

Corporate Information	Top Message	The HINO Credo & Course of Action	Realizing a Sustainable World	Environmental Management	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Topic	ESG Initiatives			
								Environment	Social	Governance	ESG data and others

ESG data GRI Standard Content Index ISO 26000 Reference Editorial Policy

Third-Party Review



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Profile

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

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

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

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

► Conceptualizing Sustainability

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

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

► Specifying Materiality

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

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

► Establishing and reporting Global Sustainability Management

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

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

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

The report carefully explains strategic goals and initiatives toward their achievement. One point that should be highly commended is that the Hino Environmental Milestone 2030, which was formulated this year, completes Hino Motors' systemization of its environmental management. In other words, it clarifies mid-term targets to be achieved by 2030 to remain on track for the 2050 goals, incorporating plans for environmental initiatives in five-year increments. From that perspective, what will be important from now is to report on the progress in achieving the goals and the challenges or resilience to changing circumstances.

The single largest management challenge for a commercial vehicle manufacturer is to realize carbon neutrality across the entire vehicle life cycle, concentrating on eliminating CO₂ emissions during vehicle operation. The next thing that I look forward to seeing is results in tackling "zero waste," one of the goals for 2050. This does not simply mean engaging in the "3Rs" in downstream sectors, but also requires efforts from the design stage to ensure that resources are recycled from "car-to-car," leaving new resources in the ground. This is something that has the potential to make a major contribution to the circular economy, a concept that continues to grow in importance.

The following are comments about articles that left a particularly lasting impression.

Message from Koichi Muto, Outside Director

Mr. Muto hits the nail on the head with his comments, which I summarize here. Commercial vehicles should take the lead in providing both software and hardware solutions for total optimization, based on a comprehensive overview of the entire logistics and transportation system. The roles of outside directors include both management and monitoring, not to mention the important role of risk assessment. It is

therefore necessary for the Board of Directors to engage in discussions with a broad perspective.

Transportation Support for the Paralympic Games

At the Tokyo 2020 Paralympic Games these activities served to support the safe and secure transportation of athletes and officials, and can well be considered an outstanding corporate pro bono activity. Easy-to-attach/detach fixtures were installed to increase wheelchair space on the 60 large sightseeing buses that had been rented by the Japanese Olympic Committee (JOC). Support was also provided to athletes when embarking and disembarking, and the experience gained from these activities should be utilized in future projects.

Promotion of Employee Diversity

Against the backdrop of the Company's global expansion, the report introduces initiatives aimed at creating a corporate culture that respects the diversity of various employees. The appointment of foreign executives, support measures for female and foreign employees, recruitment of people with disabilities, and the extension of the retirement age to 65 are all initiatives that appear to have been accepted and taken on board within the company.

Finally, I look forward to Hino Motors' further growth in the future, not only in its global supply chain but also in its logistics infrastructure, as it continues its journey towards the realization of a sustainable world.