

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, 2019 (consolidated)

*2 Fiscal Year ended March 31, 2019 (consolidated)

| Number of Employees*1

34,069

| Net Sales*2

1,981.3 billion yen

| Operating Income*2

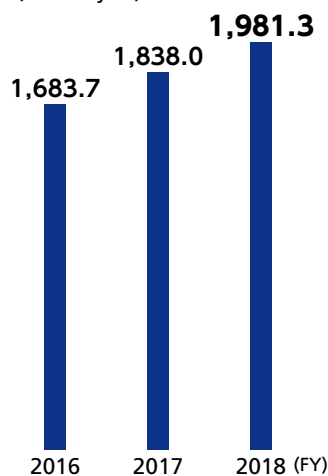
86.7 billion yen

| Profit attributable to owners of the parent*2

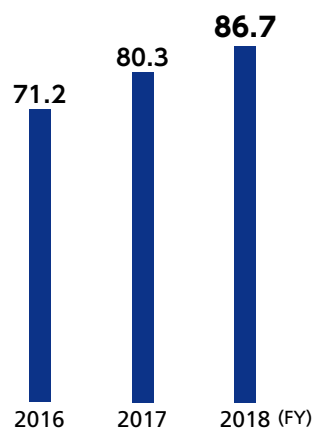
54.9 billion yen

Trends in business results

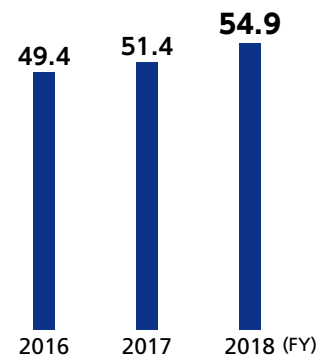
● Net sales
(billion yen)



● Operating income
(billion yen)



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



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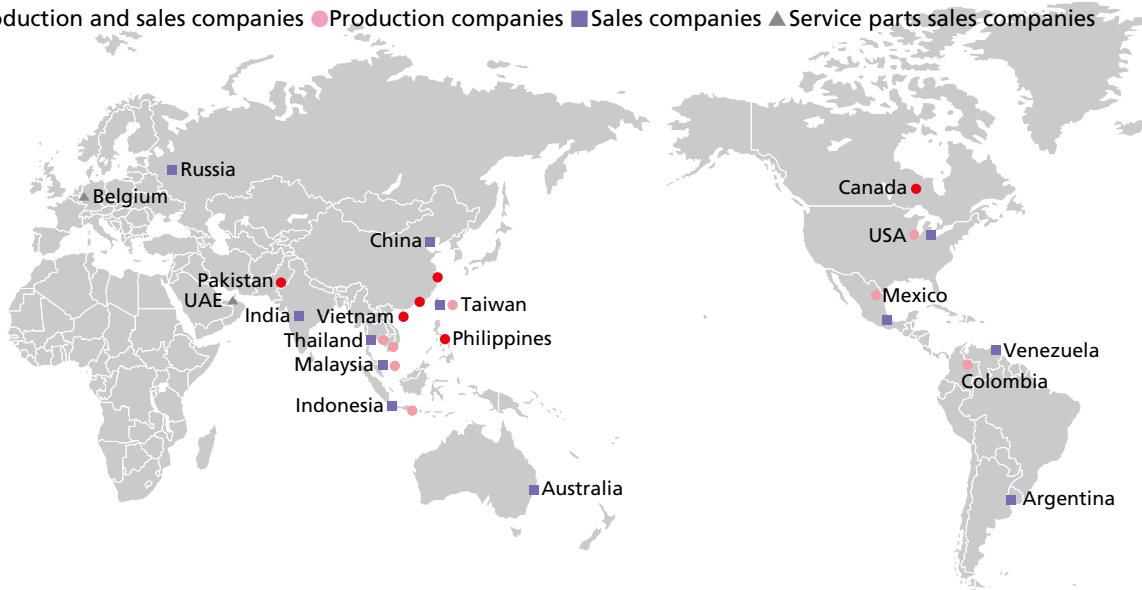
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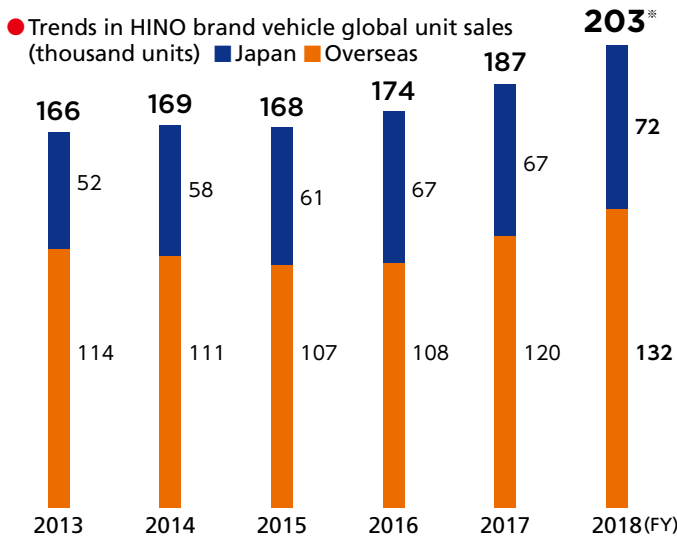
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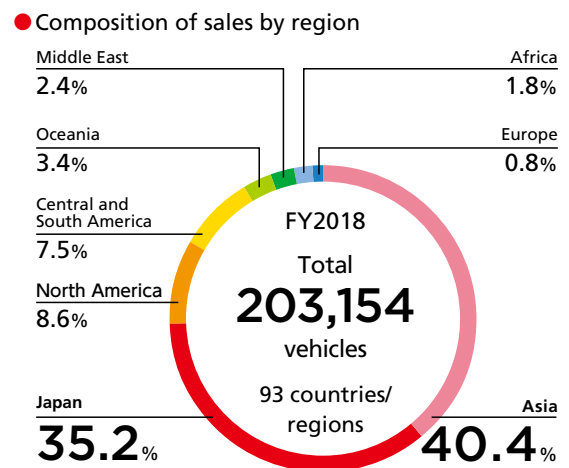
● Production and sales companies ● Production companies ■ Sales companies ▲ Service parts sales companies



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



*Vehicle sales climbed to an all-time high



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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	1985	1986
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 Welsh Expressway	Tokyo Olympics	Tomei Expressway opens	Osaka Expo	The reversion of Okinawa to Japan	Plaza Accord	Enforcement of the Equal Employment Opportunity Act for Men and Women

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.

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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● **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

1991	1993	1995	1997	2001	2005	2008	2011	2012	2016	2018	2019	2020
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	Tokyo Olympic 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. 2018 marked Hino's 27th 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.



2019
● **Partnering with MONET to expand Maas platform**
Hino entered into a capital/business alliance with MONET Technologies, which is jointly owned by Toyota Motor Corporation and Softbank Corp., To realize innovation in mobility, Hino strives for resolving customer and world issues and creating new values.



“Hino Motors continues striving to solve societal issues as a truck and bus manufacturer closely connected with society.”

下 義 生

Yoshio Shimo
President & CEO,
Representative Director

Since being established in 1942, Hino Motors has been conscientiously manufacturing trucks and buses that are indispensable to society. Amid a period of structural change involving issues never before experienced, such as EV and automated driving, President & CEO Yoshio Shimo spoke about the strategies and initiatives of Hino Motors for fulfilling our social mission of ongoing support for the transport of goods and people in the next generation, and achieving a sustainable society that is prosperous and comfortable.

Striving to solve societal issues with a strong sense of urgency

—Please tell us about the current environment surrounding business and share a retrospective view of fiscal 2018.

In fiscal 2018, not only did Hino Motors' global sales of trucks and buses exceed 200,000 for the first time, but domestic sales of all trucks and buses surpassed 70,000, also for the first time. It was a banner year that broke 45-year-old records. Consolidated sales also reached a record high, and the Company was able to secure an increase in both sales and profit for two consecutive quarters. This would not have been possible without the trust of our customers, society, and stockholders, and it is the result of the hard work of all our employees. There is a solid sense that Hino Motors is achieving steady growth.

The automotive industry is currently at a crossroads said to occur once every hundred years. Through technological innovation called CASE,* the concept of cars, including trucks and buses, is significantly changing. On the other hand, in Japan, where there is an accelerated aging and shrinking of the population, societal issues are surfacing such as a logistics crisis caused by driver shortages, and a lack of transportation means due to depopulation. It is precisely because these kinds of concerns have become clear that, as a manufacturer specializing in trucks and buses, Hino Motors must tackle these issues with a sense of urgency before the situation becomes truly grave.

Given this backdrop, in October 2018 Hino Motors presented Challenge 2025, specific policies and strategies for customers around the world that establish the year 2025 as a milestone. That year is in a future not that immediate, yet not that far away, and we envision 2025 to be the right time to be able to solve many societal issues if Team Hino can unite to innovate our business structure and bring together our own capabilities, as well as the competencies of others through the cultivation of partners.

In response to the emerging societal issues, Hino

Motors presented four values in Challenge 2025 to offer customers and society. They are "Zero traffic accident casualties" involving Hino vehicles, "Major reductions in CO₂ emissions," "Support the growth of our customers' businesses," and "Enhanced efficiency in transporting goods and logistics." To realize the provision of these four values, we are promoting the Three Directions approach of "Best-fit products incorporating safety and environmental technologies," "Total Support customized for each vehicle," and "New activity areas."

Under the slogan, "Trucks and buses that do more," Hino Motors will lead the way within the Toyota Group and strive to provide these four values.

Aiming to build a new platform for transporting goods and people

—Please talk about specific measures for how the Company will achieve the four values while focusing on increasingly complex societal issues and customers.

As a manufacturer specializing in trucks susceptible to significant damage when an accident occurs, and buses responsible for many lives, we believe that priority should be given to the fourth value of zero traffic accident casualties involving Hino vehicles.

We are accelerating the introduction of new-generation safety technologies. For example, in August 2018 Hino Motors equipped the large sightseeing coach, the Hino S'elega, with the Emergency Driving Stop System (EDSS). This marked the first time in the world such a system was installed in a commercial vehicle. In addition, it is our general policy to make these kinds of new safety technologies standard equipment, rather than optional equipment. Standardization will save time and costs, and lead to superior safety technologies being offered quickly and extensively throughout the world.

Regarding major reductions in CO₂ emissions, Hino Environmental Challenge 2050 names the goal of reducing new vehicle CO₂ emissions by 90%. We are aware it is an issue that should be continuously tackled to build a sustainable society, and addressing heavy duty

*The general term for Connected, Autonomous, Shared, Electric



trucks that emit a high volume of CO₂ is an especially important key to achieving the 2050 goals.

Hino Motors is moving forward with popularizing hybrid vehicles as a realistic measure to reduce CO₂ emissions for the present. Our latest achievement is the market release in June 2019 of the heavy duty hybrid truck, the Hino Profia Hybrid. It realizes high environmental performance by utilizing AI to estimate the running load in order to carry out optimum hybrid control. In addition, we are collaborating with partners to promote the development of EV and FCV as we work toward the future goal of turning all vehicles Hino sells into electric vehicles.

Moreover, from the perspective of supporting the growth of our customers' businesses, I believe it is necessary to forge closer ties with our customers and ascertain what kind of support we can offer as a manufacturer specializing in trucks and buses. This area is closely related to the fourth value, of further optimizing the transport of goods and people. For instance, considering that the population is clearly declining, there are no plain and simple resolutions to solving the issue of driver shortages at logistics sites that would have immediate results. We must step away from the previous notion that we can simply create good products, and work to resolve customer and societal issues based on comprehensive perspectives.

The wholly owned subsidiary, NEXT Logistics Japan, Ltd., was established in June 2018 with the goal of proposing new forms of logistics, such as high efficiency mass transit, using convoys and road trains, and the achievement of high load rate that extensively utilizes information on drivers, vehicles, and cargo. In December 2019, the long-awaited business was put into motion. Also, NEXT Logistics began demonstration experiments for a new mobility service, undertaking regional public transportation in the fall of 2019, based on agreements with the cities of Komatsu in Ishikawa Prefecture and Mitoyo in Kagawa Prefecture. In the future, the Company will take the initiative to step into areas that in the past cargo owners, transport operators, and regional governments could not enter on their own, and offer various ideas to actively contribute to solving issues faced by customers and society.

Promoting Commercial CASE and digital transformation



—Please tell us about specific initiatives and the future directionality of digital transformation (DX) and the development of Commercial CASE, which are necessary to the provision of new value.

As a manufacturer of commercial vehicles, in addition to the Commercial CASE previously mentioned, DX initiatives are important to the resolution of the series of societal issues being encountered. Against a backdrop that includes logistics optimization and worsening environmental problems, the Commercial CASE that Hino is tackling will undoubtedly lead to resolving customer and societal problems. However, even if CASE technologies progress, they will not lead to the resolution of actual problems, discover potential needs, or solve issues of customers and society—unless the variety of data on transporting goods and people that is scattered within and without the company can be utilized in the true sense. Therefore, DX initiatives are needed. Through DX, we want to build an information platform that gathers and visualizes information from within and without the Company to provide value unique to Hino vehicles that utilize data.

To work toward the provision of this value, we have established the Commercial CASE Promotion Department and DX Promotion Department, and put a system into place that will speedily tackle both the promotion of CASE for commercial vehicles and digitalization. Nevertheless, we are aware that using only our own skills hinders that speed. In addition to further bolstering our alliance with the Toyota Group, in 2018 we moved ahead with strategic partnerships with companies in the same industry, such as the TRATON Group (Germany), and collaboration with companies in entirely different fields. Not only will companies possessing different values working together with a common vision naturally develop the truck and bus business, but it should also increase the likelihood of bringing about achievements that would be impossible

on our own.

We will continue cultivating partners with a strong determination to tackle problems together without limiting ourselves. We will also strive to pursue initiatives and make breakthroughs with a mindset that revels in rising to every kind of challenge.

Aiming to achieve a sustainable society in cooperation with each local area



—As a manufacturer specializing in trucks and buses, how do you think Hino Motors should address societal issues and contribute to the realization of a sustainable society?

Hino Motors is a global corporation that has developed business in over 90 countries and regions around the world. As such, we hope to earnestly face the problems of stakeholders in each local area, and continue to be a presence widely considered necessary to society. To do so, we will continue working on strengthening our management foundation that encompasses corporate governance and compliance, and boost employee motivation in business by promoting diversity and practicing workstyle reform.

Sustainability is equally sought by everyone throughout the world; it is a keyword every company should be aware of. We are a manufacturer of commercial vehicles with a close relationship with society, and our ongoing existence as a company over the next 50 or 100 years is predicated on being able to continue offering value to our customers and society. A broad understanding of that assertion translates into preservation of the global environment and a society everyone can comfortably live in. We will value our close relationships with each country and region so that we can achieve a sustainable society. The joint resolution of problems faced by society and our customers can only be achieved by cooperating with every country and region. Therefore, the immediate issue is developing our human resources so that each and every member of Team Hino throughout the world will be of one mind. Through these concepts and actions, we want to synchronize our steps to accomplish the goals indicated



by the globally common language of SDGs and realize a sustainable society.

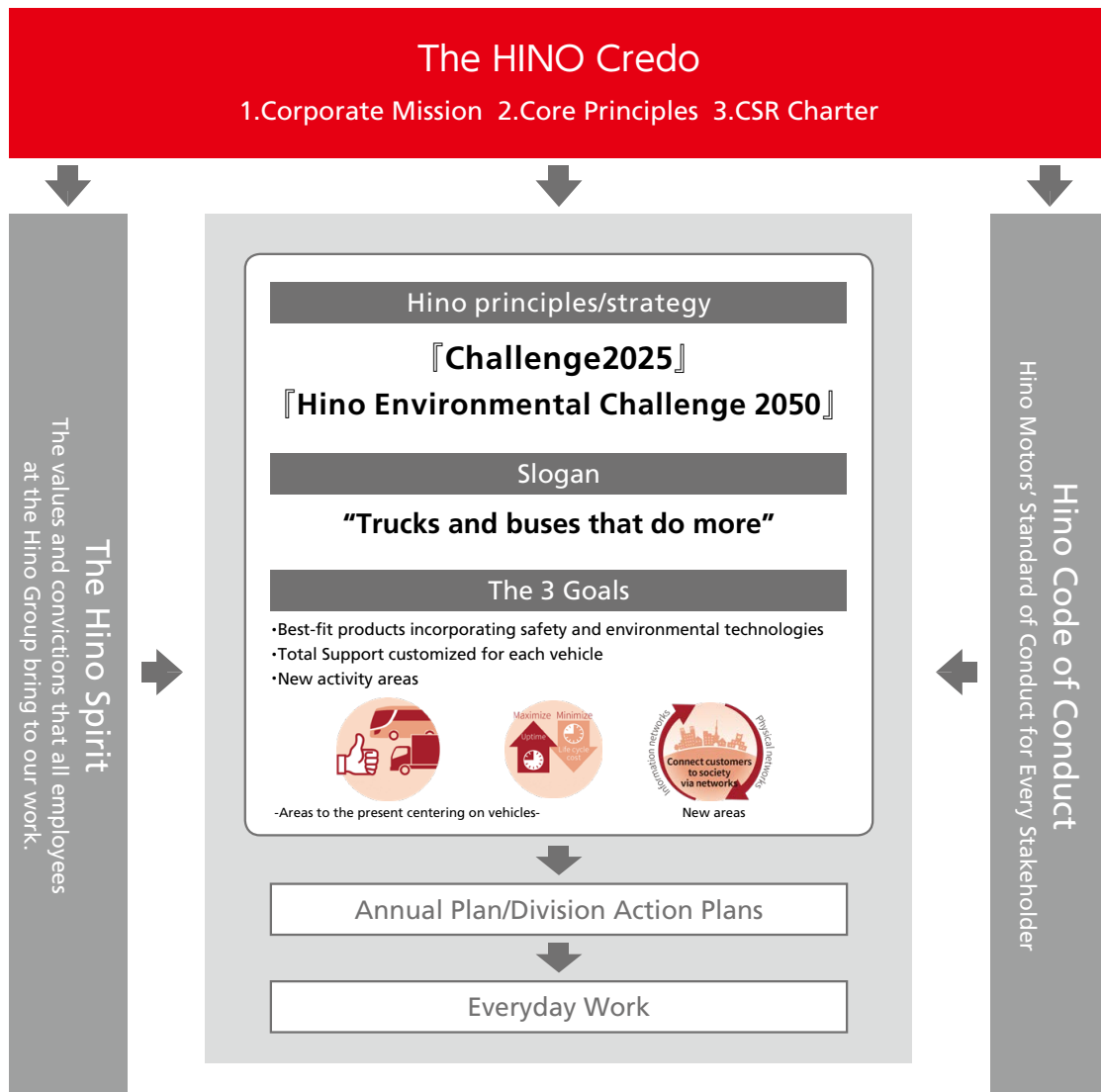
There will always be an abundance of issues to face as we strive to achieve a sustainable society. However, the existence of global societal issues gives meaning to the presence of Hino vehicles. We will routinely put ourselves in the shoes of society and our customers, and we will strive to overcome societal issues so that when we look back, much later, we can clearly see how much better our world has become and how much Hino Motors contributed.

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.



The HINO Credo

Hino Code of Conduct

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

Hino Environmental Challenge 2050

The HINO Credo & Course of Action

1. 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.”

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

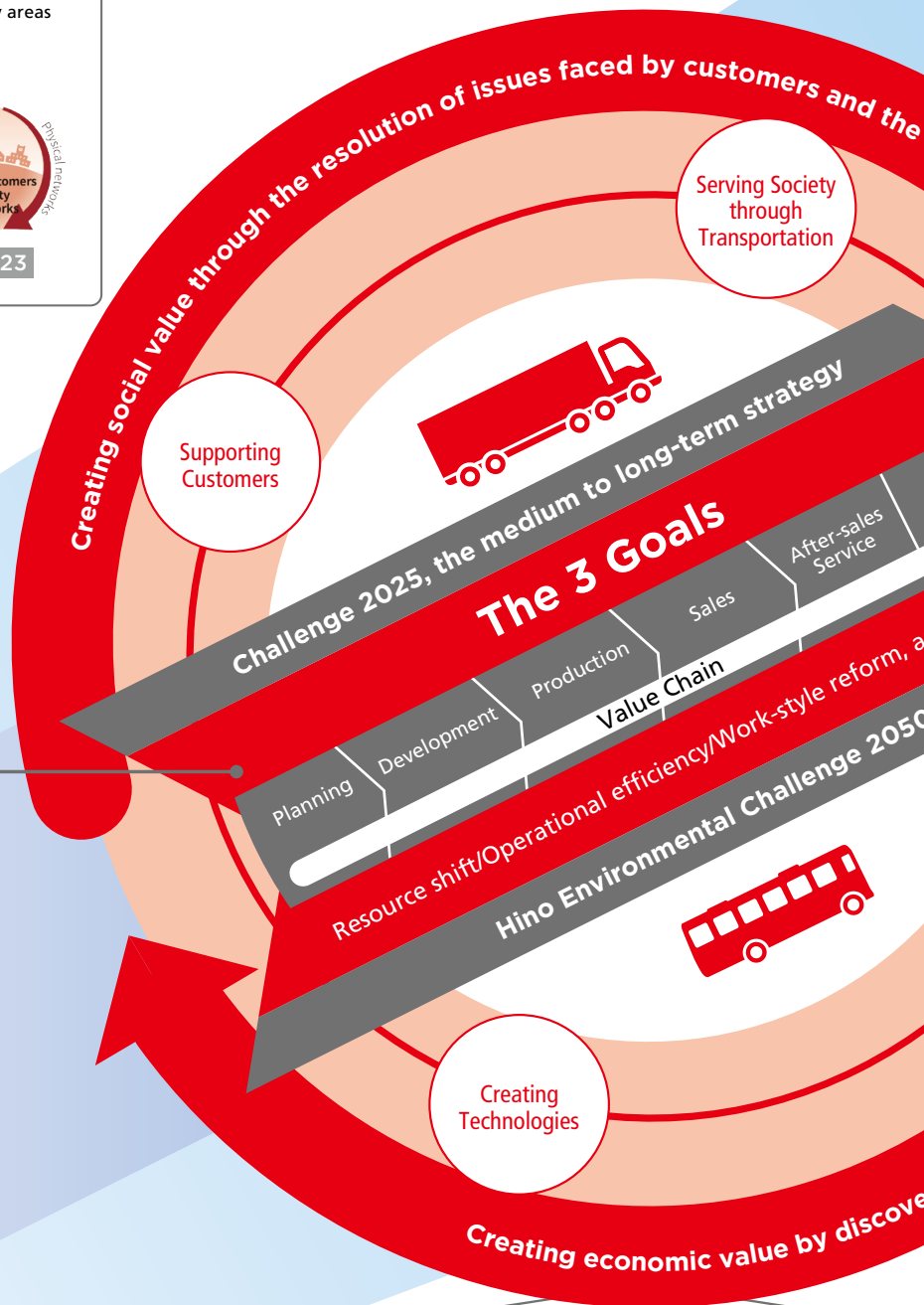
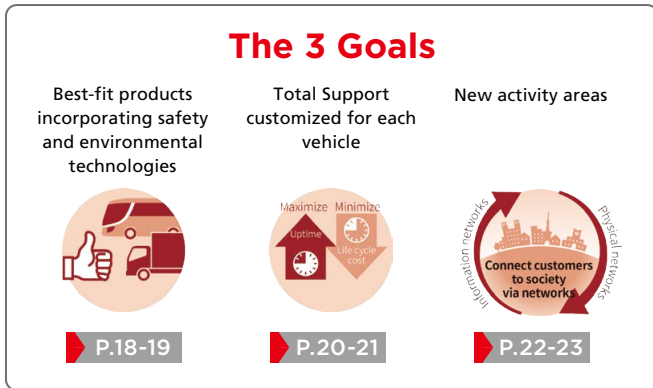
- We strive to provide products that are safe and environmentally friendly, pursuing a responsible balance with the environment in all of our corporate activities.
- We strive to contribute to local communities in all the regions where we do business.
- We are devoted to good corporate citizenship, complying 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 our environmental strategy called, Hino Environmental Challenge 2050 and Challenge 2025, the medium- to long-term management strategy drawn up based on the Hino Credo. We are striving to carry out sustainable business to realize a sustainable society.



The Hino Motors business model



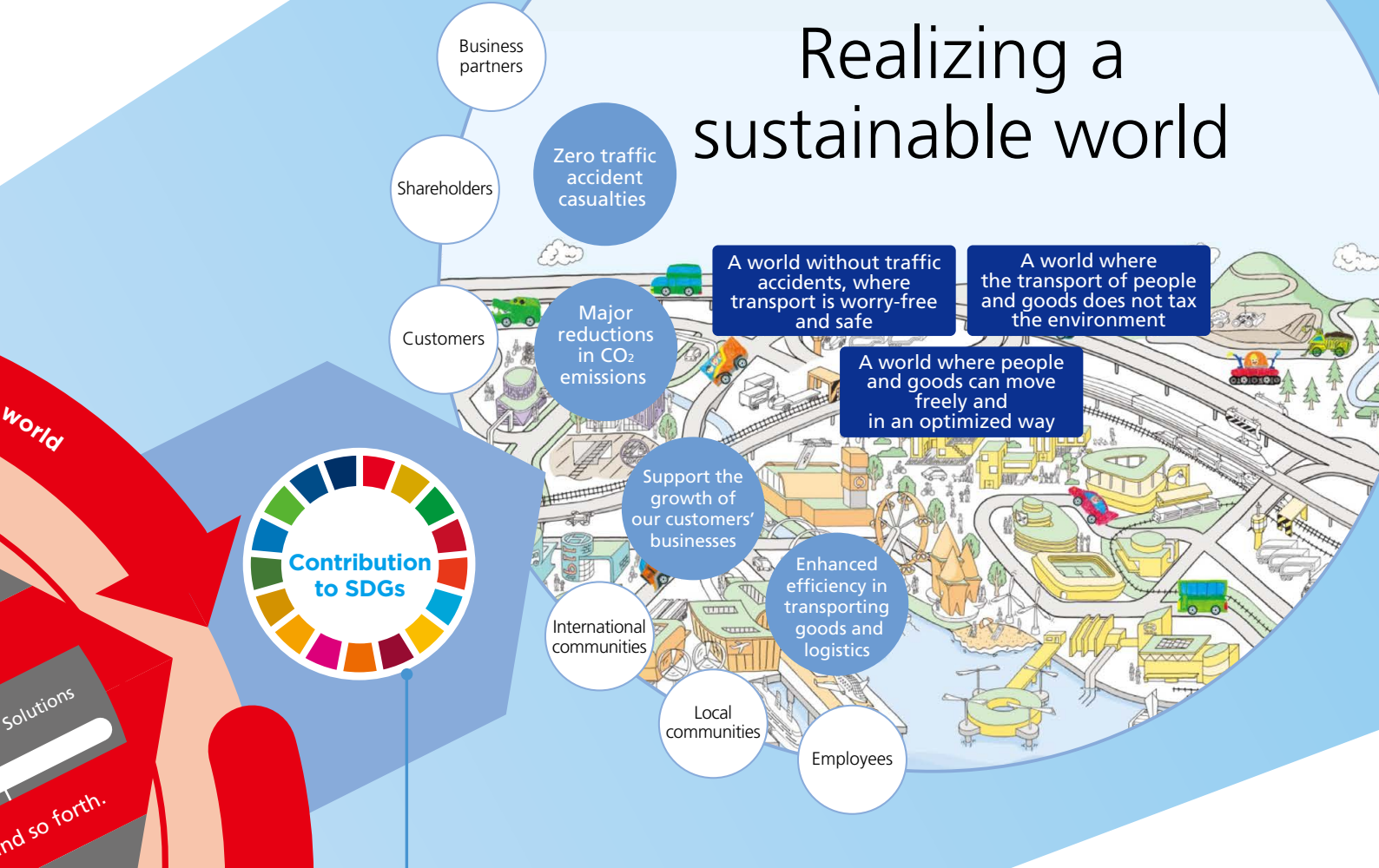
Current environment



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 where

Realizing a sustainable world



Creating the vision of Hino Motors through contributing to SDGs

SUSTAINABLE DEVELOPMENT GOALS

- 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 | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION ▶ P.26-27
- 2** Minimizing environmental impact in each step of the truck and bus business

13 CLIMATE ACTION | 7 AFFORDABLE AND CLEAN ENERGY | 6 CLEAN WATER AND SANITATION | 14 LIFE BELOW WATER | 15 LIFE ON LAND ▶ P.28-29
- 3** Developing partners that have the same dreams (Providing solutions to societal issues by bringing together others competencies)

17 PARTNERSHIPS FOR THE GOALS ▶ P.30
- 4** Building a sustainable value chain

12 RESPONSIBLE CONSUMPTION AND PRODUCTION ▶ P.31
- 5** Diversity & inclusion

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES ▶ P.32
- 6** Training human resources to help people and goods get to where they need to go

4 QUALITY EDUCATION ▶ P.33

world

Solutions

and so forth.

Manufacturing Vehicles

...ing new issues and cultivating needs

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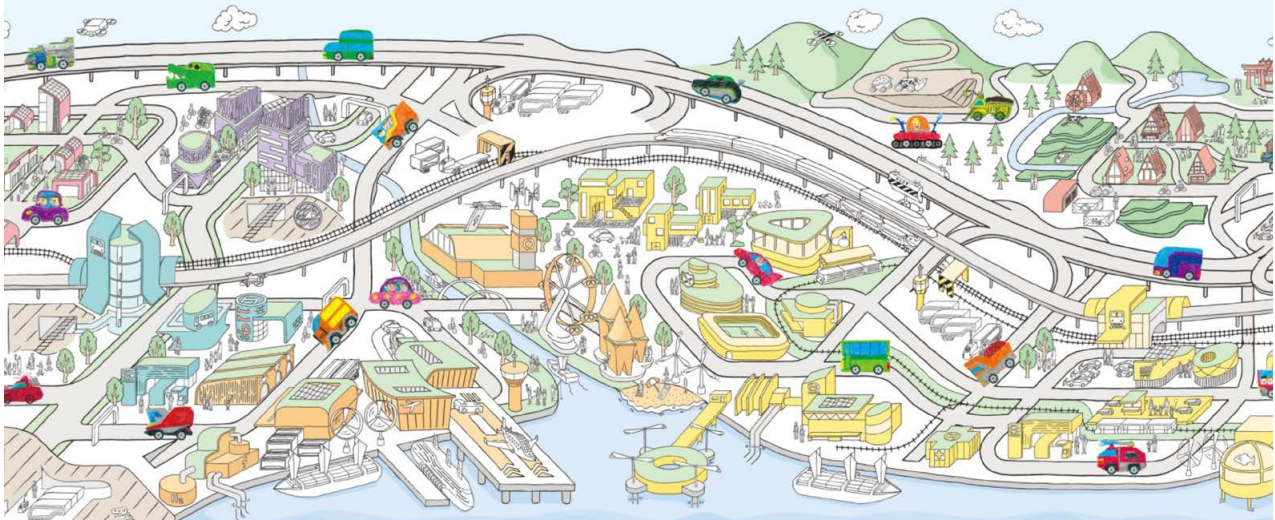
〈 Realizing a sustainable world 〉

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, CO₂ 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 CO₂ emissions,” “support for the growth of our customers’ businesses,” and “enhanced efficiency in transporting goods and people.”

We are working on comprehensive solutions

Challenges to be overcome and providing Hino value

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

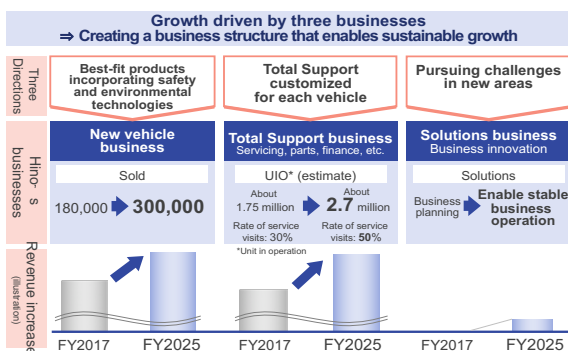


through our Three Directions approach therefore, which is comprised of "best-fit products incorporating safety and environmental technologies," "total support customized for each vehicle," and "new activity areas."

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

The number of vehicles sold is steadily increasing each year, and we aim to sell 300,000 new vehicles by 2025, which is approximately 1.6 times more than in FY2017.

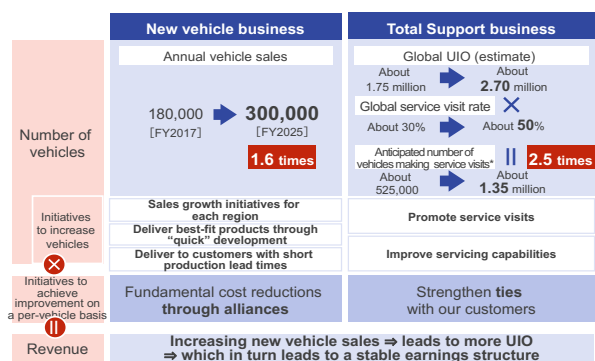
Sales are experiencing well-balanced growth in overseas regions in addition to the three mainstays (Japan, ASEAN, the Americas), and we are releasing the best products in a timely manner through "quick" development utilizing thorough optimization.

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. This will result in an increase in the number of vehicles making service visits that is approximately 2.5 times greater than now.

Furthermore, to strengthen our bonds with customers, we will continue providing substantial support, including opening customer service centers at all overseas bases. We are striving for a stable business structure through initiatives that include an increase in the sales of new vehicles and an increase in UIO.

Growth scenario



2. Partnerships

There are endeavors Hino has undertaken thus far that would have been difficult to accomplish 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 and collaboration with Ashok Leyland, which has a strong hold in developing nations.

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.

Partnerships

We aim to provide solutions to societal issues, not only through our own capabilities, but also by bringing together others' competencies.



Management perspective (FY2025)

Hino is looking to achieve growth in 2025 of 2.5 trillion yen in sales and an operating profit ratio of 10% by providing strong, far-reaching value to its customers and contributing to society. We hope to secure steady revenue and stable returns to stockholders through growth in the solutions business and Total Support business that accompanies an increase in the number of units in operation. Together with boosting this earning power, we will invest in growth for new technology development to further improve corporate value.

We will do our utmost so that Hino continues to be a company needed by all stakeholders, including our customers and stockholders.

Corporate Targets

	FY2017	FY2025 targets
Sales	1.8 trillion yen	2.5 trillion yen
Operating profit ratio (amount)	4.4% (80 billion yen)	10% (250 billion yen)
Vehicle sales*	180,000 units	300,000 units
UIO* (estimate)	About 1.75 million	About 2.70 million
Service visit rate*	About 30%	About 50%
Expected number of service visits	About 525,000 units	About 1.35 million units
Earnings structure	Mainly from new vehicles	Create a stable earnings structure through UIO + solutions

*Figures represent global vehicle and service visit rates

Sustainable growth based on our Three Directions approach
Consistent shareholder returns and rise in corporate value



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

Cautions regarding forward-looking statements

Challenge 2025, the medium to long-term strategy contains forward-looking statements concerning matters such as the prospects, goals, plans, and strategies of Hino Motors (including consolidated subsidiaries). These forward-looking statements are based on judgements and assumptions grounded on information currently available to the Company. Given the uncertainty inherent in such judgements and assumptions, and potential changes due to future business management and internal/external changes in circumstances, the actual performance or development of the Company in the future may significantly differ.

*CASE: C = connected (connectivity), A = autonomous (autonomous driving), S = shared, and E = electric (electrification)

〈 Realizing a sustainable world 〉

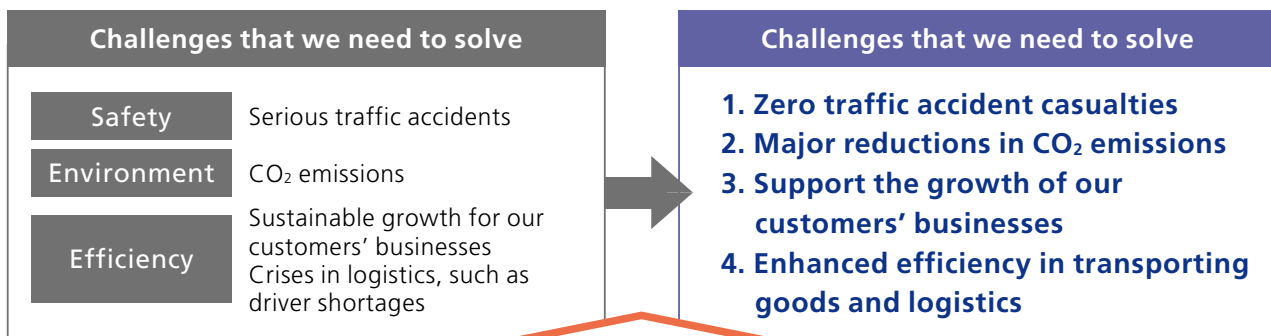
The 3 Goals

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 CO₂ emissions, **3.** Support the growth of our customers' businesses, and **4.** Enhanced efficiency in transporting goods and logistics.

This section will focus on the 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"

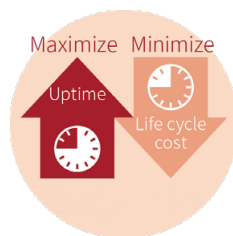
Based on our Three Directions approach, develop comprehensive solutions for the increasingly complex challenges our customers and the world face.



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."hat 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

Pre-Crash Safety System (PCS)

The system detects vehicles or pedestrians ahead and automatically reduces the vehicle's speed, helping to reduce collision damage.

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 (Bus only)

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.



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 Div

Assistant Manager
System Development Dept. 1,
ADAS Development Div

System Development Dept. 2,
ADAS Development Div

Naoto Kota

Junior employee

Experienced employee

Shunsuke Hataya

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.

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.

Safety/Environment New releases

Hino Profia Hybrid

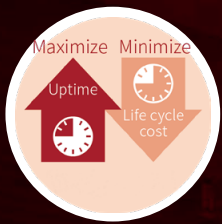
Reducing the fuel consumption of heavy-duty trucks has become a major issue. Hino Profia Hybrid is equipped with the World's first hybrid control system to significantly improve fuel consumption by using AI to predict gradients on routes based on 3D map information. In addition, both environmental performance and safety performance are achieved through standard equipment featuring advanced safety technology, such as the Pre-Crash Safety and the Sight Around Monitor System. (Refer to the right section)



Sight Around Monitor System

This system detects moving objects closing in at an angle from ahead, such as at intersections. It sounds an alarm to help drivers check for approaching danger and helps prevent head-on collisions.





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

Expanding HINO CONNECT, which links vehicles and customers through ICT

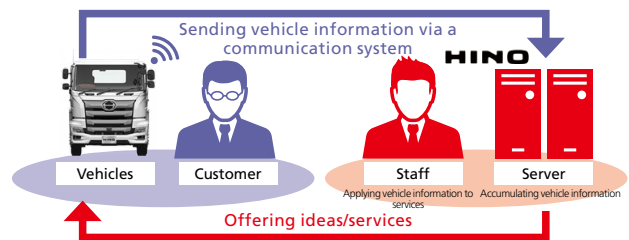
Hino Motors provides support so that trucks and buses continue to operate reliably for its customers and can fulfill their needs.

In 2019, the Hino Dutro was added to our lineup, which includes the Hino Profia, Hino Ranger, and Hino Selega.

To prevent the non-operation of customer's vehicles, we have focused on "preventive maintenance," which involves maintaining the vehicle before it breaks down, not fixing it afterwards. We plan to add a feature that offers optimal "preventive maintenance" based on information such as how the vehicle is used and gradually expand the service.

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



Customer support

Support for safe operation

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

Customer support

Fuel-saving driving support

Ability to confirm vehicle fuel consumption information using the Eco Tree Report [Please see P.59](#)

Customer support

Emergency response support

Ability to confirm vehicle location in an emergency

Social contribution

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)

Naoto Nakatsuka

Field Service Engineer (FSE)

Mechanic

Mechanic (Al-Futtaim Motors)

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.



More information about FSE

Improve customers' awareness and skills for safe and fuel-saving driving

Hino Total Support Customer Center initiatives (Malaysia)

Since opening in 2015, the center has been offering support for daily inspections of customer vehicles, driver training on driving aptitude and vehicle characteristics, and fuel-efficient driving instruction. With cooperation from Yamato Transport (Malaysia) Sdn. Bhd., Hino Motors began offering a new program in April 2019 for safe driving based on the customer perspective. The Company is focusing on total support that maximizes the operation time of customer vehicles and minimizes life cycle costs.



Minimizing vehicle life cycle costs

MOBILOTS Corporation launches operations

The way commercial vehicles are being used is shifting from the previous approach of "ownership" to "utilization," and customer demand for financial services is growing. To meet this demand, MOBILOTS established by three companies: Hino Motors, Toyota Finance Co., Ltd., and Sumitomo Mitsui Auto Service Co., Ltd. helps to minimize the life cycle costs of customer' commercial truck / bus vehicles by offering vehicle leases and installment plans, as well as services that include vehicle management and maintenance.





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 challenge faced by the entire Automobile industry—the driver shortage accompanying the growth of ecommerce, 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.



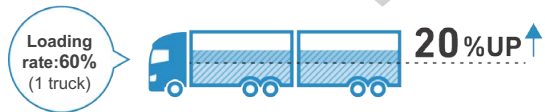
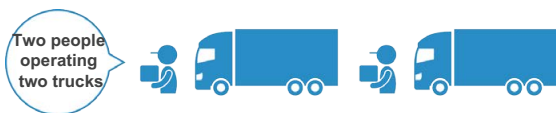
Specific Initiatives

New Forms of Logistics

NEXT Logistics Japan, Ltd. Initiatives



To resolve societal issues such as driver shortages and CO₂ reduction, NEXT Logistics is striving to optimize logistics with the dual approach of utilizing 25-meter, full trailers for transporting large volumes of freight more efficiently (1 person transports 2 trucks worth of cargo) and “transporting more freight on a single truck (20% increase of loading rate). The company will continue developing initiatives to fulfill the mission of keeping logistics flowing.



Transporting large volumes of freight more efficiently

- Freight that previously required two drivers and two trucks can be shipped with a single driver operating two trucks.

Transporting more freight on a single truck

- Loading rate is improved by using vehicle information, such as available cargo space that is recognized using volume sensors and load sensors

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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The Power That Sustains Hino Motors

Commercial CASE Promotion Div

Connected Group,
Commercial CASE Promotion Div

Naoyuki Kawata

Junior employee

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.

Manager
Technical Strategy Group,
Commercial CASE Promotion Div

Yasushi Kawata

Experienced employee

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.

CASE・MaaS

Offering value through new solutions

Hino Motors is developing Commercial CASE (Connected, Autonomous, Shared, Electric) with the aim of continuing to engage with vehicles, even after they have been introduced into world markets, to bring smiles to every person involved with vehicles.

The Company entered into an agreement with the cities of Komatsu in Ishikawa Prefecture and Mitoyo in Kagawa Prefecture in 2019 and began demonstration experiments for a new mobility service using regional public transportation.

To provide "trucks and buses that do more" for customers, Hino Motors will continue identifying and improving issues onsite to assist customers and society through Commercial CASE.

CASE



The term "CASE," coined by Daimler, embodies the direction of strategy implementation, "automotive manufacturers transform into mobility service providers."



Signing an agreement with the city of Komatsu



Signing an agreement with the city of Mitoyo

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 CO₂ 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 CO₂ emissions, and further streamlining in the movement of people and goods.

Please see P.26



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.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.28

SUSTAINABLE DEVELOPMENT GOALS



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.31

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.32



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.33

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 CO₂ 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 (see page 18) together with the targets of, 1) zero fatal traffic accidents with Hino vehicles, 2) significant CO₂ emissions reductions, 3) support for the development of our customers' business, and 4) further streamlining the flow of people and goods.

Specific Initiatives

Electric vehicle development (EV bus development)

In 2012, Hino was Japan's first commercial vehicle manufacturer to deliver EV buses to Sumida Ward and Hamura City in Tokyo. In the Hino Environmental Challenge 2050, Hino is developing electric vehicles to reduce new vehicle CO₂ emissions by 90% compared to 2013.










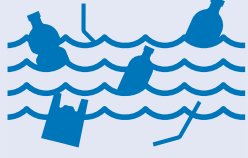


Hino Poncho(EV)

New technology development to solve social issues (partially autonomous truck convoy system)

As a countermeasure to social issues such as driver shortages, we are conducting verification tests of partially autonomous truck convoy system in cooperation with the government. We will further speed up technological development with the aim of practical application.



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

<p>13 CLIMATE ACTION</p> 	<p>Take urgent action to combat climate change and its impacts</p> <p>Targets</p> <ul style="list-style-type: none"> 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 
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>Ensure access to affordable, reliable, sustainable and modern energy</p> <p>Targets</p> <ul style="list-style-type: none"> 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 
<p>6 CLEAN WATER AND SANITATION</p> 	<p>Ensure access to water and sanitation for all</p> <p>Targets</p> <ul style="list-style-type: none"> 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 
<p>14 LIFE BELOW WATER</p> 	<p>Conserve and sustainably use the oceans, seas and marine resources</p> <p>Targets</p> <ul style="list-style-type: none"> 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 
<p>15 LIFE ON LAND</p> 	<p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p> <p>Targets</p> <ul style="list-style-type: none"> 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 

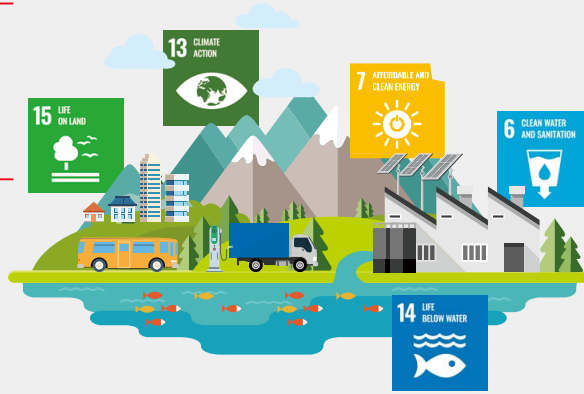
Social Issues Addressed by Hino

Global warming

Increased global warming as exemplified by frequent abnormal weather has a wide range of effects throughout the world, and the reduction of CO₂ 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 CO₂ reduction, water environment conservation, and biodiversity conservation. Hino will contribute to achieving a sustainable, a prosperous world and future through these initiatives.

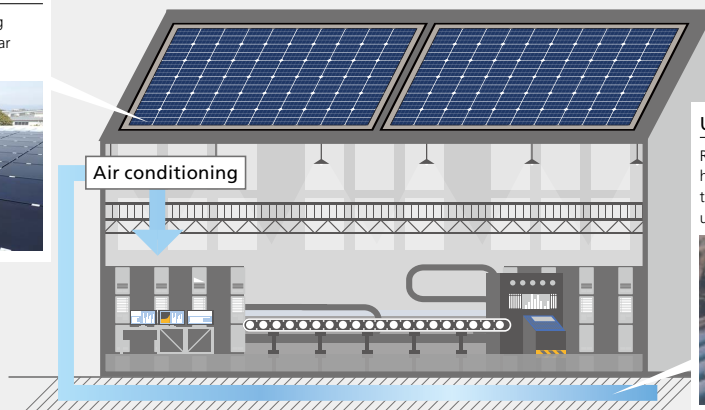
Specific Initiatives

Building environmentally friendly plants using natural energy

Hino is reducing CO₂ emissions in truck and bus manufacturing with the aim of achieving zero factory CO₂. Recently, domestic and overseas factories have been actively using natural energy, and we are building factories that dramatically reduce CO₂ emissions.

Utilization of sunlight

Reduction of CO₂ by utilizing electricity obtained from solar panels at our offices



Utilization of geothermal heat

Reduction of CO₂ 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, CO₂ 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.



4 Building a sustainable value chain



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.



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

Various guidelines: Supplier CSR Guidelines; Green Procurement Guidelines

CO₂ 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



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



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



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 issue

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)



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 will open 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 (Instituto Tecnico HINO)

CSR Management

Hino Motors Group CSR

The HINO Credo and Hino Motors' Fundamental Stance toward CSR

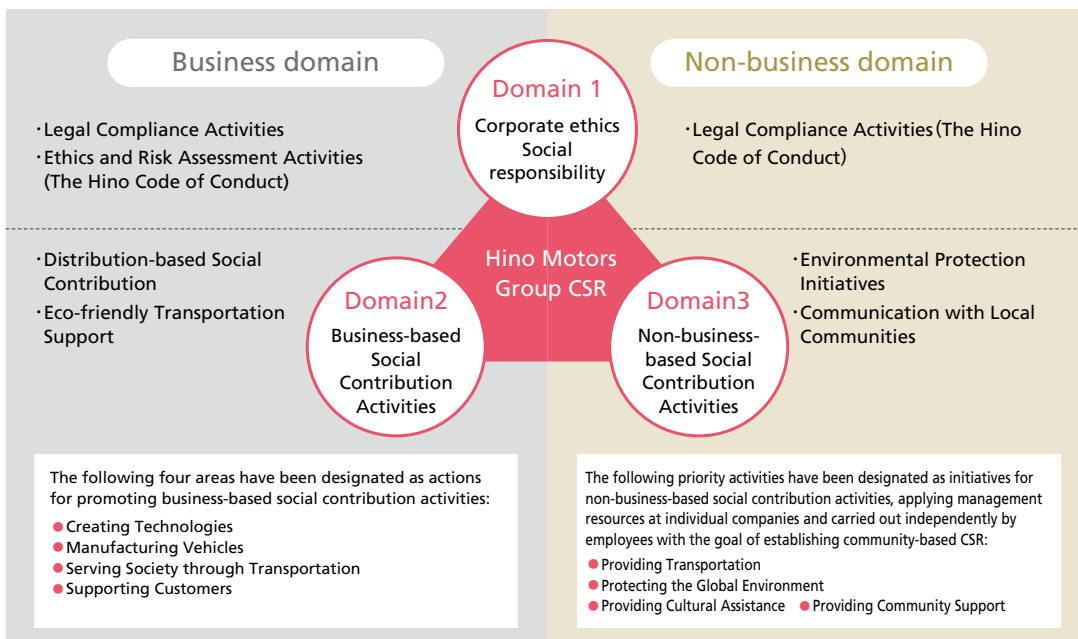
Hino Motors established the HINO Credo in July 2007 after reviewing its corporate philosophy, announced in 1992, based on a corporate social responsibility (CSR) perspective. The Hino Credo specifically quotes its Corporate Mission: "To make the world a better place live by helping people and goods get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



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.

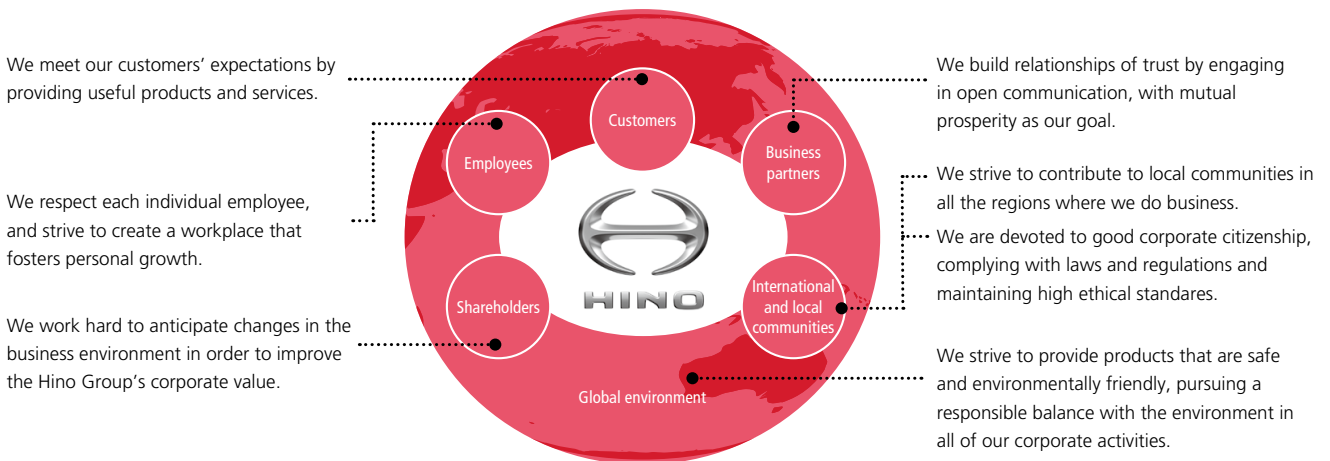
In addition, activities carried out in the previous fiscal year are reviewed annually, and goals are set for initiatives under management plans for the next fiscal year. Hino Motors also works to increase awareness of the Hino Credo and CSR Guidelines within the Company as it promotes activities in line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



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

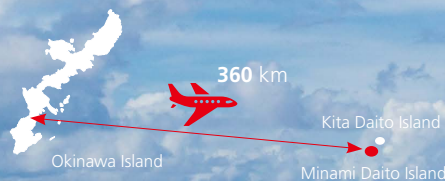
SPECIAL FEATURE

Special Feature 1 | Working with Customers to Revitalize Communities

Sharing in the Joys of Life on Minami Daito Island

As a Member of the Community on “Sugar Cane Island”

Minami Daito Island lies 360km east of the big island of Okinawa, Japan, about a one-hour flight from Naha City. Approximately 60% of the island's entire area is taken up by sugar cane fields, and the majority of the 1,400 islanders work in the sugar cane industry. The trucks of Hino Motors are also a part of this community, and they are helping to revitalize the island.



The relationship between SDGs and these initiatives



Minami Daito Island and the Sugar Cane Industry

Minami Daito was uninhabited until the 20th century, when 23 colonists from Hachijo Island in the Izu Islands chain arrived in 1900. Their aim was to cultivate sugar cane and establish the sugar industry here. Minami Daito's coastline is almost entirely made up of imposing cliffs, which had obstructed all attempts to develop the fishing industry on the island, since it was impossible to directly berth a vessel there. Furthermore, the hard

ground of the island meant that it was not ideally suited to farming. It also lay in the path of the fierce typhoons that pass through the region from time to time. As if that were not enough, major seasonal fluctuations in rainfall meant that it was extremely difficult to secure a stable supply of water for agriculture. It was perhaps therefore inevitable that sugar cane, given its robust resistance to strong winds and water shortages, would become the basis for industry and the livelihoods of the people.

Daito Seito Co., Ltd., established on Minami Daito in 1950 is the island's only sugar manufacturing company.

1910-1980s

Harvesting using a light railway



- High cost of maintaining engine and tracks (Although the island has a circumference of 21km, the railway had a total length of 27km)
- Difficulty in loading/unloading

1980s onwards

Harvesting using a harvester vehicle and trucks



▲ People interviewed for this feature (from left): Kiyohide Okiyama (JA Okinawa), Chikatoshi Okiyama, Kazunobu Aragaki, Shoichi Kumada (Daito Seito Co., Ltd.)

For the islanders, sugar cane is the only industry that protects their continued livelihood; if it were to disappear then the island itself would lose its value as a place for habitation. Protecting the sugar cane industry is therefore essential for keeping the island functioning as a home for its people and also, in a sense, for maintaining a presence for Japan on the island.

Contributing to Improving Sugar Cane Productivity

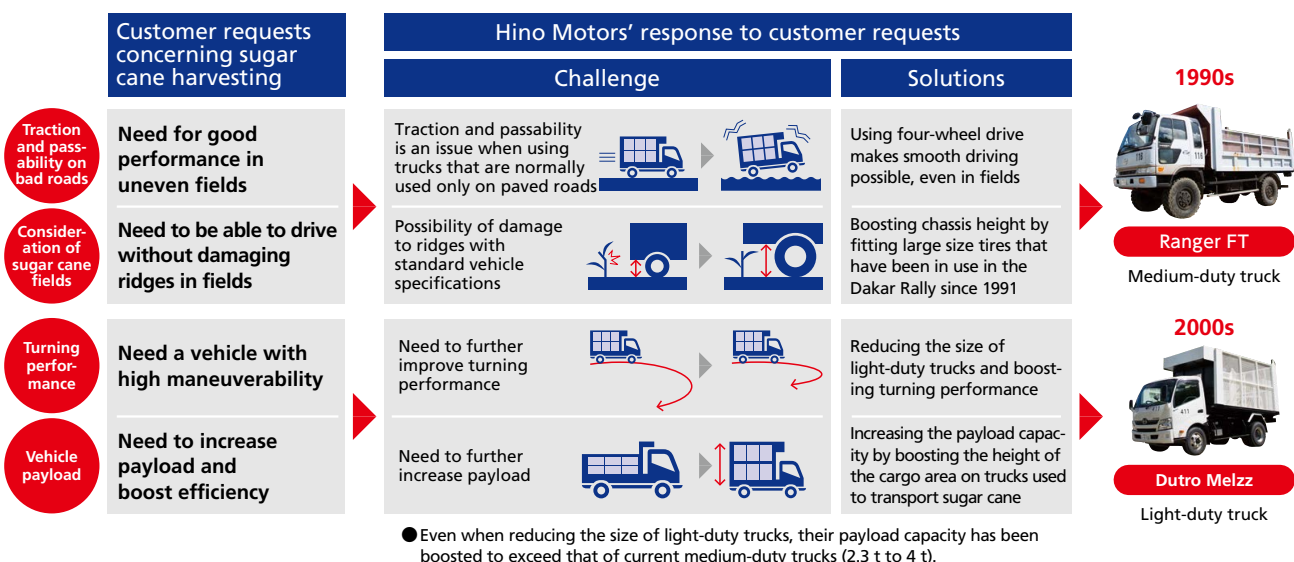
It is necessary to ensure sustainability in order to further develop the sugar cane industry on Minami Daito, and for this to be achieved, the critical point is to improve productivity. For the islanders the perennial challenge is to realize greater efficiency in harvesting and transportation. For many years a light railway known as the "sugar train" was used to transport sugar cane on the island. However, growing maintenance costs for the railway engine and tracks meant that the islanders gradually shifted to using trucks; the railway was completely dismantled in 1983. Currently the method considered to be the most efficient is to have trucks run alongside a large harvester to collect and transport the sugar cane.

In 1998, the Hino Motors sales company Okinawa Hino Motors, Ltd., submitted a proposal to provide a specially customized "Ranger FT" truck for harvesting to Daito Seito, which was searching for a more efficient way to transport sugar cane. The company purchased 31 of these FT Trucks. At the time this was a completely new venture for Okinawa Hino Motors, but the order was successfully won by listening carefully to the concerns of both Daito Seito and the local farmers.

Harvesting sugar cane presents a variety of unique challenges: (1) the need to ensure that tire width matches the ridges in the field, as trucks need to directly enter the field to run alongside the harvester; (2) the importance of boosting the height of the chassis so that it does not damage ridges in the field; (3) ensuring that trucks can easily run at the same speed as the harvester; and (4) ensuring consistent traction and passability on uneven surfaces. Okinawa Hino Motors has worked consistently with the people of Minami Daito to resolve each of these and other challenges.

The original trucks that were purchased by Daito Seito are still in use today thanks to careful and attentive maintenance.

Customer Requests and Hino Responses



➤ Special Feature 1 Sharing in the Joys of Life on Minami Daito Island Special Feature 2 Origins of "Total Support"

Delivering Successor Vehicles for the Next Generation

Since around 2006, new challenges related to improving productivity have been the focus. These included measures to reduce the turning circle of trucks in the sugar cane fields and also to boost the payload capacity, so that each truck could carry more sugar cane.

Okinawa Hino Motors focused on the challenge of improving sugar cane harvesting efficiency, identifying the customer's needs and worked in cooperation with Daito Seito and JA Okinawa through a two-year process of repeatedly testing new prototype vehicles and submitting proposals. In 2016, it was decided that Hino Motors trucks would be selected as the next-generation vehicles to add to the original fleet. Although the new vehicle does not have all the performance attributes of the FT trucks, through a process of customizing the standard specifications of the light-duty truck Dutro Melzz, it has been possible to boost transport efficiency by approximately 30%, which is what led to the decision to



▲ The immaculately maintained Dutro Melzz trucks of Daito Seito Co., Ltd.

adopt it as an appropriate next-generation vehicle.

The sight of Hino trucks being loaded with golden sugar cane and moving it to the sugar processing plant is a part and parcel of the daily scenery on Minami Daito from winter through spring. Aspiring to deliver on its slogan, "Trucks and Buses That Do More," Hino Motors will continue to contribute to the sustainable development of Minami Daito.

VOICE



Working to Ensure Sugar Remains the Key Industry for Another Century

Tatsuji Okiyama
President and Representative Director
Daito Seito Co., Ltd.

Hino Motors is an indispensable partner for the sugar cane industry on Minami Daito. When we first introduced Hino trucks I was still farming myself, so as someone well-acquainted with local conditions I made various requests. When we requested the replacement of the trucks in 2014, Hino Motors accurately grasped the challenges we face on the ground, with the result that they provided us with excellent trucks that fit the purpose. In recent years the number of young people working in the sugar cane industry on Minami Daito has remained stable, which is excellent news, and helps to maintain the island's vitality. I hope that Hino Motors will continue to support our business long into the future.

Continuing to Provide Trucks That Support Island Life

Right: **Hirosuke Fukuzato**
President and Representative Director
Okinawa Hino Motors, Ltd.

Left: **Shigeo Higa**
Managing Officer, Member of the Board



When Daito Seito was first considering the introduction of trucks to run alongside the sugar cane harvester, I met with Mr. Okiyama, who is now President of Daito Seito, but back then was still involved directly in sugar cane farming. I learned about the various challenges the farmers faced from him. We made various customizations in response to harvesting conditions, creating a vehicle based on our broad knowledge, including technology that was under development for use in the Dakar Rally at the time. We were overjoyed when our efforts paid off and we received the original order, which led to an ongoing relationship with the island. Although new successor trucks have also been introduced since, I am always deeply impressed to see the trucks from the original order still running smoothly, thanks to maintenance that keeps them looking just like new.

* Ranger FT: A four-wheel drive, medium-duty Hino Ranger truck.



SPECIAL FEATURE

Special Feature 2 | Measures to Support Regional Distribution and Logistics

Origins of “Total Support”

From “Field Mechanics” to “Field Service Engineers”

One of Hino Motors’ strengths is its Total Support approach to providing tailored attentive after-sales service. Total Support ensures that the trucks and buses the Company delivers in Japan and around the world can continue to get the job done for customers. The thorough after-sales service that Hino Motors has provided in markets around the world for more than 50 years has had a major impact on the spirit of Total Support.

The relationship between SDGs and these initiatives

4 QUALITY EDUCATION 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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Field Mechanic System: Supporting Customers’ Businesses Worldwide

In the 1960s, when Hino Motors started earnest efforts to expand overseas exports, it was European-made commercial vehicles such as trucks and buses that were dominant in overseas markets, with an enviable global reputation for durability and reliability. Although Hino Motors had already made a name for itself in Japan as a producer of diesel vehicles and trucks, in overseas markets the name Hino had little recognition, and the after-sales service structure was still not in place.

Despite these challenges, it was imperative for Hino Motors to achieve success overseas if it hoped to achieve further growth and development as a company. The strategy that was adopted was to strengthen after-sales service in overseas markets and enhance support structures for customers who had chosen a Hino product. The prevailing style of business in the commercial sector at the time was simply to sell vehicles,

without any thought being given beyond the point of sale. It was against this backdrop that, in 1963, Hino Motors launched its Field Mechanic (FM) system as part of an effort to enhance after-sales service, with the aim of expanding overseas sales.

Fulfilling a Mission to Keep Customers’ Operations on the Move

Field mechanics were dispatched from Japan and embedded in overseas locations to help further disseminate services and technologies, based on a desire to ensure that customers continue to use and choose Hino Motors’ vehicles. The FM system was open for employees to apply for and featured a strong human resources development focus, with selected participants undergoing training to acquire the requisite language and technical maintenance skills before being dispatched overseas.

Given the vast range of climates and road conditions in countries overseas, it was no simple task

Special Feature 1 Sharing in the Joys of Life on Minami Daito Island > Special Feature 2 Origins of "Total Support"

to engage in vehicle management and maintenance that was appropriate for the environmental conditions in each country. The locations that field mechanics were sent to were sometimes challengingly remote or barren, and sometimes work was in a conflict zone fraught with danger. Communication issues were also a daily fact of life. Toshiya Shiozawa (currently Senior General Manager) looks back on the time he spent as an FM in the 1980s, describing it in these terms, "It was hard work. You needed to have maintenance skills and determination to work alone in remote locations, and your ability to assimilate as a person was also critical."

"My first posting at the age of 23 was to West Africa, where we spent two nights and three days driving a tractor/trailer across the desert in order to deliver it to a well-boring corporation. It was a long and tiring journey, but we were welcomed by the smiling faces of the people of the village when we arrived. I subsequently spent time in many other countries. Wherever I went, when a mechanic needed to be called, the customer would naturally be initially angry. In such situations the only thing to do is do your job thoroughly and build trust. In our training, we had been told that you could not simply say 'no' to the customer or the local dealership—you had to visit the site and work to resolve the customer's problem, basing your response on the actual situation. I took this FM training to heart and, although there were highs and lows on the job, it turned out to be very fulfilling."

By 1996 the FM system outside Japan was in its 31st year. Their efforts to ensure a 100% operating rate for customers' vehicles by providing thorough after-sales services made a huge impact by boosting the value and trust users had for Hino Motors overseas. It also formed the basis for the current Total Support, which is a key concept for Hino Motors. That same spirit was also passed down to the Field Service Engineer (FSE) program, which replaced the original FM system.

Responding to Overseas Market Expansion and Advances in Maintenance Technologies

Since 2007, the year overseas vehicle sales first exceeded domestic sales, Hino Motors has continued to work to expand its business overseas. Today's FSE program, which



Delivery of Tractor/Trailer Vehicle to a Well-Boring Corporation (West Africa)

was devised as the successor to the FM system, has helped to improve service quality. Not only that, it has also been used to address advances in vehicle technologies and the increasingly complex vehicle systems of recent years.

While the FM system relied on people applying to become FMs after joining the company, the FSE program is focused purely on the development of specialist personnel, with the expectation that everyone on the program will be dispatched overseas. The capabilities required of FSEs are incredibly diverse, including not just vehicle maintenance skills and the ability to acquire new languages, but also interpersonal skills, knowledge of Hino vehicles, and knowledge and skills relating to on-board electronic systems. Participants in the program are dispatched overseas after a multi-year period of education and training.

When out in the field, the FSEs are expected not just to repair vehicles, but also to play a consulting role on various themes closely related to customers' businesses, including providing ideas for customization and cost reductions. The role of the FSE has changed from the FM era as customer needs have diversified. That said, the basic mission remains unchanged from the FM era, namely providing services that customers experience as Total Support. This means that FSEs must ensure that customers' businesses are kept on the move by implementing optimized, high-quality services for each and every vehicle, so that the products provided by Hino Motors continue to contribute to the flow of goods and people around the world.

Yuki Imaoka, one of the first class of FSEs, puts it this way, "Wherever I travel around the world I can feel the legacy of my FM predecessors." "Even if I am

Special Feature 1 Sharing in the Joys of Life on Minami Daito Island > Special Feature 2 Origins of "Total Support"

traveling to a location for the very first time, the reason I am welcomed and accepted by local people in the workplace is thanks to the efforts of my FM predecessors in countries around the world." The total number of FSEs developed by Hino Motors now stands in the several hundreds, including people from the FM era. These practitioners of Total Support have worked to raise the value of Hino Motors by providing services that respond to the various needs and requests of customers around the world.

Hino Motors will continue to aim for further development and growth in all markets. In so doing it must always be remembered that, wherever they are in the world, Hino trucks and buses are engaged in work for each and every customer, each with their own needs and expectations.

FSE Imaoka with a skills contest participant, competing with others over service knowledge and skills (Canada).



The late Masashi Arakawa, who served as Chairman of the Board for Hino Motors from 1983 to 1985, once said, "FMs are the unknown soldiers of Hino. Without FMs there would be no global Hino presence." Team Hino today is dedicated to supporting customers around the world, carrying forward the practically focused spirit of FM and FSE and further deepening the bonds that they have built with customers, which constitute the origins of Total Support.

VOICE



Always Respecting Diversity

Toshiya Shiozawa
Senior General Manager

My aim was to do a good job overseas through vehicle maintenance and so, after joining Hino Motors, I took the exam to join the 18th class of FMs. Although I worked in many places that were truly demanding, both physically and mentally, I was fully motivated to do my work based on the clear goal of "creating a foundation for the after-sales service of Hino Motors." Although I am no longer working hands-on in workplaces overseas, I firmly feel that my experiences and the respect for diversity I learned in countries around the world are now helping me in my role as manager of the After-Sales Service Department. I hope that everyone in the FSE program, which succeeded the FM system, will work to expand the original goals and further enhance Total Support so that the Hino brand goes from strength to strength around the world.

Enjoying the Opportunity to Work on the Frontlines Overseas at a Young Age

Yuki Imaoka
Strategy & Planning Group, General Management Department, Aftersales Service Department



During my student days when I was learning about manufacturing at the Hino Technical Skills Academy—the training institute operated by Hino Motors—I was interested in applying for the FSE program, an integral part of which is overseas posting. So I joined the company as part of the first class to take part in the FSE program. When working overseas, you experience situations that would be unthinkable in Japan, like traveling by plane to visit the site where repairs need to be implemented. The job is very rewarding, though, when you see the satisfaction on the faces of customers. I think it was thanks to my being posted overseas at a young age and being embedded in the local environment that enabled me to develop an open way of thinking that is accepting of diversity. I now alternate between spending several years in Japan and several years overseas, and during the times I am in Japan I feel that one of my important tasks is to convey my experiences to younger members of staff.

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives			
							Environment	Social	Governance	ESG data and others

TOPIC Tokyo Motor Show 2019



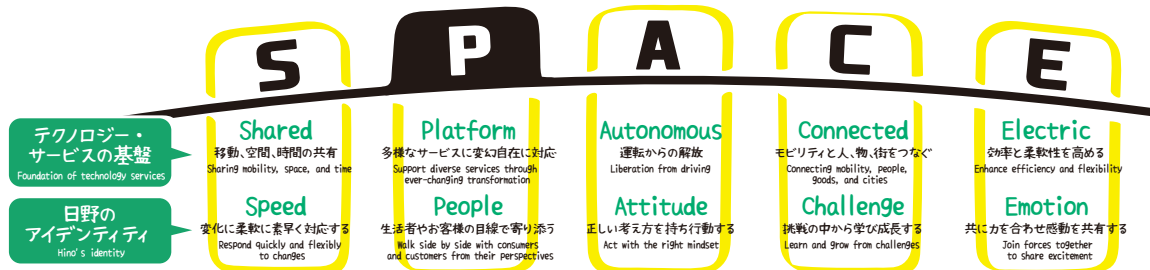
HINO @ TOKYO MOTOR SHOW 2019

Transporting Every Happiness

At the Tokyo Motor Show 2019, held from October 24 to November 4 at Tokyo Big Sight, Hino presented its exhibition theme of "Transporting Every Happiness." This theme embodies our desire to transport happiness to all people in all corners of the world, and it expresses the prosperous and sustainable future envisioned by Hino through concept models and animation. We also introduced advanced technologies we have been developing that will lead us into the future.

From "CASE" to "SPACE"

The value that the automobile industry provides through vehicles will dramatically expand as "CASE" (Connected Autonomous Shared Electric) progresses. Hino Motors believes that a "platform" is necessary to serve as a foundation to provide this value to society. "SPACE," which is "CASE" with the letters rearranged and an added "P," is the keyword for the future change that Hino Motors is promoting.



A Mobility Concept that Flexibly Optimizes Lifestyles



● A passenger service where people gather

This service provides a mobile space individually optimized according to local features and demand. It revitalizes the community with mobility that is closely linked to the region.

HINO FlatFormer



FlatFormer enables the mounting of a highly flexible body that meets societal and customer needs. It also functions as a service platform that optimizes lifestyles by connecting people, goods, and towns.



● A recycling management service that eliminates garbage

This service recovers resources and conducts high-quality recycling. It also provides a management service for people in the community to come together and take part in recycling resources.



● A beauty service that energizes body and soul

This service allows anyone to enjoy lovely radiance through beauty care.



● A retail service that answers the needs of each individual

It's equipped with a 3D printing unit and dispenser to generate and sell products based on the needs of users. The vehicle will move itself to the most suitable location based on the purchasing needs of users.



● A safe and high-quality operation service

This service enables one to remotely operate and manage the operation area and operational status in accordance with various work applications.



● A pickup and delivery service that also cares about you

The service automatically transports 24-hour pickup boxes. Automated dollies and drones will be used for each pickup and delivery. Individuals can use the Internet to undertake pickup and delivery. The front side of the vehicle functions as a pickup unit equipped with automated packing services.

Corporate Information

Top Interview

The HINO Credo & Course of Action

Realizing a sustainable world

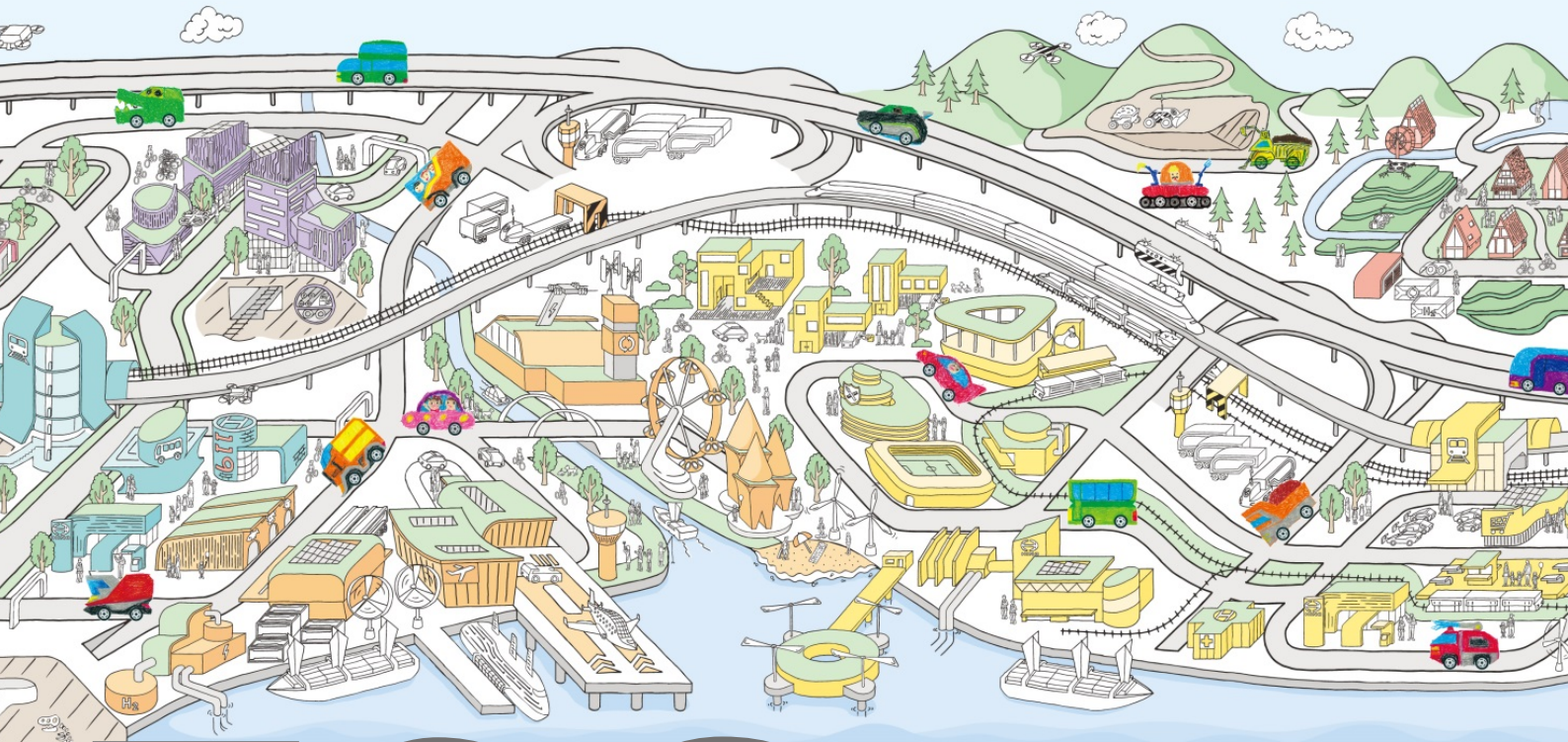
Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)

CSR Management

Special Feature

ESG Initiatives

Environment | Social | Governance | ESG data and others



ESG

ESG Initiatives

44. Environment

- 44. Hino Global Environment Charter
- 45. Hino Environmental Challenge 2050
- 76. Key Performance Data
- 77. Environmental Management
- 83. Material Balance

84. Social

- 84. Safety
- 90. Health
- 94. Quality
- 99. Human Rights
- 100. Human Resources "Creation" and Work Styles
- 113. Supply Chain
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119. Governance

- 119. Corporate Governance
- 122. Interview with Outside Director
- 124. Compliance and Risk Management

ESG Initiatives

Environment

Environment Charter

HINO GLOBAL Environment Charter

In April 1993, Hino Motors formulated the Hino Global Environment Charter, laying out its fundamental approach to environmental conservation. The company creates the Hino Environmental Challenge 2050 and an Environment Initiative Plan based on the charter, and advances activities in accordance with them.

Revised February 1, 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.

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Environment Charter > Hino Environmental Challenge 2050 CHALLENGE! 1 CHALLENGE! 2 CHALLENGE! 3 CHALLENGE! 4
 CHALLENGE! 5 CHALLENGE! 6 Key Performance Data Environmental Management Material Balance

Hino Environmental Challenge 2050

To make the world a better place to live and connect the next generation to the future

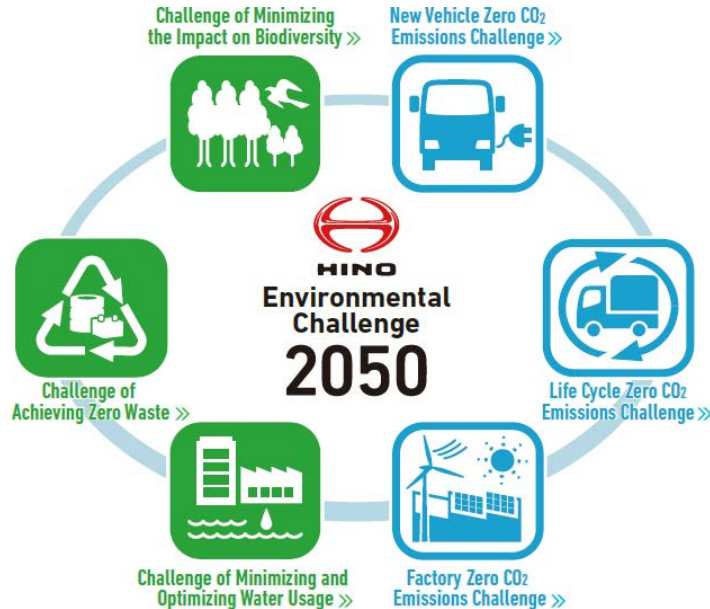
Basic Stance

In October 2017, Hino Motors established the Hino Environmental Challenge 2050, a set of new long-term goals to help create a sustainable society for the future.

Hino's corporate mission is "to make the world a better place to live by helping people and goods get to where they need to go safely, economically and with environmental responsibility while focusing on sustainable development." Fulfilling this mission, the Company has supported the businesses of customers and contributed to society by providing trucks and buses suited to the needs of customers around the world.

The Hino Environmental Challenge 2050 presents six challenges to be taken up by the Hino Group as a manufacturer of trucks and buses to address various global environmental issues such as climate change, water shortages, resource depletion, and destruction of nature.

 **Hino Environmental Challenge 2050**



The trucks and buses that Hino Motors provides impact the environment in every aspect of their product life cycle, from making parts and materials used in vehicles to vehicle manufacture, use, and disposal. The overall objectives shared across the Hino Group are to reduce environmental impact, make the world a better place to live, and connect the next generation to the future.

Although the established goals are very high, the Hino Group will work as one to revolutionize logistics through technical innovation of products, manufacturing innovation at production sites, and IoT technologies. As an environmental frontrunner, the Group will take on the challenge of becoming an environmentally advanced company.

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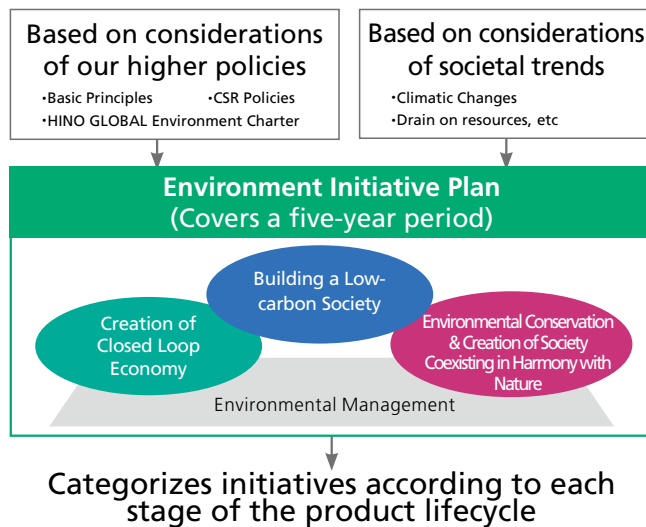
- [Environment Charter](#) > [Hino Environmental Challenge 2050](#)
[CHALLENGE! 1](#)
[CHALLENGE! 2](#)
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Environment Initiative Plan - Action Plan to Realize the Six Challenges

The Environment Initiative Plan is an action plan based on the Hino Credo, the Hino Global Environment Charter, and other top policies and social trends. In 1993, Hino Motors formulated its first Environment Initiative Plan, and it has implemented and reviewed its targets every five years since then. The sixth 2020 Environment Initiative Plan was planned for implementation from fiscal 2016 to 2020. However, the Company will contribute to the sustainable development of society by linking the knowledge and new challenges thereby gained to the six challenges of the Hino Environment Challenge 2050.

● Positioning of the Environment Initiative Plan

The 2020 Environmental Initiative Plan includes Hino Motors' goals of building a low-carbon society, creating a closed loop economy, environmental conservation and creation of a society coexisting in harmony with nature, and environmental management. Hino Motors seeks harmony with the environment throughout the product lifecycle in line with the action plan.



● Key initiatives of the 2020 Environmental Initiative Plan that contribute to the Hino Environmental Challenge 2050

Hino Environmental Challenge 2050	2020 Environment Initiative Plan
CHALLENGE! 1 New Vehicle Zero CO ₂ Emissions Challenge	<ul style="list-style-type: none"> ● Improve CO₂ emissions and fuel consumption performance of vehicles ● Promote the development of vehicles that run on clean energy
CHALLENGE! 2 Life Cycle Zero CO ₂ Emissions Challenge	<ul style="list-style-type: none"> ● Make transportation more efficient and reduce CO₂ emissions in logistics ● Work to reduce CO₂ emissions in sales activities
CHALLENGE! 3 Factory Zero CO ₂ Emissions Challenge	<ul style="list-style-type: none"> ● Work to reduce CO₂ emissions in production activities
CHALLENGE! 4 Challenge of Minimizing and Optimizing Water Usage	<ul style="list-style-type: none"> ● Work to reduce water usage in production activities
CHALLENGE! 5 Challenge of Achieving Zero Waste	<ul style="list-style-type: none"> ● Develop technologies that enable elimination of the use of scarce resources ● Develop new vehicles with a higher ratio of recyclable components ● Reduce waste from production and logistics, and use resources effectively ● Work to reduce usage of packaging materials and use resources effectively
CHALLENGE! 6 Challenge of Minimizing the Impact on Biodiversity	<ul style="list-style-type: none"> ● Reduce gas emissions to help improve urban air quality in each country and region ● Reduce environmentally hazardous substances (VOC) in production activities ● Implement biodiversity preservation activities locally at factories in every region where the Group operates

2020 Environment Initiative Plan **Building Low-carbon Society**



New Vehicle Zero CO₂ Emissions Challenge



Life Cycle Zero CO₂ Emissions Challenge



Factory Zero CO₂ Emissions Challenge

Field	Item	Specific Action Items/Targets, etc.	Fiscal 2018 Achievements and Challenges for the future
Product development	Improve CO₂ emissions and fuel consumption performance of vehicles	<ul style="list-style-type: none"> 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 next round of regulations 	<ul style="list-style-type: none"> Released new models of Hino Profia heavy-duty trucks and Hino Ranger medium-duty trucks The Hino Profia has now achieved 10% greater fuel efficiency than fiscal 2015 fuel efficiency standards, and the number of Hino Ranger trucks with 5% greater fuel efficiency was increased. Released an improved model of Hino Dutro light-duty trucks Added to the lineup are hybrid trucks that have now achieved 15% greater fuel efficiency than fiscal 2015 fuel efficiency standards, while diesel trucks now have 5% greater fuel efficiency. Released and improved model of Hino S'elega heavy-duty tourist buses Added to the lineup are a long-bodied bus (overall length of 12m) that achieves 15% greater fuel efficiency with an A09C engine, a bus that achieves 15% greater fuel efficiency with an E13C engine, and a bus that fulfills fuel efficiency standards with an A05C engine.
	Promote the development of vehicles that run on clean energy	<ul style="list-style-type: none"> Conduct R&D on electric vehicles Plug-in hybrid vehicles Conduct R&D intended for making the technology feasible Fuel cell vehicles Develop fuel cell vehicles and sell a limited number Electric vehicles Conduct R&D intended for commercializing electric 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 	<ul style="list-style-type: none"> Released heavy-duty electric refrigerated trucks that comply with fiscal 2016 gas emission regulations Released heavy-duty hybrid route buses that comply with fiscal 2016 gas emission regulations Released light-duty hybrid trucks with improved fuel efficiency Jointly developed fuel cell (FC) buses with Toyota Motor Corporation; the Toyota FC Bus is used on bus routes operated by the Bureau of Transportation of the Tokyo Metropolitan Government
Production and logistics	Initiatives for reducing CO₂ emissions in production activities	<ul style="list-style-type: none"> Carry out initiatives for reducing CO₂ emissions on both a total and per-vehicle basis by introduce low-CO₂ production technologies, and reduce CO₂ through daily improvements Consider to exploit renewable energy and renewable energy (Targets in CO₂ Production Emissions Reduction for FY 2020) Overseas Operations 26% reduction in emissions per unit compared to FY 2008 Consolidated Companies in Japan 24% reduction in emissions per unit compared to FY 2008 Hino Motors Ltd. 30% reduction in emissions per unit compared to FY 2008 Reduction in emissions: Fiscal 2020 output target x active mass Control emissions of other greenhouse gases besides CO₂ 	<ul style="list-style-type: none"> Steadily promoted the following goals at the CO₂ Reduction Working Group, which was launched to achieve 2020 goals. <p>(Results) Global:</p> <ul style="list-style-type: none"> Reduced emissions per unit by 34% compared to FY2008 Consolidated Companies in Japan: Reduced emissions per unit by 32% compared to FY2008 Hino Motors, Ltd: Reduced emissions per unit by 42% compared to FY2008 Emissions of fiscal 2018 were 211 thousand tons HINO Motors will create technologies and formulate plans to achieve additional long-term goals (30-50 years)
	Make transportation more efficient and reduce CO₂ emissions in logistics	<ul style="list-style-type: none"> Promote initiatives to reduce CO₂ 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 in CO₂ Distribution Emissions Reductions for FY 2020) 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 	<p>(Results) Consolidated Companies in Japan:</p> <ul style="list-style-type: none"> Reduced emissions per unit of transport volume by 27% compared to FY2008 <p>(Future Challenge) Further efforts to assess impact due to plant relocation and to promote emissions reduction activities. Overseas Operations:</p> <ul style="list-style-type: none"> Promoting reduction activities in each country
Sales and after-sales service	Initiatives for reducing CO₂ emissions in sales activities	<ul style="list-style-type: none"> Create and execute plan to reduce energy consumption per unit by at least 1% per year at Japanese sales offices Assist customers in reducing CO₂ emissions 	<ul style="list-style-type: none"> Achieved reductions by installing energy-saving lighting, etc. Decreased energy consumption rate per unit by 5.6% compared to FY2015

2020 Environment Initiative Plan **Creation of Closed Loop Economy**



Challenge of Minimizing and Optimizing Water Usage



Challenge of Achieving Zero Waste

Field	Item	Specific Action Items/Targets, etc.	Fiscal 2018 Achievements and Challenges for the future
Product development	Develop technologies that enable elimination of the use of scarce resources	<ul style="list-style-type: none"> Reduce the amount of precious metals used in exhaust-cutting catalytic converters 	<ul style="list-style-type: none"> Excavated precious metal substitutes for gas emission reduction catalysts
	Develop new vehicles with a higher ratio of recyclable components	<ul style="list-style-type: none"> Initiatives to create assembled structures that are easy to disassemble 	<ul style="list-style-type: none"> Incorporated considerations for recycling and disassembly in the design of vehicle structural components and created manuals explaining disassembly Contributed to effective use of resources by reducing vehicle body weight.
Production and logistics	Reduce waste from production and logistics, and use resources effectively	<ul style="list-style-type: none"> Adopt waste reduction technologies and promote waste reduction in regular improvement activities Facilitate more effective usage of resources by improving yield rates and managing the sources of waste Promote the usage of the Hino Motors Group's resource <p>(Targets in Waste Reduction for FY 2020) Consolidated Companies in Japan</p> <ul style="list-style-type: none"> 43% reduction of amount of waste generated per unit compared to FY 2008 Zero for final disposal amount* <p>Overseas Operations</p> <ul style="list-style-type: none"> Management of the amount of waste reduction <p>*Definition of Zero: Landfill amount including ash after incineration is not more than 0.5% compared with total waste including recyclable waste</p>	<p>(Results)</p> <p>Consolidated Companies in Japan</p> <ul style="list-style-type: none"> Reduced amount of waste generated per unit by 36% compared to FY2008 Achieved a final disposal rate of 0.07% Output level worsened due to an imbalance between the quantity of waste generated and production volume, which was impacted by changes in the valuable resources trade market and a fire at a Group company plant. <p>We will continue reducing activities through each conference</p> <p>Overseas operations</p> <ul style="list-style-type: none"> Set targets for waste matter in each country and proceeded to make reductions
	Initiatives for reducing water usage in production activities	<ul style="list-style-type: none"> 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 continual improvement <p>(Targets in Water Usage Reduction for FY 2020) Consolidated Companies in Japan</p> <p>40% reduction of water usage per unit compared to FY 2008</p> <p>Overseas Operations</p> <ul style="list-style-type: none"> Management of water usage reduction 	<p>(Results)</p> <p>Consolidated Companies in Japan</p> <ul style="list-style-type: none"> Reduced water usage per unit by 47% compared to FY2008 <p>Further water-saving equipment to be installed and recycling promoted</p> <p>Overseas operations</p> <ul style="list-style-type: none"> Set targets in each country and proceeded to make reductions
	Initiatives for reducing usage of packaging materials and use resources effectively	<ul style="list-style-type: none"> 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 <p>(Targets in Packaging Materials Usage Reduction for FY 2020) Consolidated Companies in Japan</p> <ul style="list-style-type: none"> 57% reduction of shipment volume per unit compared to FY 2008 <p>Overseas Operations</p> <ul style="list-style-type: none"> Calculate the amount of packaging materials used and expand activities to reduce them 	<p>(Results)</p> <p>Consolidated Companies in Japan</p> <ul style="list-style-type: none"> Reduced amount of packaging materials used per unit of shipment volume by 70% compared to FY2008 <p>(Future Challenge)</p> <p>Continue to pursue efforts to reduce emissions</p> <p>Overseas operations</p> <ul style="list-style-type: none"> Promoting reduction activities in each country

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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2020 Environment Initiative Plan Environmental Conservation & Creation of Society Coexisting in Harmony with Nature



Challenge of Minimizing the Impact on Biodiversity

Field	Item	Specific Action Items/Targets, etc.	Fiscal 2018 Achievements and Challenges for the future
Product development	Reduce gas emissions to help improve urban air quality in each country and region	<ul style="list-style-type: none"> • Introduce vehicles with lower gas emissions to help improve urban air quality in each country and region Japan • Release vehicles to the 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 release vehicles to the market that comply with EURO 6 exhaust emission standards General • Introduce low-emission vehicles (EURO4 or 5 level) 	<ul style="list-style-type: none"> • The heavy-duty truck Hino Profia tractor series underwent a model change to align it with fiscal 2016 gas emission regulations.
	Further reduce the use of environmentally harmful materials	<ul style="list-style-type: none"> • Collect and manage information on increasing regulations in each country where the Group operates, and take the lead in switching to alternative materials 	<ul style="list-style-type: none"> • Collected and managed all material data including that for unregulated substances. • Establish early measures for gas emission regulations.
Production and logistics	Reduce substances that impact the environment in production activities (VOC)	<ul style="list-style-type: none"> • Promote reduction of VOCs through constant improvement • Reduce the use of painting materials and thinners in vehicle painting work (Targets in Body Painting Reduction for FY 2020) 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 for FY 2020) Hino Motors Ltd. • Set annual reduction targets on a per-vehicle basis every year Overseas Operations • Management of VOC reduction performance 	<p>(Results)</p> <p>Hino Motors, Inc.</p> <ul style="list-style-type: none"> • Achieved 17 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 constant improvements. <p>Overseas Operations</p> <ul style="list-style-type: none"> • Conducted research analysis to identify the cause of VOC volume change using constant volume and the trend management method • Implemented initiatives to reduce VOC emissions, such as collecting cleaning thinner
Social contribution	Implement biodiversity preservation activities locally at factories in every region where the Group operates	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Implemented initiatives that take the surrounding ecosystem into account in each country and region Japan • Held exhibits/lectures introducing biodiversity (Head Office, Hamura Plant) • Cleared weeds in Ome City (Head Office) • Cleared weeds using goats (Koga Plant) Pakistan • Planted trees together with local communities USA • Cleaned the banks of the Ohio River <p>Going forward, we will spread awareness of the guidelines in the company and promote related activities.</p>

2020 Environment Initiative Plan **Environmental Management**

Field	Item	Specific Action Items/Targets, etc.	Fiscal 2018 Achievements and Challenges for the future
Management	Strengthen and promote group environmental management	<ul style="list-style-type: none"> 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 risk 	<ul style="list-style-type: none"> The Company's activities are listed below. Issued periodic reports on environmental performance and improvement initiatives at group companies in and outside Japan Made progress in eco-factory initiatives at group companies in and outside Japan Compiled list of requests and created diagnostic tools in order to launch environmental management systems (EMS) diagnosis at overseas production sites. Achieve further improvements by holding interactive seminars and workshops to improve capabilities
	Promote environmental activities in collaboration with business partners (Our suppliers)	<ul style="list-style-type: none"> 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. Request for environmental performance activities 	<ul style="list-style-type: none"> Suppliers Began improving and employing in-house chemical management systems to account for stricter global chemical substance regulations
	Promote environmental activities in collaboration with business partners (Dealers and distributors)	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Consolidated subsidiaries in Japan Implemented environmental activities at 223 dealers across Japan to facilitate related improvements and upgrades Certified two more dealers as Eco-Management Dealers, bringing the total to 222 nationwide Overseas Sales Operations Shared environment-related data monthly with overseas sales offices Held events to promote environmental awareness during World Environment Month in June
	Improve global human resources development and training programs	<ul style="list-style-type: none"> Systematically implement environmental education Awareness training programs for every employee 	<ul style="list-style-type: none"> Implemented the following initiatives Conducted ISO internal environmental audit education President delivered a message for environmental month (June) <p>The Company will continue actively taking initiatives to improve the environment, including planning events featuring employee participation.</p>
	Actively disclose environmental information and enhance communication	<ul style="list-style-type: none"> Enhance provision of information on product environmental technologies in each country and region (e.g. exhibiting at expos) Continually publish CSR reports and other documents in each country and region, and publish at more sites Enhance environmental communication in each country and region 	<ul style="list-style-type: none"> At the Automotive Engineering Exposition 2018 "People and Automotive Technology" exhibition (held in Yokohama and Nagoya), technological development endeavors related to advanced technology and total support were introduced, including the latest safety and environmental technologies. Hino's environmental initiatives were presented at EVS31 (International Electric Vehicle Symposium), which was sponsored by the Japan Automobile Research Institute.

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CHALLENGE! 1 New Vehicle Zero CO₂ Emissions Challenge

TARGET While driving
Reduce CO₂ Emissions By 90%



Against the backdrop of increasing global warming, it was agreed at the 21st session of the Conference of the Parties (COP 21) to the United Framework Convention on Climate Change to keep the temperature rise under two degrees compared to the time before the industrial revolution. This goal is necessary for reducing the CO₂ emissions that are one of the contributors to global warming.

Hino Motors will take on the challenge of reducing CO₂ emissions during vehicle operation, which accounts for about 90% of CO₂ emissions in the truck and bus life cycle. Therefore, Hino Motors will take on the challenge of raising environmental performance, such as fuel efficiency, as much as possible, while raising the distribution efficiency of trucks.

Developing

Next-generation vehicle

Hino Motors will improve product environmental technologies and develop next-generation vehicles including plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV). Concurrently, the Company will collaborate with governments and other related organizations and play a role in their spread.

Evolve

Existing technologies

Hino Motors will further raise fuel efficiency of diesel (DE) and hybrid vehicles (HV), efficiently recover the energy generated during braking, and improve aerodynamic performance of the products.

Make distribution

More efficient

Hino Motors will help improve waste and inconsistency in collaboration with customers by incorporating IoT technologies in vehicles and enabling the "visualization of distribution." Above all, Hino Motors recommends using heavy-duty trucks in mainline transport where long-distance distribution is the norm and using light-duty trucks in urban areas. In addition, the company will promote technological development so that it can offer logistics matching, which properly manages information on trucks that are in or out of operation.

Initiatives for reducing CO₂ emissions by 90%

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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 CO₂, 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

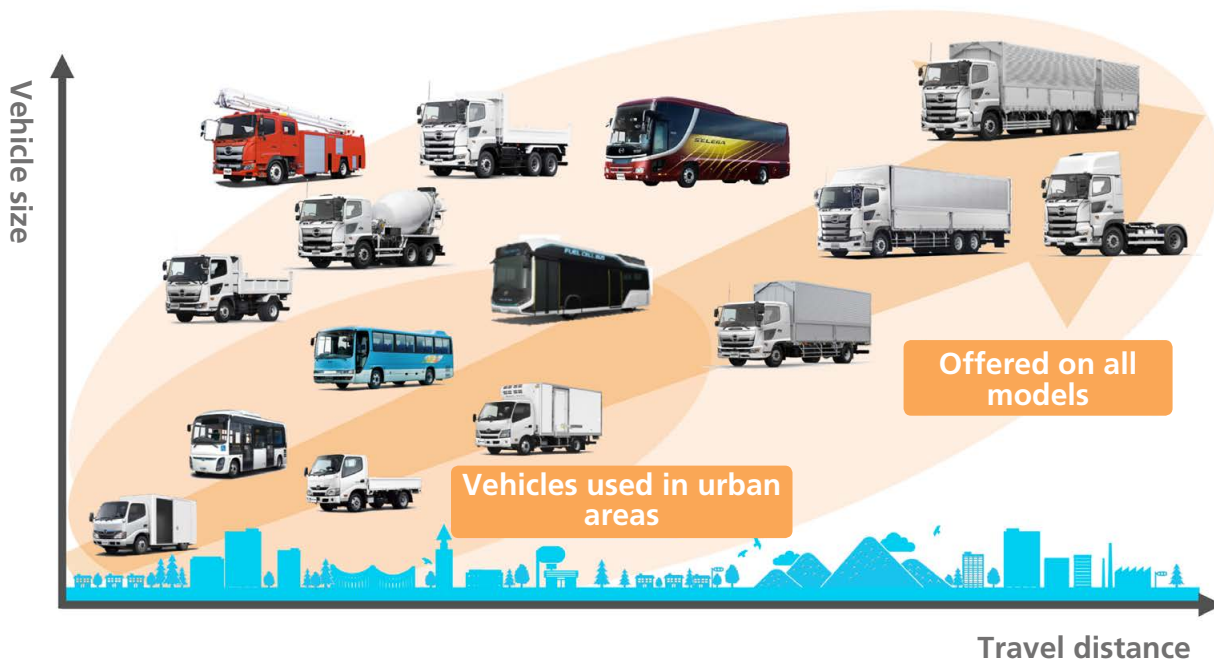
Existing technologies

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.



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Hino Motors' Highly Promising Technologies (Including trial experiments)

- Next-generation vehicle
- Existing technologies

◆ Hybrid Vehicles (HV)

● Hino Profia Electric Refrigeration Trucks

By combining Hino Motors hybrid system technologies with Denso Corporation's automotive-use electric refrigeration system technologies, Hino has developed a refrigeration truck that offers a complete lineup of benefits for customers, including economical operations, excellent refrigeration performance, superior quality, and extremely quiet running.



◆ Electric vehicle (EV)

● Light-Duty, Low-Floor Electric Trucks

Hino Motors has collaborated with Japanese delivery companies Seino Transportation Co., Ltd. and Yamato Transport Co., Ltd. to commence trial operations of its electric light-duty trucks. Since the trucks are powered by an electric motor, no exhaust gases are emitted while running and noise levels are very low, making them optimal vehicles for pick-up and delivery duties during late night or early morning hours.

Hino Motors succeeded in lowering the floor of the loading platform by leveraging the distinctive characteristics of EVs—the smaller power train and the front engine, front-wheel drive system.



◆ Fuel Cell Vehicle (FCV)

● Fuel cell bus "SORA" (in collaboration with Toyota Motors)

Fuel cell buses that operate on their own generated hydrogen as a fuel source have a high environmental performance of zero CO₂ emissions during operation.

Hino Motors will make further improvements with the aim of popularizing FC buses and will also consider adopting fuel cells in trucks.

*Hino Motors has been entrusted by Toyota Motors with the development of the vehicle body

◆ Plug-in Hybrid Vehicles (PHV)

● Hino Melpha Plug-In Hybrid Bus

Hino Motors Melpha Plug-In Hybrid Bus can run as an electric or hybrid vehicle and supply electricity externally for relatively long periods of time from power generated by its diesel engine, making it useful for supplying electricity to evacuation centers and other facilities in times of disaster. Hino Motors made this possible by combining its many years of expertise developing hybrid systems with high-capacity lithium-ion batteries. This model is operating as a route bus and school bus.



● Light-Duty Electric Buses

Hino Motors small-sized electric buses have begun service on fixed routes as community buses in Tokyo's Sumida Ward, the city of Hamura in the Tokyo Metropolitan area, and the city of Komatsu in Ishikawa Prefecture. Hino Motors made the batteries as small as possible and extended the battery life. As a result, the feasibility of operating the buses on fixed routes has been verified.



◆ Diesel

● Hino Profia Heavy-Duty Trucks

Through downsizing, the new A09C engine offers high levels of both power and fuel economy. The new 9-liter engine installed in a ProShift-equipped vehicle has achieved performance that is 10% above heavy-duty vehicle fuel efficiency standards.



● Hino Ranger Medium-Duty Truck

Through downsizing, the new A05C engine offers high levels of both torque and fuel efficiency. By combining this engine with an advanced transmission, Hino provides a broad range of vehicle types with performance that is 5% above heavy-duty vehicle fuel-efficiency standards.



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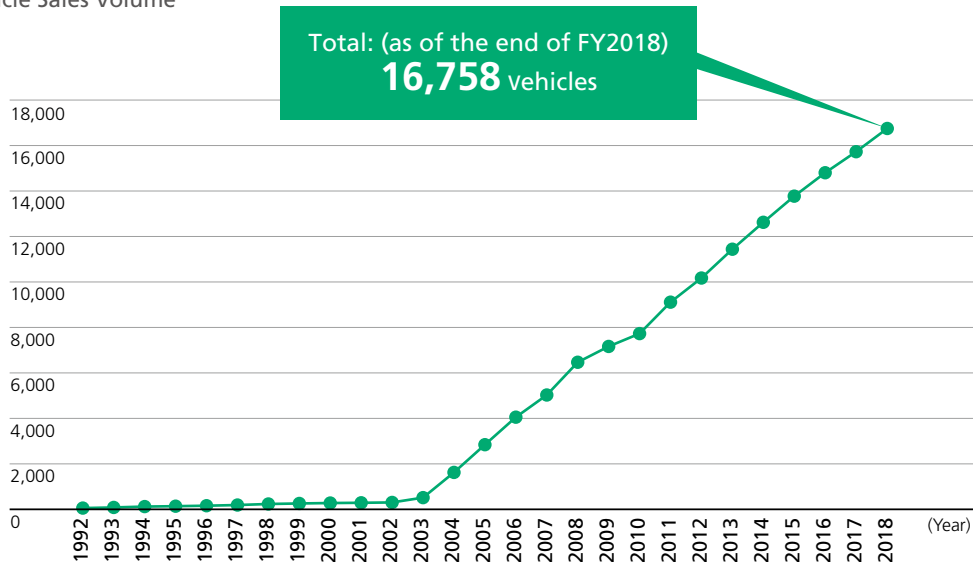
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Evolution of the Hybrid Vehicle

[Next-generation vehicle](#) [Existing technologies](#) [More efficient](#)

Ever since Hino Motors commercialized and sold the world's first hybrid bus in 1991, the Company has constantly led the industry in environmentally friendly products. Hino Motors environmentally friendly products continue to be loved by customers around the world. Among these products, cumulative global sales of hybrid vehicles surpassed 16,000 as of the end of fiscal 2018.

● Hybrid Vehicle Sales Volume



Hino 300 Series (for overseas market)



Hino Blue Ribbon II Hybrid



The heavy-duty Hino Profia Hybrid truck. (Marketed in August, 2019)

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CHALLENGE! 2 Life Cycle Zero CO₂ Emissions

TARGET Vehicle Life Cycle –from manufacturing to disposal- Zero CO₂ Emissions



The Hino Group emits CO₂ gas, one of the causes of global warming, not only when its products such as trucks and buses are operated and when manufacturing vehicles in its plants, but in all product life cycle fields, from material manufacturing to disposal and recycling. The Hino Group will completely reduce the environmental impact of the entire supply chain and help combat global warming by pursuing zero CO₂ emissions in these fields.



At Materials manufacturing stage, reduce CO₂ emissions thoroughly

Hino Motors will reduce the amount of materials used and the number of parts to reduce CO₂ at the time of material manufacturing. The Company will select materials that reduce CO₂ emissions in the product development stage, such as by actively promoting the development of plastic parts to reduce CO₂ emissions during parts manufacturing.

At the Distribution stage, reduce CO₂ emissions thoroughly

The Company will thoroughly reduce CO₂ emissions, even at the distribution stage, which links together each step of the product life cycle. As a commercial vehicle manufacturer, not only rigorously working to spread next-generation and fuel-efficient vehicles in commercial vehicles that assist in the movement of goods, Hino Motors also collaborates with logistics service providers to increase loading ratios, conduct a modal shift, and shorten distribution routes.

In the medium to long term, Hino Motors will participate in comprehensive measures in the road transport sector in collaboration with the government. These measures include traffic flow countermeasures such as expressway improvement and traffic signal countermeasures and the deregulation of vehicle height and total trailer length.

At the Disposal and recycling stage, reduce CO₂ emissions thoroughly

Hino Motors will proactively introduce materials including biomaterials and recycled materials that help reduce CO₂ emissions at the time of vehicle disposal and recycling. In parallel with efforts related to the introduction of these materials, Hino Motors is targeting products that are easy to disassemble and recycle, and the Company is pursuing easy-to-disassemble designs while collaborating with professional dismantlers in everything, all the while listening to their needs.

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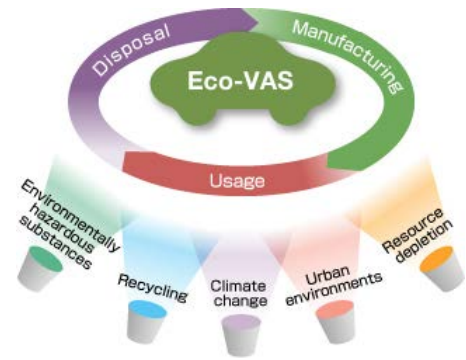
Environmental Load Reduction Activities Based on Life Cycle Assessment (LCA)

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.

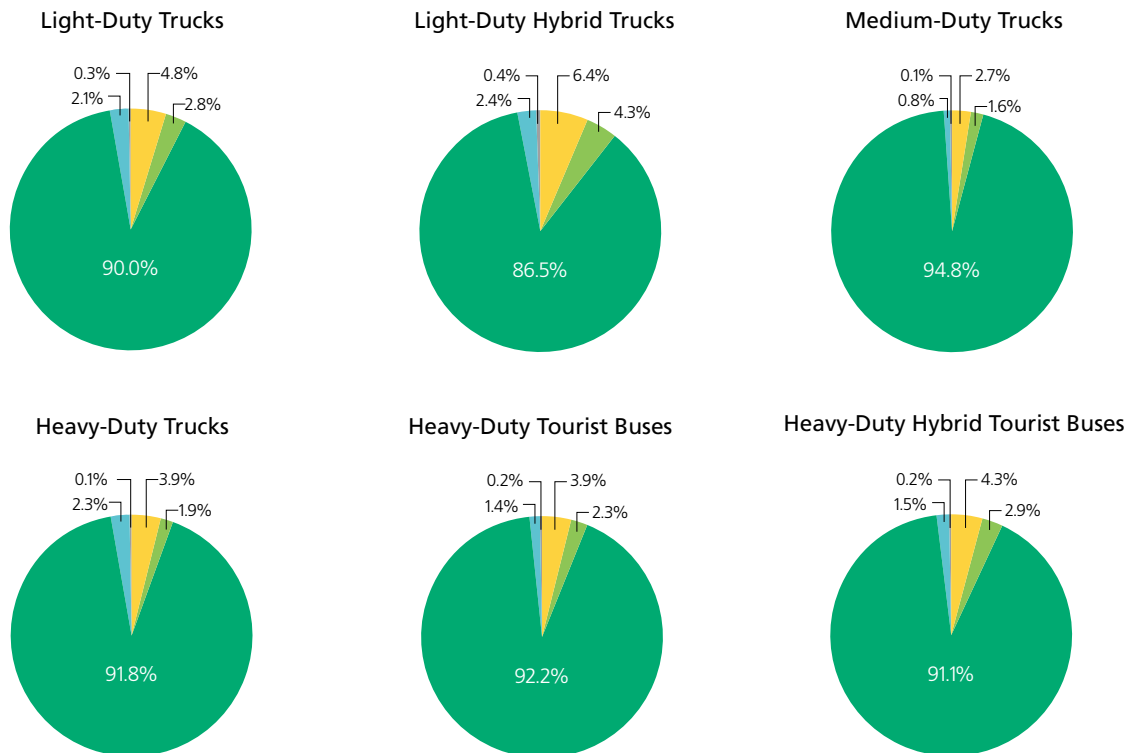


◆ LCA Initiative

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 CO₂ 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 CO₂ of each model

■ Producing raw materials
 ■ Manufacturing vehicles
 ■ During driving
 ■ During maintenance
 ■ At disposal



*The graphs are results computed by Hino's proprietary calculation conditions. 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%

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Reducing CO₂ Emissions in Distribution Operations

Logistics

◆ Initiatives to reduce CO₂ emissions from distribution

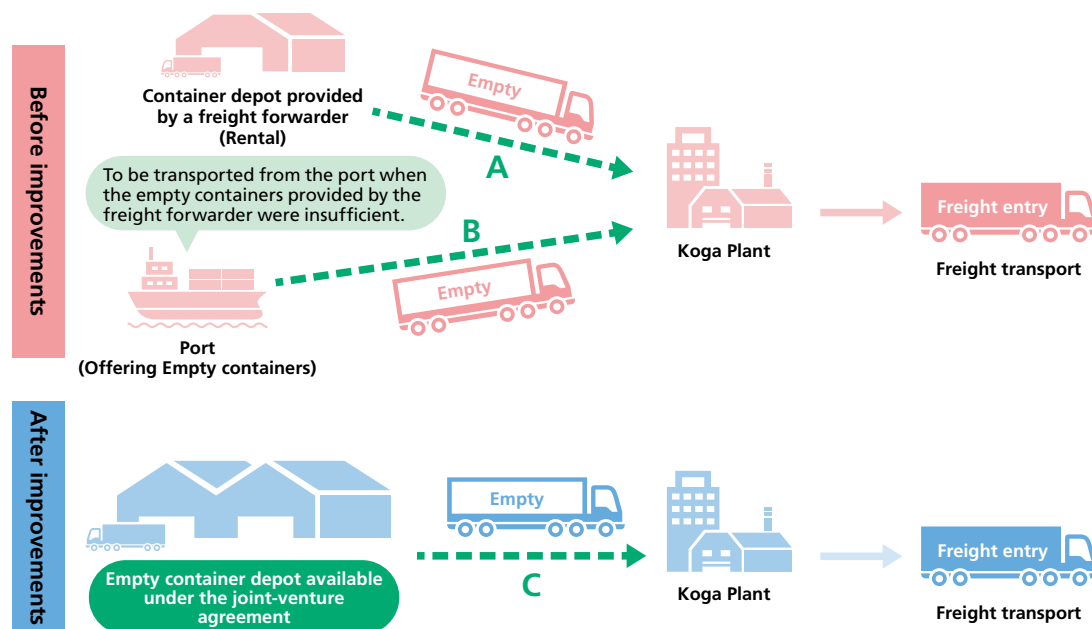
Under the guidance of the Logistics Improvement Council, Hino Motors is carrying out the following initiatives aimed at reducing CO₂ emissions from distribution-related operations:

- 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 CO₂ 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 CO₂ 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** → **CO₂ Emissions reduced by 31.6 tons due to decreased empty container transportation**

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Eco-Driving Support

Logistics

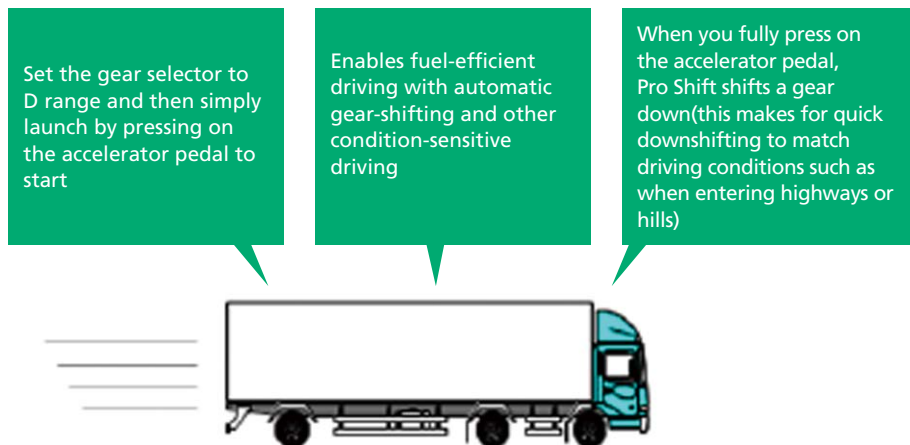
Hino Motors will continue to support customers' eco-driving capacities as it strives to remain a company trusted worldwide.

◆ 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 2018, a total of 37,483 students (1,184 in Japan and 36,299 overseas) took these classes. The classes are popular because students can learn eco-friendly driving and they improve corporate profitability.

As of March 2019, the Customer Technical Center in the Hamura Plant had welcomed a total of 90,000 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

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◆ 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. The programs are designed to provide comprehensive assistance for customers’ operations and include training in driving methods and education to help enhance fuel efficiency. The customer assistance programs offer 31 programs divided into categories such as environmental measures, safety maintenance, and human resources development.



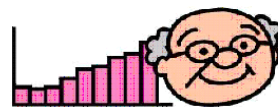
A scene from training programs for customers

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



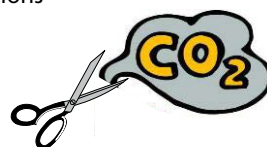
Guidance on various subsidy and financing programs when considering the purchase of a vehicle

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 CO₂ emissions



Advice provided on CO₂ reduction (vehicle selection, eco-driving, and transportation efficiency)

Assistance in obtaining permits for the collection and haulage of industrial waste



Explanation of the process up to permit acquisition and assistance with permit application

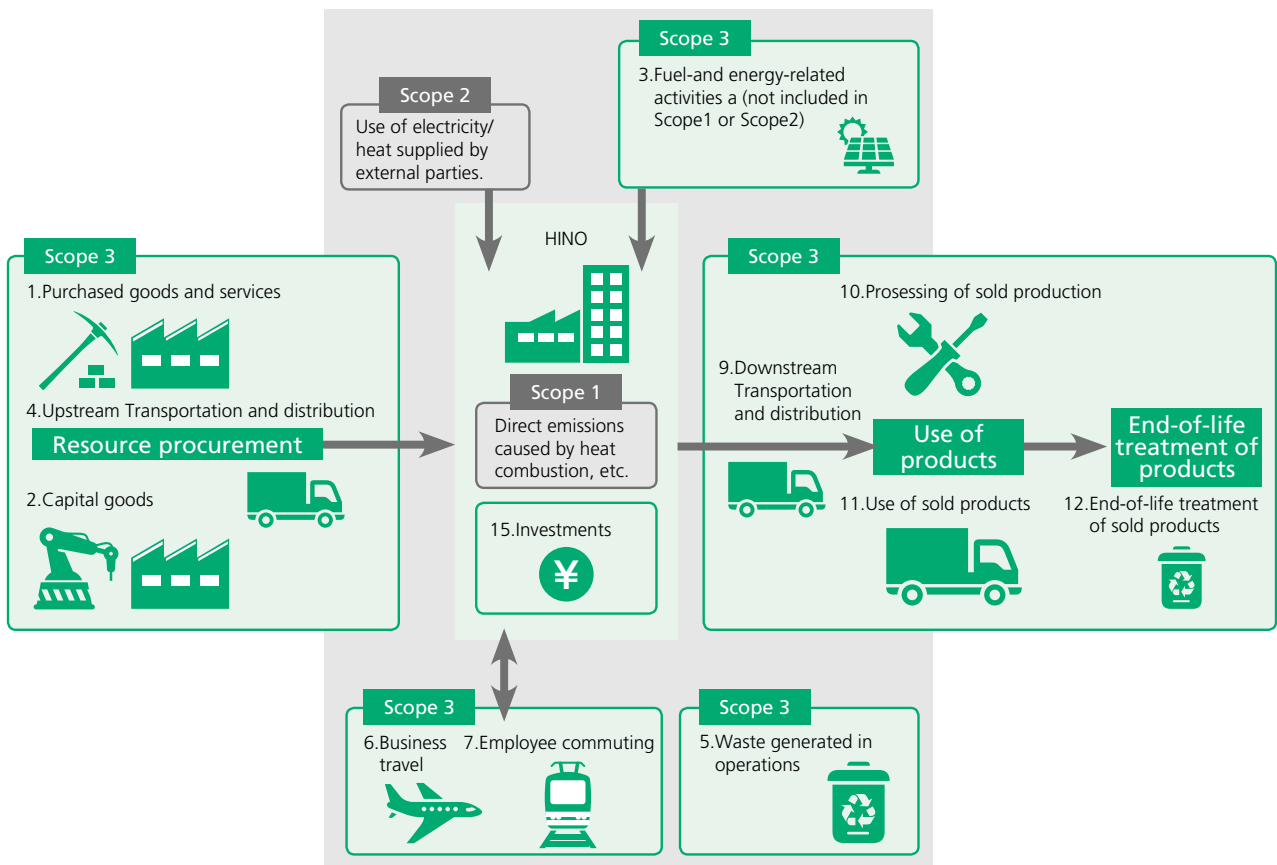
Handling Scope 3 Emissions

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.

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 98% of the total, with the remaining categories accounting for less than 1% each. Hino Motors will continue to strengthen management of CO₂ emissions along its entire supply chain, while also focusing on CO₂ reduction activities.

	Category	Emissions (1,000 t-CO ₂)
Scope 1	Direct emissions caused by heat combustion, etc.	152
Scope 2	Use of electricity/heat supplied by external parties.	23
Scope 3	1.Purchased goods and services	346
	2.Capital goods	195
	3.Fuel-and energy-related activities aa(not included in Scope 1 or Scope2)	78
	4.Upstream Transportation and distribution	20
	5.Waste generated in operations	15
	6.Business travel	10
	7.Employee commuting	32
	8.Upstream leased assets	0
	9.Downstream Transportation and distribution	12
	10.Processing of sold production	1,126
	11.Use of sold products	73,330
	12.End-of-life treatment of sold products	121
	13.Downstream leased assets	0
	14.Franchises	0
	15.Investments	57



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CHALLENGE! 3 Factory with Zero CO₂ Emissions

TARGET Factory with Zero CO₂ Emissions



Because CO₂ is emitted from each business site when products are produced, this effort to reduce CO₂ in the factories is essential to mitigate global warming.

In addition to pursuing continual improvement and introducing innovative technologies at production sites, the Hino Group will concurrently promote the active use of renewable energy while striving to attain the high target of "zero factory CO₂ emissions".

Acceleration of Continual improvement

Hino Motors will accelerate continual improvements that are being taken at production sites, reduction of machining time, completely eradicate overburden, waste and inconsistency dormant in each process, and promote simplification and streamlining by reduction the machining time, the number of processes, and length of the machining line.

Introduction of Innovative technology

Hino Motors will take steps to automate production while rigorously pursuing greater efficiency by actively introducing innovative technologies including IoT at production sites to further reduce CO₂ emissions in each process.

Proactive use of Renewable energy

The Hino Group has introduced renewable energy such as solar power, mainly at production sites. Hino Motors will seek to fully use environmentally friendly energy by further accelerating the pace of its introduction and ensuring that the energy used in each process is covered by renewable energy.

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Daily Improvement Initiatives

Daily improvement

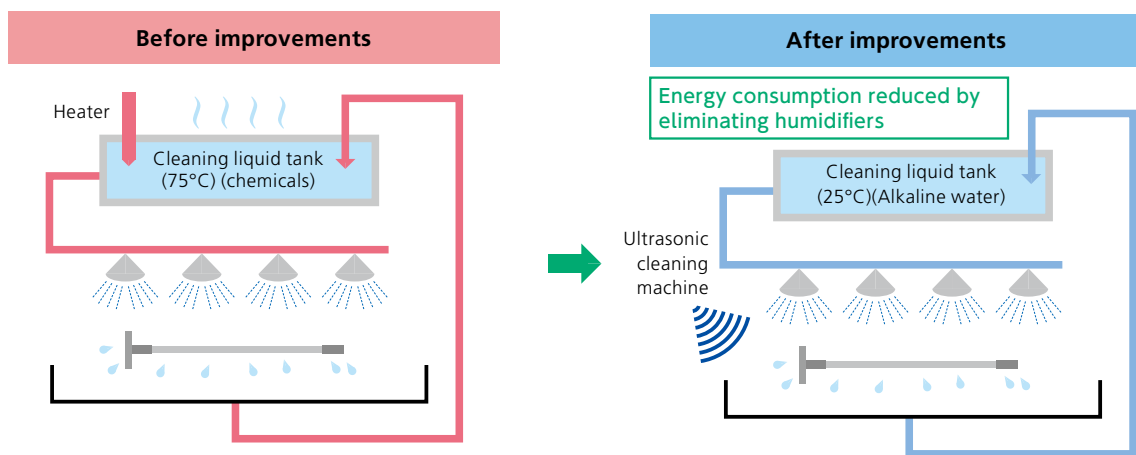
Recognizing climate change as one of the major challenges facing humanity, Hino Motors is working hard to reduce CO₂ emissions. In its continuing endeavors to reduce CO₂ emissions, the Company is carrying out regular activities with the participation of all employees to improve efficiency at all of its 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 2018, Hino Motors continued to implement a wide range of daily energy-saving activities including the Factory Zero CO₂ Emissions Challenge aiming to completely eliminate CO₂ emissions due to production activities.

Major Initiatives

- Adopting electric booster pump systems
- Applying thermal insulation paint to furnaces (see below)
- Replacing fluorescent lighting with LEDs
- 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 CO₂ emissions from the heater that had been used to heat water by 5.7 t-CO₂ per unit, while simultaneously eliminating use of a cleaning agent containing chemicals.



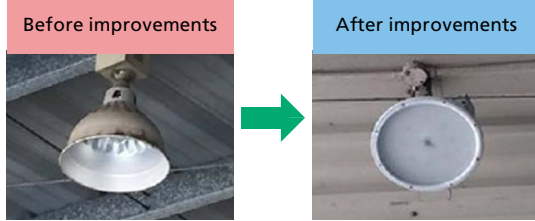
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Example | Using LED lights for plant lighting

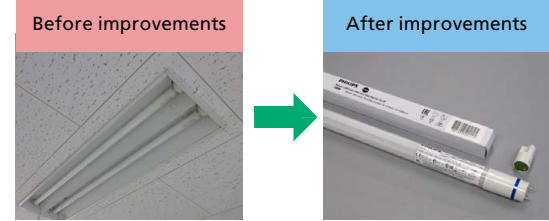
The switch to LED lights is actively being moved forward in each country.

● Hino Motors Vietnam



Reduced by
1.5
t-CO₂/year

● Hino Motors Manufacturing (Thailand)



Reduced by
5.7
t-CO₂/year

Example | Energy Conservation Awards

Daily actions taken by Hino Motors Manufacturing (Thailand) Ltd. to save energy were recognized at the Thailand Energy Award 2018 held by the Ministry of Energy, Kingdom of Thailand. The Company was presented with awards in the 2 categories of "Energy Conservation: Designated Factory" and "Energy Personnel: Executive of Designated Factory."



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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 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 Koga Plant 2.1 kw

Example | Nitta Plant: Solar power generation panels installed on roof of new cafeteria

In fiscal 2018, solar power generation panels with an output of approximately 160 kW were newly installed on the roof of the new cafeteria at Nitta Plant. 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 CO₂ while incorporating renewable energy.



The roof of the new cafeteria

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 CO₂. The electric power will be used by two sites, the Meiyu Kiko Head Office and the Isawa Office. 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. Converting this into plant CO₂ emissions based on fiscal 2018 performance results in an annual reduction of approximately 260 tons, which is around 89% of overall plant CO₂ emissions.

Going forward, the company aims to motorize forklifts and reduce other fuel consumption to further curtail CO₂ in order to promote activities for "Factory with Zero CO₂ Emissions" that was announced in the Environmental Challenge 2050.



Receiving the award

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CHALLENGE! 4 Challenge of Minimizing and Optimizing Water Usage

TARGET At each site
Minimize the amount of water
Purify wastewater thoroughly



Today, when about 1.2 billion people, or 20% of the world's population, are unable to use water resources (according to the Ministry of the Environment's website), and it is thought that such shortages will grow even further due to forecasted population increases. Hino Motors will work to reduce water use while promoting the purification of wastewater when it naturally returns from each business site, and work with the local community on water resource issues.

Volume

Small amounts of water are used

To reduce the amount of factory water that account for much of usage of water resources, The Hino Group will thoroughly promote wastewater collection and reuse. To proactively use rainwater, the Company has set up a storage pit within the premises with the aim of further reducing the amount of new industrial water input. Moreover, to reduce water for daily use, it will thoroughly implement measures (water-saving dishwashers, water-saving packing, etc.) to be used in facilities including cafeterias, toilets, and hand-wash stations.

Quality

Returned water is purified

The Hino Group promotes the thorough purification of wastewater by enhancing the operation of wastewater treatment plants and wastewater purification facilities at each site based on strict standards. At the same time, the Company will strive to prevent wastewater quality deterioration by rigorously reducing the risk of liquid leakage.

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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

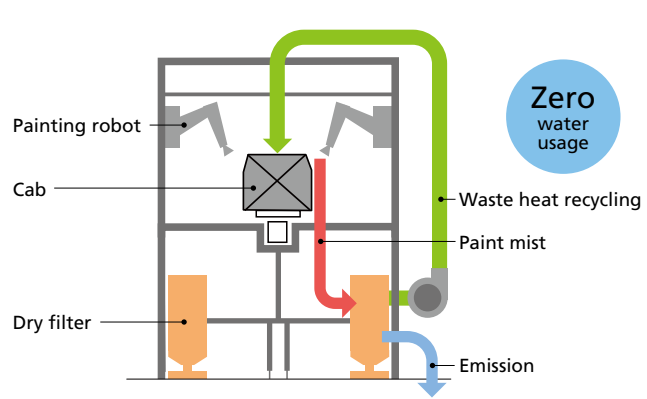
A dry booth system that reduces environmental impact in the cab painting process was introduced at the Koga Plant.

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



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CHALLENGE! 5 Challenge of Achieving Zero Waste

TARGET At each site

Contribute to sustainable resource use Achieve zero waste



The world's population is increasing and the risk of resource depletion on the back of economic development is rising. Furthermore, waste that has become a by-product of a mass consumer society continues to increase, and if things continue at this pace it cannot be properly disposed of and will lead to serious environmental pollution. The Hino Group has set the high target of "zero waste," and in parallel with efforts to reduce waste, the Group will take steps to prevent environmental pollution by improving resource utilization efficiency.

Conduct 3R to achieve Zero waste

REDUCE



REUSE



RECYCLE



To reduce the waste discharged in manufacturing a vehicle, Hino Motors cooperates with Group companies and business partners in "volume reduction," "reusing," and "recycling" based on the 3Rs (Reduce, Reuse, and Recycle) to reduce waste as much as possible.



Newly manufactured vehicles using the resources from disposed vehicle



Components such as batteries and motors contain natural resources including rare metals and other precious metals. The Hino Group retrieves as many resources as possible from disposed vehicles, including the above-mentioned natural resources, and rigorously reduces the amount of new resource inputs by fully pursuing the "vehicle-to-vehicle recycling technologies" that are utilized in newly manufactured vehicles.


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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 | Holding a contest for outstanding waste separation at worksites

The Koga Plant held a contest for worksites practicing outstanding waste separation. A waste-separation leader designated at each worksite conducted comprehensive instruction on waste separation at the worksite. In addition, sharing the waste-separation situation each month at plant meetings boosted awareness at each worksite, resulting in the initial 75% rate of separation increasing to 98%.



Award for outstanding worksite



Instruction on separating waste



Checking waste separation

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

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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.





Root Out Plastic Waste activity poster



Taking action

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	After improvements
	
<p>Carrying out packaging one at a time</p>	<p>Creating a special box to discontinue individual packaging</p>

No. Reduced
544
 bags /month

VOICE



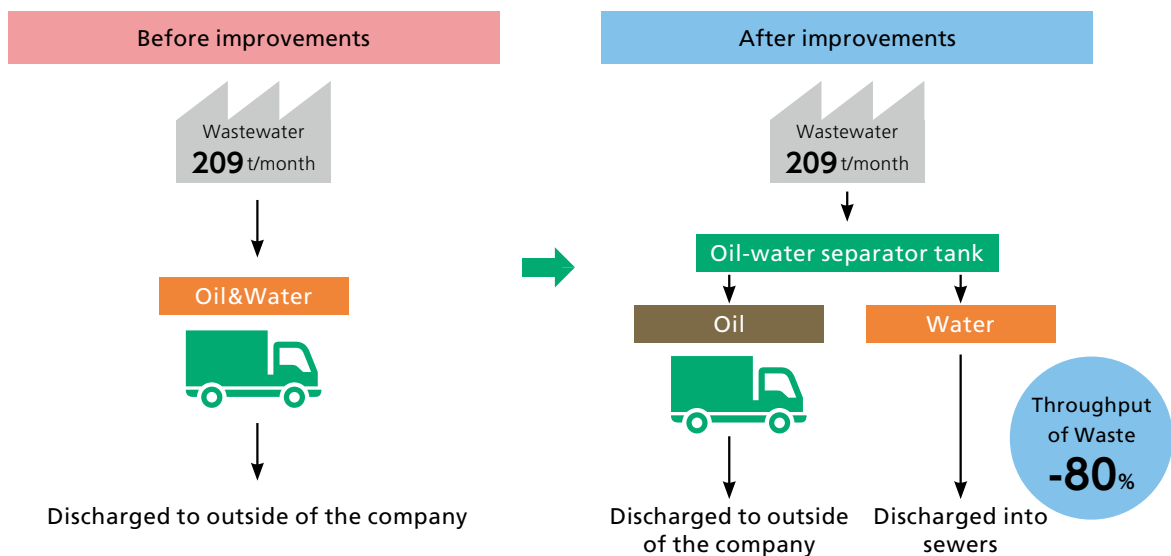
All employees work together to eliminate plastic

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. In 2018, 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 from various perspectives, for instance by adopting easily recycled materials and designing components to be easier to disassemble, early in the product development process.

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 2018 was 97%, 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)

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CHALLENGE! 6 Challenge of Minimizing the Impact on Biodiversity

TARGET At each site

Establishing a future Society in Harmony with Nature



In recent years, biodiversity is rapidly disappearing around the world. Taking the speed of extinction of wild animals and plants as an example, it is said that one species becomes extinct every seven minutes (according to the Ministry of the Environment's website). The Hino Group receives immeasurable benefits from this biodiversity, while at the same time developing its influential business.

We will reduce as much as possible the impact that the Hino Group's business has on biodiversity and take on the challenge of creating a future where people and nature coexist in harmony.

Reduce future impact:
Community development and networking

Conservation of biodiversity for the next generation



Because the preservation of biodiversity is a problem that is not limited to the present and requires a long-term perspective, Hino motors will proactively conduct biodiversity education and hold related events to gain interest within that of local children, who will be the next generation's leaders. And it must build a system that addresses the entire region according to local characteristics through interaction with local communities, governments, and related organizations, along with collaboration and the promotion of subsidies for biodiversity-related activities in surrounding areas.



Reduce impact on local community:
Protect biodiversity

Protection of all species



The Hino Group will protect distinctive regional biodiversity in line with those characteristics by preserving rare and native animals and plants and eliminate non-native species. In addition, Hino Motors will contribute to ecosystem continuity in each area around its businesses and to the creation of an ecosystem network by proactively planting trees and developing the biotope after considering regional characteristics.



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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.

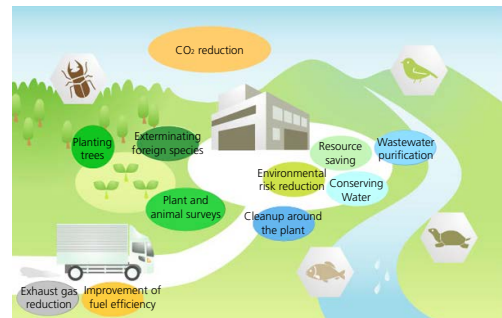
Biodiversity Initiatives

- Further pursuit of environmental technologies in products
- Consideration for regional water resources
- Contribution to biodiversity through steady promotion of environmental initiatives (CO₂ reduction, resource conservation, etc.)
- Collaboration and cooperation with communities
- Active information disclosure

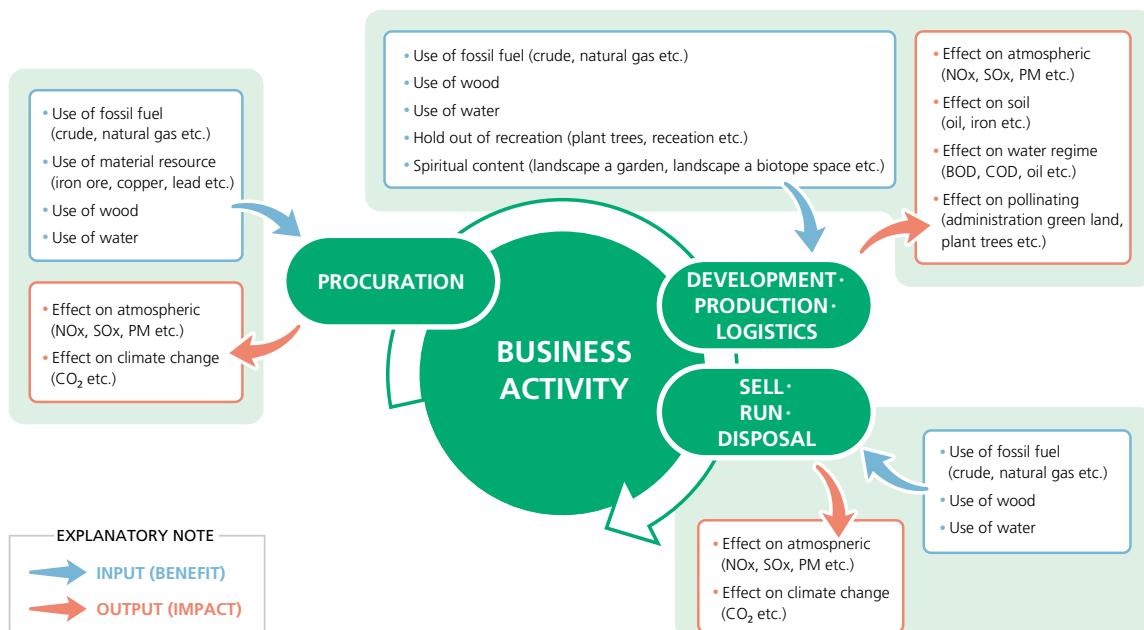
Categorizing the Interrelationship of Business Activities and Biodiversity

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



Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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- [Environment Charter](#)
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Examples of Initiatives

Protection

◆ 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

To protect the precious natural areas that are left in Tokyo, a series of cliffs created by the erosion of the ancient Tamagawa River called the "Tamagawa Cliff Line," which stretches a distance of 40 kilometers from Ome City to Chofu City, has been designated by the Tokyo Metropolitan Government as a conservation area. In Hamura City, where the Hamura Plant is located, is the Inari Green Space Area, which is part of the Tachikawa Cliff Line.

Under the management of Hamura City, we are taking action to conserve precious greenery as a habitat for various living creatures in cooperation with citizen's groups.



Inari Green Space Area activities

◆ 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

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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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

● Number of students who received environmental training in FY2018

	Administrative/ Technical positions	Technical positions	Total
Number of students who received training	151	457	608

◆ 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 Centert



Hinopak Motors, Ltd.

◆ 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

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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.

◆ Exhibiting environmental technologies and products at public exhibits

At the Automotive Engineering Exposition 2018 Yokohama/Nagoya, Hino presented its technological development initiatives for advanced technology and total support, including the latest safety and environmental technologies such as a full-scale model of a commercial compact EV platform.

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

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)



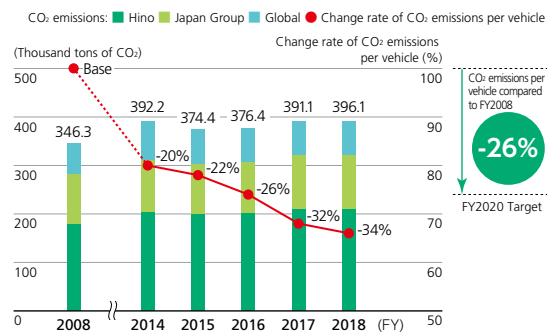
Agricultural experience (hands-on event)

Environment Charter | Hino Environmental Challenge 2050 | CHALLENGE! 1 | CHALLENGE! 2 | CHALLENGE! 3 | CHALLENGE! 4 | CHALLENGE! 5 | CHALLENGE! 6 | [Key Performance Data](#) | Environmental Management | Material Balance

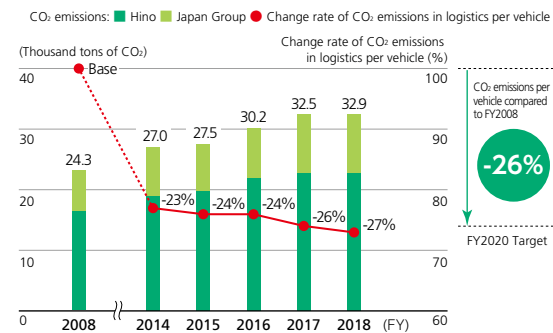
Key Performance Data

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 CO₂ emissions, resource use, and water use through many detailed policy measures. The performance data below shows the progress and results of Hino's latest action plan, the 2020 Environment Initiative Plan. Hino Motors expects to achieve all targets except that for waste. Figures for waste and volume transported deteriorated due to changes in the market for the collection of valuable materials and the impact of a plant fire at a Group company, which resulted in an imbalance between the amount of waste generated and the number of units produced. We will improve this by increasing the utilization rate. Figure for waste generated per vehicle deteriorated due to changes in the market for the collection of valuable materials and the impact of a plant fire at a Group company, which resulted in an imbalance between the amount of waste generated and the number of units produced. We will improve the figure of waste generated per vehicle by increasing production efficiency.

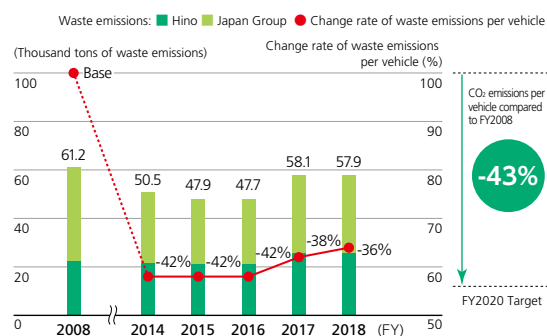
● CO₂ emissions per vehicle*1 by company and region*4



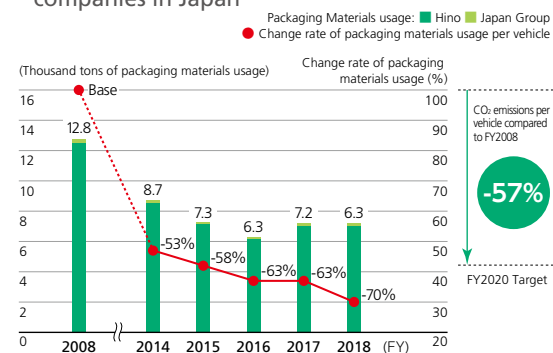
● CO₂ emissions in logistics*2 from consolidated companies in Japan*5



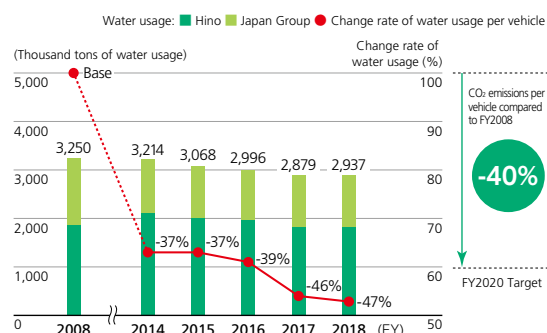
● Waste emissions*1 from consolidated companies in Japan*5



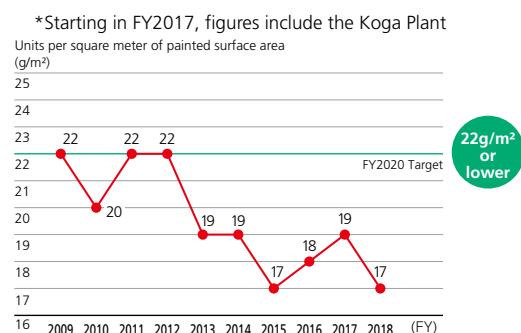
● Packaging Materials usage*3 by consolidated companies in Japan*5



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



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



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

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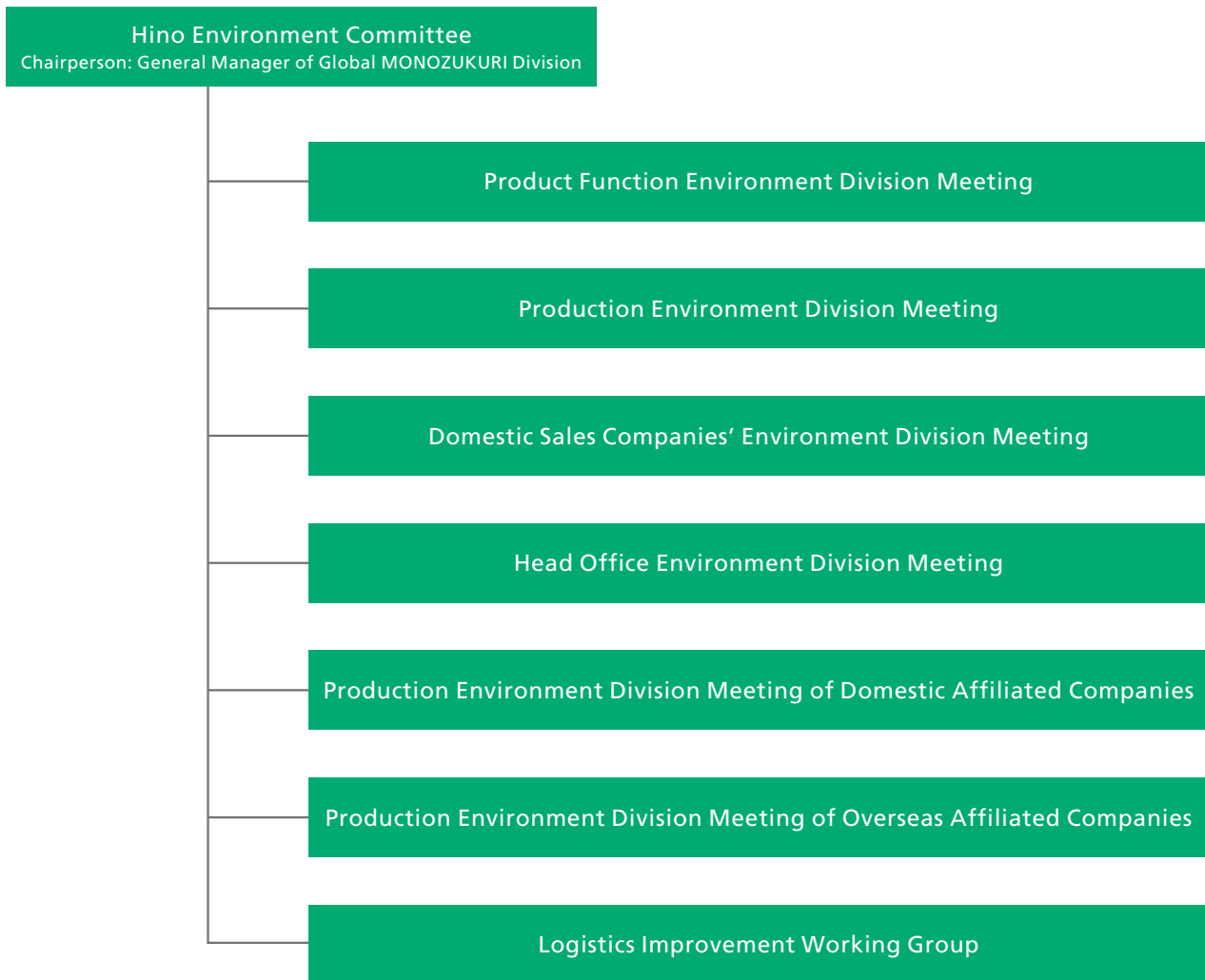
Environmental Management

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 Global MONOZUKURI 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 2018, 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
Oume 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

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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 as well as from an environmental perspective. 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.

In fiscal 2018, there was one complaint about noise from the packaging work performed at Hino's external warehouse. There was one incident of leakage during the transport of waste at a related subsidiary and one incident of exceeding the regulatory standard for odor emissions in the casting process.

Because these incidents were caused by inadequate operational management during plant operation, we will take steps to prevent a recurrence by changing the operating hours, overseeing nighttime patrol, and addressing inadequate rules.

◆ 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

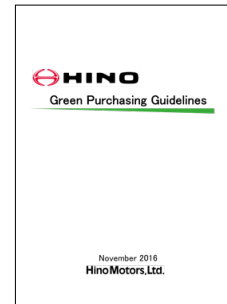
Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Green Purchasing Guidelines

To further promote environmental initiatives associated with its business activities, Hino Motors published guidelines concerning environmental initiatives for business partners and expanded its partners around the world after holding separate information sessions with them. It created these guidelines for its business partners around the world after holding separate information sessions with them. Since providing the guidelines, Hino Motors has been regularly monitoring the environmental performance of its business partners and their compliance with environment-related laws and regulations.

Looking ahead, Hino Motors intends to actively promote activities in collaboration with its business partners while stepping up initiatives that take full account of the supply chain.



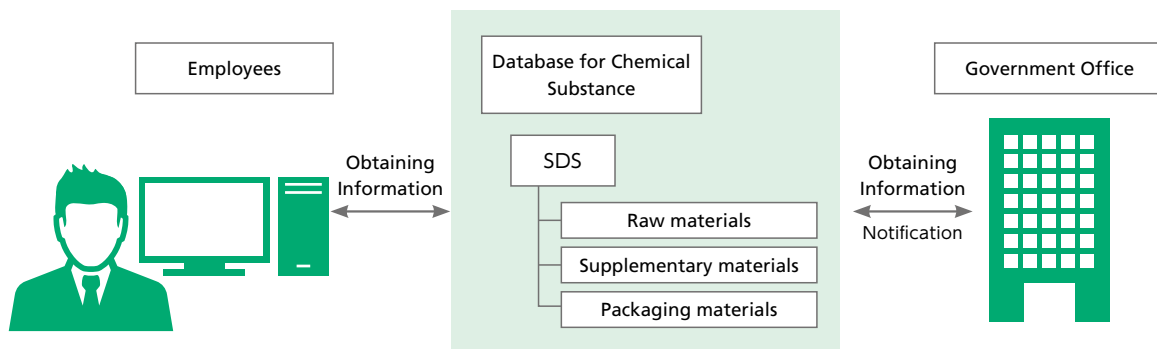
Green Purchasing Guidelines

[HINO's Green Purchasing Guidelines \(all pages\) are here](#)

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 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 2018, the total of environmental conservation costs increased by 3% year on year to ¥34.9 billion, equivalent to 1.8% of sales.

The economic effect of environmental conservation on the Group's financial performance was ¥2.0 billion, up 20% compared to the previous fiscal year due to active capital investment.

● Environmental Conservation Costs

Unit: millions of yen

Environmental Conservation Costs	FY2017		FY2018		Description of major initiatives
	Investments	Costs	Investments	Costs	
(1) Costs in operational areas	123	763	571	657	
① Pollution prevention costs	109	279	342	122	Expenses for environmental risk countermeasures, drainage water treatment, and other activities
② Global environmental conservation costs	5	122	228	130	Installation of energy-saving equipment
③ Resource recycling costs	9	362	0	405	3R promotional activities, waste disposal, and other activities
(2) Upstream and downstream costs	0	67	0	64	Additional costs for reducing environmental load
(3) Management activity costs	0	401	0	396	Ongoing implementation of environmental management systems, and information disclosure
(4) Research & development costs	0	32,528	0	33,249	R&D expenses for reducing environmental load
(5) Social activity costs	0	5	0	5	Costs for environmental improvements, including off-site environmental conservation, tree planting, and beautification projects.
(6) Environmental remediation costs	0	0	0	0	
Total	123	33,762	571	34,371	

*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	FY2017	FY2018
Profits	Operational income from recycling	1,635	1,960
	Others	0	0
Reduced costs	Reduction in energy costs due to energy conservation	49	70
	Reduction in waste treatment costs due to resource conservation and recycling	3	0
	Others	0	0
Total		1,687	2,031

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

	FY2017	FY2018
CO ₂ reduction (tons-CO ₂)	739	1,622
Waste reduction (tons)	204	0

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.

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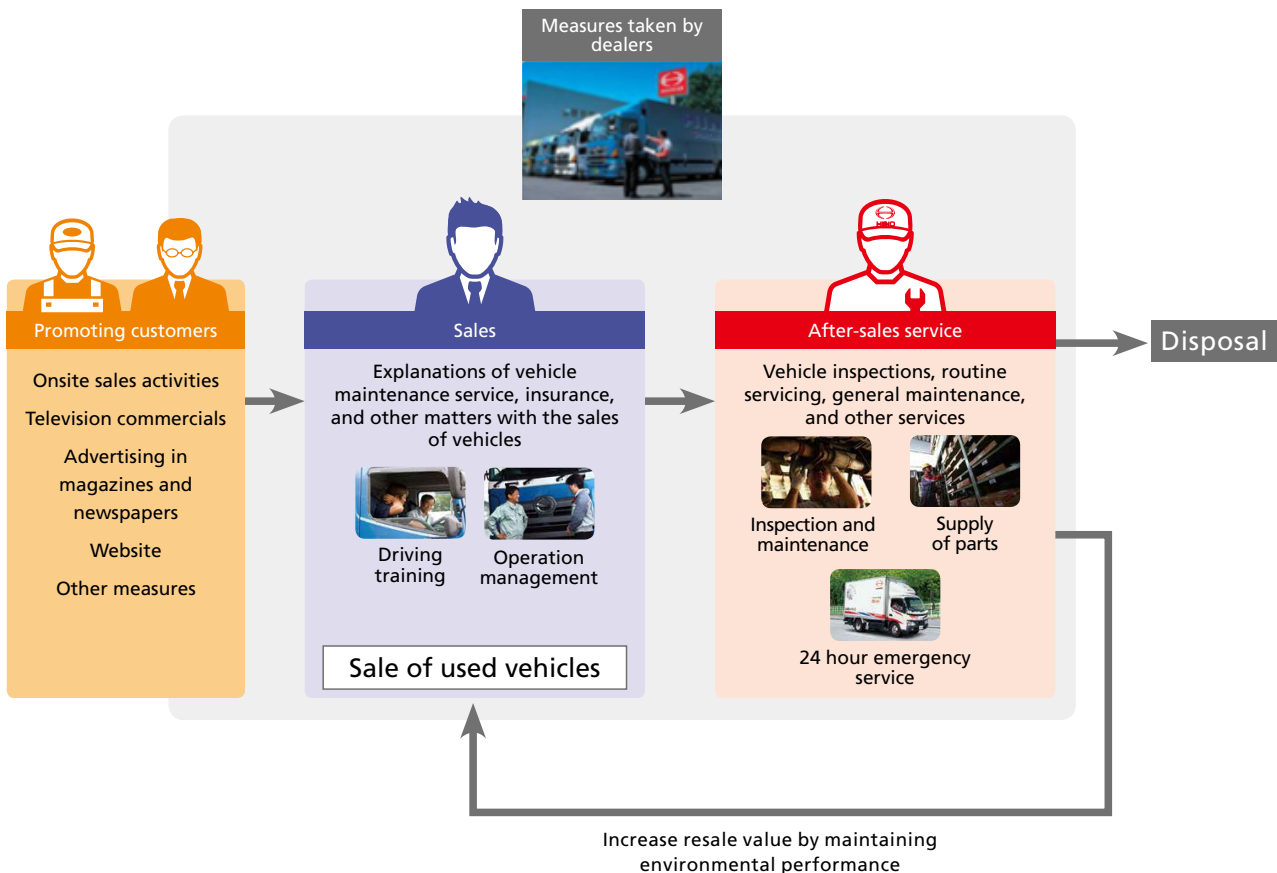
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Total Support Services and Products

Trucks and buses are subject to various regulations concerning fuel consumption and exhaust emissions, including emissions of nitrogen oxide (NOx) and particulate matter (PM), and these regulations have been growing stricter with each passing year. Meeting these standards is an important obligation as a manufacturer of trucks and buses. In recent years, consumers have come to place importance on the environmental performance of commercial trucks and buses in addition to their basic performance such as horsepower, load capacity, and drivability. Companies are developing new products by applying their expertise and latest technologies to meet these expectations.

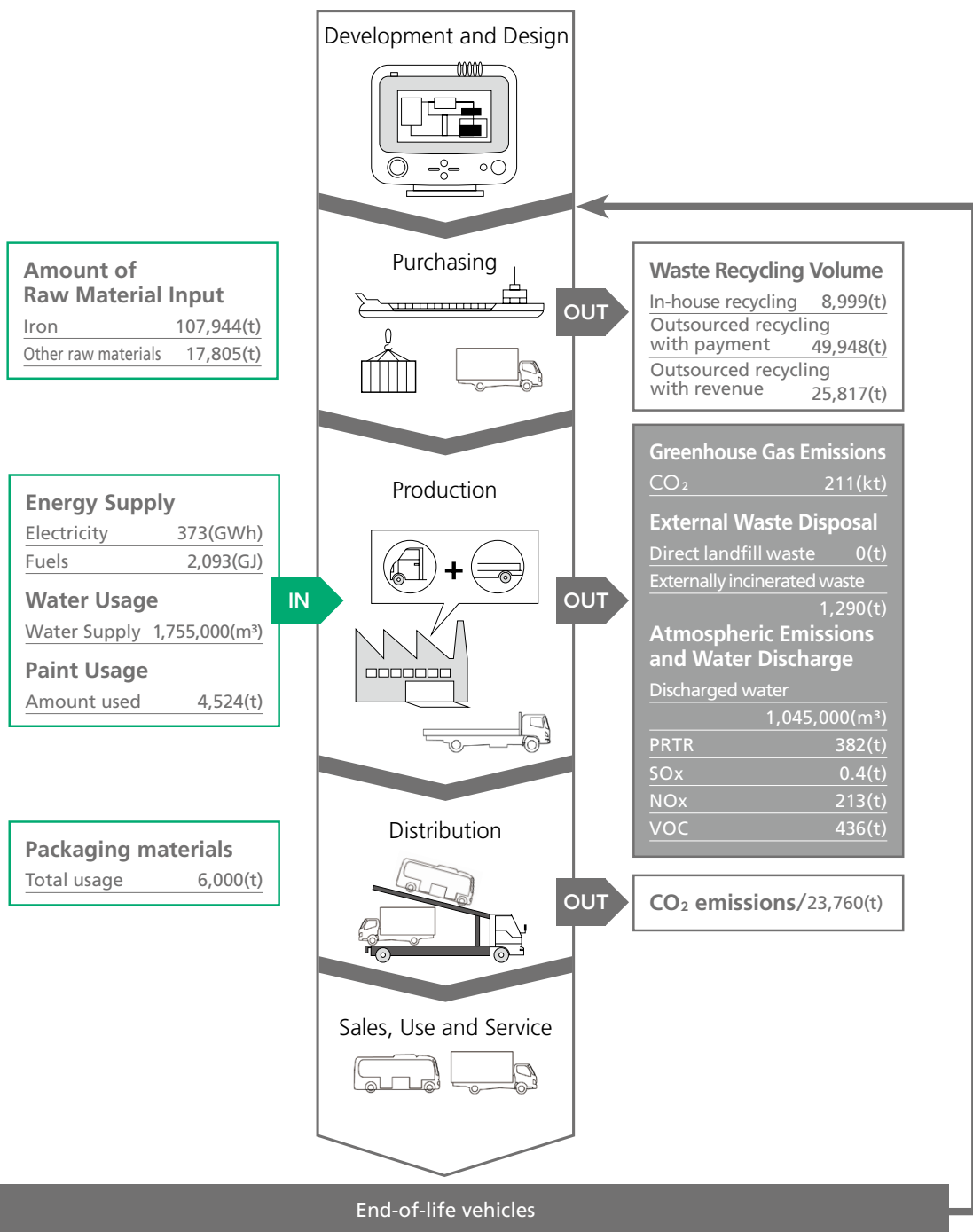
While promoting product development aiming for the industry's best environmental performance, Hino Motors is also focusing specifically on offering various benefits to customers throughout the entire product lifecycle, including servicing. Accordingly, Hino Motors is striving to maintain the environmental performance of its vehicles by enhancing its "total support" so that customers can use the environmentally friendly trucks and buses it has developed in ways that are friendly to the environment, right through to the time of final disposal. Going forward, Hino Motors will strive to enable its support system to respond to the needs and requests of every single customer, while always working to supply top-quality trucks and buses.

● Total Support Process



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.

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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- Safety
- Health
- Quality
- Human Rights
- Human Resources "Creation" and Work Styles
- Supply Chain
- Social Responsibility

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.

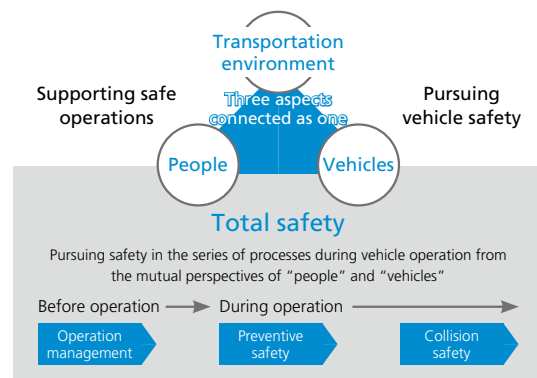
The Total Safety concept involves pursuing safety across this entire series of processes for vehicle operation.

(For more information see [page 12](#): Three Goals "Best-fit Products Incorporating Safety and Environmental Technologies")

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.

Contributions toward achieving "a society with zero traffic accident casualties," which is the ultimate wish of a transportation-oriented society

Working toward the realization of a safe traffic environment



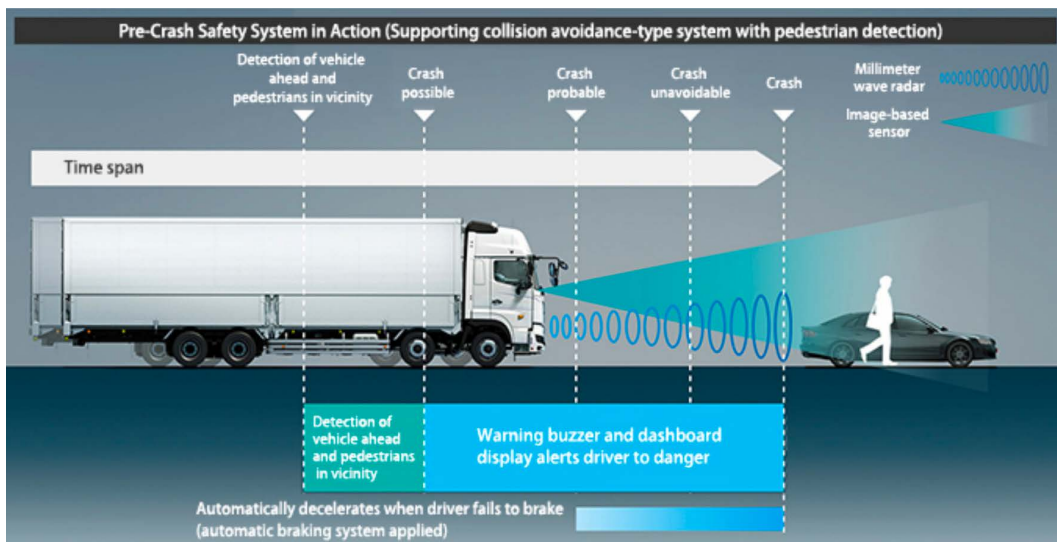
Safety Technology and Equipment

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

Pedestrian accidents account for about 30% of traffic accidents involving commercial vehicles in Japan. These often involve casualties, and are the second most common type of accident after rear-end vehicle collisions. Therefore, 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 standing pedestrians, as well as stationary vehicles, using millimeter wave radar and image sensors. By incorporating this technology into heavy-duty trucks and large sightseeing buses in Japan, in addition to conventional safety technologies, Hino Motors is helping to reduce the risk of traffic accidents.

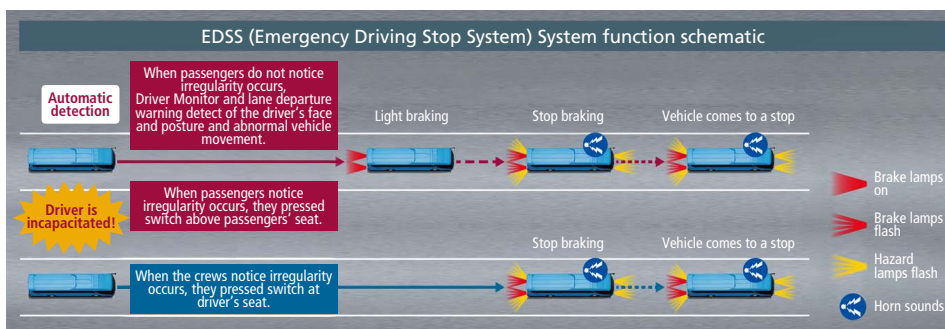
*"PCS"(Pre-Crash Safety) is a registered trademark of Toyota Motor Corporation



◆ 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 Selega 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.



Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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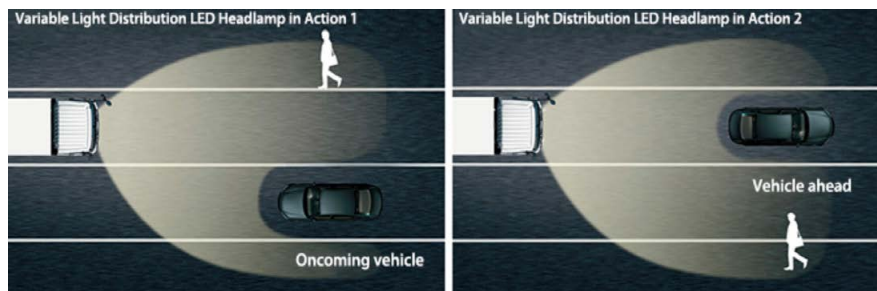
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[Health](#)
[Quality](#)
[Human Rights](#)
[Human Resources "Creation" and Work Styles](#)
[Supply Chain](#)
[Social Responsibility](#)

◆ Variable Light Distribution Type LED Headlights

High beams can illuminate more than twice the distance of that of low beams, but using high beams can be dangerous for oncoming vehicles and vehicles traveling in front due to the blinding intensity of light. In order to prevent headlights from blinding oncoming drivers and drivers traveling in front, Hino Motors offers a variable light distribution type of LED headlight that automatically adjusts light brightness when another vehicle is detected.

This LED headlight helps to reduce close calls, by improving night visibility and making pedestrians easier to spot.

● Image of Variable Light Distribution Type LED Lamps in Operation

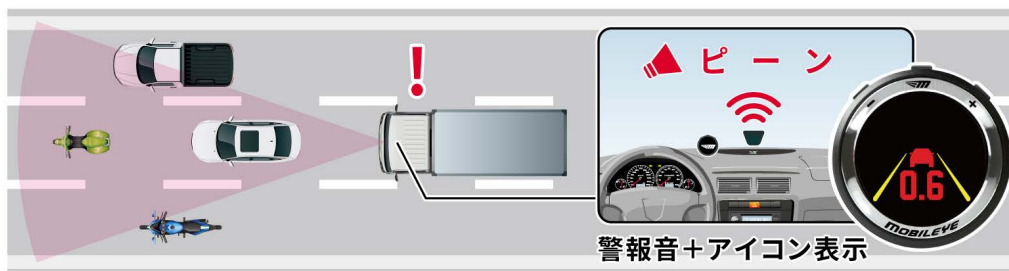


◆ Enhancing Safety Equipment for Existing Vehicles

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.

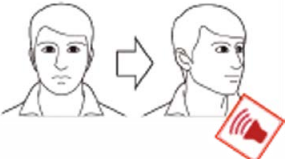
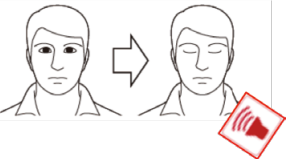



• **Driver Status Monitor**

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

Face detection	Open eye detection	Face position detection
 <p>Inattentiveness alert: "Please pay attention to the road"</p>	 <p>Drowsiness alert "Why don't you take a break soon?" Sleeping at the wheel alert "Take a break"</p>	 <p>Improper driving posture alert "Please check your driving posture"</p>

◆ **Customers' safe driving Support**

Hino Motors aggressively departure training session on safe driving for customers in order to support their safe driving. We 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 works closely with dealers to provide customers with training on fuel-efficient and safe driving techniques. The cumulative number of visitors reached 90,000 in March 2019. Going forward, Hino Motors will continue to support the customers' safe driving, and aim to prevent the 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 focus mainly on "best-fit products incorporating safety and environmental technologies," which is one of the Company's three goals. Product safety technology will continue to be enhanced, aiming to make traffic accidents a 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.

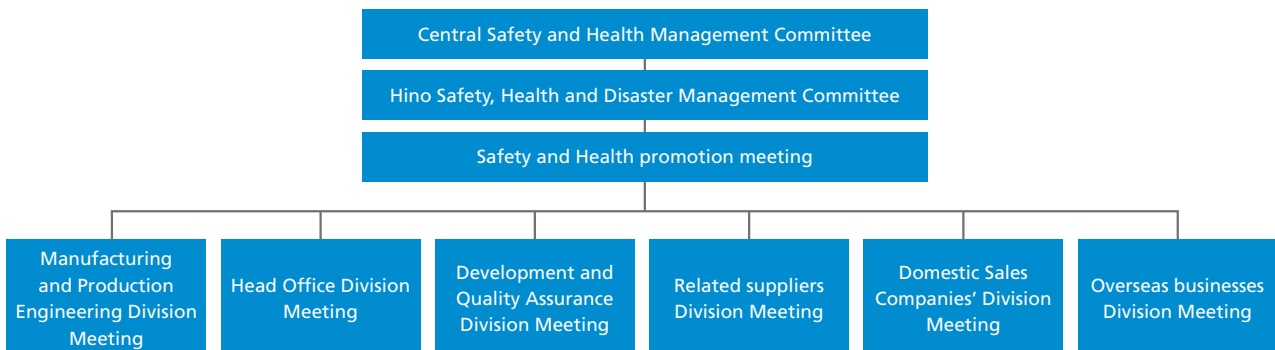
The Company is working hard to reduce the risk of occupational accidents, not only by building work environments that help employees to work safely, but also by fostering safety awareness among employees.

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 being undertaken overseas. At Hino Vietnam, as of March 2015, the factory had no pedestrian zones, but in July of that year, pedestrian zones, arrow signs, and arrow marks were quickly installed. In June 2018, safety classes were held again, and pedestrian etiquette was taught. Up to that point, the rate of compliance to these directives was 75%, but at the end of August, the compliance rate was 100%.

◆ Enhancing Safety Education

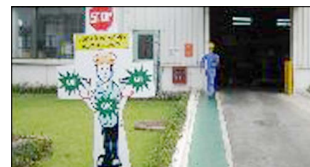
In order to further improve employee safety awareness and acquire knowledge on occupational safety, Hino Motors provides safety education according to job type and position.

In fiscal 2018, we analyzed the causes of work accidents and found that accidents involving inexperienced employees with less than one year of employment and the elderly are increasing. Therefore, the content of training for employees in their first year of employment was revised in order 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. We help them become aware of accident mechanisms, proper motor function, and the importance of daily exercise to prevent the deterioration of motor functions, along with healthy dietary habits.



Flag of attention to Basic safety behavior (Japan)

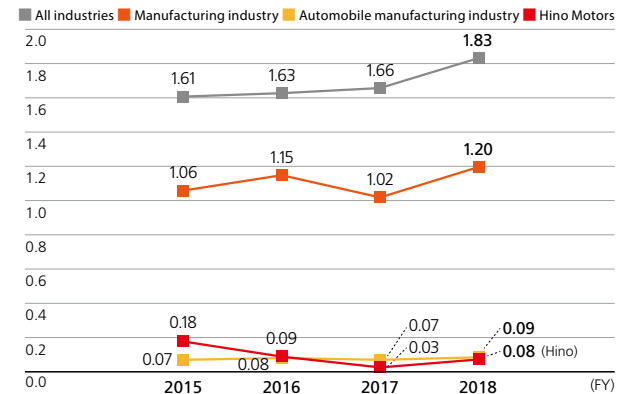


Safety signage located at Hino Motors Vietnam, Ltd.



Safety poster (Vietnam)

● 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) x 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 Stance

Employee health is an essential element for Hino Motors to keep growing and make greater contributions to customers and society. So that all employees continue to work in good health at every workplace, Hino Motors gives full attention to the state of employee health daily and strives to build a company where employees can keep working in good physical and mental health through ongoing flexible and in-depth support.

Basic Policy on Health

Hino Motors published the Hino Motors Health Declaration in October 2019 in order to achieve Health-Oriented Corporate Management. 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

Hino Motors has established a one-on-one counseling service staffed by occupational physicians and contracted counselors, and a toll-free telephone consultation service using a professional agency.

In fiscal 2018, an internal counseling staff of twelve was set up at each workplace to increase early discovery and treatment of employees facing mental health challenges. Counseling has been provided on 330 occasions for 190 employees and support provided leading to medical care. In fiscal 2019, too, five members were added to the counseling staff to strengthen the system.

In addition, a system has been created that takes employee health into consideration at each workplace so that when an occupational physician determines the necessity of special measures as a result of health checkups and individual counseling, actions are taken such as providing guidance limiting work.

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

These study sessions have resulted in a reduction in the number of employees taking leave due to mental health issues by more than one half compared to fiscal 2013 when the education first began.

● Participants in Mental Health Care Study Sessions Held for Managers

Business site	FY2016	FY2017	FY2018
Head Office/Hino Plant	183	266	126
Hamura Plant	47	33	42
Nitta Plant	44	27	33
Koga Plant	—	18	8
Total	274	344	209



A mental health workshop

Employee Health Management

◆ Early Discovery and Treatment of Employees Facing Health Issues Through Analysis of Health-Related Data

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.

As specific examples of measures to date, health guidance by occupational physicians has been improved, prostate cancer and colon cancer exams were added to the regular health checkups in fiscal 2016, and a system was established in fiscal 2018 allowing employees to individually choose to undergo exams for breast cancer, uterine cancer and stomach cancer.

◆ 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.

In addition, efforts have been made to reduce smoking rates, including the commencement of non-smoking hours, sharing of information about employee smoking rates at each workplace, lectures to encourage quitting smoking, and subsidies for in-house outpatient services to quit 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 holds seminars 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



Heat stroke prevention seminar

◆ Influenza prevention measures

As influenza prevention measures, free vaccinations are offered to expatriates and business travelers, and subsidized vaccinations against infectious diseases including influenza are available for all accompanying family members.

We have also started to provide flu vaccinations to all the employees at our facility since 2018.

The vaccine coverage remained at 5.2% until 2017, which increased to 25% in 2018, leading to the reduction in disease rate.

◆ On-Site Health Instruction

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. The lectures are provided by workplace request and chosen from the following topics, and are well received by the workplace.

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.

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

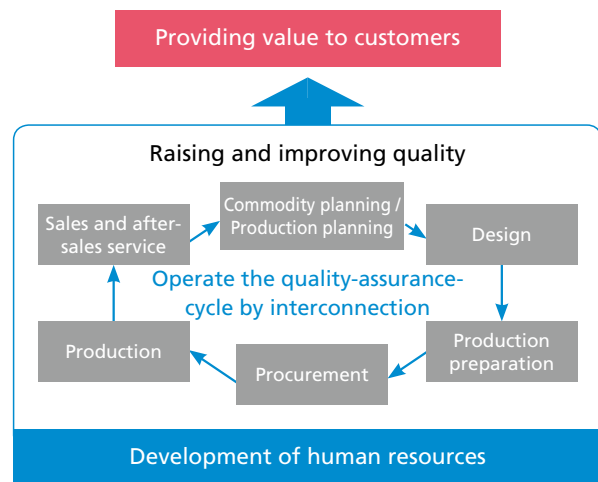
Basic approach

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 Prevent Problems

◆ Determining Defect Causes in the Design Stage

Hino Motors seeks to discover and eliminate any product defects in the early stages of each process. In the early design stage, efforts are made to raise the quality of blueprints by ensuring the departments concerned thoroughly discuss and resolve all issues. Hino Motors aims to make products of the highest possible quality by conducting high-quality design reviews to check and enhance each design. These are carried out on the frontlines.

◆ Quality Information Sharing Utilizing the Global Hino Quality Assurance (G-HQA) System

In fiscal 2013, Hino Motors began phased construction of an information management system to enable quality assurance information to be shared quickly, including information from group companies in Japan and overseas. The aim is to quickly identify quality issues and solve problems at an early stage.

Going forward, the Company will further strengthen the system and share information rapidly with markets worldwide. Hino Motors is determined not only to respond promptly to customer needs, but also to further improve the quality level by preventing defect recurrence.

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 small group improvement activities*² and workplace management activities in all employment levels, from workers to managers. The Company is always striving to enhance employee awareness and improve product quality. Every year, the Hino Group holds an All Hino TQM Tournament and a Global Hino QC Competition. The aim is to create opportunities for employees to learn from one another and thereby to facilitate Group-wide improvement. At the programs, cases of outstanding improvements are shared, enabling participants to learn about new methods and approaches.

*¹ TQM: Total Quality Management

*² Small group improvement 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.



All Hino TQM Tournament



Global Hino TQM Tournament

◆ Ample Learning Opportunities

Since fiscal 2015, Hino Motors has been holding exhibitions on product quality every November, which is 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 quality and putting customers first.

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 Sagami-hara 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

Each year, Hino Motors dealers across Japan hold a service skills competition. In fiscal 2017, the 46th year of the event, dealer service engineers competed in the field of maintenance technology, while service counter staff competed in the area of customer service. 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.

● Results of the 47th National Service Skills Competition

	Dealers
Best performance award (1st place)	Gunma Hino Motors
Outstanding performance award (2nd place)	Tokyo Hino Motors
Excellence performance award(3rd place)	Chiba Hino Motors
Special performance award(3 teams)	Aichi Hino Motors
	Toyama Hino Motors
	Kyusyu Hino Motors

[Entered Dealers] Hokkaido Hino Motors / Miyagi Hino Motors / Gunma Hino Motors / Chiba Hino Motors* / Tokyo Hino Motors / Shizuoka Hino Motors* / Aichi Hino Motors / Toyama Hino Motors / Shiga Hino Motors / Okayama Hino Motors / Ehime Hino Motors / Kyusyu Hino Motors (*Special selection)



Competition for service skills



Awards ceremony

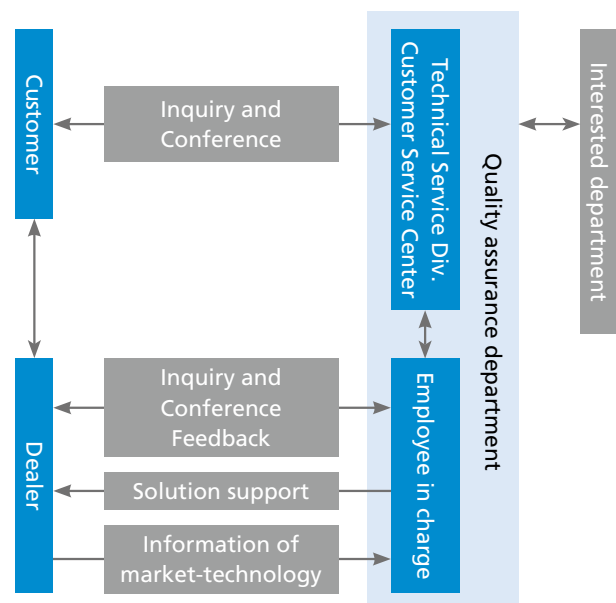


Awarded dealers

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

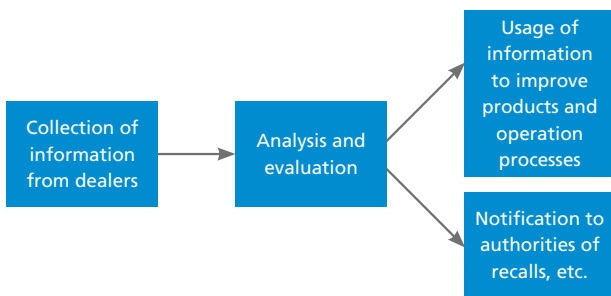


Handling Quality Defects and Recalls

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 regular maintenance, the Company rapidly collects all the needed quality information and has established a system that 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)

	FY2016	FY2017	FY2018
Recalls ^{*1}	18	18	21
Remedial measures ^{*2}	0	3	0
Service campaigns ^{*3}	5	1	12

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.

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 encompass 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.



Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Safety Health Quality **Human Rights** Human Resources "Creation" and Work Styles Supply Chain Social Responsibility

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.

Non – Discrimination

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. "with regards to all aspects of employment, including application process, hiring, promotion, compensation, access to training, job assignment, wages, benefits, discipline, termination and/or retirement.

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.

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 1,163 employees took part in training in fiscal 2018. 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

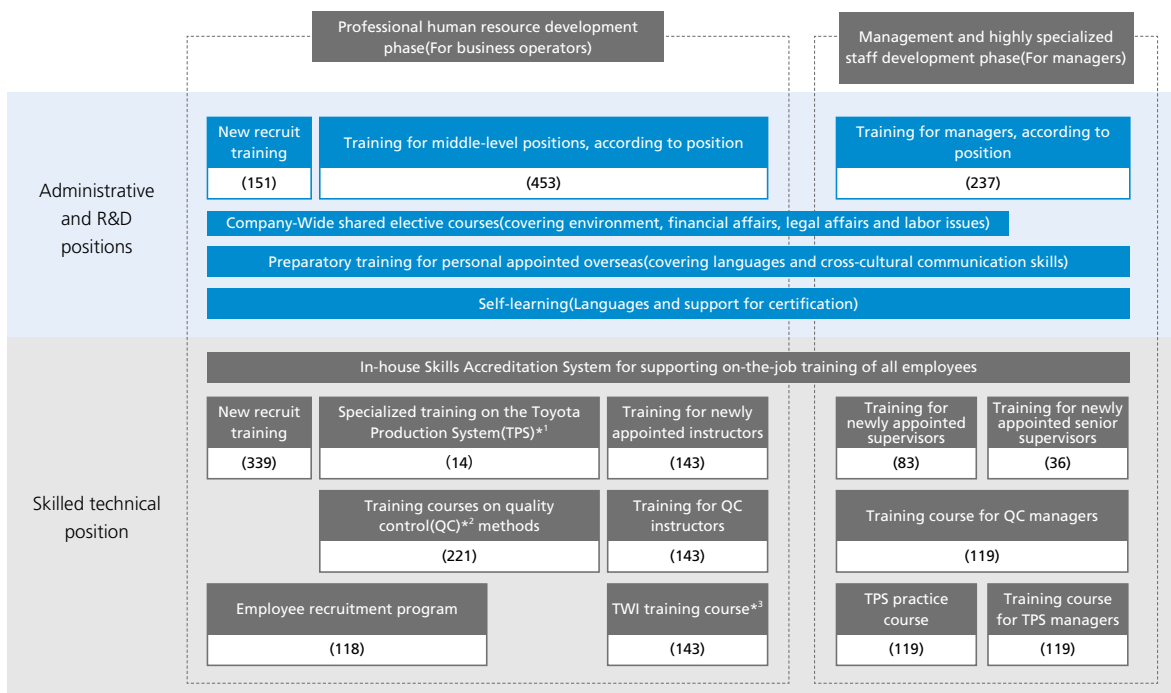
The CSR Charter of the HINO Credo states, "We respect each individual employee, and strive to create a workplace that fosters personal growth." This expresses Hino Motors' stance on issues including the processes—done with employees' full involvement—of "creating" human resources and innovative work 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 2018.

*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.

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Safety Health Quality Human Rights > Human Resources "Creation" and Work Styles Supply Chain Social Responsibility

◆ 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. 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 academy focuses on human resources who work on the production floor, which is a pillar of the company's manufacturing operations, it also trains Field Service Engineers (FSE) who share their service engineering knowledge around the world to support the business of customers. (More information about FSE is available in [page 24](#).)

Most recently, to further bolster human resource development, the number of persons accepted has been expanded to a 60-person program from the previous 40-person first-year training program that had been in place since fiscal 2017, establishing a 180-person third-year program in fiscal 2019.

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). Each year, two people take on the challenge of performing conventional lathe work and computer-aided design (CAD), and in 2019, positive results were obtained as both entrants were selected for the first time to represent Tokyo in their respective fields. 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

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.

◆ Supporting the Success of Women

To help women attain greater success in their careers, Hino Motors has set the goal of tripling the number of women in management positions by 2020 from the current level of 19 (as of November 2014). The number of women in management positions is steadily increasing. As of April 2019, there were 43 women working in key positions. To realize the goal, the Company will continue and expand its efforts to improve childcare support. The focus will also be placed on the following efforts.

1. Increasing the percentage of women in new graduate and year-round recruitment, and expanding the appointment of women in management positions based on gender composition by year
2. Creating a workplace that is easy for anyone to work in, such as by introducing flexible working systems
3. Improving the workplace environment so that employees can work while raising children, such as the establishment of in-house nursery schools

Opportunities for women to attain success both within and without 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
19	21	23	30	36	43

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



Mail sorting work

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Safety Health Quality Human Rights **▶ Human Resources "Creation" and Work Styles** Supply Chain Social Responsibility

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 2018 employment rate for persons with disabilities at Hino Motors exceeded the statutory employment rate at 2.24%.

The Company is making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.



Outside sports competition

◆ Supporting the Success of the Veteran Employee

Hino Motors has established a re-employment system for retired workers so that it can continue drawing on the expert skills and abilities of employees after they reach retirement age. The system takes into account the work-life balance while allowing employees to continue working after retirement age, giving them the option of working a three-day week or the same number of days and hours as full-time workers.

Of the 123 employees at Hino Motors who reached retirement age in fiscal 2017, 110 (89.4%) expressed a desire to continue working, and all of them were re-employed. As of March 31, 2018, a total of 506 employees were using the re-employment system.

● Number of Re-employed Staff

	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Number of re-employed staff	465	471	487	506	505

◆ 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	12,935	31	0.2
Other employment	2,466	85	3.4
Total	15,401	116	0.8

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 FY2018
Childcare leave	Leave until the date the employee's child reaches his or her second birthday through to March 31	48
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	138
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	26
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	68
Family care leave	Five days of annual leave per family member requiring nursing care	46

◆ Selectable welfare benefits—Improving the Cafeteria Plan

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, such as use of the dining area and provision of work clothing.

◆ 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.

• Leave of Absence Provision to Accompany Spouse Abroad

In February 2018, Hino Motors adopted a provision that enables employees to take a leave of absence for up to five years, in order to accompany a spouse who is transferred abroad or decides to pursue studies abroad, whether that spouse is employed at Hino Motors or another company. The provision addresses the increasing globalization of the Company's business activities as well as the increase in double-income households among employees. The aim of the provision is to enable employees to continue working at Hino Motors and achieve a better work-life balance.

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• **Telecommuting Provisions**

Hino Motors adopted new telecommuting provisions in April 2018, as part of an effort to offer working conditions that help employees balance work and their obligations as parents or caregivers. The provisions also seek to help employees maximize their abilities without it being tied to the hours spent at the Company. In addition, a fiscal 2019 plan expands telecommuting to include utilization of sites such as satellite offices.

By encouraging employees to use these provisions, Hino Motors is supporting the adoption of more diverse work-styles among employees.

◆ **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, and from fiscal 2019, it is creating more opportunities to talk about work and share frank opinions by holding smaller labor-management meetings by region and plant.

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

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 is working to improve employee satisfaction based on the following three perspectives.

● 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 by holding events that employees participate in.

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Example | Opening Ton-Ton Kids Nursery School

Currently, there are approximately 700 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." Efforts are underway to also open a nursery school at Hamura Plant and Nitta Plant.



Ton-Ton Kids—Hino

Example | Enhancing Employee Cafeterias

Hino Motors is renovating the cafeterias within its plants as part of its effort to improve employee satisfaction. Registered dietitians, 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.



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

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◆ Fostering Employee Unity
• Competing in the Dakar Rally

In January 2018, Hino Motors competed in the 2018 Dakar Rally that took place in the three countries of Peru, Bolivia, and Argentina, improving its placement from the previous rally by taking sixth place in the Truck class. The race marked the ninth straight win for Hino Motors in the Under 10-Litre Class for trucks.

The technologies that Hino Motors has developed by continuously competing in the world's most challenging rally contribute to its development of commercial vehicles (trucks and buses). Specifically, the mechanics who assist in the race are mainly employees of Hino Motors' nationwide network of dealers, along with the Company's elite mechanics trained in providing after-sales service.

At the next rally, in addition to the regular race car, the Company plans to introduce a new car for the first time using a bonnet-type vehicle unique to North America. Hino Motors will continue cultivating human resources and improving its technology on the world stage to make Team Hino connections stronger.



Racing on a difficult course



Mechanics support tough driving



Ceremony at the finish line



The bonnet-type vehicle to participate in the next race

[More information about the Dakar Rally](#)

• **Hino Red Dolphins vie for Top Position in the Rugby League**

Ever since Hino Motors founded the Hino Red Dolphins corporate rugby team in 1950, the Company has sought to build a team that fosters the unity of the Hino Group and has strong community roots and engagement as its flagship sports franchise.

Since the team was promoted to Japan's top-tier Top League competition in 2018, the Hino Red Dolphins have continued heated battles with well-known powerhouse teams. The team will continue working together with employees as well as the local community to win even more fans for the team.



Fierce competition with famous competitive teams



Scoring a try

• **Table Tennis Club Advances to First Division of Japan Table Tennis League**

Hino Motors' table tennis club has been steadily operating through its employee-players for nearly 50 years since it was established in 1970. Since advancing to the first division of the Japan Table Tennis League in November 2018, the club has engaged in fierce competition with powerful teams. At the tournament, members of Team Hino, including employees of dealerships in each prefecture, have forged stronger bonds that will lead to a more robust fighting spirit going forward.



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 engages in initiatives to build stronger bonds with local residents through sports.

The Company creates opportunities for local residents to watch, learn about, and experience actual parasports (such as wheelchair basketball and boccia*), aiming to foster unity through the shared discovery, emotion, and joy of parasports.

*Boccia is a sport in which each athlete throws six colored balls, aiming to get as close as they can to a white target ball.

First, learn

Watch

Discovery and emotion



Seeing a wheelchair basketball game

Hear about

History of facing difficulties



Para athlete speech
Completely blind swimmer
Junichi Kawai

Experience

Depth of the sport



Corporate boccia tournament

- Parasports was more powerful than I expected.
- The para athletes were very tough and strong.



Feedback from Employees

Building Bonds with Communities

Supporting Together

Rugby team with strong community roots



The local mayor Fuyuhiko Ohtsubo and President Yoshio Shimo with rugby players



Municipal officers at work, wearing the team color

- I felt a sense of unity by cheering athletes together.
- The ekiden event was very festive and enjoyable.
- Our family was all smiles playing boccia.



Feedback from Local Residents

Participating Together

Corporate ekiden running event (with participation of municipal employees)



All the participants



Wheelchair basketball



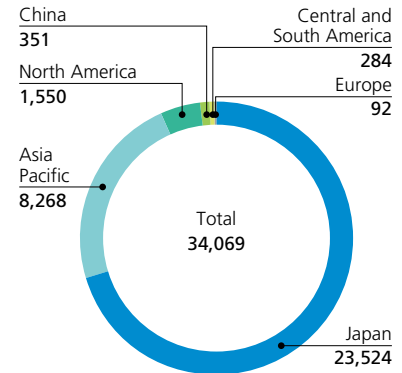
Boccia

Human Resources Data

● Number of Employees (Consolidated)

	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Japan	22,191	22,520	23,120	23,524
Asia Pacific	7,101	7,296	7,518	8,268
North America	1,098	1,413	1,463	1,550
China	417	370	363	351
Central and South America	147	171	179	284
Europe	66	67	76	92
Total	31,020	31,837	32,719	34,069

● Number of Employees Total (Consolidated as of March, 2019)



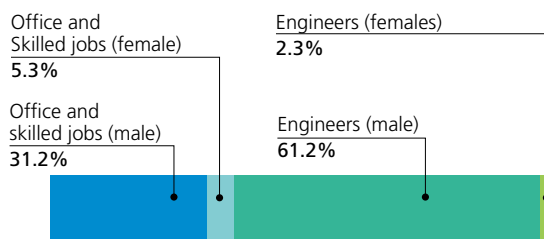
● Shift in number of employees by type of employment

	March 31, 2017	March 31, 2018
Full-time employment	32,719	34,069
Other employment	11,910	11,373
Total	44,629	45,442

● Number of Employees (Non-consolidated)

	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Males	11,392	11,720	11,763	11,960
Females	861	902	942	975
Total	12,253	12,622	12,705	12,935

● Ratio by Job Type (Non-consolidated, as of March 31, 2019)



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.

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Safety Health Quality Human Rights **> Human Resources "Creation" and Work Styles** Supply Chain Social Responsibility

The Power That Sustains Hino Motors

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

Product & Business Strategy Dept,
Product Strategy Div

Tsuyoshi Kiriake



Giving shape to new vehicles using my own ideas

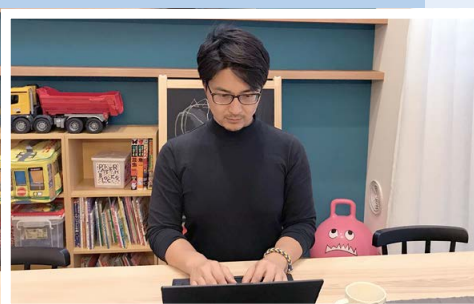
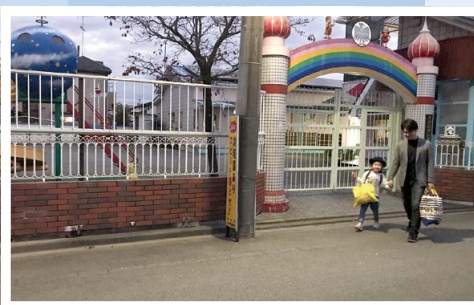
When I visited the plant before joining Hino Motors, I saw the engines installed in heavy-duty trucks and was amazed by their large size. I felt the draw of commercial vehicles, which are much bigger than passenger vehicles, as a means to resolve global problems and made my decision to join the Company.

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.

While the telecommuting system is gradually spreading within the Company, I feel that it still has an image of being a "special work style." 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

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.

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Supplier CSR Guidelines

Hino Motors has developed Supplier CSR Guidelines to ensure suppliers understand the Company's approach to CSR. In addition, the suppliers' handling of CSR is checked using the Supplier CSR Guidelines Sheet, which is applied to improvement efforts at each supplier. Moreover, utilizing the same content for suppliers to those companies leads to further enlarging and strengthening supply chain management by confirming handling of CSR.

 [Click here for the Supplier CSR Guidelines.](#)

 [Click here for the Supplier CSR Guidelines Sheet.](#)

General Meeting for Suppliers

◆ Japan

Every year in March, Hino Motors holds a general meeting for suppliers as a venue to provide information and engage in discussions. In addition to explaining its procurement and company policies, Hino Motors presents awards to suppliers that have made notable contributions in areas such as quality management, technology development, and cost reductions.

In fiscal 2018, more than 360 suppliers attended the General Meeting for Suppliers where the policy for fiscal 2019 on promoting cost structure reforms, strengthening the global procurement base, and enhancing competitiveness with advanced technologies was explained.



Speech from the president



Awards ceremony

◆ Overseas

Hino Motors holds a General Meeting of Suppliers to enhance communication with suppliers outside Japan including Asia and North America. In fiscal 2018, meetings were held in the United States, Thailand, Indonesia, China, Pakistan, and other countries, and they all featured a lively exchange of views. Hino Motors will continue to strengthen the unity of "Team HINO" by facilitating exchanges of requests and suggestions with suppliers.



Speech from President Somchai of Hino Manufacturing Thailand



Group photo

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Safety Health Quality Human Rights Human Resources "Creation" and Work Styles Supply Chain **Social Responsibility**

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.

In fiscal 2018, 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)

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Safety Health Quality Human Rights Human Resources "Creation" and Work Styles Supply Chain **Social Responsibility**

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.

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Safety Health Quality Human Rights Human Resources "Creation" and Work Styles Supply Chain **Social Responsibility**

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

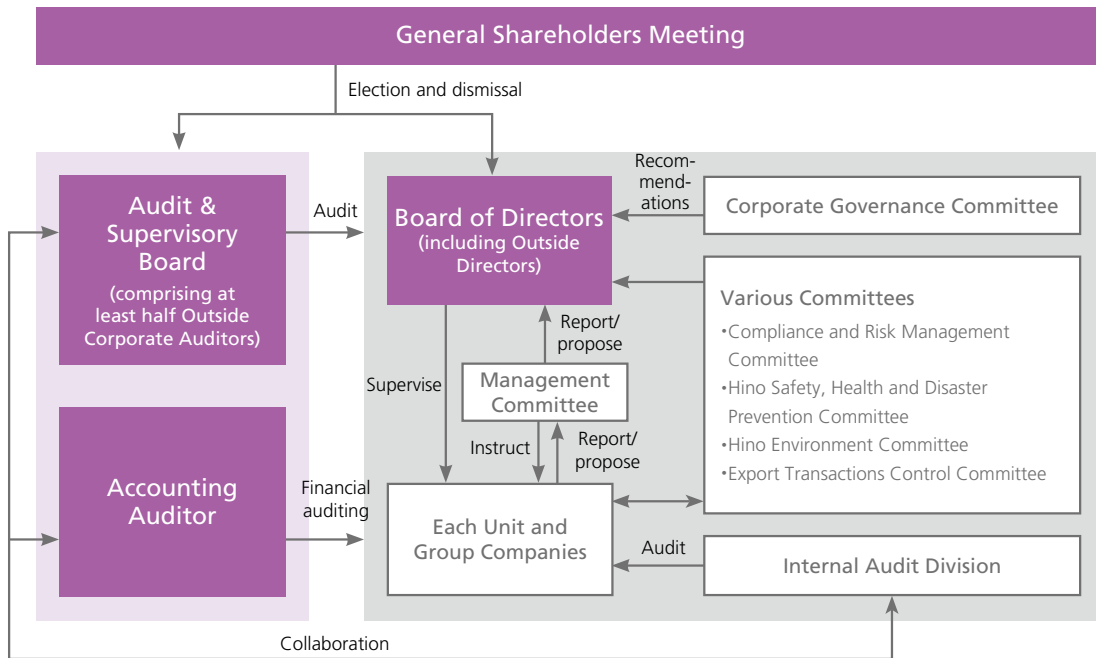
◆ Corporate Management and Its Operating Framework

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 10 directors (as of June 2019, the number including two 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 a system of executive vice presidents, senior managing officers, managing officers, a four unit setup, and an officer system 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 & CEO, the general managers of the business units, 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 2018, the Corporate Governance Committee met three times.

▶ Corporate Governance Interview with Outside Director Compliance and Risk Management

● Corporate Governance System



◆ Auditing System

Hino Motors' Audit & Supervisory Board comprises four members (as of June 2018, 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, visiting each business site and visiting subsidiaries inside and outside Japan, 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 conducting audits of the legality, appropriateness, and efficiency of business, while urging each department and subsidiary to make the necessary improvements. The division also reports the findings of internal audits to the audit & supervisory board members as appropriate and shares information with them and the accounting auditors in relation to audits by the audit & supervisory board members and accounting audits.

◆ Outside Directors and Outside Audit & Supervisory Board Members

To oversee the execution of duties by the directors, Hino Motors has appointed two outside directors, (as of June 2018, 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 2018, 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

Strengthening group governance structure to become a global leader in the flow of goods and people around the world

Toshitaka Hagiwara Outside Director

Born 1940. Graduated from the Graduate School of Law, Waseda University, in 1967. Joined Komatsu Ltd., in 1969. Appointed a director of Komatsu in 1990, after which he became Executive Vice President in 1999 and Chairman of the Board in 2003. Appointed an independent Outside Audit & Supervisory Board Member of Hino Motors in 2013, and became an independent Outside Director in 2015.



> Hino's Tremendous Potential as a Global Company

Prior to my appointment as a director at Hino Motors, my impression of Hino was of an earnest and trustworthy company with a firm domestic focus. However, once I joined the board of directors I realized that with its large percentage of overseas sales and high product development capabilities, Hino has tremendous potential to develop as a global company.

As an outside director, my aim is not just supervising the company's business execution, but also supporting the company's management from the sidelines to ensure the sustainable development of the company. The Company's truck and bus businesses are expected to contribute to various social needs for distribution and transportation on a global scale, including in such areas as automation, labor saving innovation, and reduced environmental impact. As a company that can help to resolve such social issues, it is likely that Hino Motors will have to take certain risks in order to move forward as a truly global company. I believe that one of my roles is to provide full encouragement at such times.

> Importance of Advancing Internationalization from Headquarters

My involvement with Hino Motors spans two years as an Outside Audit & Supervisory Board Member and three years as an Outside Director, and I can see that the company's corporate governance mechanisms and structures are at a very high level. However, what is truly important is whether the systems and mechanisms that have been polished to such a high level are truly functioning as intended, and whether corporate governance, which includes compliance and internal controls as a global company, has actually permeated every part of the company. For Hino to grow further as a global company, it is imperative to ensure that the corporate governance structure is developed and functions on a group-wide basis. Internationalization presents many challenges that need to be overcome, including cultural differences and communication issues, and the issue with the highest priority is to secure and cultivate human resources. It is also necessary for initiatives aiming at internationalization to be instigated by headquarters, including such considerations as where and how to create alliances, and what human resources to allocate to which division in order to enable the company to leverage its strengths and supplement any weaknesses.

Hino Motors is still at the developmental stage in terms of becoming a global company. By further invigorating the functions of the Board of Directors and engaging in thorough discussions about growth strategy and then putting ideas into action, I hope that the Company will strive to become a leading presence in the flow of goods and people around the world, in terms of both equipment and services.

Interview with Outside Director

Aiming to become a truly global company with 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 be a company. 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. 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.

The business of transporting goods and people is one that continues to expand as a key part of social infrastructure as societies develop. Hino Motors supports the flow of goods and people in society through its trucks and buses businesses. I feel that, first and foremost, the most significant social contribution the Company can make is to steadily engage in its main line of business. I believe that Hino executives firmly recognize this point. The corporate culture is earnest and open, and the Board of Directors also engages in candid discussions. I can say that Hino has a good corporate culture, and that it is an important base for corporate governance. What is more, in recent years the Board of Directors has engaged in ambitious corporate governance reform measures, driving further advancements in those structures.

> Invigoration of the Board of Directors: The Duty of Outside Directors

Hino Motors is a manufacturer of trucks and buses with bases around the world. However, I think that it is now in a transition period during which it will shift from being an international business company that simply sells and produces products overseas, to become a truly global company that grows as a good corporate citizen together with the various countries and regions around the world where it does business. Given the fast-changing business environment of today's world, the Company must continue to advance its corporate governance to ensure that Hino Motors remains the world's go-to source of advanced logistics and cutting-edge transport technologies. To that end, we must ensure that the Board of Directors is further invigorated, so that it is not just "talking shop" and merely "rubber stamping" decisions that have already been made, but rather is a body that can candidly discuss what is truly important for Hino Motors, in terms of how the company should aim to be, the strategic planning that is required for development in that direction, and the necessary implementation structures. I have worked ambitiously together with my fellow outside director, Mr. Toshitaka Hagiwara, to invigorate the board in this way. I believe that progress is being made in the development of management and operational structures, including the establishment of the Corporate Governance Committee, which participates in discussions on mid- to long-term strategy starting with the formulation stage.

Looking ahead, under the lucid leadership of President Shimo, I will continue to make every effort as an outside director to ensure that Hino Motors can make an even bigger contribution to the global society, growing to become the world's top manufacturer of trucks and buses and the leader in advanced solutions for the flow of goods and people.

Compliance and Risk Management

Basic Stance

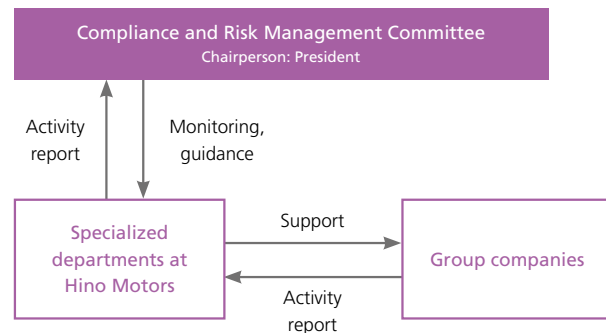
Hino Motors recognizes that earning the trust and cooperation of stakeholders is essential for promoting its CSR activities. Based on this perspective, the Company pursues stringent compliance as a priority management issue, and it is committed to the observance of laws and regulations along with ethical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

In addition, founded on the basic policy for risk management that seeks to avoid or reduce risks and minimize damage and losses as a result of risks, the Company identifies major risks in corporate management and takes the necessary steps to counter them.

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

Compliance and Risk Management Promotion System

The Compliance and Risk Management Committee is comprised of directors and headed by the president. The committee provides guidance and monitors activities related to corporate ethics, compliance and risk management, as well as other activities such as supporting compliance and risk management in Group companies.



Educating Employees in the Complexities of Compliance

To foster awareness of compliance in each and every employee, Hino Motors has introduced compliance training into the employee education curriculum.

There are several training tools available for carrying out thorough in-house education. They include the CSR Charter, which is the CSR commitment to all stakeholders, the Hino Code of Conduct, which clarifies the evaluation criteria for actions that should be taken by all employees, and the Compliance Guidebook, which imagines a variety of situations that could arise in everyday work and explains specific coping methods. 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 training content to nurture human resources possessing a high awareness of compliance.

 [Click here for the CSR Charter.](#)

 [Click here for the Hino Code of Conduct.](#)

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	ESG Initiatives Environment Social Governance ESG data and others
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Corporate Governance Interview with Outside Director > Compliance and Risk Management

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. With the cooperation of an external legal firm, this system has established the HINO Compliance Consultation Service. It endeavors to maintain a system that facilitates consultation through efforts such as providing advice whenever needed on problems that are difficult to discuss in the workplace.

In fiscal 2017, there were 75 reports and consultations received that included inquiries from Group companies. Each of them was treated appropriately by taking immediate measures or other action. Hino Motors aims to prevent and swiftly resolve compliance issues by properly implement this system on an ongoing basis.

● Flow of Consultations/Reports in the Internal Reporting System



Introduction of HINO Global Compliance Hotline, the Global Internal Reporting System

Hino Motors has introduced the HINO Global Compliance Hotline, a new, unified contact point for consultation on compliance at overseas Group companies as well as those in Japan.

Hino Motors will work to further promote compliance through the appropriate operation of this global internal reporting system that includes Group companies inside and outside Japan.

Identifying and Managing Major Risks

Hino Motors regularly identifies major risks, based on changes in laws, regulations and the business environment. Identified risks are managed by the Compliance and Risk Management Committee (drawing up preventive measures for said risks and measures to reduce impact or prevent recurrence when risks occur).

Refer to the following for cases of major risk management.

◆ Disaster Preparedness

With regard to making an immediate response to a large-scale disaster, Hino Motors has established systems that place top priority on human life.

In particular, having learned from its experiences during the Great East Japan Earthquake in 2011, Hino Motors is working to further enhance its own disaster response capabilities, aiming to anticipate disaster scenarios that may impact the Group and implement more practical activities.



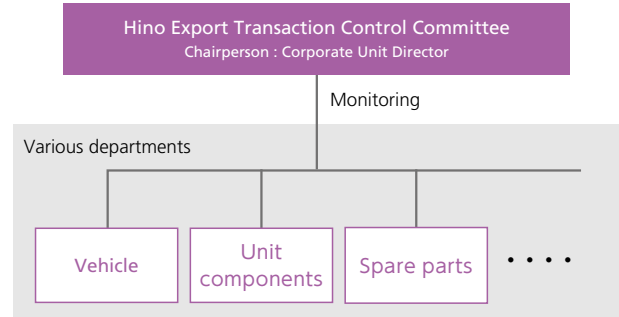
Practicing fire drills

Corporate Governance Interview with Outside Director > Compliance and Risk Management

◆ **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.



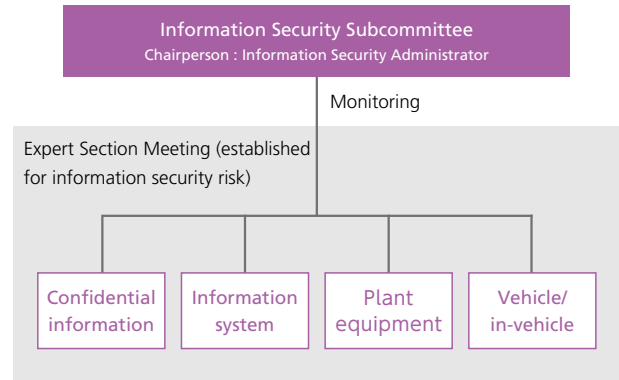
◆ **Information Security Management**

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.

In September 2017, 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 Subcommittee to manage thoroughly information security risks throughout the company.

Since fiscal 2018, Hino Motors has been ranking internal information assets according to the importance of confidentiality, integrity, and availability and conducting risk assessment. For important information assets, the Company strives to take multi-layered countermeasures and reduce risk based on the defense in depth approach .

Group companies in Japan and overseas also implement countermeasures in accordance with the Basic Stance Toward Information Security. 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 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 2017	Fiscal 2018
Global Warming	CO ₂ Emissions		Global	Thousand tons of CO ₂	391.1	396.1
			Non-Consolidated	Thousand tons of CO ₂	210.3	210.8
			Japan Group	Thousand tons of CO ₂	112.0	107.4
			International	Thousand tons of CO ₂	68.8	77.9
	Energy Usage	Electricity	Non-Consolidated	GWh	348	373
		Fuels	Non-Consolidated	Thousand GJ	2,147	2,093
Air Quality	Air Pollutant Emissions	NOx Emissions	Non-Consolidated	t	213	213
		SOx Emissions	Non-Consolidated	t	0.7	0.4
		VOC	Non-Consolidated* ²	t	470	436
Resource	Water Usage	Total Water Usage	Japan	Thousand tons	2,879	2,937
Waste	Waste		Japan	t	58,063	57,869
	Packaging Materials		Japan	t	7,204	6,089
	Final Disposal Ratio		Japan	%	0.09	0.07

*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

Social

Classification	Article		Bound	Unit	Fiscal 2017	Fiscal 2018	
Human Resource	Number of Employees (Global) March 31, 2018		Global	Persons	32,719	34,069	
	Number of Employees (Non-consolidated) March 31, 2018	Male	Non-Consolidated	Persons	11,763	11,960	
		Female	Non-Consolidated	Persons	942	975	
		Total	Non-Consolidated	Persons	12,705	12,935	
	Shift in number of employees by type of employment	Full-time employment		Non-Consolidated	Persons	32,719	34,069
		Other employment		Non-Consolidated	Persons	11,910	11,373
	Employment Ratio of People with Disabilities June 1, Each Fiscal Year			Non-Consolidated	%	2.16	2.24
Number of Re-employed Staff			Non-Consolidated	Persons	506	505	
Safety	Rate of Lost-Worktime Injuries		Non-Consolidated		0.03	0.08	
Work Style	Number of Employees who takes a childcare leave		Non-Consolidated	Persons	105	48	
	Number of Employees who takes a shorter working hours to accommodate for childcare needs		Non-Consolidated	Persons	103	138	

Governance

	Classification	Unit	Fiscal 2017	Fiscal 2018
Board Director		Persons	10	10
	Outside Director	Persons	2	2
Corporate Auditor		Persons	4	4
	Outside Auditor	Persons	2	2

GRI Standard Content Index

HINO SUSTAINABILITY REPORT 2019 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.	103, 111
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.	113-114
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.	44-48
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.	6-9
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	6-9
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.	10-11
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.	124-125
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.	119-121
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.	34, 45, 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.	35, Corporate Governance Report (page 10)
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.	119-121
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.	119-121
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.	119-121
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, 2018 to March 31, 2019) (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.	35, 119-123

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 10)
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.	79-80, 124-125, Corporate Governance Report (pages 12-13)
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.	79-80, 124-125, Corporate Governance Report (pages 12-13)
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.	125, Corporate Governance Report (pages 12-13)
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.	34-35
102-33	Communicating critical concerns	a. Process for communicating critical concerns to the highest governance body.	79, 119, 124-125
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.	79, 125
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.	35
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.	34
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, 2018 to March 31, 2019) (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.	33
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.	143
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	143
102-52	Reporting cycle	a. Reporting cycle.	143
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	143
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'.	143, 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.	34-35, 45-46
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	34-35, 77
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.	34-35

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, 75
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.	79, 81

Indicator			Report Page
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>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.</p>	Annual Securities Report (from April 1, 2018 to March 31, 2019) (Consolidated Financial Statements)
201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> 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. <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	-
GRI- 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>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.</p> <p>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.</p> <p>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.</p> <p>d. The definition used for 'significant locations of operation'.</p>	-
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	-
GRI- 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	-
203-2	Significant indirect economic impacts	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>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.</p>	-
GRI- 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	<p>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).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>	-

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.	76, 83
301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	83
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.	63-64, 83, 127

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.	83
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.	62-64
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.	65-66
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 ($\leq 1,000$ 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.	76, 83

Indicator		Report Page
303-4	Water discharge	76
303-5	Water consumption	83
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	-
304-2	Significant impacts of activities, products, and services on biodiversity	72

Indicator			Report Page
304-3	Habitats protected or restored	<p>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.</p> <p>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.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>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:</p> <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	-
GRI- 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> 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. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	60, 76, 83
305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> 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. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	60, 76, 83
305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> 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. <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	60, 76
305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	76

Indicator		Report Page
305-5	Reduction of GHG emissions	47, 76
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	76, 83
GRI- 306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	-
306-2	Waste by type and disposal method	76, 83
306-3	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.	Not Applicable
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.	103
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.	104

Corporate Information	Top Interview	The HINO Credo & Course of Action	Realizing a sustainable world	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Special Feature	<p style="text-align: center; margin: 0;">ESG Initiatives</p> <p style="margin: 0;">Environment Social Governance ESG data and others</p>
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ESG data ➤ GRI Standard Content Index ISO 26000 Reference Editorial Policy Third-Party Review

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: <ul style="list-style-type: none"> 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.	88
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: <ul style="list-style-type: none"> 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.	88
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.	88-89
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.	89
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.	89
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.	90
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.	88-89

Indicator		Report Page
403-8	Workers covered by an occupational health and safety management system	88
403-9	Work-related injuries	89
403-10	Work-related ill health	90-91

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.	95, 100-101
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).	111
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.	99
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.	88-89
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.	48, 94
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.

Core Subjects in ISO 26000	Issues		Page				
Organizational Governance	1 Organizational Governance	The HINO Credo	10				
		Hino Motors Group CSR	18-19				
		Corporate Governance	98-100				
		Compliance and Risk Management	103-105				
Human Rights	1 Due diligence 2 Human rights risk situations 3 Avoidance of complicity 4 Resolving grievances 5 Discrimination and vulnerable groups 6 Civil and political rights 7 Economic, social and cultural rights 8 Fundamental principles and rights at work	Human Resources "Creation" and Work Styles	80-91				
		Supply Chain	92-93				
		Compliance	103-104				
		Labor Practices	1 Employment and employment relationships 2 Conditions of work and social protection 3 Social dialogue 4 Health and safety at work 5 Human development and training in the workplace	Human Resources "Creation" and Work Styles	80-91		
				Environment	1 Prevention of pollution 2 Sustainable resource use 3 Climate change mitigation and adaptation 4 Protection of the environment, biodiversity and restoration of natural habitats	Environmental Management	28-34
						Material Balance	35
						New Vehicle Zero CO ₂ Emissions Challenge	42-45
						Life Cycle Zero CO ₂ Emissions	46-51
Fair Operating Practices	1 Anti-corruption 2 Responsible political involvement 3 Fair competition 4 Promoting social responsibility in the value chain 5 Respect for property rights	Factory with Zero CO ₂ Emissions	52-55				
		Challenge of Minimizing and Optimizing Water Usage	56-57				
		Challenge of Achieving Zero Waste	58-59				
		Challenge of Minimizing the Impact on Biodiver	60-64				
		Consumer Issues	1 Fair marketing, factual and unbiased information and fair contractual practices 2 Protecting consumers' health and safety 3 Sustainable consumption 4 Consumer service, support, and complaint and dispute resolution 5 Consumer data protection and privacy 6 Access to essential services 7 Education and awareness	Supply Chain	92-93		
				Compliance	103-104		
				Community Involvement and Development	1 Community involvement 2 Education and culture 3 Employment creation and skills development 4 Technology development and access 5 Wealth and income creation 6 Health 7 Social investment	Safety	66-71
Quality	76-79						
Supply Chain	92-93						
Social Responsibility Initiatives	94-97						
New Vehicle Zero CO ₂ Emissions Challenge	42-45						
Life Cycle Zero CO ₂ Emissions	46-51						
Factory with Zero CO ₂ Emissions	52-55						
Challenge of Achieving Zero Waste	58-59						
Compliance and Risk Management	103-105						
Community Involvement and Development	1 Community involvement 2 Education and culture 3 Employment creation and skills development 4 Technology development and access 5 Wealth and income creation 6 Health 7 Social investment	Safety	66-71				
		Social Responsibility Initiatives	94-97				

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 CO₂ 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

- Overview of "Challenge 2025, the medium to long-term strategy" and "The 3 Goals" as well as "Hino Motors Value Creation" has been added.
- By newly establishing "Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)" page, Hino Motors' goals through contributing to SDGs, business areas to address social issues, strategies and initiatives 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 2017 (April 1, 2017 to March 31, 2018) 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 November 2018. Prior to that it was updated in November 2017, and the next update is scheduled for October 2019.

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



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Profile

In 1976, completed master's degree at Kyushu University's Faculty of Engineering. After working at MODEC, Inc., joined NLI Research Institute, where he was primarily engaged in research on environmental management, environmental business, CSR management, integrated reporting, and climate change adaptation. Now works as a CSR/ESG consultant and serves as Vice Chairman of the Sustainable Management Forum of Japan. Books authored include *Carbon Disclosure*, *New Trends in Integrated Reporting*, *Perfect Guide to CSR Management*, and *Integrated Thinking and ESG Investment*.

1. Strongly Conveying Ideas and Actions

As in years past, I will share my perspectives on overall CSR management. First, the Sustainability Report is organized in narratives, making it easy to read. Furthermore, photos are used effectively throughout the report, and the writing is clear and concise. The ideas and actions behind the theme "Conveying" are discernable.

I am particularly impressed with the explanation of the concrete steps that Hino is taking, using its core strengths, as the SDGs are reviewed with outcome levels. Furthermore, the interviews with multiple young employees, which has become an annual feature of the report, covers timely topics and bolsters Hino's aura of vitality.

Regarding the ESG information, Hino's strong record on the environment provides content that makes the report very thorough. The objectives, achievements and issues related to the 2020 Environment Initiative Plan, a part of the Hino Environmental Challenge 2050, which is a challenge to achieve zero emissions, is written very clearly. Going forward, I expect active engagement from Hino on the issues covered in the report.

Concerning social issues, the related activities and rationale behind them are noted and conveyed enthusiastically. Going forward, aging assessments should be quantified as much as possible, and it is critical to ensure that the topics are clarified. For governance, in addition to explaining Hino's approach to governance, I would like to see the inclusion of deliberations that the Company is undertaking on CSR and Sustainability.

Last year, I noted the imperative of establishing a system of CSR management on a global level. In response, efforts are underway, including the establishment of a specialized department. In the future, I would like to see such efforts accelerated by strengthening coordination with overseas facilities.

Regarding supply chains, under "Social," the report includes the Supplier CSR Guidelines and General Meeting for Suppliers in Japan and overseas. However, in consideration of expanding overseas production and procurement, going forward, this is an area where I would like to see this made a management-level issue to further strengthen these efforts.

A new topic in this year's report is "respect for human rights." As this forms the bedrock of "the way we work" from the perspectives of labor, safety and health, I would like to see Hino develop a globally shared perspective on human rights and strengthen its efforts in this area. This is a key measure to address supply chain risk.

2. Improving CSR in a Time of Change

The content of this year's Sustainability Report goes beyond CSR management, and in some ways, it is beginning to take the form of an integrated corporate report that strategically aims for long-term value creation. In general, for CSR and creating shared value (CSV), there is almost no recognition of a timeline. However, Hino has established Hino Environmental Challenge 2050, which incorporates a long-term timeline, and the medium to long-term strategy, Challenge 2025. The target for achieving the SDGs is 2030.

There are likely several factors at work here. One is that new vehicle technologies encompassed in the term "CASE" have driven the world's automotive industry toward a critical turning point. Specifically, as climate change policies evolve and vehicles become electrified, global tech companies have leveraged AI and IoT to enter the automotive market. Another factor is the change in the perspectives in value as customers transition from placing importance on vehicle ownership to vehicle use. Demands for new ways to use vehicles are on the rise.

This trend is not limited to personal vehicle use, but has extended to commercial vehicle use, as well. Traditional business models cannot accommodate these changes and instead risk holding back the industry. On the other hand, social issues impacting the automotive industry, including aging populations, labor shortages and depopulation, are becoming more acute. Therefore, it is now, when the financial resources are available, that Hino must leverage this crisis to engage in strategic structural reforms to prepare for the next generation.

This is made clear in the Top Interview. To achieve the Four Value Propositions, Hino must strive to create a new platform for moving people and goods. Thus, the thinking that "making good products is good enough" must be abandoned. For example, viewing the value proposition from a "Total Support" stance that considers the entire life of a vehicle would be an excellent point of focus. While providing excellent value to customers, this would help address social issues and contribute to progress in achieving the SDGs.

As Yoshio Shimo indicated, "Sustainability" is a keyword for this generation and should be a point of shared global awareness. For Hino, this is founded on the proper manifestation of CSR and a system architecture that expands throughout the entirety of Hino's value chain. I am looking forward to continued improvements in Hino's CSR efforts.

Hino Motors, Ltd.

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● We welcome your candid comments and opinions for this report.
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