country and region	Japan: Move Canbus, Tanto, and Taft have completed exhaust gas adaptation in WLTC mode Overseas: Compliant with Euro 5 and 6 emission regulation in Ayla and Axia
		Promote environmental management at the development stage Develop and manage progress of environmental targets using eco-vehicle environmental assessment system (Eco-VAS*) at the new vehicle development planning stage * Eco-Vehicle Assessment System (environmental assessment system for vehicle development) We promote environmental management at the development stage by setting environmental targets based on the life cycle assessment (LCA) concept of production, customer use, and disposal at the planning stage and ensuring their steady achievement	Confirmed life cycle CO ₂ emission reduction for Move Canbus compared to the previous gasoline-powered vehicles
	Production / Renewable Energy	Reduce CO ₂ emissions from production by 30% compared with fiscal 2014 levels (Scope: Daihatsu and its production subsidiaries) - Refine production lines on a large scale - Replace and update production equipment with high-efficiency equipment - Raise the level of daily improvement and operations management - Introduce renewable energy	Reduced CO ₂ emissions from plants by 19% compared with 2013 levels through activities described on the left
		Develop and introduce technologies toward zero CO ₂ emissions Promote technological innovations for CO ₂ emissions reduction - Set goals for development of new technologies for CO₂ emissions reduction - Discover and set goals for innovative technologies	

Fundamental Approach GRI ▶ 103-2

2022 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Category	Action Items	Specific Actions and Targets	Progress Results in 2022
 Recycling Society	Promote easy to dismantle 3R design	Contribute to promoting recycling of resources by expansion and modeling of the easy to dismantle 3Rs (reduce, reuse, recycle) design	Some materials performance has been confirmed to expand the application of recycled resin materials
	Contribute worldwide through end-of-life vehicle treatment and recycling technology developed in Japan	Respond appropriately without delay to local recycling-related laws and regulations in each country	Compliance with overseas laws and regulations when necessary
	Develop 3R technologies and systems for rare resources and end-of-life vehicles/parts	- Continue operation of existing systems - Develop 3R technologies and systems for rare resources, products, and end-of-life vehicles/parts	- Automobile recycling system is in continuous operation - For the development targets set in the vehicle environmental assessment system (Eco-vas) at the new vehicle development proposals, achieve the targets for all new vehicles in 2022
 Society in Harmony with Nature	Promote harmony-with-nature activities to pass on communities with rich natural diversity to future generations Promote the All Daihatsu Green Wave Project	Promote forest conservation activities Promote sites that coexist in harmony with nature Promote conservation of biodiversity by restoring and protecting diverse local ecosystems	- Promotion of "Hagukumi no Mori" activities - This is a condition for a business to coexist in harmony with nature - Determine indicator species according to experts and the region and activities (2 types of plants and 5 types of animals) - Maintain and improve habitat for living creatures (secure waterway and dredging, prevent bamboo growth etc.) - Grasp the effects of efforts through surveys of indicator species (confirm survival and reproduction of indicator species with experts)
	Promote KOTODUKURI ¹ and HITODUKURI ² through harmony-with-nature activities	Expand various community contribution activities related to harmony with nature to all Daihatsu Group companies and local communities - Foster an eco-friendly mindset in employees and develop eco-friendly human resources through harmony-with-nature activities on a global basis - Expand activities undertaken by business sites to local communities - Promote community-oriented activities in collaboration and cooperation with local residents - Contribute to environmental education for children by providing hands-on learning programs using the ecosystem of company-owned forests and business sites	Disseminating and collaboratively participating in harmonized with nature activities with Daihatsu Group - Awareness activities for employees through portal sites and e-learning to foster an environmental mindset - As activities that are close to the community, such as raising and planting seedlings that inhabit the community, and participating in environmental activities led by the local government - As part of environmental education for children, who will be responsible for the future, we will hold a "walks" in the Hagukumi no Mori, "surveys of living creatures" in the biotope, "nature observation" at the sites, and "environmental study" in cooperation with the Lake Biwa Museum

1. Increasing points of contact with customers and local communities in a way that is unique to Daihatsu

2. Developing human resources

Fundamental Approach GRI ▶ 103-2

2022 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Category	Action Items	Specific Actions and Targets	Progress Results in 2022
 Environmental Management	Eliminate environmental accidents, complaints and compliance violations	- Achieve zero accidents, complaints, and compliance violations - Thoroughly comply with environmental laws and regulations in each country and region and strengthen proactive prevention measures for environmental risks - Improve chemical substance management in response to increasingly stringent regulations worldwide	- Achieved zero accidents, complaints, and compliance violations within the Daihatsu Group - Posted information on environmental near-misses on the near-miss, accident, and complaint portal site and shared it throughout the Daihatsu Group for horizontal deployment
	Promote and strengthen environmental management by cooperating with business partners globally	Implement activities to maintain and improve the environmental performance of all Group companies (waste/water usage, water quality, VOC emissions)	- Achieved and currently maintaining waste/water usage, water quality, and VOC emissions amounts below 2018 results - Achieved 1% reduction from 2021 results of CO₂ emissions outside of production plants
		Maintain and develop EMS and promote the independence and autonomy of each company	Disseminated information about legal revisions at Daihatsu Group-wide environmental meetings and responded to problems at each company
		Disseminate the latest Green Purchasing Guidelines to business partners (every time the Guidelines are revised)	Ensured dissemination of the latest Green Purchasing Guidelines (2016 version)
		Promote and strengthen environmental activities through the environmental certification system for Daihatsu sales companies	Conducted audits based on the environmental certification audit plans for sales companies in fiscal 2023
	Enhance active disclosure of environmental information and communication in each country and region	Establish a relationship of trust with local communities through proactive disclosure of environmental information in each country and region	Communicated and shared environmental action plans at meetings such as Daihatsu Group-wide environmental meetings. Each company is currently working to maintain and improve environmental performance. Results are being compiled using DESNEN (Daihatsu Environmental data System of New Network). Follow-up results are shared at meetings such as Group-wide liaison meetings
		Share environmental information and knowledge/know-how among Group companies in Japan and overseas and improve the level of activities through mutual learning	
	Further strengthen education and awareness-raising activities for employees, including those at affiliated companies in Japan and overseas	Continue environmental education for employees, including those of affiliated companies in each country and foster an eco-friendly mindset through continual provision of information	Development of experts are currently being implemented through ISO14001 standards training sessions (February) and internal auditor training sessions (March)
		Encourage employees to recognize the necessity of environmentally conscious business management and to consider environmental issues as their own problems and act voluntarily to protect the environment	- Disseminated a Daihatsu President's Message to all affiliated companies in Japan and overseas during Environment Month (June) - Summarized the Group-wide results of Environment Month events (July)

Environmental Management GRI ▶102-29, 102-31, 102-33

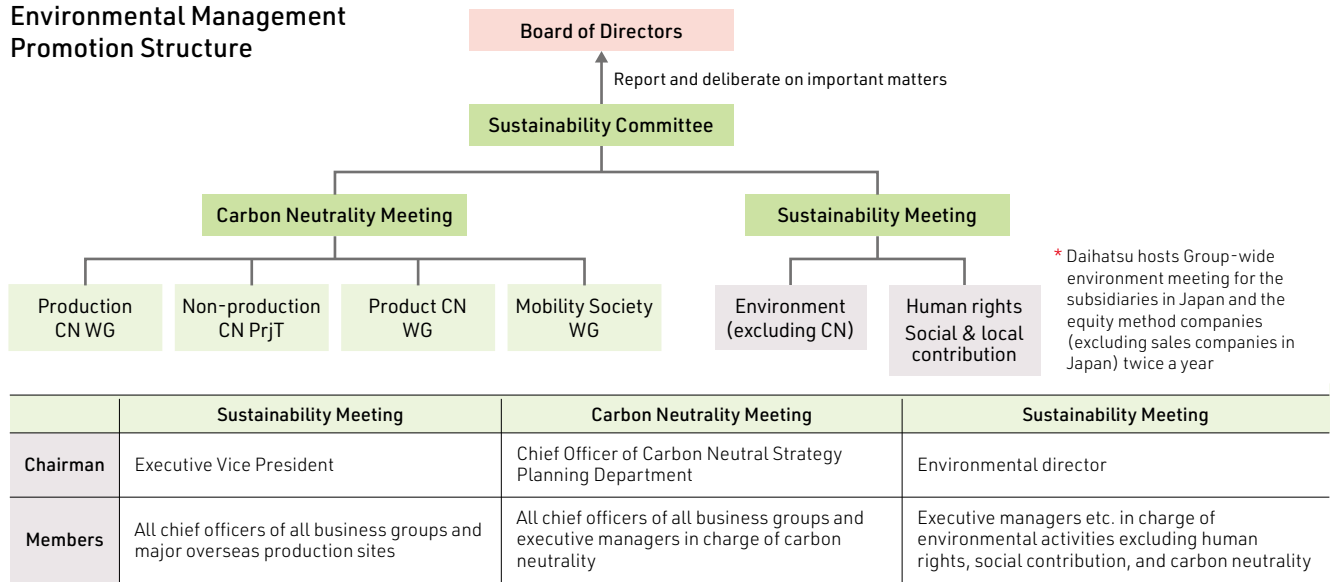
Fundamental Approach

The Daihatsu Group carries out environmental conservation activities with the goal of eliminating environmental accidents and complaints as well as compliance violations. To achieve this goal, we have adopted the ISO 14001 international standards for environmental management systems. All affiliated companies in Japan and overseas act in accordance with the structures of these ISO 14001 compliant environmental management systems and seek to earn the trust of the local communities in which they operate.

Environmental Management Structure

Daihatsu is reinforcing company-wide environmental management under the leadership of the Sustainability Committee, which is chaired by the executive vice president and whose membership includes chief officers and Audit & Supervisory Board members. Working in close collaboration with the Carbon Neutrality Meeting and the Sustainability Meeting, which carry out environmental conservation activities, the committee focuses on the environmental management initiatives specified in the Seventh Daihatsu Environmental Action Plan.

Environmental Management Promotion Structure



Environmental Management Process

Daihatsu established the Sustainability Committee to disseminate policies for Daihatsu and its consolidated affiliated companies and carry out sustainability initiatives throughout the Daihatsu Group. The committee also plays an important role in promoting action by supervising the status of implementation of sustainability initiatives within the Group. In principle, the committee meets three times annually. Described below are the details of the committee’s specific actions.

- Propose sustainability policies for the Daihatsu Group and disseminate them to Daihatsu and affiliated companies. Also, supervise the status of implementation of initiatives in conjunction with policy reviews.
- In cases where the sustainability policies and initiatives of Daihatsu and our affiliated companies are contrary to or deviate from global conditions and social trends, request reexamination of those policies and initiatives. To this end, receive advice and so on from outside expert organizations and monitor global conditions and social trends at all times.
- Following deliberation on matters referred to the committee, the chairperson makes a determination whether improvement is needed, and if so, the committee issues instructions for improvement.
- Regularly report on the details of initiatives to the Board of Directors, in principle, twice annually.

Environmental Management GRI 308-2

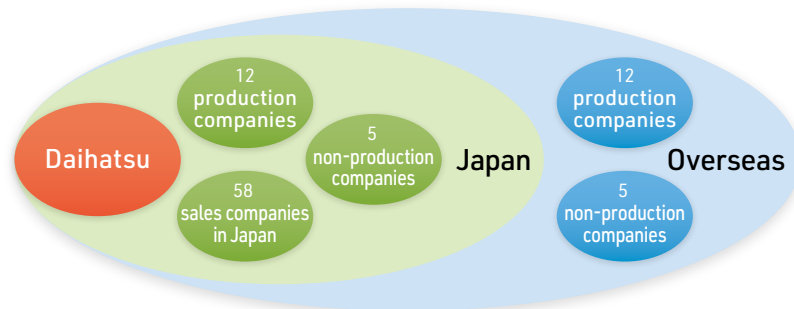
Daihatsu Group Initiatives

Support for Establishing Environmental Management Systems

The Daihatsu Group strives to prevent environmental accidents and complaints and to ensure legal compliance in accordance with our environmental management systems, which is compliant with ISO 14001. Daihatsu recommends the introduction of environmental management systems not only by production companies subject to environmental consolidation, but also by companies with which we have capital relationships and priority production companies and supports their activities to acquire certification if requested. As of fiscal 2022, all production companies subject to environmental consolidation in Japan have acquired ISO 14001 certification and continue to renew and maintain it. All our production subsidiaries have updated their environmental management systems to the 2015 version of ISO 14001, which reinforced the leadership responsibility of top management. Daihatsu also provides support for the introduction of ISO 14001 by overseas production subsidiaries.

Scope of Environmental Management

The environmental load generated by Daihatsu's business activities includes those from subsidiaries and business partners; for this reason, the entire Daihatsu Group must implement environmental conservation activities. We categorize affiliated companies based on their capital relationship and business type, and promote environmental management for the entire Group accordingly. As a specific measure, Daihatsu hosts Group-wide environmental liaison meetings twice a year to encourage Group companies to share various forms of environmental information and to facilitate Group companies learning from one another. Going forward, we will shift from Japan-centric meetings to global environmental meetings.



Environmental Activities by Sales Companies in Japan*

"Daihatsu Clean Management Dealer" Certification System

Dealers that have satisfied the requirements of the comprehensive inspection (self-assessment) can apply to become Daihatsu Clean Management Dealers. Under this system, Daihatsu auditors carry out on-site assessments of the applicants' environmental management structures and environmental conservation activities and certify those that satisfy the requirements of the assessments as Daihatsu Clean Management Dealers. The certification is valid for three years; during this period, dealers reinforce their environmental activities through PDCA cycles—such as by carrying out annual self-assessments and implementing improvements as necessary. Going forward, we will endeavor to improve and enhance the environmental performance of our dealers.

Carbon Neutrality Initiatives

Sales companies in Japan have been collecting monthly energy usage data since 2005 to ascertain their CO₂ emissions. To support these efforts, Daihatsu creates and distributes energy saving manuals for sales companies. In addition, in 2022 sales companies began full-scale efforts to achieve carbon neutrality.

* All domestic sales companies regardless of investment ratio

Green Procurement Guidelines

In line with the Daihatsu Environmental Action Plan, the Daihatsu Green Procurement Guidelines address a wide variety of environmental issues that should be of importance to companies, and Daihatsu is greatly expanding and enhancing the details.

To ensure that our business activities are even more in harmony with the global environment in the future, the cooperation of business partners is crucial, and we will request that business partners take action in accordance with the Guidelines.

Environmental Management GRI 305-7

Management of Environmental Load Substances in Production Activities

Prevention of Air Pollution

Daihatsu properly manages and reduces environmental load substances in our production activities in accordance with the Environmental Action Plan and all relevant laws and regulations.

The Air Pollution Control Act sets out regulatory exhaust gas values for every type of facility. In order to prevent exhaust gases from our plants from causing air pollution, Daihatsu regularly measures and monitors exhaust gases generated by boilers and heaters, and ensures that both SOx and NOx concentrations remain significantly below regulatory values.

With regard to atmospheric emissions of volatile organic compounds (VOCs*), which are a cause of air pollution, we have carried out a variety of activities in accordance with the Environmental Action Plan aimed at reducing emissions volumes in the painting process, which accounts for the majority of VOC emissions. These include automating painting processes to improve coating efficiency, robotization, the use of electrostatic processes, and the recovery of thinners used to clean equipment. To drastically reduce VOC emissions, we are switching middle and top paint coats to water soluble paint at the Kyoto (Oyamazaki) Plant and Daihatsu Motor Kyushu Co., Ltd. We are also addressing chemical substances in production activities by complying with all relevant laws and regulations to ensure that we do not use banned substances.

* Common VOCs include toluene, xylene, and other substances found in paints

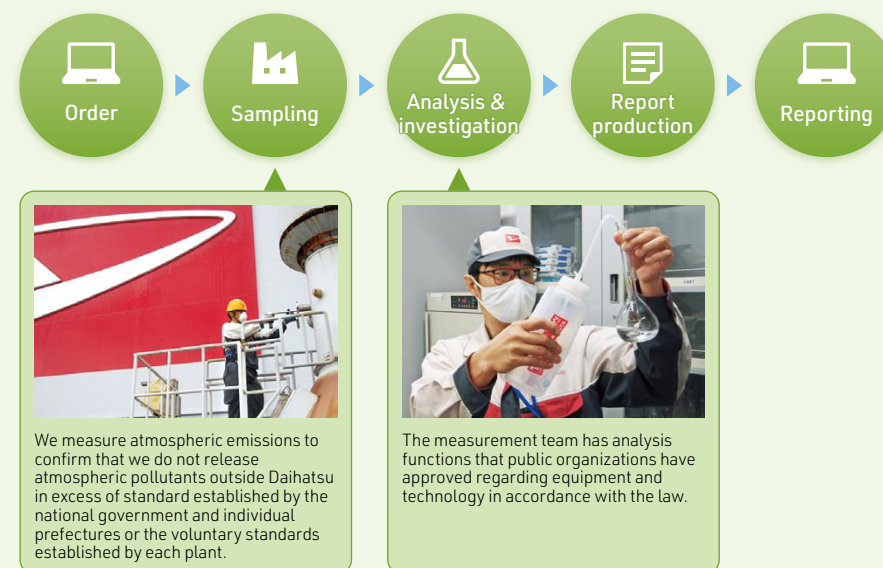
Regulation and Standards

Head (Ikeda) Plant • Air Pollution Control Act • Osaka Prefecture Ordinance	Shiga (Ryuoh) Plant • Air Pollution Control Act • Shiga Prefecture Pollution Prevention Ordinance
Kyoto (Oyamazaki) Plant • Air Pollution Control Act • Kyoto Prefecture Ordinance	Daihatsu Motor Kyushu Co., Ltd. Oita (Nakatsu) Plant • Air Pollution Control Act • Oita Prefecture Ordinance

Environmental Measurement Certification Site (Registered with Osaka Prefecture)

Osaka Prefecture registers Daihatsu as an environmental measurement certification site, which can accurately measure concentration of pollutants in water, air, and soil and publicly verify the results. The internal Department which has works of Environment measurement perform this role. They conduct sampling and chemical analysis and work in collaboration with each business site to prevent environmental abnormalities so that the various gases emitted and harmful substances in waste water generated during our business activities* do not exceed statutory standards. In addition, qualified personnel take measurements in work environments to protect the health of employees.

Business Flow



* Main business sites: Ikeda (Osaka Prefecture), Shiga, Kyoto, Tada (Hyogo Prefecture), Daihatsu Kyushu (Nakatsu)

Environmental Management GRI 303-1, 303-2

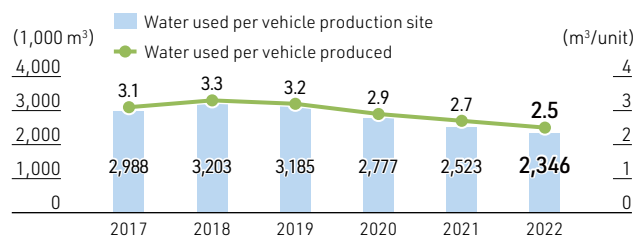
Management of Water Resources

Dealing with water resources has become an extremely important issue for companies as a result of tight supplies of water due to the rising global population and climate change as well as stricter regulation in conjunction with the deterioration of water quality in rivers and other water sources. To minimize the effect on the water environment from our business activities, the Daihatsu Group is taking various measures to reduce water usage and recirculate and reuse water by purifying waste water.

Reduction of Water Usage

Water use is essential for automobile manufacturing in the painting and other processes. The Daihatsu Group is implementing water usage reduction measures at our vehicle production sites with a focus on painting processes. In the pretreatment and electrodeposition cleaning processes, we strive to ensure that water used in the cleaning process is effectively reused, thereby reducing water usage. In addition, we have developed and introduced an innovative cardboard filter-type dry booth for the painting process, and are working to reduce the amount of water used by replacing the conventional paint collection method that uses a water shower (gas-liquid mixture) with a dry filter (this technology won the Machine Promotion Award in December 2022). As a result of these efforts, the amount of water used per vehicle, which was 6m³ in 1995, has now been reduced to less than half. Going forward, we will pursue SSC (simple, slim, and compact) vehicle manufacturing even more and work to minimize water usage, thereby contributing to the conservation of water resources.

Water Used per Vehicle Production Site in Japan and Water Used per Vehicle Produced



Purification and Reuse of Waste Water

At the Shiga (Ryuoh) Plant, Daihatsu has built the Aqua Center—a large-scale plant waste water purification facility—to guarantee the quality of water discharged into Lake Biwa. The Aqua Center purifies plant waste water to an almost drinkable level before discharged it into the lake. The Shiga (Ryuoh) Plant reuses water purified at the plant's waste water processing facilities for its wet dust collectors. Our production bases in Indonesia and Malaysia take the greatest care to ensure that their plant waste water has no impact on downstream drinking water collection sites.



Shiga (Ryuoh) Plant Aqua Center No. 3



Waste water after it has been purified at the Aqua Center

Standards for Waste Water

Standards for plant waste water vary according to where we discharge the waste water, such as public rivers or sewers, and the local governments of the prefectures in which Daihatsu plants operate. At all plants, the Daihatsu Group sets voluntary standards that exceed those set by the national and local governments and discharges waste water only after it is purified to a sufficiently clean level.

Regulation and Standards

Head (Ikeda) Plant	- Water Pollution Prevention Act - Ikeda City Agreement
Kyoto (Oyamazaki) Plant	- Sewerage Act Enforcement Order - Oyamazaki-cho Public Sewerage Ordinance
Shiga (Ryuoh) Plant	- Water Pollution Prevention Act - Shiga Prefecture Ordinance - Ryuoh-cho Pollution Prevention Agreement

Environmental Management GRI 307-1

Chemical Substances and Risk Management

Chemical Substances

Daihatsu actively manages the chemical substances in the materials that we use in production processes for automobiles and other products. We manage chemical substances in purchased parts and materials purchased for use at plants, create a chemical substance database, and perform entry management to ensure compliance with the many applicable laws and regulations. We use the International Material Data System (IMDS), a material data system for the automobile industry, and other management tools.

Applicable Laws	PRTR Law¹ - No violations or penalties (We confirm that each business site submits filings to the national government by the deadlines) - Internal environmental standards managed pursuant to DEM² (2)-5 and DEM (6)-31
Applicable Laws	Chemical Substances Control Law³ - No violations or penalties (Transition to parts that do not contain any class I specified chemical substances under the Chemical Substances Control Law completed before enforcement) - Internal environmental standards managed pursuant to DEM (6)-26

1. Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement
2. Daihatsu Environmental Manual
3. Act on the Regulation of Manufacture and Evaluation of Chemical Substances

Risk Management Relating to Environmental Laws and Regulations

Daihatsu has established and operates environmental management systems in accordance with ISO 14001 in all internal organizations to ensure compliance with the enactment and revision of all environmental laws, regulations, ordinances, and so on, particularly those relating to production activities.

For example, we have incorporated into work systems prior investigation of environmental conservation and energy reduction when we introduce equipment (in the planning stage), confirming inspections at the time of introduction (before operation), and regular internal audits (during operation), and we also conduct PDCA of environmental management systems. We began operating ISO 14001 after the Kyoto (Oyamazaki) Plant in 1998 and have acquired and maintained certification for all internal organizations as discussed above since 2017.

As a result of these efforts, we had no environmental accidents, abnormalities, complaints, or legal violations in fiscal 2022. We commit ourselves to continuing and enhancing these measures in the future.

The Daihatsu Group has obtained ISO 14001 certification at all business sites and strives to prevent all environmental abnormalities, complaints, and legal violations through day-to-day management in accordance with environmental management systems.

Environmental Management

Environment Month Events

The Daihatsu Group carries out Environment Month activities every June. In his President's Message for fiscal 2024, President Soichiro Okudaira declared that, in response to the formal agreement reached at COP26 that all countries globally will work toward achieving the 1.5°C target, Daihatsu established the "product electrification strategy" and "strategy for zero CO₂ emissions in production" as corporate policies and will challenge to realize a clean society through our business by raising the acceleration and work together as a whole company. President Okudaira further stated that for the Group to remain a business enterprise trusted by society, creating a recycling society in harmony with nature will be the most fundamental activity for the Group.



The President's Message released within the Group on June 1, 2023

Environmental Education

Daihatsu's environmental education aims to nurture people with high environmental awareness, who deepen their knowledge and understanding of environmental conservation activities, and who act on their own initiative. We carry out this education systematically in line with the content of each employee's work. In the new recruit education and general education programs—targeted at new recruits and general employees respectively—educators at Daihatsu's business sites provide instruction on job and environmental responsibilities, and employees put this instruction to good use in their everyday work. Employees responsible for promoting our environmental initiatives undergo specialized programs of environmental management education and legal compliance training using materials created in partnership with third-party training institutions.

Environmental Education Structure Chart

Category		Self-awareness training					Skills training								
Implementing organization		Environmental Affairs Department		Environmental conservation offices at each business site			Environmental Affairs Department								
Subjects		All personnel	Applicable personnel				Environmental conservation office personnel			Managers in their first and second years as managers		Auditor			
							Practitioners								
Management	Executives	Environmental educational activities: Environment month, harmony with nature, etc.	Rank-specific training ¹	New recruit education	General education	Leader education	Provision of information to contractors and others ²	Education for workers engaged in significant environmental work and equipment and its operation	Emergency responders	Waste-related training sessions	Government notification training sessions	Energy saving and chemical substance training sessions	ISO 14001 standards introductory training sessions	Internal auditor training sessions	Auditor training sessions (external, five days)
	M2														
	M1														
	C2														
	C1														
Middle management	A3														
	A2														
	A1														
General staff															
Legal related Practice related Environmental management system related															



Internal auditor training sessions

1. Rank-specific training

M1: Develop well-balanced managers who can incorporate E into SQCD—understanding and execution of environmental action plans

C2: Develop personnel who understand environmental conservation activities and comply with laws—overview of environmental laws and regulations and internal rules

Newly appointed assistant foreman level: Develop personnel who understand environmental conservation activities and comply with laws—environmental laws and prevention of near-miss environmental abnormalities and accidents

New employees: Foster understanding of corporate environmental conservation activities—fundamentals of global environmental issues, environmental performance of automobiles, etc.

2. Provision of information to on-site workers and contractors, delivery personnel, and primary contractors who perform construction work

3. Overview of environmental laws and regulations and prior investigation of environmental conservation, energy, and chemical substances

Environmental Management GRI ▶102-11, 103-2

Daihatsu Environmental Communication System

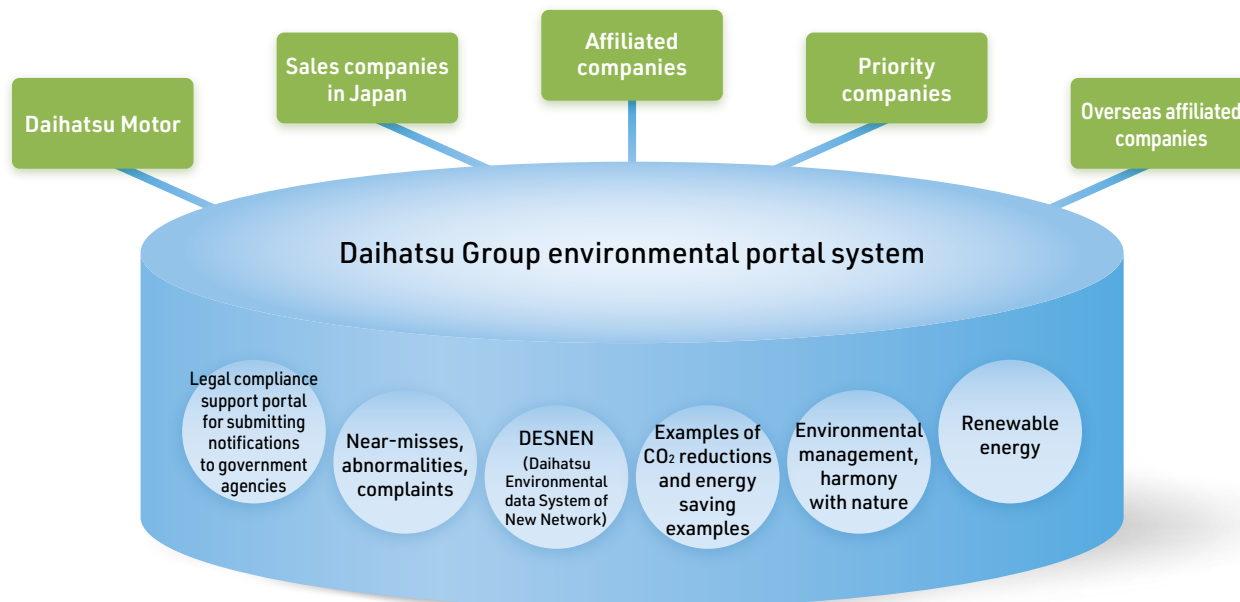
Building Infrastructure for Sharing Environmental Information with Affiliated Companies

Daihatsu is reinforcing communication with affiliated companies,^{*} which are among our stakeholders, and is building infrastructure that enables sharing of all environment-related information so that we can undertake further measures for carrying out the Environmental Action Plan. This infrastructure has a mechanism for Daihatsu and affiliated companies in Japan to disseminate and share information relating to DESNEN (Daihatsu Environmental data System of New Network) to share the environmental performance data of affiliated companies; a legal compliance support portal for submitting notifications to government agencies; environmental near-misses, abnormality complaints, and examples of CO₂ reduction; environmental management and harmony with nature; and renewable energy. We thereby create an environment that enables easy acquisition of necessary knowledge. By operating the systems, we have been able to increase the efficiency of environmental performance data collection, which previously relied on manual labor, and create a library that includes various types of information, leading to improvements in the quality of environmental measures. We plan to expand these systems to overseas affiliated companies in the future.

^{*}Subsidiaries, companies subject to the equity method, priority companies (no capital relationship with Daihatsu), and sales companies in Japan



One of the features of the Daihatsu Group environmental portal system is that anyone can easily operate it



Legal compliance support portal for submitting notifications to government agencies

Includes lists and the details of laws and ordinances relating to safety, firefighting, high-pressure gas, electricity, construction, power, and energy with respect to government notifications as well as explanatory and educational materials

Near-misses, abnormalities, complaints

Presenting and sharing information on near-misses (events that occur on the premises of a business site that may lead to serious disaster) and abnormality complaints (accidents that affect outside the premises of a business site)

DESNEN (Daihatsu Environmental data System of New Network)

Periodically collects environmental performance data, such as energy usage, waste volume, water usage, and VOC emissions, from affiliated companies for sharing and output

Examples of CO₂ reductions and energy saving

Shares examples of CO₂ reductions and energy saving at Daihatsu plants and production subsidiaries intended to achieve carbon neutrality in production by 2035

Environmental management, harmony with nature

Disseminates and shares information on environmental management and initiatives to achieve harmony with nature

Renewable energy

Disseminates and shares information on use of solar power and other renewable energy

Environmental Management GRI ▶ 102-43

Environmental Communication with Local Communities

In order to become a company trusted by all our stakeholders, Daihatsu discloses information regarding both our environmental initiatives and the impact our business activities have on the environment, and actively promotes communications. As a corporate citizen, we are also working to improve how we interact with local residents and communities in the vicinity of our plants.

Community Briefings

Since the Shiga (Ryuoh) Plant commenced operations in 1974, employees at the plant have carried out environmental patrols together with representatives from the local community and local government. In addition to exchanging opinions in meeting rooms, members of these environmental patrols carry out first-hand checks of water processing and other facilities. The patrols are an opportunity for local community and governmental representatives to learn more about Daihatsu's activities, while we receive a variety of feedback, which we can then incorporate into our activities. The Head (Ikeda) Plant hosts community briefings in the Ikeda area, while the Kyoto (Oyamazaki) Plant hosts community briefings in the Oyamazaki area, with the goal of improving communications. Production bases in Indonesia and Malaysia also carry out community briefings, improving communications with local residents and communities.



Environmental patrol at the Shiga (Ryuoh) Plant



Community briefing at Astra Daihatsu Motor

Public Events at Daihatsu Plants

All Daihatsu plants hold public events at the prime time of their greening and planting activities. The Shiga (Ryuoh) Plant holds the Ryuoh Festival every year* during the azaleas season, which attracts many people.

* Canceled since 2020 due to the spread of COVID-19



Ryuoh Festival at the Shiga (Ryuoh) Plant

Community Cleanup Activities

Daihatsu takes part in cleanup activities together with members of local communities. Employees at all Daihatsu offices and plants carry out cleanup activities once a month in the local vicinity, and also participate in local river cleaning activities. As part of social contribution activities organized by our workers union, we also clean and maintain hiking courses on Mt. Satsuki in Ikeda City. Daihatsu Group affiliate companies take part in both the cleanup activities and the hiking course maintenance activities, ensuring that the Group contributes to local communities.



Ina River cleanup activities

Bamboo Shoot Harvesting with Local Residents

Daihatsu conducts bamboo shoot harvesting with local residents in a company-owned forest known as Hagukumi no Mori Ryuoh with the aim of preserving the bamboo forest. We recruited participants in cooperation with the Ryuoh-cho local government, and conducted harvesting three times in April and May 2021. We plan to continue this program in the future and undertake forest preservation in collaboration with local communities.



Bamboo shoot harvesting in Hagukumi no Mori Ryuoh

Participation in SDG Events

Daihatsu exhibited at an event held at the Mitsui Outlet Park Shiga Ryuoh in December 2021. At the event, we conducted quizzes on the SDGs to raise the awareness of elementary school age children and presented information on Daihatsu's initiatives to achieve harmonious coexistence with nature to visitors.



Information on Daihatsu's SDG activities

Building a Low-carbon Society GRI ▶102-15

Fundamental Approach and Targets

Achieving Carbon Neutrality

The Daihatsu Group sees environmental initiatives as a management strategy essential for maintaining corporate continuity. Accordingly, we are working toward achieving carbon neutrality by 2050 launched by Japanese government, a global target, with a focus on measures for reducing CO₂ emissions in all areas including products, production, and logistics and on building a low-carbon society.

To achieve product carbon neutrality, Daihatsu will electrify all vehicles sold in Japan by 2030 and make additional efforts to reduce CO₂ emissions during their operation. With the goal of achieving carbon neutrality by 2050, we will also promote research and development of technologies to reduce CO₂ emissions when manufacturing materials, parts, and fuel.

With regard to production, we have set a target of achieving carbon neutrality in production by 2035 and are working to reduce CO₂ with a focus on three areas: extensive energy saving by pursuing SSC, development and incorporation of innovative technologies, and utilization of renewable energy. We will also take action in non-production and logistics areas with a target of reducing CO₂ emissions in production, non-production, and logistics by 68% compared to 2019 levels by 2035.

Daihatsu's Electrification Strategy

Based on the basic concepts of "high quality at affordable prices," "mastering the smallest details," and "providing advanced technologies to everyone," Daihatsu has been working to create cars tailored to the lifestyles of its customers, focusing on details even at the level of 1 mm, 1 g, 1 yen, and 1 second. Over many years, we have pursued higher fuel efficiency and lighter vehicles to achieve the highest levels of environment performance even in vehicles with conventional engines. In today's world, as we pursue even further reductions in CO₂ to reach carbon neutrality, we will achieve the ultimate in eco-performance based on the technology and expertise that we have developed through the creation of small-size cars while pursuing electrification by staying close to customers' lives in order to provide high-quality, low-priced products accessible to all. In addition, we have developed e-SMART HYBRID, a hybrid system ideal for small-size cars with excellent environmental performance that was first used in the new HV Rocky launched in 2021. We will expand the use of e-SMART HYBRID for mini-vehicles in the future.



The e-SMART HYBRID system used on the new Rocky adopts a series structure in which an engine generates electricity to drive a motor.

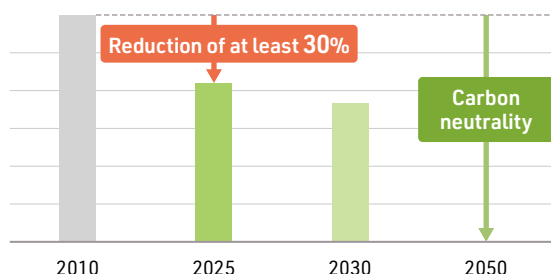
Building a Low-carbon Society GRI ▶ 102-15, 302-5, 305-5

Initiatives for Products

Reducing CO₂ during Driving

Daihatsu's target for the immediate future is for all new vehicles sold in Japan to be electric vehicles including hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs) by 2030. To that end, we are working hard to develop technology and build a sales and service system for widespread use. After achieving the target for 2030, we will increase the sales ratio of ZEVs (ZEVs; vehicles that do not produce any CO₂ or other emissions during operation) and carbon-neutral fuel vehicles. We are also promoting research and development of technology to reduce CO₂ emissions from fuel production by 2050, and have a vision of achieving carbon neutrality during driving.

FY2026 Global Target for Average New Vehicle CO₂ Emissions



Reducing CO₂ Relating to Materials and Parts

As the first step, the Daihatsu Group work to visualize CO₂ emissions from main parts by 2025, improve the accuracy of emissions calculations, create items that will lead to CO₂ reduction, and promote systematization of management methods. After that, as the second step, we will deploy the knowledge and systems established for all vehicles, and in 2050, as the third step, we will achieve carbon neutrality in the vehicle life cycle. This is what we envision as our vision.

CO₂ Reductions in Conjunction with the Creation of New Mobility Services

Daihatsu is developing new mobility services that will lead to solutions to social problems that local communities are facing including low birth rates, aging populations, and economic revitalization. Within these efforts, we are focusing on the social welfare and nursing care fields and currently providing services such as RAKUPITA SOUGEI,¹ a mobility as a service (MaaS) program that provides support to adult daycare facilities by raising the efficiency of pick-up and drop-off operations, and Goissho,² which integrates the pick-up and drop-off operations of multiple nursing care facilities in a region. We also launched Choisoko, an on-demand shared mobility service, in areas with limited means of transportation, in 2021. Considering the possibility that these type of mobility services can improve transportation efficiency and reduce vehicle ownership, leading to reduced environment load, our policy is to achieve the visualization of CO₂ and use it in future business development.

Achieving Both Solutions to Local Social Problems and CO₂ Reductions at the Same Time

Support for pick-up and drop-off operations of daycare sites

Before pick-up During transportation After drop-off

1. For details of the RAKUPITA SOUGEI service, see p. 70

Integration of pick-up and drop-off operations of daycare sites throughout the region

福祉介護・共同送迎サービス
こいっしょ

2. For details of the Goissho service, see p. 71

A ride-sharing service to help people get out

チョイスコまで、こいっしょに
チョイスコ

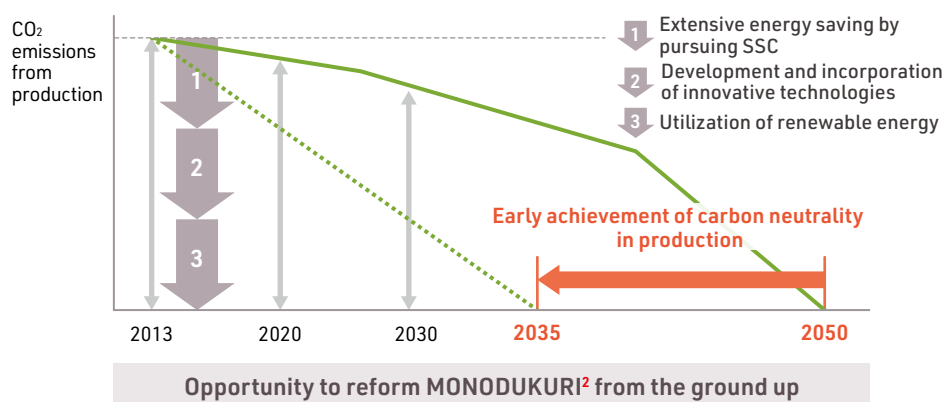
Building a Low-carbon Society GRI ▶ 302-4, 305-5

Initiatives for Production

Pursuing Carbon Neutrality in Production by 2035

As a member of the Toyota Group, to make further contributions to the development of a low-carbon society, which is a global issue, the Daihatsu Group greatly moved up the 2050 target for achieving carbon neutrality in production, setting a new target of 2035. We now seek to achieve carbon neutrality in production by 2035 by reducing CO₂ emissions in the production processes¹ of Daihatsu Motor and our subsidiaries. To achieve this lofty target, we established the Production & Logistics Carbon Neutral Promotion Department as a specialized organization within the Production Control Division in January 2022 and began taking action in three areas: extensive energy saving by pursuing SSC, development and incorporation of innovative technologies, and utilization of renewable energy. In October 2022, we conducted refinement at the Kyoto (Oyamazaki) Plant and designated it as a model plant for the period until 2035. We are rolling out the acquired technologies and expertise in Japan and overseas and strongly promoting measures for achieving carbon neutrality in production.

1. Daihatsu Motor's production sites and production subsidiaries with over 50% stake



2. A concept for auto manufacturing embodying Daihatsu's unique value

Refinement at the Kyoto (Oyamazaki) Plant with an Eye toward Carbon Neutrality

The Kyoto (Oyamazaki) Plant has been producing mainly compact cars including Toyota vehicles, the Charade, and the Terios for approximately 50 years since operations began in April 1973. Daihatsu refined the plant in September 2018 and upgraded it in October 2022 to maintain and enhance competitiveness in environmental performance, quality, and production, and today, the plant is pursuing production based on SSC (simple, slim, and compact), Daihatsu's MONODUKURI concept, and implementing extensive energy saving with an eye toward achieving carbon neutrality. When consolidating buildings for the painting, assembly, and inspection processes, we concentrated heat sources on the upper floor to support energy management by minimizing heat input to the lower floor (the work area), and created a compact plant by reducing the number of processes by approximately 15% compared to the previous plant through traverse movement of vehicles, shortened painting booth lengths, and other measures. In addition, the plant adopted air conditioning recycling in dry booths of the painting process, a new technology, and installed solar power (renewable energy) generation facilities, slashing CO₂ emissions by 42% (compared to 2013).



A panoramic view of the Kyoto (Oyamazaki) Plant. Daihatsu upgraded the plant to serve as a model next-generation plant for the Group

Building a Low-carbon Society GRI ▶ 302-4, 305-5

Initiatives for Production

Specific Initiatives for Achieving Carbon Neutrality in Production

Extensive Energy Saving by Pursuing SSC

In accordance with Daihatsu's fundamental SSC (simple, slim, and compact) concept we are taking action to eliminate waste and steadily energy saving at all production sites. We have made electricity consumption at plants visible in real time, and all employees are working to eliminate waste and make improvements in energy usage.

Development and Incorporation of Innovative Technologies

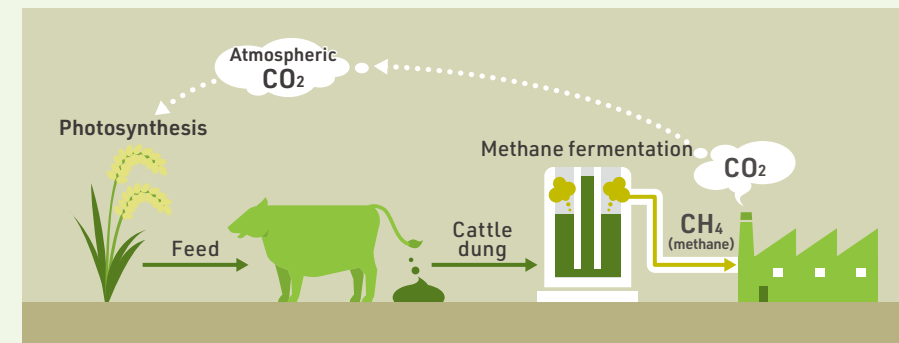
Daihatsu is also actively adopting innovative energy-saving technologies that will lead to reductions in CO₂. One such example is the introduction of air conditioning recycling in dry booths of the painting process at the Kyoto (Oyamazaki) Plant. In this way, we will introduce new technologies to production sites and investigate deployment at other Daihatsu Group plants. We also have a policy of collaborating with the Toyota Group and developing new technologies unique to Daihatsu.

Utilization of Renewable Energy

Daihatsu has already installed solar power generation facilities at multiple plants and business sites and is promoting the use of renewable energy, and we will continue to expand the use of solar power generation throughout the Daihatsu Group in the future. We are also conducting a biogas production project in collaboration with the Ryuoh-cho local government at the Shiga (Ryuoh) Plant (see right illustration). We will continue to reinforce these types of initiatives representative of Daihatsu.

Biogas Production Project at Shiga (Ryuoh) Plant

Daihatsu also develops renewable energy technologies. As an example, we are proceeding with a biogas production project at the Daihatsu Shiga (Ryuoh) Plant. Approximately half of the energy used in automobile manufacturing processes is used in heating. Biogas is produced through the processing of the dung of Omi cattle, Japanese Wagyu. Japanese Wagyu cattle fattening is an important local industry in Shiga (Ryuoh) prefecture. The biogas can be used in place of fossil fuels. While combustion of biogas, like natural gas, produces carbon dioxide (CO₂), a greenhouse gas, the carbon in biogas comes from plant matter that fixes this carbon from atmospheric CO₂. Thus, biogas production is carbon-neutral and does not add to greenhouse gas emissions. Biogas is one of the most sustainable energy sources available for producing thermal energy. We are currently developing a fermentation process using cattle dung and efficient fermentation technologies using waste heat from our plant. This project is subsidized by the New Energy and Industrial Technology Development Organization (NEDO). Moreover, it was introduced to the world as a good example of Japan at COP28 (Conference of the Parties to the United Nations Framework Convention on Climate Change).



Building a Low-carbon Society GRI ▶ 305-3

Initiatives for Logistics

Reducing CO₂ Emissions of Consolidated Logistics Companies 10% by 2035

In 2022, the Daihatsu group established a specialized organization to promote significant reductions in CO₂ emissions across our logistics operations, and we are committed to taking even greater action than before. Our aim is to reduce the CO₂ emissions of our consolidated logistics subsidiaries by 10% by 2035 through the implementation of various effective measures.

Reducing CO₂ Emissions in Logistics

In order to reduce the carbon footprint of our logistics subsidiaries, we are replacing fossil-fueled forklifts with electric-powered ones and replacing large trucks with hybrid electric vehicles for parts transportation in stages. As for completed vehicle transportations, we are also working to improve the loading efficiency of car carriers and replace the tractor heads with the latest fuel-efficient vehicles. In addition, we are dedicated to implementing various measures to increase logistics efficiency, such as modal shifts* and co-creation of shared transportation systems with other companies, to further reduce our CO₂ emissions in the future.

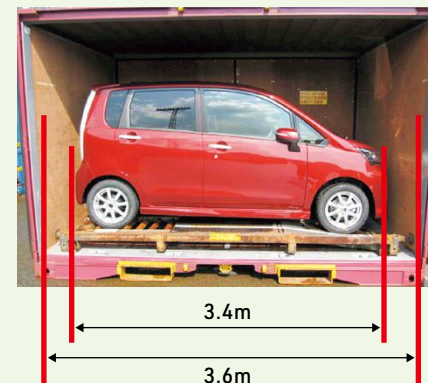
* To shift to more environmentally friendly modes of transportation that emit less CO₂



The subsidiary responsible for parts transportation is introducing large hybrid electric trucks and electric forklifts in stages

Modal Shift to Railroad Transportation Using the Unique Characteristics of Mini-Vehicles

Daihatsu's core products are mini-vehicles measuring 3.4 meters or less in length. Taking their unique ability to fit seamlessly into a railroad container, in 1996, Daihatsu began transporting them between Kyoto Freight Station (Umekoji) and Niigata Freight Terminal Station by rail, which emits less CO₂ compared to truck transportations. In 2016, in order to further expand our routes, we started developing loading methods using their self-propelling ability and specialized fixtures for transporting in containers. We started operating this system in 2018 and have since been expanding our routes rapidly. Going forward, we plan to continue developing new routes.



A vehicle loaded without the use of a specialized pallet

Railroad Transportation Routes Six routes

- Kyoto Freight Station to Niigata Freight Terminal Station
- Kitakyushu Freight Terminal Station to Toyama Freight Station
- Kitakyushu Freight Terminal Station to Minami-matsumoto Freight Station
- Fukuoka Freight Terminal Station to Niigata Freight Terminal Station
- Kitakyushu Freight Terminal Station to Kita-nagano Station
- Kitakyushu Freight Terminal Station to Kanazawa Station (operation started in November 2022)

Building a Recycling Society GRI 306-2

Fundamental Approach

The manufacture of automobiles entails the use of a variety of different resources, including metals such as iron and aluminum, resin, glass, and rubber. By focusing on details even at the level of 1 mm, 1 g, 1 yen, and 1 second, Daihatsu seeks to create small-size cars that use minimal resources.

At the same time, we will continue and evolve vehicle manufacturing that uses minimal resources by developing vehicles that facilitate the 3Rs (reduce, reuse, recycle) starting from the existing development and design stages so that we can achieve car-to-car recycling in which we reuse resources recovered from end-of-life vehicles as materials in the manufacture of new vehicles by 2050.

We completed construction in Japan of a recycling scheme compatible with changes that are occurring to automobiles such as electrification, and we are currently expanding this scheme overseas (construction is scheduled for completion in 2024).

Existing Initiatives

Daihatsu has continuously taken action to recover resources and undertaken new initiatives as a part of its efforts to build a recycling society pursuant to the Sixth Daihatsu Environmental Action Plan.

CO₂ reduction

- Developing technologies aimed at using 100% bio-resins and recycled automobile shredder residue (ASR) materials

Promoting eco-design cars (cars with designs for easy resource recovery and easy dismantling)

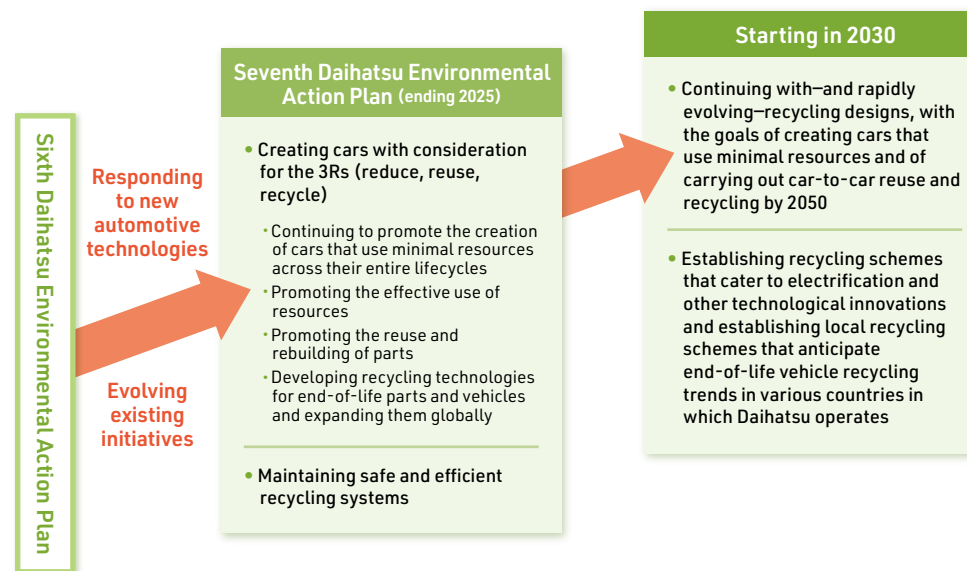
- Formulating recycling design guidelines*
- Reducing attachment points
- Improving drainage of fuel and liquids
- Using material indicators
- Publishing disassembly manuals

* Based on the recycling design guidelines set out by the Japan Automobile Manufacturers Association, Inc., of which Daihatsu is a member

Goals for 2025

In the Seventh Daihatsu Environmental Action Plan, Daihatsu outlined its goals for 2025. These goals include refining its existing initiatives of creating cars that use minimal resources and of reusing and rebuilding. We will also accelerate activities aimed at expanding car-to-car recycling in which we reuse resources recovered from vehicles that reach the end of their lives around 2050 in the manufacture of new vehicles.

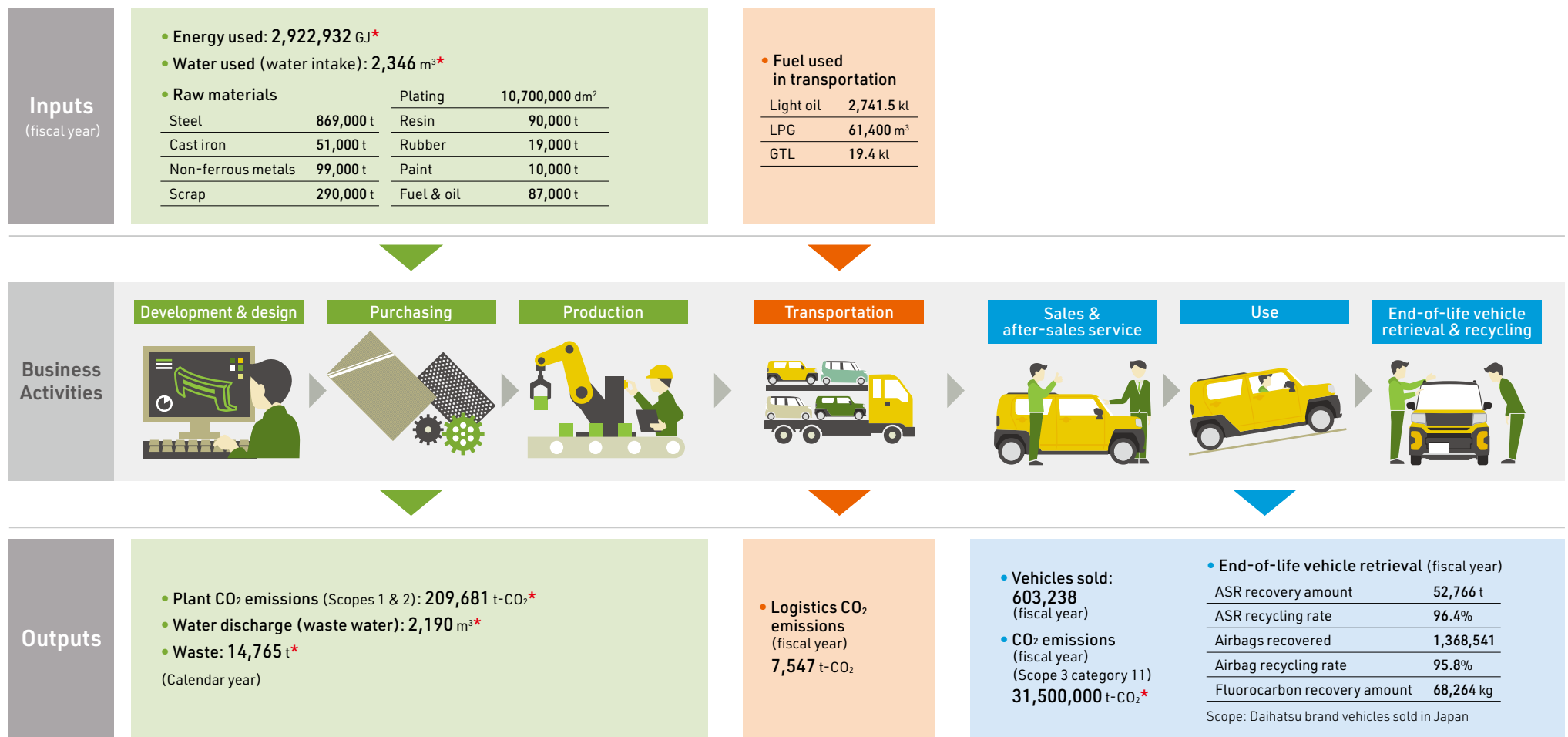
To this end, in the design and development stages of cars that will be launched between 2030 and 2035, we intend to develop and incorporate items with high recyclability so that they can be disposed of more easily.



Building a Recycling Society GRI 302-2, 306-1, 306-2

Flow of Materials

Japan, 2022 results (Calendar year or fiscal year)



* Scope: Daihatsu Motor and Daihatsu Motor Kyushu

Building a Recycling Society GRI 306-2

Vehicle Recycling Initiatives in the Product Design Stage

Examples of Initiatives

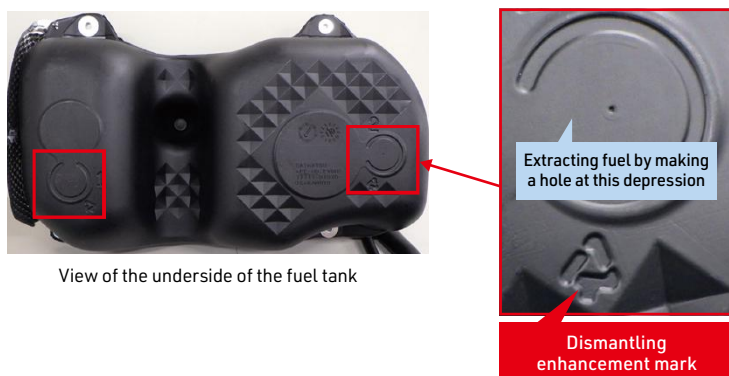
Innovation to facilitate door trim removal in order to increase the efficiency of door wire harness recovery work

- Placing a dismantling enhancement mark near the removal point



Innovation to easily identify the location for fuel removal so that fuel can be extracted efficiently during dismantling

- Placing dismantling enhancement marks at the fuel extraction positions



Appropriate processing of bumpers and other parts / development and design that take into consideration resource recycling

- Indicating materials in a highly visible manner



- Avoiding combinations of different materials

In principle, the same materials are used in the bumpers, instrument meter panel, and other parts.

Developing Materials Suited to Recycling

Daihatsu is working to reduce the number of different materials used, both by promoting the development of thermoplastic resins, which are well suited to recycling, and by unifying the materials necessary for the manufacture of automobiles.

Establishing Technologies for Using Biodegradable Plastics

Biodegradable plastics can be completely decomposed after their disposal through the actions of microbes. In addition, by using plant-based resources instead of fossil fuels, which may face resource constraints in the future, biodegradable plastics have the potential to be CO₂ emissions-free materials. Daihatsu established a technology to introduce biodegradable plastics into the resin parts materials.

Actively Introducing Recyclable Vehicle Design

In Japan, as much as 99% of vehicles are recycled in close collaboration across users, government agencies, dismantlers, waste disposal companies, and automobile manufacturers guided by the Act on Recycling of End-of-Life Automobiles. As part of the collaboration, the automobile manufacturers develop designs of vehicle structures that make it easier to dismantle and separate parts (recyclable designs) to help resource recycling.

Building a Recycling Society GRI 203-1, 301-2, 301-3, 306-2

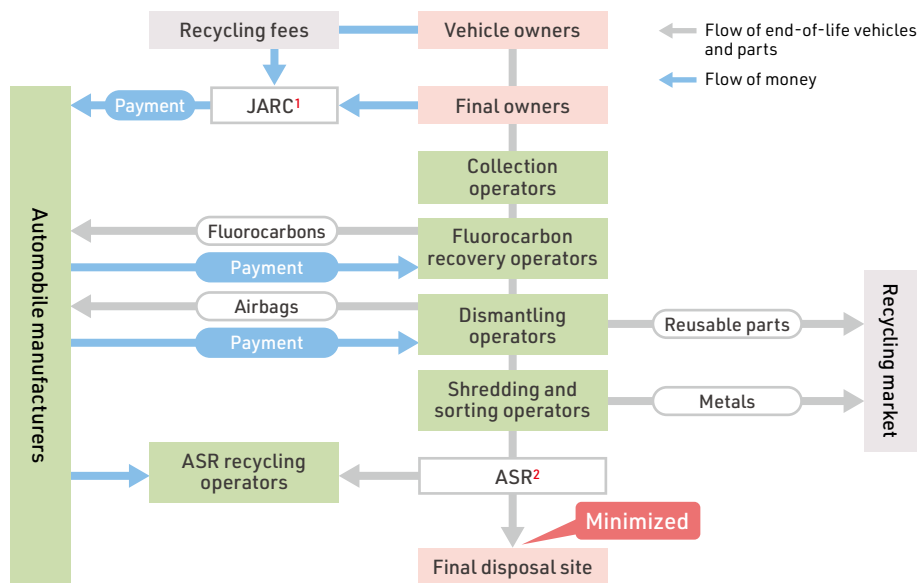
End-of-life Vehicle Recycling Initiatives

Compliance with the Act on Recycling of End-of-Life Automobiles

The Act on Recycling of End-of-Life Automobiles came into force in January 2005. Since then, automobile manufacturers have been responsible for recovering and recycling shredder dust, airbags, and fluorocarbons* generated by end-of-life vehicles. Daihatsu plays an active role in building systems that facilitate the implementation of the Act and works together with affiliated businesses both to make recycling more commonplace and improve the rate of recycling. In addition, we engage in the development of vehicles that can be recycled with minimal load on the environment.

* Fluorocarbons are destroyed

Overview of the Act on Recycling of End-of-life Automobiles



1. Japan Automobile Recycling Promotion Center

2. Automobile shredder residue

Implementing Recovery and Recycling of Three Items*

Daihatsu recovers and recycles airbags and fluorocarbons (fluorocarbons are destroyed) in an efficient manner through the Japan Auto Recycling Partnership—an organization established together with other automobile manufacturers to recover and recycle such items. We also recover and recycle shredder dust through Toyotsu Recycle Corporation's ASR Recycling Business Department, which was jointly established by Daihatsu, Toyota Motor Corporation, Honda Motor Co., Ltd., and Hino Motors, Ltd.

* Airbags, fluorocarbons, and shredder dust

Examples of Initiatives

Airbag Initiatives

Daihatsu equips all of its vehicles with airbag collective activation connectors, which enable all airbags in a vehicle to be simply activated without having to be removed. We also provide registered vehicle dismantling companies with instructions on how to dismantle and activate airbags in a simple and safe manner via paper and online versions of our Proper Airbag Processing Manual.

Fluorocarbon Initiatives

With regard to fluorocarbons used as refrigerants in air conditioners, Daihatsu completely eliminated the use of specified fluorocarbons (CFCs) and switched to the use of alternative fluorocarbons (HFCs) in 1994. In addition, we adopted HF0-1234yf, an alternative fluorocarbon, for all passenger vehicles. Moreover, some Daihatsu vehicles now use industry-leading amounts of 300 grams or less of fluorocarbons per vehicle.

Shredder Dust Initiatives

Daihatsu prioritizes the use of easy-to-recycle thermoplastic resins such as polypropylene and polyethylene and pursues designs that make dismantling and disassembling of vehicles easier. We also use dismantling enhancement marks to clearly indicate how larger components can be easily dismantled. In order to promote the recycling of whole dismantled vehicles—whereby dismantled vehicles have their copper parts removed and are then directly recycled in electric furnaces—we provide instructions on how to remove copper parts (such as wiring harnesses and motors) to consortiums that carry out the recycling of whole dismantled vehicles.

Building a Recycling Society GRI 203-1, 301-2, 301-3, 306-2

End-of-life Vehicle Recycling Initiatives

Goals for 2025

Going forward, Daihatsu will continue to promote the stable processing of end-of-life vehicles in compliance with the Law for the Recycling of End-of-Life Vehicles. We also work together with other automobile manufactures and affiliated businesses to further develop recycling technologies, and to establish schemes to cater to the future spread of electrified vehicles.

Key initiatives

1. Expanding the scope of materials that can be recycled through developments in ASR sorting technologies
2. Promoting activities aimed at the proper processing of batteries from hybrid and other electrified vehicles, and establishing schemes aimed at reusing and rebuilding such batteries
3. Deploying Japanese automotive recycling technologies to overseas production bases
4. Steadily switching to the use of fluorocarbons (conform the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Act on Rational Use and Proper Management of Fluorocarbons)

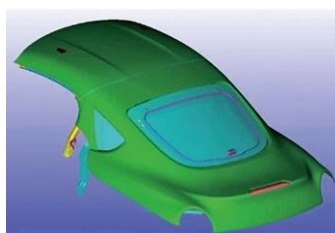
Examples of Concrete Initiatives

Initiatives for difficult-to-process parts

Some resin outer panel parts contain glass fiber or carbon fiber for lighter weight, and this makes them difficult to recycle and process. Daihatsu collects these difficult-to-process parts from its sales companies, before independently processing them.



Resin outer panel parts (rear doors, etc.)



Limited-edition Copen with CFRP roof

Recycling repaired and replaced bumpers

Daihatsu collects repaired and replaced bumpers from dealers, then crushes, melts, and pelletizes them. These pellets are then reused to make parts for our vehicles, such as seat undertrays and engine undercovers.

Collection of repaired and replaced bumpers



Pelletized

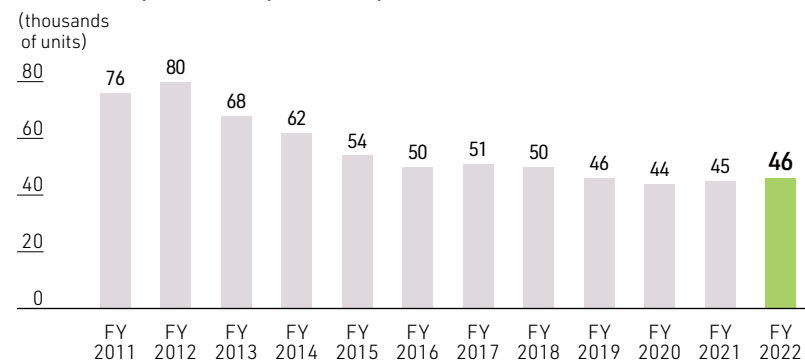


Automotive parts



Seat undertrays, etc.

Number of repaired and replaced bumpers collected



Building a Recycling Society GRI 301-2, 301-3, 306-2

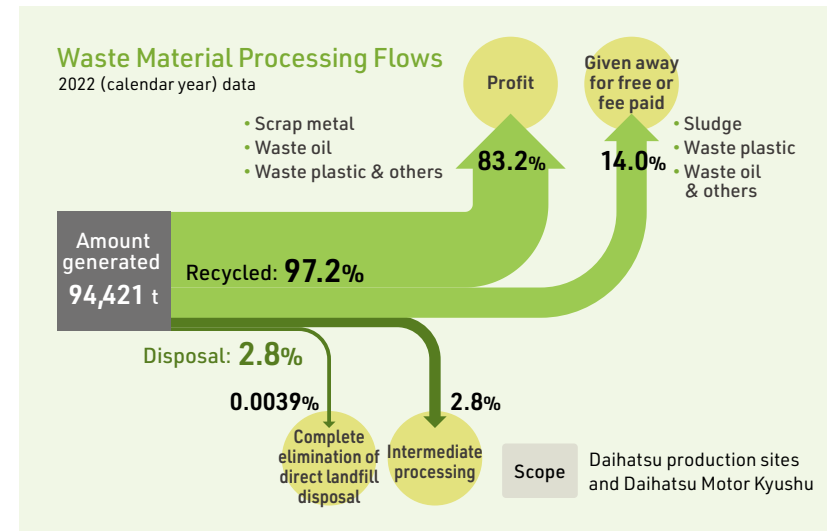
Reducing Waste at Plants and Other Facilities

Daihatsu has made efforts to recycle scrap metal, waste plastic, and other waste materials generated during production, and as a result, now recycles 97.2% of waste material released from plants. In order to reuse such waste material as resources, however, recovery, transportation, and recycling require further energy usage. To address this issue, we have focused on “reduce” in order to decrease the amount of waste generated, promoting the effective use of resources. When punching out parts from steel plates using a press, for example, it is possible to curtail the generation of metal scrap and achieve efficient production using less material and less energy by adjusting the positioning of the molds and the sizes of the steel plates. By adopting such innovations, we will shift the focus of our initiatives for reducing waste to developing technology for manufacturing cars with less material.

Types of Waste Material and Recycling Methods

2022 (calendar year) data

Type (Main Content)	Percentage of Total Waste	Processing Method
Scrap metal	83.86%	Payable for recycle, profit
Sludge	7.08%	Payable for recycle, intermediate processing
Waste plastic	3.00%	Payable for recycle, profit
Waste oil	2.67%	Payable for recycle, profit
General Materials	1.55%	Payable for recycle, profit
Waste acids	0.39%	Payable for recycle, profit
Waste alkalis	0.37%	Payable for recycle
Others	1.07%	—



Building a Recycling Society GRI 306-2

Production, Logistics, and Other Initiatives

Fundamental Approach

The manufacture of automobiles entails the use of a variety of different resources, including metals such as iron and aluminum, resin, glass, and rubber. By focusing on details even at the level of 1 mm, 1 g, 1 yen, and 1 second in processes including development, manufacture, and logistics, Daihatsu is pursuing the creation of small-size cars using minimal resources.

In addition to vehicle manufacturing that use minimal resources, based on various automotive recycling laws and regulations in Japan and overseas, we aim from the design and development stages to develop cars that facilitate the implementation of the 3Rs (reduce, reuse, recycle) to promote the proper processing of end-of-life vehicles. We will also encourage the expansion of car-to-car recycling in which we reuse resources recovered from end-of-life vehicles in the manufacture of new vehicles.

Examples of Initiatives

Reducing the Size of Vehicle Instruction Manuals

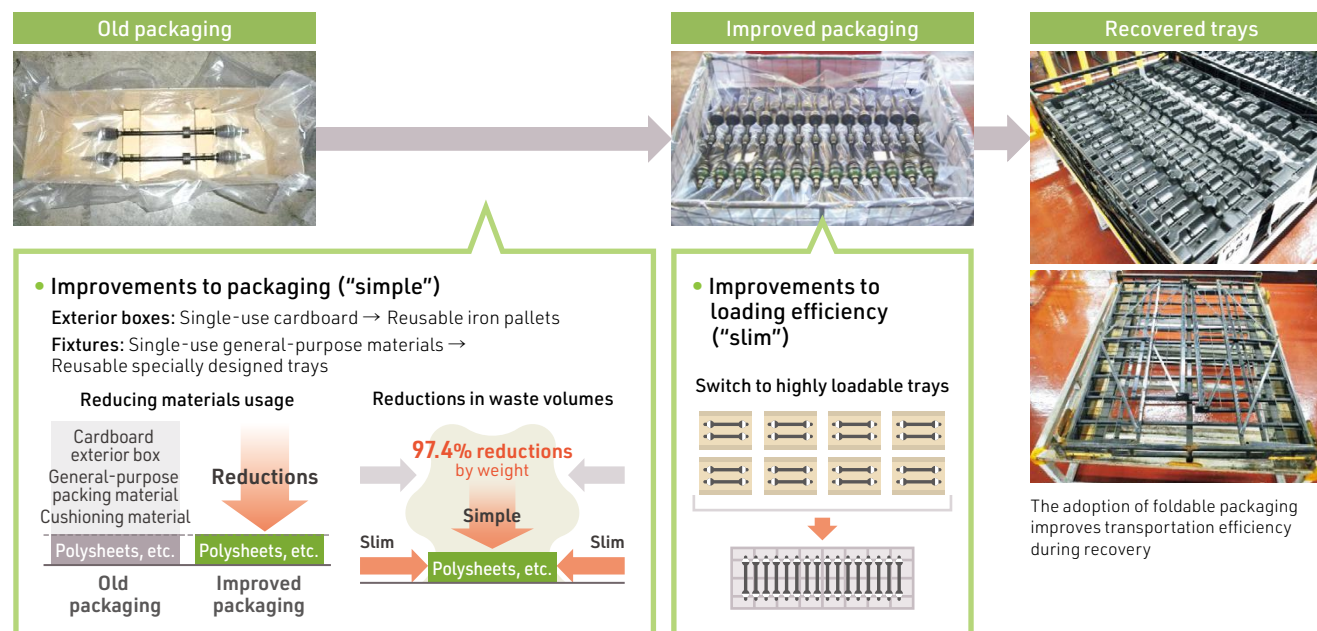
Daihatsu is gradually reducing the size of our vehicle instruction manuals, thereby reducing the use of paper resources.

○: Started lightweight (FY)

Models	2016	2017	2018	2019	2020	2021	2022
Hijet Caddie	○	○	○	○	○	○	End of sales
Mira e:S		○	○	○	○	○	○
Mira Tocot			○	○	○	○	○
Tanto, Rocky				○	○	○	○
Taft, Gran Max					○	○	○
Hijet Atrai, Hijet Truck, Hijet Cargo						○	○

Reducing Waste by Improving Drive Shaft Packaging (Adopting Returnable Containers and Increasing Loading Efficiency)

Daihatsu developed special trays for transporting drive shafts that are highly loadable, reusable, and lightweight. As a result, we have succeeded in reducing the weight of our drive shaft packaging waste by 97.4%.



Building a Society in Harmony with Nature GRI ▶304-2

Conservation of Biodiversity

Fundamental Approach

In addition to creating environmentally friendly cars, Daihatsu also works to conserve biodiversity through connecting with, working together with, and communicating information to local communities.

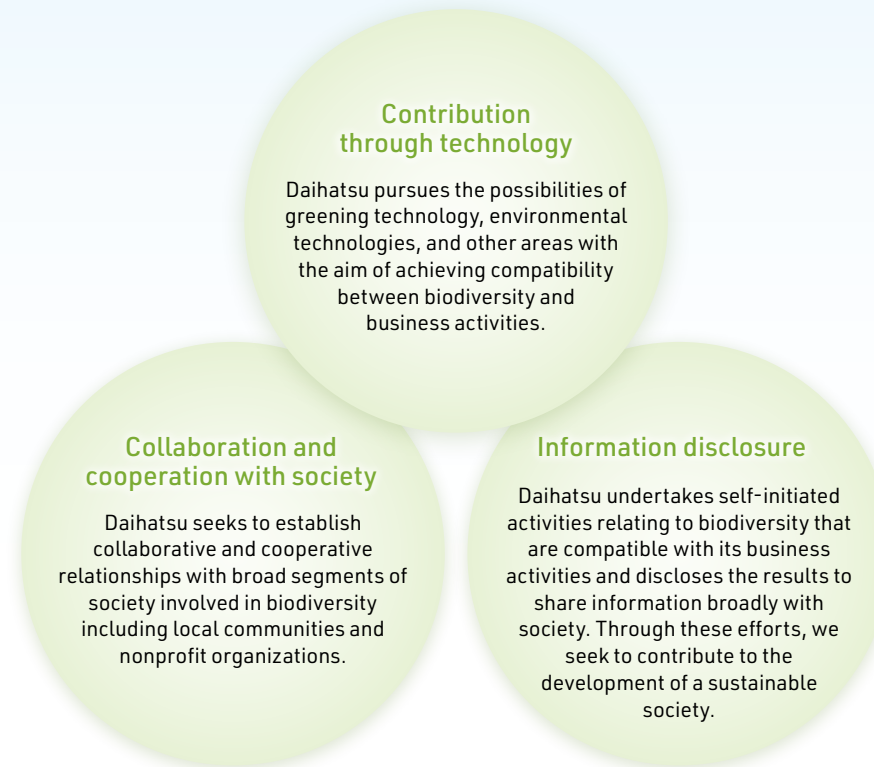
We promote the creation of plants globally that enable people and nature to coexist in harmony and seek to become a company needed by people around the world.

Daihatsu “Biodiversity Guidelines”

Daihatsu undertakes environmental initiatives in accordance with the “Daihatsu Group Basic CSR Principles” with the aim of developing a sustainable earth and society. As one aspect of these efforts, we formulated the “Daihatsu Biodiversity Guidelines” (a self-initiated policy) in January 2016. The Guidelines comprise our fundamental approach concerning measures relating to biodiversity and three action areas: contribution through technology, collaboration and cooperation with society, and information disclosure. We take concrete action in accordance with the Guidelines.

Fundamental Approach Concerning Initiatives

Based on an awareness of the importance of biodiversity, Daihatsu takes action to address biodiversity in accordance with the Daihatsu Group Basic CSR Principles in areas such as the automotive and related businesses and contribute to solutions to social issues with the aim of creating a livable earth and prosperous society and achieving their sustainable development.



Building a Society in Harmony with Nature GRI ▶ 304-1, 304-3, 304-4

Conservation of Biodiversity (initiatives)

The Daihatsu Group promotes biodiversity conservation measures with deep roots in local communities and seeks to achieve harmony with nature. We also collaborate with local governments and residents to address biodiversity issues in their communities and work toward achieving solutions. To expand the scope of these activities by instilling an environmental mindset, we also conduct educational activities on biodiversity for employees and local communities.

Conservation Activities in the “Hagukumi no Mori Ryuoh” Company-owned Forest

Daihatsu is developing forests by making use of the regional characteristics at its company-owned forests in the Shiga area. We began development in 2019 with the objectives of conserving biodiversity and providing environmental education and hands-on experiences, and adopted the name “Hagukumi no Mori Ryuoh” in 2020 through an in-company suggestion program. We perform green space management including tree thinning and planting in *satoyama* forests so that these areas can become habitats for more diverse wildlife. We also monitor indicator species (organisms that can be used to gain an understanding of environmental conditions in areas such as forests, grasslands, and wetlands) with the aim of achieving harmony with nature.



Monitoring wildlife in a company-owned forest

Ina River Cleanup Project

Daihatsu participates in the “Ina River Cleanup Project,” in which residents, companies, and government agencies that live or conduct business in the Ina River basin, which straddles Hyogo and Osaka Prefectures, clean up various areas in the basin. This initiative seeks to make the Ina River a clean waterway where diverse wildlife can live through the collaborative efforts of the public and private sectors. Ninety Daihatsu and affiliated company employees and family members participated in the “19th Ina River Cleanup Project” conducted in February 2022 and worked alongside local residents to collect trash from the river banks, contributing to the development of a society in harmony with nature through grassroots activities.



Participants commented that this program was an opportunity to think about the significance of the SDGs

Preservation of Rare Species

Daihatsu has been conducting wildlife surveys at its business sites and adjacent areas in Japan since 2015. We learned that these areas serve as habitats for a wide range of wildlife including numerous endangered and rare species that are on red lists compiled by the Ministry of the Environment and local governments of the prefectures in which our business sites operate. To protect these important organisms and establish habitats for even more diverse wildlife, we are undertaking preservation measures suitable for our business sites based on advice from experts.



A wildlife survey conducted in the Nishinomiya area, where the Parts Center is located, confirmed the presence of the “black-spotted pond frog,” “peregrine falcon,” “ferocious water bug,” and “aquatic bladderwort,” which are endangered or near threatened species in Japan. Based on this information, we made a wildlife map

Environmental Programs at the Lake Biwa Museum

With cooperation from the Shiga Prefectural Lake Biwa Museum, Daihatsu conducts environmental programs for employees and family members each year. The purposes of these programs are to raise environmental awareness and develop human resources to support the creation of a society in harmony with nature and to contribute to the environmental education of the children who will become the leaders of the future. Through its philanthropic activities, Daihatsu is cooperating with the conservation of Lake Biwa's thriving ecosystems. The Lake Biwa Museum offered support for these initiatives, and we are implementing various programs in collaboration with the museum.



Twenty-eight persons from seven groups participated in the August 2022 educational program

Building a Society in Harmony with Nature GRI ▶ 304-1, 304-3, 304-4

Conservation of Biodiversity (initiatives)

Daihatsu collaborates and cooperates with local governments and civic groups to undertake a wide range of activities at its main business sites including the Head (Ikeda) Plant and Kyoto (Oyamazaki) Plant to preserve and restore biodiversity.

Ebara River Cleanup Project (Head (Ikeda) Plant)

The Head (Ikeda) Plant works in collaboration with Ikeda City to implement the "Ebara River Cleanup Project" for the Ebara River, which flows through the plant grounds*. Fresh-water sprats, loaches, Japanese mitten crabs, and other wildlife are known to inhabit the Ebara River, and there is a natural environment with abundant wildlife within the plant premises. This project intends to clean up trash that flows from upstream and protect the wildlife living in the river. Daihatsu will continue its efforts to protect regional ecosystems through these types of initiatives.

* River managed by the city



Cleanup work of the Ebara River, which flows through the plant grounds

Planting Oak Trees in Oyamazaki-cho with the Groundwater Use Countermeasures Committee (Kyoto (Oyamazaki) Plant)

Daihatsu is a member of the Groundwater Use Countermeasures Committee, which membership includes the Oyamazaki-cho local government and nearby companies and seeks to protect water sources of Mt. Tennozan, which is located in the area of the Kyoto (Oyamazaki) Plant. In March 2022, we participated with the mayor of Oyamazaki-cho and town hall personnel to plant sawtooth oak trees as part of a program conducted by the "Kubo River and Tennozan Forest Preservation Association," a nonprofit organization, as an environmental conservation activity to restore water sources on Mt. Tennozan, which are deteriorating, to their original state.



Planting sawtooth oak trees

Cultivating Cherry Tree Saplings (Tada Area)

In the Tada area, Daihatsu germinates seeds and grows *Edo higan* wild cherry tree saplings. The seeds are from the Suimeidai Edo Higan community, a natural monument of the city. The Edo Higan community is an endangered species and has been designated as rank B in the Hyogo Prefecture Red Data Book. In FY2023, we sprouted about 200 saplings, of which 50 were donated to civic groups engaged in *Edo higan* preservation activities in the Kawanishi City region.



Edo higan saplings are cultivated in-house

Planting Native Acorns (Nishinomiya Parts Center)

At the Nishinomiya Parts Center, Daihatsu conducts acorn planting as part of its "15-Year Slope Greening Plan" with the aim of regenerating *satochi* and *satoyama* vegetation on Mt. Rokko. Every year since 2018, we have collected, sprouted, grown, and planted Chinese cork oak and jolcham oak acorns in lawns at the center site. Employees are currently implementing conservation activities in an effort to bring the cultivated acorns closer to the mixed forests of Mt. Rokko.



Planting oak saplings

Building a Society in Harmony with Nature GRI ▶304-3

Conservation of Biodiversity (initiatives)

Daihatsu collaborates with a variety of parties including local governments, companies, and action groups to implement activities for achieving a society in harmony with nature. The contributions of these activities to conserving biodiversity and raising public awareness have been recognized and praised in various quarters.

“Biodiversity Biwako Network” Wins “2021 Japan Nature Conservation Grand Prize”

The “Biodiversity Biwako Network (BBN),” which comprises six companies¹ based in Shiga Prefecture including Daihatsu, received the “2021 Japan Nature Conservation Grand Prize”² in the education category presented by The Nature Conservation Society of Japan.

The BBN received this prize for a project that it launched in 2016 called “100 Species Dragonflies Initiative—Save Dragonflies in Shiga!” This biodiversity conservation activity uses the 100 species of dragonflies confirmed to be present in the prefecture as indicator species. The three missions of the project are “Look for 100 species of dragonflies in Shiga!,” “Protect dragonflies in Shiga!,” and “Let everyone know!” The BBN conducts management and periodic monitoring of green spaces, wetlands, and ponds owned by member companies, determines the state of nature in surrounding areas, maintains biotopes, eliminates invasive species, holds nature observation tours, publicly announces their activities through exhibitions and presentations, and takes various other activities. Starting in 2020, the BBN actively disseminates information on dragonfly characteristics and habitats using social media with the aim of raising awareness of biodiversity conservation.

The prize was presented to the BBN in recognition of its collaborative activities, its adoption of dragonflies as its theme, which is readily understandable by the general public, in order to broaden the scope of its activities, and its success in enhancing regional biodiversity while taking action to raise public awareness. Daihatsu will continue to play a central role in the BBN and work to conserve biodiversity and achieve a sustainable society by implementing regional social contribution activities.

1. Asahi Kasei Corporation, Asahi Kasei Homes Corporation, SEKISUI CHEMICAL CO., LTD., Sekisui Jushi Corporation, Daifuku Co., Ltd., and Daihatsu Motor Co., Ltd.

2. A prize created by The Nature Conservation Society of Japan in fiscal 2015 to recognize those individuals, groups, companies, and local governments that make significant contributions to nature and biodiversity conservation



Daihatsu employee family members also participated in the wildlife survey



Digging in wetlands to preserve the habitats of *Aeschnophlebia Anisoptera* and other species of dragonflies

History of Awards and Other Recognition

March
2019

Shiga Biodiversity Initiatives Certification in 2018 (certification renewed in 2021)

The Shiga (Ryuoh) Plant was awarded three stars, the highest rank, by Shiga Prefecture under the “FY2019 Shiga Biodiversity Initiatives Certification” system. The Shiga (Ryuoh) Plant was recognized by Shiga Prefecture as a company that engages in biodiversity initiatives. The plant’s activities include thinning, tree-planting, proper mowing, and other green space management in *satoyama* forests, as well as a range of ongoing biodiversity conservation activities.

November
2019

Jury Prize of the Biodiversity Action Award Japan 2019

Since 2018, the Shiga (Ryuoh) Plant has been participating in the “Biodiversity Biwako Network (BBN)” and taken part in activities that contribute to conserving biodiversity in Shiga Prefecture. The BBN comprises seven companies located in the prefecture and contributes to regional biodiversity conservation while expanding collaboration, such as through the “100 Species Dragonflies Initiative—Save Dragonflies in Shiga!,” a project that engages in the three missions regarding the 100 species of dragonflies found in the prefecture.

December
2019

Osaka Environment Award Grand Prize

Daihatsu was recognized for the clear direction and framework of its environmental initiatives, collaboration with a broad range of local parties, and conservation and educational programs rooted in local communities.

March
2021

2021 Japan Nature Conservation Grand Prize

The “Biodiversity Biwako Network (BBN),” established by seven companies based in Shiga Prefecture, conducts biodiversity conservation activities using 100 species of dragonflies as indicator species. As a result of these efforts, the BBN was awarded the “2021 Japan Nature Conservation Grand Prize” in the education category by The Nature Conservation Society of Japan.

Social

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Quality Assurance Initiatives GRI ▶ 416-1

Fundamental Approach

Quality at Daihatsu is not limited only to the quality of products and services but is made up of three pillars that include the quality of processes that give birth to products and services as well as the quality of the capability development system for employees that implement these processes. Daihatsu's quality assurance is positioned as an initiative that always places customer satisfaction and trust as the top priority and perpetually improves these three pillars of quality.

At the MONODUKURI¹ worksites of manufacturing departments, each employee involved in the work takes responsibility for fully completing their own processes and thoroughly implements "own process completion" to ensure quality within their processes. At the beginning and end of meetings in which employees participate, we recite quality rules along with safety rules to raise awareness of quality on a regular basis. Back-office departments also take action to ensure quality in their own work based on the concept of own process completion.



1. A concept for auto manufacturing embodying Daihatsu's unique value

Quality-related Structure

Brief quality meetings are held at the start of work every day at each plant, and managers and supervisors confirm the status of quality on a daily basis in an effort to maintain and control quality. In addition, plant quality meetings are held monthly to address improvement of manufacturing quality. The plant quality meetings, chaired by personnel responsible for quality control divisions, work with plant managers to check the details and status of measures taken to address quality issues that arise within processes or after shipment, defects in parts and materials supplied by business partners, and other issues to steadily improve quality. Quality assurance departments play a central role in analyzing post-shipment fault information received from markets, and major incidents are investigated by a body chaired by the general manager of the Quality Assurance Division and reviewed by an upper-level body chaired by the chief officer responsible for quality to determine whether a recall is needed.

Daihatsu focuses on developing quality-related human resources and established Quality Dojos at each plant as training forums to develop skills for enhancing quality. We are also training human resources who can support the future evolution of automobiles exemplified by CASE² and are making further advances to our quality assurance structures.

2. An abbreviation for Connected, Autonomous, Shared/Service, Electric

Internal Audits

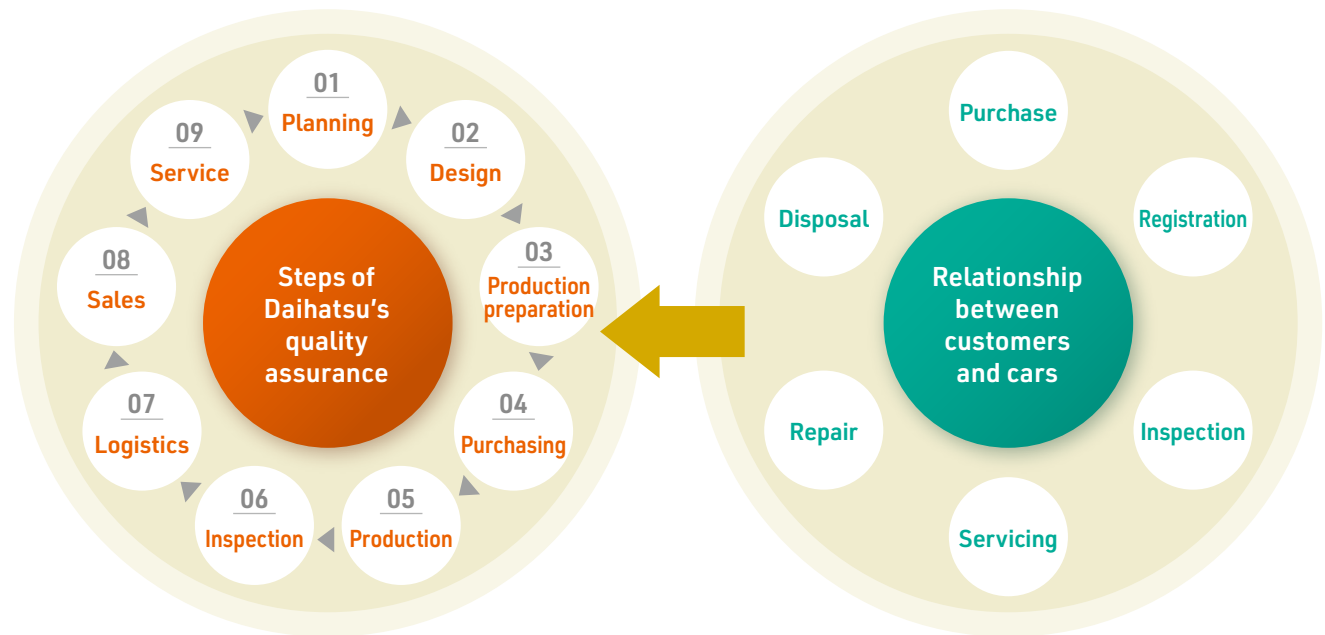
Daihatsu conducts internal audits at least once annually to reinforce quality assurance measures. Internal audits are conducted by identifying audit points and taking into consideration changes in internal and external environments and needs based on the concepts of international standards relating to quality management systems with the objective of improving the quality assurance measures of each department. PT Astra Daihatsu Motor (ADM), which is located in Indonesia and produces products for the Japanese market, also conducts audits equivalent to those performed in Japan.

Quality Assurance Initiatives GRI ▶416-1

Pursuing Quality in All Processes for the Benefit of Customers

To guarantee that the quality of products and services can satisfy and be trusted by customers as well as allow prolonged use, all process—from planning, design, purchasing, production, inspection, logistics, and sales to service—must come from the customers' perspective. The relationship between customers and cars starts from the time of purchase. It is an intimate part of customers' lives, including daily commutes, work, shopping, driving on off days, and leisure regardless of the time of the day, season, weather, and place. During this time, Daihatsu has many points of contact with customers to allow cars to be used for long periods of time, including vehicle inspection, servicing, and repair. Daihatsu collects information from all such scenarios involving customers and cars. Within each process, every employee thinks about customer expectations and joy and reflects their thinking in quality, and we treat this process with importance.

Processes Behind Products and Services



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Quality Assurance Initiatives GRI ▶ 416-1

Planning and Design Initiatives

Daihatsu established the Quality Control Center (QCT) within the Mobility Development Group as a specialized organization to carry out improvement measures with a focus on quality in planning and design processes. Engineers assigned to the QCT examine all Field Technical Reports¹ submitted on a daily basis and visit dealers and customers to personally confirm problems. They also investigate the causes and take countermeasures using our own analysis equipment and reflect the results in planning and design in a timely manner. Through these QCT initiatives, we are reinforcing early detection and early resolution (EDER²), comprehensively preventing the reoccurrence of problems, and disseminating knowledge obtained from the problems throughout the company to prevent other problems from occurring.

1. Reports on problems submitted by the maintenance divisions of dealers to the manufacturer
2. Detecting and resolving quality-related issues at an early stage and promptly providing feedback on the results of improvements to customers



An engineer visiting a customer to confirm a problem

Purchasing Initiatives

When purchasing parts, equipment, and other goods, Daihatsu appropriately assesses and manages suppliers and works to maintain and enhance quality in accordance with the internal Parts Supplier Assessment and Management Guidelines as well as the Management and Assessment Guidelines for Suppliers of Equipment, Main and Sub Materials. Purchasing personnel investigate the management status, technical capabilities, and quality control structures of supplier candidates and, when necessary, conduct inspections to determine whether transactions are successful. In the case of existing suppliers, we annually conduct continuing evaluations of all suppliers with which we did business during the fiscal year to assess quality, safety, and other factors, and an internal review board decides whether transactions should be continued. In addition, the Quality Assurance Division and plant quality sections of the Vehicle Quality Control Division examine the manufacturing processes of suppliers on a regular basis, plan and implement quality improvements in cooperation with suppliers.

Production Initiatives (Including Production Preparation)

To maintain and control quality in manufacturing processes, Daihatsu employs Internet of Things (IoT)³ technology to manage workmanship and quality-related trends and ensures stable quality. We also continuously monitor changes in the number of defects from the previous day and work to identify problems as early as possible and make improvements. Design, purchasing, and quality control divisions confirm that parts procured from business partners satisfy our quality standards and decide whether mass production can commence. We also obtain data from business partners on a daily basis to confirm the workmanship of parts and request improvements as necessary to maintain and enhance quality. By using traceability measures to link supplied parts with individual vehicles, we have created mechanisms and structures to provide prompt feedback to plants regarding manufacturing-related quality issues identified from market information. These quality-related initiatives implemented by Daihatsu have been highly evaluated within the Toyota Group, and we have received the Quality Control Excellence Award and other Toyota Quality Improvement Initiative Awards.

3. A mechanism for the exchange of information over the Internet by devices, equipment, and so on that in the past were not connected to the Internet



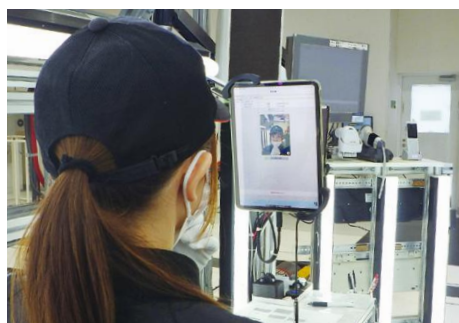
Intranet screen displayed when starting up a company PC when Daihatsu was ranked highest overall in the J.D. Power 2022 brand awards

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Quality Assurance Initiatives GRI ▶416-1

Inspection Initiatives

Daihatsu strives to enhance the quality of completed vehicle inspections performed at production plants in accordance with our duties as an automaker under the Road Transport Vehicle Act. One initiative unique to Daihatsu is the introduction of a system at all plants that uses facial recognition technology to prevent any personnel other than qualified inspectors from performing inspections. Specifically, the facial information of qualified inspectors who are registered at the start of work is compared with a facial image of the worker who actually performs the inspection, preventing workers without qualifications from performing completed vehicle inspections. In addition, after the completed vehicle inspection data is input into the system, there is a function that locks the data so that it cannot be modified, preventing fraud such as data falsification.



We guarantee rigorous inspections by maintaining individual inspection results for each vehicle as well as the work histories of inspectors, who are registered using 3D facial data

Logistics Initiatives

In order to guarantee the safety and quality of every Daihatsu-vehicle delivery from our plants to dealers, we at Daihatsu have implemented our own standard operating procedures for logistics. Additionally, we have put in place comprehensive manuals that provide instructions on how to respond to disasters or accidents, as well as detailed regulations for handling vehicles within logistics yards. By ensuring that all workers involved in completed vehicle logistics adhere to these procedures, we maintain and manage the quality of our vehicles.

Sales and Service Initiatives

We make particular efforts at the Daihatsu Sales Training Center to develop human resources who can provide high-quality product information and after-sales service to customers. We also periodically conduct the "Daihatsu Service Skill Contest" for mechanics working at Daihatsu sales companies nationwide to train excellent mechanics by refining their skills regarding fault diagnosis, maintenance, sheet metal work, painting, and producing estimates in an effort to enhance customer service.



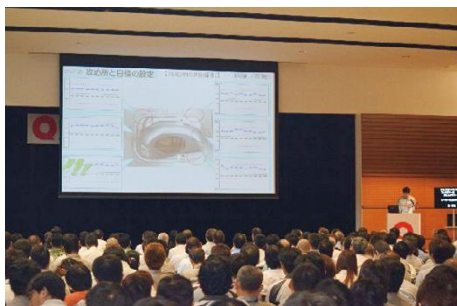
The Daihatsu Service Skill Contest

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Quality Assurance Initiatives GRI ▶ 102-21, 102-43, 416-1, 416-2

Employee Training on Quality

To develop human resources, revitalize workplaces, and enhance work quality for the practice of customer first, Daihatsu conducts quality control (QC) activities including rank-specific training on quality in collaboration with Group companies, sales companies, and business partners. As part of these activities, we organize the All-Daihatsu QC Circle Convention and All-Daihatsu TQM Convention each year. At the All-Daihatsu QC Circle Convention, the results of quality improvement activities are presented even as the conference is expanding in scale into a global event including the participation of circles from production bases in Malaysia and Indonesia. In addition, circles that achieved excellent results further improve their abilities by actively participating and competing at the QC conferences organized by the Union of Japanese Scientists and Engineers. At the All-Daihatsu TQM Convention, we seek to improve management quality and revitalize workplace culture by sharing information on management issues during a "time of once-in-a-century transformation" through presentations conducted by executives and managers.



All-Daihatsu TQM Convention

For Customers

Customer Feedback Mechanism

Daihatsu conducts surveys of customers who purchased Daihatsu vehicles in an effort to ascertain various information concerning vehicles, sales personnel, dealers, and more. During the COVID-19 pandemic, we collect customer opinions using online communications tools. We also continuously collect opinions from dealers who handle Daihatsu vehicles and use that information to improve our vehicles.

Responses to Quality Defects (Recalls, etc.)

Giving top priority to the safe and reliable use of cars, when a defect occurs in vehicles and a recall is determined to be necessary, Daihatsu issues notifications in accordance with the laws and regulations of the respective countries, and at the same time, promptly contacts customers of the affected vehicles to notify them to obtain free repairs. We also immediately post recall information on our website. We report to the authorities regarding the progress of recalls and other information as necessary.

Customer Assistance Center

We receive inquiries from customers at the Daihatsu Customer Call Center and respond based on the details of each inquiry by providing information, answering questions, and so on. The Daihatsu Customer Call Center has systems in place to respond to inquiries by telephone, email, or chatbot. Information concerning requests received from customers is forwarded to the relevant departments and reflected in product and service improvements.

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Daihatsu's Car Creating GRI ▶ 102-15, 102-16, 203-2

Fundamental Approach

Development of a Sustainable Society

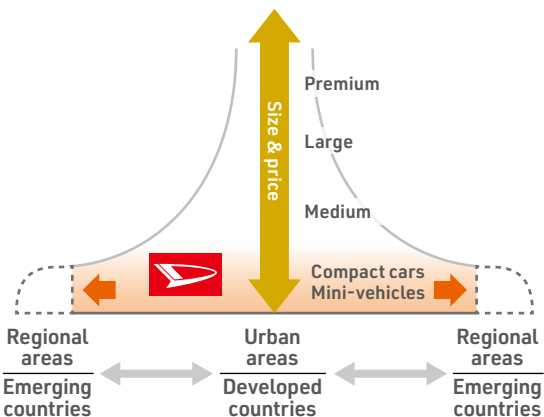
The first thing needed in order to reduce CO₂ emissions is to decrease the energy required while driving. Daihatsu's car creating provides cars that require extremely small amounts of energy during driving due to their lightweight and compact bodies and highly efficient powertrains to markets at affordable prices.

By enabling large numbers of customers to use cars that reduce CO₂ emissions, we will contribute to lower overall CO₂ emissions. In addition, we will continue to tackle the challenges of achieving carbon neutrality at an early time by efficiently expanding the introduction of electrified vehicles.

Daihatsu New Global Architecture (DNGA)

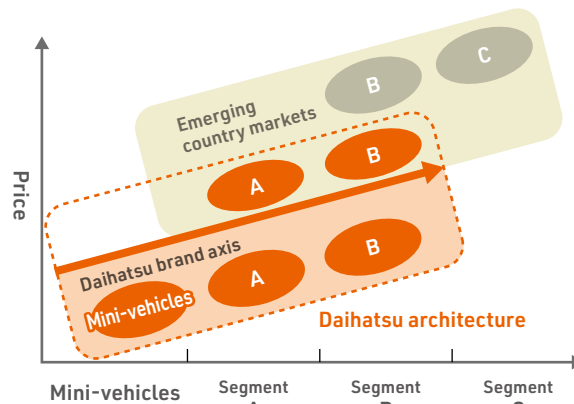
Based on the core concepts of high-quality products at affordable prices, mastering the smallest details, and providing advanced technologies to everyone, Daihatsu focuses on details even at the level of 1 mm, 1 g, 1 yen, and 1 second and engages in car creating that is close to customers' lives. We have lowered the threshold for purchasing an automobile, thereby broadening the market base.

The Daihatsu New Global Architecture (DNGA) is a new method of creating cars intended to achieve these concepts. With the opinions of customers as our starting point, DNGA incorporates the business structures for carrying out Daihatsu's unique car creating and the strategies for achieving this in all processes of car creating including planning, development, purchasing, and production. In the case of advanced technologies, such as electrification, automated driving, and connectivity, we will create sustainable compact mobility by developing automobiles based on common design concepts from segment A to segment B in markets in emerging countries, with mini-vehicles as the starting point.



* Areas: Japan = regional areas; overseas = emerging countries

Daihatsu's car creating is based on the idea of lowering the threshold for purchasing an automobile and expanding the market base to senior customers, regional areas, and emerging countries



Daihatsu conducts business in segments that are close to customers and is developing automobiles based on common design concepts from segment A to segment B in emerging countries with mini-vehicles as the starting point

Evolutionary Body

The new DNGA platform adopts a new design for suspension geometry¹ in the pursuit of stability and driving comfort that are superior to those of other vehicles in the same class. By incorporating methods for electrification and by streamlining structures, Daihatsu is unique in that we create lightweight and highly rigid platforms while further advancing performance.

1. The placement of the suspension, which has a substantial impact on vehicle performance

Evolutionary Powertrain

The powertrains used with DNGA are optimized for each model, and strong environmental and drive performance are achieved by means with good cost performance. By adopting multi-spark ignition for the first time in Japan² and a unique fuel injection method, Daihatsu is creating new engines with higher fuel efficiency. We also launched a new continuously variable transmission (CVT) that uses the world's first² split-gear drive as well as compact and simple series-type strong HEVs, and we will continue evolving vehicles in the future.

2. In both cases, as of June 6, 2019, according to Daihatsu research

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Product Safety Initiatives GRI 203-2, 416-1

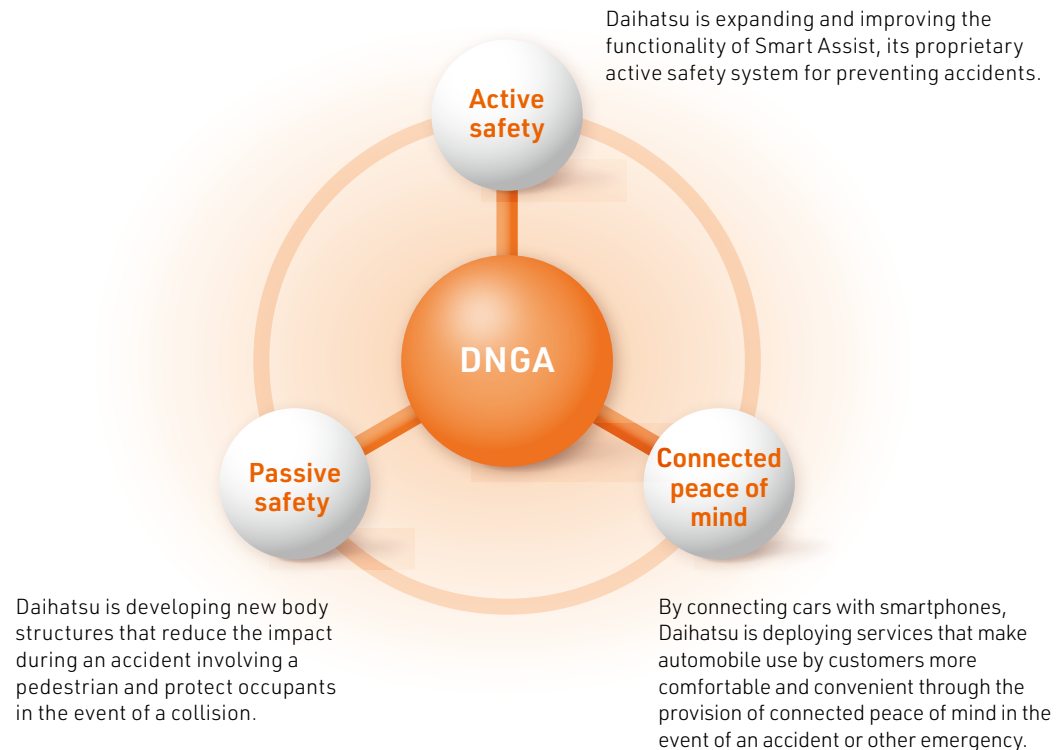
Safety Technology

Fundamental Approach

Since Daihatsu's foundation, we have delved deep into the customer-oriented MONODUKURI of high-quality products at affordable prices so that we can provide small cars that enrich lives to people around the world. This attitude runs through our development of safety technology. Safety technology is essential for customers to use Daihatsu vehicles with peace of mind and is the most important foundation of our business. Many of the customers who use Daihatsu's mini-vehicles are women and seniors, and for this reason, the creation of cars that can be driven safely and with peace of mind is even more necessary. The entire Daihatsu Group will continue its unique way of working together to provide the advanced technologies that support the safe and secure mobility of all customers at affordable prices.

Providing Advanced Technologies to Everyone

Daihatsu sees "providing advanced technologies to everyone" as a core concept of car creating. We take active measures to introduce advanced safety technologies and are positioned at the leading edge of the small car market, exemplified by the adoption in 2012 of collision-avoidance support braking as a grade standard, a first for mini-vehicles. Today, as the automobile industry evolves towards CASE technologies, we are pursuing even more-advanced safety technologies from three approaches—active safety, passive safety, and connected peace of mind—in line with the concepts of the new DNGA car creating platform.



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Product Safety Initiatives GRI 203-2, 416-1

Safety Technology

Active Safety

Eliminating all injuries and fatalities caused by traffic accidents is an ultimate objective for society. Daihatsu is evolving "Smart Assist," its proprietary active safety system, even further to prevent accidents from occurring. "Smart Assist" features various functions including support to avoid collisions with vehicles in front and pedestrians, lane departure control, driver awareness support, and driver burden reduction. We are pursuing active safety from all directions.

Smart Assist

"Smart Assist" is a general designation for Daihatsu's active safety system. Stereo cameras installed on a vehicle can detect conditions around the vehicle to provide vehicle control or driver decision-making support with the aim of mitigating damage from accidents and driving burdens. Smart Assist is equipped on many models that are currently being sold.



Collision Avoidance Support Functions

Smart Assist provides collision avoidance support from a variety of approaches. They include a collision warning function and collision-avoidance support braking that notify the driver of the risk of a collision using a buzzer and a display within the instrument panel and automatically apply the brakes if the danger is imminent; erroneous start prevention with brake control, which suppresses driving force and applies the brakes in the event that the vehicle erroneously starts moving; and lane departure warning and lane departure prevention functions, which issue a warning if the vehicle is about to stray from its lane and assist steering operation to bring the vehicle back into its lane.



Driving Burden Reduction Function

Functions such as "full-speed range adaptive cruise control (ACC)," which controls the vehicle speed to maintain a constant distance to a vehicle in front, and "lane keeping control (LKC)," which assists steering operation to keep the vehicle in the center of the lane, are intended to reduce the burdens of driving on the driver and to create an environment in which safe and comfortable driving is possible.



Awareness Support Functions

Functions that support safe driving include the preceding vehicle departure reporting function, which uses a buzzer and a display within the instrument panel to inform the driver if the vehicle ahead starts moving when waiting at a traffic light or the like; the sign recognition function that detects signs such as "no entry" signs and warns the driver with a display within the instrument panel; automatic high beams, which detect the lights of approaching vehicles as well as other objects and automatically switch from high beams to low beams; and side view lamps, which use auxiliary lights to illuminate the area in the direction toward which the steering wheel is turned to assist turning at night.



Parking Support Functions

The top-down-like view uses cameras installed on the vehicle front, rear, left and right sides to support confirmation of conditions in areas which are difficult to see from the driver's seat, and in addition to voice and on-screen guides, Smart Panorama Parking Assist detects the white lines when parking and helps control the steering, while rear cross traffic alert detects vehicles crossing behind the vehicle and urges the driver to make sure it is safe to proceed. Daihatsu is enhancing these and other functions that support operation during parking, when accidents are likely to occur.



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Product Safety Initiatives GRI 203-2, 416-1

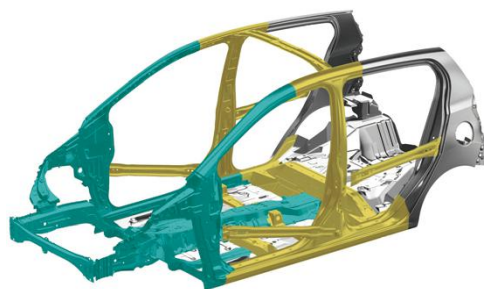
Safety Technology

Passive Safety

In anticipation of an accident occurring, Daihatsu equips vehicles with safety technology such as "Total Advanced Function (TAF)," a body structure that absorbs collision energy, and SRS airbags that protect occupants with the aim of minimizing damage.

Protecting the Occupant Space from the Force of Collision

TAF bodies, which were developed by Daihatsu, achieve a strong and light cabin with improved collision force absorption. Key features include front side-members with high-efficiency energy-absorbing structures and a body structure that disperses impact forces. Not only do TAF bodies satisfy collision safety standards in Japan and Europe, but they also ensure an adequate survival space even in collision tests that incorporate rigorous testing methods.



Mira e:S: TAF collision safety body

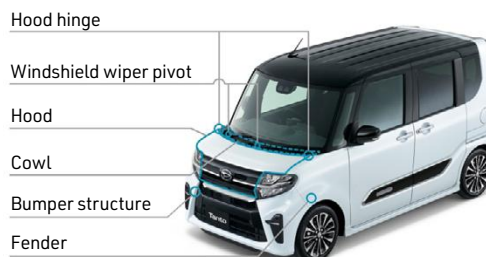
Absorbing Impact on Occupants

All Daihatsu models feature dual SRS airbags that instantly deploy and deflate in the event of a strong frontal collision to minimize serious injury to the heads and torsos of occupants. Vehicles are also equipped with SRS side airbags (driver's and passenger seats) to reduce the impact of side collisions and with SRS curtain shield airbags (front and rear seats) to protect the heads of occupants.



Minimizing Impact on Pedestrians

All Daihatsu vehicles feature impact alleviation devices and absorption spaces in the bumper structure, hood, fenders, windshield wiper pivots, and other areas to mitigate harm in the event of an accident involving a pedestrian.



Daihatsu and Aioi Nissay Dowa Insurance Apply 10% Discount to Vehicle Insurance Premiums for the Tanto

Daihatsu is working to reduce customer vehicle maintenance expenses by enhancing collision safety performance. One result of these efforts is a reduction in vehicle insurance premiums through joint measures with Aioi Nissay Dowa Insurance Co., Ltd. To reduce repair costs, we incorporated into the Tanto, the first vehicle developed based on DNGA, improvements including placement of high-priced parts in areas where they will not be damaged, provision of simple and inexpensive repair methods, and supply of parts, to greatly enhance damageability and repairability (D&R) performance. As a result, the Tanto was certified as eligible for the damage resistance and repairability discount offered by Aioi Nissay Dowa Insurance, and a 10% discount on vehicle insurance premium applies. Improvements to D&R performance also conserve resources by reducing replacement of parts and curtail emissions of substances of environmental load during repair processes.



The Tanto was certified as eligible for a 10% discount on vehicle insurance premiums by Aioi Nissay Dowa Insurance

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Product Safety Initiatives GRI 203-2, 416-1

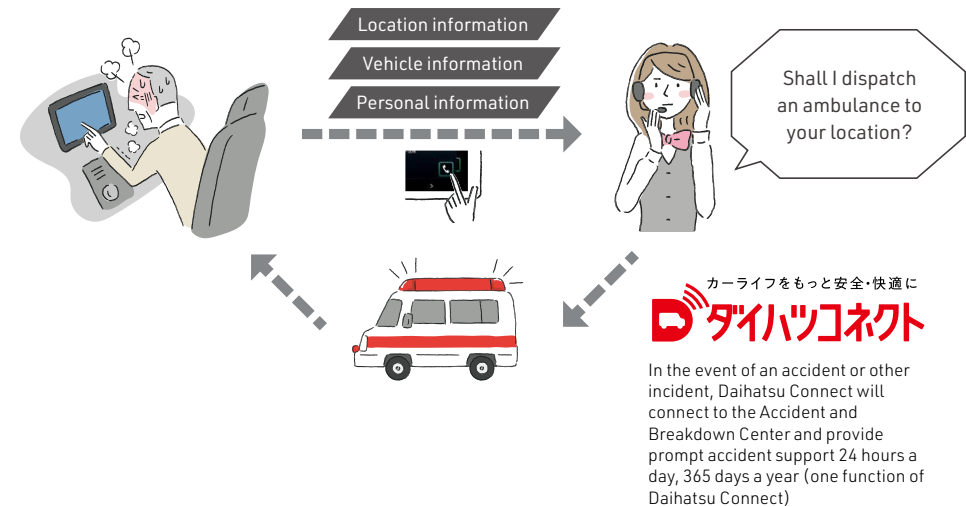
Safety Technology

Providing Connected Peace of Mind and Comfort and Convenience to Customers through Connectivity

To respond to the evolution of automobiles exemplified by CASE, Daihatsu focuses on developing connected services using information and communication technologies (ICT). We seek to create a safe, secure, comfortable, and convenient automobile society by connecting customers with their cars and with Daihatsu via smartphones.

Daihatsu Connect

"Daihatsu Connect" is a service that connects customers with their cars and with Daihatsu via connections between compatible in-vehicle devices and smartphones. When introducing the service, we adopted a connection method using smartphones that imposes fewer burdens on customers and can be used for many years. By using "Daihatsu Connect," if an accident or breakdown is detected, "Connected Support" sends the location, vehicle and other information to the Accident and Breakdown Center. The "Visible Drive" service, by which Daihatsu Connect confirms the status of the vehicle and driver, notifies a person monitoring the vehicle of the status. The "My Car Visualization" service enables the driver to check where the vehicle was parked and vehicle information at any time using a smartphone. The "Connected Care" service notifies the customer regarding mandatory and other inspections and recall information by displaying information on the compatible in-vehicle devices and sending emails. These and other services enhance customer safety and convenience.



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Human Rights

Fundamental Approach

As a member of the Toyota Group, Daihatsu takes measures to respect human rights in accordance with "Toyota's Human Rights Policy." We understand that our business activities may potentially or actually have an impact on human rights, and we give the utmost consideration to avoid infringing the rights of others and take action with a sense of ownership to address the negative impacts of our business activities on human rights.

The automobile industry is supported by an extremely large number of people, not limited to customers, but also including local residents, suppliers, dealers, and other business partners. In the future, we will continue to protect and improve the human rights of all people involved in our business activities, including employees, so that we can prosper along with all stakeholders to achieve our vision.

 **PDF:** Toyota's Human Rights Policy

Employee Human Rights

Freedom of Association

Daihatsu respects the fundamental rights of all employees including employees of Group companies and in the entire supply chain. We strive to create safe and healthy work environments where the diverse individual values of all employees are accepted so that they can demonstrate their abilities, and we engage in ongoing dialogue with employees to develop a shared understanding of and solve management issues. In addition, we respect employees' right to freedom of association and right to be free from being compelled to belong to an association under the Universal Declaration of Human Rights in compliance with the laws and regulations of the countries where we conduct business. We have long worked to build healthy labor-management relationships by respecting the will of the workers union and repeatedly engaging in good-faith discussions and consultations. We will continue to respect the freedom of association and build relationships that enable both labor and management to benefit.

Cooperation with Workers Union during the COVID-19 Pandemic

In cooperation with the Daihatsu Workers Union, Daihatsu engages in the ongoing efforts to inform union members about measures to prevent the spread of COVID-19 currently in effect. We also listen to the concerns and opinions of employees regarding COVID-19 that have been submitted to the workers union and are taking additional measures. We have created the following forums for discussion between the company and the workers union and engage in close communications.

- Labor-Management Council meetings (three times annually): Conduct labor-management discussions on worksite issues (such as working hours, human resource development, and workplace culture)
- Workplace roundtable meetings (monthly): Solve issues closely related to the workplace such as working hours and work styles

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Human Rights GRI ▶ 412-2

Education Related to Human Rights

Daihatsu implements training for all employees regarding human rights issues, non-discrimination, and open and honest dialogue. In 2022, we held company-wide training with the theme of "Business and Human Rights" in conjunction with the national Human Rights Week. This training covered the importance of respect for human rights, the responsibility required of companies, and points for all Daihatsu employees to keep in mind. Through this training, we ensured that all employees are thoroughly aware of the importance of respecting the human rights of all people involved in our business, including business partners and customers, and that employees conduct business with consideration for the human rights violations that they could be indirectly involved in or contributing to. Furthermore, we conduct necessary human rights education when training new employees and managers in accordance with their positions and responsibilities.

National Human Rights Week Initiatives



Pop-up screen displayed when starting up a company PC



Broadcast Human Rights Message video by Toshinori Edamoto, Chief Officer of the Corporate Management Group

Activities for Raising Human Rights Awareness

Daihatsu has been inviting all employees at its sites in Japan to submit human rights slogans every year since the late 1970s and presenting awards during Human Rights Week in December in order to make human rights feel more personal.



Conducted training with the theme of "Business and Human Rights"

Human Rights Training for New Employees

(participants: 140; total training time: 1,120 hours)

Daihatsu implements training with the theme of human rights as part of its training for new employees. We have also established Human Rights and Diversity Day for intensive training solely on this topic in order to encourage employees to learn about human rights issues such as discrimination and harassment, and to promote both the correct understanding of human rights and behavior based on mutual respect.

Coaching Training on Harassment (participants: 60; total training time: 480 hours)

Daihatsu invites outside experts to conduct training on coaching knowledge and skills to enable everyone to practice communication that does not lead to harassment over the course of their duties.

Compliance Training (participants: 230; total training time: 230 hours)

Daihatsu implements compliance training for newly appointed section managers and assistant managers, and gives lectures on management that respects human rights. Through this training, we ensure awareness of internal controls that prevent human rights violations.

Diversity Training for Promoted Employees

(participants: 230; total training time: 230 hours)

Daihatsu provides training for employees that have been promoted to the assistant manager level in order to help them understand human rights that should be respected in day-to-day management. In doing so, we strive to create a positive work environment that values diversity.



Conducted unconscious bias awareness training, which is essential for achieving diversity

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Respect for Human Rights in the Supply Chain GRI ▶ 102-9, 414-1, 414-2

Fundamental Approach

Daihatsu purchases parts, materials, and equipment from various fields through the cooperation of many suppliers. We comply with relevant laws and regulations as well as the Guidelines for Appropriate Transactions in the Automobile Industry (formulated by the Ministry of Economy, Trade and Industry), and strive to respect human rights together with our suppliers. We have also clearly stated our respect for human rights in the Supplier CSR Guidelines, which were formulated internally. We have disseminated the Guidelines to all suppliers, and request that they conduct activities in accordance with the intent of the guidelines. By further strengthening these initiatives, we aim to eradicate human rights issues throughout our supply chain.

Supply Chain

Supplier CSR Guidelines

The Supplier CSR Guidelines establishes “Human Rights and Labor” as an item that all suppliers are expected to comply with. The Guidelines call for suppliers to conduct their business activities under principles such as non-discrimination, prohibition of both child labor and forced labor, provision of appropriate wages and working hours, and creation of safe and healthy working environments. Daihatsu also asks its suppliers to promote the implementation of the Guidelines with their suppliers. In doing so, we strive to promote and spread our human rights initiatives to all corners of our supply chain.

 [PDF: Daihatsu Supplier CSR Guidelines](#)

Initiatives to Combat the Use of Conflict Minerals

In 2010, the Dodd–Frank Wall Street Reform and Consumer Protection Act was enacted in the U.S. It required that companies listed on U.S. stock exchanges disclose information regarding conflict minerals (tantalum, tin, tungsten and gold) used in their products. The act sought to prevent armed groups in the Democratic Republic of the Congo and neighboring countries from generating funds through mining carried out by child labor, forced labor or other inhumane means. As a member of Toyota Group of companies, Daihatsu seeks to realize responsible procurement of minerals and, to this end, is working together with its suppliers.

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Diversity and Inclusion

Fundamental Approach

One of the areas of Daihatsu's SDG framework categories, which have been formulated as priority areas for sustainability initiatives, is "developing a safe and secure society in which everyone respects human rights and diversity." In order to realize this goal, we established our corporate policies for 2022: "create workplaces and culture in which employees can work safely and happily," making "emphasis on diversity" a theme that requires further focus. We believe that we can achieve further growth of Daihatsu by respecting diverse values with no tolerance of any form of discrimination at the workplace such as discrimination based on gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status, or the presence of children, as well as by creating an environment in which each employee can maximize their abilities. In addition, we conducted the Universal Manner* Certification Level Three diversity training in fiscal 2022 as one of the items verified by both labor and management to promote the understanding of diversity and fostering of an internal culture that accepts diverse human resources, achieving a 100% participation rate. By continuing these efforts, we aim to both promote understanding of diversity and inclusion and to become a company which leaves no one behind and enables employees to experience job satisfaction.

* Manners to act with appropriate understanding from the perspective of someone different from oneself, such as the elderly or people with disabilities

Empowerment of Women in the Workplace

Daihatsu has been using the empowerment of women in the workplace, balancing work and child-raising, and other issues as opportunities to promote work-life balance for all employees as a top management commitment. Since the core users of Daihatsu vehicles are women and families with small children, it is particularly important for us that women can play an active role in the company. Accordingly, we have set ambitious goals aimed at improving women's empowerment in the workplace, and promote them in a systemic manner.

Daihatsu's Goals by March 2025 in Line with the Act on the Promotion of Women's Active Engagement in Professional Life

1. To double the number of women in managerial positions, compared to 2020
2. To ensure childcare leave is taken by 100% of eligible male employees

Key Initiatives to Achieve Daihatsu's Goals

- **Support for early return to work**
Daihatsu has established a nursery for Group employees, which accepts infants from the age of 57 days old.
- **Participatory seminars for couples wishing to balance work with child-raising**
Daihatsu holds seminars that prompt mothers and fathers to think about balancing work with child-raising together in order to encourage the active participation of fathers in childcare, which is required for the empowerment of women in the workplace.

Daihatsu no Mori Hoikuen Nursery

Daihatsu opened and has operated the Daihatsu no Mori Hoikuen nursery in Ikeda City, Osaka Prefecture for Daihatsu Group employees since 2019. It was planned by a working group focused on women under the keyword of "creating together." It is a facility that is designed to accommodate employees who are trying to balance work and childcare.



Diversity and Inclusion

Empowerment of People with Disabilities in the Workplace

When hiring people with disabilities, Daihatsu aims to create an environment in which each division in the company accepts suitable personnel and can grow together. Though we have already met the legally mandated employment ratio (2.3% in fiscal 2023), we established an internal working group in 2022 to further increase this ratio and promote the hiring of people with experience. We work to prevent mismatches in hiring through measures such as pre-interviews and workplace training. We also assign a central person at each workplace to promote the retention of employees with disabilities and support them in their duties. In addition, we are strengthening retention efforts by establishing a consultation desk with the cooperation of specialists from external public institutions. We also accept new graduates from special needs schools and have established a workshop where employees engage in tasks such as packaging small unit parts. We are also working on infrastructure improvements such as the addition of Braille blocks and wheelchair-accessible toilets.



Assorted boxes of snacks for sales promotion



A toilet for people with disabilities

Empowerment of Senior Employees in the Workplace

Daihatsu revised its reemployment system for union members and expanded it in 2018 as a senior expert system in order to allow employees to fully display the skills and know-how they have developed within the company even after reaching retirement age. Additionally, we conduct Age 50 Training to give employees the opportunity to think about post-retirement life, working styles, and career plans. We promote the creation of workplaces, production lines, and processes that are easy for senior employees to work in, and have discussion systematically and assign duties in a way that aligns with their desired workstyles.



Training for a fulfilling private and work life after retirement

Work-life Balance Support Measures

Daihatsu's Work-life Balance Support System (Excerpt)

Childcare / nursing care		- Off-hours work restrictions - Night work restrictions	- Overtime work exemptions - Shortened work hours
	Childcare	- Childcare leave - Leave to care for a child under medical treatment	- Nursery for Daihatsu Group employees - Incentive for taking childcare leave
	Nursing care	Nursing care leave	Flexible work hours
Medical treatment Infertility treatment		Special leave provision	Shortened work hours
	Infertility treatment	Infertility treatment leave	
Others (spouse transfer or nursing care, etc.)		Alumni reemployment system (provision of reemployment opportunities)	

Diversity and Inclusion

Active Acceptance of Foreign Technical Interns and Employees

Daihatsu operates production sites in Indonesia and Malaysia. For this reason, we have been accepting foreign technical interns since 2015; the twin goals of these internships are to promote cultural exchanges between young people in Southeast Asia and Japan, and to contribute to the development of automotive industries in Southeast Asia. An annual average of 150 interns have been accepted thus far, primarily from Indonesia, to work at our Kyoto (Oyamazaki) Plant and Shiga (Ryuoh) Plant, where they are involved in automobile manufacturing and receive skill acquisition support. Based on the basic principles of the government’s intern training systems, we provide our interns with the same salary, benefits, and leave as full-time employees in similar positions. We create a living environment appropriate to interns who believes in Islam, taking into consideration their religion, cultures, and customs. Initiatives include renovating dormitories so they include prayer rooms, dedicated kitchens, and shower rooms for Muslim interns, as well as offering Halal food.* We also provide opportunities for the interns living in the dormitories to participate actively in local cleanup and other activities and broaden their perspectives through interaction with local residents. Through this, we hope that interns will be able to use their experience to contribute to the automobile industries in their home countries upon the completion of their internships. In addition, we accept new graduates fairly and equitably regardless of their nationalities, and foreign employees are active in a variety of divisions.

* Halal food refers to food and dishes that have been prepared in accordance with Muslim dietary requirements



Practical operation training at a plant



Regular visits by a management organization and intern interviews



Prayer room



Halal foods

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Human Resources Development Initiatives GRI ▶ 404-1, 404-2, 404-3

Fundamental Approach

At present, the automotive industry is faced with a difficult business environment for a number of reasons. These reasons include increased international competition on the back of the maturation of markets in developed countries, including Japan, and the expansion of markets in emerging countries; strengthened environmental regulations; and trans-national partnerships and reorganizations. Under these circumstances, Daihatsu has introduced personnel systems founded on the basic philosophy of equal opportunities and the merit system in order to create products and services that are unique to Daihatsu and become a company that is needed by society. We seek to develop human resources capable of thinking and acting for themselves based on a personnel system with equal opportunities that enable all people with talent and desire to undertake challenges at all times in a fair manner, and the merit system that rewards people based on their efforts and results, regardless of job category, academic history, or age. We also promote workplace creation activities to “create workplaces and culture in which employees can work safely and happily,” one of the most important themes of our corporate policies.

Workplace Creation Activities

Daihatsu offers an e-learning course on workplace creation activities for all operating officers and management. The aim is for all employees in management who takes the course to gain knowledge and skills in coaching and one-on-one meetings* in order to create a psychologically safe workplace that forms the foundation to “create workplaces and culture in which employees can work safely and happily” and to implement specific activities.

* Regular, short one-on-one dialogue that supports the growth of members

Hiring

Daihatsu hires human resources with the necessary qualities and abilities in a fair and equitable manner, regardless of their nationality, gender, disability, or other factors in order to realize its vision. We focus on recruiting human resources with the following qualities: “ability to pursue their ambitions without setting limits for themselves,” “ability to explore all possibilities and tackle various tasks beyond their boundaries,” and “ability to work anywhere in the world to meet diverse needs.”

Employee Evaluation and Feedback

The roles and themes of the operations of Daihatsu employees are incorporated into division/department policies from corporate policies and are implemented as individual goals based on these policies. Evaluation and feedback are based on close communication between subordinates and supervisors, and are designed to lead to the development of human resources. More specifically, at the beginning of each fiscal year, supervisors set expected roles and other requirements which are then shared with subordinates through interviews. At the end of the fiscal year, subordinates review and self-evaluate as to how well they have fulfilled their expected roles, which are then evaluated by the supervisor who also provides feedback. Thus, human resources are developed through a cycle of goal setting, initiatives, self-evaluation, supervisor evaluation, and feedback, while incorporating coaching and one-on-one meetings.

Education and Career Development

Daihatsu has established a training system for employees, from new to middle management to management, to acquire the specialized knowledge, problem-solving skills, and management skills that are required at each level of employment. Furthermore, we have established systems that allow employees to take external training courses in business skills and languages as part of their self-development in order to support their career development and enhance the vitality of the company. Additionally, we have established selection-type curricula, including overseas trainee systems, to develop human resources capable of leading overseas businesses in the future.



Universitas Indonesia
(overseas language
courses) graduation
ceremony

Number of Participants and Hours in Level-based Training (FY2023 Results)

Target (level)	Number of Participants	Total Man-hours (days/person)	Training Content
New employees	140	21	Introductory training
New middle management level	167	1	Role recognition, encouragement of members
New foreman level	216	2.5	Role recognition, development of human resources Daily management (compliance) Problem resolution (set-type)
New section manager level	114	2.5	Role recognition Daily management (compliance) Development of human resources (organizational management)
New deputy general manager level	35	8	Organizational management

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Safety and Health GRI ▶ 403-1, 403-2, 403-5, 403-7, 403-8, 403-9, 403-10

Safety and Health Management

Organization for Safety and Health Management and Management Systems

Daihatsu has established an organization for safety and health management according to internal rules, and carries out proper safety management and administration based on managers. We have also established an occupational safety and health management system, with the goal of continually improving the level of our safety and health management. Under this management system, we ensure compliance with laws and regulations as well as internal rules, and seek to improve work safety through regular internal audits and risk assessments of dangerous work.

Our risk assessments fall into two categories: assessments of new equipment and processes; and assessments of equipment and work methods for existing processes. In both these categories, we investigate danger and hazard and seek to reduce risks.

Safety and Health Education

Daihatsu has established and appropriately implements internal rules regarding the safety and health education of new employees, newly appointed managers and supervisors, and employees engaged in operations judged to be dangerous and hazardous. We also independently identify some work processes as Malfunction Correction Requiring Special Permission, even if they are not defined as high-risk operations under the Industrial Safety and Health Act. For such work processes, we have established a Designated Work System that only allows certified employees who have completed the relevant training to carry out such work.



Securing the Safety of Employees at Partner Companies

Daihatsu not only works to prevent industrial accidents involving Daihatsu Group employees, it also seeks to prevent accidents involving the employees of partner companies. This includes workers constructing buildings or carrying out repairs on our grounds as well as workers conducting cleaning and maintenance on our equipment. We have drawn up special safety regulations for construction work that takes place in our grounds, in which workers are particularly at risk of accidents liable to cause serious injuries, such as fires or falls from high places. In these cases, we demand that partner companies incorporate safety measures based on risk assessments from the planning stage of any construction work. In addition, we are working to prevent construction accidents and disasters through measures such as organizing a Safety and Health Partner Company through partner companies. This company shares information on safety activities and other efforts as well as organizes safety patrol teams in cooperation with our construction planning departments which undertake inspection patrols to ensure that work is not being performed in a dangerous manner.

Work Accidents and Illnesses

Daihatsu continuously strives to eliminate industrial accidents and illnesses. In 2023, there were 3 industrial accidents, zero industrial fatal accidents, and 0.11 total accident rate¹, and 0.00 lost time incident rate² at business sites in Japan, and 12 industrial accidents and zero industrial fatal accidents at overseas business sites.

$$1. \text{ Accident rate} = \frac{\text{Number of deaths and injuries due to industrial accidents}}{\text{Total number of hours actually worked}} \times 1 \text{ million}$$

$$2. \text{ Lost time incident rate} = \frac{\text{Number of lost time accident}}{\text{Total number of hours actually worked}} \times 1 \text{ million}$$

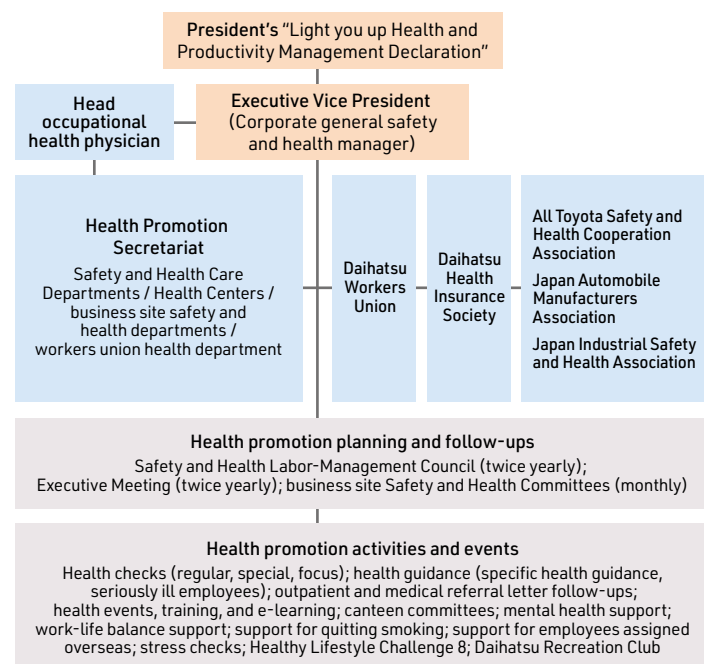
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Safety and Health GRI ▶ 403-2, 403-6

Health

Health and Productivity Management Initiatives and Implementation Framework

Based on its “Light you up” slogan, Daihatsu promotes health and productivity management that encourages each of its employees to shine through the combined efforts of management and the workers union.



Health and Productivity Management Indices

To carry out health and productivity management, Daihatsu formulated a strategy map, set health and productivity management indices for physical examinations, health promotion, passive smoking countermeasures, dietary education, health education, work-life balance support, mental health measures, and infectious disease measures, and we take action to make improvements in these areas.

Physical Examinations and Health Promotion

At Daihatsu, physical examinations and health guidance are performed internally, and we established a system for collaborating with outside medical facilities to promote early detection and treatment of health-related conditions. We also conduct a program known as “Healthy Lifestyle Challenge 8,” which seeks to improve health-related habits, in an effort to raise the health awareness of employees. We conduct surveys twice annually on eight health-related habits, such as sleep, breakfast, and snacking, and implement the PDCA cycle to support voluntary health improvement by employees.

Measures for Mental Health

Industrial health personnel including occupational health physicians, psychologists, and occupational health nurses provide specialized support for the development of healthier work environments and the early detection and prevention of recurrence of mental health issues. Employees were determined to be experiencing high levels of stress through annual stress checks undergo individual interviews with an occupational health physician, and feedback on the results of organizational analysis is provided to worksites. Daihatsu also plans and conducts mental health care training intended to enhance self-care and care provided by managers and supervisors. In addition, we created a mental health consultation desk so that employees can work with peace of mind and without bottling up their worries and we provide support for employees returning to work after taking leave to address mental health issues.

Examples of Health Initiatives

Daihatsu conducts various training to promote health and productivity management such as the “LYU Health Seminars” held at each workplace. We take measures against passive smoking and are currently working collaboration between labor and management to make worksites smoke-free in fiscal 2024 with the aim of creating healthy work environments. In addition, at the employee cafeterias of each business site, food service providers, human resources departments, and departments responsible for promoting safety and health work together to implement dietary education by providing healthy balanced menus that satisfy certification standards (compliant with the “Smart Meal” program promoted by the Ministry of Health, Labour and Welfare). We also participate in the FUN+WALK PROJECT, a public-private partnership program of the Japan Sports Agency, to improve the health of employees.

Infectious Disease Measures

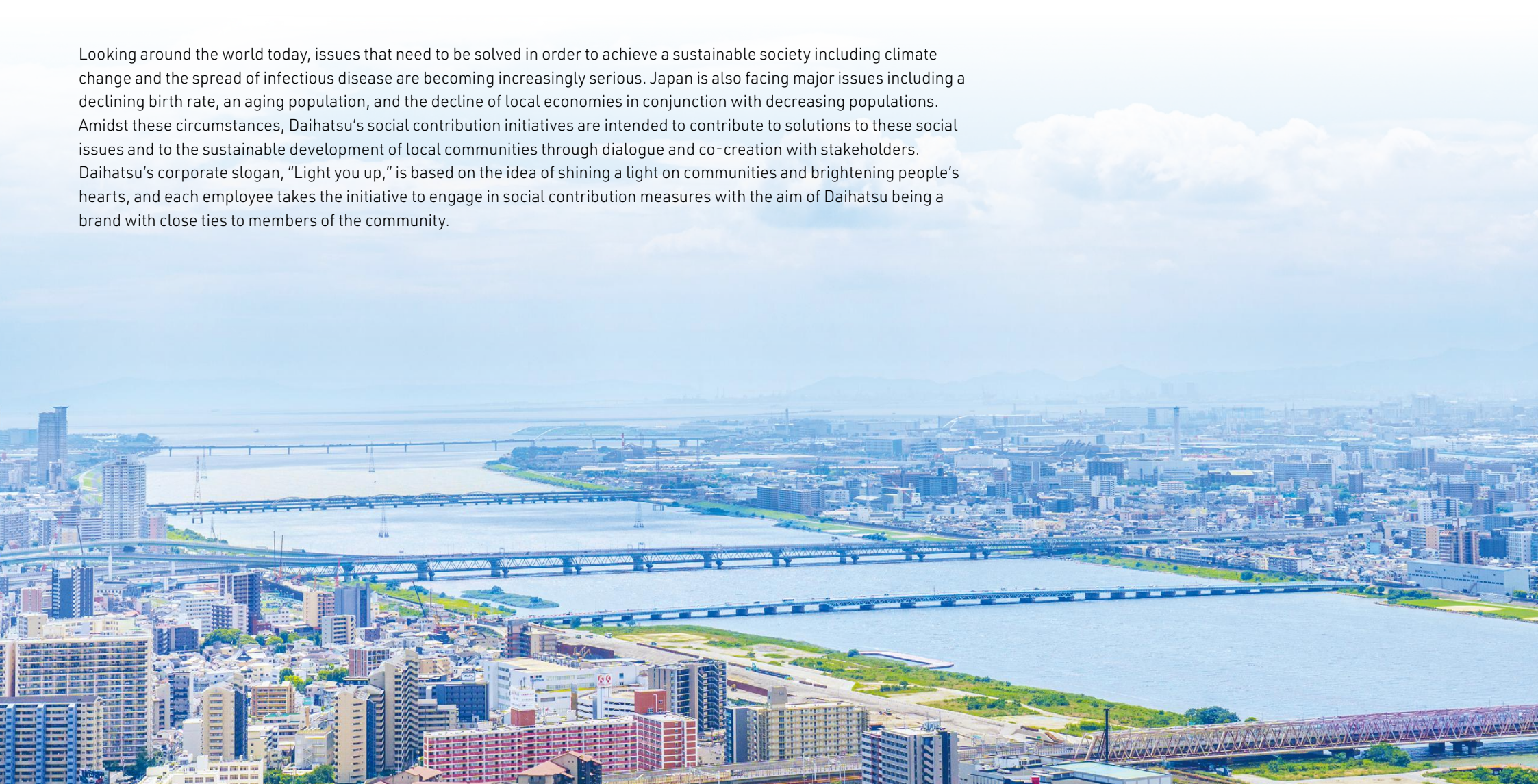
Daihatsu established internal standards for preventing infection and the spread of infections and is taking measures while updating those standards. Occupational health physicians, nurses, and others collaborate with worksites to provide support with the aim of creating workplaces where all employees can work with peace of mind. In particular, we engage in the ongoing efforts to address COVID-19 by raising awareness on basic preventive measures such as handwashing and mask use, and we encourage avoiding the Three Cs (closed spaces, crowded places, close-contact settings) and ensuring effective ventilation through means including pop-ups, posters, and internal broadcasts. For employees who test positive for COVID-19, we collaborate with worksites, occupational health physicians, nurses, and others to provide support so that they focus on their recovery and then return to work.

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Social Contribution GRI ▶ 102-16, 203-2, 413-1

Fundamental Approach

Looking around the world today, issues that need to be solved in order to achieve a sustainable society including climate change and the spread of infectious disease are becoming increasingly serious. Japan is also facing major issues including a declining birth rate, an aging population, and the decline of local economies in conjunction with decreasing populations. Amidst these circumstances, Daihatsu's social contribution initiatives are intended to contribute to solutions to these social issues and to the sustainable development of local communities through dialogue and co-creation with stakeholders. Daihatsu's corporate slogan, "Light you up," is based on the idea of shining a light on communities and brightening people's hearts, and each employee takes the initiative to engage in social contribution measures with the aim of Daihatsu being a brand with close ties to members of the community.



Social Contribution GRI ▶ 203-2, 413-1

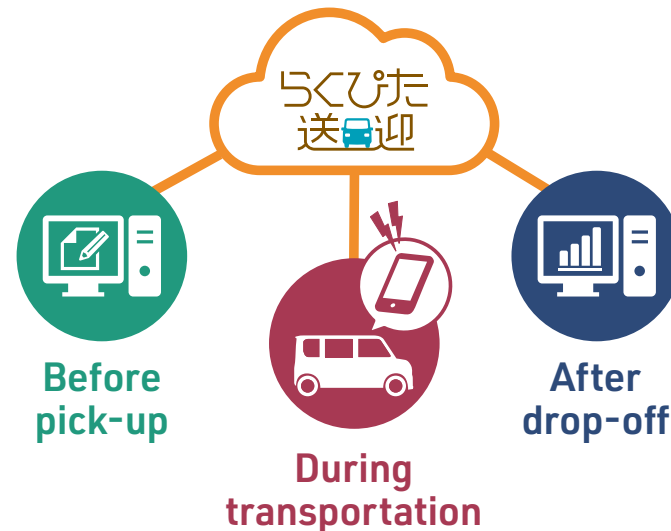
Contribution to Local Communities

RAKUPITA SOUGEI Pick-up and Drop-off Support System

Daihatsu is committed to KOTODUKURI¹, providing solutions that are tailored to the needs of customers and local communities, under the Daihatsu Group slogan "Light you up." One of our KOTODUKURI activities is the RAKUPITA SOUGEI support system for pick-up and drop-off operations at adult daycare facilities. Pick-up and drop-off accounts for around 30% of a facility's operations and causes a psychological burden for around 60% of caregivers. RAKUPITA SOUGEI is a service that helps improve the productivity of nursing care facilities. The system achieves this by using a cloud system and dedicated smartphones to change the traditional method of manual pick-up and drop-off operations and by solving

problems that occur before pick-up, during transportation, and after drop-off. This service is already in use at many facilities throughout Japan and helps to satisfy pick-up and drop-off planners, drivers, administrators, users, and their families. The service has also been publicly recognized, receiving the MaaS & Innovative Business Model Award 2020² Grand Prix and the New Business Model Award at the ASPIC IoT/AI/Cloud Awards 2021.³

1. Increasing points of contact with customers and local communities in a way that is unique to Daihatsu
2. An award for innovative products, services, and businesses in the MaaS and other mobility technology fields; revolutionary initiatives and partnerships that have societal significance; and novel attempts to overturn existing transportation and lifestyles
3. An award presented by the ASP-SaaS-AI-IoT Cloud Industry Association (ASPIC) to recognize excellent and socially beneficial cloud services in Japan



Voice from Customers Using RAKUPITA SOUGEI

Improving Both User Satisfaction and Facility Operational Efficiency

Introducing RAKUPITA SOUGEI has enabled us to visit users on time with predictable timing for them, so it has been very well received. It used to take around an hour in total to plan a user's pick-up and drop-off before introducing the system, but now it can be completed in around 15 minutes, and this streamlining has greatly improved the working environment. In terms of facility operation, we used to use all of the vehicles in our fleet for pick-up and drop-off, but with RAKUPITA SOUGEI we can now visualize vehicle utilization and occupancy rates, allowing us to reduce the number of vehicles used for pick-up and drop-off operations by one. It has also helped us reduce operating costs, which is greatly appreciated.



Keiko Shoji
Happy Days Mizonokuchi
(at time of interview)
Sampo Care Inc.

Introduction		Environment		Social	Governance		Data	Contents
Quality Assurance Initiatives	Daihatsu's Car Creating	Product Safety Initiatives	Human Rights	Respect for Human Rights in the Supply Chain	Diversity and Inclusion	Human Resources Development Initiatives	Safety and Health	Social Contribution

Social Contribution GRI ▶203-2, 413-1

Contribution to Local Communities

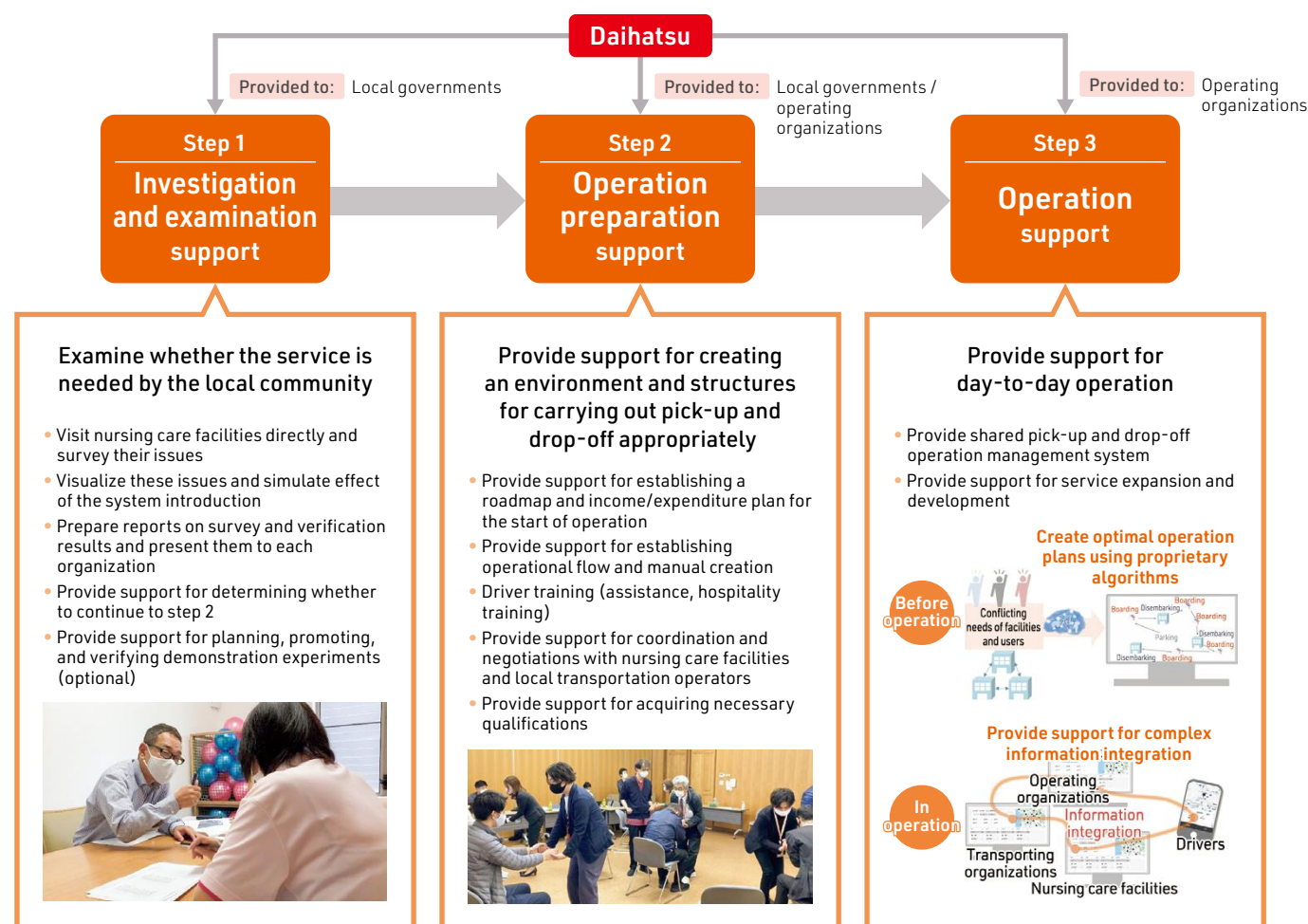
Goissho

Shared Pick-up and Drop-off Service for Social Welfare and Nursing Care Facilities

Daihatsu has focused on reducing the burden of pick-up and drop-off operations at nursing care facilities through RAKUPITA SOUGEI, a pick-up and drop-off support system that has been offered since 2018. We have examined business models in which pick-up and drop-off operations conducted at each adult daycare site is shared by entire communities as a solution to the shortage of nursing care personnel, which is becoming more serious due to increased demand caused by an aging population. As a result, we developed a system that enables the creation of pick-up and drop-off plans across multiple facilities as well as complex information integration and operation management. This system, the Goissho shared pick-up and drop-off service for social welfare and nursing care facilities, was launched in 2022. Since most pick-up and drop-off operations at adult daycare facilities are in the morning and evening, this service allows free time and vehicles to be used for daily mobility services such as shopping and hospital visits. Through these services, we will continue to work toward solving the shortage of nursing care personnel and mobility issues in local communities.



Structure of Goissho



Social Contribution GRI ▶203-2, 413-1

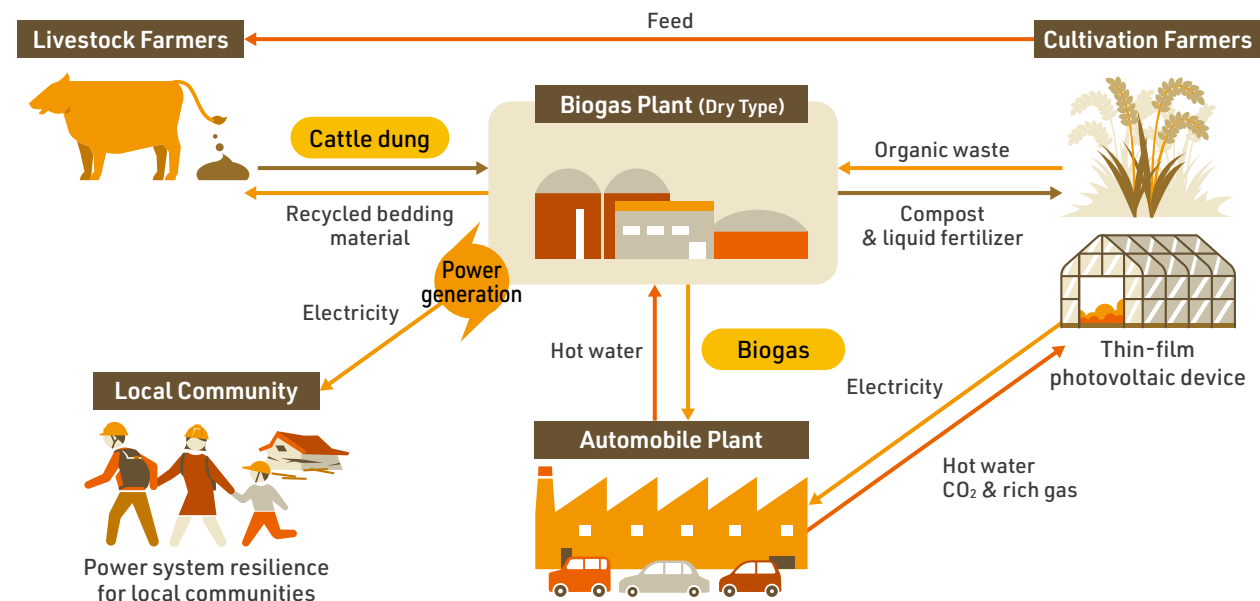
Contribution to Local Communities

Creating a Regional Circular and Ecological Sphere in Ryuoh-cho, Shiga Prefecture through Collaboration by Agriculture and Industry

Under its Environmental Action Plan 2030, Daihatsu is taking action with consideration for local production for local consumption and contribution to local communities with the aim of decarbonizing the energy used at its plants. We are participating in the collaboration between cultivation and livestock farms* promoted by the town of Ryuoh, where the Shiga (Ryuoh) Plant is located, and are working on methane fermentation technology development using dung from Omi cattle in an effort to create a regional circular and ecological sphere through collaboration between agriculture and industry. Generating energy (biogas) from the dung produced when raising Omi cattle, which is an important local industry, and using for plant operations will support decarbonization. The residue can be returned to farmland as organic fertilizer, thereby creating a regional circular and ecological sphere. In addition, securing power generating functions will contribute to power system resilience for local communities (the ability to withstand disasters). We will continue our efforts to create sustainable local communities through this type of initiatives for the development of regional circular and ecological spheres.

* Collaboration between the cultivation side and the livestock side such as by livestock farmers supplying compost to cultivation farmers that grow rice and vegetables and conversely, cultivation farmers producing feed crops through crop rotation and so on and supplying it to livestock farmers as feed for their livestock

Ryuoh Biogas Plant Concept



Social Contribution GRI ▶ 102-15, 203-2, 413-1

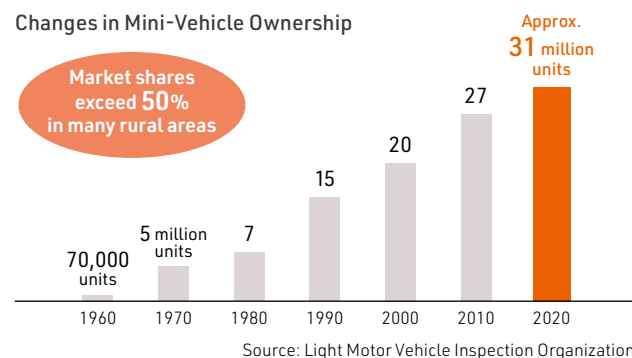
Contribution to Local Communities

CASE-related Initiatives

CASE is becoming increasingly important in the automobile industry as a means of solving problems in transportation including labor shortages and achieving a carbon-neutral society. Daihatsu participates in the "Commercial Japan Partnership (CJP)" as one aspect of its efforts to popularize CASE (see to the right for details).

Daihatsu specializes in mini-vehicles, which account for approximately 31 million of the approximately 78 million vehicles owned in Japan. These vehicles are indispensable in day-to-day life, particularly in rural areas. Also, mini commercial vehicles support the last one mile in logistics. Mini-vehicles are widely used throughout society and are expected to play an important role in the spread of CASE technology, but there are many issues that manufacturers cannot solve on their own during this time of transformation. Based on this understanding, we will take action to solve various social issues by participating in the CJP and collaborating with partner companies.

Changes in Mini-Vehicle Ownership



Participation in the Commercial Japan Partnership

The Commercial Japan Partnership (CJP) is a project launched in April 2021 to accelerate the social adoption and spread of CASE by combining Isuzu Motors' commercial business foundations with Toyota's CASE technology. Commercial Japan Partnership Technologies Corporation was established with investment from both participating companies as an organization to carry this out. In July 2021, Suzuki and Daihatsu joined the CJP and streamlined their logistics by integrating processes from trucks to mini commercial vehicles. In addition, initiatives for the widespread adoption of low-cost advanced safety technologies and electrification are being implemented by leveraging the strengths of Suzuki and Daihatsu in MONODUKURI of high-quality, affordable products as well as Toyota's CASE technologies.



Main Targets of Collaboration through CJP

1. Improve logistics efficiency by building a connected-technology infrastructure that links the main arteries of logistics (truck logistics) with the capillaries of logistics (mini commercial vehicles)
2. Expand the use of advanced safety technologies that contribute to safety and security from commercial vehicles to mini-vehicles
3. Cooperate on the use of technologies for the electrification of high-quality, affordable mini-vehicles that can be sustainably disseminated

Missions of the Automobile Industry

Improving people's lives
Leaving a better Japan and a better planet for the next generation

To fulfill the missions of the automobile industry, we will continue to deepen areas of collaboration through the CJP and openly consider coordination with other like-minded partners.

Overview of CJPT

Company name	Commercial Japan Partnership Technologies Corporation
Location	1-4-18 Koraku, Bunkyo-ku, Tokyo
Capital	10 million yen (capital structure: Toyota 60%, Isuzu 10%, Hino 10%, Suzuki 10%, Daihatsu 10%)
Representative	Hiroki Nakajima, President (Executive Vice-President of Toyota Motor Corporation)
Start of operations	April 1, 2021
Main business	Planning CASE technologies and services for commercial vehicles

Social Contribution GRI ▶203-2, 413-1

Contribution to Local Communities

Loaning Vehicles to Disaster Areas Free of Charge

In the aftermath of natural disasters, Daihatsu uses its resources as an automobile company to loan vehicles to disaster areas free of charge, as part of its support for restoration.

Since the 2016 Kumamoto earthquakes, in the aftermath of natural disasters such as earthquakes and typhoons, we have worked to ensure that the lives of residents in disaster areas can return to normality as soon as possible. To this end, we loan mini-trucks and other vehicles free of charge to local governments so they can remove rubble and carry out proof-of-damage inspections.

These vehicles are owned by Daihatsu, and are registered specifically for loan to third parties in the event of disasters. We have established such systems so that we can provide vehicles as soon as possible after natural disasters have struck.

Track Record of Vehicle Loan to the Present

Daihatsu has loaned a cumulative total of 57 vehicles in the aftermath of the following natural disasters.

2016	Kumamoto earthquakes
2016	Floods caused by Typhoon Lionrock
2018	Northern Osaka Prefecture Earthquake
2018	Western Japan Heavy Rains
2020	Seasonal heavy rain
2021	Fukuoka Prefecture torrential rain
2022	N/A



Vehicle loaned for disaster relief

Providing Disaster Shelter

The Daihatsu Group Kyushu Development Center provides a facility that can be used as a shelter in the event of a disaster. Public aid, self-aid, and mutual aid are considered important in times of disaster, and Daihatsu aims to fulfill its duty of mutual aid in regional disaster prevention.

Most recently, Typhoon Nanmadol caused extensive damage to Kurume City, Fukuoka Prefecture in September 2022.* During this time, the center provided a facility to be used as a shelter for the local school district, and it was used by 76 neighborhood residents. The facility environment ensured space and privacy for each person as well as air conditioning, and also provided support to those who were anxious in an unfamiliar place.

* Number of times the facility was provided: Five in total



Tents for evacuees to ensure privacy

Group Blood Drives

Daihatsu has continuously participated in blood donation activities conducted by the Japanese Red Cross Society at each of its business sites over the past 40 years. A total of 23,376 donations were collected from 1980 to September 2022 in the Ikeda area. The area received a letter of appreciation from the Japanese Red Cross Society in 2022 in recognition of contributions from the group blood donation.



Dementia supporter training seminar

Aiming to create barrier-free communities and towns for all kinds of people, and to connect the circle of mutual help, we have been conducting courses in all of our projects since 2020.

Social Contribution GRI ▶ 203-2, 413-1

Contribution to Local Communities

Facility Tours

Daihatsu introduces its car creating approach and initiatives to many customers through facility tours. Humobility World is a museum for Daihatsu's historical materials that is located within the Head (Ikeda) Plant. It is a facility where you can enjoy learning, experience, and discover, and features hands-on exhibitions with the theme of "Thinking about Life, Thinking about Mini-vehicles." The facility is open to fifth-grade elementary school students on social studies field trips as part of their classes, and also opens to the public on Saturdays. We also conduct social studies tours at our main plants, allowing visitors to observe automobile assembly and inspection line operations. Through these efforts, the public is gaining a broad understanding of the social significance of the automobile industry as well as a deeper understanding of Daihatsu.



Humobility World

Humobility World¹ is a museum of Daihatsu's historical materials. Since it opened, it has been introducing the nostalgic vehicles of Daihatsu, a company that has continued creating cars that stay close to people's daily lives, together with scenes of daily life from each decade. It also features hands-on exhibits where visitors can learn about matters such as the basic principles of automobiles, technologies for safety and security, and environmentally friendly technologies in a manner that is easy to understand (tours for the public are held every Saturday.)

¹ A combination of human and mobility

Tours Offered

FY	Elementary School Students	General Public	Business	Total
2018	17,022	5,923	2,861	25,806
2019	25,360	5,177	2,638	33,175
2020	923	2,087	419	3,429
2021	1,835	1,189	436	3,460
2022	4,615	5,452	837	10,904
Total				76,774



Plant Tours

Fifth grade elementary school students are invited to take social studies field trips as part of their classes at the COPEN Factory within the Head (Ikeda) Plant and the Shiga (Ryuoh) Plant. The renovated Kyoto (Oyamazaki) Plant is also scheduled to begin offering plant tours in the spring of 2023. In addition, Daihatsu Motor Kyushu Co., Ltd., a Group company, also offers social studies plant tours at its Oita (Nakatsu) Plant and Kurume Plant.²

² Plant tours are being held online to prevent the spread of COVID-19 (as of December 2022)

Tours Offered (Head (Ikeda) Plant and Shiga (Ryuoh) Plant)

FY	Elementary School Students	General Public	Business	Total
2018	17,597	0	1,886	19,483
2019	29,363	0	1,814	31,177
2020	0	0	0	0 ³
2021	0	0	0	0 ³
2022	0	0	0	0 ³
Total				50,660

³ Plant tours were suspended from March 2020 to prevent the spread of COVID-19

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Social Contribution GRI ▶ 203-2, 413-1

Contribution to Local Communities

Promoting Sports

Daihatsu Track and Field Team

The Daihatsu Track and Field Team was founded in 1988. It aims to inspire and encourage people through the accessible sport of track and field and to contribute to the spread and promotion of sports. The team has produced a number of prominent athletes, including marathon runners selected as representatives at the Olympic Games and the World Athletics Championships. It has achieved excellent results at major competitions in Japan and overseas. In addition, based on the desire to make the joy of sports accessible to everyone, team members serve as instructors at track and field classes at schools such as elementary schools, as well as give lectures based on their own experiences. The team conveys both the joy of running and Daihatsu's corporate stance of staying close to customers to children and many other people.



Implementing track and field classes to communicate the joy and importance of sports



Daihatsu Track and Field Team's advisor Ryoko Kizaki gives a lecture based on his own experience

Supporting and Nurturing Children

Daihatsu's MONODUKURI Experience Classes

Daihatsu employees have visited elementary schools near business sites to hold classes for fifth-grade students on the importance and joy of MONODUKURI since 2015. The classes are hands-on experiences where students can see, touch, and use actual parts and tools in order to experience the principles of the manufacturing process that are difficult to convey using textbooks. We have held classes at 210 elementary schools each year, with the participation of a cumulative total of 15,000 students.



Experiencing painting using a spray gun with water instead of paint



Experiencing tightening nuts on a tire using power tools

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Social Contribution GRI ▶203-2, 413-1

Initiatives at Overseas Business Sites

Contributing to Society in Indonesia

Protecting Sea Turtles

PT Astra Daihatsu Motor (ADM) has been working to protect sea turtles since 2011 as part of biodiversity measures to support the Sustainability Development Goals. In July 2022, ADM continued to expand this action by establishing the "Kurma Asih Sea Turtle Conservation and Education Center" in Perancak, Bali in collaboration with the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia. ADM also donated facilities that support environmental conservation education, participated in beach cleanup programs with students, and in July 2022 concluded the MoU on the extension of cooperation between ADM and the government in protecting sea turtles and their habitats. Until 2022, ADM supported sea turtle protection measures in seven conservation sites, and also has hatched and released more than 400,000 hatchlings throughout Indonesia since 2010.



Releasing baby turtles

Dojo Centers: an Innovation Programs for Vocational Schools

ADM incorporates Dojo Center Program at vocational schools, that are equivalent to general training facilities in the manufacturing industry. The purpose of these dojo centers is to provide the hard skills (welding & assembling and other techniques) as well as soft skills such as basic mentality, safety, 5S which vocational students need to work in the manufacturing industry. ADM donates engines, transmissions, and other parts to the dojo centers, provides human and financial cooperation, and supports their operation. ADM has supported 450 Vocational Schools in Indonesia since 2008 and has completed seven dojo centers, and will add an additional nine Dojo Center until March 2024.



Vocational school students in front of a dojo center

Contributing to Society in Malaysia

Donating to Schools and Mosques

Daihatsu Perodua Engine Manufacturing Sdn. Bhd. (DPEM), an engine production subsidiary, continuously donated racks (shelves) and goods for preventing the spread of infection including masks and disinfectant spray to six elementary schools and two mosques in Seremban, Negeri Sembilan as of August 31, 2022. The racks were made by reusing products from DPEM's warehouse, and its employees went to elementary schools and mosques to assemble them. In conjunction with the easing of measures to prevent the spread of infection in Malaysia, personal interactions have resumed, and students at the schools that received the donations welcomed the employees with songs and dancing. DPEM will continue activities that help enable members of the local community to lead safe and healthy lives.



A donation of infection prevention goods to Jimah Baru Elementary School

Complimentary Vehicle Inspection through Perodua Tweckbot

The Perodua Tweckbot is an initiative by Perodua¹ to promote safety through vehicle inspections for its customers. The compact carmaker began this initiative in 2011 and has since then inspected over 10,000 vehicles (as of the end of November 2022). Perodua started the program as it realized that the key to safety is through proper car maintenance—especially if the driver wants to go on a long journey. To ensure that the Perodua Tweckbot program is done properly, the compact car company instructed its staff² to perform a 50-point vehicle check (focusing on critical functions such as brakes and the vehicle engine) and give the safety check report to the customer for further action. The staff which performed the check will also speak to the customer about the importance of consistent vehicle inspection for both safety and performance.



A Tweckbot staff inspects one of Perodua's vehicles

1. A collective name for Daihatsu's manufacturing and sales joint venture companies in Malaysia
2. The locations of Tweckbot staff can be found on Perodua's Twitter

Governance

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Corporate Governance [GRI ▶ 102-18, 102-19, 102-20, 102-22, 102-23, 102-25](#)

Operational Execution and Supervision

Board of Directors / Structure

Daihatsu's Board of Directors is chaired by the chairman and consists of nine members in total: chairman, president, executive vice president, two directors, non-resident director, full-time Audit & Supervisory Board member, and two outside Audit & Supervisory Board members (see table on the right). The Board of Directors meets once a month in principle to make decisions on corporate management and to reflect advice received from third parties, including the non-resident director and outside Audit & Supervisory Board members, in management.

Conflicts of Interest

When Daihatsu conducts a transaction with an operating officer, it complies with the procedures stipulated in the Companies Act and also approves and reports the transaction at Board of Directors meetings in accordance with Board of Directors and other rules. Transactions with the parent company are determined through negotiations with due consideration of market prices and other factors, in the same ways as general transaction terms. In addition, highly important transactions shall be approved at Board of Directors meetings in accordance with Board of Directors and other rules.

Board of Directors Composition

Name/Position	Date of Birth	Responsibilities	Brief History		Important Concurrent Positions
Sunao Matsubayashi Chairman	March 29, 1954	Chair, Board of Directors, Daihatsu	April 1977 June 2016 January 2020	Entered Daihatsu Director, Daihatsu Chairman, Daihatsu (current position)	Chairman, Toyota Daihatsu Engineering & Manufacturing Co., Ltd.
Soichiro Okudaira President	April 19, 1956		April 1979 April 2014 April 2017 June 2017	Entered Toyota Motor Corporation Vice Chairman and President, Toyota Motor Engineering & Manufacturing (China) Co., Ltd. Advisor, Daihatsu President, Daihatsu (current position)	
Hiromasa Hoshika Executive Vice President	December 6, 1958	Assistant to the president Chair, Sustainability Committee	April 1981 April 2018 January 2019	Entered Daihatsu Director, Daihatsu Executive Vice President, Daihatsu (current position)	Vice Chairman, Perusahaan Otomobil Kedua Sdn. Bhd.
Yusuke Takeda Director (Operating Officer)	May 15, 1963	Chief Officer, Sales & Customer Service Group	April 1987 April 2018 January 2020	Entered Toyota Motor Corporation Operating Officer, Daihatsu Director, Daihatsu (current position)	President, Daihatsu Credit Co., Ltd.
Toshinori Edamoto Director (Operating Officer)	February 17, 1961	Chief Officer, Corporate Management Group Chair, Sustainability Meeting Chair, Carbon Neutrality Meeting	April 1984 April 2016 January 2020 September 2020 June 2022	Entered Daihatsu Operating Officer, Daihatsu Operating Officer, Daihatsu President, PT Astra Daihatsu Motor Director, Daihatsu (current position)	
Masahiro Yamamoto Director Non-resident	December 4, 1974		April 1997 April 2022 April 2023	Entered Toyota Motor Corporation Chief Financial Officer Director, Daihatsu (current position)	Audit & Supervisory Board Member, Toyota Financial Services Co., Ltd.
Shinya Takeda Full-time Audit & Supervisory Board Member	August 4, 1963		April 1987 January 2022 June 2023	Entered Daihatsu Chief Officer, Corporate Management Group Full-time Audit & Supervisory Board Member, Daihatsu (current position)	
Masaki Nakatsugawa Audit & Supervisory Board Member Outside auditor	January 29, 1953		April 1976 June 2006 April 2018	Entered Toyota Motor Sales Co., Ltd. Audit & Supervisory Board Member, Toyota Motor Corporation Audit & Supervisory Board Member, Daihatsu (current position)	
Masanao Tomozoe Audit & Supervisory Board Member Outside auditor	March 25, 1954		April 1977 April 2011 June 2019	Entered Toyota Motor Sales Co., Ltd. Senior Managing Officer, Toyota Motor Corporation Audit & Supervisory Board Member, Daihatsu (current position)	

Risk Management GRI ▶ 102-11, 102-15, 418-1

Fundamental Approach

Daihatsu regards risks as obstacles to the Daihatsu Group's sustainable business activities. Consequently, we strive to identify risks in all our corporate functions, and either eliminate or minimize them as appropriate.

We define risks from a variety of viewpoints such as their direct impact on profits, the trust of our customers and other stakeholders, and compliance with laws and regulations.

Risk Management Systems

At Daihatsu, various company-wide cross-sectional committees and supervisory departments work to understand risks related to safety, quality, environment, and other matters that exist in each of our corporate functions. Where necessary, we manage these risks through the establishment of rules and guidelines as well as the creation and distribution of manuals.

Critical Risks

Measures for Business Continuity Planning

Daihatsu strives to avoid or reduce risks through business continuity planning (BCP), aiming both to minimize the impact of natural disasters and other risks on our management, and to enable the business to recover and continue at the earliest opportunity.

More specifically, we have established a company-wide Disaster Management Committee, a cross-sectional organization in which all company departments participate. The committee has established an employee code of conduct for times of large-scale disaster, formulated initial response procedures, drawn up a recovery procedure manual, and clarified the process from the initial onset of the disaster to full recovery. By firmly instilling these codes and procedures through training, we aim to establish a corporate structure that is highly resilient to disasters.

Information Management

Information Security

Based on the recognition that information security is an important foundation for business continuity, we thoroughly disseminate the management rules for confidential information, products, and facilities. In order to ensure the rules, we provide information security education to employees, including training at the time they join the company. In addition, we have established an information security enhancement month to share the latest information in order to raise employee awareness of information security and prevent leaks of confidential information.

Protection of Personal Information

We have established a privacy policy and its management method in order to protect important personal information received from stakeholders. The privacy policy is regularly updated in response to amendments to the Act on the Protection of Personal Information. As part of our personal information protection activities, we conduct audits, select appropriate third parties, and sign memorandums of understanding on personal information protection. As a result of these efforts, there was no leakage of customer personal information in fiscal 2023.

 [Web: Privacy Policy](#)

Initiatives to Respect for Privacy

In order to proceed and respond to privacy protection that is close to our customers, we have built a company-wide governance system and share issues in Privacy Governance Subcommittee. We are working to ensure safety and protect privacy in the way unique to Daihatsu by utilizing diverse information.

Risk Management GRI ▶ 102-30, 102-31, 102-33

Fundamental Approach

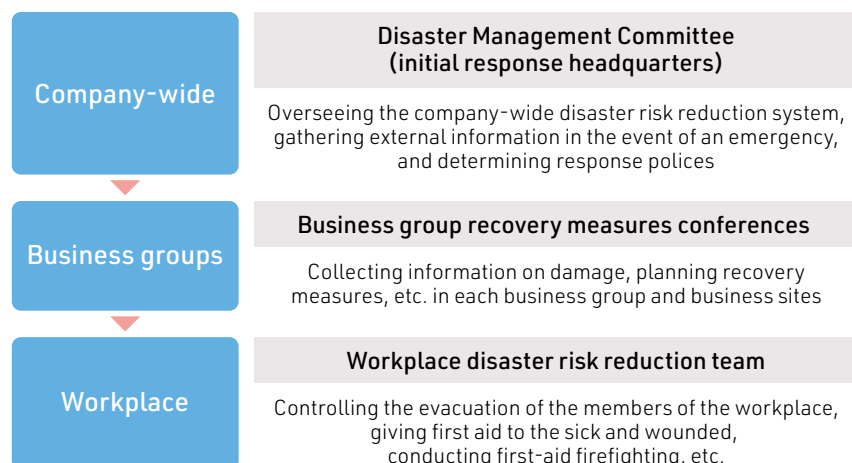
Risk Management Process

Daihatsu discusses risks relating to issues that are key to the company, such as safety, quality, and the environment, in standing committees (Internal Control Committee, Corporate Safety and Health Committee, Export Control Committee, Quality Committee, and Sustainability Committee) and periodically refers issues to the Board of Directors for decision-making.

Emergency Crisis Management System

To properly manage crises during emergencies such as disasters, Daihatsu established an initial response system with roles specified on three levels: the company-wide level, the business group level, and the workplace level. We have also established structures for taking action with the highest priority on ensuring the safety of employees. In addition, we are working to improve the accuracy and effectiveness of initial responses by conducting company-wide initial response training and safety confirmation training using the safety confirmation system in collaboration with Group companies.

Promotion Structure



Initiatives to Mitigate the Impact of Disasters on Buildings and Equipment

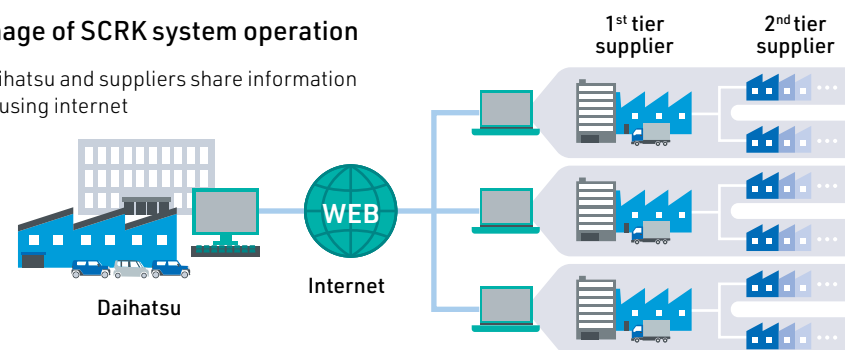
Daihatsu works to mitigate the impact of disasters on buildings and equipment in order to reduce any human injury and property damage in the event of a disaster and resume production immediately after shifting to the business restoration phase. Our new buildings sufficiently meet the latest earthquake-resistance standards. Furthermore, each of our buildings built according to former earthquake-resistance standards has received earthquake-resistance testing and been retrofitted as needed. With respect to production equipment, we identify hazards, such as collapse, fire, and power loss in the event of a disaster, as well as risks that may affect manufacturing quality and incorporate reasonable countermeasures into equipment specifications and operational methods.

Building a Disaster-resilient Supply Chain

To implement recovery support at an early stage and accelerate support in the event of a disaster, Daihatsu is working with its suppliers to develop a supply chain that is highly resilient against disasters. By establishing the Supply Chain Resiliency Keeper (SCRK) system during normal times, we are making supply chain information visible and preparing for a disaster. Specifically, we created a database based on information provided by suppliers and use this database to identify damage in a disaster and confirm whether support is needed.

Image of SCRK system operation

Daihatsu and suppliers share information by using internet



Compliance GRI ▶102-17, 205-1, 205-2, 205-3

Fundamental Approach

A Corporate Group Trusted by Stakeholders

Daihatsu promotes compliance activities with the aim of becoming a corporate group that is trusted by customers and society as a whole. The Internal Control Committee deliberates on the compliance activity plan every fiscal year and relevant operating officers follow up on the activities. We also request Daihatsu Group companies to use a self check sheet to check their compliance status and report to Daihatsu. Basically it is up to each company to take the initiative in compliance, we are working to raise awareness of compliance of the Group as a whole by supporting Group companies to make improvements based on their circumstances and needs.

Compliance Promotion Structure

Daihatsu sees compliance as an important component of internal control, as such, the Internal Control Committee is responsible for promoting company-wide activities. In order to study specialized issues in each legal field, the committee has formed committees such as the Security Trade Control Committee and Corporate Safety and Health Committee (the Corporate Safety and Health Labor-Management Council), and each meeting is held regularly by each functional department.

The Affiliated Companies Compliance Meeting is one of the means by which Daihatsu Group companies share information on legal trends and other companies' actual cases of compliance violation as well as exchange opinions with internal control managers at Daihatsu Group companies for mutual improvement.

Compliance Activities

Daihatsu designates priority areas in which each Daihatsu Group company must comply with relevant laws and regulations. Each functional department responsible for an area takes the lead in engaging in activities to prevent compliance problems across Group companies.

Anti-corruption Initiatives

As an anti-corruption measure, Daihatsu has specified in its work rules that employees must not abuse their occupational authorities and clarified the penalties for violators to ensure that all employees engage in anti-corruption activities. Business partners are requested to engage in anti-corruption activities under the Supplier CSR Guidelines.

Anti-bribery Initiatives

In August 2013, Daihatsu established the Anti-corruption Guidelines and has deployed it throughout the company and to Daihatsu Group companies in Japan and overseas. The Guidelines have also been posted on the company intranet to ensure employee awareness.

The Guidelines prohibit bribery of both public and non-public officials as well as provide for cooperation in investigations by relevant authorities.

As a result of these initiatives, no cases involving fines or dismissal due to bribery occurred in 2022.

Compliance GRI ▶102-17, 207-1, 207-2, 207-3

Whistle-blowing System and Harassment Consultation Desk / Tax Affairs

Whistle-blowing System: Employees' Voice Helpline

Since commencement in fiscal 2003, we have been operating the Employees' Voice Helpline as the whistle-blowing system to allow anyone working in the company to make suggestions. The Employees' Voice Desk formed in Daihatsu's Audit Division receives suggestions, investigates cases, and takes corrective actions when necessary. The Employees' Voice Helpline Regulation clearly mandates the protection of whistle-blowers and private information to prevent unfair treatment against the whistle-blowers.

We also introduced whistle-blowing systems at subsidiaries in Japan in fiscal 2008.

We have also been introducing a Group Helpline at subsidiaries, which enables their employees to report directly to our Employees' Voice Desk, in stages since fiscal 2009. In fiscal 2018, we reorganized the Group Helpline and rolled out the Daihatsu Sales Company Helpline—which is operated by a law firm—to all sales companies. We will continue the Employees' Voice Helpline system to foster a corporate culture that values ethics and compliance.

Compliance Education

We provide job level trainings, which include topics relating to compliance, at the time of hiring and promotion as well as e-learning for employees. In addition, each department holds voluntary workshops and officers assigned from Daihatsu to Group companies receive guidance on compliance from Daihatsu's corporate auditor and others. We also provide trainings for the relevant personnel of Group companies.

Daihatsu's Tax Policies

Approach to Taxes

In accordance with the "Daihatsu Group Basic CSR Principles," Daihatsu complies with the laws and regulations of each country where we conduct business as well as standards announced by international organizations. We see tax payment as an obligation, and also as the foundation of our social contribution, and we strive to pay appropriate taxes by keeping stable profits throughout cost reduction by SSC (simple, slim, and compact).

Tax Policies

- **Compliance with Laws and Regulations**

Daihatsu complies with the laws and regulations of the country where we conduct business and international standards, such as the OECD Transfer Pricing Guidelines and the Action Plan on Base Erosion and Profit Shifting. We don't avoid taxes by using tax havens and so on and will pay appropriate taxes through the normal activity of business.

- **Governance**

Daihatsu responds appropriately to tax problems in cooperation with affiliated companies as necessary. We also educate employees through training and e-learning about tax. We ensure transparency relating to taxes by reinforcing tax governance and making fair and timely disclosures of our financial status.

- **Relationships with Tax Authorities**

Daihatsu makes effort to make and maintain good relationships with tax authorities by being open, constructive, and cooperative. In the case of difference of opinions with the tax authorities on a particular tax-related issue arising from the complexity of interpretation of the tax system, we cooperate with the authorities in order to reach a timely resolution. We recognize that such differences of opinion and dispute resolution are necessary to deepen mutual understanding with the tax authorities in the future.

- **Inter-company Transactions at Appropriate Prices (Transfer Prices)**

Regarding with transactions with other Group companies, Daihatsu sets appropriate prices (arm's length prices) and does not arbitrarily set inappropriate prices.

Data

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Environmental Data GRI ▶302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Greenhouse Gases (GHG)

CO₂ Emissions Scope 1 (Direct Emissions)¹

	2020	2021	2022
Japan	196,457	145,690	117,768
Indonesia	15,979	22,488	22,755
Malaysia	2,454	1,764	2,624
Total	214,889	169,942	143,147

CO₂ Emissions Scope 2 (Energy-related Indirect Emissions)¹

	2020	2021	2022
Japan	180,902	229,520	210,772
Indonesia	118,104	148,476	159,905
Malaysia	14,652	12,669	17,472
Total	313,657	390,665	388,149

CO₂ Emissions Intensity Scope 1 (Direct Emissions) and Scope 2 (Energy-related Indirect Emissions)¹

	2020	2021	2022
Per vehicle produced	0.43	0.41	0.39

1. <Source of Emission Factors Used>
Electricity: Emission factor method by electric company (partially used 2019 actual figures from the "IEA Emissions Factors 2021")
Other than electricity: "Greenhouse Gas Emissions Accounting and Reporting Manual" by the Ministry of the Environment of Japan
<Organizational Boundary and Calculation Criteria>
All production sites of Daihatsu Motor and consolidated production subsidiaries

CO₂ Emissions Scope 3 (Other Indirect Emissions)

	2020	2021	2022
1 Purchased goods and services ²	4,506	6,647	8,406
4 Upstream transportation and distribution ³	32	45	40
11 Use of sold products ⁴	8,159	11,796	31,213
12 End-of-life treatment of sold products	197	214	290
14 Franchises	—	119	116
Total	12,895	18,821	40,065

<Emission Factors>
Category 1: "Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain" by the Ministry of the Environment of Japan; IDEA Ver. 2.3
Category 11: "Carbon Footprint of Products Communication Program, Basic Database" by the Japan Environmental Management Association for Industry; Automobile fuel efficiency list by the Ministry of Land, Infrastructure, Transport and Tourism of Japan
<Organizational Boundary>
Daihatsu Motor and ADM
<Scope of Calculation>
Category 11 is calculated from the average fuel efficiency of vehicles (excluding the freight category in the regulations for fuel efficiency, as well as trucks and buses) in each country and region (Japan and Indonesia)
<About Calculations>
2. ▪ CO₂ emissions from the manufacture of purchased goods are calculated from CO₂ emissions from the manufacture of materials and parts of individual vehicles obtained using LCA methods and the number of vehicles sold
▪ CO₂ emissions from maintenance are calculated from the CO₂ emissions from maintenance of individual vehicles obtained using LCA methods and the number of vehicles sold
▪ CO₂ emissions from the production of secondary materials used in production activities are calculated from the costs of secondary materials purchased and CO₂ emissions intensity
▪ CO₂ emissions from the manufacture of prototype vehicles are calculated from the CO₂ emissions of individual vehicles obtained using LCA methods and the number of prototype vehicles
3. ▪ Calculated from CO₂ emissions from the upstream transportation of individual vehicles obtained using LCA methods and the number of vehicles sold
4. ▪ CO₂ emissions from product use are calculated from the harmonic mean fuel economy of vehicles sold in Japan, where fuel economy and vehicle unit databases maintained by regulatory authorities. At overseas production and sales sites in Southeast Asia, where there is no fuel economy data from regulatory authorities, CO₂ emissions are calculated from the harmonic mean fuel economy of vehicles sold in Southeast Asia by substituting fuel economy values of the same types of Japanese vehicles for each model
▪ Calculation conditions will be changed based on SBTi guidance from FY2022 onwards
▪ Each vehicle's fuel efficiency value is based on Japan: WLTP, Indonesia: NEDC, +10% considering actual fuel consumption
▪ Annual mileage is based on SBTi, and lifetime usage is based on TMC

CO₂ Emissions

Scope 1 (Direct Emissions) and Scope 2 (Energy-related Indirect Emissions) Scope 3 (Other Indirect Emissions)

	2020	2021	2022
Total of Scope 1 + 2 + 3	13,423	19,382	40,605

Logistics CO₂ Emissions

	2020	2021	2022
Japan	8,071	7,904	7,547

<Organizational Boundary> Scope 1 + 2

Average CO₂ Emissions from New Vehicles: Global

	2021	2022
Japan	125.5	120.7 ⁵
Indonesia	151.7	150.9 ⁵

<Organizational Boundary> Daihatsu Motor and Daihatsu Motor Kyushu, ADM
5. TtW (Tank to Wheel) - value in fuel efficiency/CO₂/GHG regulation test mode in each country/region
Japan: WLTC mode (2021, 2022)
Indonesia: NEDC mode

Number of Electrified Vehicles Sold: Global

	2021	2022
HEVs	3.5	13.5

Environmental Data

GRI ▶ 302-1, 302-3, 302-4

Energy

Energy Consumption*

(GJ)

By Country	2020	2021	2022
Japan	5,396,155	4,800,724	4,311,302
Indonesia	926,809	1,223,410	1,277,731
Malaysia	136,899	109,868	157,092
Total	6,459,863	6,134,002	5,746,125

(GJ)

By Type	2020	2021	2022
Electricity	2,331,097	2,935,539	3,095,447
Heavy oil A	95,375	102,248	109,137
LPG	504,859	554,306	593,556
City gas	2,607,049	1,609,849	1,085,212
Kerosene (including special kerosene)	13,289	14,246	14,128
Natural gas	416,942	554,137	586,625
Diesel oil	7,640	6,751	2,023
Gasoline	538	803	3,372
Coke	223,328	265,520	246,386
LNG	316,032	90,601	10,238
Total	6,516,150	6,134,002	5,746,125

(GJ/unit)

Intensity	2020	2021	2022
Per vehicle produced	5.29	4.47	4.07

* <Organizational Boundary>

Daihatsu Motor and consolidated subsidiaries

* <Source of Conversion Factors Used>

Electricity: 3.6 GJ/MWh

Other than electricity: "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2018 revision), by the Ministry of Economy, Trade and Industry of Japan
"Greenhouse Gas Emissions Accounting and Reporting Manual" by the Ministry of the Environment of Japan

Environmental Data GRI ▶303-3, 303-4, 303-5

Water

Water Withdrawal*

(thousand cubic meters)

By Country	2020	2021	2022
Japan	3,312	2,995	2,794
Indonesia	1,213	1,633	1,578
Malaysia	45	54	84
Total	4,571	4,682	4,456

(thousand cubic meters)

By Water Source	2020	2021	2022
Surface water	0	0	0
Groundwater	1,958	1,723	1,617
Seawater	0	0	0
Produced water	0	0	0
Third-party water	2,612	2,959	2,839
Total	4,571	4,682	4,456

Water Discharge*

(thousand cubic meters)

By Country	2020	2021	2022
Japan	3,029	2,875	2,437
Indonesia	723	1,246	1,096
Malaysia	33	49	74
Total	3,785	4,170	3,608

(thousand cubic meters)

By Water Discharge Destination	2020	2021	2022
Surface water	2,355	2,672	2,431
Groundwater	0	0	0
Seawater	0	0	0
Third-party water	1,430	1,498	1,176
Total	3,785	4,170	3,607

Water Consumption*

(thousand cubic meters)

	2020	2021	2022
Water consumption	785	512	848

<Calculation Method>

Calculated using the formula below in accordance with GRI 303

Water consumption = Total water withdrawal - Total water discharge

* <Organizational Boundary> Daihatsu Motor and consolidated subsidiaries

Environmental Data GRI ▶301-1, 301-2, 301-3, 306-4

Recycling

Amount of Raw Materials Used

	Unit	2020	2021	2022
Steel material	Thousand tons	870	844	869
Cast iron	Thousand tons	47	46	51
Non-ferrous metal	Thousand tons	95	99	99
Scrap	Thousand tons	301	285	290
Plating	Million square decimeters	4.7	3.5	10.7
Resin	Thousand tons	90	83	90
Rubber	Thousand tons	18	16	19
Paint	Thousand tons	12	11	10
Fuel/oil	Thousand kiloliters	80	80	87

<Organizational Boundary> Daihatsu Motor and Daihatsu Motor Kyushu

Number of Appropriate End-of-life Vehicle Treatment and Recycling Processed

(unit)

	2020	2021	2022
Number of appropriate end-of-life vehicle treatment and recycling processed	420,989	446,639	393,149

Recycling Rate

(%)

	2020	2021	2022
Vehicle recovery rate (converted into a per-unit value)	99.3	99.3	99.4
ASR recycling rate	95.7	96.1	96.4

<Definition of Vehicle Recovery Rate>

Calculated by combining the percentage recycled through the dismantling and shredding processes, approximately 83% (quoted from the report by the council of the End-of-Life Vehicle Recycling Law), with the remaining ASR rate of 17% and the ASR recycling rate of 96.1%

<ASR>

ASR is the residue left behind after removing airbags, fluorocarbons, engines, harnesses, and other parts from end-of-life vehicles and shredding them to recover valuable metals

<Definition of ASR Recycling Rate>

ASR recycling rate = Recycling volume ÷ Amount collected

ASR Processing Volume

(tons)

	2020	2021	2022
ASR processing volume	55,848	59,685	52,766

Amount of Parts Recycled

(thousand units)

	2020	2021	2022
Bumper	44	45	46

Environmental Data GRI ▶305-7, 306-3, 306-5

Waste

Amount of Waste¹

(tons)			
By Country	2020	2021	2022
Japan	43,060	41,019	41,280
Indonesia	5,338	8,872	10,232
Malaysia	1,555	1,442	1,850
Total	49,953	51,332	53,362

(tons)			
By Type	2020	2021	2022
Non-hazardous waste	49,852	51,097	52,821
Hazardous waste	101	235	541
Total	49,953	51,332	53,362

1. <Organizational Boundary> Daihatsu Motor and consolidated subsidiaries

(tons)			
By Disposal Operations	2020	2021	2022
Payable for recycle	39,964	41,473	44,309
Incineration	2,691	3,174	3,489
Landfilling	7,298	6,686	5,565
Total	49,953	51,332	53,362

<Definition of Payable for Recycle> Waste recycled for a fee

(kg/unit)			
	2020	2021	2022
Per vehicle produced	40.92	37.40	38.88

VOC, NOx, SOx

VOC Emissions

(thousand tons)			
	2020	2021	2022
VOC	5.07	5.50	5.21

<Organizational Boundary> Daihatsu Motor and consolidated subsidiaries

NOx and SOx Emissions

(thousand tons)			
	2020	2021	2022
NOx	101 ²	85 ³	89 ³
SOx	10 ²	12 ³	10 ³

<Organizational Boundary>

2. Daihatsu <Head (Ikeda) Plant, Kyoto (Oyamazaki) Plant, Shiga (Ryuoh) Plant>

3. Daihatsu <Kyoto (Oyamazaki) Plant, Shiga (Ryuoh) Plant>

<Calculation Method>

Fuel consumption × Emission factor per fuel

Environmental Data GRI ▶303-2, 303-4, 305-7

Water and Air Quality

Head (Ikeda) Plant 1st District

(mg/L)

Water Discharge				
Item	Standard Value	Maximum	Minimum	Average
pH	5.7–8.7	8.2	6.4	7.3
COD	–	5	Less than 2	3.5
BOD	300	3	Less than 2	2.5
SS	300	4	Less than 1	2.5
Oil (mineral oil)	5	Less than 1	Less than 1	Less than 1
Zinc	2	–	–	–
Total nitrogen	240	2	Less than 1	1.5
Total phosphorus	32	0.5	Less than 0.1	0.3

Air			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	41
Soot and dust (g/Nm ³)	Boiler	0.1	–

Head (Ikeda) Plant 2nd District

(mg/L)

Water Discharge				
Item	Standard Value	Maximum	Minimum	Average
pH	5.7–8.7	7.7	6.4	7.1
COD	–	75	Less than 2	38.5
BOD	300	99	Less than 2	50.5
SS	300	10	Less than 1	5.5
Oil (mineral oil)	5	Less than 1	Less than 1	Less than 1
Zinc	2	0.4	Less than 0.1	0.25
Total nitrogen	240	7	Less than 1	4
Total phosphorus	32	0.9	Less than 0.1	0.5

Air			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	69
	Drying furnace	230	38
Soot and dust (g/Nm ³)	Boiler	0.1	0.002
	Drying furnace	0.2	<0.005

Kyoto (Oyamazaki) Plant

(mg/L)

Water Discharge				
Item	Standard Value	Maximum	Minimum	Average
pH	5.0–9.0	7.7	7	7.4
BOD	600	69	Less than 2	36
SS	600	39	Less than 1	20
Oil (mineral oil)	5	3	Less than 1	2
Soluble manganese	10	0.3	Less than 0.1	0.2
Lead and lead compounds	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Total nitrogen	240	19	Less than 1	10
Total phosphorus	32	7.7	Less than 1	4.4

Air			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	79
	Drying furnace	230	39
Soot and dust (g/Nm ³)	Boiler	0.1	<0.002
	Drying furnace	0.3	–

Environmental Data GRI ▶303-2, 303-4, 305-7

Water and Air Quality

Shiga (Ryuoh) Plant 1st District

(mg/L)

Water Discharge				
Item	Standard Value	Maximum	Minimum	Average
pH	6.0-8.0	7.5	6.9	7.2
COD	20	4	Less than 2	3
BOD	20	2	Less than 2	2
SS	200	Less than 1	Less than 1	Less than 1
Oil (mineral oil)	3	Less than 1	Less than 1	Less than 1
Copper	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Fluorine	3	0.5	Less than 0.1	0.3
Zinc	0.5	Less than 0.1	Less than 0.1	Less than 0.1
Soluble iron	4	Less than 0.1	Less than 0.1	Less than 0.1
Total nitrogen	8	1	Less than 1	1
Total phosphorus	0.8	0.3	Less than 0.1	0.2

Air			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Aluminum melting furnaces	180	9
Soot and dust (g/Nm ³)	Aluminum melting furnaces	0.1	<0.001

Shiga (Ryuoh) Plant 2nd District

(mg/L)

Water Discharge				
Item	Standard Value	Maximum	Minimum	Average
pH	6.0-8.0	7.7	6.9	7.2
COD	20	10	3	6.5
BOD	20	4	Less than 2	3
SS	200	Less than 1	Less than 1	Less than 1
Oil (mineral oil)	3	Less than 1	Less than 1	Less than 1
Copper	0.1	0.03	Less than 0.01	0.02
Fluorine	3	0.5	Less than 0.1	0.3
Zinc	0.5	0.3	Less than 0.1	0.2
Soluble iron	4	0.2	Less than 0.1	0.15
Total nitrogen	8	4	2	2.7
Total phosphorus	0.8	0.3	Less than 0.1	0.25

Air			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Drying furnace	230	91
	Gas turbines	70	21
Soot and dust (g/Nm ³)	Drying furnace	0.2	0.001
	Gas turbines	0.05	<0.001

Social Data

GRI ▶102-8, 102-41, 401-1, 401-3, 405-1

Employees

		Unit	2020	2021	2022
Employees (Global)			45,146	45,795	46,152
Employees (Daihatsu Motor)			12,749	12,647	12,426
	Male		11,793	11,664	11,450
	Female	Persons	956	983	976
Newly hired employees (Daihatsu Motor)			403	358	292
	Male		341	313	255
	Female		62	45	37
Average age (Daihatsu Motor)			40.6	40.8	40.4
	Male	Age	40.8	41.0	40.6
	Female		38.8	38.7	38.1
Average period of employment (Daihatsu Motor)			18.6	18.7	18.9
	Male	Years	18.8	19.0	19.1
	Female		16.0	15.8	16.0
Turnover rate (Daihatsu Motor) ¹		%	1.7	2.1	1.7
Reemployed retirees (Daihatsu Motor)		Persons	164	188	233
Number of managers (Daihatsu Motor)		Persons	1,326	1,355	1,391
Percentage of managerial positions held by women (Daihatsu Motor)		%	2.3	2.6	2.8
Number of female assistant managers (Daihatsu Motor)			57	59	72
Number of female managers (Daihatsu Motor)		Persons	31	36	39
Percentage of female new recruits (Daihatsu Motor)	Staff employees (administrative/engineering employees)		22	14	14.65
	Line employees		4	8	9.78
		%			
Turnover rate of female employees (Daihatsu Motor)	Administrative/engineering employees		1.9	2.8	1.4
	Shop floor employees		6.0	8.1	6.9
		%			

		Unit	2020	2021	2022
Number of employees using the childcare and nursing care leave program (Daihatsu Motor) ¹			85	137	235
	Male	Persons	54	102	157
	Female		31	35	78
Average period of childcare leave (Daihatsu Motor) ¹			90	78	84
	Male	Days	40	45	40
	Female		174	176	173
Return rate after taking childcare leave (Daihatsu Motor) ¹			98.8	100.0	100.0
	Male		100.0	100.0	100.0
	Female	%	97.6	100.0	100.0
Rate of male employees taking childcare leave (Daihatsu Motor) ²			14.3	24.9	49.1
Employment rate of people with disabilities (Daihatsu, including special-purpose subsidiaries)			2.24	2.37	2.32
Number of people with disabilities employed (Daihatsu, including special-purpose subsidiaries) ³			212	224	218
Number of employees using the flexible working hours system (Daihatsu Motor) ⁴		Persons	—	100	126
Percentage of annual paid leave taken (Daihatsu Motor) ⁵		%	94.2	95.8	94.5
Average monthly overtime per employee (Daihatsu Motor) ⁵		Hours/month	23.0	24.2	22.8
Stress check ⁶	Collection rate		98.5	98.2	98.1
	Proportion of highly stressed employees ⁷	%	83.0	101.4	102.8
Ratio of non-regular employees ⁸		%	24.37	26.00	30.38
Ratio of employees covered by collective bargaining agreements ⁹		%	69.11	68.20	66.75
Number of work stoppages and total days idle ¹⁰		Cases (persons-days)	92	162	95

¹. Calculated per fiscal year (April to March)

². Only applies to full-time employees; estimated as a fraction of the number of maternity gift payments

³. Includes part-time employees ⁴. Short-time employees hired directly (as of April 1)

⁵. Calculated for union members limited to those granted annual paid leave on May 1

⁶. Implemented in May every year ⁷. Calculated with fiscal 2017 as 100

⁸. Ratio of those other than full-time employees and apprentices at Daihatsu Motor (as of April 1)

⁹. Ratio of full-time employees (foremen or below) and senior employees at Daihatsu Motor (as of April 1)

¹⁰. Number of (direct) work stoppages at vehicle plants (Ikeda, Kyoto, Shiga 2nd District)

GRI Content Index GRI ▶102-55

General Disclosures

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1. Organizational profile		
G102-1	Name of the organization	Company Outline 📄
G102-2	Activities, brands, products, and services	Company Outline 📄
G102-3	Location of headquarters	Company Outline 📄
G102-4	Location of operations	Company Outline 📄
G102-5	Ownership and legal form	Company Outline 📄
G102-6	Markets served	Company Outline 📄
G102-7	Scale of the organization	Company Outline 📄
G102-8	Information on employees and other workers	Social Data > Employees 📄
G102-9	Supply chain	Respect for Human Rights in the Supply Chain > Fundamental Approach; Supply Chain 📄
G102-10	Significant changes to the organization and its supply chain	–
G102-11	Precautionary Principle or approach	Fundamental Approach > Overall Image of Initiatives 📄
		Fundamental Approach > Daihatsu Group Environmental Action Plan 2030 📄
		Environmental Management > Daihatsu Environmental Communication System 📄
		Risk Management > Fundamental Approach 📄
G102-12	External initiatives	Promotion of Sustainability > SDG Framework Categories as Priority Sustainability Initiative Areas > “SDG Framework Category” Formulation Process 📄
G102-13	Membership of associations	Stakeholder Engagement > Suppliers and Memberships > Memberships 📄

Code	Requirements	Publication Pages
2. Strategy		
G102-14	Statement from senior decision-maker	Message from the President (pp. 5-6) 📄
G102-15	Key impacts, risks, and opportunities	Building a Low-carbon Society > Fundamental Approach and Targets 📄
		Building a Low-carbon Society > Initiatives for Products 📄
		Daihatsu's Car Creating 📄
		Social Contribution > Contribution to Local Communities > CASE-related Initiatives 📄
		Risk Management > Fundamental Approach 📄
3. Ethics and integrity		
G102-16	Values, principles, standards, and norms of behavior	Corporate Philosophy (pp. 7-8) 📄
		Fundamental Approach > Basic Philosophy 📄
		Fundamental Approach > Fundamental Approach 📄
		Daihatsu's Car Creating 📄
		Social Contribution > Fundamental Approach 📄
G102-17	Mechanisms for advice and concerns about ethics	Compliance > Compliance Promotion Structure 📄
		Compliance > Whistle-blowing System and Harassment Consultation Desk / Tax Affairs > Whistle-blowing System: Employees' Voice Helpline 📄

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GRI ▶102-55

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4. Governance		
G102-18	Governance structure	Corporate Governance > Fundamental Approach > Internal Control Organizational Chart 
		Corporate Governance > Operational Execution and Supervision > Board of Directors / Structure 
G102-19	Delegating authority	Promotion of Sustainability > Sustainability Promotion Structure 
		Corporate Governance (pp. 79-80) 
G102-20	Executive-level responsibility for economic, environmental, and social topics	Promotion of Sustainability > Sustainability Promotion Structure 
		Corporate Governance > Operational Execution and Supervision > Board of Directors / Structure > Board of Directors Composition 
G102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement (pp. 12-15) 
		Quality Assurance Initiatives > For Customers 
G102-22	Composition of the highest governance body and its committees	Corporate Governance > Operational Execution and Supervision > Board of Directors / Structure > Board of Directors Composition 
G102-23	Chair of the highest governance body	Corporate Governance > Operational Execution and Supervision > Board of Directors / Structure 
G102-24	Nominating and selecting the highest governance body	–
G102-25	Conflicts of interest	Corporate Governance > Operational Execution and Supervision > Conflicts of Interest 
G102-26	Role of highest governance body in setting purpose, values, and strategy	Promotion of Sustainability > Sustainability Promotion Structure 
		Promotion of Sustainability > Details of Activities by Committees and Meetings to Promote Sustainability 
G102-27	Collective knowledge of highest governance body	Corporate Governance > Fundamental Approach; Operational Execution and Supervision > Flexible Organizational Reform to Respond to Various Issues 

Code	Requirements	Publication Pages
G102-28	Evaluating the highest governance body's performance	–
G102-29	Identifying and managing economic, environmental, and social impacts	Promotion of Sustainability > “SDG Framework Categories” as Priority Sustainability Initiative Areas 
		Environmental Management > Fundamental Approach > Environmental Management Structure; Environmental Management Process 
G102-30	Effectiveness of risk management processes	Promotion of Sustainability > Details of Activities by Committees and Meetings to Promote Sustainability 
		Risk Management > Fundamental Approach > Risk Management Process 
G102-31	Review of economic, environmental, and social topics	Environmental Management > Fundamental Approach > Environmental Management Process 
		Risk Management > Fundamental Approach > Risk Management Process 
G102-32	Highest governance body's role in sustainability reporting	Promotion of Sustainability > Sustainability Promotion Structure 
G102-33	Communicating critical concerns	Environmental Management > Fundamental Approach > Environmental Management Structure; Environmental Management Process 
		Risk Management > Fundamental Approach > Risk Management Process 
G102-34	Nature and total number of critical concerns	–
G102-35	Remuneration policies	–
G102-36	Process for determining remuneration	–
G102-37	Stakeholders' involvement in remuneration	–
G102-38	Annual total compensation ratio	–
G102-39	Percentage increase in annual total compensation ratio	–

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Code	Requirements	Publication Pages
5. Stakeholder engagement		
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G102-41	Collective bargaining agreements	Social Data > Employees
G102-42	Identifying and selecting stakeholders	Stakeholder Engagement (pp. 12–15)
G102-43	Approach to stakeholder engagement	Corporate Philosophy > Measures to Instill the Corporate Philosophy
		Stakeholder Engagement (pp. 13–15)
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6. Reporting practice		
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G102-47	List of material topics	Promotion of Sustainability > “SDG Framework Categories” as Priority Sustainability Initiative Areas
G102-48	Restatements of information	–
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G102-52	Reporting cycle	Editorial Policy > Publication Times
G102-53	Contact point for questions regarding the report	Back Cover

Code	Requirements	Publication Pages
G102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy > Referenced Guidelines
G102-55	GRI content index	GRI Content Index (pp. 94–101)
G102-56	External assurance	–

Management Approach

Code	Requirements	Publication Pages
G103-1	Explanation of the material topic and its Boundary	Promotion of Sustainability > “SDG Framework Categories” as Priority Sustainability Initiative Areas
G103-2	The management approach and its components	Promotion of Sustainability > “SDG Framework Categories” as Priority Sustainability Initiative Areas
		Fundamental Approach > 2022 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets) (pp. 21–23)
		Environmental Management > Daihatsu Environmental Communication System
G103-3	Evaluation of the management approach	–

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Economic

Code	Requirements	Publication Pages
Economic Performance		
G201-1	Direct economic value generated and distributed	—
G201-2	Financial implications and other risks and opportunities due to climate change	—
G201-3	Defined benefit plan obligations and other retirement plans	—
G201-4	Financial assistance received from government	—
Market Presence		
G202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
G202-2	Proportion of senior management hired from the local community	—
Indirect Economic Impacts		
G203-1	Infrastructure investments and services supported	Building a Recycling Society > End-of-life Vehicle Recycling Initiatives (pp. 40-41)
G203-2	Significant indirect economic impacts	Daihatsu's Car Creating
		Product Safety Initiatives > Safety Technology (pp. 55-58)
		Social Contribution (pp. 69-77)
Procurement Practices		
G204-1	Proportion of spending on local suppliers	—
Anti-corruption		
G205-1	Operations assessed for risks related to corruption	Compliance > Fundamental Approach > Anti-corruption Initiatives; Anti-bribery Initiatives
G205-2	Communication and training about anti-corruption policies and procedures	Compliance > Fundamental Approach > Anti-corruption Initiatives; Anti-bribery Initiatives
G205-3	Confirmed incidents of corruption and actions taken	Compliance > Fundamental Approach > Anti-bribery Initiatives

Code	Requirements	Publication Pages
Anti-competitive Behavior		
G206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	–
Tax		
G207-1	Approach to tax	Compliance > Whistle-blowing System and Harassment Consultation Desk / Tax Affairs > Daihatsu's Tax Policies
G207-2	Tax governance, control, and risk management	Compliance > Whistle-blowing System and Harassment Consultation Desk / Tax Affairs > Daihatsu's Tax Policies
G207-3	Stakeholder engagement and management of concerns related to tax	Compliance > Whistle-blowing System and Harassment Consultation Desk / Tax Affairs > Daihatsu's Tax Policies
G207-4	Country-by-country reporting	–

Environmental

Code	Requirements	Publication Pages
Materials		
G301-1	Materials used by weight or volume	Environmental Data > Recycling > Amount of Raw Materials Used
G301-2	Recycled input materials used	Building a Recycling Society > End-of-life Vehicle Recycling Initiatives (pp. 40–41)
		Building a Recycling Society > Reducing Waste at Plants and Other Facilities
		Environmental Data > Recycling > Amount of Parts Recycled

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Code	Requirements	Publication Pages
G301-3	Reclaimed products and their packaging materials	Building a Recycling Society > End-of-life Vehicle Recycling Initiatives (pp. 40–41)
		Building a Recycling Society > Reducing Waste at Plants and Other Facilities > Types of Waste Material and Recycling Methods
		Environmental Data > Recycling > Number of Appropriate End-of-life Vehicle Treatment and Recycling Processed; Recycling Rate; ASR Processing Volume; Amount of Parts Recycled
Energy		
G302-1	Energy consumption within the organization	Environmental Data > Energy
G302-2	Energy consumption outside of the organization	Building a Recycling Society > Flow of Materials > Fuel Used in Transportation
G302-3	Energy intensity	Environmental Data > Energy
G302-4	Reduction of energy consumption	Building a Low-carbon Society > Initiatives for Production (pp. 34–35)
		Environmental Data > Energy
G302-5	Reductions in energy requirements of products and services	Building a Low-carbon Society > Initiatives for Products
		Environmental Data > Greenhouse Gases (GHG) > Average CO ₂ Emissions from New Vehicles: Global
Water and Effluents		
G303-1	Interactions with water as a shared resource	Environmental Management > Management of Water Resources
G303-2	Management of water discharge-related impacts	Environmental Management > Management of Water Resources > Purification and Reuse of Waste Water; Standards for Waste Water
		Environmental Data > Water and Air Quality (pp. 91–92)
G303-3	Water withdrawal	Environmental Data > Water > Water Withdrawal

Code	Requirements	Publication Pages
G303-4	Water discharge	Environmental Data > Water > Water Discharge
		Environmental Data > Water and Air Quality (pp. 91-92)
G303-5	Water consumption	Environmental Data > Water > Water Consumption
Biodiversity		
G304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Building a Society in Harmony with Nature > Conservation of Biodiversity (Initiatives) (p. 45-46)
G304-2	Significant impacts of activities, products, and services on biodiversity	Building a Society in Harmony with Nature > Conservation of Biodiversity
G304-3	Habitats protected or restored	Building a Society in Harmony with Nature > Conservation of Biodiversity (Initiatives) (p. 45-47)
G304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Building a Society in Harmony with Nature > Conservation of Biodiversity (Initiatives) (p. 45-46)
Emissions		
G305-1	Direct (Scope 1) GHG emissions	Environmental Data > Greenhouse Gases (GHG)
G305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data > Greenhouse Gases (GHG)
G305-3	Other indirect (Scope 3) GHG emissions	Building a Low-carbon Society > Initiatives for Logistics
		Environmental Data > Greenhouse Gases (GHG)
G305-4	GHG emissions intensity	Environmental Data > Greenhouse Gases (GHG)
G305-5	Reduction of GHG emissions	Fundamental Approach > 2022 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)
		Building a Low-carbon Society > Initiatives for Products
		Building a Low-carbon Society > Initiatives for Production (pp. 34-35)
		Environmental Data > Greenhouse Gases (GHG) > Average CO ₂ Emissions from New Vehicles: Global

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Code	Requirements	Publication Pages
G305-6	Emissions of ozone-depleting substances (ODS)	–
G305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Management > Management of Environmental Load Substances in Production Activities
		Environmental Data > Waste > VOC, NOx, SOx
		Environmental Data > Water and Air Quality (pp. 91–92)
Waste		
G306-1	Waste generation and significant waste-related impacts	Building a Recycling Society > Flow of Materials
G306-2	Management of significant waste-related impacts	Building a Recycling Society > Fundamental Approach
		Building a Recycling Society > Flow of Materials
		Building a Recycling Society > Vehicle Recycling Initiatives in the Product Design Stage
		Building a Recycling Society > End-of-life Vehicle Recycling Initiatives (pp. 40–41)
		Building a Recycling Society > Reducing Waste at Plants and Other Facilities
		Building a Recycling Society > Production, Logistics, and Other Initiatives
G306-3	Waste generate	Environmental Data > Waste > Amount of Waste
G306-4	Waste diverted from disposal	Environmental Data > Recycling > Recycling Rate
G306-5	Waste directed to disposal	Environmental Data > Waste > Amount of Waste
Environmental Compliance		
G307-1	Non-compliance with environmental laws and regulations	Environmental Management > Chemical Substances and Risk Management > Risk Management Relating to Environmental Laws and Regulations

Supplier Environmental Assessment

G308-1	New suppliers that were screened using environmental criteria	–
G308-2	Negative environmental impacts in the supply chain and actions taken	Environmental Management > Daihatsu Group Initiatives

Social

Code	Requirements	Publication Pages
Employment		
G401-1	New employee hires and employee turnover	Social Data > Employees
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
G401-3	Parental leave	Social Data > Employees
Labor / Management Relations		
G402-1	Minimum notice periods regarding operational changes	–
Occupational Health and Safety		
G403-1	Occupational health and safety management system	Safety and Health > Fundamental Approach > Safety and Health Management Organizational Chart; 2022 Certified Health & Productivity Management Outstanding Organization: Certified as “White 500”
		Safety and Health > Safety and Health Management > Organization for Safety and Health Management and Management Systems
G403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health (pp. 66–68)
G403-3	Occupational health services	Safety and Health > Fundamental Approach

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Code	Requirements	Publication Pages
G403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Health > Fundamental Approach > Promotion Structure 
G403-5	Worker training on occupational health and safety	Safety and Health > Safety and Health Management > Safety and Health Education 
G403-6	Promotion of worker health	Safety and Health > Health 
G403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Health > Safety and Health Management 
G403-8	Workers covered by an occupational health and safety management system	Safety and Health > Safety and Health Management 
G403-9	Work-related injuries	Safety and Health > Safety and Health Management > Work Accidents and Illnesses 
G403-10	Work-related ill health	Safety and Health > Safety and Health Management > Work Accidents and Illnesses 
Training and Education		
G404-1	Average hours of training per year per employee	Human Resources Development Initiatives > Education and Career Development 
G404-2	Programs for upgrading employee skills and transition assistance programs	Human Resources Development Initiatives > Education and Career Development 
G404-3	Percentage of employees receiving regular performance and career development reviews	Human Resources Development Initiatives > Employee Evaluation and Feedback 
Diversity and Equal Opportunity		
G405-1	Diversity of governance bodies and employees	Social Data > Employees 
G405-2	Ratio of basic salary and remuneration of women to men	–
Non-discrimination		
G406-1	Incidents of discrimination and corrective actions taken	–

Code	Requirements	Publication Pages
Freedom of Association and Collective Bargaining		
G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–
Child Labor		
G408-1	Operations and suppliers at significant risk for incidents of child labor	–
Forced or Compulsory Labor		
G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–
Security Practices		
G410-1	Security personnel trained in human rights policies or procedures	–
Rights of Indigenous Peoples		
G411-1	Incidents of violations involving rights of indigenous peoples	–
Human Rights Assessment		
G412-1	Operations that have been subject to human rights reviews or impact assessments	–
G412-2	Employee training on human rights policies or procedures	Human Rights > Education Related to Human Rights 
G412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–

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Code	Requirements	Publication Pages
Local Communities		
G413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement > Employees, Local Communities, and Shareholders (Investors) > Communication with Local Communities: National and Local Governmental Agencies 
		Stakeholder Engagement > Employees, Local Communities, and Shareholders (Investors) > Communication with Local Communities: Nonprofit Organizations 
		Social Contribution (pp. 69–77) 
G413-2	Operations with significant actual and potential negative impacts on local communities	–
Supplier Social Assessment		
G414-1	New suppliers that were screened using social criteria	Respect for Human Rights in the Supply Chain > Fundamental Approach / Supply Chain > Supplier CSR Guidelines 
G414-2	Negative social impacts in the supply chain and actions taken	Stakeholder Engagement > Suppliers and Memberships > Communication with Suppliers 
		Respect for Human Rights in the Supply Chain > Fundamental Approach / Supply Chain 
Public Policy		
G415-1	Political contributions	–
Customer Health and Safety		
G416-1	Assessment of the health and safety impacts of product and service categories	Quality Assurance Initiatives (pp. 49–53) 
		Product Safety Initiatives > Safety Technology (pp. 55–58) 
G416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Assurance Initiatives > For Customers > Responses to Quality Defects (Recalls, etc.) 

Code	Requirements	Publication Pages
Marketing and Labeling		
G417-1	Requirements for product and service information and labeling	–
G417-2	Incidents of non-compliance concerning product and service information and labeling	–
G417-3	Incidents of non-compliance concerning marketing communications	–
Customer Privacy		
G418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Risk Management > Fundamental Approach > Information Management > Protection of Personal Information 📄
Socioeconomic Compliance		
G419-1	Non-compliance with laws and regulations in the social and economic area	–



DAIHATSU MOTOR CO., LTD.

Published by Environmental Affairs Department and SDGs & Corporate Strategy Department

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Published: March 2023