HINO
SUSTAINABILITY REPORT 2021



Hino Motors, Ltd.

Corporate Information

Company Name	Hino Motors, Ltd.
Business Lines	Trucks and buses, commercial vehicles and passenger cars produced for Toyota Motor Corporation, automotive and industrial diesel engines, vehicle parts, others
Headquarters	1-1 Hinodai 3-chome, Hino-shi, Tokyo
Founded	August 1, 1910
Established	May 1, 1942
Paid-in Capital	72.7 billion yen*1

*1 As of March 31, 2021 (consolidated)
*2 Fiscal Year 2020 (consolidated)

| Number of Employees*1

34,527

| Net Sales*2

1,498.4 billion yen

| Operating Income*2

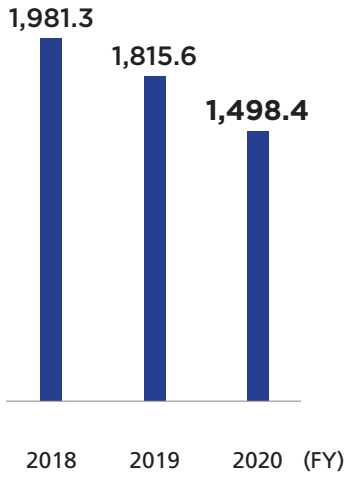
12.3 billion yen

| Profit attributable to owners of the parent*2

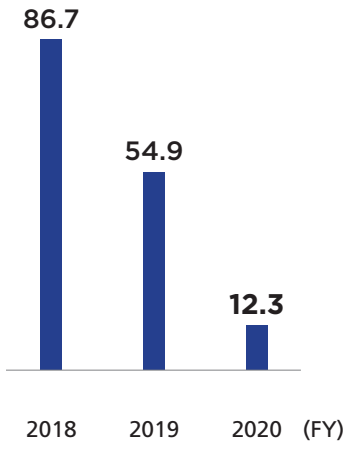
–7.5 billion yen

Trends in business results

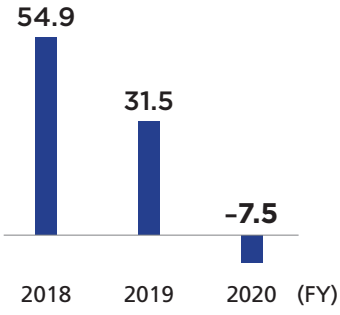
● Net sales (billion yen)



● Operating income (billion yen)



● Profit attributable to owners of the parent (billion yen)



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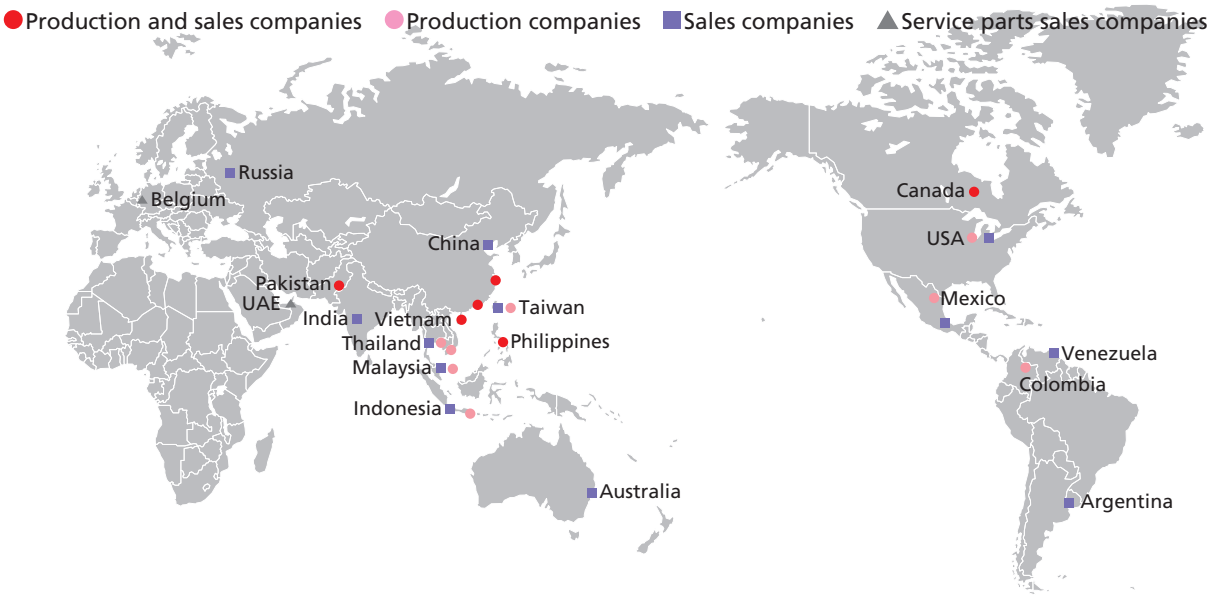
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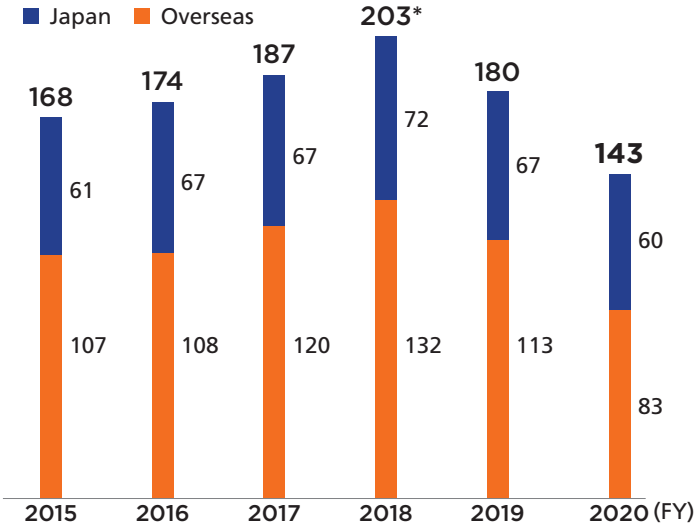
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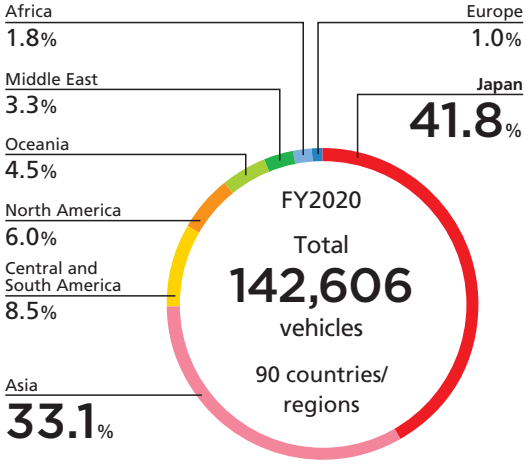
Trends in vehicle global unit sales/Composition of sales by region

Trends in HINO brand vehicle global unit sales (thousand units)



*Vehicle sales climbed to an all-time high

Composition of sales by region



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HISTORY of Hino Motors

In 1917, Hino Motors successfully test produced Japan's first 100% domestically designed and manufactured truck, applying its technology to help promote the movement of people and goods. After World War II, Hino Motors supported Japan's reconstruction with trailer trucks equipped with diesel engines. The Company went on to develop the trucks and buses that were responsible for mass transportation during Japan's period of high economic growth. In more recent years, Hino Motors has taken on social challenges related to the movement of people and goods by leveraging cutting-edge technologies including AI and IoT. Today, Hino Motors is embracing the new challenges of a period of revolutionary change the likes of which is seen only once a century.



- **TGE Model A Truck (1917)**

Japan's first 100% domestically produced truck was the starting point for Hino Motors.



- **Contessa 1300 Deluxe (1964)**

The Contessa 1300 Deluxe was designed as a world car and exhibited at the 11th Tokyo Motor Show. It received rave reviews from around the globe for its high performance and design.



- **HIMR (1989)**

HIMR was the world's first hybrid bus, and was unveiled at the 28th Tokyo Motor Show. It was commercially launched in 1991.

- **T10 and T20 Model Trailer Trucks (1946)**

This 100% domestically produced heavy-duty trucks inspired and encouraged the people of Japan in the aftermath of the war.



- **Super Dolphin Series (Dolphin Turbo 8.8)(1981)**

This marked the birth of a powerful low-emission vehicle loaded with new ideas and technologies, including the world's first downsized engine using a curved impeller and turbo compressor.



1910s

From Gas Lamps to Auto Industry

The history of Hino Motors began with the establishment of Tokyo Gas Industry Co., Ltd. in 1910. At the time, the gas business was a symbol of modernization, but the Company entered the auto industry, looking further ahead to a new era.

1940s

Diesel Engine Trucks Contribute to Post-War Recovery

Utilizing diesel engine technology developed during the war, Hino Motors developed large-scale trailer trucks.

1950s

Laying Foundations as a Comprehensive Automaker

This marked the beginning of the high-growth period. Riding an economic wave, automakers continued to increase production, and full-fledged motorization began.

1960s

The Challenge of Motorization

In 1966, Hino Motors began a partnership with Toyota Motor Corporation. While production of Hino Motors' passenger cars will be discontinued, production of the Toyota HILUX commences at the Hamura Plant, laying the foundation for the Toyota-Hino alliance.

1970s

Hino Motors Becomes the Top Truck Manufacturer by Refining Technologies in an Era of Emissions Regulations

Diesel vehicle exhaust emissions regulations began the following year in 1974, when Hino Motors became Japan's heavy- and medium-duty truck market share leader. With regulations gradually becoming stricter, the engineering team continued working hard to pass standards.

1914	1923	1929	1939	1945	1947	1947	1954	1958	1963	1964	1969	1970	1972
Outbreak of World War I	Great Kanto Earthquake	Great Depression	Outbreak of World War II	End of the war	Hideki Yukawa receives Nobel Prize in Physics	Enforcement of the Constitution of Japan	1st Tokyo Motor Show	Tokyo Tower opens	Creation of Japan's first super highway, the Meishin Expressway	Tokyo Olympics	Tomei Expressway opens	Osaka Expo	The reversion of Okinawa to Japan

1942



- **Company split and establishment of Hino Heavy Industry Co., Ltd.**

Photo shows a Hino factory at the end of World War II.

1953



- **Partnership with Renault S. A.**

Hino Motors formed a technical tie-up with Renault and produced the Renault 4CV compact passenger car (1953–1961).

1962



- **First global expansion**

Hino's first steps toward global expansion were taken in 1962 when the first overseas distributor, Victory Automobiles Co., Ltd., was created in Thailand, and the first overseas manufacturing company, Hino Motor Sales (THI), was later established in 1964.

1966



- **Partnership with Toyota Motor Corporation**

Hino Motors, Ltd. and Hino Motor Sales, Ltd. (now Toyota Motor Corporation) created a business alliance.



HINO600

Developed the common bonnet-type truck for the North American market. It was subsequently named the 2011 Truck of the Year (in the medium-duty category) by American Truck Dealers.



Hino Dutro Hybrid

Addressing the world's increasingly severe environmental challenges, in 2003 Hino Motors developed the Dutro light-duty truck, which is equipped with a hybrid system. It has since become and remains the flagship model among Hino Motors' hybrid vehicles.



Hino Ranger

In 2017, there was a full model change for the first time in 16 years. In 2018, minor changes were made to improve safety performance, fuel efficiency, and comfort.



Hino Profia Hybrid

Newly released in 2019, it is equipped with the world's first hybrid system that uses AI. It contributes to reducing environmental load and driver fatigue while maintaining the basic performance of a diesel vehicle.



Hino Poncho

Featuring a low floor that makes it easy to get on and off, which is ideal for community buses, it won the 2006 Good Design Award.



Hino S'elega

As the next-generation heavy-duty tourist bus offering significantly improved safety features that came standard with an Emergency Driving Stop System (EDSS), a world first for a truck or bus, the Hino S'elega underwent a minor model change in 2018.



Hino Blue-Ribbon Hybrid Articulated Bus

Hino Motors jointly developed Japan's first hybrid articulated bus with Isuzu Motors, Ltd. to solve societal problems such as environmental issues and a shortage of drivers in the transportation industry. It is the world's first fixed-route bus to have EDSS as standard equipment, achieving both mass transportation and a high degree of safety.

1980s

Hino becomes a leader in environmental technology

In the 1980s, automakers competed for various technologies. Hino Motors' engineering team reached new heights of success with a proprietary environmental technology, thereby pioneering the subsequent hybrid era.

1990s

From Hino of Japan to Hino of the World

On the occasion of the company's 50th anniversary, Hino revamped its corporate philosophy and logo mark. With the strong yen forcing companies to relocate overseas, Hino Motors focused on building a global system.

2000s

A Member of the Toyota Group

In 2001, Hino Motors became a wholly owned subsidiary of Toyota Motor Corporation and assumed responsibility for the Toyota Group's bus and truck business under the HINO brand. In 2007, overseas sales volume exceeded domestic sales volume for the first time.

2010s

A New Challenge as a Truly Global Company

Amid tougher global environmental regulations, the EV shift accelerated. With the advancement of ICT technology, expectations for connected cars and autonomous driving grew, and the automotive industry faced a major turning point the likes of which is seen only once a century.

2018–

Accelerating business innovation to resolve customer and world issues

The medium- to long-term management strategy, Challenge 2025, was announced in October 2018 with the aim of resolving customer and world issues. Hino promote the cultivation of partners with the same intentions keep tackling challenges in new activity areas.

Toward the Future

1985	1986	1991	1993	1995	1997	2001	2005	2008	2011	2012	2016	2018	2019	2020	2021
Plaza Accord	Enforcement of the Equal Employment Opportunity Act for Men and Women	Collapse of the bubble economy	Birth of the EU	Kobe Earthquake	Kobe Earthquake	World Trade Center terror attack	Exposition of Global Harmony (World Exposition) Held in Aichi, Japan	Lehman Brothers' collapse	Great East Japan Earthquake	Tokyo Sky Tree opens	Hokkaido Shinkansen goes into operation	Heavy rainfall in Western Japan	New era name, Reiwa	COVID-19 Pandemic	Tokyo 2020 Olympic and Paralympic Games

1997



Dakar Rally

Hino Motors participated in its first Dakar Rally in 1991. In 1997, it swept 1st, 2nd, and 3rd places, proving to the world that its vehicles' can perform in harsh environments.
2020 marked Hino's 29th consecutive appearance.

2017



Koga Plant

With the aim of building a global production system, Hino Motors reorganized this domestic plant, turning it into its largest and most advanced plant. Koga Plant began full-scale operation in 2017 as the mother plant for medium- and heavy-duty vehicle production.

2018



Partnership with Volkswagen Truck & Bus

Hino Motors reached an agreement with Volkswagen Truck & Bus (now TRATON GROUP) to build a strategic cooperative relationship.

2021



Partnership with TOYOTA and ISUZU

By combining CASE technologies with the commercial vehicle foundations of Isuzu and Toyota, Hino is accelerating the societal implementation and dissemination of CASE with the aim of contributing to the resolution of transportation issues and the realization of a carbon neutral society.

TOP MESSAGE

Being “beneficial to both individual customers and society” is the starting point for all our thoughts and actions



Introduction

First, I would like to offer my sincere sympathies to all those who have been affected by COVID-19, and to express my hope for a speedy recovery from this pandemic for the world. I would also like to express my heartfelt gratitude and respect to all persons engaged in the medical sector and those who are working in various capacities to ensure that social infrastructure remains up and running.

Current environment for Hino Motors and the vision we aspire to achieve

As is evident from CASE technologies, the automotive industry is in the midst of a once-in-a-century period of profound transformation, and the truck and bus sector is not immune to such changes. Year-by-year the challenges relating to logistics and transportation that society faces are becoming ever more serious and complex, including issues such as CO_2 and other greenhouse gas emissions, and labor shortages due to the aging society and declining birthrate. At the same time, however, the restrictions on social activities and individual movement necessitated by the COVID-19 pandemic, which has been persistent since the end of fiscal 2019, have impressed upon everyone the importance of logistics and transportation.

Based on our mission “To make the world a better place to live by helping people and goods get to where they need to go,” since our establishment we have provided our customers and society with value unique to Hino Motors. Then, in 2018, we announced our medium- to long-term management strategy, Challenge 2025, aiming to implement business structure reforms to transform Hino Motors into a company capable of solving issues faced by customers and the world. Under Challenge 2025, we are working on the three goals of “best-fit products incorporating safety and environmental technologies,” “total support customized for each vehicle,” and “new activity areas,” as we aim to provide value by achieving the four targets of “zero fatal traffic accidents,” “significant CO_2 emissions reductions,” “support for the development of our customers’ businesses,” and “further streamlining the flow of people and goods.”

Last year, even under the harsh environment caused by the COVID-19 crisis, Hino Motors stepped up and reinforced Challenge 2025-related initiatives, embarking on structural reforms designed to ensure quality growth. Our aim is to achieve the targets and goals of Challenge 2025 on schedule, and even more importantly, to continue to remain relevant and needed by our customers and society now and into the future, by providing next-generation “commercial mobility” utilizing CASE technologies that contribute to sustainable logistics and transportation.

Challenge 2025 (“Envisioning 2025” announced in October 2018)

Hino Motors' environmental management: Pursuing carbon neutrality

Today, in the quest to curb the climate change-inducing effects of global warming, initiatives to achieve carbon neutrality are rapidly progressing around the world.

In 2017, as part of the Hino Environmental Challenge 2050, we announced that we would endeavor to reduce environmental burdens to zero, and we have continued to face global environmental issues head-on ever since. Our targets are extremely ambitious, but in all areas, from development to production and logistics, "Team Hino" is working together to implement the technological innovations that will get us there.

More recently, in April 2021, we announced Hino Environmental Milestone 2030, a set of medium-term targets for the lead-up to 2050, and we are accelerating efforts to achieve them.

In order to achieve carbon neutrality in automobiles, it is vital to consider the reduction of CO_2 emissions throughout their entire life cycle, from the production of parts and materials through to disposal and recycling. To that end, it is also imperative to take into account the energy situation of each country or region, and to make transportation more efficient.

Furthermore, although reduction of CO_2 emissions produced as a result of driving will certainly make a major contribution to achieving carbon neutrality, it will not be enough simply to make all vehicles electric-powered. For example, CO_2 is also emitted in the generation of electricity used to charge the batteries of electric vehicles, and also in the production of hydrogen for use in fuel cell vehicles, and those emissions also have to be cut. To be able to contribute to our customers' businesses, it is equally important to provide products and services that are both easy to use and cost competitive, and can be used efficiently and with peace of mind.

Based on our recognition that environmental technologies can only contribute to society if they become widely adopted, we remain dedicated to making every effort to achieve the targets set out in the Hino Environmental Challenge 2050. What is more, we will work closely with national and local governments, related industries and the Japanese Automobile Manufacturers Association (JAMA) in pursuit of various measures for achieving carbon neutrality.

Collaborating with like-minded partners

There is a limit to what Hino Motors can accomplish on our own when seeking to solve challenges that face the logistics and transportation industry, such as reduced transportation efficiency and driver shortages. While our collaboration with the Toyota Group remains the main pillar for our business, we have engaged in various cross-border ventures with like-minded partners, such as the TRATON Group and BYD. By joining forces with partners like these and capitalizing on our respective strengths, our potential to solve challenges grows even higher.

We have verified this concept through initiatives being implemented by NEXT Logistics Japan, Ltd., which was established in June 2018 with the aim of enhancing efficiency and streamlining personnel for trunk-route transportation. With the support of various leading companies in the industry, it has been possible to successfully reduce the number of transportation personnel by half, and CO_2 emissions by 32%.

In March 2021, aiming to accelerate societal implementation and dissemination of CASE technologies and services and to help address various difficulties facing the transportation industry as well as help achieve a carbon-neutral society, Hino Motors also launched a new collaboration with Isuzu and Toyota. To promote the further dissemination of CASE technologies, commercial vehicles with predetermined driving distances and routes will be the easiest to introduce in conjunction with the relevant infrastructure development. By combining our commercial vehicle strengths with Toyota's CASE technologies, together we aim to offer even more useful solutions for our customers and the broader society.

Building a sustainable world

A global environment in which we can all continue to live and sustainable societies where all people can continue to enjoy a prosperous lifestyle are equally sought by everyone and are a shared goal for humanity. Hino Motors engages in business in over 90 countries and regions around the world, and we hope to earnestly face the logistics and transportation problems that our customers and communities are dealing with in each of these countries and regions, and to help build the sustainable society envisioned by the Sustainable Development Goals (SDGs).

By achieving the goals of Challenge 2025, Hino Motors seeks to become a company capable of working together with customers and communities to solve challenges, based on the solid platform of our businesses of manufacturing, selling and maintaining trucks and buses. We are pressing forward on those goals by carrying out structural reforms in purpose of quality growth, while concentrating more than ever before on developing the human resources capable of generating this quality growth.

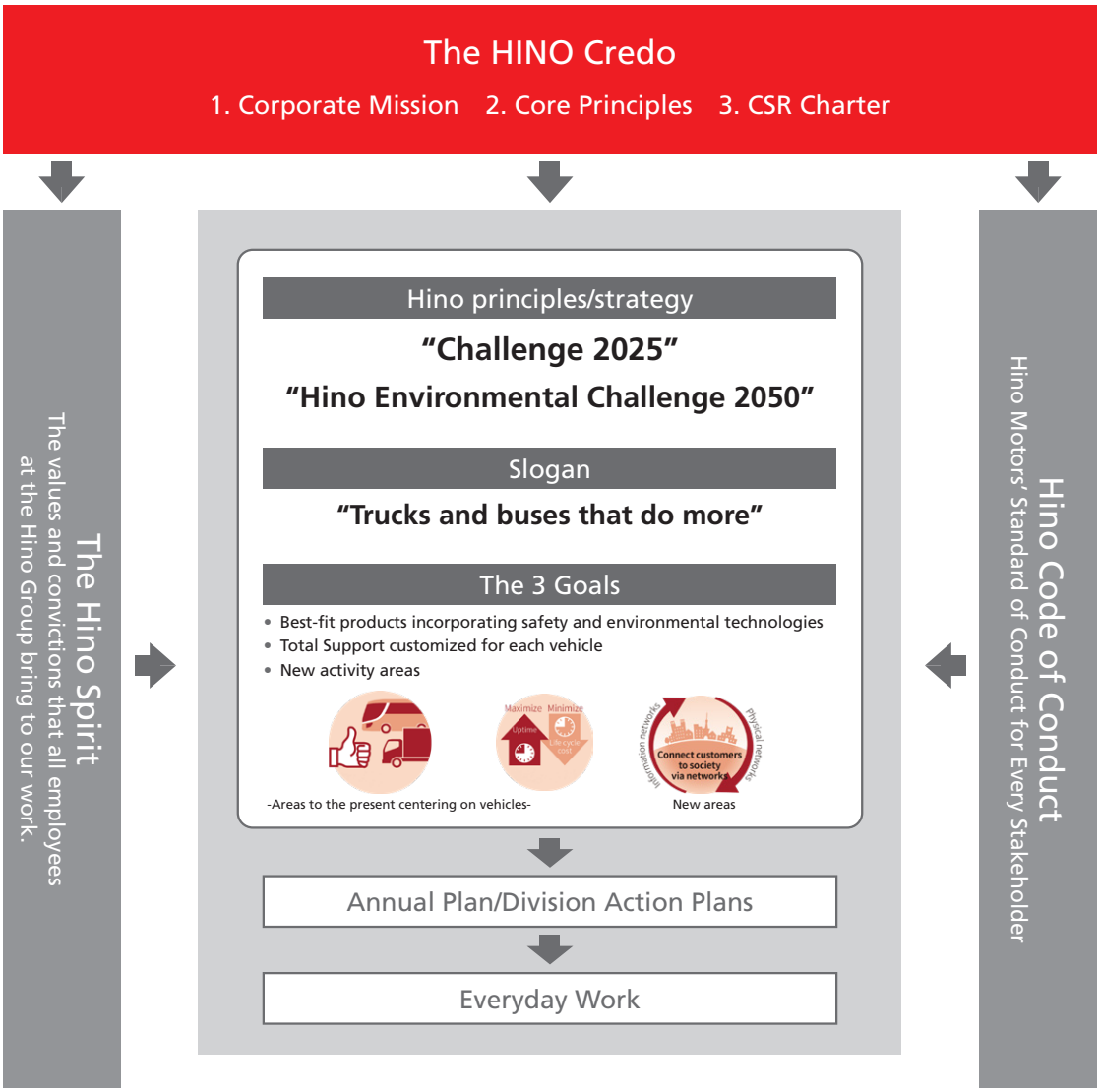
It is precisely in times of change like these that we must ensure that being "beneficial to both individual customers and society" is the starting point for all our thoughts and actions. Moving forward alongside our customers, "Team Hino" will work as one as the world undergoes the transformation to a sustainable society, and face each challenge together with like-minded partners.

The HINO Credo & Course of Action

Creed & Course of Action

The Hino Motors Creed & Course of Action are composed of the HINO Credo, which expresses our stance on contributing to society as a commercial vehicle manufacturer of trucks and buses, the medium- to long-term strategy called "Challenge 2025" and "Hino Environmental Challenge 2050", and the standards of judgement and values for actions that every executive and employee should take.

Based on this Creed & Course of Action, the global "Team Hino" works as one to continue endeavors to achieve "a sustainable world that is prosperous and pleasant to live in" where people and goods move freely, safely, and efficiently with environmental responsibility.



HINO Credo

Hino Code of Conduct

Challenge 2025 ("Envisioning 2025" announced in October 2018)

2050 Hino Environmental Challenge

The HINO Credo & Course of Action

1. Corporate Mission

"To make the world a better place to live by helping people and goods get where they need to go—safety, economically and with environmental responsibility—while focusing on sustainable development."

2. Core Principles

1. Earn the world's trust as a global manufacturer of commercial vehicles
2. Develop and maintain innovative technologies that enable us to provide customers with useful products and services
3. Integrate sustainability, social concern, and a keen awareness of change into our plans for growth
4. Respect the diversity of our employees, and build a vibrant corporate culture

3. CSR Charter

To customers

We meet our customers' expectations by providing useful products and services.

To employees

We respect each individual employee, and strive to create a workplace that fosters personal growth.

To business partners

We build relationships of trust by engaging in open communication, with mutual prosperity as our goal.

To shareholders

We work hard to anticipate changes in the business environment in order to improve the Hino Group's corporate value.

To the international and local communities

- We strive to provide products that are safe and environmentally friendly, pursuing a responsible balance with the environment in all of our corporate activities.
- We strive to contribute to local communities in all the regions where we do business.
- We are devoted to good corporate citizenship, complying with laws and regulations and maintaining high ethical standards.

Hino Motors Value Creation

The Hino Motors business model is being developed on the dual pillars of creating social value through the resolution of issues faced by customers and the world and creating economic value by discovering new issues and cultivating needs. In addition, the directionality of our business is established by Hino Environmental Challenge 2050 and Challenge 2025 which are drawn up based on the Hino Credo. We are striving to carry out sustainable business to realize a sustainable society.

The 3 Goals

Best-fit products incorporating safety and environmental technologies



P.16-17

Total Support customized for each vehicle



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New activity areas



P.20-21

The Hino Motors business model

Creating social value through the resolution of issues faced by customers and the

Serving Society through Transportation

Supporting Customers

Challenge 2025

The 3 Goals

Value Chain

Planning
Development
Production
Sales
After-sales Service

Resource shift/Operational efficiency/Work-style reform, a

Hino Environmental Challenge 2050

Creating Technologies

Creating economic value by discove

Current environment

Serious traffic accidents

CO_2 emissions

Logistics crisis caused by driver shortages

Sustainable growth of our customers' businesses

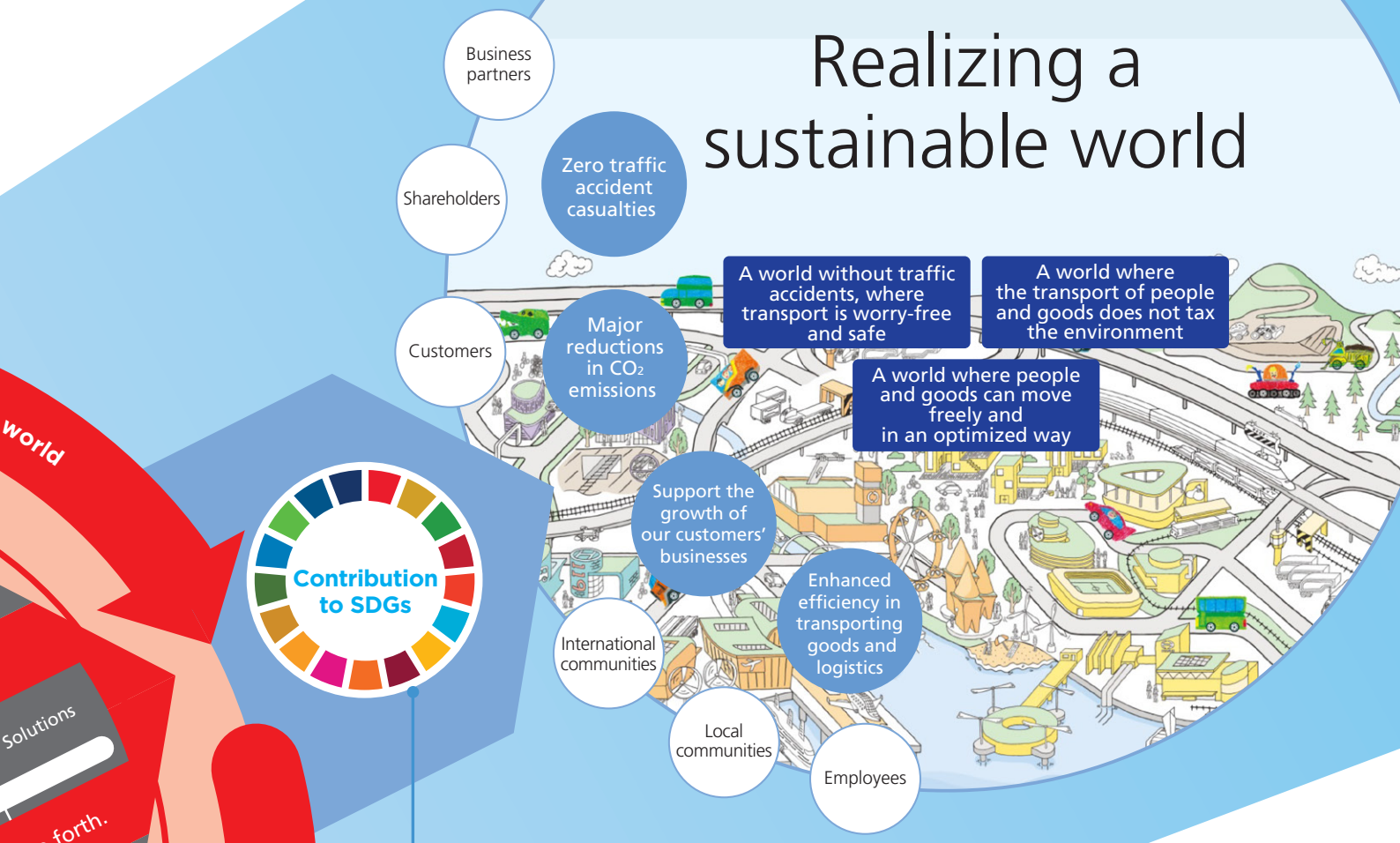
ESG Initiatives (Business foundation)

Occupational health and safety / Quality / Human resources creation
Compliance and fair competition / Human rights and labor practices and

The HINO Credo

To make the world a better place to live by helping people and goods get to wher

Realizing a sustainable world



Creating the vision of Hino Motors through contributing to SDGs

SUSTAINABLE DEVELOPMENT GOALS

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〈 Realizing a sustainable world 〉

Challenge 2025, the medium to long-term strategy

The world we want to create and providing Hino value

To realize "a sustainable world that is prosperous and pleasant to live in," Hino has worked together with its customers and society to solve a variety of societal issues. Today, various societal issues are materializing in the transportation of goods and people, such as serious traffic accidents, CO_2 emissions, and labor shortages. Hino is not only using its own resources but also bringing together various competencies by cultivating partnerships to resolve these issues by tackling them head on.

A world where people and goods move freely, safely, and efficiently.
A sustainable world that is prosperous and pleasant to live in.



A world without traffic accidents, where transport is worry-free and safe	A world where the transport of people and goods does not tax the environment	A world where people and goods can move freely and in an optimized way

1. The world we want to create

Hino wants to achieve "a sustainable world that is prosperous and pleasant to live in," where people and goods can move freely and in an optimized way in a society that is worry-free, safe, and earth friendly.

2. Challenges to overcome and providing Hino value

To face the increasingly complex challenges of our customers and the world, we uphold the provision of four values of "zero traffic accident casualties," "major reductions in CO_2 emissions," "support for the growth of our customers' businesses," and "enhanced efficiency in transporting goods and people."

We are working on comprehensive solutions through our Three Directions approach therefore, which is comprised of "best-fit products incorporating safety and environmental technologies," "total support customized for each vehicle," and "new activity areas."

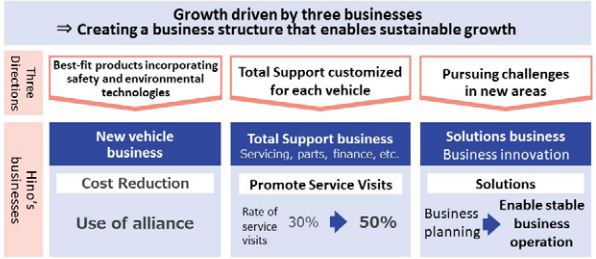
Challenges to be overcome and providing Hino value



Enhancing our business foundation for sustainable growth

Based on the Three Directions approach of "Trucks and buses that do more," we have established the pillars of "New vehicle business," "Total Support business," and "Solutions business" to enhance Hino's business foundation. We are striving for sustainable growth by steadily strengthening these businesses.

Growth and business structure changes leading up to 2025



1. Further enhancing our business foundation

Sales are experiencing well-balanced growth in overseas regions in addition to the three mainstays (Japan, ASEAN, the Americas), and we are releasing the best products in a timely manner through "quick" development utilizing thorough optimization.

In manufacturing, we deliver products to our customers in a short production lead time, and are increasing price competitiveness and revenue per vehicle through drastic cost reduction activities that take advantage of alliances.

Our Total Support (number of units in operation) business aims to boost the rate of service visits 50% by 2025 through improvements to maintenance skills and promotion of service visits.

Furthermore, to strengthen our bonds with customers, we will continue providing substantial support, including opening customer service centers at all overseas bases.

Growth scenario

	New Vehicle business	Total Support business
Initiatives	Sales growth initiatives for each region Deliver best-fit products through "quick" development Deliver to customers with short production lead times	Promote service visits Anticipated number of vehicles making service visits
Initiatives to Achieve improvement on a per-vehicle basis	Fundamental cost reductions through alliances	Strengthen ties with our customers

2. Partnerships

Solving increasingly complex challenges that our customers and the world face would not be accomplished by Hino alone. While focusing on collaboration with the Toyota Group, we are further moving forward with efforts that include a strategic cooperative relationship with the TRATON Group in a range of areas.

Hino has taken the lead in promoting efforts for commercial base CASE* within the Toyota Group to accelerate resolutions to problems for its customers and the world.

*CASE: Connected , Autonomous, Shared, Electric

Challenge 2025
("Envisioning 2025" announced in October 2018)

Accelerating structural reforms

There is a real possibility that the current global COVID-19 crisis could continue to severely impact the business environment for the next few years. This makes it imperative to accelerate the creation of a business structure that is more resilient than ever before to changes in the business environment and also capable of realizing sustainable growth.

As a first step, with a view to achieving a stable business structure by 2022, we will work to establish a structure that will enable us to secure revenues, even if global sales volume is in the order of 150,000 units, by boosting the competitiveness of optimal products, and expanding and deepening total support.

Our goal is to capitalize on the efforts we have already made to achieve "Challenge 2025" by 2025. Beyond 2025, we aim to commercialize the solution business and make it a key pillar of our activities, working with each of our customers to solve business challenges.

With this goal in mind, we will engage in a process of further selection and concentration, leaving no stone unturned, to discern areas where we can focus on our competitive advantages and areas where we cooperate with partners to maximize value for customers.

To complete these structural reforms, we have organized the challenges we will take on into "50 Projects." We will allocate the resources that we have already created by improving operational efficiency to these projects. We will also endeavor to strengthen the business base with HR development, digitalization, and localization, looking to support structural reforms overall.

From now on, as the environment changes in various ways, the challenges and needs of our customers and society will also change. Hino Motors works to anticipate these changes and aims to grow together with our customers and society, further strengthening our relationships with them.

Going forward, we will do our utmost to keep offering solutions for the issues faced by our customers and the world, and to be a company that is needed by all of our stakeholders around the world.

Structural reforms scenario

By 2022: we will become able to secure revenues stably even if sales volume is in the order of 150,000 units.

For 2025: we will accelerate and improve activities for actualizing Challenge 2025.

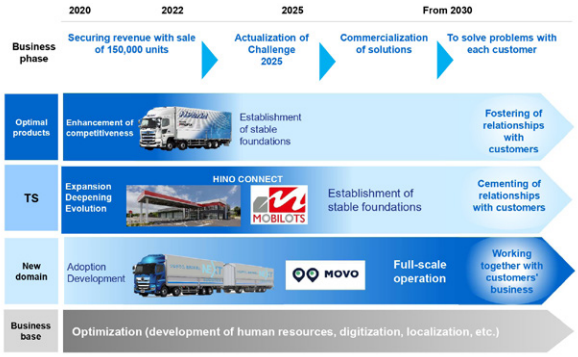
For the period from 2025: we will engage in activities for solving problems with businesses of each customer.

To complete them

Optimal use of resources through business operation reform
Allocating them to 50 projects for structural reform
*In FY 2020, about 30% of back-office staff will be transferred

"Selection and concentration" by discerning area we cling to our competitive advantages and area we cooperate with partners in all of the fields of development, production, and sale

Roadmap



Structural reforms

〈 Realizing a sustainable world 〉

The 3 Goals

Hino Motors, in its medium to long-term strategy, "Challenge 2025," describes the plan to address complex challenges based on its Three Directions approach by listing four ways to provide value to customers and society: **1**. Zero traffic accident casualties, **2**. Major reductions in CO_2 emissions, **3**. Support the growth of our customers' businesses, and 4. Enhanced efficiency in transporting goods and logistics.

This section will focus on the 3 Goals to introduce specific examples of Hino Motors initiatives, as well as the members of "Team Hino" who are working to provide solutions to issues faced by customers and society.

3 Goals to realize "Challenge2025"

Based on our Three Directions approach, develop comprehensive solutions for the increasingly complex challenges our customers and the world face.

Challenges that we need to solve	
Safety	Serious traffic accidents
Environment	CO_2 emissions
Efficiency	Sustainable growth for our customers' businesses Crises in logistics, such as driver shortages

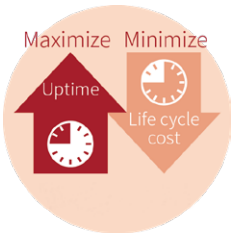
Challenges that we need to solve

1. **Zero traffic accident casualties**
2. **Major reductions in CO_2 emissions**
3. **Support the growth of our customers' businesses**
4. **Enhanced efficiency in transporting goods and logistics**

The 3 Goals



1 **Best-fit products incorporating safety and environmental technologies**



2 **Total Support customized for each vehicle**



3 **New activity areas**

Three Directions to achieve "Trucks and buses that do more."

The 3 Goals

Best-fit products incorporating safety and environmental technologies

The creation of environmental technologies to improve safety technology for making society safer and to curb global warming is a critical issue that must be addressed with a long-term perspective. In the automobile industry Hino Motors is committed to helping solve social problems by enhancing the quality, durability, and reliability of its products. The Company is doing this by improving its safety and environmental technologies and flexibly providing optimal products that meet diverse customer needs in the global market in a timely manner.



Pre-Crash Safety System (PCS)* (/Collision Damage Reduction Brake)
The PCS System utilizes millimeter wave radar and image sensors to detect vehicles and pedestrians ahead and automatically activates the brakes to reduce collision damage. Hino is installing this system as standard equipment on all truck models and large sightseeing buses.

* "PCS" is registered trademarks of Toyota Motor Corporation.

Specific Initiatives

Safety/Environment

Technologies that are environment friendly and provide safety and peace of mind

Hino Motors is working to sustainably support its customers and society by pursuing technologies that enhance safety and promote environment preservation.

Current technologies

Environmental technology

Hybrid control that pre-reads the road gradient (First in the world)
Hino Motors has achieved a hybrid system with higher fuel economy by pre-reading the road gradient, boosting the vehicle's speed and automatically controlling the engine.

Safety technology

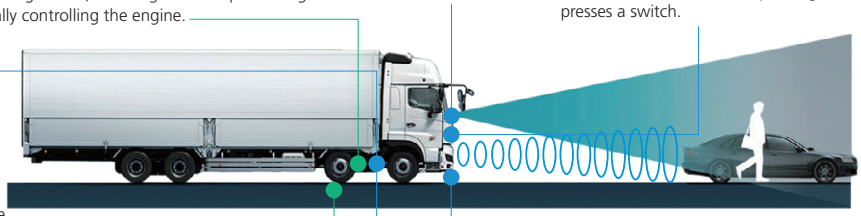
Driver monitor
The sensor detects any unusual behavior of the driver, such as looking away from the road or falling asleep. It then emits a loud buzzer sound to warn the driver, thus preventing an accident.

Safety technology

Emergency Driving Stop System
When the driver becomes incapacitated and cannot maintain control of the vehicle due to sudden illness or other factors, the system automatically stops the vehicle when either the driver or a passenger presses a switch.

Safety technology

Pre-Crash Safety System (PCS)
The system detects vehicles or pedestrians ahead and automatically reduces the vehicle's speed, helping to reduce collision damage.



Next-generation technologies

Environmental technology

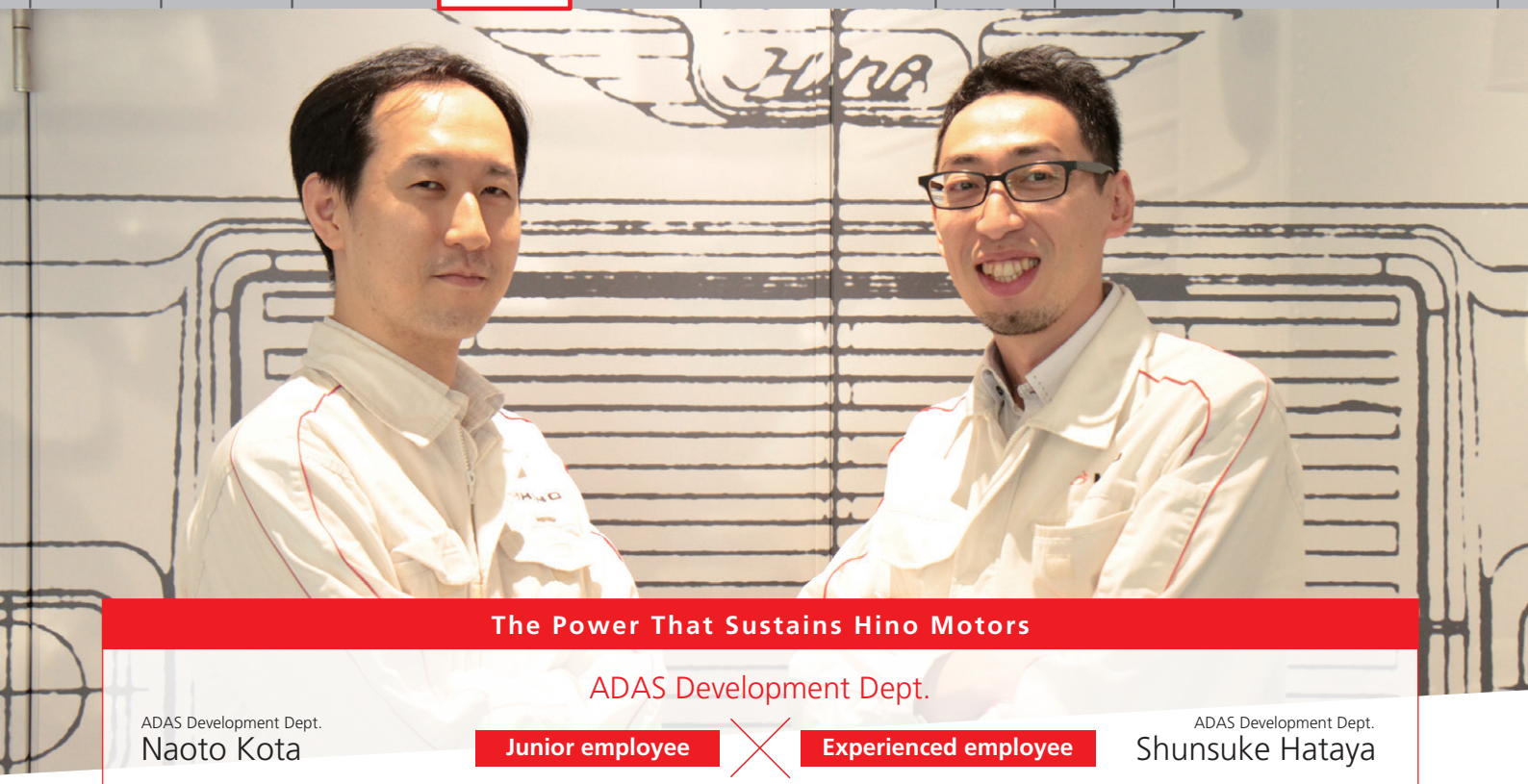
Vehicle electrification
development of electric vehicles such as EV toward 100% electrification by 2050 contributes to the prevention of global warming.

Safety technology

Autonomous driving
The technology assists advanced assisted driving to move, round, and stop into automatic mode, and contributes to reduce traffic accidents by human error.

Safety technology

Autonomous platooning
The technology adjusts the speed and steer legioned multiple vehicles into automatic mode, promises for the solution to challenges such as driver shortages.



The Power That Sustains Hino Motors

ADAS Development Dept.

ADAS Development Dept.
Naoto Kota

Junior employee

Currently, my job is to develop safety equipment that detects moving objects to prevent accidents. I've always been interested in the safety and comfort of commercial vehicles, which underpin our day-to-day lives, so I feel this work is very rewarding.

I want a job that continuously contributes to the safety of society as a whole—that's my dream. Developing safety technologies that reduce and eliminate human error, which is the greatest cause of accidents, is a constant repetition of trial and error day after day, but I hope to grow by learning from my incredible superiors, using my reasoning skills, and working to achieve goals.

ADAS Development Dept.
Shunsuke Hataya

Experienced employee

I'm involved in designing advanced safety equipment systems such as automatic braking. My work improving safety technologies is an ongoing, daily pursuit.

To achieve the ultimate goal of "zero accidents" involving Hino vehicles, I especially value listening to the frank opinions of customers who actually use the vehicles. From that point of view, not only does analysis of the causes of accidents move forward, but listening to our customers is also an opportunity to come to unexpected realizations. I hope to thoroughly pass on this kind of know-how to the younger generation and together establish the safety performance standards found only in Hino vehicles.

Environment

Acceleration the Development of Vehicles (EVs) That Do Not Emit CO_2

- **Joint Development of Heavy-duty Fuel Cell Trucks with Toyota Motors**

Hino is pursuing joint development to achieve a high degree of environmental performance and commercial vehicle utility by making the best use of technologies developed by both companies, based on the heavy-duty Hino Profia truck. In 2022, we plan to begin driving demonstrations with logistics companies in Japan.



- **Hino Motors has developed Hino Dutro Z EV**

Hino Motors' first light-duty electric, ultra-low-floor walk-through light truck with front-wheel drive focusing on home delivery logistics. We understand delivery issues from a customer perspective and have achieved user-friendliness and carbon-free emissions at advanced levels for the logistics field.

This new approach to last-mile logistics is scheduled for early summer 2022 release.

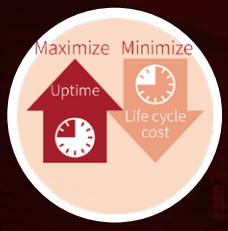


- **Project Z: The Road to Zero Emissions in the United States**

Hino has announced "Project Z," achieved in collaboration with leading partners in American electric vehicle technology, development path to Zero emissions vehicles, ranging from class 4 to class 8.

We will strive to develop and promote innovative and competitive technologies for electric trucks and fuel cell trucks that meet the needs of our customers.





The 3 Goals
"Total Support" That Underpins Our Customers' Business

Hino Motors not only supplies completed trucks and buses, but also meets each vehicle's diverse ongoing needs, supporting customers' businesses worldwide with "Total Support" care for vehicles after delivery. The trucks and buses that Hino supplies to the world will make an even greater contribution to solving social issues as Total Support gives Hino a stronger presence as the company that "does more."



Specific Initiatives

Maximizing Vehicle Uptime

Updating HINO CONNECT, which links vehicles and customers through ICT

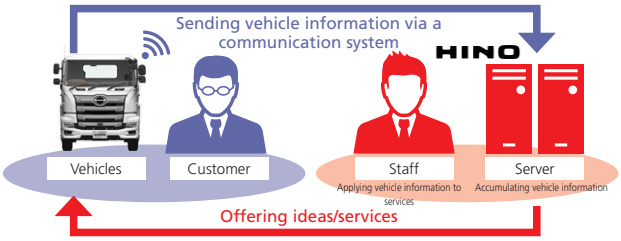
Hino Motors provides support so that trucks and buses continue to operate reliably for its customers and can fulfill their needs.

HINO CONNECT is an connected service that connects customers and Hino Motors through communication terminals installed in vehicles to support the proper operation of vehicles. It has been installed as a standard equipment on all trucks and Hino S'elega, the large sightseeing bus sold in Japan since 2019.

In 2020, we added a "safety report" that can be used for safe driving support, such as vehicle speed data and driver monitor alarm operation status. And we started a trial of "ICT preventive maintenance monitoring service" in collaboration with MOBILOTS.

Not only does Hino Motors continue supporting its customers' business by collecting and utilizing vehicle information, but it also contributes to society as a whole through actions such as offering road information during natural disasters.

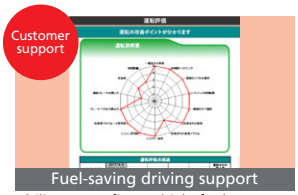
● HINO CONNECT





Support for safe operation

Detecting safety equipment operation and sending email notifications to customers from Hino



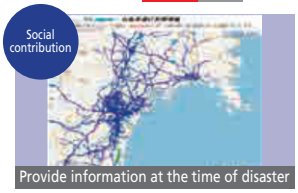
Fuel-saving driving support

Ability to confirm vehicle fuel consumption information using the Eco Tree Report Please see P.56



Emergency response support

Ability to confirm vehicle location in an emergency



Provide information at the time of disaster

When a disaster occurs, providing ITS Japan with information on passable roads for emergency vehicles to assist in the transport of relief supplies for customers



The Power That Sustains Hino Motors

United Arab Emirates (U. A. E.)

Overseas subsidiary (Hino Motors Middle East FZE)
(At the time of interview)
Naoto Nakatsuka

Field Service Engineer (FSE) × **Mechanic**

Mechanic (Al-Futtaim Motors)
(At the time of interview)
Kishore Sanjeeva Salian

I train local mechanics in the Middle East and North Africa. When I was a student, I visited a plant in Arkansas in the USA and was drawn by the ability to work around the world, so I joined Hino Motors as a Field Service Engineer (FSE).*

I believe that gaining customer trust requires improving the technical abilities of mechanics, and that forms the foundation of total support. I train mechanics to learn quick and accurate maintenance skills to cultivate mechanics capable of understanding customer needs and conducting maintenance from the customer's point of view. I also hope to further polish my skills and continue to grow at the front lines of service in countries around the world with other mechanics who share the same ambition.

*FSE: Specialists who possess expert knowledge of maintenance, services, etc. and work overseas

My mission is to maintain my customers' vehicles in good condition. I feel a great sense of satisfaction being able to help each of my customers with their work and their lives by keeping their vehicles operating.

As a mechanic, I naturally have a sense of ownership and believe in working closely with my colleagues in the ongoing pursuit of providing the best service.

In addition, my dream is to pass on my experiences and the best technologies to the children who will lead the next generation in order to help achieve a prosperous and comfortable future.

Strengthening of Total Support structure

● The Customer Technical Center welcomes 100,000 visitors

The Customer Technical Center (Hamura City, Tokyo), which is a learning and test drive center for customers, has reached a milestone of welcoming 100,000 visitors. The center is contributing to the reduction of CO_2 emissions and traffic accidents through eco-driving, safe driving, and online classes along with other programs that meet customer needs.



● Establishing Minami Kanto Hino to combine three Hino Motors dealers within the capital region

The delivery network of transport operators in the capital region has expanded in recent years as major road networks continue to be developed. Though Hino Motors has always practiced precise, community-based action, in response to these changes we have combined three dealers in Chiba, Tokyo, and Kanagawa to further strengthen our total support system. This new company, Minami Kanto Hino Motors, launched in July 2021 and is part of our ongoing efforts to maximize customer convenience.



The 3 Goals

New Activity Areas

The social issues related to trucks and buses are diversifying as society changes. Also demanding attention are problems associated with logistics, including measures to address global warming—a challenged faced by the entire Automobile industry—the driver shortage accompanying the growth of e-commerce, and accidents due to long working hours. Indeed, the range of issues is quite broad, including the increasing number of traffic accidents involving elderly drivers and the need to do something for the growing number of people whose movement is restricted in sparsely populated areas with few available means of transportation. As a manufacturer of trucks and buses, Hino Motors is working to solve social issues like these in "new activity areas" by venturing into logistics and transportation systems as a whole.



Specific Initiatives

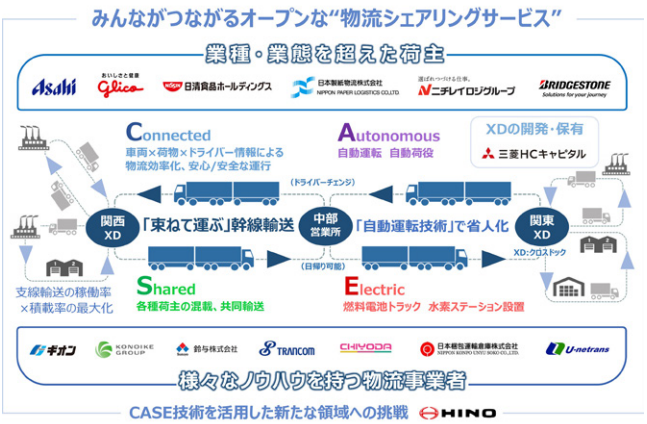


New Forms of Logistics

NEXT Logistics Japan, Ltd. Initiatives

NEXT Logistics Japan Co., Ltd. consolidated a new trunk-route transportation scheme to provide solutions to the escalating issues in logistics such as driver shortages and CO_2 reduction by bringing together the expertise and technologies of any companies involved in logistics, which include cargo owners, transport companies and vehicle manufacturers, and launched operations in December 2019.

In the approximately 2 years that have passed since launching, the loading ratio has jumped from 40% to 60% and CO_2 emissions have been cut over 30%. We will continue working toward further optimization of the trunk-route transportation scheme.



- **Maximize logistics efficiency**
  - Optimal Break-bulk approach calculated from information on cargo and vehicle
  - Load-matching for vacant spaces
  - Leveling of load rates
- **Secure, safe, and sustainable logistics**
  - Utilization of data from HINO CONNECT
  - Visualization of the cargo compartment
  - Improving drivers' quality of sleep
  - Reform driver's work styles and working-hours

NEXT Logistics Japan, Ltd. (Japanese only)



The Power That Sustains Hino Motors

Commercial CASE Promotion Dept.

Junior employee

Commercial CASE Promotion Dept.

Naoyuki Kawata

I've been fascinated by trucks and buses that support our lives from behind the scenes since before I joined Hino Motors. Today, I'm involved in solving onsite problems from the perspective of a commercial vehicle manufacturer that provides waste collection vehicles. I especially feel a great sense of satisfaction when discovering problems that wouldn't have been recognized without going to the worksite. In addition to thinking from the perspective of the onsite workers, I soak up a variety of knowledge. I keenly feel that I can gain customer trust by becoming "more of a professional than the onsite professionals." Worksites are constantly facing challenges. Going forward, I'd like to be able to solve onsite problems based on an even broader range of perspectives and be a presence that steadily supports customer business from behind the scenes.

Experienced employee

Commercial CASE Promotion Dept.
(At the time of interview)

Yasushi Kawata

Value unique to Hino Motors is produced by discovering and proposing solutions to potential worksite problems with transporting goods and people, such as risks and waste/inconsistency at work.

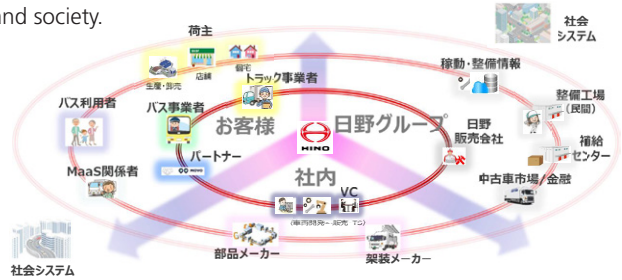
Based on the motto "the worksite comes first," we work to solve problems onsite to quickly offer value. I believe an approach that listens firsthand to customer opinions and carefully responds to each and every issue should be passed on to the younger generation.

This department has been established for less than a year, but we will continue working onsite to cultivate professionals whose strength is onsite skills in order to gain even greater trust both in and outside of the Company.

DX

● Acceleration of Digital Transformation (Hino's Digital vision)

Hino Motors aims to "continue to be close to customers" through two-way communication with customers and society, starting from the data that can be obtained from trucks and buses. In addition to customers, dealers, and companies, we will expand the circle of "information networks" to customers, partner companies, and suppliers who support us for truck and bus operators, and contribute to solve various issues facing customers and society.



● Data linkage with Hacobu

Started collaboration between Hacobu's digital logistics information platform and Hino's commercial transporting goods and logistics platform to build an open logistics information platform and realize concrete solutions aimed at solving social issues related to logistics such as a shortage of drivers. Did.

Through collaboration with various partners such as Hacobu, We aim to create value by linking various data such as vehicle operating status, luggage, and warehouse, new optimizations such as overall optimization of transporting goods and logistics processes, as well as improvement of logistics quality, etc.

〈 Realizing a sustainable world 〉

"Hino Environmental Challenge 2050"

Endeavoring to resolve global environmental issues

Hino has drawn up its fundamental approach to global environmental conservation in the Hino Global Environment Charter to help build a sustainable society through business activities, and is sharing and implementing this charter with all employees and relevant companies.

This charter serves as the basis for the Hino Environmental Challenge 2050 and the mid-term targets compiled in the Hino Environmental Milestone 2030 which were established by the Company to promote activities aimed at resolving global environmental issues.

"HINO GLOBAL Environment Charter" (Formulated April, 1993, Revised February, 2001)

I. Basic Policies

1. We will promote comprehensive and ongoing environmental protection.

As a leading manufacturer of diesel vehicles, we will endeavor to offer superior products to customers in all countries, and continue to contribute to the achievement of greater prosperity through our products. In this, we are fully aware of the environmental impact of our products, and pledge ourselves to an earnest commitment to sustainable human and global development through ongoing efforts, whilst also paying careful attention to preventing pollution wherever we engage in our corporate activities.

2. We will take concrete and definite steps to protect the global environment.

Through the establishment and operation of our Environmental Management System we will maintain continuous efforts to define, assess and review environmental goals and targets while strictly adhering to all legal and other requirements placed upon us.

II. Action Guidelines

1. We will minimize the environmental impact of our vehicles throughout their life cycles, and of all our corporate activities in general.

We are determined to offer the public products having top-level environmental performance, and to engage in continuous technical development designed to minimize the environmental impact of our products and their distribution.

We will also engage in the establishment and operation of an Environmental Management System embracing all stages in the life cycle of our vehicles.

2. We will develop closer partnerships with our affiliated companies.

The cooperation of a great many companies is critical for the effective pursuit of our business activities. We will work closely with vehicle manufacturing partners both in Japan and abroad, and will strive to extend the mutual range of our environmental protection efforts.

3. We will make greater efforts in the areas of information disclosure, education and awareness-promoting activities.

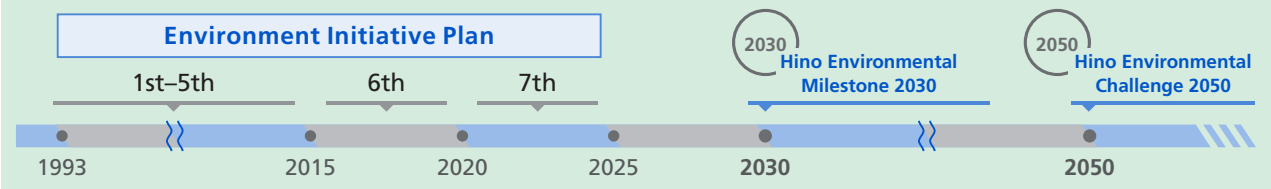
We will engage in activities designed to disseminate to as many people as possible a correct and proper understanding of what we are trying to achieve. At the same time, we will spare no effort to hone our own environmental sensitivity.

4. Our contribution is not limited to the offering of superior products.

As corporate citizens, and as a corporate entity existing within a local community, we will take an active part in a broad range of community and social activities.

Hino's environmental management scheme (2025 Environment Initiative Plan Please see P.47)

To achieve the Hino Environmental Challenge 2050 and its mid-term targets, the Hino Environmental Milestone 2030, Hino strives to resolve environmental issues by creating an execution plan every five years and putting PDCA into action every year.



Passing on a world that is a better place for future generations

In 2017, Hino established the Hino Environmental Challenge 2050 and announced its goal to reduce to zero its environmental impact.

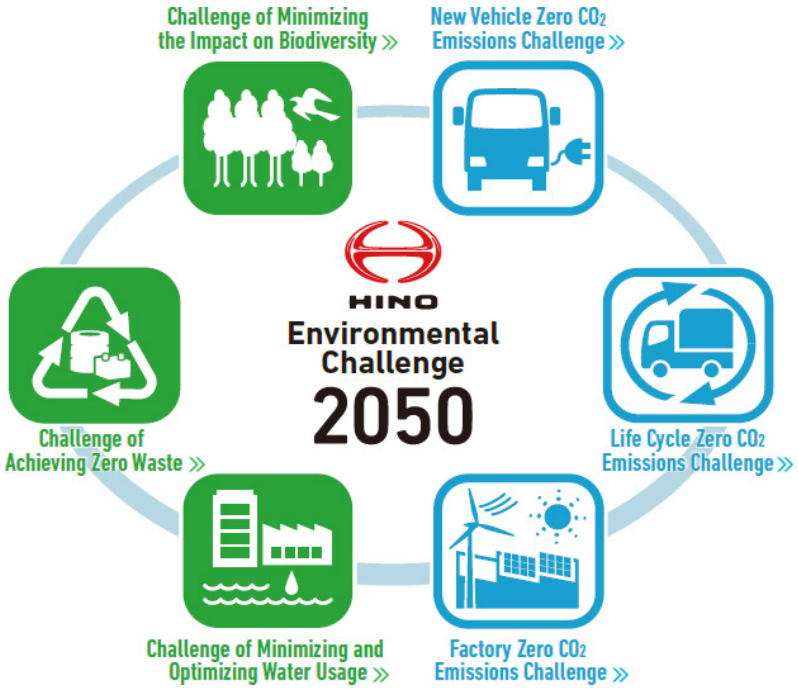
The Company has established its Corporate Mission "to make the world a better place to live by helping people and goods get to where they need to go" and contribute to society by supporting customer businesses through the manufacturing, sales, and servicing of commercial vehicles such as trucks and buses that meet the needs of customers around the world.

Trucks and buses place a burden on the environment throughout the product's life cycle, from production of components and materials to vehicle manufacturing, customer use, and disposal.

As a manufacturer of commercial vehicles that continues to support the societal lifelines of transportation and logistics, Hino is directly combating a multitude of environmental issues including worsening global warming, water shortages, resource depletion, and the destruction of nature through the Six Challenges to be enacted by the Hino Group.

2050 Hino Environmental Challenge

Six Challenges to be enacted by the Hino Group



Creating the vision of Hino Motors through contributing to SDGs

- Minimizing environmental impact in each step of the truck and bus business

Please see P.32

〈 Realizing a sustainable world 〉

"Hino Environmental Milestone 2030"

Mid-term milestones for achieving zero environmental impact

Hino has identified resolving environmental problems as one of the most important issues of management. The Company is further accelerating its efforts to successfully achieve the Hino Environment Challenge 2050 that aims to contribute to a sustainable global environment. To that end, it established mid-term milestones in April 2021 that are to be accomplished by 2030 for important initiatives dubbed the "Six Challenges."

Harmonious co-existence with the global environment is an issue shared by all of humankind. With the aim of realizing carbon neutrality, Hino continues to pursue numerous measures in collaboration with governments and related sectors to thoroughly reduce CO_2 over the entire life cycle from the perspectives of customers and society.

Global **environmental issues**, mainly **global warming**, are becoming serious.

The coexistence with the earth environment is a common challenge for all people.

In order to realize the **"carbon neutral,"** it is necessary

to reduce CO_2 emissions in the lifecycle and

take sustainable measures.

We will pursue all kinds of measures from the perspectives of not only our products, but also our customers and society, in cooperation with governments of respective countries and related industries.

Hino Environmental Milestone 2030

Hino Environmental Challenges 2050	Pursuit of all kinds of measures from the perspectives of customers and society	Hino Environmental Milestone 2030
Life Cycle Zero CO_2 Emissions Challenge	Adoption of decarbonized energy	−25% from 2013
New Vehicle Zero CO_2 Emissions Challenge	Development and diffusion of technologies Streamlining of transportation	−40% from 2013
Factory Zero CO_2 Emissions Challenge	Promotion of decarbonization of the production process	−40% from 2013
Challenge of Minimizing and Optimizing Water Usage	Water saving and thoroughgoing management of waste water quality	Quantity: Water saving and recycling while keeping regional characteristics in mind Quality: Thoroughgoing management based on our rigorous criteria
Challenge of Achieving Zero Waste	Promotion of resource recycling	−30% from 2018
Challenge of Minimizing the Impact on Biodiversity	Conservation activities that suit the environment of each region	Realize of factories "that can coexist with nature"

*Global goal

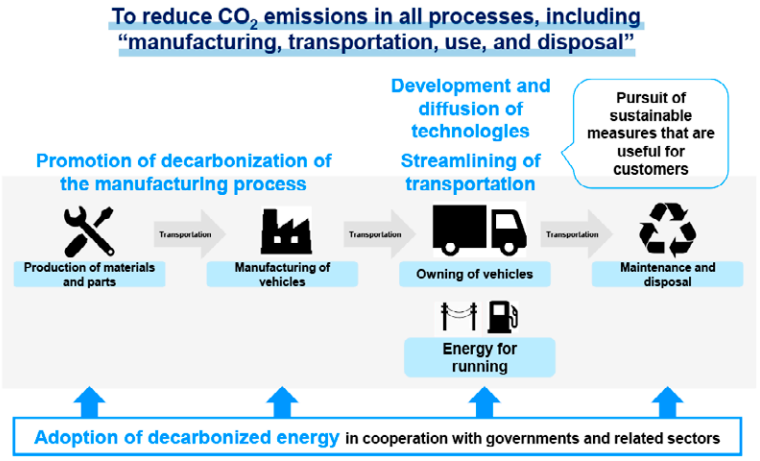
〈 Realizing a sustainable world 〉

"Six Challenges (Initiatives)"

Life Cycle Zero CO_2 Emissions Challenge

Target Reduce vehicle life cycle CO_2 emissions by 25% compared to fiscal 2013 (global average)

Carbon neutrality refers to zero CO_2 being emitted in practical terms in all processes related to the life cycle of vehicles. Technological developments such as electrification must be promoted and popularized since the amount of emissions in the utilization process comprises approximately 90% of all emissions. In addition, the optimization of efficient transport throughout society helps reduce CO_2 overall, including owned vehicles. Hino is pursuing and spreading sustainable measures considered necessary to aid customers and society, which are the primary drivers of utilization. It is also working in concert with energy policies, infrastructure development, and energy industry endeavors in various countries to thoroughly promote what needs to be done.

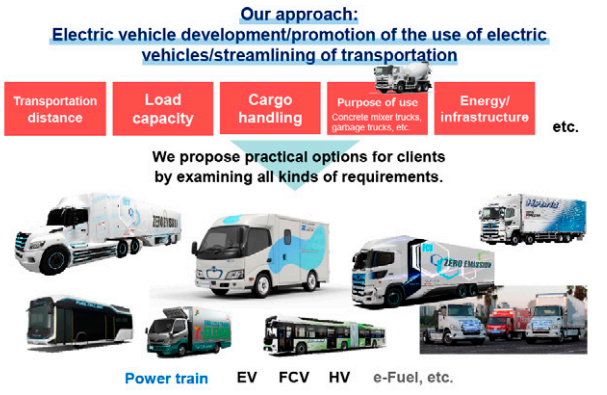


New Vehicle Zero CO_2 Emissions Challenge

Target Reduce CO_2 emitted during vehicle use by 40% compared to fiscal 2013 (global average)

● Accelerating the electrification of vehicles

Hino is striving for early implementation in society as quickly as possible by promoting both technological development that offers practical and useful choices from the customer perspective, and by providing services to spread that technology. This includes taking into account the utilization methods and needs of each customer, infrastructure development in various markets, and energy policies.



● Improvement of diesel engine fuel efficiency

Hino is further refining environmental technology for diesel engines (including hybrid technologies) trusted by customers worldwide and which represent one of the Company's strengths.

● Improving logistics efficiency

In addition to reducing vehicles CO_2 emissions, Hino will further reduce CO_2 with the goal of improving transport efficiency.

"Six Challenges (Initiatives)"

Factory Zero CO_2 Emissions Challenge

Target Reduce CO_2 emissions from factories by 40% compared to fiscal 2013 (global plant average)

● Actively adopt innovative technology

Energy-saving production methods and equipment

Hino will drastically reduce CO_2 through a combination of endeavors such as introducing technologies to streamline energy consumption, reassessing design, and optimizing facility operations.

concrete example



Machining that does not produce chips



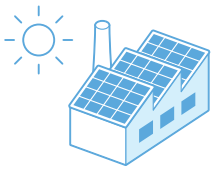
Dry/airless coating

● Introduction of renewable energy

Adoption of energy that does not emit CO_2

Hino will actively promote installation of renewable energy power generators in plants and utilization of renewable energy in outside purchased power.

concrete example



In-factory power generation



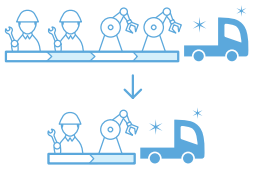
Adoption of power generated with renewable energy

● Driving Improvement in daily life

Minimization of energy consumption by eliminating waste and irregularity thoroughly

Each member of Team Hino will carry out their work fully conscious of its connection to carbon neutrality and steadily implement energy-saving activities.

concrete example



Simplification/downsizing of processes



Energy saving

Challenge of Minimizing and Optimizing Water Usage

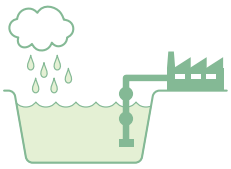
Target Quantity: Effectively save and recycle water in consideration of each region's water risks
Quantity: Conservation of water environments through stringent management based on strict self-standards

● Use less water

Reduction of water usage in the manufacturing process

In addition to water-saving activities, Hino will minimize water intake from outside plants by recycling water discharge inside plants and efficiently using rainwater.

concrete example



Use of rainwater



Reuse

● Keep water returned to the environment clean

Thorough management of wastewater

Hino will establish and adhere to its own management standards, which are stricter than legal standards in various countries and have no impact on the surrounding aquatic environment.

concrete example



Wastewater management

Challenge of Achieving Zero Waste

Target Reduce waste volume from production plants around the world by more than 30% compared to fiscal 2018

● Reduce waste

Promotion of 3R activities

Hino will reduce waste onsite through everyday improvement activities, reuse waste material by utilizing the latest technology, and recycle waste to drastically reduce waste from production plants.

concrete example



Recycling of casting sand

● Optimize resource efficiency

Pursuit of "Car to Car"

Hino will promote the reuse and circulation of resources by rebuilding parts and making material valuable again by thoroughly sorting the waste produced during the manufacturing and vehicle disposal processes.

concrete example



Fuel conversion of waste plastic

Challenge of Minimizing the Impact on Biodiversity

Target Transform all global production plants into worksites that are in harmony with nature*

* Plants in harmony with nature…refers to plants that promote activities taking regional characteristics (ecosystems) into account and maximize contributions that minimize environmental load

● Conserving biodiversity

Hino will promote conservation activities tailored to regional characteristics by focusing on the regional assets of water (rivers and oceans) and greenery (trees and forests).

- Water: Conservation of rivers and oceans (cleanup of rivers etc.)
- Greenery: Building an ecosystem network (leading to green spaces)

concrete example



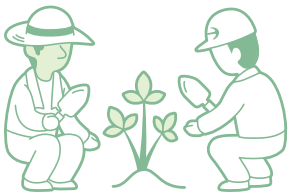
Ecosystem survey

● Provide learning opportunities

Hino will provide children and local residents leading the next generation with opportunities to learn and think about how biodiversity activities today link to the future.

- In Plants (employees): Training, exhibits, etc.
- Region (residents): Events offering hands-on experiences (tree planting, etc.)

concrete example



Tree planting activity

Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)

Hino Motors' truck and bus business has a very strong public interest element as social infrastructure that helps people and goods get where they need to go. Recently, a range of issues for customers and society involving the movement of goods and people have become apparent, including the problems of serious traffic accidents and CO_2 and a shortage of drivers. Solving these issues is the target to be achieved by Hino Motors through strategies such as Challenge 2025 and Hino Environmental Challenge 2050 and is also consistent with the thrust of the SDGs.

This section will introduce specifically what is happening in the world today with regard to the challenges posed by the SDGs and the targets and initiatives through which Hino Motors will contribute.

Creating the vision of Hino Motors through contributing to SDGs

1 Realizing a society in which people and goods can get to where they need to go safely, reliably and in an optimum manner with environmental responsibility

Hino Motors aims to realize a sustainable society that is a better place to live through zero fatal traffic accidents, dramatic reductions in CO_2 emissions, and further streamlining in the movement of people and goods.

Please see P.30





2 Minimizing environmental impact in each step of the truck and bus business

Under the Hino Environmental Challenge 2050, an ambitious initiative that will reduce the environmental impact of trucks and buses on the planet to a minimum, Hino Motors will contribute to preventing global warming, promoting the recycling of resources, and preserving biodiversity.

Please see P.32

3 Developing partners that have the same dreams

(Providing solutions to societal issues by bringing together others competencies)

Hino Motors will strive to solve social issues in partnership with companies from inside and outside the Hino Group that have the same dreams.

Please see P.34





The Sustainable Development Goals (SDGs) were adopted at the United Nations Sustainable Development Summit in September 2015 and consist of **17 goals comprising 169 targets** to be achieved by the international community before 2030. The SDGs represent a formidable challenge to create a world where no one will be left behind. As common worldwide goals, they require the active involvement of companies as well as countries.

169 targets

The 17 goals have specific achievement criteria that consist of 169 targets.

About the Sustainable Development Goals (United Nations)



4 Building a sustainable value chain

Hino Motors will contribute to realizing a sustainable society with low environmental impact by minimizing effects on society and the environment in the broad-based truck and bus value chain.

Please see P.35



5 Diversity & inclusion

At Hino Motors, which operates a global business, diversity and inclusion is the basic approach for the human resources strategy.

Please see P.36



6 Training human resources to help people and goods get to where they need to go

In response to the chronic shortage of mechanics, Hino Motors will strive to train and develop mechanics to ensure that customers' vehicles continue to operate.

Please see P.37

SDGs Targets and Social Issues Addressed by Hino

Here we introduce the SDGs targets we focus on and what we can contribute to society through our business, along with examples of our strategies and initiatives.

1 Realizing a society in which people and goods can get to where they need to go safely, reliably and in an optimum manner with environmental responsibility

3 GOOD HEALTH AND WELL-BEING

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

Targets

3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents

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



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote sustainable industrialization and foster innovation

Targets

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities inclusive, safe, resilient and sustainable

Targets

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

Targets

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment



Social Issues Addressed by Hino

Serious traffic accidents

Trucks are large and heavy and therefore dangerous, and so are buses, which should be built to protect the lives of many passengers in case of an accident. Any large vehicle accident is always a serious issue.

Driver shortage Reduction of loading efficiency in the logistics industry

Reduction of loading efficiency due to the spread of e-commerce resulting in driver shortages and smaller and wider variety of cargoes

Further development of emerging countries

Increasing demand for commercial vehicles driven by economic growth and development of transportation infrastructure in and around the ASEAN countries; rapid product supply is required



Global warming

The reduction of CO_2 emissions is a common issue around the world and in all industries.

Deteriorating transportation efficiency

Deteriorating efficiency due to smaller and wider variety of cargoes

Increasing number of people with limited mobility

Due to the aging society, people with limited mobility have increased, especially in depopulated areas.

Problem-solving strategies and initiative goals

Hino seeks to achieve a safe and secure society without traffic accidents, a society with a low environmental impact due to the movement of people and goods, and a society where people and goods can move freely and optimally. In order to provide value to customers and society, we have taken on multifaceted solutions by addressing the three goals together with the targets of, 1) zero fatal traffic accidents with Hino vehicles, 2) significant CO_2 emissions reductions, 3) support for the development of our customers' business, and 4) further streamlining the flow of people and goods. Please see P.15

Specific Initiatives

Hino Blue-Ribbon Hybrid Articulated Bus "Bayside Blue" Service Starts in Yokohama City

In July 2020, Japan's first domestically produced articulated bus began service.

Hino has been collaborating with the Yokohama City Transportation Bureau so that it contributes to the community as a safe, environmentally friendly, and efficient means of transportation that can transport large numbers of passengers at one time in an area with no nearby railway access. We will continue to support the movement of citizens and tourists in comfort under the key concepts of simple, user-friendly, and comfortable so that people enjoy traveling while experiencing Yokohama Bay.



Autonomous driving demonstration experiment of heavy dump trucks at a dam construction site

Seeking for solutions of the problems such as aging of field workers, labor shortage, and productivity improvement at night and during monotonous tasks in the construction industry, a demonstration experiment of autonomous driving (equivalent to level 4*) using heavy dump trucks will be conducted at Kawakami Dam construction site from November 2020.

Based on the results of this demonstration, we aim to establish a new operation in the field using autonomous vehicles.



2 Minimizing environmental impact in each step of the truck and bus business

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Targets

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

13.2 Integrate climate change measures into national policies, strategies and planning



7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy

Targets

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency



6 CLEAN WATER AND SANITATION

Ensure access to water and sanitation for all

Targets

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

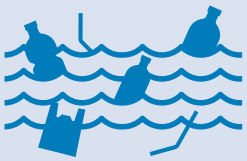


14 LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources

Targets

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



15 LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Targets

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



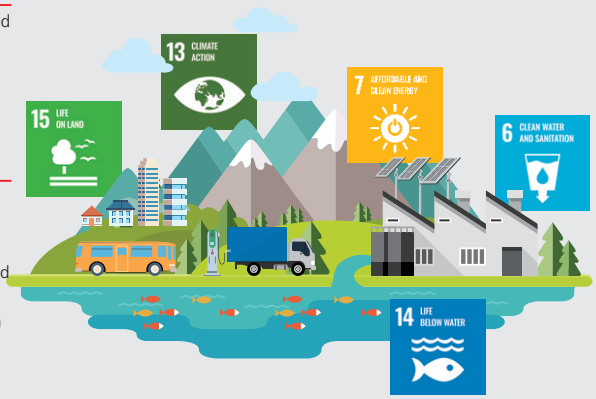
Social Issues Addressed by Hino

Global warming

Increased global warming as exemplified by frequent abnormal weather has a wide range of effects throughout the world, and the reduction of CO_2 is a common issue worldwide and in all industries.

Biodiversity crisis

- Shrinking ecosystem (e.g., desertification, drainage of lakes and marshes).
- Accelerating extinction of animals and plants (Animals and plants are going extinct at the rate of one every seven minutes).



Worsening water environment problems

- **Quantity: Water shortage**
  Chronic water shortage arises mainly in emerging and resource-rich countries (further expansion of shortages is expected due to future population growth) .
- **Quality: Safe and secure water use**
  About 1.2 billion people, or 20% of the world population, have no access to a safe and secure water environment.

Problem-solving strategies and initiative goals

As a global commercial vehicle manufacturer, under Hino Environmental Challenge 2050, we seek to minimize our environmental impact not only in production and product operations, but also in each step of the product lifecycle, from the logistics to recycling stages through various environmental initiatives covering CO_2 reduction, water environment conservation, and biodiversity conservation. Hino will contribute to achieving a sustainable, a prosperous world and future through these initiatives.

Specific Initiatives

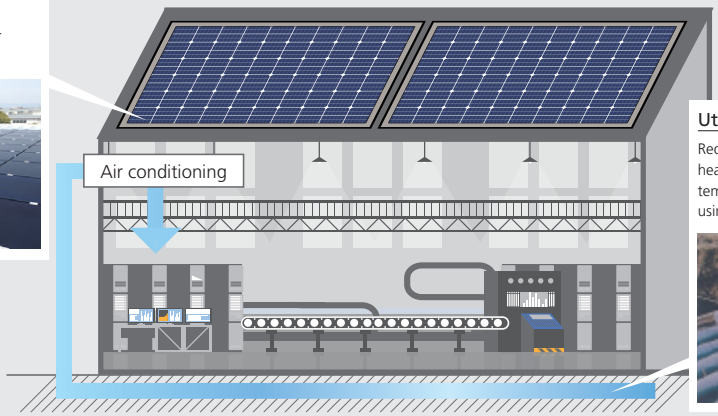
Building environmentally friendly plants using natural energy

Hino is reducing CO_2 emissions in truck and bus manufacturing with the aim of achieving zero factory CO_2. Recently, domestic and overseas factories have been actively using natural energy, and we are building factories that dramatically reduce CO_2 emissions.

Utilization of sunlight

Reduction of CO_2 by utilizing electricity obtained from solar panels at our offices





Utilization of geothermal heat

Reduction of CO_2 by using geothermal heat that maintains a nearly constant temperature throughout the year and using air conditioning



3 Developing partners that have the same dreams

(Providing solutions to societal issues by bringing together all the competencies)



17 PARTNERSHIPS FOR THE GOALS

Revitalize the global partnership for sustainable development

Targets

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

Social Issues Addressed by Hino

Global environmental issues

Many issues such as global warming are occurring.

Manifestation of social issues

In the flow of people and goods, we face many challenges such as serious accidents, CO_2 issues, and labor shortages.

Problem-solving strategies and initiative goals

To solve the issues of Challenge 2025, including those shown on the left, we must not only mobilize our own capabilities, but all capabilities made available by creating partnerships. Although Hino has been collaborating with the Toyota Group, it aggressively pursues the creation of partnerships with like-minded organizations and maximizes the synergistic effects of that collaboration with the aim of achieving a rich and sustainable society.

Specific Initiatives

Alliances with other companies to more quickly solve social issues

To more quickly pursue increasingly serious and diversifying customer and social issues, we will create partners in each of the fields of the three goals, especially in advanced technological areas such as CASE, and we will speed up technological development.



Establishing Commercial Japan Partnership Technologies



Concluding a joint-venture agreement to establish CUBE-LINX

4 Building a sustainable value chain



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



Targets

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

Social Issues Addressed by Hino

Problem-solving strategies and initiative goals

Resource depletion risk is increasing globally, and waste as a by-product of a mass consumer society is increasing year by year.

Human rights and labor problems in the value chain

Human rights violations of workers such as forced labor and low-wage labor in the value chain are sporadic.

Problem-solving strategies and initiative goals

Through the product life cycle, from the parts production stage to vehicle manufacturing, customer use, and final disposal, we not only reduce our environmental impact, but also eliminate labor that violates human rights in the supply chain and endeavor to pass on a world that is a richer, nicer place to live and that provides a better future for the next generation.

Specific Initiatives

Environmental initiatives that lead to sustainable production and sales

In order for us to continue to produce and sell trucks and buses in the future, suppliers and other business partners involved in the Hino value chain must understand and cooperate with Hino's efforts and continue to provide value together. Notably, suppliers are pursuing various environmental initiatives based on the Supplier CSR Guidelines and Green Procurement Guidelines.

Planning → Development → Production → Sales → After-sales Service → Solutions

Hino's strategies: Challenge 2025; "Hino Environmental Challenge 2025"

Various guidelines: Supplier CSR Guidelines; Green Procurement Guidelines

CO_2 reduction, water saving, resource saving, legal compliance activities by suppliers and other business partners



Activity reports at suppliers' general meetings in each country

Click here for the Supplier CSR Guidelines

Click here for HINO's Green Purchasing Guidelines

5 Diversity & inclusion



5 GENDER EQUALITY — Achieve gender equality and empower all women and girls

Targets

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life

8 DECENT WORK AND ECONOMIC GROWTH — Promote inclusive and sustainable economic growth, employment and decent work for all

Targets

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

10 REDUCED INEQUALITIES — Reduce inequality within and among countries

Targets

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Social Issues Addressed by Hino

Human Rights Issues

Discrimination results from various differences such as race, religion, and belief, and this evolves into conflicts between regions and countries.

Work-style issues

- Recruitment of foreigners and people with disabilities leaping every year, and creating an environment and an education system for them is required.
- The number of dual-income household is increasing, and creating an environment for employee both men and women to participate in parenting is required.

Problem-solving strategies and initiative goals

In order for Hino to maintain growth in the global market, it is essential to create an organization in which diverse human resources can play an active role. To provide products and services that meet diverse customer and societal needs, we will create a corporate culture where all employees can fully maximize their potential regardless of their differences.

Specific Initiatives

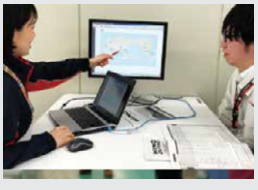
Initiatives to support diverse human resources and each employee's active participation

Global human resource education

Overseas ⇒ Training to take a new post in Japan (Internal company transfer system)

Japan ⇒ Training to take a new post overseas (Overseas training system)





Supporting the active participation of people with disabilities

Office support work that utilizes individual ability (Hino Harmony)



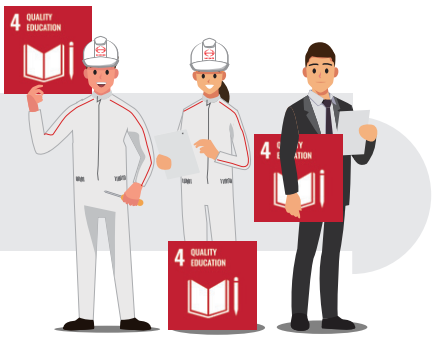
Parenting support

In-house nursery school (Ton-Ton Kids)



Hino Harmony, Ltd. (Japanese only)

6 Training human resources to help people and goods get to where they need to go



4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Targets

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Social Issues Addressed by Hino

Developing human resources to support social infrastructure

- Various social and environmental issues pertaining to the flow of people and goods are occurring around the world.
- About 50% of maintenance sites in Japan have a mechanic shortage (Japan Automobile Service Promotion Association, Automobile Service White Paper, 2017 Edition)
- Significantly decreasing number of people in the young generation want to become vehicle mechanics. Aging mechanics is also an issue.

Problem-solving strategies and initiative goals

Trucks and buses serve as an infrastructure that supports the social foundation, and there is a need to constantly provide prompt and high-quality maintenance so that vehicle operation is not interrupted. We provide prompt and high-quality maintenance to customers, and at the Hino Technical Skills Academy, our in-house training school, we focus on developing human resources that can deal with the technologies required in the future.

Specific Initiatives

Human resource development focused on the flow of people and goods in the future

As a commercial vehicle manufacturer, Hino not only develops its own products but will also continue to contribute to creating a sustainable flow of people and goods throughout society. Therefore, we have focused on training people in Japan, Guatemala, and other countries around the world with the aim of developing human resources that can tackle the issue of the future flow of people and goods. In September 2019, we opened the "Technical Support and Training Center" in the Philippines to further strengthen support.

Japan



Human resource development at Hino Technical Skills Academy

Philippines



Training mechanics to strengthen support as new vehicles and the number of vehicles increases (Technical Support and Training Center)

Guatemala



In-house training school to contribute to improving service technology not only in local business entities, but the entire region (Institute Tecnico HINO)

Hino Technical Skills Academy (Japanese only)

CSR Management

Hino Motors Group CSR

The HINO Credo and Hino Motors' Fundamental Stance toward CSR

Hino Motors established the HINO Credo in July 2007 after reviewing its corporate philosophy, announced in 1992, based on a corporate social responsibility (CSR) perspective. The Hino Credo specifically quotes its Corporate Mission: "To make the world a better place live by helping people and goods get where they need to go safety, economically and with environmental responsibility while focusing on sustainable development."

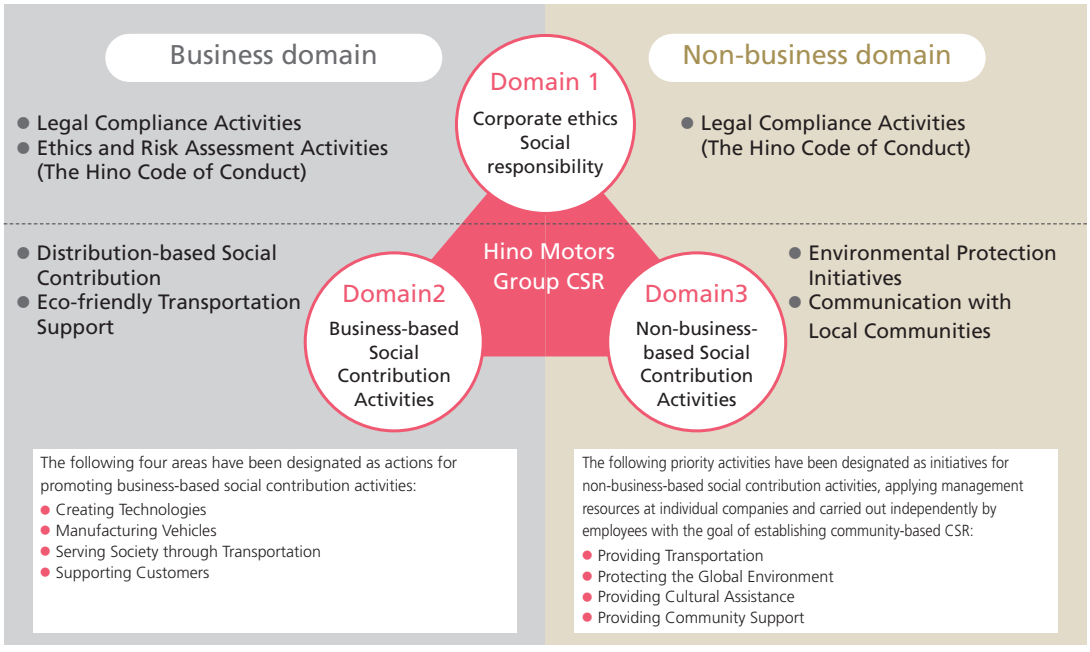
The HINO Credo consists of three core components: the "Corporate Mission," the "Core Principles" and the "CSR Charter." The Corporate Mission clearly defines the Group's obligations and responsibilities toward society. The Core Principles provide the guidelines, and the CSR Charter articulates the Group's goals and aspirations. Hino Motors engages in a wide spectrum of CSR activities, working diligently to promote increased awareness and understanding of the CSR Guidelines and its activities throughout the Group worldwide.

HINO Credo

Scope of Hino Motors' CSR Activities and CSR Guidelines

In an effort to better realize the HINO Credo, Hino Motors formulated its CSR Guidelines in November 2008, organizing its CSR activities into three domains: first, corporate ethics and social responsibility, which provide a basis for risk management and legal compliance; second, business-based social contribution activities; and third, non-business-based social contribution activities.

● Scope of Hino Motors' CSR Activities based on CSR Guidelines



CSR Promotion Structure

Hino Motors has positioned CSR as a key component of its overall operations and management. When appropriate, the Management Committee, chaired by the president and representative director, or the Operating Officers' Meeting, approve and report on CSR activity action plans as well as initiatives that serve to enhance Hino Motors' efforts in addressing CSR issues and measures designed to promote consensus throughout the Group.

In addition, activities carried out in the previous fiscal year are reviewed annually, and goals are set for initiatives under management plans for the next fiscal year. Hino Motors also works to increase awareness of the Hino Credo and CSR Guidelines within the Company as it promotes activities in line with related policies.

Examples of exemplary CSR activities and social contributions made by the Company are regularly published in company newsletters to raise awareness of CSR among employees.

To help CSR activities make more progress on a group-wide level, Hino Motors is strengthening its networking activities with all group companies. Hino Motors organizes workshops for managers and lectures on CSR for its executive managers as well as those of group companies with the goals of boosting their motivation and enhancing group-wide CSR activities.

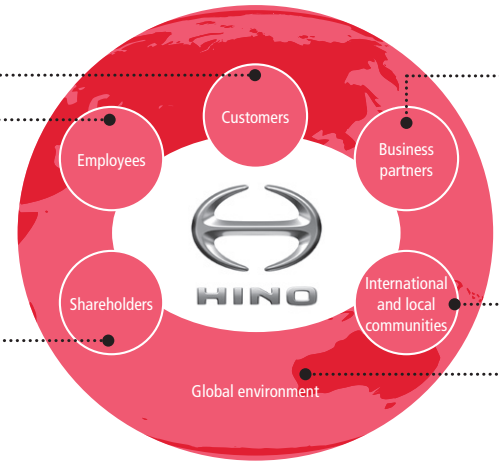
Hino Motors' Principal Stakeholders

Hino Motors believes that the purpose of CSR activities is "to meet social expectations and ensure sustainable development in concert with society." In every facet of its daily activities, Hino Motors will work steadily to fulfill its responsibilities to all stakeholders.

We meet our customers' expectations by providing useful products and services.

We respect each individual employee, and strive to create a workplace that fosters personal growth.

We work hard to anticipate changes in the business environment in order to improve the Hino Group's corporate value.



We build relationships of trust by engaging in open communication, with mutual prosperity as our goal.

We strive to contribute to local communities in all the regions where we do business.

We are devoted to good corporate citizenship, complying with laws and regulations and maintaining high ethical standards.

We strive to provide products that are safe and environmentally friendly, pursuing a responsible balance with the environment in all of our corporate activities.

TOPIC

External Communications

Hino Motors recognizes the importance of external communications. The Company seeks to provide timely and appropriate information on its business activities to ensure stakeholder understanding. In addition to information on the ordinary general shareholders' meeting and regular financial results statements, Hino Motors makes a variety of efforts to reach a broader audience with information about its business. These include disseminating information at the Tokyo Motor Show, holding a tour of the Koga Plant for shareholders in May, and providing a seminar on the latest advanced safety technology for the media in June.



Environmental technology seminar

TOPIC Tokyo 2020 Paralympic Games—Helping Transport Wheelchair Athletes—

Team Hino helped provide safe and secure transport for athletes and Games-related personnel who participated in the Tokyo 2020 Paralympic Games.

◆ Hino Motors Tackles Transportation Assistance for Wheelchair Athletes

The Tokyo 2020 Organising Committee borrowed approximately 260 large tourist buses equipped with wheelchair lifts owned by bus companies throughout Japan to transport the roughly 2,000 athletes and Games-related persons in wheelchairs who participated in the Tokyo 2020 Paralympic Games. However, because standard large tourist buses are equipped to transport just two wheelchairs, initially there was concern over a shortage of vehicles to assist transporting athletes and Games-related persons requiring wheelchairs.

Team Hino launched an internal review team in 2019 to tackle this issue.

◆ Making Easily Attachable Anchors to Expand Wheelchair Space

We had to consider how to expand wheelchair space inside buses borrowed from bus companies without making large-scale modifications so that after the Paralympics the buses could be quickly returned to the bus companies in their original state. At the same time, we had to think of a way to increase the number of athletes and Games-related persons in wheelchairs who could be transported on the buses. Specifically, we manufactured easily-removable anchors that secured wheelchairs without drilling holes in the buses by utilizing existing affixed braces used for ordinary seats. This secured four additional wheelchair spaces (for a total of six) on each bus.

During the Paralympics, these anchors described above were fitted to 60 buses used to transport athletes and Games-related persons. People who used these anchors said they were very helpful because the wheelchairs could be easily, quickly, and securely anchored.

Team Hino members were also involved in helping wheelchair athletes to get on and off buses, and were able to gain the invaluable experience of hearing feedback directly from wheelchair users.

We believe that our endeavors will lead to the realization of a prosperous, livable, and sustainable society where people and goods can move freely, safely, and efficiently. The knowledge gained through this undertaking will be utilized in business endeavors in the future.

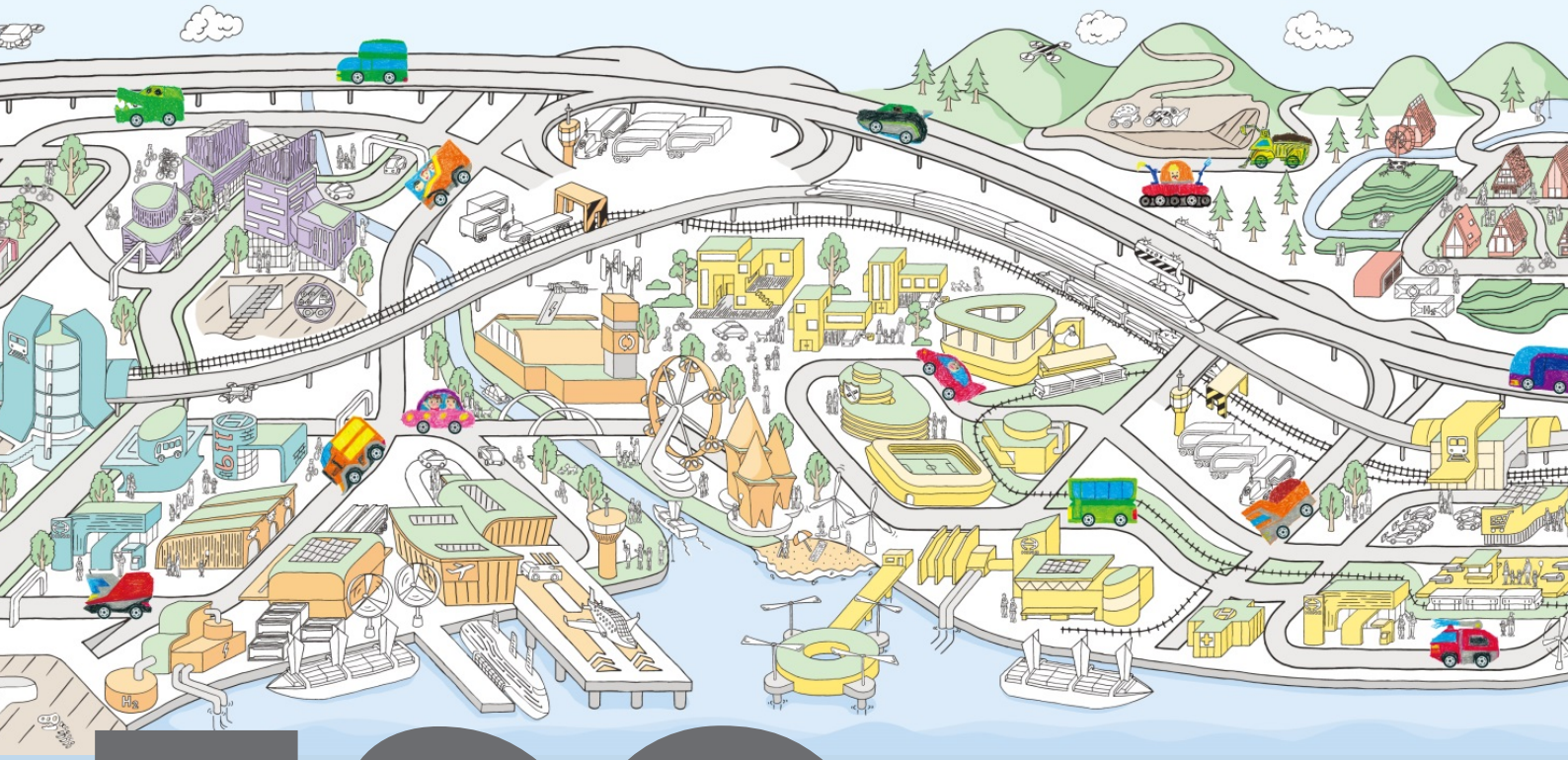


● External view of a large tourist bus



● Utilizing wheelchair anchors on the bus

Hino Motors is a company within the Toyota Group, which is a Tokyo 2020 Worldwide Paralympic Partner.



ESG

ESG Initiatives

42. Environment

42. Environment Initiative Plan (5-year action plan)
43. 2020 Environmental Initiative Plan
47. 2025 Environmental Initiative Plan
50. Six Challenges (Initiatives)
69. Compliance
71. Environmental Management
75. Various Environmental Data
78. Other Activities

79. Social

79. Safety
85. Health
89. Quality
94. Respect for Human Rights
95. Human Resources "Creation" and Work Styles
108. Supply Chain
110. Social Responsibility Initiatives

114. Governance

114. Corporate Governance
117. Interview with Outside Director
119. Compliance and Risk Management

ESG Initiatives

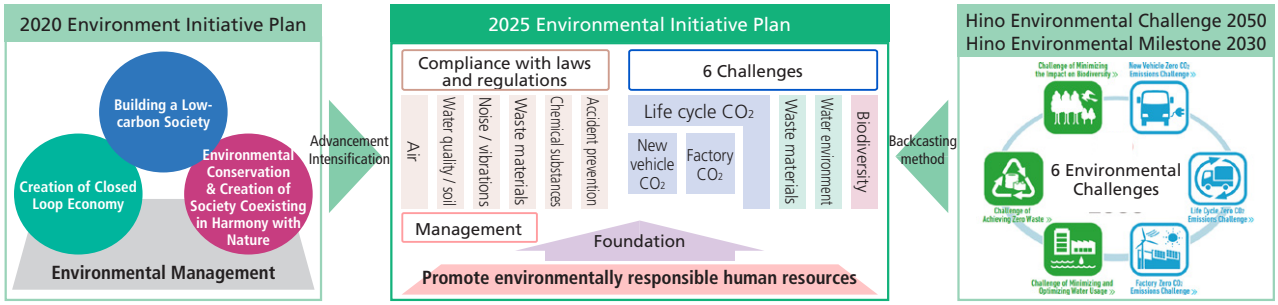
Environment

Environmental Initiative Plan (5-year action plan)

Hino Motors drew up the Environment Initiative Plan, an initiative for realizing its long-term vision based on the Company's "Hino Credo," top policies such as the Hino Global Environment Charter and societal trends. The Company is endeavoring to carry out activities that reduce its environmental footprint. Since the first Environment Initiative Plan was formulated in 1993, its targets have been implemented and reassessed every five years.

This year Hino Motors drew up a new 5-year action plan, the 2025 Environmental Initiative Plan. Based on the backcasting of Hino Environmental Challenge 2050 and Hino Environmental Milestone 2030, and the PDCA cycle of the 2020 Environmental Initiative Plan, this plan has three pillars: "Six Environmental Challenges", "Compliance with laws and regulations" and "Management". Team HINO is united in tackling global issues such as carbon neutrality to contribute to the realization of a sustainable society.

◆ The Environmental Initiative Plan Structure



2020 Environment Initiative Plan		
Building Low-carbon Society	Product development	● Improve CO_2 emissions and fuel consumption performance of vehicles ● Promote the development of vehicles that run on clean energy
	Production and logistics	● Initiatives for reducing CO_2 emissions in production activities ● Make transportation more efficient and reduce CO_2 emissions in logistics
	Sales and after-sales service	● Initiatives for reducing CO_2 emissions in sales activities
Creation of Closed Loop Economy	Product development	● Develop technologies that enable elimination of the use of scarce resources ● Develop new vehicles with a higher ratio of recyclable components
	Production and logistics	● Reduce waste from production and logistics, and use resources effectively ● Initiatives for reducing water usage in production activities ● Initiatives for reducing usage of packaging materials and use resources effectively
Environmental Conservation & Creation of Society Coexisting in Harmony with Nature	Product development	● Reduce gas emissions to help improve urban air quality in each country and region ● Further reduce the use of environmentally harmful materials
	Production and logistics	● Reduce substances that impact the environment in production activities (VOC)
	Social contribution	● Implement biodiversity preservation activities locally at factories in every region where the Group operates
Environmental Management	Management	● Strengthen and promote group environmental management ● Promote environmental activities in collaboration with business partners (our suppliers) ● Improve global human resources development and training programs ● Actively disclose environmental information and enhance communication

2025 Environmental Initiative Plan		
6 Environmental Challenges	Life Cycle Zero CO_2 Emissions Challenge	**Target:** Reduce 12% (per unit transportation volume) compared to FY2013 ● Reduce CO_2 emissions in all processes: manufacturing, transport, use, disposal (collaborate with each country and industry)
	New Vehicle Zero CO_2 Emissions Challenge	**Target:** Reduce 15% (per unit transportation volume) compared to FY2013 ● Develop and bring electric vehicles to market ● Improve diesel consumption ● Improve transportation efficiency
	Factory Zero CO_2 Emissions Challenge	**Target:** Reduce 30% (total global emissions) compared to FY2013 ● Introduce innovative technologies ● Implement daily improvements ● Introduce renewable energy
	Challenge of Minimizing and Optimizing Water Usage	● Use small amounts of water ● Return purified water to nature
	Challenge of Achieving Zero Waste	**Target:** Reduce 12% (total global emissions) compared to FY2018 ● Reduce to reach zero waste ● Use resources from discarded vehicles in newly manufactured vehicles (Car to car) ● Reduce packaging materials and plastic packaging materials
	Challenge of Minimizing the Impact on Biodiversity	● Create plants that conserve greenery and water, and coexist in harmony with nature
Compliance with laws and regulations	Air	● Take measures to prevent air pollution in products and production
	Water quality / Soil quality	● Manage wastewater and prevent underground seepage in production ● Prevent the spread of pollution during modifications and land transactions
	Noise / Vibrations	● Reduce noise and vibrations in products and production
	Waste materials	● Properly manage waste materials
	Chemical substances	● Manage chemical substances and reduce hazardous substances in products and production
	Accident prevention	● Prevent environmental accidents (goal of zero violations and complaints, defects and reports)
Management		● Create environmentally responsible human resources (communicate environmental management and conduct inhouse education)

2020 Environment Initiative Plan Building Low-carbon Society



Item		Specific Action Items/Targets, etc.	Fiscal 2016–2020 Achievements and Challenges for the future
Product development	**Improve CO_2 emissions and fuel consumption performance of vehicles**	● Develop technologies to meet world's top-class fuel efficiency standards [Japan] • Develop technologies to improve fuel efficiency to meet next round of regulations • Improve the performance of hybrid vehicles [United States] • Develop technologies for enabling compliance with greenhouse gas emission regulations in 2020 [Europe] • Develop technologies to improve fuel efficiency to meet the next round of regulations	● Improved fuel efficiency and reduced CO_2 emissions over earlier Hino Profia models by equipping the Hino Profia with the world's first hybrid system with AI ● Improved mass transport efficiency by jointly developing with Isuzu Motors the first hybrid articulated bus in Japan, a highly fuel efficient HEV. ● Launched the Connected service, HINO CONNECT to support eco-friendly driving by customers using the Eco Tree Report, a support tool for fuel saving
	Promote the development of vehicles that run on clean energy	● Conduct R&D on electric vehicles [FCEV] Develop and conduct limited sales of FCEV [BEV] Conduct R&D on practical implementation for trucks and buses ● Conduct research on technologies for enabling the use of alternative fuels • Develop technologies that enable a switchover to biofuels and other alternative fuels	● Released onto the market SORA, an FCEV fixed-route bus developed with Toyota Motors, and began operations in Tokyo Future Challenge: ● Accelerate electric vehicle development through alliances with other parties in the same and different industries that have similar ambitions to quickly introduce and spread BEV and FCEV in the market
Production and logistics	**Initiatives for reducing CO_2 emissions in production activities**	● Carry out initiatives for reducing CO_2 emissions on both a total and per-vehicle basis by introducing low-CO_2 production technologies, and reducing CO_2 through daily improvements ● Consider exploiting new energy-saving technology and renewable energy Targets: [Global] • 26% reduction in emissions per unit compared to FY2008 [Consolidated Companies in Japan] • 24% reduction in emissions per unit compared to FY2008 [Hino Motors, Ltd.] • 30% reduction in emissions per unit compared to FY2008 • Reduction in emissions: Fiscal 2020 output target x active mass ● Control emissions of other greenhouse gases besides CO_2	● Reduced CO_2 emissions by introducing energy-saving innovative technologies Improved efficiency of equipment motors, enabled inverter control for circulating water pumps, introduced ultrasonic cleaning machines, applied thermal insulation paint to heating furnaces ● Installed solar power equipment (Nitta Plant, Koga Plant) Results*: [Global] • Reduced emissions per unit by 27% compared to FY2008 [Consolidated Companies in Japan] • Reduced emissions per unit by 28% compared to FY2008 [Hino Motors, Ltd.] • Reduced emissions per unit by 37% compared to FY2008 • Emissions of fiscal 2020 were 158 thousand tons Future Challenge: ● Further establish technologies for achieving medium-and-long-term targets to reduce CO_2 and promote purchase of outside renewable energy
	Make transportation more efficient and reduce CO_2 emissions in logistics	● Promote initiatives to reduce CO_2 emissions in logistics by improving efficiency of transportation ● Shorten distribution routes between factories and improve shipping efficiency by using tractor-trailers and increasing transport loading rates ● Use more fuel-efficient vehicles ● Improve efficiency of vehicle parts shipments Targets: [Consolidated Companies in Japan] • 26% reduction in emissions per unit of transport volume compared to FY 2008 [Overseas Operations] • Set targets and promote reduction measures according to the highest standards in each country	Improved distribution efficiency between plants: ● Achieved efficient transport of shipped vehicles (completed vehicle) ● Reduced transport between bases using container loading at production sites ● Promoted continued use of marine containers Results: [Consolidated Companies in Japan] • Reduced emissions per unit of transport volume by 28% compared to FY2008 • Assessed impact of plant relocation and continued emissions reduction activities [Overseas Operations] • Continued promoting emissions reduction activities in each country Improved transport efficiency in logistics industry: ● Started commercialization of optimal mixed load patterns and cargo matching that exceeds barriers in shippers and transport vehicle manufacturers at NEXT Logistics Japan in December 2019 to reduce CO_2 emissions through improved transport efficiency (awarded the Special Prize for the 22nd Logistics Environment Award)
Sales and after-sales service	**Initiatives for reducing CO_2 emissions in sales activities**	● Create and execute plan to reduce energy consumption per unit by at least 1% per year at Japanese sales offices ● Assist customers in reducing CO_2 emissions	● Reduced energy consumption rate per unit by 9.6% compared to FY2015 by installing energy-saving lighting, etc.

*Estimates are calculated from reported or derived values and available data. Actual emissions may vary.

2020 Environment Initiative Plan Creation of Closed Loop Economy

Item		Specific Action Items/Targets, etc.	Fiscal 2016–2020 Achievements and Challenges for the future
Product development	**Develop technologies that enable elimination of the use of scarce resources**	● Reduce the amount of precious metals used in exhaust-cutting catalytic converters	● Developed a diesel exhaust purification system using NOx selective reduction reaction with light oil → Won the FY2020 Catalysis Society of Japan Award for Technological Progress Reason for winning: Improved the air environment by reducing diesel exhaust gas and contributed to technological development in the field through long-term research and development
	Develop new vehicles with a higher ratio of recyclable components	● Initiatives to create assembled structures that are easy to disassemble	● Incorporated considerations for recycling and disassembly in the design of vehicle structural components ● Contributed to effective use of resources by reducing vehicle body weight.
Production and logistics	**Reduce waste from production and logistics, and use resources effectively**	● Adopt waste reduction technologies and promote waste reduction in daily improvement activities ● Facilitate more effective usage of resources by improving yield rates and managing the sources of waste ● Promote the usage of resources within the Hino Motors Group Targets: [Consolidated Companies in Japan] • 43% reduction of amount of waste generated per unit compared to FY 2008 • Zero for final disposal amount* [Overseas Operations] • Implement management that leads to reduced emissions (manage amounts) *Definition of Zero: Landfill amount including ash after incineration is not more than 0.5% compared with total waste including recyclable waste	● Implemented thorough waste separation and recovered valuable materials from plastic waste ● Introduced automatic device for collecting paint gas (Hamura Plant) ● Reduced defective product rate and number of retests (Nitta Plant) ● Sold reclaimed sand to Group companies in Japan (Nitta Plant) Results: [Consolidated Companies in Japan] • Reduced amount of waste generated per unit by 41% compared to FY2008 • Achieved a final disposal rate of 0.11% • In the past, market changes resulted in valuable resources becoming waste and a reduction of per unit value. Targets were not reached for recovered waste by FY2020, but going forward Hino Motors will quickly reassess plans and continue carrying out waste-reduction activities through action such as promoting a greater recycling rate. [Overseas Operations] • Waste Materials: Set targets and promoted reduction activities in each country
	Initiatives for reducing water usage in production activities	● Promote activities for reducing water consumption in consideration of water supply conditions in each country and region where the Group operates ● Conserve water through actively introduce water-saving technologies and daily improvements Targets: [Consolidated Companies in Japan] • 40% reduction of water usage per unit compared to FY 2008 [Overseas Operations] • Management of water usage reduction	● Improved underground piping and took measures against water leaks ● Introduced a dry booth (Koga Plant) ● Reused wastewater from cleaning on the paint line (Koga Plant) Results: [Consolidated Companies in Japan] • Reduced water usage per unit by 38% compared to FY2008 • In fiscal 2020, the consumption rate per unit worsened due to a drop in production volume and targets were not achieved. Looking ahead, Hino Motors will work toward efficient process planning not easily affected by fluctuations in production to promote water recycling and other water conservation actions. [Overseas Operations] • Set targets and promoted reduction activities in each country
	Initiatives for reducing usage of packaging materials and use resources effectively	● Reduce usage of packing and shipping materials by making them returnable and more lightweight ● Enable use of returnable racks in more countries ● Improve methods of packing vehicle parts Targets: [Consolidated Companies in Japan] • 57% reduction of shipment volume per unit compared to FY 2008 [Overseas Operations] • Ascertain use of packaging materials and expand reduction activities	● Shifted from wooden materials to cardboard ● Changed cardboard to returnable boxes ● Increased packing ratio to reduce cardboard usage Results: [Consolidated Companies in Japan] • Reduced amount of packaging materials used per unit of shipment volume by 72% compared to FY2008 → Promote greater reduction activities going forward [Overseas Operations] • Continued promotion of reduction activities in each country

2020 Environment Initiative Plan Environmental Conservation & Creation of Society Coexisting in Harmony with Nature

Item		Specific Action Items/Targets, etc.	Fiscal 2016–2020 Achievements and Challenges for the future
Product development	**Reduce gas emissions to help improve urban air quality in each country and region**	● Introduce vehicles with lower gas emissions to help improve urban air quality in each country and region [Japan] • Bring vehicles to market that comply with Japan's 2016 exhaust emission regulations • Research and develop new technologies to comply with new exhaust regulations starting in 2016 [United States] • Bring vehicles to market that comply with US13, and develop vehicles that comply with U.S. exhaust emission standards effective from 2016 [Europe and developed countries] • Develop and bring vehicles to market that comply with EURO 6 exhaust emission standards [General] • Introduce low-emission vehicles (close to EURO 4 or 5)	● Made partial improvements to Hino Dutro (light-duty truck), Hino Liesse II (mini bus), and Hino Profia (heavy-duty truck) tractor series.
	Further reduce the use of environmentally harmful materials	● Collect and manage information on increasing regulations in each country where the Group operates, and take the lead in switching to alternative materials	● Collected information on chemical substances contained in parts to quickly address the growing number of regulated substances ● Enhanced and promoted global chemical substance management
Production and logistics	**Reduce substances that impact the environment in production activities (VOC)**	● Promote reduction of VOCs through daily improvements ● Reduce the use of painting materials and thinners in vehicle painting work Targets in Body Painting Reduction: [Hino Motors, Ltd.] • Reduction of VOC emissions by 22 grams per square meter of painted surface area [Overseas Operations} • Broaden initiatives for VOC emissions reductions Other Painting Work Targets: [Hino Motors, Ltd.] • Set annual reduction targets on a per-vehicle basis every year [Overseas Operations] • Implement management that leads to reduced emissions (manage amounts)	● Improved paint fixing efficiency when spraying paint ● Collected cleaning thinner when recoloring and cleaning ● Optimized painting range during automated painting Results: [Hino Motors, Ltd.] • Achieved 15 grams of VOCs per square meter of painted surface area → Promote initiatives relating to renovation plan for painting equipment and facilities and continued efforts to reduce volatile organic compounds (VOC) through daily improvements [Overseas Operations] • Conducted research analysis to identify the cause of VOC volume change using constant volume and the trend management method
Social contribution	**Implement biodiversity preservation activities locally at factories in every region where the Group operates**	● Promote initiatives based on biodiversity guidelines ● Carry out regular activities in consideration of the unique ecosystems surrounding the factories in each country and region (including forest conservation and protection of local habitats) ● Undertake environmental conservation initiatives together with local residents and children	● Implemented initiatives that take the surrounding ecosystem into account in each country and region [Japan] • Maintained the cliff line in cooperation with local groups and municipalities (Hamura Plant) • Cleared weeds using goats (Koga Plant) • Conducted forest management and nature tour for the 70th anniversary of Hino Motors [Overseas Operations] • Planted trees on plant grounds, etc. (Thailand, Indonesia, Pakistan, Philippines, etc.) • Held classes at nearby schools (Pakistan)

2020 Environment Initiative Plan

Environmental Management

Item		Specific Action Items/Targets, etc.	Fiscal 2016–2020 Achievements and Challenges for the future
Management	**Strengthen and promote group environmental management**	[Japan and overseas companies] ● Activities to ensure No.1 of environmental performance in each country and region ● Comply with environmental laws in each country and region, and enhance activities to prevent environmental risks	● Issued periodic reports on environmental performance and improvement initiatives at group companies in and outside Japan ● Conducted environmental management that considers the entire life cycle of Hino products and required activities to reduce environmental risks ● Managed activity examples, data, etc. for overseas Group companies and used a self-assessment tool for activity levels ● Continued to hold seminars and workshops with the aim of further boosting capabilities going forward
	Promote environmental activities in collaboration with business partners (Our suppliers)	[Suppliers] ● Compliance with laws by suppliers, and enhance management of substances that impact the environment contained in parts, raw materials, secondary materials, production equipment, etc.	● Managed environmentally hazardous substances throughout the life cycle and tackled improving environmental performance, especially implementing measures for achieving carbon neutrality in light of climate change ● Administered environmental questionnaires in each company to manage environmentally hazardous substances and share the current state of endeavors ● Took into account global trends in environmental laws and began strengthening and operating internal management systems for environmentally hazardous substances ● Revised the Green Purchasing Guidelines Periodically confirmed supplier compliance with requests for environmental considerations and cooperation, environmental performance, etc.
	Promote environmental activities in collaboration with business partners (Dealers and distributors)	[Sales in Japan] ● Promote environmental activities by sales companies via each Environmental Management System. [Sales outside Japan] ● Grasping the burden on the environment and act continually to raise awareness of the environment	[Consolidated subsidiaries in Japan] ● Conducted environmental improvement activities at 223 dealers nationwide, including 2 new dealers ● Supported improvements and upgrades to conclude EMD certification at 223 dealers nationwide [Overseas Sales Operations] ● Shared environment-related data monthly with overseas sales offices ● Held events to promote environmental awareness during JAPAN Environment Month in June
	Improve global human resources development and training programs	● Systematically implement environmental education ● Further enhance awareness training programs for every employee	● Conducted ISO internal environmental audit education ● President delivered a message for environmental month (June) ● The Company will continue actively taking initiatives to improve the environment, including planning events featuring employee participation.
	Actively disclose environmental information and enhance communication	● Enhance provision of information on product environmental technologies in each country and region (e.g. exhibiting at expos) ● Continually publish sustainability reports and other documents in each country and region, and publish at more sites to enhance environmental communication in each country and region	● Actively communicated topics on environmental initiatives and new technologies in news releases ● Hino USA announced Project Z—The road to zero emissions in the USA ● Launched demonstration tests for heavy-duty fuel cell trucks from around spring 2022 ● Participated in the Japan Hydrogen Association ● Toyota and Hino began efforts aiming to introduce light-duty fuel cell trucks ● Hino Profia Hybrid won the "Minister Prize of Economic, Trade and Industry" (transportation field) ● Published a sustainability report every year on the official website to disclose information and outcomes of environmental promotional activities

2025 Environmental Initiative Plan

Major Item	Initiative	Action plan, targets, etc.
6 Environmental Challenges		**Target: Reduced 12% (per unit transportation volume*) compared to FY2013** *CO_2 emissions during transport per kilometer for a 1-ton load or per kilometer for 1 person
Life Cycle Zero CO_2 Emissions Challenge	Reduce CO_2 emissions in all processes: manufacturing, transport, use, disposal (collaborate with each country and industry)	● Manufacturing (materials, components, fuel manufacturing) …Initiatives for plant-related CO_2 in vehicle production • Reduce amount of materials used and number of components • Develop and expand use of low-CO_2 materials • Expand use of recycling materials • Implement reduction activities conducted with cooperation from stakeholders, including suppliers • Implement activities to spread renewable energy and green hydrogen in collaboration with governments in each country and the fuel industry ● Transport (components distribution) • Reassess distribution between plants and transport routes for completed vehicle and improve shipping efficiency • Improve efficiency by using tractor-trailers and conduct a modal shift • Improve efficiency of vehicle components shipments ● Use …Initiatives for new vehicle CO_2 ● Disposal (including maintenance) • Reduce CO_2 by using LED lights, and HEV and BEV as company cars at sales companies • Introduce renewable energy power facilities at sales companies and purchase renewable energy • Implement environmentally conscientious design (easy-to-disassemble, easy-to-recycle designs)
New Vehicle Zero CO_2 Emissions Challenge		**Target: Reduced 15% (per unit transportation volume) compared to FY2013**
	Develop and bring electric vehicles to market	● Conduct technical development of electric vehicles and bring to market • FCEV: Develop FCEV and run verification tests for heavy-duty FCEV trucks, etc. • BEV: Develop BEV and bring to market the Hino Dutro Z EV (light-duty BEV truck), Hino Poncho Z EV (light-duty BEV bus), etc.
	Improve diesel consumption	● Conduct technological development to comply with new fuel economy standards in each country and bring to market • Japan: Conduct technological development to comply with JH25 and bring to market • United States: Conduct technological development to comply with EPA and CARB2024 and bring to market • Europe: Promote development of technologies to improve fuel efficiency to meet the next round of regulations ● Promote research on technologies for alternative fuels • Develop technologies for carbon neutral fuels
	Initiatives for improved transport efficiency	● Maximize transport efficiency in the logistics industry • Improve shipping efficiency by mixing various loads that exceed industry types • Achieve mass transport by utilizing double trailer-trucks • Improve distribution efficiency by utilizing information on vehicles, loads, and drivers
Factory Zero CO_2 Emissions Challenge		**Target: Reduced 30% (total global emissions) compared to FY2013**
	Introduce innovative technologies	● Introduce new low-carbon technologies when upgrading and for new vehicle types Ex.: Airless painting, dry booth, etc. ● Research new technology trends outside the company and consider introducing
	Promote daily improvements	● Maximize CO_2 emissions reduction through repeated, daily improvements Ex.: Shorten work hours, concentrate equipment, consolidate processes, etc. ● Reduce CO_2 by introducing high-efficiency equipment Ex.: LED lights, motors, air conditioning, etc.
	Introduce renewable energy	● Accelerate solar panel installation on company grounds (onsite) ● Shift to optimal renewable energy power (solar and hydroelectric power generation) that considers the power circumstances in each country and region

2025 Environmental Initiative Plan

Major Item		Initiative	Action plan, targets, etc.
6 Environmental Challenges	Challenge of Minimizing and Optimizing Water Usage 		**Target: Implement initiatives for efficiently reducing water usage (all plants worldwide)**
		Use small amounts of water	● Actively introduce new water-saving technologies, such as a dry booth for painting ● Promote water conservation through daily improvements such as repairing water leaks, and optimizing water sprinkling and shower volume ● Conduct water usage risk assessment and water reduction activities that consider water supply conditions in each country and region
		Return purified water to nature	● Conduct wastewater risks assessment at each site in each country
	Challenge of Achieving Zero Waste 		**Target: Reduced 12% (total global emissions) compared to FY2018**
		Reduce to reach zero waste	● Considering the introduction of innovative new technology Ex.: Waste sand recycling equipment, waste-to-fuel conversion equipment, etc. ● Promote activities for daily improvements Ex.: Measures for managing waste sources by improving yield rates, reducing evaporation, etc. ● Reduce waste by recovering valuable materials and recycling
		Use resources from discarded vehicles in newly manufactured vehicles (Car to car)	● Develop collection technologies for rare metals and natural resources ● Develop technologies for improving recycling ratio
		Reduce packaging materials	● Improve packaging methods to reduce usage and expand returnables ● Switch to plastic alternatives in packaging materials Target: In consolidated companies in Japan, packaging material per unit of volume that is below FY2018
	Challenge of Minimizing the Impact on Biodiversity 		**Target: Establish 2 model factories that coexist in harmony with nature**
		Create factories that conserve greenery and water, and coexist in harmony with nature	● Plant trees inside and outside office grounds that aim to conserve greenery and water, secure rare species, and promote river cleanup activities ● Promote conservation activities that employees and local schools, etc. tackle together Ex.: Employee education, environmental classes with nearby schools, etc.

2025 Environmental Initiative Plan

Major Item		Initiative	Action plan, targets, etc.
Compliance with laws and regulations	Air	Take measures to prevent air pollution in products	● Comply with legal standards for gas emissions in products such as NOx, PM, VOC, etc. ● Introduce vehicles with lower gas emissions to help improve air quality in each country and region • Japan: Bring vehicles to market that comply with the Future Policy for Motor Vehicle Emission Reduction (Fourteenth Report) (PN standards) • United States: Bring vehicles to market that comply with EPA and CARB 2024 • General: Promote introduction of low-emission vehicles (EURO 4, 5 or 6 level) ● Promote R&D to meet the next round of regulations, etc.
		Take measures to prevent air pollution in production	● Comply with legal standards for gas emissions in equipment such as NOx, PM, VOC, etc. ● Reduce VOC emissions by improving painting efficiency and collecting thinner in the painting process Target: Emissions volume per unit area that is below FY2018
	Water quality / Soil quality	Manage wastewater and prevent underground seepage in production	● Establish independent standard values for wastewater and improve wastewater quality through very frequent monitoring
		Prevent the spread of pollution during modifications and land transactions	● Confirm based on regulations when buying new land, selling, and leasing ● Ascertain degree of contamination when modifying land on property and issue report
	Noise / Vibrations	Reduce noise and vibrations in products	● Comply with vehicle noise laws in each country and region
		Reduce noise and vibrations in production	● Reduce noise and vibrations of plant equipment and on property borders, and implement initiatives to comply with standards ● Conduct review in advance when purchasing new plants and equipment, and confirm outcomes after purchase
	Waste materials	Properly manage waste materials	● Conclude contracts for general waste and industrial waste, and appropriately outsource disposal
	Chemical substances	Manage chemical substances and reduce hazardous substances in products	● Implement total management through data on chemical substances contained in products ● Implement solid transition for regulated substances used in materials and components
		Manage chemical substances and reduce hazardous substances in production	● Manage prohibited substances in subsidiary and secondary materials used at production plants ● Reduce use of subsidiary and auxiliary materials, and reduce environmental load by switching to alternatives
	Accident prevention	Prevent environmental accidents (zero violations and complaints, defects and reports)	● Spread throughout plants and offices in the Hino Group by analyzing causes of past incidents ● Standardize work handling liquids, etc. by creating environmentally responsible human resources
Management		Promote the creation of environmentally responsible human resources	● Make rules for environmentally responsible human resources and roll out at each plant ● Implement environmental education for employees at each level and promote human resource cultivation ● Systematically implement awareness-raising activities

CHALLENGE! 1 New Vehicle Zero CO_2 Emissions Challenge

Hino Motors' Environmental Technologies

Existing technologies

Trucks and buses are made to transport large numbers of people or goods over relatively long distances, and fuel and energy are needed to do that. As a result, emission of CO_2, a greenhouse gas, is inevitable.

Unique aspects of trucks and buses include their comparatively large size and loading capacities, the long distances they travel, and their wide array of uses and places where they are used. Taking into account these varying conditions, Hino Motors considers what types of environmental technologies are most suitable. By providing users with optimally equipped vehicles, the Company hopes to help curb global warming.

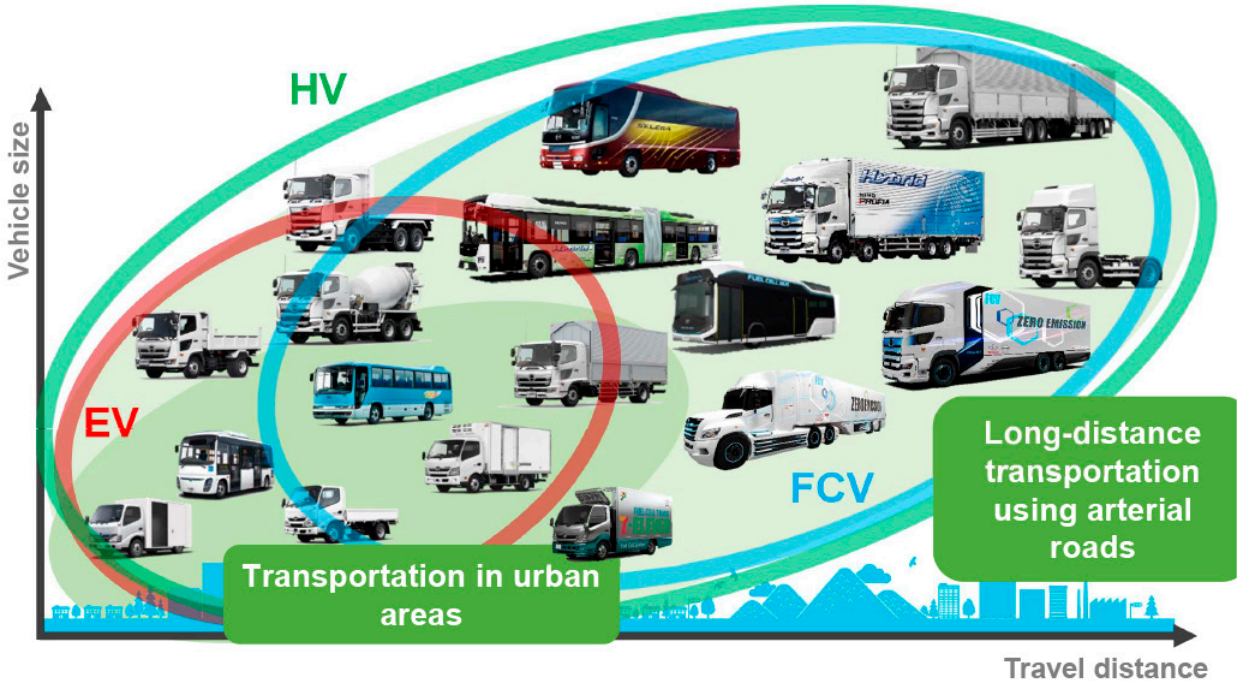
Initiatives for Next-generation Vehicles

Next-generation vehicle | Existing technologies | More efficient

Hino Motors capitalizes on the unique benefits of electric vehicles such as clean exhaust gas emissions and quietness of ride to create next-generation vehicles that meet customers' and society's needs.

Hino primarily pursues development for applications in urban areas such as light-duty trucks and buses and route buses.

Hino will continue to develop vehicles along with related technologies including batteries, while seeking to reinforce social infrastructure, such as charging facilities and hydrogen stations, in cooperation with relevant organizations. The ultimate goal is to offer electric or hydrogen power options on all models.



Initiatives for reducing CO_2 emissions by 90%

Hino Motors' Highly Promising Technologies

(technologies scheduled for practical implementation, technologies scheduled for trial experiments)

◆ BEV (electric vehicles)

● Light-duty BEV truck

Hino Motors is developing an ultra-low-floor, front-wheel-drive BEV. It achieves an ultra-low floor measuring approximately 400 mm, which is half the ground clearance of conventional rear-wheel drive vehicles. This dramatically improves cargo handling and accessibility.

The design also succeeds in making deliveries easy with a walk-through structure.



● Light-duty BEV bus

The Hino Poncho has been equipped with an electric motor to achieve green transportation while retaining its user-friendly universal design and optimum form for community buses. The model succeeds in being considerate of people and the environment, while contributing to sustainable community transportation for the future.



◆ FCEV (fuel cell vehicles)

● Heavy-duty FCEV truck

Heavy-duty trucks used for highway transport are required to have sufficient driving range, load capacity, and fuel supply for short periods. Hino Motors believes fuel cell systems using high-energy-dense hydrogen are effective. The heavy-duty FC truck being developed has a target driving range of approximately 600 km and aims for both environmental performance and advanced-level commercial vehicle practicality.



● Heavy-duty FCEV truck (for North America)

Hino Motors is developing a high-performance, heavy-duty truck that operates without emitting CO_2 by using the chassis of the new model HINO XL Series in combination with fuel cell technology from Toyota.

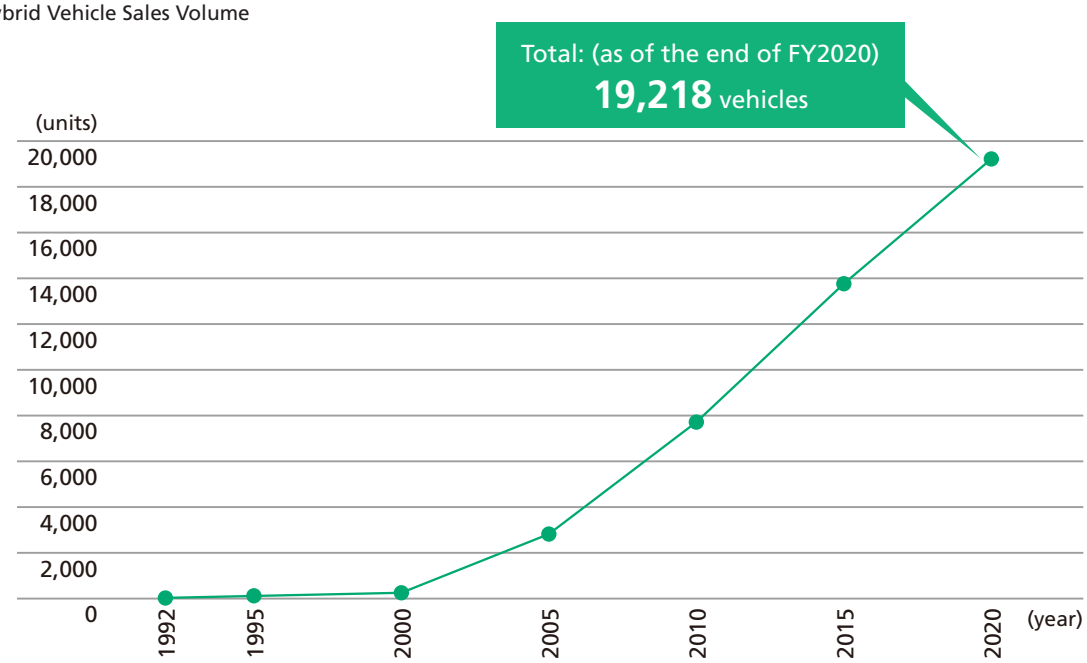


Evolution of the Hybrid Vehicle

Next-generation vehicle | Existing technologies | More efficient

Ever since Hino Motors commercialized and sold the world's first hybrid bus in 1991, cumulative global sales of hybrid vehicles surpassed 19,000 as of the end of fiscal 2020.

● Hybrid Vehicle Sales Volume





Hino 300 Series (for overseas market)



Hino Blue-Ribbon Hybrid Articulated Bus



The heavy-duty Hino Profia Hybrid truck

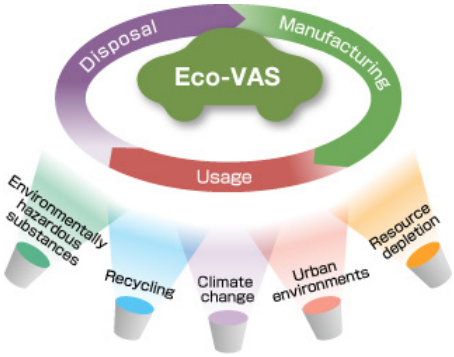
CHALLENGE! 2 Life Cycle Zero CO_2 Emissions

Environmental Load Reduction Activities Based on Life Cycle Assessment (LCA)

At Materials manufacturing stage | At the Distribution stage | At the Disposal and recycling stage

Factors such as measures for new regulations, vehicle performance enhancement efforts, and others can increase environmental burden during the process of manufacturing. Hino Motors is aiming to further reduce its environmental load by employing the Eco-Vehicle Assessment System (Eco-VAS*), an environmental product management system that incorporates a lifecycle approach during product development.

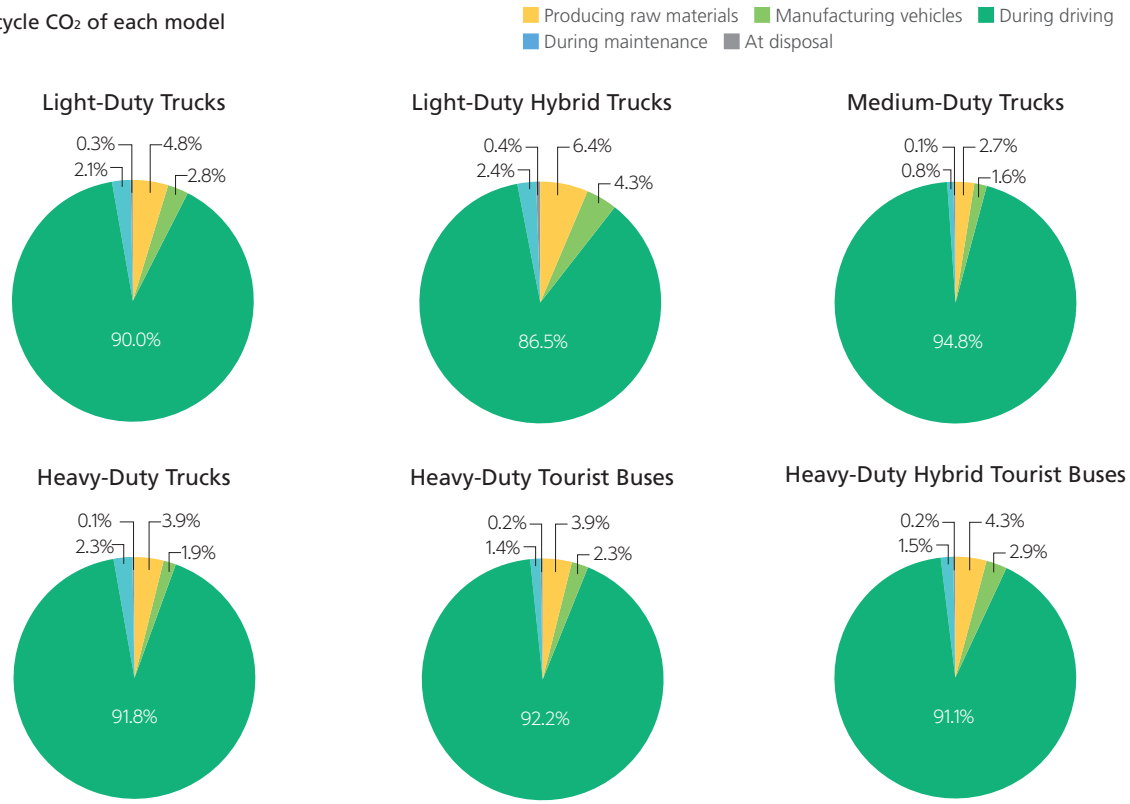
*Eco-VAS is a framework for setting targets to reduce the environmental burden from the products from the early vehicle development stage and for making steady reduction of environmental burden based on LCA methods.



◆ LCA Initiative

Life Cycle Assessment (LCA) is an analysis method that quantitatively measures environmental impact throughout the life cycle of products such as trucks and other vehicles, from manufacturing to use and eventual disposal. Hino Motors has been employing LCA since 2008 to track CO_2 emissions over the life cycle of its truck and bus models. The results for each type of vehicle are shown in the charts below.

● Lifecycle CO_2 of each model



*The graphs are results computed by Hino's proprietary calculation conditions, and may not reflect actual emissions measurements. Fuel efficiency uses the heavy-duty vehicle mode's fuel-efficiency value. Evaluation results show the entire lifecycle of each as a percentage of 100%

Reducing CO_2 Emissions in Distribution Operations

Logistics

◆ Initiatives to reduce CO_2 emissions from distribution

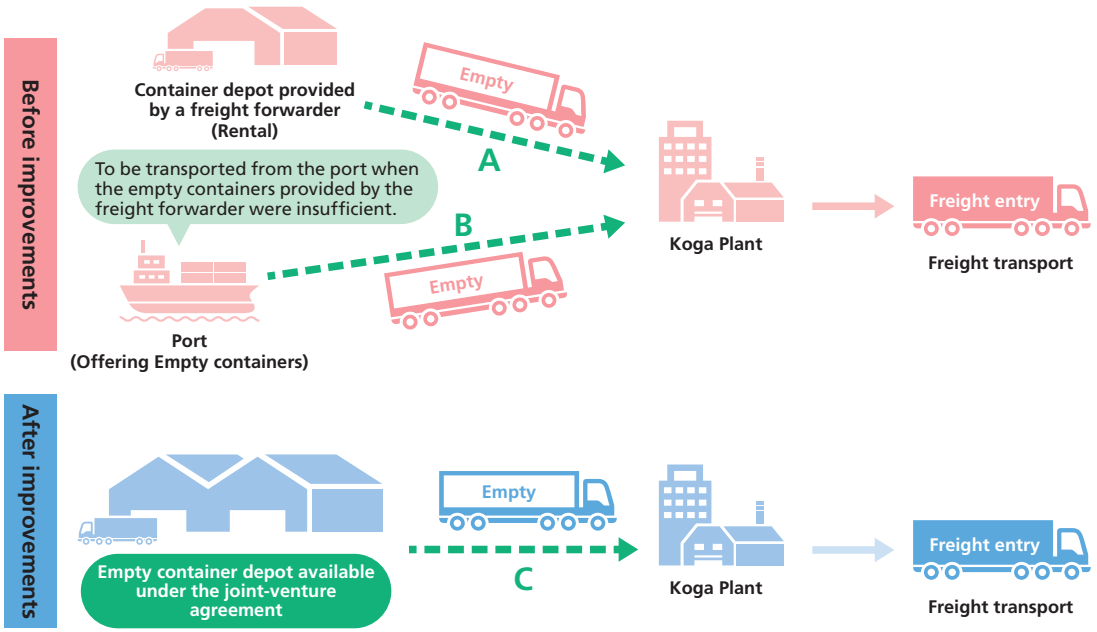
Under the guidance of the Logistics Improvement Council, Hino Motors is carrying out the following initiatives aimed at reducing CO_2 emissions from distribution-related operations:

1. Improving loading rates by integrating transportation routes and conducting joint shipments
2. Shortening transportation distances by packaging at the point of production to enable direct shipments
3. Increasing shipment volume using vehicles with higher tonnage (load volume) and utilizing different types of vehicles such as trailers
4. Promoting a modal shift to ships and other forms of transportation

| Example | Improving CO_2 Emissions by effectively using other companies' containers

We used to take empty containers from a container depot provided by a freight forwarder for the freight transport from the Koga Plant, but additional containers had to be transported from a port far away from the plant when empty containers were insufficient.

However, empty container transportation needs decreased and CO_2 Emissions were reduced by 31.6 tons per year since we started taking empty containers from the empty container depot that is close to the Koga Plant. These new logistics became available under a joint-venture agreement.



Distance to the Koga Plant

B > A > C

CO_2 Emissions reduced by 31.6 tons per year due to decreased empty container transportation

Eco-Driving Support

Logistics

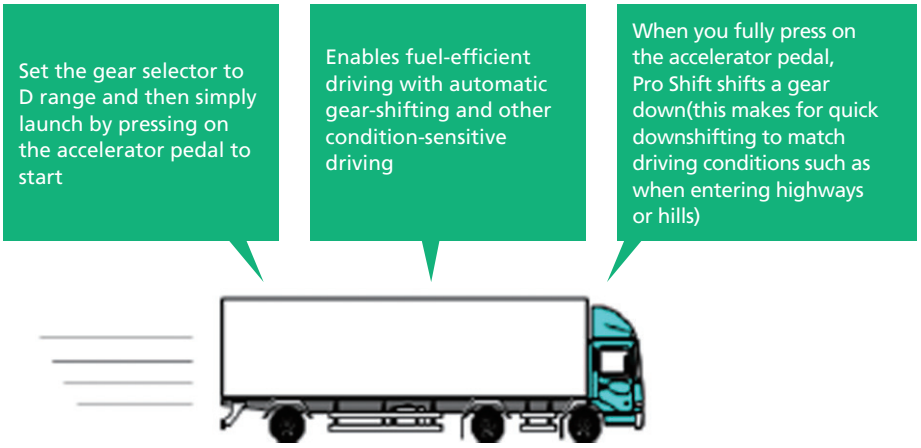
Hino Motors will continue to support customers' eco-driving capacities as it strives to remain a company trusted worldwide.

◆ Pro Shift (mechanical automatic transmission): Support for gear shifting

To support eco-driving, the engine has to stay in the rpm range best suited to each situation by changing gears in a suitable manner.

Pro Shift shifts gears automatically to ensure that the truck stays in the green zone on the fuel economy meter. This enables even truck drivers with little experience to drive like good eco-driving professionals.

● Example of main features of Pro Shift



◆ Eco-driving Seminars for Overseas Customers

Hino Motors holds "Eco-driving" classes in Japan and overseas as a part of its endeavors to contribute to the environment and customers. In fiscal 2020, a total of 11,780 students (171 in Japan and 11,609 in 28 countries overseas) took these classes. The classes are popular because students can learn eco-friendly driving and they improve corporate profitability.

As of March 2021, the Customer Technical Center in the Hamura Plant had welcomed a total of 101,000 visitors since it was established in 2005.

Overseas, the Hino Total Support Customer Center (HTSCC) at Hino Motors Sales (Malaysia) Sdn. Bhd. completely renovated its facility in 2017 to enable visitors to experience various driving conditions in response to the increasing number of visitors and to meet the varied demands of customers.



Hino Total Support Customer Center in Malaysia



Educational training (Above photo is taken before the COVID-19 pandemic)

◆ Hino Eco Tree Report

In order to provide eco-driving support to customers, Hino Motors products feature an "Eco Tree" display function. A tree icon grows more leaves as the level of eco-driving increases.

Furthermore, by providing complementary Eco Tree reports that contain automated analysis of each individual customer's driving status and serve as a useful source of information for eco-driving and drive management, Hino Motors supports customers in terms of environmental awareness.

Standard feature for Profia, Ranger, and S'elega models released in 2010 and later (exhaust emission symbols LKG and LDG onward). Standard feature for Dutro Hybrid models released in 2014 and later.



Eco Tree



Eco Tree Report

◆ Customer Assistance Programs

In collaboration with its dealers in Japan, Hino Motors carries out customer assistance programs that go beyond the scope of selling Hino vehicles. Hino Motors believes in providing total support that maintains a strong, long-term relationship with customers. The Company not only utilizes knowledge linked to fuel efficiency and environmental measures such as driving methods, it also contemplates customer troubles and supports problem-solving while utilizing the expertise of each company, including ensuring safety and fostering human resources.



A scene from training programs for customers (Above photo is taken before the COVID-19 pandemic)

Propose improvements based on Hino Eco Tree Report utilization



Reveal driving condition details unknown to the digital tachograph and propose safety and fuel efficiency improvements

Eco-driving Seminars



Learn practical driving skills and gain a better understanding about how to improve fuel efficiency

Guidance on subsidies and financing of low-emission vehicles



Guidance on various subsidy and financing programs when considering the purchase of a vehicle

Assistance in obtaining green management certification



Suggestions on obtaining certification as a means of calling attention to one's approach to environmental initiatives and assistance in obtaining certification

Assistance in reducing CO_2 emissions



Advice provided on CO_2 reduction (vehicle selection, eco-driving, and transportation efficiency

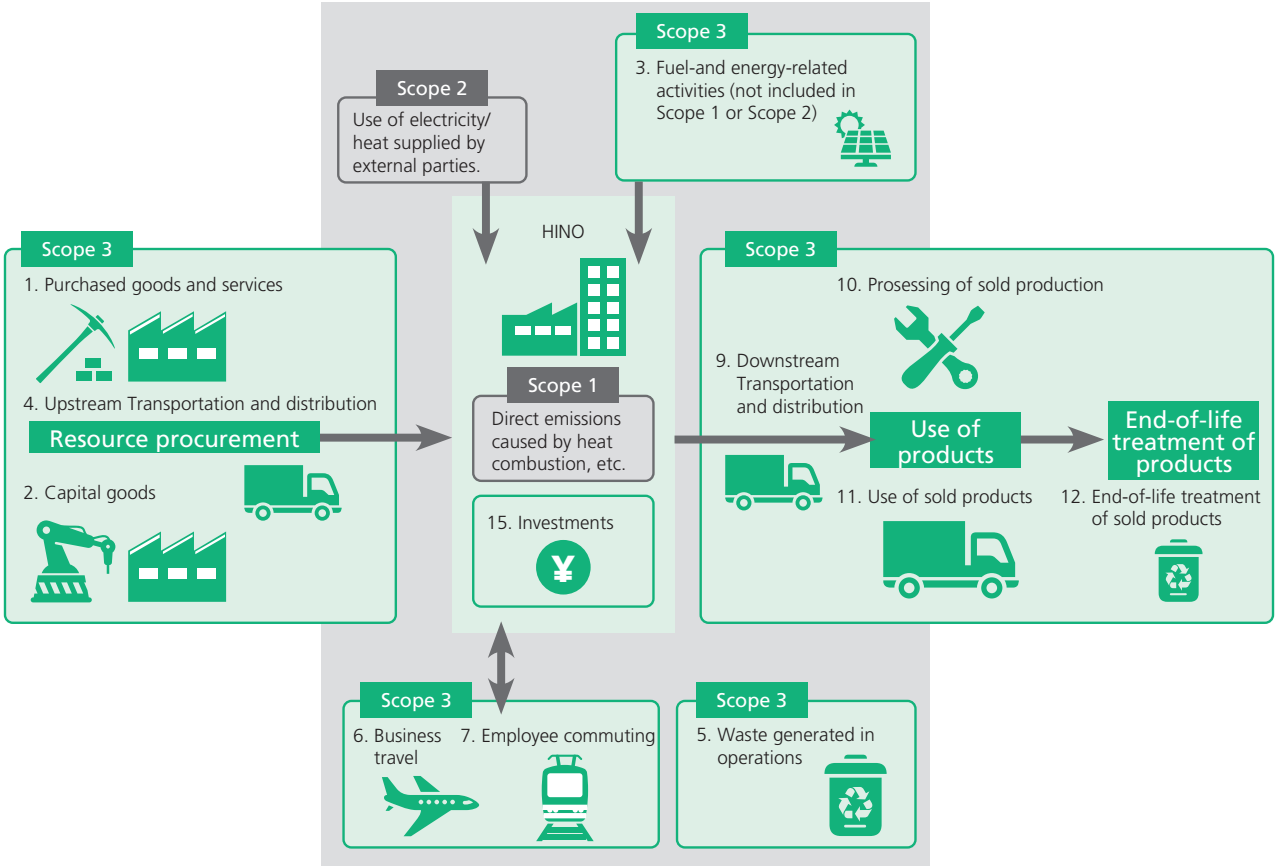
Handling Scope 3 Emissions

At Materials manufacturing stage **At the Distribution stage** **At the Disposal and recycling stage**

Companies are expected to calculate and disclose the greenhouse gas (GHG) emitted along the entire supply chain. Hino Motors calculates Scope 3 emissions, as well as Scope 1 and 2 emissions, based on GHG reporting guidelines and estimates are calculated from reported or derived values and available data. Actual emissions may vary.

Ratios of calculated emissions show that the combined percentages for Category 1 (Purchased Products and Services), Category 10 (Processing of Products Sold), and Category 11 (Use of Products Sold) account for approximately 99% of the total, with the remaining categories accounting for less than 1% each. Hino Motors will continue to strengthen management of CO_2 emissions along its entire supply chain, while also focusing on CO_2 reduction activities.

	Category	Emissions (1,000 t-CO_2)
Scope 1	Direct emissions caused by heat combustion, etc.	120
Scope 2	Use of electricity/heat supplied by external parties.	180
Scope 3	1. Purchased goods and services	1,780
	2. Capital goods	150
	3. Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	60
	4. Upstream Transportation and distribution	10
	5. Waste generated in operations	10
	6. Business travel	10
	7. Employee commuting	20
	8. Upstream leased assets	0
	9. Downstream Transportation and distribution	10
	10. Processing of sold production	770
	11. Use of sold products	37,770
	12. End-of-life treatment of sold products	50
	13. Downstream leased assets	0
	14. Franchises	0
	15. Investments	20

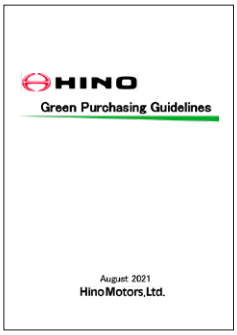


Green Purchasing Guidelines

To further promote environmental initiatives associated with business activities, in 2021 Hino Motors revised the Green Purchasing Guidelines on environmental endeavors for its business partners, based on the Hino Environmental Challenge 2050 and Hino Environmental Milestone 2030. The guidelines have been provided to clients in various countries worldwide.

Going forward, the Company will strengthen environmental endeavors throughout the supply chain and earnestly take action.

HINO's Green Purchasing Guidelines (all pages) are here



Green Purchasing Guidelines

CHALLENGE! 3 Factory with Zero CO_2 Emissions

Daily Improvement Initiatives

Daily improvement

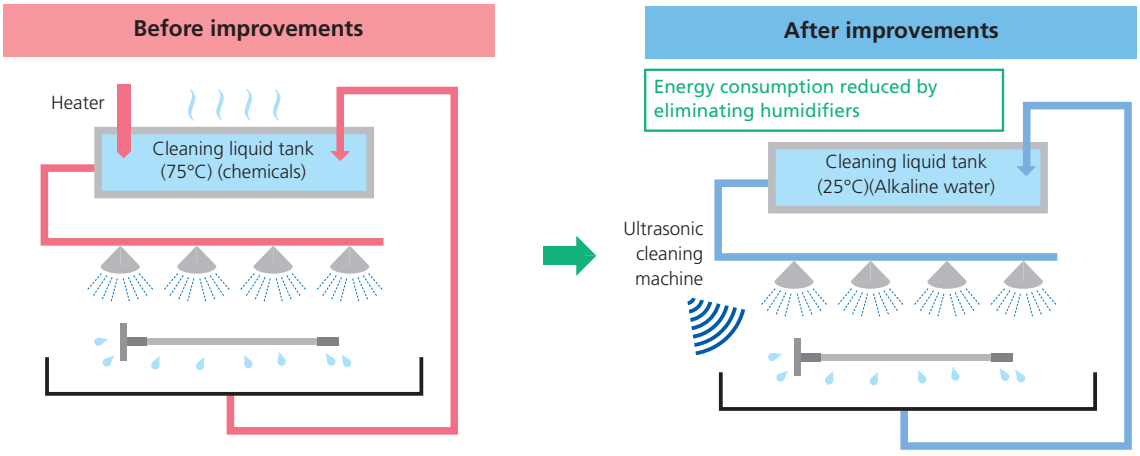
Recognizing climate change as one of the major challenges facing humanity, Hino Motors is working hard to reduce CO_2 emissions. In its continuing endeavors to reduce CO_2 emissions, the Company is carrying out regular activities with the participation of all employees to improve efficiency at all of its production sites, while also striving to reduce wasted energy. Based on the Hino Environmental Challenge 2050, a long-term environmental vision formulated in fiscal 2017, In fiscal 2020, Hino Motors continued to implement a wide range of daily energy-saving activities including the Factory Zero CO_2 Emissions Challenge aiming to completely eliminate CO_2 emissions due to production activities.

Major Initiatives

- Adopting electric booster pump systems
- Replacing fluorescent lighting with LEDs
- Applying thermal insulation paint to furnaces (see below)
- Switching to electric transport vehicles inside plants

| Example | Using room-temperature rinse water by installing an ultrasonic cleaning machine

A parts washer is used during the machining process to clean off oil and other debris that adhere to products. Until now, this was done by heating a cleaning agent containing chemicals, but an ultrasonic cleaning machine was installed that can achieve the same cleaning effect using room-temperature rinse water (alkaline water). This resulted in reducing CO_2 emissions from the heater that had been used to heat water by 5.7 t-CO_2 per unit, while simultaneously eliminating use of a cleaning agent containing chemicals.



Initiatives Related Renewable Energy

Renewable Energy

Hino Motors is installing solar power equipment as an initiative to make use of renewable energy. Electricity generated by the equipment is used for production activities, lighting inside its factories and offices, as well as outside lights on the premises. In the future, Hino Motors plans to pursue initiatives that not only save energy at its existing business facilities but also incorporate the broader perspective of combating climate change.



Solar panels installed at the Nitta Plant around 160 kW

| Example | Hino Motors Manufacturing Thailand: Solar power generation panels installed on roof of its plant

Solar power generation panels with an output of approximately 500 kW were newly installed on the roof of the Plant 3 of the Hino Motors Manufacturing Thailand. The generated electric power is being used for production activities, the office, and streetlights on the premises. In the future, the Company will not only improve the energy conservation of existing facilities, but also work to reduce CO_2 while incorporating renewable energy.



Solar power generation panels installed on the plant roof

| Example | Purchasing electricity produced by hydroelectric power generation

Meiyu Kiko Co., Ltd., a consolidated subsidiary of Hino Motors, concluded a contract for the "Furusato Hydropower Plan" offered by Yamanashi Power Plus, which is a power supply brand jointly operated by Yamanashi Prefecture and TEPCO Energy Partner, Incorporated.

The plan provides electric power generated at a hydropower plant operated by Yamanashi Prefecture that does not emit CO_2. The electric power will be used by two sites, the Meiyu Kiko Head Office and the Isawa Office. Converting this into plant CO_2 emissions based on fiscal 2018 performance results in an annual reduction of approximately 260 tons, which is around 89% of overall plant CO_2 emissions.

Meiyu Kiko was named an environmentally friendly company by the governor of Yamanashi Prefecture to enable a portion of electricity charges to be used for programs such as environmental conservation projects in Yamanashi Prefecture. In addition, utilization has continued with the renewal of the contract in fiscal 2020.

Going forward, the company aims to motorize forklifts and reduce other fuel consumption to further curtail CO_2 in order to promote activities for "Factory with Zero CO_2 Emissions" that was announced in the Hino Environmental Challenge 2050.



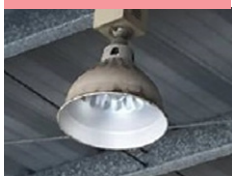
Receiving the award

| Example | Using LED lights for plant lighting

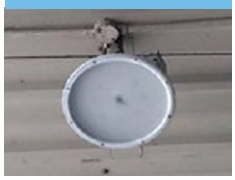
The switch to LED lights is actively being moved forward in each country.

● Hino Motors Vietnam

Before improvements



After improvements



Reduced by **1.5** t-CO_2/year

● Hino Motors Manufacturing (Thailand)

Before improvements



After improvements



Reduced by **5.7** t-CO_2/year

CHALLENGE! 4 Challenge of Minimizing and Optimizing Water Usage

Initiatives for Conserving Water at Factories

Small amounts of water | purified

Water is essential to the manufacturing of trucks and buses. To make effective use of precious water resources, Hino Motors has established the Hino Environmental Challenge 2050, its long-term environmental vision, and is working to reduce water usage every day. Hino will continue to work on water-saving activities with the aim of fulfilling the Challenge of Minimizing and Optimizing Water Usage.

Major Initiatives

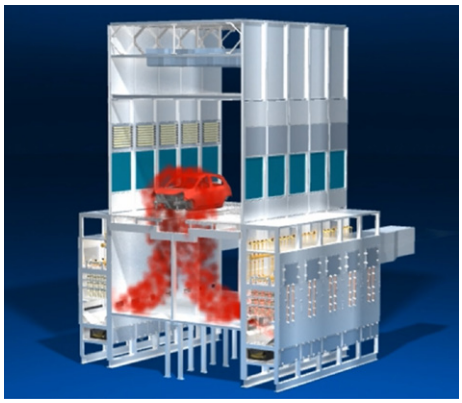
- Eradication of wasteful use with a water-saving patrol (leakage/overflow [effluent])
- Water-saving educational activities (using posters and other materials to communicate)
- Effective use of rainwater and wastewater treatment plant's treated water

| Example | Employing paint mist-collecting technology, which uses no water

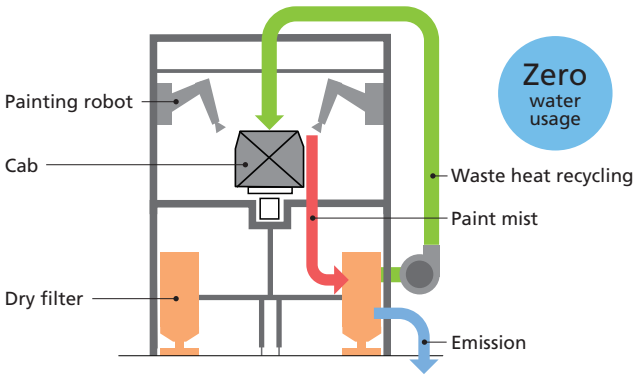
A dry booth system that reduces environmental impact in the cab painting process was introduced at the Koga Plant.

In the conventional method, the paint mist was removed with a water film and the paint was recovered using chemicals. This year, we employed a new, chemical-free system that uses filtering and calcium carbonate but no water.

Dry booth mechanism



Dry booth system



CHALLENGE! 5 Challenge of Achieving Zero Waste

Recycling Initiatives at Production Plants

Zero waste

Hino Motors is also working to reduce waste as one activity targeting the Hino Environmental Challenge 2050, its long-term environmental vision. In recent years, Hino has thoroughly re-examined materials which it has not been able to recycle and is working to recycle them internally.

Major Initiatives

- Reducing the volume of wastewater treatment plant sludge
- Reducing the amount of sand used during molding
- Extending the life of waste liquid processing machinery by installing filtration filters
- Comprehensive implementation of waste separation rules

| Example | Waste separation training

Hino Motors Manufacturing Colombia, S. A. trains employees by using real waste so that they can gain a greater understanding of the types of waste.



Training

| Example | Activities to reduce plastic (1)

Given current societal issues, actions to eliminate plastic are underway in each country. Hino Motors Manufacturing (Thailand) Ltd. is spurring employees to take action under the slogan, "Say No to Plastic" by asking them to refuse shopping bags and refrain from using disposable cups and containers at mealtimes. To encourage the outcomes of these actions, the company is promoting the activities by giving away reusable shopping bags and reusable cups. In addition, ordinary actions that can be taken such as reducing plastic bags are being steadily fostered in each country as a part of efforts to get away from packaging.



Taking action



Root Out Plastic Waste activity poster

| Example | Activities to reduce plastic (2)

Hino Motors Manufacturing (Thailand) Ltd. has stopped plastic packaging for undercarriage components (shock absorbers) and is instead creating a special box as a part of efforts to get away from plastic packaging.

Ordinary actions that can be taken are gradually being carried out.

Before improvements


Carrying out packaging one at a time

After improvements


Creating a special box to discontinue individual packaging

No. Reduced **544** bags /month

VOICE



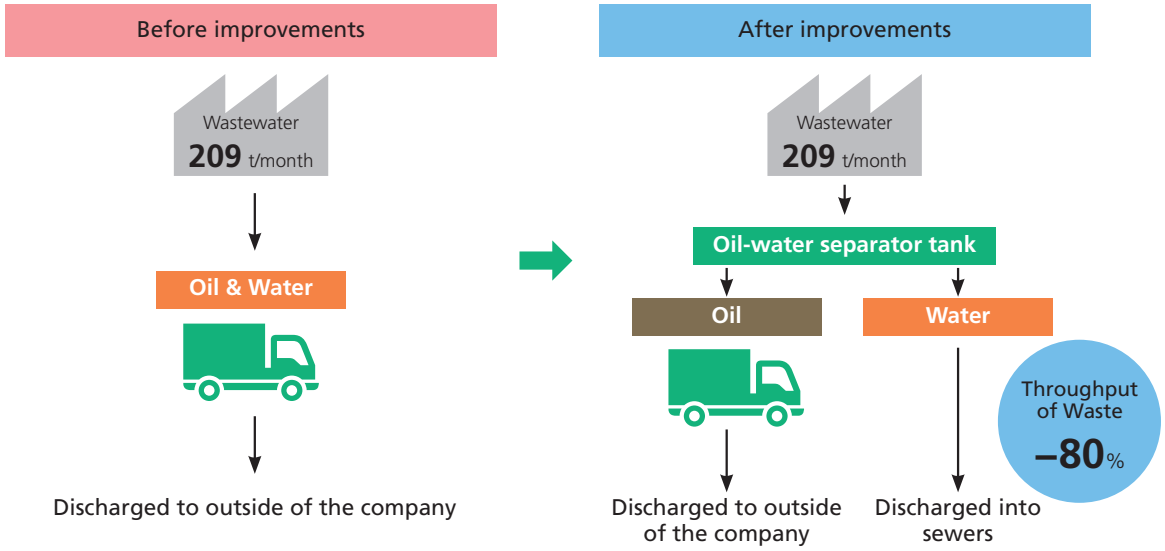
All employees work together to eliminate plastic

Plant Manager
Hino Motors Manufacturing (Thailand) Ltd.
Paradorn Siripunt

As a part of CSR activities, our employees and their families are partnering with local residents and various groups such as NPOs to carry out environmental conservation activities. Efforts were carried out in daily life together with all employees to combat the global issue of plastic under the slogan, "Say No to Plastic." As a leader in Thailand, we are striving to improve the global environment.

| Example | Reducing wastewater by installing an oil-water separator tank

Hino Motors Manufacturing U.S.A., Inc. disposes of wastewater containing oil that is discharged by the plant, but the installation of an oil-water separator tank enables oily water to be separated from wastewater, resulting in an 80% reduction in the annual quantity of waste treatment.



Design with Recycling in Mind

Zero waste | Newly manufactured vehicles

Since 1990, Hino Motors has been involved in product development and design initiatives with recycling in mind. It established a Voluntary Action Plan in 1998, listing specific values for recycling rates with the goal of enhancing recycling activities. In recent years the Company has also engaged in efforts to comply with regulations on environmentally hazardous substances by reducing them at an early stage.

Hino Motors has pursued the challenge of enhancing recyclability based on a variety of perspectives. These include adopting easily recyclable materials from the product development stage, using identification marking for materials, and preparing disassembly manuals.

Also, Hino Motors is endeavoring to gather information on chemical substances contained in all components and reducing them at an early stage in response to recent regulations on environmentally hazardous substances in and outside of Japan.

Environmental Activities at the Recycling Stage

Zero waste | Newly manufactured vehicles

To comply with the Automobile Recycling Law, which came into effect in Japan in 2005, Hino Motors has implemented a process of recovery, processing, and recycling of three materials designated by the law from end-of-life vehicles, namely automobile shredder residue (ASR), airbags, and chlorofluorocarbons (CFCs), with the help of a great many related businesses.

The ASR recycling ratio for fiscal 2020 was 95%, surpassing the legal standard of 70%. In addition, Hino Motors strives to promote eco-friendly manufacturing as early as the development stage by using recyclable materials and, where possible, easy-to-disassemble vehicle designs, thereby fostering the effective utilization of resources and contributing to the development of a recycling society.

Results of Recycling based on the Automobile Recycling Law (Japanese only)

CHALLENGE! 6 Challenge of Minimizing the Impact on Biodiversity

Considerations toward Biodiversity

Protection

Hino Motors has endorsed the Japan Business Federation's Declaration on Biodiversity, and after having also incorporated individual targets into the Company's five-year Environment Initiative Plan, in fiscal 2015 the Hino Motors Biodiversity Guidelines were formulated and the direction for Company activities and specific initiatives on biodiversity were set out and are now being advanced.

Going forward, the Company will promote various initiatives in consideration of biodiversity in accordance with the Biodiversity Guidelines in order to ensure coexistence with the ecosystems around Hino Motors and to continue to grow as a company. At the same time, Hino Motors plans to actively incorporate participation-based activities for employees as a means of tackling the issue of raising awareness and environmental consciousness among employees.

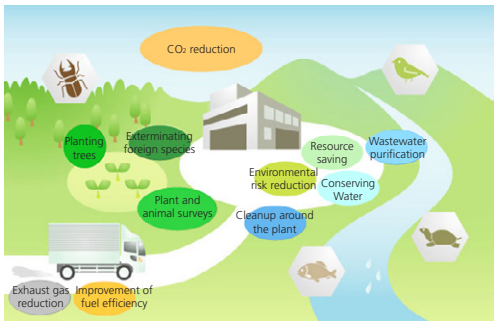
Biodiversity Initiatives

- Further pursuit of environmental technologies in products
- Consideration for regional water resources
- Contribution to biodiversity through steady promotion of environmental initiatives (CO_2 reduction, resource conservation, etc.)
- Collaboration and cooperation with communities
- Active information disclosure

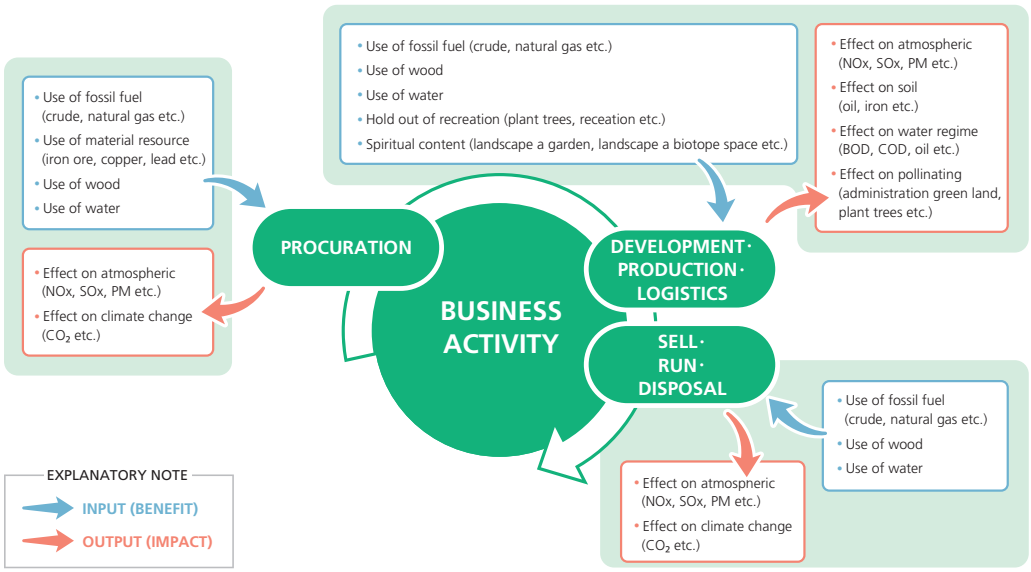
Categorizing the Interrelationship of Business Activities and Biodiversity

Protection

Referring to the Business & Biodiversity Interrelationship Map (see diagram below) devised by the Japan Business Initiative for Biodiversity (JBIB), Hino Motors has categorized benefits and impacts at each stage of the product life cycle. In this way, in the course of its business activities, Hino Motors simultaneously benefits from and impacts nature in the product life cycle as a whole. Hino Motors recognizes that every action counts, no matter how small. The Company is committed to reducing its environmental impact on biodiversity and ensuring that its business does not adversely affect surrounding ecosystems.



● Business & Biodiversity Interrelationship Map



Examples of Initiatives

Protection

The event was not held in fiscal 2020 to prevent the spread of COVID-19, but initiatives implemented to date are introduced here.

◆ Biodiversity public awareness and education activities

Hino's headquarters and plants collaborated with Hino City's Kingfisher House to familiarize people with the creatures that inhabit the area by holding exhibits of stuffed birds and reptiles living nearby, as well as displaying insect and plant specimens.

In addition, the Hamura Plant invited an instructor from the Hamura City Environmental Conservation Division, who presented local strategies for protecting the city's precious living creatures and local initiatives from a biodiversity perspective.

To ensure the future spread of these activities, we will continue exchanges with the government and expand them to other business offices.



Exhibition (Hino Plant)



Presentation of Hamura City's initiatives (Hamura Plant)

◆ Participation in local conservation activities

In Commemoration of the 70th anniversary of Hino Motor's founding, we mowed the undergrowth to help the planted trees grow and held and observation session th the children. In the Tachikawa Cliff Line (Total length of about 40 km) designated by the TOKYO Metropolitan Government, we carried on tree planting, green road maintenance, etc. with Hamura city and citizen groups at Inari Green Space area near the Hamaura Plant. We are engaged in green conservation activities as a habitat for various creatures in order to protect the precious nature left in Tokyo.



Inari Green Space Area activities



Mowing activities

Examples of Initiatives

◆ Holding of environmental study classes for a neighborhood elementary school

At the Koga Plant, employees planted aquatic plants and conducted biological surveys with neighboring elementary school students in the retention basin that directly connects to the nearby river.

We explained that many indigenous species have been identified this year and are surrounded by a rich ecosystem. The class also served to reaffirm that we must not forget to consider the surrounding ecosystem amid our ongoing business activities.



Retention basin survey

◆ Cleanup Events in Areas Surrounding Business Sites

Cleanup events are held in areas surrounding business sites including the Hino Plant, Hamura Plant, and Nitta Plant, as well as at group companies both in and outside of Japan, contributing to communities, raising environmental awareness and commuting etiquette.



Ome Parts Center



Hinopak Motors, Ltd.

Compliance

Environmental Risk Management

In various facets of its operational activities, the Hino Motors Group is addressing environmental risk management through awareness of the environment-related regulatory compliance across each of the countries and regions in which the Hino Motors Group operates, and incorporation of environmental risk countermeasures into environmental management system targets. In this manner, Hino Motors is continuously enhancing its environmental risk management capabilities while diversifying and promoting the quality of its initiatives. All of Hino Motors' activities involve certain environmental risks, from truck and bus design and development to procurement, production, distribution, and sales.

With the leadership of the Hino Environment Committee, Hino Motors has analyzed and assessed risks and opportunities related to environmental issues at seven different division meetings, consulted with the executives in charge who chair each Environment Division Meeting, decided long-and short-term countermeasures, and implemented them in the relevant divisions. Hino Motors gives the highest priority to risks and opportunities related to laws and regulations. In the case of product marketability and productivity improvements, the Company decides based on cost-effectiveness subject to compliance with environmental regulations and all other legal requirements. The results of these efforts are reported to the relevant Environmental Division Meetings and then reported to the Hino Environmental Committee, the top deliberative body.

◆ Moving Forward with Initiatives to Lower Environmental Risks

The Hino Motors Group identifies risks and implements countermeasures using an environmental risk assessment manual used throughout the Group.

This time, because of concerns that the Hamura Plant could exceed the regulatory standards for noise due to a change in the land use zone around the plant, we made changes to the work area and installed soundproof sheets to reduce environmental risk.

As part of all these efforts, the Company is taking measures to further reduce environmental risk identified under various scenarios.

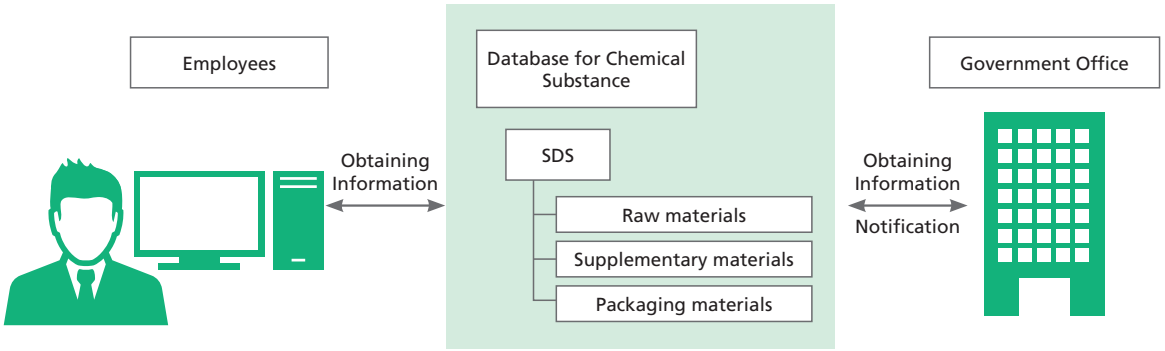


Soundproof sheets installed in the plant building

Chemical Substance Management

Hino Motors employs Safety Data Sheets (SDS) to collect data and maintains a database for all paint and related materials used in-house. Information is accessible by employees via PCs, enabling them to identify chemical substances contained in the materials and undertake environmental and safety measures when required.

With the growing adoption of regulations for environmentally hazardous substances around the world, Hino Motors is enhancing the chemical substance management of raw materials used in its products, supplementary materials in manufacturing equipment, and packaging materials. Through these efforts, the Company is reducing the amount of environmentally hazardous substances used in its operations.



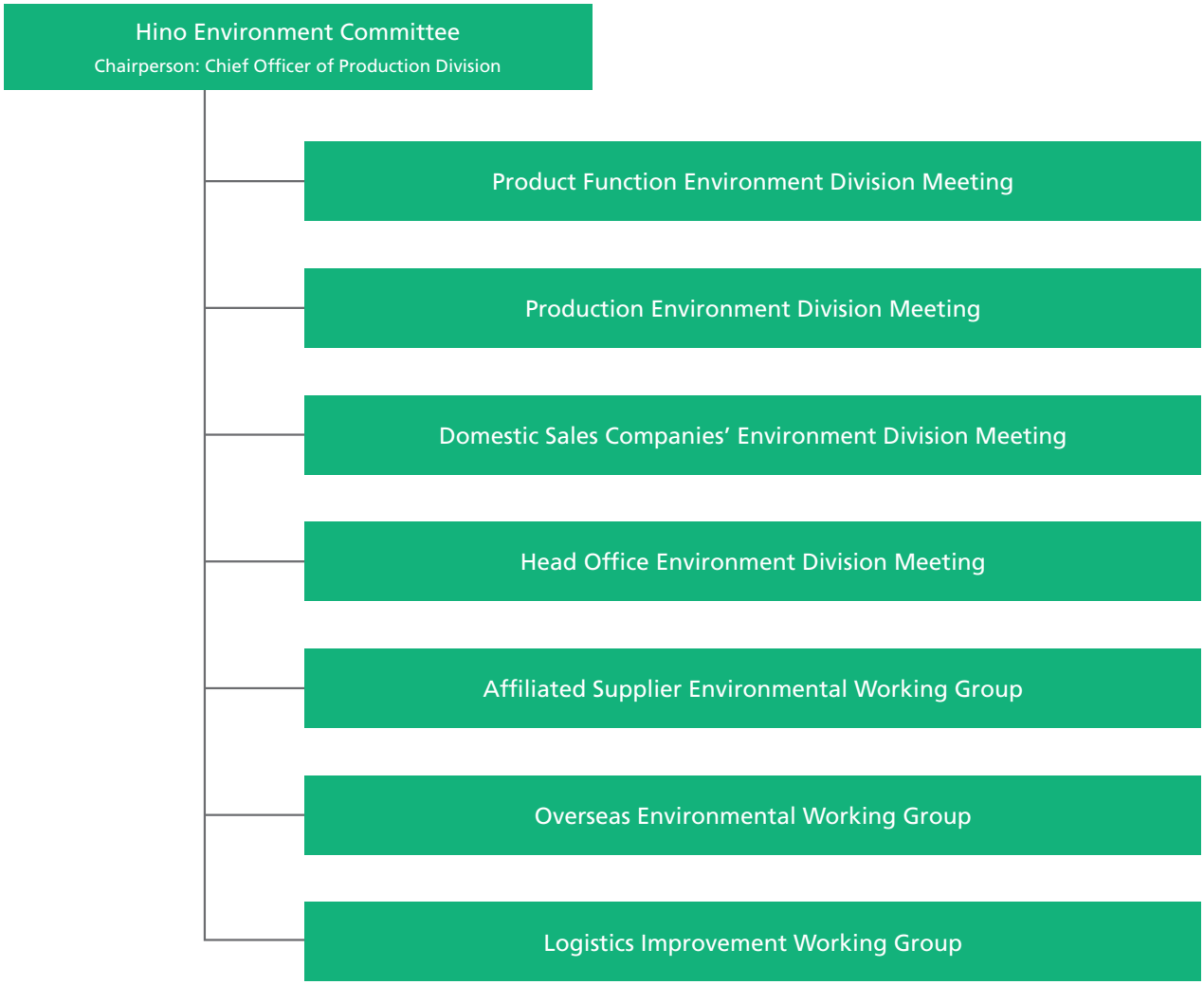
Environmental Management

Environmental Conservation Promotion Structure

In March 1993, Hino Motors established the Hino Environment Committee, an overarching Company-wide organization chaired by the Hino Motors' president. At the same time, Hino Motors formulated the Hino Global Environment Charter, which underpins various facets of Hino Motors environmental conservation activities. Currently, the General Manager of the Production Division is serving as chairperson in order to further strengthen oversight and execution.

The distinctive feature of Hino Motors' environmental conservation activities is that it deploys an environmental management system in each area, including product development and production activities. In subordinate organizations of the Hino Environmental Committee, we have set up individual councils with an executive in charge who serves as council chairperson, and the councils pursue specific environmental conservation activities.

Environmental Conservation Promotion Structure



Environmental Management Systems

Hino Motors has developed environmental management systems (EMS) for all operational functions in Japan, and is effectively managing them in a manner that links each division's business operations to environmental conservation. At EMS-certified companies, these systems are periodically subjected to stringent environmental audits to ensure their effectiveness.

Hino Motors has acquired ISO 14001 certification for the Hino Group as whole. In fiscal 2020, an external audit found no nonconformities that could affect certification. Hino Motors will continue to promote environmental initiatives with an even stronger policy of reinforcing links between its core business operations and environmental management systems.

● Acquisition of ISO 14001 Certification

Organization/Entity	Date of acquisition
Headquarters & Hino Plant	March 24, 2001
Hamura Plant	March 10, 1999
Nitta Plant	March 27, 2000
Koga Plant	March 24, 2019
Ome Parts Center	January 11, 2002
Hidaka Delivery Center	January 11, 2002
Azuma Plant of Fukushima Steel Work Co., Ltd.	November 28, 2003
Sagami Plant of Fukushima Steel Work Co., Ltd.	September 15, 2005
Riken Forge Co., Ltd.	March 22, 2002
Sohshin Co., Ltd.	March 14, 2003
Takebe Tekkosho Co., Ltd.	April 17, 2001
Trantechs, Ltd.	March 8, 2002
Meiyu Kiko Co., Ltd.	July 5, 2002
Hino Motors Manufacturing (Thailand) Ltd.	March 1, 2001
Hinopak Motors, Ltd. (Pakistan)	June 17, 2001
PT. Hino Motors Manufacturing Indonesia	April 4, 2005
Shanghai Hino Engine Co., Ltd.	December 28, 2008
Hino Motors Vietnam, Ltd.	February 28, 2011
Hino Motors Canada, Ltd.	December 1, 2011
Arkansas Plant of Hino Motors Manufacturing U.S.A. Inc.	April 13, 2011
West Virginia Plant of Hino Motors Manufacturing U.S.A. Inc.	March 15, 2012
Hino Motors Philippines Corporation	August 8, 2017
Hino Motors Manufacturing (Malaysia) Sdn. Bhd.	January 18, 2019
J. Filter Co., Ltd. (Thailand)	April 29, 2016

Environmental Education

Conservation biodiversity

In Japan, Hino Motors promotes environment-related educational and awareness activities in an effort to raise the environmental consciousness of employees. In this manner, Hino Motors strives to enhance the overall efficacy of environmental conservation initiatives.

Hino Motors believes that environmental activities extend beyond the domain of the corporate sector. It also recognizes the important role that each employee plays both in the workplace and at home. Therefore, as a part of the Company's employee training program, individual responsibilities and actions in the overall context of environmental issues as well as in global behavior and initiatives are emphasized.

In specific terms, Hino Motors has continued to incorporate environmental education in its training programs for managers and new employees. Looking ahead, the Company will continue its endeavors to implement even broader-based, more systematic environmental education in its efforts to consistently raise environmental awareness in Japan.



Environmental education class (2019)
The environmental education class was held online in 2020 to curb the spread of COVID-19.

● Number of students who received environmental training in FY2020

	Administrative/ Technical positions	Technical positions	Total
Number of students who received training	154	203	357

Environment-Related Communication with Stakeholders Conservation biodiversity

Hino Motors recognizes the importance of communicating with its stakeholders. Accordingly, it proactively provides information to customers, members of local communities where it operates, and other stakeholders with the aim of being a trusted company.

The event was not held in fiscal 2020 to prevent the spread of COVID-19, but initiatives implemented to date are introduced here. Currently, information is being shared through endeavors such as online events.

◆ Exhibiting environmental technologies and products at public exhibits

At the Automotive Engineering Exposition 2019, held in Yokohama/Nagoya, Japan under the theme of "People and Automotive Technology," Hino exhibited. We also presented Hino's advanced technology development and total support initiatives including our safety and environmental technologies.

The exhibition was a valuable opportunity for Hino engineers to deepen their understanding of Hino Motors through exchanges of information and views with visitors, and to understand their expectations.



Exhibition booth crowded with visitors

◆ Presenting environmental initiatives at local events

Hino Motors also presented its wide array of environmental initiatives at an environmental festival held in the city of Hamura, Tokyo and an ecological festival for Industry held in the city of Ota, Gunma. At other environmental events in the communities surrounding its factories, Hino Motors carried out a broad range of public relations activities to present its approach to the environment and its related initiatives to local residents.



The environmental festival held in the city of Hamura

◆ Visiting class held at a neighborhood elementary school

In Pakistan, we visited a neighborhood school and introduced global environmental issues with a class entitled "Beat Plastic Pollution."

We also held an exhibition of solicited works of arts & crafts and provided opportunities to learn about local environmental issues.



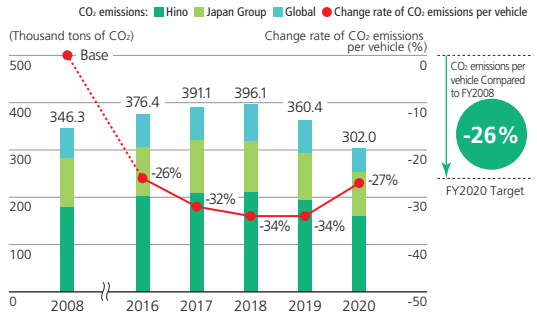
Environmental education at neighborhood elementary school

Various Environmental Data

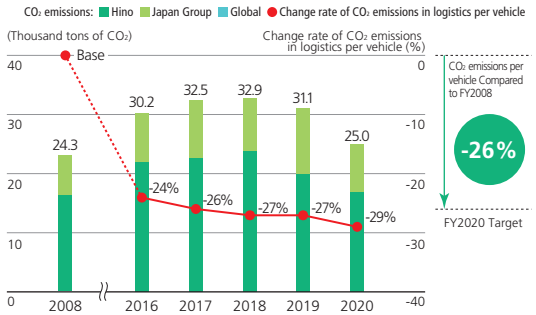
Key Performance Data

In the Hino Environmental Initiatives Plan, Hino Motors sets specific targets for reductions in the environmental impact of its production activities and works to reduce CO_2 emissions, resource use, and water use through many detailed policy measures. The following performance data shows the progress and outcomes of the 2020 Environmental Initiatives Plan, which is the action plan implemented from fiscal 2016 to 2020. The consumption rate per unit worsened because of an increase in waste volume associated with the transformation of valuable resources to waste materials and a decrease in production caused by COVID-19. This meant that targets for waste materials and water were not reached. However, Hino Motors will continue to make improvements outlined in the 2025 Environmental Initiatives Plan.

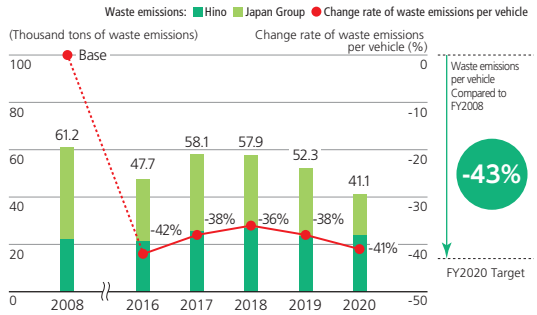
● **CO_2 emissions per vehicle*1 by company and region*4 *6**



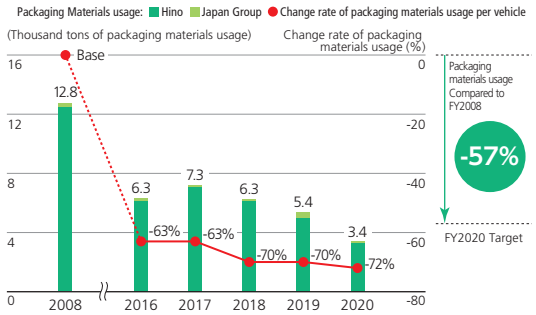
● **CO_2 emissions in logistics*2 from consolidated*5 companies in Japan*5**



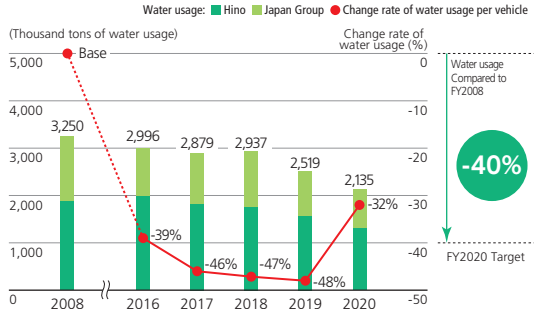
● **Waste emissions*1 from consolidated companies in Japan*5**



● **Packaging Materials usage*3 by consolidated companies in Japan*5**

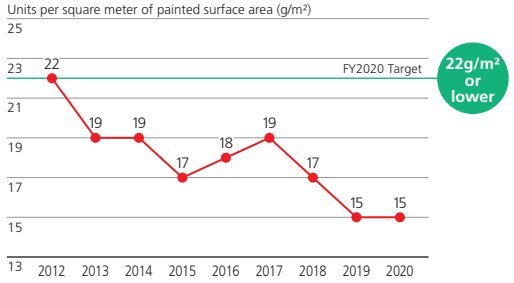


● **Water usage*1 by consolidated companies in Japan*5**



● **Volatile organic compound (VOC) emissions from the Hino Plant and Hamura Plant**

*Starting in FY2017, figures include the Koga Plant



Note: Last year's figures have been corrected to improve accuracy.
1. Unit: Per vehicle 2. Unit: Per volume transported Since the base year figures were revised, the unit change rate of previous years has been retroactively revised.
3. Unit: Per unit of shipment volume 4. Global: Hino (Four plants: Hino, Hamura, Nitta, and Koga), six domestic affiliated companies and nine overseas affiliated companies. 5. Consolidated companies in Japan (Four plants: Hino, Hamura, Nitta, and Koga), six domestic affiliated companies. 6. Estimates are calculated from reported or derived values and available data. Actual emissions may vary.

Environmental Accounting

Hino Motors tabulates the costs and results of environmental conservation activities based on the Environmental Accounting Guidelines of Japan's Ministry of the Environment. This enables the Company to contribute to environmental conservation through effective environmental investment and ongoing reductions in its environmental impact.

In fiscal 2020, the total cost of environmental conservation was ¥33.4 billion (down 4% from the previous year), and the economic effect was ¥1.1 billion (down 28% from the previous year).

● Environmental Conservation Costs

Unit: millions of yen

Environmental Conservation Costs	FY2019		FY2020		
Item	Investments	Costs	Investments	Costs	Description of major initiatives
(1) Costs in operational areas	496	714	0	255	
① Pollution prevention costs	93	171	0	0	Expenses for environmental risk countermeasures, drainage water treatment, and other activities
② Global environmental conservation costs	341	186	0	0	Installation of energy-saving equipment
③ Resource recycling costs	62	357	0	255	3R promotional activities, waste disposal, and other activities
(2) Upstream and downstream costs	0	59	0	56	Additional costs for reducing environmental load
(3) Management activity costs	0	393	0	432	Ongoing implementation of environmental management systems, and information disclosure
(4) Research & development costs	0	33,023	2,850	29,837	R&D expenses for reducing environmental load
(5) Social activity costs	0	5	0	0	Costs for environmental improvements, including off-site environmental conservation, tree planting, and beautification projects.
(6) Environmental remediation costs	0	0	0	0	
Total	496	34,194	2,850	30,580	

* For items such as capital expenditures that are difficult to distinguish whether they deal with the environment or have another purpose, only those items that can be clearly understood as dealing with the environment are recorded.

● (1) Economic results

Unit: millions of yen

	Details of results	FY2019	FY2020
Profits	Operational income from recycling	1,376	1,086
	Others	0	0
Reduced costs	Reduction in energy costs due to energy conservation	117	3
	Reduction in waste treatment costs due to resource conservation and recycling	22	6
	Others	0	0
Total		1,515	1,095

Note: The results of environmental conservation are calculated only for those items that can be definitely identified as having an effect over a single year.

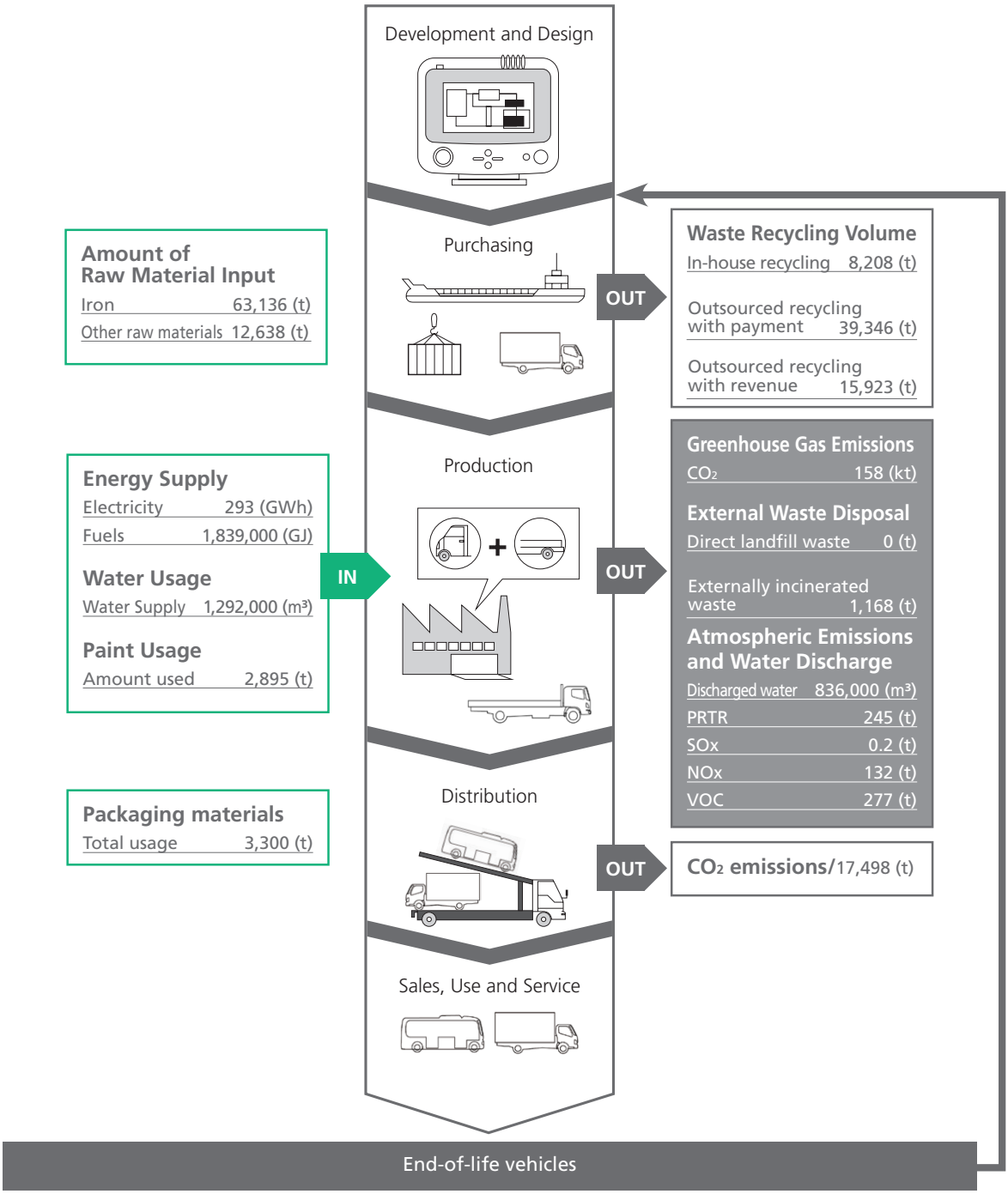
● (2) Quantitative results

	FY2019	FY2020
CO_2 reduction (tons-CO_2)	2,104	75
Waste reduction (tons)	490	1,527

Note: The results of environmental conservation are calculated only for those items that can be definitely identified as having an effect over a single year.

Material Balance

At each and every stage of the product lifecycle, from development through design to use and disposal, Hino Motors seeks to identify the impact of its business activities on the environment. Hino Motors is making every effort to reduce environmental load while working to clarify the processes where it is particularly evident.

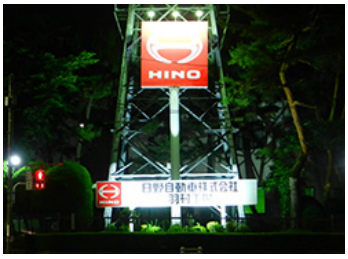


Note: The information provided represents aggregate data for the Company's Hino, Hamura, Koga, and Nitta plants. Estimates are calculated from reported or derived values and available data. Actual emissions may vary.

Other Activities

◆ Participation in the Lights Down Campaign

Since 2007, Hino Motors has been participating in the Lights Down Campaign, an activity in Japan in which companies across the country turn off their lights to save energy. Hino Motors main business sites turn off their illuminated signboards and other lights for the campaign. A large number of Group companies also participate in the campaign, including domestic dealers.



Hamura Plant main gate lit at night



Unlit at night

The Hino Green Fund Foundation

The Hino Green Fund was established in 1991 to promote and foster environmental activities in Japan. Each year, the fund provides about 15 organizations with grants. Recognized for its dedication to addressing environmental issues, the Hino Green Fund received Japan's Environment Minister's Award in fiscal 2005. On April 1, 2011, the fund became a public interest incorporated foundation in Japan. Going forward, the Hino Green Fund plans to continue providing steady and reliable assistance to various programs and activities and to conduct events.

The Hino Green Fund Foundation (Japanese only)


HGF Insect collecting event (Above photo is taken before the COVID-19 pandemic)

ESG Initiatives

Social

Safety

As a manufacturer of commercial vehicles, Hino Motors considers safety initiatives to be one of the most important issues in its corporate management.

It believes it has a responsibility to implement safety measures in every aspect of its operations, most notably in the development and manufacture of commercial vehicles.

Here are some examples of the Company's safety approach and actual initiatives. There is a particular emphasis on the pursuit of product technology for customer safety, and workplace initiatives for employee safety.

Pursuit of Product Safety Technology

Basic Stance on Product Safety Technology

Hino Motors promotes safety technology as an important part of product development. It is developing and designing safer products in order to help realize society's ultimate aspiration of zero traffic accident casualties.

Hino Motors is striving to improve safety from various aspects, including the pursuit of vehicle safety, safe vehicle operation support for drivers, and promotion of a safe traffic environment. In order to develop even safer products, the Company believes it is important to utilize customer feedback as well as information on the causes of traffic accidents that have actually occurred.

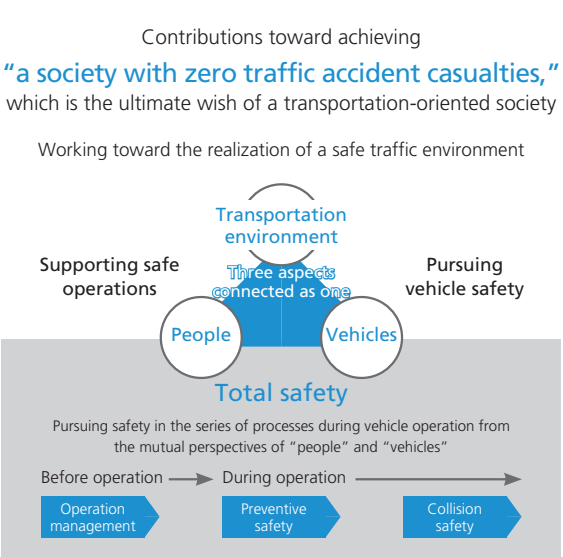
Total Safety: Aiming for Safe Traffic Environments

Hino Motors is advancing initiatives to increase safety in each stage, including vehicle operation control for safe driving, preventive safety to avoid accidents, and safety even in the case of a collision.

The Total Safety concept involves pursuing safety across this entire series of processes for vehicle operation.

Based on its Total Safety concept, Hino Motors is striving to develop and disseminate new safety technologies, not only for the safety of customers who operate commercial vehicles, but for the safety of all road users.

(For more information see Please see P.16 Three Goals "Best-fit Products Incorporating Safety and Environmental Technologies")



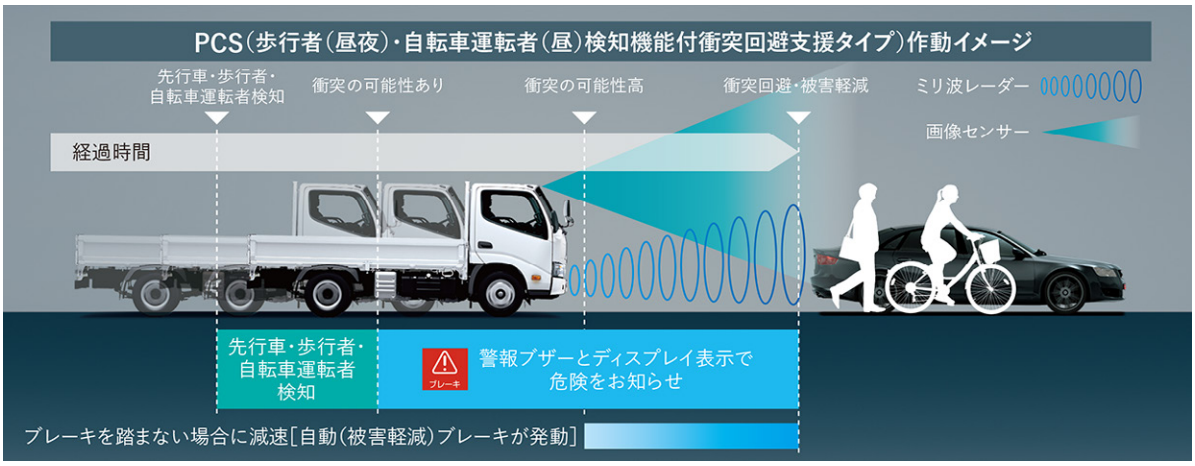
Safety Technology and Equipment

◆ Further Improvement of Pre-Crash Safety Collision Avoidance with Pedestrian Detection

Preventing accidents involving pedestrians is a common challenge for car manufacturers. Hino Motors is further improving its pre-crash safety (PCS)* technology to better prevent pedestrian accidents.

Reducing vehicle speed at the time of collision to help reduce collision damage, PCS technology makes it possible to detect bicyclists and night-time pedestrians, as well as stationary vehicles and daytime pedestrians, using millimeter wave radar and image sensors. By incorporating this technology, Hino Motors is helping to reduce the risk of traffic accidents.

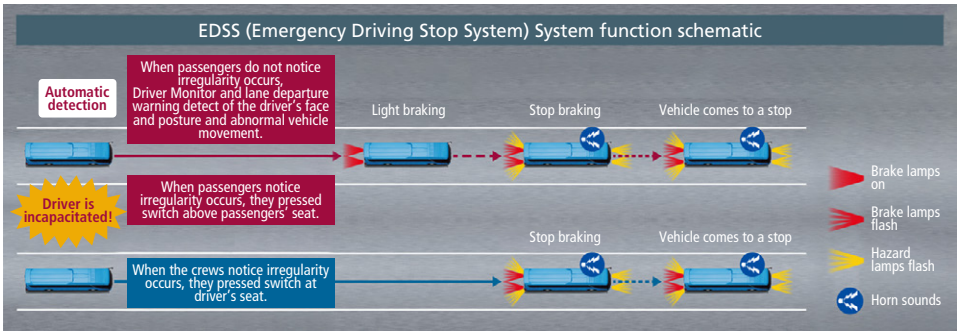
* "PCS"(Pre-Crash Safety) is a registered trademark of Toyota Motor Corporation



◆ EDSS: Emergency Driving Stop System

We continue to improve the Emergency Driving Stop System (EDSS), which assists the vehicle in stopping when the driver or passenger presses a switch if it becomes difficult to continue driving due to sudden illness or for other reasons. We added a function that monitors the driver's posture and the vehicle behavior, automatically detecting driver abnormalities such as sudden changes in physical condition, and then EDSS gradually decelerates and stops the vehicle.

This advanced system prevents traffic accidents and contributes to safe and secure vehicle operation. The Hino S'elega large sightseeing bus that was released in July 2018 is the world's first vehicle in the truck and bus category to feature EDSS. In addition, the "HINO Blue Ribbon Hybrid Bus," a route bus released in July 2019, will be the world's first such bus to offer this system as standard equipment.





◆ Suppressing function of False start

To prevent crashes caused by misunderstanding of the driver's accelerator Hino Motors forward equipping with "suppressing function of false start" which detects wall glass in convenience stores, etc. by a sonar sensor in front of the vehicle. If drivers make mistakes in stepping on the accelerator, the multi-display indicator and alarm sound will heads-up, and the control of engine output and brake will contribute to collision avoidance.



◆ Enhancing Safety Equipment for Existing Vehicles

Hino Motors is working to further enhance safety equipment not only for new vehicles, but also for existing vehicles in order to prevent traffic accidents.

● "Mobileye" Retrofitted Collision Prevention Support System

Since the end of January 2018, Hino Motors began offering at dealers throughout Japan the "Mobileye" retrofitted collision prevention support system (manufactured by Mobileye; Japan sales agent: J21 Corporation). The system detects the vehicle ahead, pedestrians, and traffic lanes and alerts the driver of danger by displaying icons and sounding an audible alarm, thus helping prevent accidents due to rear-end collision and lane departure.



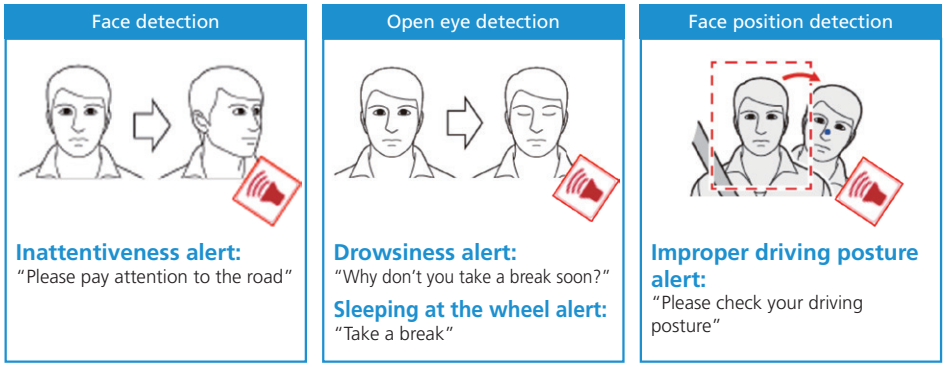


● Driver Status Monitor

Since May 2018, Hino Motors began offering at dealers nationwide the Driver Status Monitor (manufactured by Denso Corporation), a device that warns of inattentive driving or sleeping at the wheel, as a retrofitted safety support device for existing vehicles. The device estimates driving conditions such as inattentiveness, drowsiness, sleeping at the wheel, and improper driving posture based on images of the driver's face taken by an in-vehicle camera and verbally alerts the driver, thus helping to prevent accidents due to driver inattention to the road.



A camera installed inside a vehicle



◆ Customers' Safe Driving Support

Hino Motors aggressively offers training sessions for our customers in our efforts to support safe driving. The Company established the Customer Technical Center (in Hamura city, Tokyo) in 2005, the first permanent customer-oriented training facility for driving in Japan directly managed by a vehicle manufacturer. The center has welcomed 100,000 visitors as of October 2020. Going forward, Hino Motors will continue to support safe customer driving, with the aim of preventing traffic accidents.



The Customer Technical Center



A training session on safe driving

Future Initiatives in Product Safety Technology

Ensuring zero traffic accident casualties is the ultimate aspiration of all automakers, including commercial vehicle manufacturers. Hino Motors will continue to improve its product safety technology to get even closer to this objective. As a commercial vehicle manufacturer, the Company believes that by accurately ascertaining the kinds of product safety features that customers want, it can support the movement of people and goods by providing the necessary technologies. Going forward, Hino Motors will continue to enhance product safety technology aiming to make traffic accidents an thing of the past.

Workplace Safety Initiatives

Basic Stance on Workplace Safety

Acknowledging that safety takes priority over all business activities, as stated in its Fundamental Policy for Safety and Health, Hino Motors is promoting initiatives to prevent workplace accidents.

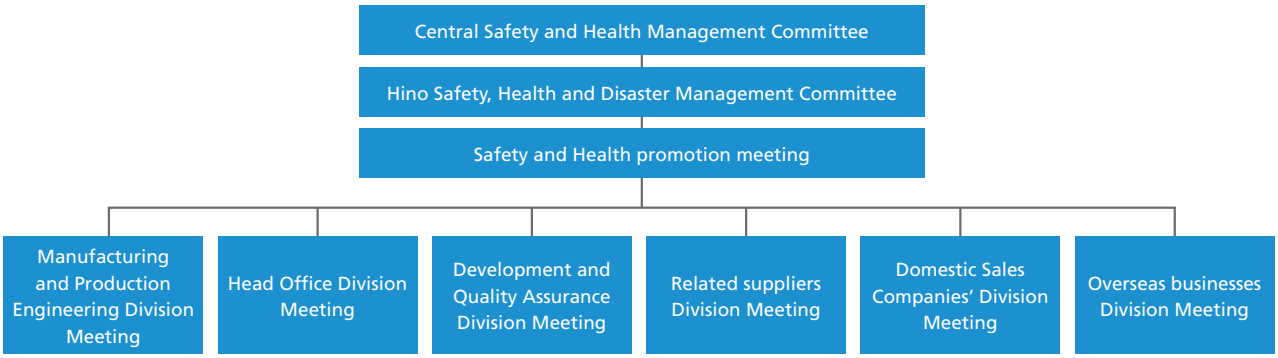
The Company is working hard to reduce the risk of occupational accidents, not only by building work environments that help employees to work safely, but also by fostering safety awareness among employees.

Workplace Safety Promotion System

The Hino Safety, Health and Disaster Management Committee has been established to deliberate and decide upon important issues related to occupational safety, including company-wide policies. At each business site, there is also an occupational safety and health committee, which promotes safe workplaces as part of daily operations.

The status of these safety activities is monitored and checked mainly by a company-wide comprehensive safety and health supervisor, which allows plan-do-check-act (PDCA) cycles to be applied for continual improvement.

● Occupational Safety Promotion System



Creating Safe Workplaces

◆ Workplace Safety Measures Based on Risk Assessment

Risk assessment is conducted mainly at production sites to regularly identify risks that can lead to occupational accidents.

Immediate measures are taken wherever risks are identified, as part of efforts to thoroughly prevent workplace mishaps. Elements that could become risks in the future are also addressed, with the aim of eradicating occupational accidents.

◆ Safety Patrols

Hino Motors conducts safety patrols, not only at production sites, but also at all of its other sites, including offices.

As part of daily operations, the patrols steadily and quickly eliminate each factor that could lead to an accident, in order to prevent work-related injuries.

Initiatives to Improve Occupational Safety Awareness

◆ Safe Walking Etiquette

Hino Motors carries out various types of activities to ensure that all employees understand the importance of safety awareness and basic safety behavior. This includes, for example, walking with hands out of pockets, and not using a cell phone while walking. Examples of these activities include the distribution of safety badges, and the in-house creation and posting of notices.

Similar safety initiatives are also being undertaken at all overseas businesses in an effort to improve safety awareness through activities that observe pedestrian safety and etiquette.



Flag of attention to Basic safety behavior (Japan)



Safety signage located at Hino Motors Vietnam, Ltd.



Safety poster (Vietnam)

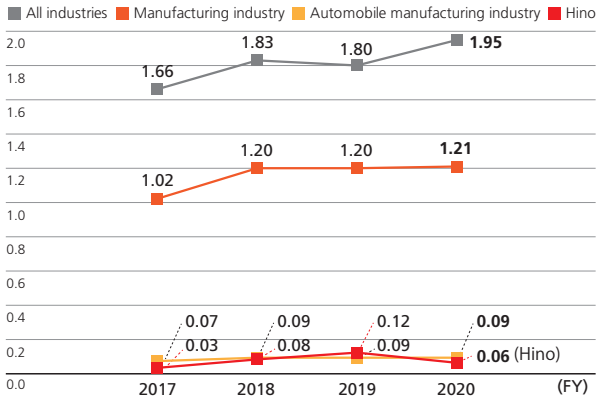
◆ Enhancing Safety Education

In order to further improve employee safety awareness and knowledge on occupational safety, Hino Motors provides safety education according to job type and position.

In fiscal 2020, we analyzed the causes of work accidents and found that many of the accidents occur in inexperienced employees who have been on the job less than one year and accidents involving the elderly are increasing.

Therefore, the content of training for employees in their first year of employment is designed to prevent accidents. It is well known that the elderly are prone to frequent falls, but with proper training, they come to understand safe ways of walking and carrying out various physical activities. In safety education, we are enlightening people about walking and physical functions, the mechanism of fall accidents, and precautions when walking.

● Frequency of Temporary Absences Due to Accidents, by Industry



Source: All industries and manufacturing industry (Survey on Industrial Accidents by the Ministry of Health, Labour and Welfare). The automobile manufacturing industry is the average of 14 companies which belong to the Japan Automobile Manufacturers Association, Inc. (JAMA).

* Frequency of temporary absences due to accidents = (number of employees injured during operations / total number of working hours) × 1,000,000

Future Initiatives

Occupational safety is a never-ending commitment. Although the number of occupational accidents has actually been steadily decreasing, Hino Motors is still working to further enhance its initiatives, aiming to reach the ultimate goal of zero labor accidents.

Going forward, the Company aims to eliminate occupational accidents, and it will keep improving its steady efforts in areas such as safety education and safety patrols at all business sites. Hino Motors will continue to foster the culture of safety that has already taken root.

Health

Basic Policy on Health

In 2015, Hino Motors' Health-Oriented Corporate Management endeavored to promote its various initiatives, including announcing the Hino Motors Health Declaration in 2019.

The health of our employees is a crucial and necessary element enabling continuous growth for the Company and allowing for greater contributions to our clients and to society. In order to raise the awareness of every employee and promote the activities of Team Hino, Hino Motors will actively strive to build a workplace where employees can continue working in good health.

Health Declaration

The health of Hino Motors employees around the world and their families who support them is a major factor that can be considered as a foundation and asset in expanding all our businesses.

Healthy, highly motivated, and passionate employees' taking on challenges and playing active roles at their workplaces leads to fulfilling our corporate mission: "To make the world a better place to live by helping people and goods get where they need to go—safely, economically and with environmental responsibility—while focusing on sustainable development."

We hereby declare that we engage in health promotion and disease prevention activities together as Team HINO, and that we create a company where all employees are full of energy and can continue working with enthusiasm.

Health Maintenance Support System

Global Human Resource Development Department managers help promote initiatives for health management at Hino Motors by supervising the implementation of health measures. Those responsible for health promotion at each office work with occupational health professionals and health insurance associations to carry out measures targeting a variety of issues.

As a mental health support system, in fiscal 2017 we introduced a workplace consultation system for the early detection and treatment of employees facing mental health challenges. We have placed 19 counseling staff at each workplace to provide mental health support that includes approaching employees, speaking one-on-one, and collaborating with medical professionals.

When health checkups and one-on-one consultations lead to an occupational physician determining the necessity of limiting work, the manager of that individual's workplace provides a written statement. After the decision is made to limit work, efforts are made to prevent exacerbation of mental health issues by managing overtime work hours and other measures. Hino Motors also provides the opportunity for employees to seek individual counseling with an occupational physician or contracted counselor, and established a toll-free telephone help line staffed by a professional organization.

Employee Mental Health Management

◆ Stress check

The Company implements stress checks for all employees, provides education on self-care, and aids employees under extreme stress through counseling in a medical setting and support by an outside expert. In addition, the results of stress checks are analyzed and evaluated, then feedback is given to each workplace for subsequent utilization in workplace management.

◆ Mental Health Care Study Sessions

It is important that managers at each workplace acquire fundamental knowledge to ensure early discovery of employees facing mental health challenges and a quick response. Since fiscal 2013, a training course on Mental Health Initiatives in Management has been provided for newly appointed managers.

In fiscal 2020, 124 managers attended the training course (in fiscal 2020, the course was presented through e-learning to prevent the spread of COVID-19).

Measures such as this training course have resulted in the number of employees taking leave due to mental illness dropping to less than half compared to fiscal 2013 when the course was first launched.

● Participants in Mental Health Care Study Sessions Held for Managers

Business site	FY2017	FY2018	FY2019	FY2020
Head Office/Hino Plant	266	126	106	73
Hamura Plant	33	42	37	26
Nitta Plant	44	27	14	20
Koga Plant	18	8	16	5
Total	361	203	173	124

Employee Health Management

◆ Health Management

In order to maintain and support the physical health of employees, Hino Motors collaborates with Hino Motors Health Insurance Association to analyze the results of regular health checkups and medical information from outside the company and translate it into the development of suitable measures.

Specifically, occupational health professionals provided health guidance based on the health checkups to young employees aged 40 and under at risk of lifestyle-related diseases with the aim of further reducing such diseases. As a result, improvements were seen in values such as weight and BMI, as well as sensitivity toward health. In addition, medical exams for prostate cancer and colon cancer were added to the regular roster of health checkups in fiscal 2016. In fiscal 2018, we introduced separate medical exams for gynecologic cancers and stomach cancers, which are not included in the regular health checkups. Generally, these checkups are free. In fiscal 2021, the age limitation on medical exams for gynecologic cancers was withdrawn so that women of any age can now receive the exams. We are striving to improve health checkups so that they lead to early discovery and early treatment of diseases. Since fiscal 2020, we have identified special health guidance as an important issue and are encouraging health exams through email and phone calls so that individuals fully receive guidance and work on improving their lifestyle habits.

◆ Prevention of Second-Hand Smoke and Reducing Smoking Rates

In fiscal 2018, Hino Motors completed the closure of all indoor smoking areas at the Hino Head Office in order to ensure the prevention of second-hand smoke. In conjunction with this, the outdoor smoking area was established taking into consideration prevention of second-hand smoke. Preparations were simultaneously put in motion to create outdoor smoking areas in further consideration of preventing second-hand smoking.

◆ Measures to Prevent Heatstroke

In addition to measures introduced into facilities to prevent heatstroke, Hino Motors continues various initiatives through preventative activities. Specifically, it carries out educations explaining how to prevent heatstroke and partially subsidizes the price of cold beverages (from June through September). For employees working in the plants of Hino Motors, the Company provides functional drinks as well as saline solution, and it establishes specified times for employees to drink water.

All of Hino Motors' workplaces take steps to prevent heatstroke, including meeting with employees each morning to check on their health condition and monitoring the workplace environment using devices that measure the wet-bulb globe temperature index of heat.



Roof with thermal barrier coating



Green curtain

◆ Infection Prevention Measures

Hino Motors takes various measures to protect employees from infectious diseases such as COVID-19 and influenza. In the case of COVID-19, an internal task force has been established that is conducting infection prevention measures that place the highest priority on employee safety. These measures not only recommend telework and online meetings, but

also prohibit events and business trips, create standards for coming to work, and set up automated thermal temperature scanners and panels to prevent droplet transmission. Other measures include the development of a system to implement PCR testing at an in-house clinic* and free distribution of masks produced by Hino to employees. To prevent influenza, we began providing flu shots to protect the health of our employees in all workplaces in fiscal 2018. The inoculation rate was only 5.2% until fiscal 2017 since the vaccinations were only given at some workplaces, but that rate continues to increase each year, rising to 25% in fiscal 2018, 31% in fiscal 2019, and 40% in fiscal 2020.

* Conditions apply to implementation.

◆ Educating Employees on Improving Health

With the aim of providing motivation to employees to improve their health and acquire the knowledge they need, efforts have begun that bring public health nurses and nurses to workplaces to give lectures on health. In fiscal 2020, these lectures were held online to prevent the spread of COVID-19 infections.

| Lecture Themes | (1) encouragement to stop smoking; (2) preventing back pain; (3) preventing high blood pressure; (4) getting a better night's sleep; (5) how to read health checkup results; (6) farewell, fatigue (7) the power of breakfast (8) simple stretching that can be done at work



A health lecture

◆ Supporting Healthcare for Employees Stationed Overseas

Hino Motors has set up a healthcare assistance service to provide healthcare lectures by an occupational physician based on the living conditions of each destination country to all employees who will be stationed outside Japan. The Company also provides training for the employees' family members by educating and raising awareness of infectious diseases and conducting preliminary health checks and vaccinations. In addition to providing employees with an occupational physician by telephone or email, the Company supports the healthcare of mind and body through the same kind of service as it does in Japan by providing counseling through a toll-free telephone number. Hino Motors is working to improve convenience for employees stationed outside Japan by communicating local information and adopting cashless payments when costs are incurred at a local medical facility.

Moreover, in areas where it is difficult to procure Japanese food locally, Hino Motors distributes it from Japan. The Company also sends paperback books and makes other efforts to help employees stationed outside Japan and their accompanying families to lead healthy lives without losing their physical vitality and suffering from stress in a new living environment.

Future Initiatives

Hino Motors is strengthening the health support system that targets health maintenance and improvement for all employees as Team Hino and will continue to put efforts into effective disease prevention and health promotion activities at Group companies in Japan and overseas in partnership with the Hino Motors Health Insurance Association.

In addition to the initiatives taken to date, Hino Motors will actively incorporate enjoyable activities that will make it possible for each employee to demonstrate even better performance, creating an environment that allows all employees to continue playing active roles in good health.

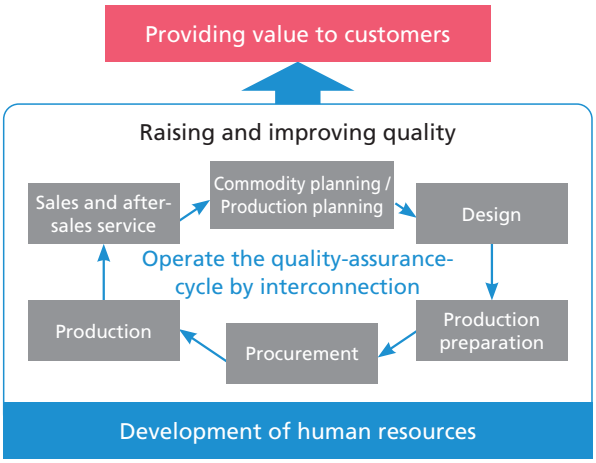
Quality

Basic approach

Hino Motors has valued quality since the Company's founding. We believe it is our responsibility to provide value and quality through products and services that enable our customers and the world to feel safe. The Company is constantly striving to improve quality by continually applying plan-do-check-act (PDCA) cycles for improvement. These PDCA cycles are utilized during the manufacture of commercial vehicles, and also while the vehicles are being used by customers, until the company's role is complete. The pursuit of quality improvement forms the basis of Hino Motor's quality assurance management. Under its "Customer First" and "Quality First" Code of Conduct, Hino Motors will continue to refine the quality of its products and services on a daily basis in order to remain a commercial vehicle manufacturer trusted by customers and society.

Promotion System for Quality Assurance

The employees of Hino Motors are all working to improve the quality of the processes they are engaged in, including planning, design, production preparation, procurement, manufacturing, sales, and after-sales service. They are expertly applying quality assurance cycles leveraging coordination across different processes. This enables the Company to provide products and services that earn the trust of customers and society. The Company will keep taking on the challenge of improving quality even further by promoting human resource development, which is one of the foundations of corporate activities in each process.



Initiatives to improve product quality

To discover and improve product defects in the initial stage of the product development process, Hino Motors conducts extensive discussions in the early design stage on compliance with laws and regulations, environmental considerations, and market uses in an effort to boost the quality of design plans. A high-quality design review (a step that checks and studies the design) is conducted onsite using actual products with the goal of continuously producing first-rate goods.

Quality risk management

At least once a year, Hino Motors conducts an internal audit to further strengthen appropriate quality assurance activities, based on laws in all relevant countries and internal regulations. This internal audit is carried out by a team formed of

internal auditors well-versed in quality assurance rules, frameworks, and auditing techniques. The audit results are swiftly applied to improvement cycles to make enhancements. With environmental changes inside and outside the company in mind, Hino Motors earnestly incorporates opinions from entities such as the certifying bodies in various countries to further bolster quality assurance activities.

Initiatives for Raising Employee Quality Awareness

◆ TQM*1 Activities

Hino Motors aims to improve the quality of products and services that meet the needs of its customers and the world. We promote QC circle activities, PROGRESS (technology-related small group activities)*2, and efforts to improve workplace management at all employment levels, from workers to managers. In addition, every year inhouse competitions are held using actual examples of activities that passed internal qualifying rounds in each department. Through these outstanding examples of advancements presented at the programs, participants gain understanding of new methods and approaches. This encourages employees to learn from one another and make improvements.

*1 TQM: Total Quality Management

*2 QC circle activities, PROGRESS (technology-related small group activities): Voluntary activities for finding and solving issues within a group with the goal of improving quality within that workplace. It is an opportunity to deepen understanding among group members and revitalize the workplace, and at the same time, the mutual stimulation provides an opportunity for growth.

◆ Ample Learning Opportunities

Since fiscal 2015, Hino Motors has been holding "Exhibition of Quality Improvement Activity" every year in November, the Company's quality month. This ensures that all employees can maintain their awareness of the importance of ensuring safety and peace of mind for customers. In 2018, a Quality Learning Center was opened for employees. The center enables all employees to learn about the current quality situation at Hino Motors, while strengthening efforts to keep a strong emphasis on our principle of "top priority to quality and customer satisfaction".

In addition, Hino Group sales companies in and outside Japan, which have a great deal of direct contact with customers, are working to create systems for supplying parts rapidly and for studying vehicle maintenance technologies. In Japan, service support sites have been established at the 21st Century Center (Hachioji City), Kobe Training Center, and Sagamihara Training Center. Overseas, support sites have been established in the Middle East and Latin America to further improve quality. In addition, Hino Motors launched a Service Master Course in 2003. This next-generation program develops core human resources at dealers in Japan. Program participants acquire the advanced maintenance and diagnostic skills needed by service engineers. They also obtain knowledge concerning products and relevant laws and regulations, as well as a wide range of skills, such as customer service and repair shop management. After completion of the course, the participants apply their new expertise in after-sales service departments at Hino Motors' dealers in Japan.


Hino Training Center - Middle East (UAE)


Quality exhibition


Completion ceremony

◆ Hino Group Award System

Hino Motors dealers across Japan regularly hold a service skills competition. The competition is held in order to improve engineers' technical skills by encouraging them to learn independently, and to incentivize staff to provide high quality service to customers.


Competition for service skills

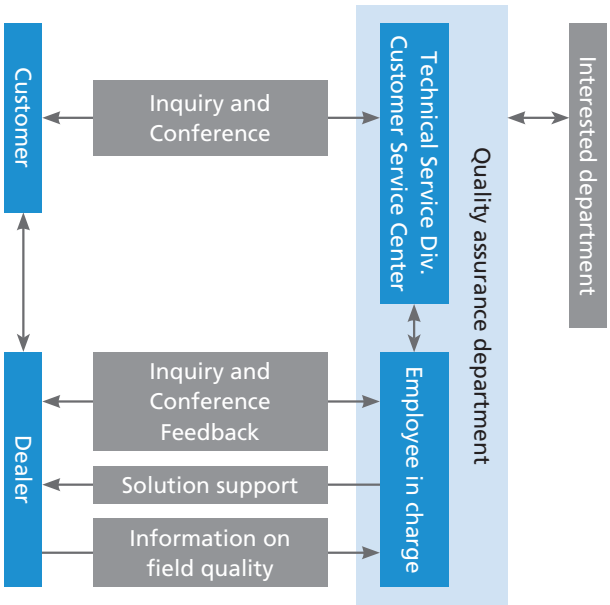

Awards ceremony


Awarded dealers

Customer Service Center Activities in Japan

Hino Motors' Customer Service Center in Japan was established to address a range of customers' concerns and enquiries by telephone. Following the motto, "Speedy and accurate response," the center is committed to improving its quality of service, aiming to further enhance customer satisfaction.

● Response system for customers In Japan

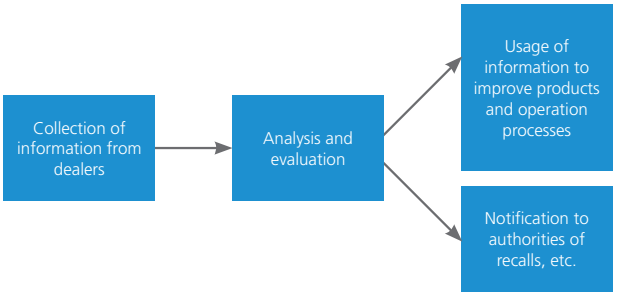


Handling Quality Defects and Recalls

Hino Motors' top priority is the safety of customers and the broader society. The Company makes every effort to prevent defects so as not to cause difficulties for anyone. In order to ensure customer safety and support their scheduled operations, Hino Motors has established a system that rapidly collects all the needed quality information and ensures a prompt response to any quality issues.

Please refer to the following for details on how Hino Motors has handled defects, including the issuing of recalls, over the last three years. All defect cases are handled appropriately.

● Remedial and Other Measures



● Incidence to handle defects

(Cases)

	FY2018	FY2019	FY2020
Recalls*1	21	14	11
Remedial measures*2	0	1	0
Service campaigns*3	12	12	5

By definition of the Ministry of Land, Infrastructure, Transport and Tourism Japan

*1 Recalls: Automobile manufacturers and related manufacturers recall vehicles to make necessary improvements in accordance with safety standards when it has been determined that a certain range of the same model of vehicles, or tires or child seats do not comply with or are suspected of not complying with safety standards for road transport vehicles due to factors at the design or manufacturing stage.

*2 Remedial measures: Automobile manufacturers and related manufacturers undertake remedial measures for making necessary improvements to vehicles when it has been determined that problems have occurred due to factors at the design or manufacturing stage, and such problems cannot be ignored in terms of ensuring safety or preserving the environment, even if the problems are not covered by safety standards for road transport vehicles (in contrast to product recall notifications).

*3 Service campaigns: Automobile manufacturers carry out service campaigns to make necessary improvements to the marketability or quality of vehicles in the event of problems that do not fall within the scope of recalls or remedial measures.

Future Initiatives

Hino Motors is working to achieve the ultimate goal of eradicating defects and recalls, aiming to provide further safety and peace of mind to customers and the broader society. The Company will keep working to improve quality further by constantly striving to prevent defects and the recalls and further raising employee awareness.

VOICE

The Power That Sustains Hino Motors

I feel pride working on the front line to support Hino vehicle quality



Quality Assurance Div
Maho Izukawa

Conducting analysis at the component level to discover each and every defect

It's my job to pin down the causes of a vehicle's problems by collecting and analyzing components and giving feedback to the development and design departments to improve quality.

The reasons for a vehicle's problems en-compass a range of possibilities, including a vehicle being used in unanticipated ways. In many cases it's tough to narrow down a defect to a single cause. However, at such times I take care to communicate reliable information without making a decision based on conjecture. A wrong decision on my part could lead to poor quality. That's how much responsibility I undertake each day in my work.

Aiming for the ultimate goal of "zero defects"

When I hear about an accident involving a truck or bus on the news, it strikes a chord.

I tackle my work with a renewed sense of intensity and mission because I want to eradicate such unfortunate accidents.

Depending on the defect that emerges, in some cases, unless it is immediately addressed, a further defect could occur. The ultimate goal of quality assurance is to prevent all defects. Thoroughly investigating the cause of each and every defect can contribute to preventing further problems so that we can reach that goal. So I feel pride and a sense of satisfaction with my job, which is on this front line of defense.



Respect for Human Rights

Basic Stance

Hino Motors recognizes that every individual has different ways of thinking and values and that there are diverse differences between individuals, including ethnicity, religion, gender, age, and disability. In order to respect the human rights of each person, Hino Motors has set out the basic approaches that every member of Team Hino should take in the Hino Code of Conduct and Supplier CSR Guidelines to share the Company's values.

Respect for Human Rights

1. We do not discriminate on the basis of personal characteristics protected by local applicable laws and regulations, such as race, ethnic and national origin, religion, age, gender, etc.
2. We do not tolerate any form of harassment (such as sexual harassment, workplace bullying and etc.), and we strive to build even healthier working environments that enable every employee to flourish.

Hino Motors believes that if every member of Team Hino recognizes and respects differences in each other's ways of thinking and values and shares their knowledge to meet the needs of customers and society, it will pave the way to providing value such as the best products and better services. Going forward, Hino Motors will continue striving actively to remain a company where diverse human resources can thrive through mutual respect and consideration.

* Hino Motors participated in planning the "My Jinken Declaration" project sponsored by the Ministry of Justice Human Rights Bureau.

My Jinken Declaration

Education for Employees

Hino Motors provides harassment prevention training and compliance training for new employees, managers and supervisors, and employees working overseas. As part of this, the Company provides education on respecting human rights set out in the Hino Code of Conduct.

A total of 704 employees took part in training in fiscal 2020. Going forward, Hino Motors will deepen company-wide understanding of human rights and promote the creation of an employee-friendly workplace in which all employees respect each other.



New employee training

In partnership with all suppliers

In order to address human rights problems across a broad-based supply chain, all suppliers promote corporate activities based on the fundamental approach to human rights indicated in the Supplier CSR Guidelines.

Hino Motors also periodically confirms the status of initiatives using a check sheet, which then leads to improvement activities.

Human Resources "Creation" and Work Styles

Basic Stance

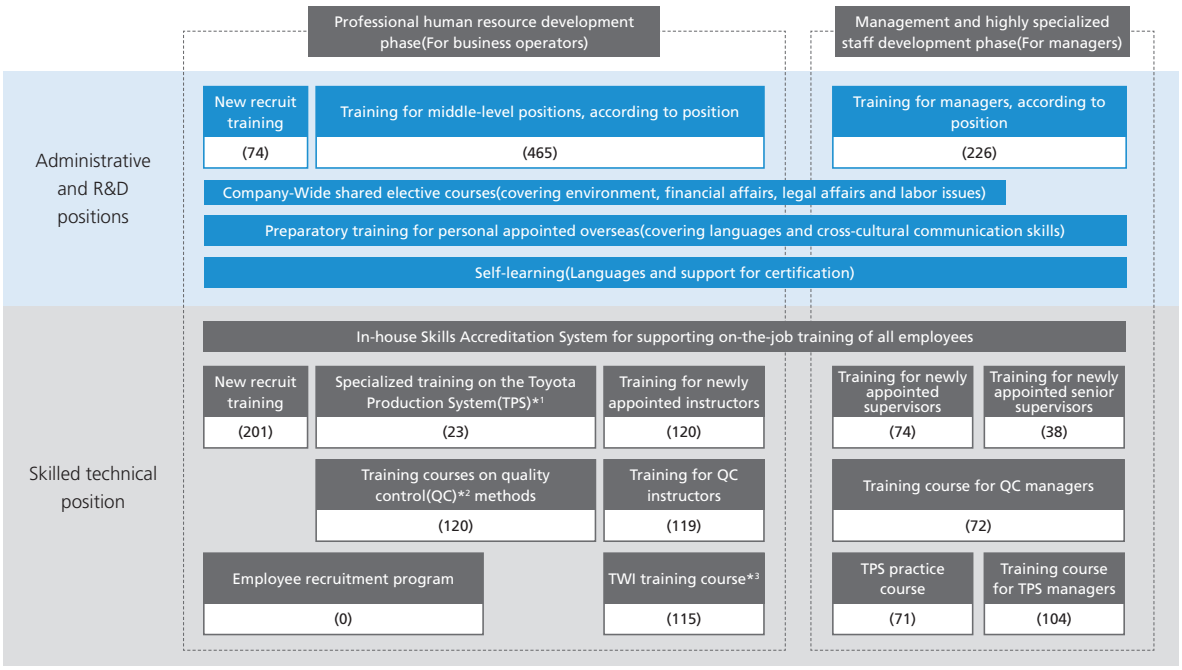
The CSR Charter of the HINO Credo states, "We respect each individual employee, and strive to create a workplace that fosters personal growth." This expresses Hino Motors' stance on issues including the processes—done with employees' full involvement—of "creating" human resources and innovative work styles.

Hino Motors recognizes that human resources initiatives support the foundation of the Company. The Company takes an active approach to personnel appointments, human resources development, and work support that suit each individual so that all members of Team Hino can accurately assess changes and address issues from a global perspective.

Human Resource Development Initiatives

Based on a climate of "teach and be taught," Hino Motors advocates a basic policy of human resource development that boosts work capabilities through on-the-job training (OJT). With the goal of complementing OJT, diverse group training (off-the-job training) is also carried out, such as hierarchal training and education in specialized fields, and self-development pursued by employees outside of work hours is also supported. To develop employees capable of working on the global stage, a particular focus is placed on practical programs that include language classes/overseas trainee programs (sending young employees to overseas training), training to increase management skills for employees holding management positions, employee training to gain specialized knowledge/skills, and training to improve problem-solving skills.

● Major Skills Development and Human Resource Development Systems



Figures in parentheses are the number of course participants in fiscal 2020.
*1 TPS: "Toyota Production System," the Toyota method of production. *2 QC: Quality control
*3 TWI: "Training within Industry"; TWI is a training technique for improving leadership and managerial skills.

◆ In-House Skills Accreditation System and Company-wide Capabilities and Competencies Exchange

Hino Motors has established an in-house skills accreditation system for organizing its on-the-job training activities at production sites and other workplaces requiring technical skills. Through this system, the expertise and skills needed in each workplace are clearly specified and incorporated into the goals of technical skills training programs, general training, and daily operations so that they can be systematically acquired by employees.

As part of the in-house skills accreditation system, Hino Motors holds its Company-wide Capabilities and Competencies Exchange every year. The event provides opportunities for representatives from all workplaces and group companies, including overseas businesses, to demonstrate the skills they have refined on a regular basis in order to engage in friendly competition and mutually improve their capabilities through interaction. (This event was cancelled in fiscal 2020 due to COVID-19.) By bringing members of all workplaces together for interactive activities, the event serves to motivate employees and foster a corporate culture that values reciprocal learning, which is essential for passing down technical skills to the next generation.



Quality control vehicle



Maintenance (centering)

◆ Hino Technical Skills Academy

With the hope of developing authentic artisans who are passionate about creating excellent products, Hino Motors originally established the Hino Technical Skills Academy in 1951 as its own vocational school for training engineers. With this same desire, the academy now serves as a training center for developing and preparing human resources with the character and skills they need to take leading positions in the Company's production plants.

The Hino Technical Skills Academy implements three-year courses in the subject areas of machining, plastic forming, automotive manufacturing, and manufacturing facilities. Employees acquire specialized knowledge and skills in their course of study and upon graduation are appointed to work in various fields at Hino Motors. While the focus is on human resources working on the production floor, which is a pillar of manufacturing operations, the academy also trains human resources sharing service engineering knowledge to countries around the world to continue supporting the customer businesses.

From fiscal 2019, the system was established as a 180-person, three-year program. Graduates are sent to various worksites.

| Example | Entering the World Skills Competition

Since fiscal 2018, the Hino Technical Skills Academy has been working to improve employee skills by entering the World Skills Competition (a national competition in which engineers who will be leaders of the next generation take part in skill level competitions). Every year, two employees are selected to take on the challenge of conventional lathe work and computer-aided design (CAD). The results are becoming apparent, with one individual in conventional lathe work and another in CAD chosen to compete at the national competition in 2021. We will continue to take on this challenge with the aim of winning medals in competition so that we become the driving force for passing on skills at Hino Motors.



Conventional lathe work

Hino Technical Skills Academy (Japanese only)

Initiatives for Promoting Diversity

Hino Motors recognizes that human resource cultivation and utilization on a global scale is a management issue that must be addressed to continue offering high-value-added products and services that contribute to society in countries around the world. Therefore, the Company encourages active promotion of human resources capable of demonstrating and utilizing talent, regardless of characteristics such as gender or nationality, and aims to create a corporate climate respectful of employee diversity and overflowing with energy.

◆ Appointment of Non-Japanese Director

Hino Motors recognizes that it is critical to draw on global resources in order to keep pace with the rapid changes occurring in society.

In April 2018, the Company revised its system of directors, appointing its first non-Japanese director. Hino Motors will continue to deploy diverse human resources, always aiming to put the right person in the right position.* In so doing, Team Hino will continue to support the business of its customers across the globe and remain a positive force in society.

* The system of officer was established and the other one of managing officer was abolished in February 2020, but he has a crucial role in a overseas cardinal bases as a corporate manager ongoingly.

◆ Supporting the Success of Women

To encourage even greater success for female employees, Hino Motors has made ongoing efforts to actively promote women to management positions. As of April 2021, there are 49 female managers working in a variety of important positions. The Company is making ongoing efforts to continue and expand our support for balancing work with parenting and family to reach our goal of a further 30% increase by fiscal year 2025. In addition, the Company is focusing on the following matters to further improve human resource systems and the corporate climate as well as support for women's careers to enable employees regardless of gender, particularly those raising children, to participate in the workplace.

1. Supporting new role models and forming diverse career plans
2. Creating a friendly work environment for everyone, including introducing flexible work systems
3. Promoting understanding of systems and child care leave for each workplace

Opportunities for women to attain success both within and outside Japan are being expanded. This includes the appointment of a woman as president of a subsidiary in Canada in 2015 and the appointment of a woman as a full-time auditor in 2019.

● Number of women in management positions (as of April of each year)

FY2014*	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
19	21	23	30	36	43	46	49

* As of November

◆ Employing People with Disabilities

Hino Motors proactively hires people with disabilities and provides support so they can thrive. In December 2007, the Company established a special subsidiary, Hino Harmony, Ltd., for the purpose of promoting the hiring of people with disabilities. Its business activities continue to grow each year, further increasing new opportunities for people with disabilities.

The Company is continuing endeavors to promote the employment of persons with disabilities through actions such as developing new occupational fields, and it is striving to create a workplace environment comfortable for people with disabilities to work in through a variety of measures. They include setting up a special paid vacation system to allow the employees to take time off for health management and skills development purposes and providing designated parking spaces at worksites to facilitate easier access. The fiscal 2020 employment rate for persons with disabilities at Hino Motors exceeded the statutory employment rate at 2.56%.The Company is making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.

Hino Harmony, Ltd. (Japanese only)



Mail sorting work



Outside sports competition

◆ Supporting the Success of the Veteran Employee

In 2019, the retirement age has been extended to 65 years old in order to allow veteran employees to demonstrate their advanced skills and abilities more widely. The aim is to increase the degree to which abilities and roles and reflected in treatment, and to have them play an active role with high motivation.

As of March 2021, the conventional reemployment system is used by 391 people at the head office.

● Number of Re-employed Staff

	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Number of re-employed staff	487	506	505	516	391

◆ Supporting Employees of Foreign Nationalities

Hino Motors actively promotes appointing talented personnel, regardless of their nationality. It also accepts employees of overseas affiliates as trainees and has introduced a program that conducts practical skills education to promote endeavors that support work activities.

Along with the globalization of business, work opportunities for employees of foreign nationalities are increasing more and more, and the Company intends to proactively utilize these employees going forward.

● Foreign Nationals Employed at Hino Motors

(Total employees on a non-consolidated basis)

	Total employees	Foreign nationals	Ratio of foreign nationals
Full-time employment	12,784	62	0.5
Other employment	1,277	29	2.3
Total	14,061	91	0.6

Better Working Provisions

◆ Welfare Benefits

Hino Motors has developed extensive welfare benefit services that include both child support and nursing care support. In this manner, the Company is working to help each employee to lead a balanced work and personal life. In addition to creating opportunities that allow employees to easily use these benefits, the Company is also reviewing workplace environments as well as individual work styles.

In order to create a workplace environment in which employees can continue working with peace of mind, Hino Motors has adopted a pension plan by which it contributes a portion of funds based on a defined-benefit company pension plan.

● Employees Participating in Efforts to Support the Next Generation

System Name	Details	Number of participants FY2020
Childcare leave	Leave until the date the employee's child reaches his or her second birthday through to March 31	146
Shorter working hours to accommodate for childcare needs	Shorter working hours for employees with children through to March 31 of the child's third year of elementary school	114
Flextime with no core hours	Core time deregulation for employees with children through to March 31 of the child's third year of elementary school	5,600
Child nursing care leave	Five additional vacation days each year for employees with children through to March 31 of the child's third year of elementary school	39
Family care leave	Five days of annual leave per family member requiring nursing care	50

◆ Selectable welfare benefits

As a part of efforts to promote work-style reform, the Company introduced a package plan with an eye toward adopting a selectable welfare benefits plan (Cafeteria Plan). Employees can choose the benefits they want to take advantage of from a lineup that includes travel and lodging, childcare and nursing care, fitness, and self-development.

Going forward, the lineup of benefits unique to Hino Motors will be enhanced so that it meets individual employee needs.

◆ Employment Provisions to Facilitate Diverse Work-Styles

Hino Motors is revising and adding employee provisions to facilitate flexible work-styles among employees. The Company will keep studying new provisions that enable diverse work-styles so that each employee can achieve a better work-life balance.

◆ Newly Establishing a System Enabling Diverse Experiences

Hino Motors is developing an environment that enables every employee to consider their career plan (what they want to accomplish) and achieve a fulfilling work-life balance. In April 2021, we introduced the permission system for supplementary work with the aim of supporting a variety of work styles by increasing work-style choices.

This system develops an environment that makes it easier for employees to consider and achieve the career they desire. Moreover, this system targets employee growth through skills improvement gained from experience and encourages feedback into the business. Widespread utilization will further enhance our employees' work-life balance.

● Newly establishing telework provisions and introducing a telework system

In April 2018, Hino Motors introduced the telecommuting system to support balancing work with parenting and caregiving.

As COVID-19 infections began spreading in early 2020, we expanded the ability to work from home to our approximately 6,500 clerical workers as an infection prevention measure. In October 2020, the telework provisions were newly established and the telework system launched under agreement between labor and management not only as a measure against COVID-19 infections, but also to allow employees to fully demonstrate their abilities without being bound by time and place.

◆ Promoting Stable Labor Relations

Hino Motors and Hino Motors Labor Union have entered into a labor agreement stating, "The Company aims to always monitor employee labor conditions and work to maintain and improve them, while the Labor Union respects the management rights of the Company and strives to cooperate with it to increase production." In addition to regular labor management meetings, in fiscal 2017 Hino Motors began conducting frank discussions between Company and union directors to discuss ways of facilitating the sustainable growth of the Company.

Furthermore, the Company holds head office labor-management meetings at each operational head office that are led by the general manager. These activities continued in fiscal 2020, and from fiscal 2021 opportunities such as workplace discussions are being created in every department to share workplace opinions and hold discussions that speedily resolve issues and troubles.

The Hino Group also organizes an annual labor-management conference that brings together union representatives from Group companies. The conference serves as a platform for regular information exchange on various topics such as labor conditions and wages, aiming to help the Group adapt to the rapid changes occurring in society. Hino will continue to leverage cooperation between labor and management to build even healthier working environments that enable every employee to flourish.





Conducting Frank Discussions between Company and Union Directors



Conducting Frank Discussions between Region and Union Directors

◆ Initiatives to Boost Employee Satisfaction (ES)

Being able to work in an environment and conditions that satisfy employees, which includes work content, corporate culture, workplace environment and human relations, also spurs motivation towards daily work duties. Hino Motors has marked fiscal 2021 as the first year of corporate culture reform and will tackle improving ES based on the following 3 perspectives to create an environment that is fair, open, and rewarding in all workplaces.

● Perspectives for improving employee satisfaction

1. Increasing understanding of the direction of corporate management
   Active exchange between management and employees is targeted so that employees understand the workplace mission and roles they should fulfill.
2. Making work more meaningful
   Talents are deliberately and gradually cultivated through efforts such as reassessing the personnel system as needed, leading to greater motivation.
3. Strengthening the workplace foundation
   A setting encompassing workplace environment and improved facilities is created that enables employees to work with peace of mind.
   When it comes to communication, efforts are carried out to cultivate a sense of company unity.

Review and analysis of employee satisfaction are carried out to take stock of the above 3 endeavors. This indicator is shared with each workplace and all employees, and utilized to plan and execute measures enabling everyone to continue working with peace of mind.

| Example | Opening Ton-Ton Kids Nursery School

Currently, there are approximately 2,000 employees raising children under the age of five at Hino Motors. A nursery school was established on company premises as an endeavor to create a workplace environment that enables these employees to continue working. In January 2017, Ton-Ton Kids—Koga opened at Koga Plant, while Ton-Ton Kids—Hino opened at the Head Office in April of that same year. The day the nursery school opened was timed to coincide with the factory calendar. Employees taking advantage of the nursery school have made comments such as, "I feel at ease because my children are close to my workplace."



Ton-Ton Kids—Hamura

| Example | Enhancing Employee Cafeterias

Hino Motors is renovating the cafeterias within its plants as part of its effort to improve employee satisfaction. Registered dieticians, cooks, and occupational physicians are working together to provide nutritionally balanced menus, and the Company is providing more comfortable environments where employees can relax. After the Koga and Nitta plants, Hino Motors plans to enhance employee cafeterias at other plants as well, including the Hino Global Parts Center, which started operations in May 2019.
In addition, Hino has recently been implementing infection control measures such as staggered operations and installing partitions for employees that go to work during the COVID-19 pandemic to promote worksite improvements enabling people to eat meals with peace of mind.



The employee cafeteria at Hino Global Parts Center, which was completed in 2019

| Example | Opening the new U.S. Head Office (Hino Motors Manufacturing U.S.A. Inc. (HMMUSA), Hino Motors Sales U.S.A. Inc.)

A new head office was opened in a suburb of Detroit, Michigan in the United States in September 2018. Bringing together the sales office and production office in one location makes communication effortless and further strengthens collaboration. The new office includes meeting rooms with wireless monitors, a cafeteria, and a fitness center. Not only is the work environment more friendly and operations more efficient, but this new office leads to improved health management and work motivation. Employee morale has been boosted.



A large hall capable of accommodating approx. 270 people



The cafeteria can be used freely by employees

◆ Human Resource Development and Fostering Employee Unity

● Competing in the Dakar Rally—Aiming for a higher place by making higher performance truck

Hino Motors participated in the "Dakar Rally 2021," which was held in Saudi Arabia in January. We achieved 12th place overall in the truck category marking twelve consecutive victories in the class with a displacement of less than 10 liters.

The technologies that Hino Motors has developed by continuously competing in the world's most challenging rally contribute to its development of commercial trucks and buses.

This fiscal year, Hino Motors is developing a truck in a bid to be a top contender through outstanding vehicle performance achieved using weight reduction, Hino's hybrid racing system, and an engine capable of high horsepower.

The mechanics that support the race are mainly Hino Motors employees and employees of sales companies nationwide. This activity is also utilized in human resource development of elite employees who will support the future of Hino Motors.

This fosters a sense of unity among Team Hino and leads to revitalization of employee communication. With the spirit of challenge in mind, developing human resources while refining technology on the global stage, "Team Hino" will continue to take on challenges.



Vehicle maintenance in the bivouac



Racing on a difficult course

More information about the Dakar Rally

● The Hino Red Dolphins are set to compete in heated matches in Japan Rugby League ONE

The Hino Motors rugby team, the Hino Red Dolphins, has competed since its creation in 1950 under the motto of "fostering a sense of Group unity" and being "a community-based club." The team has been playing in Japan's top-tier league after succeeding in its long-sought goal of ascending to the highest level of rugby competition in 2018.

The newest stage in Japanese rugby, Japan Rugby League One will launch in January 2022.

Hino Motors will continue striving to create a team rooted in community that continually brings inspiration and excitement to everyone involved by improving the quality, skills, and value of rugby. Furthermore, we are building even stronger ties with communities and fans to boost the spirits of Team Hino and contribute to greater development of regional society through the popularization of rugby.



Fierce competition with famous competitive teams



Scoring a try

Hino Red Dolphins (Japanese only)

● Hino Table Tennis Club King Fischer's to fight in Japan Table Tennis League 1st Division

For the nearly 50 years since its creation in 1970, Hino Motors' table tennis club has endeavored to build a team around the concepts of bolstering the spirits of Hino Group employees and contributing to regional society. The team has contributed to fostering a sense of unity in Team Hino since it was promoted to the first division of the Japan Table Tennis League in 2018. It also began endeavoring to deepen understanding of the sport and strengthening community bonds by promoting table tennis through table tennis classes for municipal junior high school students and participation in municipal table tennis events. Competing in the first division will promote the development of communities and Team Hino by sharing with communities the "image of Hino as a company continuously tackling challenges" and the "value of continuing to strive to win" with Team Hino.



A match played on home turf in Hino City was watched by over 600 spectators



An intense competition

● Strengthening Community Bonds through Sports

Hino Motors is promoting initiatives to deepen ties with the local community through sports.

Hino Red Dolphins, who are active in Japan Rugby Top League, hold a "tag rugby class" at a nearby elementary school, and Hino Motors King Fishers, who is active in the first division of the Japan Table Tennis League, hold a "table tennis class" at a junior high school in Hino City. By sharing "experience," "impression," and "joy" through direct guidance from players who are active on the front lines, we will work on the development of local people and the development of the region.

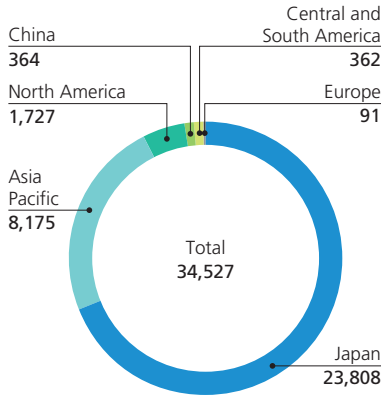


Human Resources Data

● Number of Employees (Consolidated)

	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Japan	23,120	23,524	23,675	23,808
Asia Pacific	7,518	8,268	8,340	8,175
North America	1,463	1,550	1,711	1,727
China	363	351	359	364
Central and South America	179	284	365	362
Europe	76	92	98	91
Total	32,719	34,069	34,548	34,527

● Number of Employees Total (Consolidated as of March, 2021)



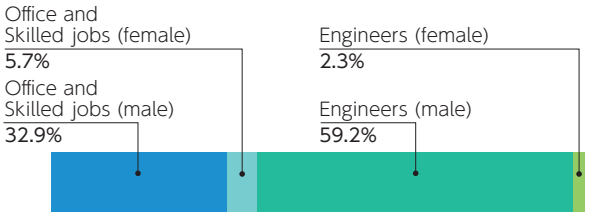
● Shift in number of employees by type of employment

	March 31, 2019	March 31, 2020	March 31, 2021
Full-time employment	34,069	34,548	34,527
Other employment	11,373	9,640	7,363
Total	45,442	44,188	41,890

● Number of Employees (Non-consolidated)

	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Males	11,720	11,763	11,960	11,813	11,779
Females	902	942	975	992	1,005
Total	12,622	12,705	12,935	12,805	12,784

● Ratio by Job Type (Non-consolidated, as of March 31, 2021)



Future Initiatives

The environment surrounding commercial vehicles has significantly changed on a global scale. Within that environment, human resources serve as the source of the Company's competitive strength.

Hino Motors will achieve sustainable corporate growth by proactively moving forward with human resource development and appointments that focus on forthcoming global changes, and continuing to offer the world value unique to Hino.

The Power That Sustains Hino Motors

I want to go along with developing a work-friendly environment for everyone



Product Strategy Dept
CUBE-LINX

Tsuyoshi Kiriake

Giving shape to new vehicles using my own ideas

When I visited the plant before joining Hino Motors, I saw the engines installed in heavy-duty trucks and was amazed by their large size. I felt the draw of commercial vehicles, which are much bigger than passenger vehicles, as a means to resolve global problems and made my decision to join the Company.

I'm gaining experience in product plan-ning for overseas countries and negotiating with clients, which are areas I've always been interested in. Currently, I'm involved in creating strategies for electric vehicles and reviewing productization. All the work I take on is new, with no ready solutions, but that is where I feel a great sense of satisfaction when I use my own ideas to produce vehicles that achieve solutions unique to Hino, while at the same time incorporating solutions to as many demands from customers and society as possible.



I want to lead the achievement of a society connected to families with small children

My spouse and I both work and are raising two children. I want to do my best at work, at home, and with my children, so I make use of the flex-time system and telecommuting system to take care of household chores and our children every evening. I can arrange my workload until I have to pick up my children from nursery school, am able to participate in nursery school events, and can care for them when they suddenly develop a fever. I'm able to flexibly and efficiently utilize my time. More than anything, I'm very happy to be able to spend precious time with my young children every day.



As an employee who takes advantage of these systems, I hope to set an example to create a climate in which everyone, regardless of gender, can routinely utilize a flexible work style. I want to go along with developing a work environment that enables the realization of a work-friendly environment for people with young children.

Supply Chain

Basic Stance

Partnerships with suppliers is an essential of Hino Motors' ongoing business activities. The Company works together with suppliers to offer value to the world with the aim of achieving sustainable corporate growth.

The Company not only views fair transactions as important, but mutual communication as well, and builds solid, trusting relationships with clients.

Hino Motors Basic Procurement Policy

Hino Motors comprehensively judges aspects including technologies, quality, price and delivery, and procures the best components from trustworthy suppliers around the world. The following five matters form the basic policy for promoting sound, fair procurement activities that comply with laws.

1. Transparent and Fair Transactions

The Hino Motors Group conducts transactions with suppliers fairly and in good faith, regardless of a supplier's national origin, scale of operations, or past performance. Hino Motors decides which suppliers it procures from after due consideration of quality, price, production capacity, and delivery times, as well as their stance on the environment, management stability, and technology development capabilities.

2. Establishment of Relations Built on Trust and Continuous Mutual Prosperity

The Hino Motors Group works closely and communicates directly with suppliers in an effort to attain good working relations and mutual prosperity based on mutual trust.

3. Promotion of Global Procurement

With its goal to be a commercial vehicle maker trusted around the world, the Hino Motors Group promotes procurement from suppliers in the areas where the Group conducts business to enable it to contribute to communities as a local enterprise.

4. Complying with Relevant Laws, Regulations and Terms of Contracts

The Hino Motors Group operates in accordance with social norms and in compliance with laws and regulations, in letter and in spirit. The Group also properly and strictly manages classified information it shares with suppliers.

5. Promotion of Green Purchasing

Based on Green Purchasing Guidelines, The Hino Motors Group works to procure parts, materials, and equipment that have been produced with a low impact on the environment in order to offer environment-friendly products and services.

Initiatives to strengthen compliance in the Hino Group and all supply chains

Hino Motors communicates its compliance message to Hino Group suppliers to gain understanding of the approach to CSR. The Company has developed Supplier CSR Guidelines for all supply chains that are utilized in endeavors to improve CSR. The suppliers for each company also use the guidelines to check handling of CSR. In addition, Hino Motors administers questionnaires on compliance to grasp the state of implementation and conducts feedback in an effort to strengthen compliance in all supply chains. In regard to human rights, we also grasp the circumstances involving training for foreign interns who are accepted by many suppliers, and hold regular consultation meetings to discuss issues.

Click here for the Supplier CSR Guidelines. Click here for the Supplier CSR Guidelines Sheet.

General Meeting for Suppliers

◆ Japan

Hino Motors holds a "Supplier General Assembly" every March as a place to deepen direct exchanges with suppliers in Japan. At the general meeting, we explain our company policy and procurement policy. In addition to explaining our thinking on cost and quality improvement, working environment, safety, environment, and compliance, we commend suppliers who have made particular contributions in various fields such as quality control, technological development, and cost improvement.

In fiscal 2020, the Supplier General Assembly was cancelled as in the previous fiscal year due to COVID-19. However, a video was distributed to more than 360 suppliers on the procurement policy for fiscal 2021 that encompasses the operating foundations of safety, quality, compliance, environment, and supply, as well as on strengthening global competitiveness and building a procurement infrastructure with advanced technology. In addition, awards were given to suppliers that have made notable contributions.

◆ Overseas

Hino Motors holds a "Supplier General Assembly" with the aim of deepening direct exchanges with suppliers in overseas countries such as Asia and North America. In fiscal 2020, due to the impact of the COVID-19, as in Japan, the scheduled general meetings in the United States, Thailand, Indonesia, China, and Pakistan have been cancelled. But we will make efforts to strengthen ties with our suppliers, such as holding a briefing session on our procurement policy for fiscal 2021 online.

Social Responsibility Initiatives

Basic Stance

Hino Motors is committed to maintaining good relationships with stakeholders so that it can continue providing products and services around the world.

Described below are a number of local CSR activities taken to fulfill the CSR Charter found in the HINO Credo.

- We strive to provide products that are safe and environmentally friendly, pursuing a responsible balance with the environment in all of our corporate activities.
- We strive to contribute to local communities in all the regions where we do business.
- We are devoted to good corporate citizenship, complying with laws and regulations and maintaining high ethical standards.

Hino Motors continued to pursue social responsibility at production sites and sales sites throughout the world. The focus was on contributing to local communities, supporting local cultures, and supporting next-generation human resource development. Based on the characteristics of each region, the Company will continue to take the initiative to ensure harmonious relations with local communities.

Contributing to local communities

As a good corporate citizen, Hino Motors is moving forward with endeavors such as helping to develop local communities and improving the environment.



Supporting local cultures

Hino Motors values the culture rooted in each local community and participates in and supports local cultural events.



Supporting next-generation human resource development

Hino Motors provides local educational assistance to help develop the children and youth who will be the leaders of the future.



Contributing to local communities



Tag rugby classroom for local elementary school students



Cleaning traffic mirrors in the community (Sankyo Radiator Co., Ltd.)



Community cleaning (Hino Motors Canada, Ltd.)



Donating toys to local children



Donating Christmas gift to local children of poor families



Donating food and stationery to the local orphanage and repair facilities

Supporting local cultures



Supporting activities of a local baseball team called Saitama Musashi Heat Bears



A SAKURA festival open to local residents



SHINSENGUMI FESTIVAL HINO CITY, TOKYO



Supporting a local sporting event (Shanghai Hino Engine Co., Ltd.)



Introducing product safety and environmental technologies at a local JAPAN FESTIVAL (Hino Motors Canada, Ltd.)



Exhibiting a full lineup at the South African Agricultural Trade Show (NAMPO); (Hino distributor: Toyota South Africa)

Supporting next-generation human resource development



Technical workshops for local technical students



A company tour for local middle school students



Exhibiting a real cut bus at the Science Hills Komatsu local science museum



Donating Hino Hybrid Bus to Bangkok Mass Transit Authority (BMTA) for technology diffusion



Accepting internship students to provide a practical learning environment for university students



Donating trucks for regional university

Future endeavors

As a good corporate citizen, Hino Motors will continue striving to maintain harmonious relations with local communities and promote sustainable growth. To achieve this, the Company aims to strengthen its social responsibility initiatives by leveraging the uniqueness of its business. Going forward, Hino Motors will actively contribute to society to build good relationships with local communities and be a company that is appreciated for many years to come.

The Power That Sustains Hino Motors



We want to contribute to local communities through CSR, as a good corporate citizen

Dyah Maryati

PT. Hino Motors Sales Indonesia (HMSI)



Offering free cleft lip/cleft palate surgeries



Supporting renewable energy development



Partnering with a local safari park to conduct preservation activities for the Javan hawk-eagle

Taking up the challenge of a new career by utilizing my experience as a lawyer

After working as a practicing lawyer at my previous job for a number of years, I learned that PT. Hino Motors Sales Indonesia (HMSI) was looking for people who have legal knowledge and an interest in contributing to society. At the time, I was thinking of building a career in a new area and decided to try a job that would allow me to do something for society.

After joining the company, I was assigned a position that supports the legal department, and in August 2010 was selected to be a member of the HMSI CSR Committee. I feel a great deal of satisfaction with the endeavors of this committee, which promotes over 100 different CSR activities such as environmental conservation, health promotion, support for human resources creation, support for local culture, and support for recovery after a natural disaster.

Free cleft lip/cleft palate surgery for economically disadvantaged people

The social contribution activities I find particularly moving are the support activities for cleft lip/cleft palate patients carried out in cooperation with the nonprofit organization, Smile Train, Inc. in East and West Nusa (Tenggara Province), Tangerang (Banten Province), and Purwakarta (West Java Province). There are many patients with this condition that have difficulty eating and speaking but are unable to find the money to pay for surgery.

We offer the opportunity for free surgery to as many of these patients as possible. More than 90 people, including children, were able to regain a happy, healthy life through this surgery, and I was extremely moved by their smiling faces. We will continue working to contribute to local communities by providing a variety of support.

ESG Initiatives

Governance

Corporate Governance

Basic View on Corporate Governance at Hino Motors

As a company that manufactures and sells trucks and buses needed for distribution and transportation, Hino Motors is working to fulfill its corporate mission: "To make the world a better place to live by helping people and goods get where they need to go—safely, economically and with environmental responsibility—while focusing on sustainable development." At the same time, the Company has taken a clear stand on its responsibility to contribute to society and has set related goals under the HINO Credo, along with its Core Principles and CSR Charter.

To fulfill its corporate mission, Hino Motors is striving to build on the positive relationships it has established with its stakeholders, which include shareholders, customers, business partners, local communities around the world, and employees. Based on this stance, Hino Motors is working to enhance its corporate governance with the goal of achieving sustainable growth and raising its corporate value over the medium to long term as a global company. In addition, Hino Motors endorses the Corporate Governance Code prescribed by the Financial Instruments Exchange of Japan and has devised various measures based on the objectives and intent of the code's guidelines and principles. As a basic policy, Hino Motors intends to pursue these measures as a means of strengthening its corporate governance.

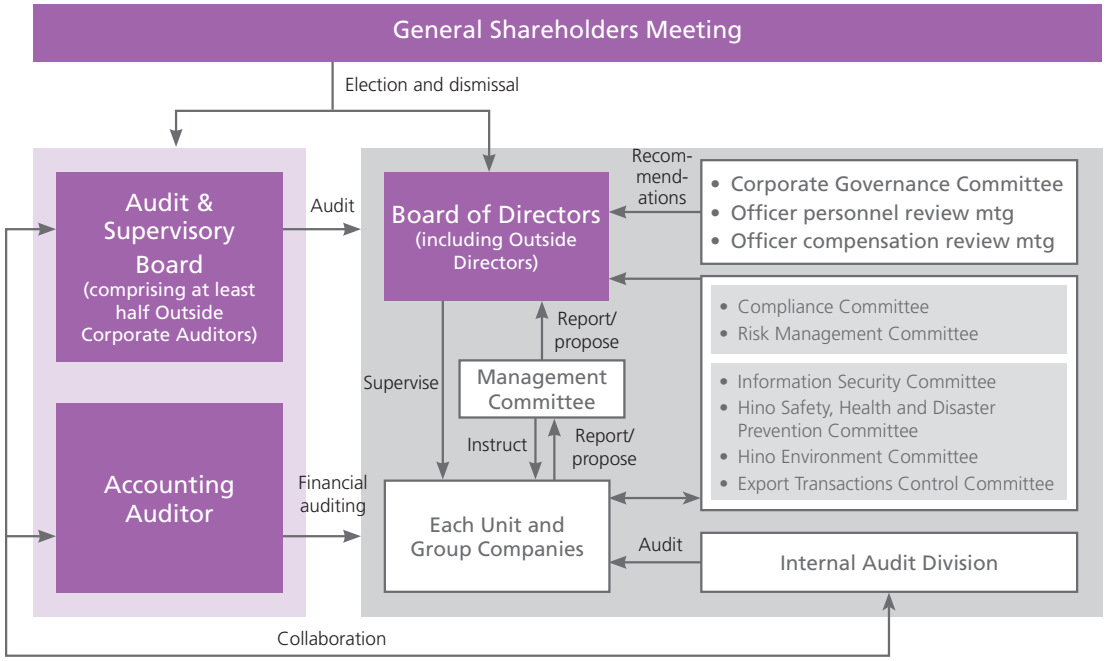
Outline of Corporate Governance Framework

◆ Corporate Management and Its Operating Framework

Hino Motors is a company that employs an Audit & Supervisory Board and has established a Board of Directors, established an Audit & Supervisory Board, appointed its members, and appointed an accounting auditor. The Company's Board of Directors is composed of 9 directors (as of June 2021, the number including three outside directors as defined by Japan's Companies Act. The Company's Articles of Incorporation stipulate a maximum number of 15). The Board of Directors makes decisions on important matters of business execution and supervises the execution of duties by the directors. The Company also employs an organizational structure consisting of division and business domains with the aim of streamlining the Board of Directors and flexible execution of business.

The Company has also established a Management Committee made up of the Chairman, the President, the Chief officers of the business divisions, and the full-time Audit & Supervisory Board members to deliberate on the management policies and strategies of the Company and to report information that is important for management. Hino Motors has established a Corporate Governance Committee in response to the election of outside directors with the aim of increasing the effectiveness of corporate governance and contributing further to sustained growth and enhancement of corporate value. The Corporate Governance Committee discusses the form that the Board of Directors should take (recommendations to the Board of Directors as necessary) and shares management information with the involvement of all of the outside directors and non full-time director. In fiscal 2020, the Corporate Governance Committee met 1 times.

● Corporate Governance System



◆ Auditing System

Hino Motors' Audit & Supervisory Board comprises four members (as of June 2021, the number including two outside members; the Company's Articles of Incorporation stipulate a maximum number of seven). Conforming to the standards for audits by the audit & supervisory board members stipulated by the Audit & Supervisory Board, the members communicate with the directors, the Internal Audit Department, and other employees and work to gather information and establish the audit environment in accordance with the Company's audit policy and planning. They also audit the status of Company operations and assets by attending meetings of the Board of Directors and other important meetings, hearing about the execution of duties from the directors and other employees, viewing important approval documents, investing the status of business and assets of headquarters, plants and major business sites, communicating and exchanging information with directors and audit & supervisory board members of subsidiaries, listening to business reports from subsidiaries, and supervise the execution of duties by the directors.

The Audit & Supervisory Board members receive reports on audit planning, the implementation and results of audits, and the status of implementation of their duties from the accounting auditors and exchanging opinions in addition to striving for mutual cooperation which includes witnessing onsite audits at subsidiaries during the fiscal year and monitoring and verifying the maintenance of independence and the performance of proper auditing by the accounting auditors. They also review the Business Report, financial statements and supplementary statements, and the consolidated financial statements.

Hino Motors has also established an Audit Division. In addition to conducting audits of the development and operation of internal control system relating to financial reporting in each department and at subsidiaries based on in-house regulations, the Audit Division seeks to enhance internal control by continually conducting audits of the legality, appropriateness, and efficiency of business, while urging each department and subsidiary to make the necessary improvements. The Audit Division reports on the internal audit plans, and the status and findings of the audits to the Audit & Supervisory Board members, as well as exchanges information with the members and accounting auditors on member audits and accounting audits. Mutual cooperation ensures that effective audits are carried out.

◆ Outside Directors and Outside Audit & Supervisory Board Members

To oversee the execution of duties by the directors, Hino Motors has appointed three outside directors, (as of June 2021, both of whom are independent officers under the provisions of the Tokyo Stock Exchange and Nagoya Securities Exchange), as provided for in Japan's Companies Act. The outside directors are contributing to transparent, fair, swift and resolute decision making by playing a management oversight role for important decision making by the Board of Directors as well as participating in active and constructive discussion at the Corporate Governance Committee and inspecting the business sites of Hino Motors and its affiliated companies inside and outside Japan. To monitor the execution of duties by the directors, Hino Motors has also appointed two outside Audit & Supervisory Board members, both whom are independent Audit & Supervisory Board members, as of June 2021, as provided for in Japan's Companies Act. The Company believes that there is an adequate management monitoring function to oversee the appropriateness and legality of management through the implementation of objective audits in partnership with the two full-time Audit & Supervisory Board members. Hino Motors makes efforts on collaboration so that the supervisory and audit functions operate fully by establishing forums for the exchange of information between the outside directors and outside Audit & Supervisory Board members and the Representative Director in addition to providing information on important matters, including providing explanations in advance of proposals to be submitted to the Board of Directors. The outside audit & supervisory board members work to achieve mutual communication with the full-time audit & supervisory board members, the directors, and other employees, and they attend the audit & supervisory board members' meeting Board of Directors' meetings to hear about the execution of duties and internal audits from the directors and other employees. In addition, as a rule, a meeting of the Audit & Supervisory Board is held before a meeting of the Board of Directors is convened. Thus, the audit & supervisory board members in attendance, including the outside audit & supervisory board members, check the proposals to be submitted to the Board of Directors to conduct a preliminary review. Hino Motors ensures mutual cooperation by routinely receiving reports on audit planning and the implementation and results of audits from, and exchanging views with, the accounting auditor.

Basic Views on Internal Control System and the Progress of System Development

◆ System to Ensure the Appropriateness of Business Operations under the Basic Policy

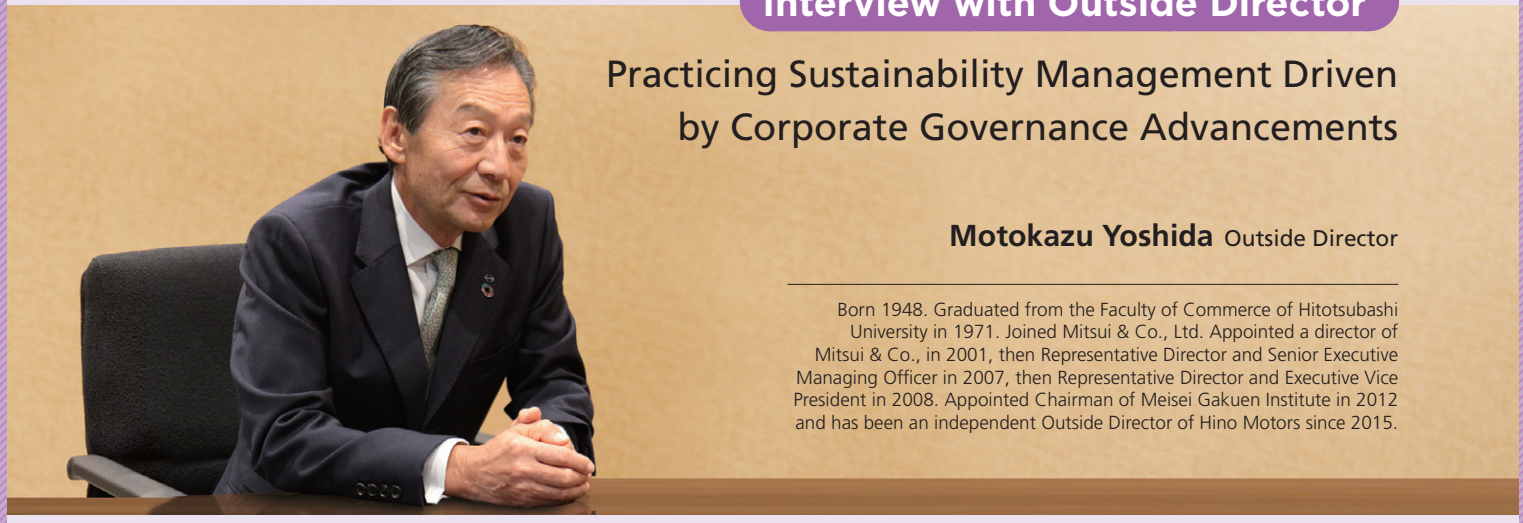
Hino Motors fosters a sound corporate culture that includes subsidiaries based on The HINO Credo, The Hino Code of Conduct, and The Hino Spirit. To realize the corporate mission set out in the HINO Credo, Hino Motors aims for sustainable growth and enhancement of corporate value with the trust of stakeholders. Moreover, recognizing that further strengthening corporate governance is important in order to increase corporate value, Hino Motors will constantly work to improve the operation of the Board of Directors. For detecting problems in operational processes and incorporating mechanisms for improvement at the sites where operations are actually executed, Hino Motors will make unwavering efforts to develop the human resources to implement these approaches.

◆ An Outline of the Operational Status of the System to Ensure the Appropriateness of Business Operations under the Basic Policy

Hino Motors strives to establish an internal control system to ensure the appropriateness of business operations as a corporate group and for the proper operation of these systems according to the Basic Policy on Establishing a System to Ensure the Appropriateness of Business Operations of the Company. Hino Motors also verifies the establishment and operational status of systems each business year to check that activities are conducted independently and strengthened as necessary in departments that implement internal control, in addition to confirming the content of internal control operations at the Management Committee and the Board of Directors. Please refer to IV. Matters Related to the Internal Control System in the Corporate Governance Report for Hino Motors' basic policies on matters stipulated in Japan's Companies Act based on the aforementioned awareness.

Click here for the Corporate Governance Report.

Interview with Outside Director



Practicing Sustainability Management Driven by Corporate Governance Advancements

Motokazu Yoshida Outside Director

Born 1948. Graduated from the Faculty of Commerce of Hitotsubashi University in 1971. Joined Mitsui & Co., Ltd. Appointed a director of Mitsui & Co., in 2001, then Representative Director and Senior Executive Managing Officer in 2007, then Representative Director and Executive Vice President in 2008. Appointed Chairman of Meisei Gakuen Institute in 2012 and has been an independent Outside Director of Hino Motors since 2015.

Ensuring Sustainable Growth as a Good Corporate Citizen

Essentially there are two elements required to corporate governance. The first, naturally, is to act as a good corporate citizen should. The other is to achieve the goal of sustainable growth. A company that can balance these two elements in its management and operation is a good company. And I believe that the role of an outside director is to supervise and advise from an objective third-party perspective about how to achieve this goal of balance in its management and operations. Societal demand for corporate governance is growing increasingly complex and diverse with the SDGs and ESG investment. Companies must address all stakeholders including customers, employees, shareholders, and local communities in a responsible manner, as they give the utmost consideration to the environment, safety, and human rights. To fulfill these social responsibilities, we are determined to increase our earning capacity and build a stable financial structure with sufficient stamina for sustainable growth. At Hino Motors, we will continue to implement management reforms to boost earning power and seek to practice sustainability management that takes the environment and society into account. To that end, Company management executives need to hear external voices and outside perspectives. We recognize that to be the outside directors' role and understand that corporate governance is based on that balance.

Achieve Challenge 2025 and Becoming a Company That Customers Choose

Hino Motors' operating environment, which includes autonomous driving, electrification, the new CASE and MaaS mobility society, support for the digital transformation (DX) era, and market changes caused by the corona virus and its aftermath, is changing rapidly.

In anticipation of this new era, Hino Motors formulated the Challenge 2025 management strategy and is actively working on various reforms including organizational reforms that enable swift decision-making and action to meet workplace needs, and setting up organizations to respond to advanced technologies and digital transformation. To achieve Challenge 2025, the board of directors must engage in serious discussions and decision-making, and business execution must be on-target. Strong corporate governance is therefore essential.

Under the Corporate Governance Committee, Hino Motors corporate governance system, including medium- to long-term strategy formulation and the establishment of risk management and compliance systems, has advanced. However, to further instill corporate governance, it is necessary that each Team Hino member around the world acts consciously as someone who embodies our corporate philosophy and vision based on corporate governance.

Interview with Outside Director

Seeking to lead the world in logistics and transportation as a company practicing proactive, protective corporate governance



Koichi Muto Outside Director

Born 1953. After graduating from the School of Economics of Nagoya University in 1976, joined Mitsui O.S.K. Lines, Ltd. (MOL). Appointed Director and Managing Executive Officer of MOL in 2007, going on to serve as the company's President from 2010 and as Chairman from 2015, before becoming Senior Adviser to MOL in 2019. Independent Outside Director of Hino Motors since 2020.

Commercial vehicles—an advanced sector that must be first in responding to the needs of society

I believe that commercial vehicles are at the forefront of issues and challenges in the automotive industry. Hino Motors is therefore expected to work together with partner companies to continue to solve social issues by providing both software and hardware solutions for total optimization, based on a comprehensive overview of the entire logistics and transportation system. That is why Hino Motors requires unprecedented coordination skills to carry through various projects.

I believe that Hino Motors is a dependable, stable company backed by the technological capacity it possesses as the torchbearer for the Toyota Group's commercial vehicle sector. In the future, based on the pride the company has in its important role in global transportation and logistics, it will be required to respond proactively to the growing needs of society, from the realization of carbon neutrality to improved safety.

Need for more Board discussions on future course, taking a broad perspective

I recognize that the corporate governance system in place at Hino Motors more than adequately serves its purpose. Although some questions remain about the company's independence, given its status as a listed subsidiary of Toyota Motor Corporation, the introduction of three outside directors has added an element of objective external oversight, and the interests of minority shareholders are also adequately protected. I can appreciate that the company itself and minority shareholders also enjoy sufficient advantages from the company's status as a subsidiary of Toyota.

Furthermore, given that simply introducing a corporate governance system alone is insufficient, the internal directors who know the company and its workings best bear a tremendously important role to ensure that work sites remain closely linked with the Board of Directors and that this spirit of linkage permeates the entire organization.

When assessing the effectiveness of the Board of Directors from this perspective, I can say that the Board is constantly improving, including by incorporating the opinions of outside directors. In the future, it will be of even greater importance for the Board to take a broad perspective in discussing how to respond to rapidly changing social needs, such as environmental regulations designed to promote carbon neutrality, and based on these discussions, to set the future course of the company.

Seeking to help enhance the practice of proactive, protective corporate governance

In general terms, outside directors are required to perform management advisory functions, such as providing advice on the direction and operation of the company, and also oversight functions, relating to the supervision and monitoring of management. While keeping a keen eye on global trends, and also listening carefully to opinions from work sites, which tend to be the most practical in terms of their responses, I will participate in discussions on the future course the company should take, help to evaluate risks, and provide active support at those times when business risks need to be taken.

In addition, through interactions and discussions with company management executives at Board of Directors meetings and in relevant committees, I would like to contribute to the enhancement of proactive, protective corporate governance by providing oversight and advice from an objective third-party perspective on whether there are any deviations from social norms, whether appropriate measures are being taken, and whether internal controls are functioning properly.

Compliance and Risk Management

Basic Stance

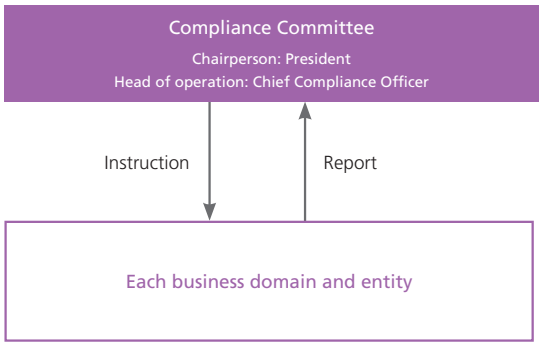
Hino Motors recognizes that earning the trust and cooperation of stakeholders is essential for promoting its CSR activities. Based on this perspective, the Company pursues stringent compliance as a priority management issue, and it is committed to the observance of all laws and regulations along with ethical and appropriate business conduct that meets social expectations.

In addition, based on Hino Motors' basic policy for risk management which seeks to avoid or reduce risks and minimize any resulting damage or loss, the Company identifies major risks in corporate management and takes the necessary steps to address them.

Based on this stance and policy, Hino Motors strives to with laws and regulations, maintains and improves its ethical character, and to be a company that continues to be trusted by customers and society.

Compliance Promotion System

The "Compliance Committee" consisting of officers and advisors(external attorneys) has been established with the President & CEO at the top to deliberate on policies and issues related to compliance, and implement compliance measures in each business domain and entity.



Educating Employees in the Complexities of Compliance

To foster awareness of compliance among each and every employee, Hino Motors has introduced compliance training into the employee education curriculum. There are several policy and guidance tools available for carrying out thorough in-house education. They include the CSR Charter, which is the Company's CSR commitment to all stakeholders, the Hino Code of Conduct, which sets out the standards expected from all employees, and the Compliance Guidebook, which illustrates a variety of challenging situations that could arise in everyday work and explains specific appropriate responses from a compliance perspective. These training tools are distributed by pamphlet and other means to all employees and can be viewed anytime via the company intranet.

The Company will continue endeavors to further enhance its training content to ensure its workforce has a high awareness of compliance.

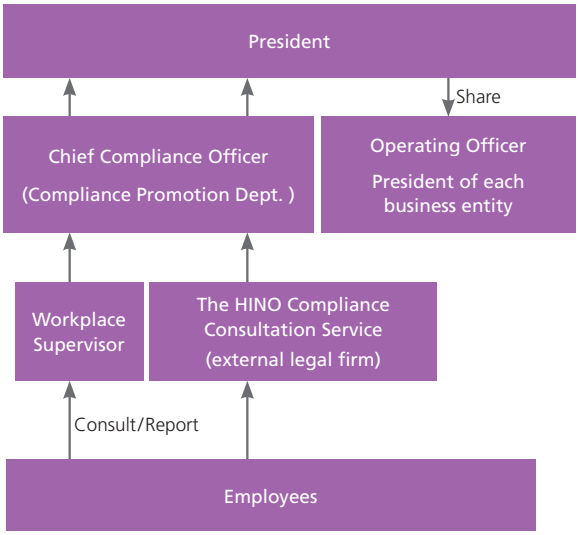
Click here for the CSR Charter. Click here for the Hino Code of Conduct.

Preventing and Swiftly Resolving Compliance Issues Using an Internal Reporting System

Hino Motors utilizes an internal reporting system to provide consultation on employee compliance and swiftly resolve issues from an objective viewpoint. Hino Motors has established the HINO Compliance Consultation Service operated by an external legal firm and a specialized company. It endeavors to maintain a system that facilitates consultation through efforts such as providing employees with access to advice on problems that are difficult to discuss in the workplace.

In fiscal year 2020, 123 reports and consultations were received from Hino Motors and its group companies. Hino Motors aims to prevent and swiftly resolve compliance issues by properly implementing this system and improving it on an ongoing basis.

● Flow of Consultations/Reports in the Internal Reporting System



Risk Management Promotion System

Hino Motors regularly identifies major risks, based on changes in laws, regulations, and the business environment. Identified risks are managed by the Risk Management Committee. In addition, the Company carries out specific activities for controlling risk and bolsters risk management through the many activities conducted by the Information Security Committee, Hino Safety, Health and Disaster Prevention Committee, Hino Environment Committee, and Export Transactions Control Committee.

Refer to the following for cases of major risk management.

◆ Responding to natural disasters and infectious diseases

Hino Motors implements drills and measures that prioritize human lives above all else should a major earthquake or other natural disaster or infectious disease such as COVID-19 occur.

The Company has particularly endeavored to increase its capability to cope with disasters through more pragmatic actions since the 2011 Great East Japan Earthquake. These include various exercises such as evacuation drills (twice yearly), fire drills, first-aid training, communications training, and emergency headquarters training.

For infectious diseases including COVID-19, we have established internal regulations, and various activities such as company-wide preventive measures and countermeasures are being implemented by the countermeasures headquarters.



Fire drills

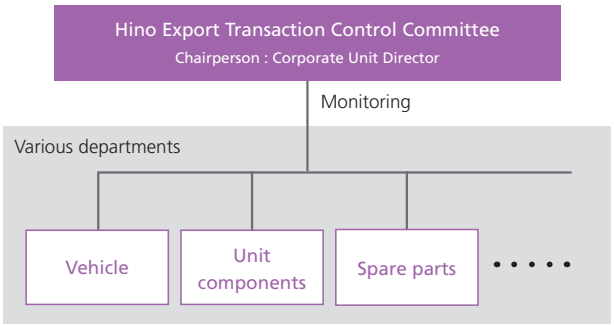


Evacuation drills with practicing social distancing

◆ Managing Export Transactions

Hino Motors fulfills its duties related to maintaining international peace and security, practicing comprehensive management of export transactions to prevent the risk of exported vehicles, units and other products being diverted to weapon use.

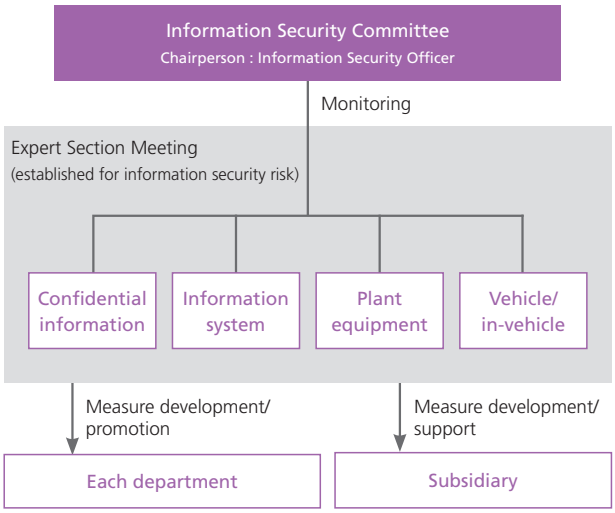
Confirmation of strict legal compliance is conducted in every department, and management conditions are monitored by the Hino Export Transaction Control Committee to ensure company-wide implementation of export transactions that comply with various laws and regulations.



◆ Information Security Management

Hino Motors understands the social responsibility of protecting customers' personal information and employees' assets from threats such as cyber-attacks, and is working to strengthen information security initiatives.

A Basic Stance Toward Information Security was established that summarizes the approach to information security, and at each section meeting risk management is carried out that adheres to that policy. Furthermore, the risk management state in each section meeting is monitored by the Information Security Committee to manage thoroughly information security risks throughout the company.



In keeping with information security regulations, we are implementing system maintenance, risk identification and countermeasures, education for all employees including management, audits, and standardization of incident response to prevent internal information leaks and cyber attacks, which have been increasing in recent years. We are continually enhancing measures to improve workstyles and protect personal data to further decrease risk.

Hino Motors inspects the response status at each company once a year in ongoing efforts to maintain and improve information security. Hino Motors has also established an internal Group contact network for responding to incidents, putting in place systems for proactive defense and rapid emergency response.

Click here for the Basic Stance Toward Information Security.

Future Initiatives

Hino Motors must be a company that maintains the trust of our customers and society, in order to contribute to them through its business in the future.

The Company continually strives to develop the awareness of each member of Team Hino of compliance and risk management to strictly comply with laws and regulations, and thoroughly maintain and improves its ethical character.

ESG data and others

ESG data

Hino Motors makes and carries the following list of Environment, Social, and Governance performance, in order for the boost communications with stakeholders.

Environment

Classification	Article		Bound*1	Unit	Fiscal 2019*3 *4	Fiscal 2020*3 *4
Global Warming	CO_2 Emissions		Global	Thousand tons of CO_2	360.4	295.4
			Non-Consolidated	Thousand tons of CO_2	187.1	158.1
			Japan Group	Thousand tons of CO_2	100.1	87.4
			International	Thousand tons of CO_2	73.2	49.9
	Energy Usage	Electricity	Non-Consolidated	GWh	345	293
		Fuels	Non-Consolidated	Thousand GJ	1,904	1,839
Air Quality	Air Pollutant Emissions	NOx Emissions	Non-Consolidated	t	158	132
		SOx Emissions	Non-Consolidated	t	0.3	0.2
		VOC	Non-Consolidated*2	t	359	277
Resource	Water Usage	Total Water Usage	Japan	Thousand tons	2,519	2,135
Waste	Waste		Japan	t	52,281	41,090
	Packaging Materials		Japan	t	5,424	3,429
	Final Disposal Ratio		Japan	%	0.11	0.11

*1 Non-Consolidated: Data for Hino, Hamura, Nitta, and Koga Plants. Japan Group: 6 Affiliated Companies in Japan
International: 9 Affiliated Companies Abroad Japan: Non-consolidated and Japan Group
*2 Hino Plant, Hamura Plant, and Koga Plants
*3 Estimates are calculated from reported or derived values and available data. Actual emissions may vary.
*4 The listed data is the emission at the time of production. Emissions during driving are not included.

Social

Classification	Article		Bound	Unit	Fiscal 2019	Fiscal 2020
Human Resource	Number of Employees (Global) March 31, 2018		Global	Persons	34,548	34,527
	Number of Employees (Non-consolidated) March 31, 2018	Male	Non-Consolidated	Persons	11,813	11,779
		Female	Non-Consolidated	Persons	992	1,005
		Total	Non-Consolidated	Persons	12,805	12,784
	Shift in number of employees by type of employment	Full-time employment	Global	Persons	34,548	34,527
		Other employment	Non-Consolidated	Persons	9,640	7,363
	Employment Ratio of People with Disabilities June 1, Each Fiscal Year		Non-Consolidated	%	2.36	2.56
	Number of Re-employed Staff		Non-Consolidated	Persons	516	391
Safety	Rate of Lost-Worktime Injuries		Non-Consolidated		0.12	0.06
Work Style	Number of Employees who takes a childcare leave		Non-Consolidated	Persons	95	146
	Number of Employees who takes a shorter working hours to accommodate for childcare needs		Non-Consolidated	Persons	147	114

Governance

Classification		Unit	Fiscal 2019	Fiscal 2020
Board Director		Persons	9	9
	Outside Director	Persons	3	3
Corporate Auditor		Persons	4	4
	Outside Auditor	Persons	2	2

GRI Standard Content Index

HINO SUSTAINABILITY REPORT 2021 references the GRI Sustainability Reporting Standards 2016/2018. Page numbers of related information are shown below.

GRI 102: General Disclosures 2016

Indicator			Report Page
1. Organizational profile			
102-1	Name of the organization	a. Name of the organization.	2
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	2–5
102-3	Location of headquarters	a. Location of the organization's headquarters.	2
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	3
102-5	Ownership and legal form	a. Nature of ownership and legal form.	2
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	3
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	2–3
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	98, 106, 122
102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	108, 109
102-10	Significant changes to the organization and its supply chain	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	Not Applicable
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	22–27, 42–49, 119–121
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	–
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	–

Indicator			Report Page
2. Strategy			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	6–7
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	6–7, 12–14
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	8–9
102-17	Mechanisms for advice and concerns about ethics	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.	119–121
4. Governance			
102-18	Governance structure	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	114–116
102-19	Delegating authority	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	–
102-20	Executive-level responsibility for economic, environmental, and social topics	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	39, 71, 115, 121
102-21	Consulting stakeholders on economic, environmental, and social topics	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	39, Corporate Governance Report (page 11)
102-22	Composition of the highest governance body and its committees	a. Composition of the highest governance body and its committees by: i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation.	114–116
102-23	Chair of the highest governance body	a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	114–116
102-24	Nominating and selecting the highest governance body	a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered.	114–116
102-25	Conflicts of interest	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures.	Annual Securities Report (from April 1, 2020 to March 31, 2021) (Status of Executives, Status of Corporate Governance)
102-26	Role of highest governance body in setting purpose, values, and strategy	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	39, 114–118

Indicator			Report Page
102-27	Collective knowledge of highest governance body	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	Corporate Governance Report (page 3)
102-28	Evaluating the highest governance body's performance	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	Corporate Governance Report (page 3)
102-29	Identifying and managing economic, environmental, and social impacts	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	69–70, 119–121, Corporate Governance Report (pages 13–14)
102-30	Effectiveness of risk management processes	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	69–70, 119–121, Corporate Governance Report (pages 13–14)
102-31	Review of economic, environmental, and social topics	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	120, Corporate Governance Report (pages 13–14)
102-32	Highest governance body's role in sustainability reporting	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	38–39
102-33	Communicating critical concerns	a. Process for communicating critical concerns to the highest governance body.	69, 114–116, 119–121
102-34	Nature and total number of critical concerns	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	69, 120
102-35	Remuneration policies	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	Corporate Governance Report (page 8)
102-36	Process for determining remuneration	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	Corporate Governance Report (page 8)
102-37	Stakeholders' involvement in remuneration	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	–
102-38	Annual total compensation ratio	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	–
102-39	Percentage increase in annual total compensation ratio	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	–
5. Stakeholder engagement			
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	39
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	–
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	–

Indicator			Report Page
102-43	Approach to stakeholder engagement	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	38
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	–
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	2–3, Annual Securities Report (from April 1, 2020 to March 31, 2021) (Content of Business, Status of Affiliates)
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	38
102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	–
102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	–
102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Not Applicable
102-50	Reporting period	a. Reporting period for the information provided.	141
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	141
102-52	Reporting cycle	a. Reporting cycle.	141
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	141
102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	141, This table
102-55	GRI content index	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	This table
102-56	External assurance	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	–

GRI 103: Management Approach 2016

Indicator			Report Page
GRI- 103: Management Approach			
103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	12–39, 42
103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	12–39, 71
103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	12–39

GRI 200: Economic topics 2016

Indicator			Report Page
GRI- 201: Economic Performance			
201-1	Direct economic value generated and distributed	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	2–3, 76
201-2	Financial implications and other risks and opportunities due to climate change	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.	69, 76

Indicator			Report Page
201-3	Defined benefit plan obligations and other retirement plans	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	Annual Securities Report (from April 1, 2020 to March 31, 2021) (Consolidated Financial Statements)
201-4	Financial assistance received from government	a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	–
GRI- 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'.	–
202-2	Proportion of senior management hired from the local community	a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for 'senior management'. c. The organization's geographical definition of 'local'. d. The definition used for 'significant locations of operation'.	–
GRI- 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	–
203-2	Significant indirect economic impacts	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	–
GRI- 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'.	–

Indicator			Report Page
GRI- 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	–
205-2	Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	–
205-3	Confirmed incidents of corruption and actions taken	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	–
GRI- 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments.	Not Applicable

GRI 300: Environmental topics

Indicator			Report Page
GRI- 301: Materials 2016			
301-1	Materials used by weight or volume	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	75, 77
301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	77
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	–
GRI- 302: Energy 2016			
302-1	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	59–61, 77, 122

Indicator			Report Page
302-2	Energy consumption outside of the organization	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	77
302-3	Energy intensity	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	–
302-4	Reduction of energy consumption	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	59–61, 75
302-5	Reductions in energy requirements of products and services	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	–
GRI- 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff). b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used. c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts. d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.	62, 75
303-2	Management of water discharge-related impacts	a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: i. how standards for facilities operating in locations with no local discharge requirements were determined; ii. any internally developed water quality standards or guidelines; iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered.	–
303-3	Water withdrawal	a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	75, 77

Indicator			Report Page
303-4	Water discharge	a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. b. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	75
303-5	Water consumption	a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	77
GRI- 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km^2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	–
304-2	Significant impacts of activities, products, and services on biodiversity	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	66

Indicator			Report Page
304-3	Habitats protected or restored	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	–
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern	–
GRI- 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	57, 75, 77
305-2	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	57, 75, 77
305-3	Other indirect (Scope 3) GHG emissions	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent. b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used.	57, 75
305-4	GHG emissions intensity	a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	42, 57, 75

Indicator			Report Page
305-5	Reduction of GHG emissions	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	43, 75
305-6	Emissions of ozone-depleting substances (ODS)	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	–
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	75, 77
GRI- 306: Effluents and Waste 2016			
306-1	Water discharge by quality and destination	a. Total volume of planned and unplanned water discharges by: i. destination; ii. quality of the water, including treatment method; iii. whether the water was reused by another organization. b. Standards, methodologies, and assumptions used.	–
306-2	Waste by type and disposal method	a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) c. How the waste disposal method has been determined: i. Disposed of directly by the organization, or otherwise directly confirmed ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor	75, 77
306-3	Significant spills	a. Total number and total volume of recorded significant spills. b. The following additional information for each spill that was reported in the organization's financial statements: i. Location of spill; ii. Volume of spill; iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). c. Impacts of significant spills.	No incidents of significant spills

Indicator			Report Page
306-4	Transport of hazardous waste	a. Total weight for each of the following: i. Hazardous waste transported ii. Hazardous waste imported iii. Hazardous waste exported iv. Hazardous waste treated b. Percentage of hazardous waste shipped internationally. c. Standards, methodologies, and assumptions used.	–
306-5	Water bodies affected by water discharges and/or runoff	a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on: i. the size of the water body and related habitat; ii. whether the water body and related habitat is designated as a nationally or internationally protected area; iii. the biodiversity value, such as total number of protected species.	–
GRI- 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	–
GRI- 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	a. Percentage of new suppliers that were screened using environmental criteria.	–
308-2	Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	–

GRI 400: Social topics

Indicator			Report Page
GRI- 401: Employment 2016			
401-1	New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	98, 122
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for `significant locations of operation'.	–
401-3	Parental leave	a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	99, 122

Indicator			Report Page
GRI- 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	–
GRI- 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	83
403-2	Hazard identification, risk assessment, and incident investigation	a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system. b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals. c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals. d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	83
403-3	Occupational health services	a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	83–84
403-4	Worker participation, consultation, and communication on occupational health and safety	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	84
403-5	Worker training on occupational health and safety	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	84
403-6	Promotion of worker health	a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided. b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	85
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.	83–84

Indicator			Report Page
403-8	Workers covered by an occupational health and safety management system	a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system; ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited; iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party. b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	83
403-9	Work-related injuries	a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	84
403-10	Work-related ill health	a. For all employees: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. c. The work-related hazards that pose a risk of ill health, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to cases of ill health during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	85–88

Indicator			Report Page
GRI- 404: Training and Education 2016			
404-1	Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	–
404-2	Programs for upgrading employee skills and transition assistance programs	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	90, 95–96
404-3	Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	–
GRI- 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	106
405-2	Ratio of basic salary and remuneration of women to men	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	–
GRI- 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	–
GRI- 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	–
GRI- 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.	–
GRI- 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.	–

Indicator			Report Page
GRI- 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Whether training requirements also apply to third-party organizations providing security personnel.	–
GRI- 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	–
GRI- 412:Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	–
412-2	Employee training on human rights policies or procedures	a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.	94
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for 'significant investment agreements'.	–
GRI- 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.	–
413-2	Operations with significant actual and potential negative impacts on local communities	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	–
GRI- 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	a. Percentage of new suppliers that were screened using social criteria.	–
414-2	Negative social impacts in the supply chain and actions taken	a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	–

Indicator			Report Page
GRI- 415: Public Policy 2016			
415-1	Political contributions	a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	–
GRI- 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	79–82
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Not Applicable
GRI- 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	–
417-2	Incidents of non-compliance concerning product and service information and labeling	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Not Applicable
417-3	Incidents of non-compliance concerning marketing communications	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	–
GRI- 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	–
GRI- 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.	Not Applicable

ISO 26000 Reference

The content of the initiatives described in this report has been organized under each of the seven core subjects and issues of ISO 26000.

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	3 Avoidance of complicity	Compliance and Risk Management	119–121
	4 Resolving grievances		
	5 Discrimination and vulnerable groups		
	6 Civil and political rights		
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	3 Social dialogue		
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	4 Consumer service, support, and complaint and dispute resolution	Social Responsibility Initiatives	110–113
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	6 Access to essential services	Life Cycle Zero CO_2 Emissions	53–58
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Editorial Policy

Objective

This CSR Report strives to disclose in good faith the policies, initiatives, and activities of Hino Motors, with the overall aim of realizing the Hino Credo. In this manner, we are endeavoring to further enhance communication with all stakeholders.

Report content

This Sustainability Report provides information on Hino Motors' internal organizations, structure and systems, human resource education and training initiatives, along with environmentally conscious measures, especially in terms of how these factors contribute to the Company's initiatives in carrying out its Corporate Mission: "To make the world a better place to live by helping people and goods get where they need to go—safely, economically and with environmental responsibility—while focusing on sustainable development."

Publication format

Since 2009, this report has been published via a website only with the aim of timely information disclosure and to conserve the environment by saving resources and reducing CO_2 emissions. However, since 2018, the report has been published in PDF format, with the aim of organizing and accumulating information by enabling archiving of reports by fiscal year.

Issue frequency

In principle, this report is issued annually.

Major changes

- The 2030 mid-term targets have been announced in the Hino Environmental Milestone 2030 to help achieve the zero environmental impact as stated in the Hino Environmental Challenge 2050.
- Hino's initiatives to support transporting athletes in the Tokyo 2020 Paralympic Games are introduced.

Scope and Other Features of the Report

- **Scope**
  Includes reporting on domestic and overseas Group companies with a focus on Hino Motors, Ltd.
- **Period**
  With fiscal 2020 (April 1, 2020 to March 31, 2021) serving as the basis of the report, some content outside of that fiscal year is also contained in the report. There were no major organizational changes associated with the content of this report due to mergers, business downsizing, or other factors during the reporting period.
- **Website Updates**
  This Sustainability Report was updated in December 2021. Prior to that it was updated in December 2020, and the next update is scheduled for October 2022.

Reference Guidelines

- Sustainability Reporting Standards 2016/2018
- Japan's Ministry of the Environment's Environmental Report Guidelines (FY2018 edition)
- ISO 26000 (CSR Guidance)

This report writers and inquiries

Through this Report and dialogue with its stakeholders, Hino Motors is aiming to help realize a sustainable society. For this purpose, we welcome your candid comments and opinions.

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Third-Party Review



Masahiko Kawamura

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Visiting Research Fellow, NLI Research Institute

Profile

In 1976, Kawamura completed a master's degree at Kyushu University's Faculty of Engineering. After working at MODEC, Inc., he joined NLI Research Institute, where he worked as head of the ESG Research Office, before assuming his current position. His areas of expertise cover environmental management, CSR management, integrated thinking and reporting. He also works as a CSR/ESG/SDGs consultant. His published works include *Carbon Disclosure, New Trends in Integrated Reporting, Perfect Guide to CSR Management, Integrated Thinking and ESG Investment, and Integrated Thinking and Management* (currently in progress).

1. Report Structure: A Good Read, but Sustainability Management Requires Restructuring

Following the fiscal 2019, I share my opinions from the perspective of sustainability management. Overall the report is structured around the aim of "Realizing a Sustainable World," and each section features articles that make for an engaging read. The report opens with a clear message from President Ogiso, based on Hino's sense of mission as a commercial vehicle manufacturer and against the backdrop of the changing times. The main text of the report details in an accessible and understandable manner the company's strategic goals, action plans and initiatives, focusing largely on Hino's response to climate change.

Nonetheless, I would make the following three proposals for improvement, in order to enhance the narrative and harmonize content as a sustainability report.

Conceptualizing Sustainability

CSR management, ESG, and SDGs, which are all related to the realization of a sustainable world, are listed in parallel, with each being presented as the outcomes of past initiatives. In other words, regardless of the fact that they share almost identical basic elements, they are set out in similar yet separate frameworks, resulting in some degree of overlap.

My proposal would be to restructure sustainability management systems based on Hino Environmental Challenge 2050, and the medium- to long-term management plan, Challenge 2025. Based on the HINO Credo, the focus would be on both social and governance aspects in conjunction with the already established environmental aspects of ESG. With regard to the SDGs, it would be preferable to formulate some practical KPIs to evaluate contribution.

Specifying Materiality

From a strategic management perspective, it is necessary to specify the materiality of sustainability management. This means identifying important and high-priority issues from the relationship between social issues and Hino Motors' business in the global value chain. In specific terms, from among multiple social issues it is important to narrow down the key issues from the dual perspective of stakeholders and the company's own business activities.

Given that the environmental aspects of management are set out in Hino Environmental Challenge 2050, it is necessary to cast an eye over Challenge 2025 and give thought to social aspects (human rights, labor, employment, business customs, consumer issues, and community engagement) and governance aspects (decision-making for sustainability promotion).

Establishing and reporting Global Sustainability Management

As I observed two years ago, it is imperative to establish a system for sustainability management on a global scale, in particular the implementation of an environmental management system (EMS). With more than 70 percent of all manufactured vehicles being sold overseas, and increasing production sites across the Asian region, Hino Motors is an outstanding global enterprise. However, the report focuses mainly on domestic activities, and is particularly inadequate in describing the environmental management system (EMS), which is also being in operation at overseas sites.

A useful source of reference here would be Toyota Motor Corporation's Consolidated Environmental Management System (consolidated EMS). Toyota is providing guidance to environmental personnel at its overseas production sites, which could also be thought of as an environmental and social risk response.

2. Report Content: Clarify Progress and Remaining Challenges in Goal Achievement

The report carefully explains strategic goals and initiatives toward their achievement. One point that should be highly commended is that the Hino Environmental Milestone 2030, which was formulated this year, completes Hino Motors' systemization of its environmental management. In other words, it clarifies mid-term targets to be achieved by 2030 to remain on track for the 2050 goals, incorporating plans for environmental initiatives in five-year increments. From that perspective, what will be important from now is to report on the progress in achieving the goals and the challenges or resilience to changing circumstances.

The single largest management challenge for a commercial vehicle manufacturer is to realize carbon neutrality across the entire vehicle life cycle, concentrating on eliminating CO_2 emissions during vehicle operation. The next thing that I look forward to seeing is results in tackling "zero waste," one of the goals for 2050. This does not simply mean engaging in the "3Rs" in downstream sectors, but also requires efforts from the design stage to ensure that resources are recycled from "car-to-car," leaving new resources in the ground. This is something that has the potential to make a major contribution to the circular economy, a concept that continues to grow in importance.

The following are comments about articles that left a particularly lasting impression.

Message from Koichi Muto, Outside Director

Mr. Muto hits the nail on the head with his comments, which I summarize here. Commercial vehicles should take the lead in providing both software and hardware solutions for total optimization, based on a comprehensive overview of the entire logistics and transportation system. The roles of outside directors include both management and monitoring, not to mention the important role of risk assessment. It is therefore necessary for the Board of Directors to engage in discussions with a broad perspective.

Transportation Support for the Paralympic Games

At the Tokyo 2020 Paralympic Games these activities served to support the safe and secure transportation of athletes and officials, and can well be considered an outstanding corporate pro bono activity. Easy-to-attach/detach fixtures were installed to increase wheelchair space on the 60 large sightseeing buses that had been rented by the Japanese Olympic Committee (JOC). Support was also provided to athletes when embarking and disembarking, and the experience gained from these activities should be utilized in future projects.

Promotion of Employee Diversity

Against the backdrop of the Company's global expansion, the report introduces initiatives aimed at creating a corporate culture that respects the diversity of various employees. The appointment of foreign executives, support measures for female and foreign employees, recruitment of people with disabilities, and the extension of the retirement age to 65 are all initiatives that appear to have been accepted and taken on board within the company.

Finally, I look forward to Hino Motors' further growth in the future, not only in its global supply chain but also in its logistics infrastructure, as it continues its journey towards the realization of a sustainable world.

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- We welcome your candid comments and opinions for this report.
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