

Our vision for the Kubota Group in 2030

# An “Essentials Innovator for Supporting Life,”

Committed to a Prosperous Society and Cycle of Nature

## Purpose of the Kubota Group ESG REPORT 2022

In order to achieve the aims of the GMB2030 Long-Term Vision, we of the Kubota Group are pressing forward with our original ESG efforts—dubbed “K-ESG management”—and we aim to be an “Essentials Innovator for Supporting Life,” committed to a prosperous society and cycle of nature. In that way, we hope to resolve social and environmental issues through our business activities.

For FY2022, this report has been rebranded as the Kubota Group ESG REPORT, and the opening pages disclose information such as that relating to how materiality (material issues) is identified, as part of our efforts to further promote K-ESG management. Later on in the report, we provide details about the initiatives that form the basis of our ESG efforts. We strive to build relationships with all stakeholders to gain their empathy and participation, and we do this through an approach to information disclosure that is open and transparent.

Period covered by the  
ESG REPORT 2022

From January 2021 to December 2021

\* Matters outside the above period are partially included.

Boundary of the  
ESG REPORT 2022

In principle, the entire Kubota Group is covered.

\* Some statements may refer to the non-consolidated Kubota.



\* For details of SDGs (Sustainable Development Goals), please see the United Nations Information Centre website.  
[www.un.org/sustainabledevelopment/](http://www.un.org/sustainabledevelopment/)

Guidelines consulted

- GRI Sustainability Reporting Standards, 2016, Global Reporting Initiative  
GRI content index can be found on p.173.
- ISO 26000, guidance on social responsibility  
A comparison chart for the guidelines above can be found on p.181.
- Environmental Reporting Guidelines 2018, Ministry of the Environment

Environmental Report

The Environmental Report contains the results of environmental activities carried out by Kubota Corporation as well as 174 consolidated subsidiaries and 8 affiliated companies accounted for under the equity method (partial).

Financial Report

Kubota Corporation and its subsidiaries (hereinafter, the “Company”) have adopted International Financial Reporting Standards (hereinafter, “IFRS”) instead of accounting principles generally accepted in the United States of America (hereinafter, “U.S. GAAP”) from the beginning of the fiscal year ended December 31, 2018. The figures for the fiscal year ended December 31, 2017 are also displayed in accordance with IFRS. Kubota Corporation and 197 affiliates (183 subsidiaries and 14 equity method affiliates)

Social Report / Others

The Social Report covers social activities carried out by Kubota Corporation and some of its affiliates.

Main information disclosure tools	Details
Kubota's corporate website	A website that encompasses everything to do with the Kubota Group, including our Long-Term Vision, GMB2030, and Mid-Term Business Plan 2025.
Kubota Group INTEGRATED REPORT	An annual report that focuses on Kubota's approach, based on management strategies that take a medium-to-long-term perspective, and its future outlook.
Kubota Group ESG REPORT	An annual report that provides particular detail on Kubota's ESG-related initiatives.
Corporate Governance Report	A report listing details of systems and policies based on Kubota's Corporate Governance Code.
Annual Securities Report	An annual report that provides particular detail on Kubota's finances.

## CONTENTS [Kubota Group ESG REPORT 2022]

1	Editorial Note	93	Social Report
3	The Founding Spirit of Kubota's Founder, Gonshiro Kubota	95	Targets and Results Concerning Social Aspects
4	Corporate Principles	97	Relationships with Our Customers
5	Top Message	107	Relationships with Business Partners
7	GMB2030—Our Long-Term Vision Looking 10 Years Ahead	110	Relationships with Our Shareholders and Investors
9	Materiality and Promoting ESG Management	112	Relationships with Employees
11	The Kubota Group's Path and Contribution to the SDGs	138	Involvement with Local Communities
13	Financial & Non-financial Highlights	149	Governance Report
17	Farm & Industrial Machinery	151	Corporate Governance
18	Water & Environment	169	Third-Party Comments
19	Environmental Report	171	Corporate Information
21	Environmental Management Basic Policy	173	GRI Content Index
26	Environmental Vision	181	ISO 26000 Comparison Table
31	Medium- and Long-Term Environmental Conservation Targets and Results		
36	Environmental Management Promotion System		
38	Mitigating and Adapting to Climate Change		
50	Working towards a Recycling-based Society		
54	Conserving Water Resources		
57	Controlling Chemical Substances		
60	Conserving Biodiversity		
64	Expanding Environment-friendly Products and Services		
72	Environmental Management		
77	Environmental Communication		
81	Environmental Data		
91	Third-Party Assurance of Environmental Report		





# Founded in 1890

Ever since its founding, Kubota has been tackling global issues related to food, water, and the environment.

In 1890, Gonshiro Kubota, the founder of the Kubota Group, started his metal casting business at the age of 19. Inheriting the founder's beliefs to this day, 40,000 employees of the Kubota Group are promoting the company's businesses all over the world as part of their efforts to make the Kubota Group "Global Major Brand Kubota."

The Founding Spirit of Kubota's Founder, Gonshiro Kubota

- For the prosperity of society, we need to put all our efforts into creation.
- Our products should not only be technically excellent, but also useful for the good of society.
- We should create products with all our heart and soul, and realize the commodity values of such products in correct definitions.

## Corporate Principles

### Kubota Global Identity

#### Spirits

- Work for the development of society by drawing on all of our capabilities and know-how to offer superior products and technologies.
- Build today and open the way to tomorrow, with the aim of bringing prosperity to the company and happiness to employees.
- Challenge the unknown with creativity and courage.

#### Brand Statement

## For Earth, For Life

### Kubota

For Earth, For Life —

the Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth.

#### Mission

Food, water, and the environment are indispensable for human beings. The Kubota Group continues to support the future of the earth and humanity by contributing products that help the abundant and stable production of food, help supply and restore reliable water, and help create a comfortable living environment through its superior products, technologies, and services.

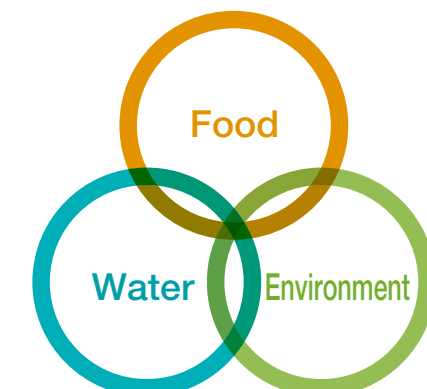
The world has many problems in the areas of food, water, and the environment, which are indispensable for human beings.

Those problems are not separate themes, but linked closely to each other.

The population growth has a great influence on environmental changes, brings problems to water resources, and leads to the short supply of food.

The Kubota Group considers food, water, and the environment as a singular theme and contributes to solve problems in these areas.

**KUBOTA GLOBAL LOOP = Relations among food, water, and the environment**  
Food, water, and the environment are not separate themes, but linked closely to each other.







**Yuichi Kitao**

President and  
Representative Director,  
Kubota Corporation

## Aiming to be an “Essentials Innovator for Supporting Life,” committed to a Prosperous Society and Cycle of Nature

**We will help to bring about a more sustainable society by promoting unique Kubota K-ESG management to achieve the goals of “GMB2030,” our Long-Term Vision.**

While the world has been suffering under the COVID-19 pandemic, other social and economic issues—including climate change, natural disasters, and problems concerning demographics, resources, and geopolitics—are also more pressing than ever. However, the world has set itself common goals such as the SDGs or the Paris Agreement, and companies have a growing need to fulfill their social responsibilities.

The Kubota Group, on the landmark milestone of its 130th anniversary, launched its GMB2030 Long-Term Vision and Mid-Term Business Plan 2025. The Kubota ideal for the future is to be committed to a prosperous society and cycle of nature by aiming to be an “Essentials Innovator for Supporting Life.” By providing solutions that can address issues in food, water, and the environment—fields without which people cannot live—we believe that we can make ourselves indispensable to society. In addition to further developing our existing business, we hope to be able to provide three new types of solutions by having each business field work together and effect each other and building a variety of business partnerships and ecosystems, namely solutions aimed at enhancing the productivity and safety of food, promoting the circulation of water resources and waste, and improving urban and living environments.

At the heart of our efforts to make our Long-Term Vision a reality are business operations that position ESG at the core of management. In order for Kubota to continue to be a

sustainable company, we will promote initiatives with a greater awareness of ESG than ever before. As a company engaged in the reduction of environmental impact and the resolution of social issues in its business activities in the areas of food, water, and the environment, we have defined the Kubota Group’s unique ESG measures as K-ESG—measures that are rooted in the Group’s corporate philosophy (the Kubota Global Identity). K-ESG management will provide the ethical and behavioral model to accomplish the goals of our long-term visions, GMB2030 and, afterward, GMB. To realize GMB2030, we will aim to raise corporate value on both the economic and social fields by focusing on four areas—solving environmental and social problems through business, accelerating innovation to solve problems, gaining empathy and participation of stakeholders, and building governance that increases sustainability—broken down into twelve important matters (materiality).

The “S” in K-ESG stands for “society,” which we take to also mean “stakeholders.” I would improve relationships with every stakeholder that shows “empathy” and “participation” with Kubota Group by enhancing and strengthening communication with them. Toward the year 2030, we will make efforts to contribute to the realization of a sustainable society by solving social issues related to food, water, and the environment, with bringing together the collective strengths of 40,000 people in the Group.

## GMB2030—Our Long-Term Vision Looking 10 Years Ahead

Our long-term goal is to realize “Global Major Brand Kubota (GMB Kubota),” which translates to “a company that can make the greatest contribution to society by earning the trust of the greatest number of customers.”

As we move toward a world in which it is normal to live a sustainable life, in order for the entire Group to share the direction that Kubota should take and accelerate the speed toward realizing these goals, we have formulated a Long-Term Vision—GMB2030—which looks 10 years ahead.

### Megatrends that attract Kubota’s attention

Achieving both economic growth and resource recycling  
(Circular economy)

Net zero greenhouse gas emissions  
(Carbon neutral)

A society where the marginal cost of products is close to zero through recycling and sharing

Formation of new small- and medium-sized community that is not obsessed only with global capitalism

### Social issues in the three fields of food, water, and the environment

Kubota’s initiatives to the global food challenge

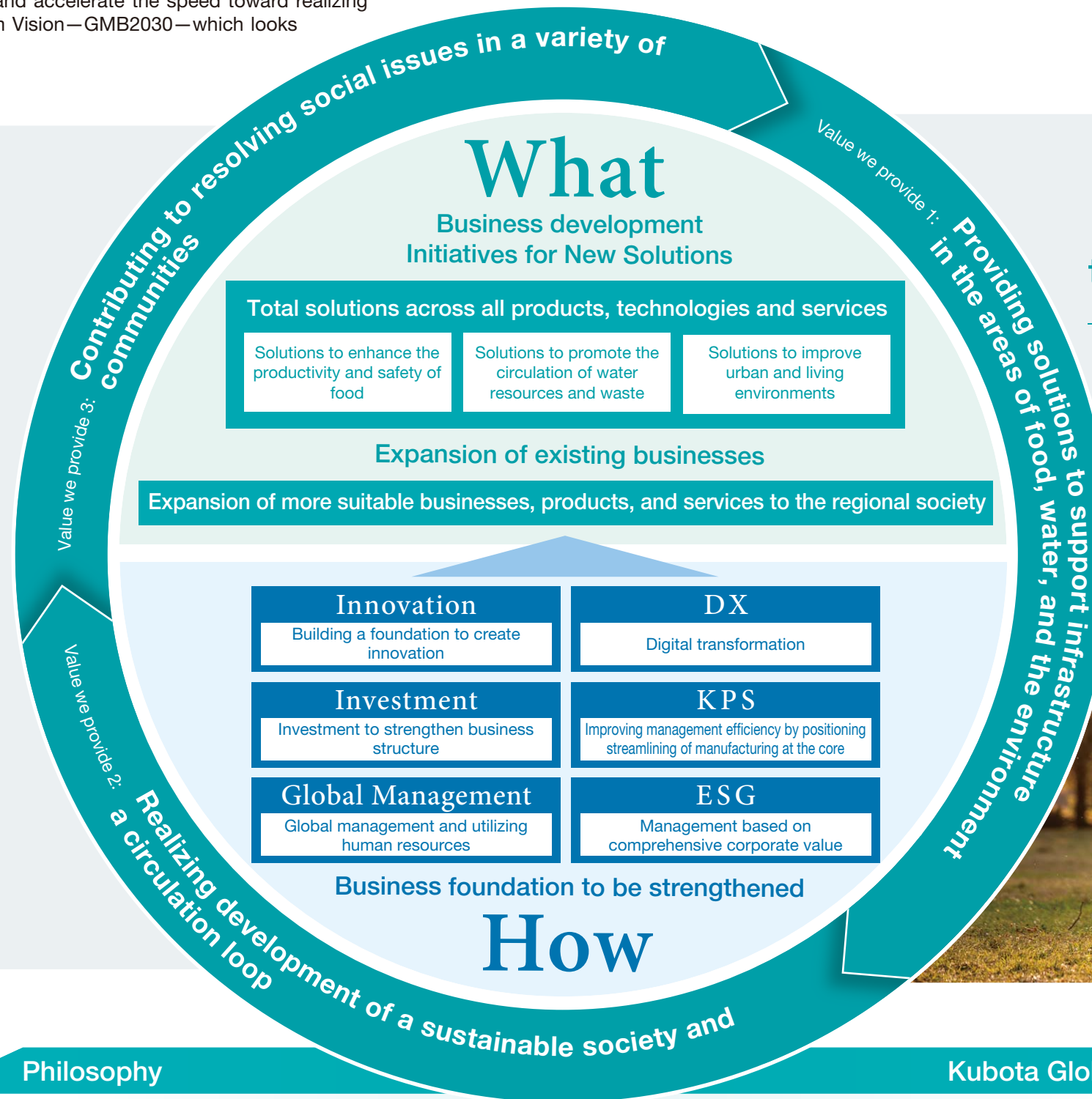
Forecasts Indicate Insufficient Food Resources and Fewer Agricultural Workers, Worldwide

Kubota’s initiatives in global water challenges

Serious Issues in Water Shortages, Floods, and Aging Infrastructure

Kubota’s initiatives to the global living environment challenges

Population Growth Spurs Urbanization, Raising Demand for Better Social and Industrial Infrastructure



## Our vision for the Kubota Group in 2030

An “Essentials Innovator for Supporting Life,” Committed to a Prosperous Society and Cycle of Nature



Realizing Global Major Brand Kubota

### Philosophy



#### Spirit of the Founder

“For the prosperity of society, we need to put all of our efforts into creation.”

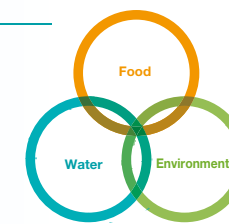
“Our products should not only be technically excellent, but also useful for the good of society.”

Founder: Gonshiro Kubota

### Kubota Global Identity

#### Mission

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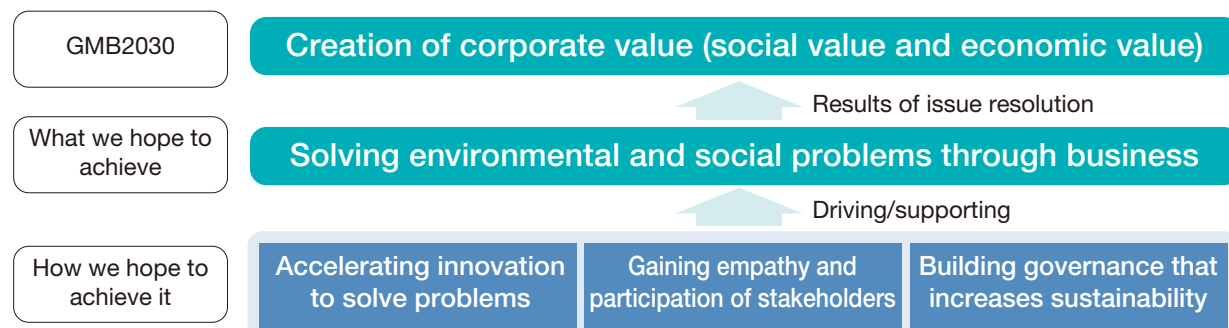


## Materiality and Promoting ESG Management

To accelerate efforts to achieve the goals of GMB2030, our Long-Term Vision, we of the Kubota Group are promoting our K-ESG management style as the core of our ESG-related management. We aim to create corporate value—that incorporates both social and economic value—by resolving environmental and social issues through our business activities. Also, to provide an ethical and behavioral model to achieve those GMB2030 goals, we identified twelve points of materiality in four areas.

Materiality and indicators of success are not set in stone; by periodically reviewing these, we will raise the level of our K-ESG management. By being able to set specific key performance indicators in the future, and steadily promoting efforts toward these, we aim to create corporate value through resolving social and environmental issues and to build relationships with all stakeholders that allow us to gain their empathy and participation.

### What is the thinking behind K-ESG management?



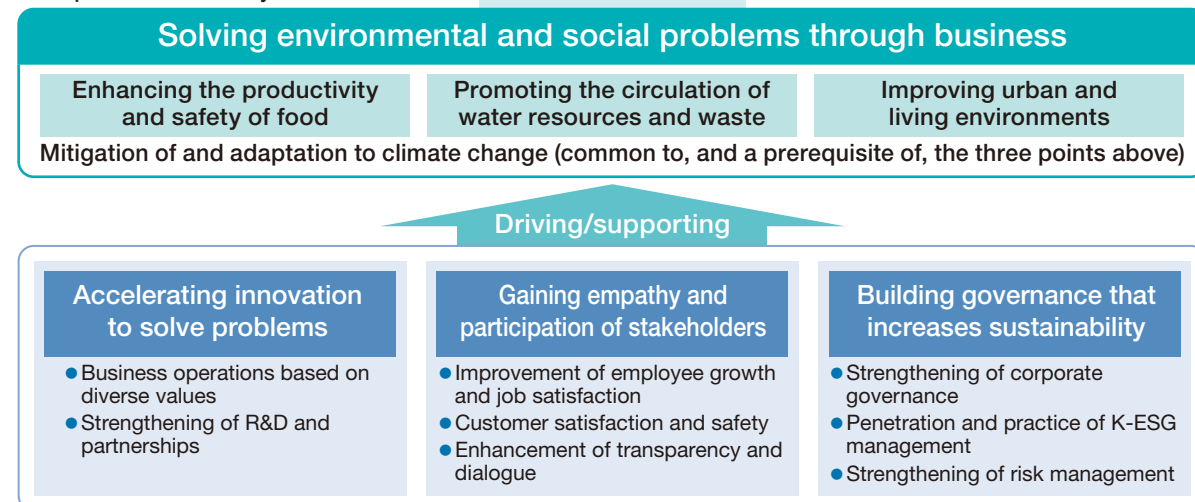
### Materiality for K-ESG management

#### Long-Term Vision

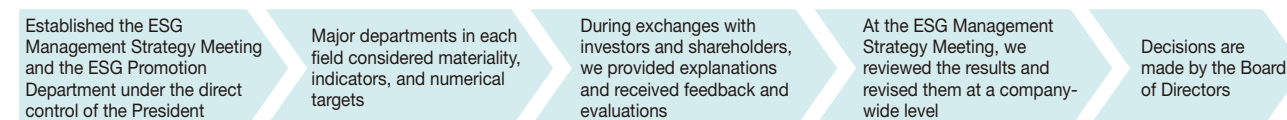
# GMB2030

An “Essentials Innovator for Supporting Life,” Committed to a Prosperous Society and Cycle of Nature

#### Twelve points of materiality in four areas



### Materiality investigation process



These four areas represent what we hope to achieve with our K-ESG management, which is at the heart of our efforts to achieve the goals of GMB2030, and how we intend to achieve it—i.e., how we can drive and support efforts. The twelve points of materiality were identified by considering our management direction and priorities, as seen in GMB2030 and the Mid-Term Business Plan 2025, and societal attitudes.

The ESG Management Strategy Meeting, under the direct control of the President, and individual departments that form the core of each field, considered indicators to measure the progress of each materiality. Of these, those deemed to be of particular import in achieving the goals of GMB2030, or those recognized as having high current relevance to—or demand from—society, were selected as representative indicators.

### Indicators related to what we hope to achieve (solving environmental and social problems through business)

	Materiality	Desired direction and value	Indicators
Solving environmental and social problems through business	Enhancing the productivity and safety of food	Create value by developing sustainable agriculture and constructing a food value chain, by using smart agriculture and new solutions	<ul style="list-style-type: none"> <li>Progress of smart agriculture and other new solutions</li> <li>Promotion of smartification and application of autonomous technologies</li> </ul>
	Promoting the circulation of water resources and waste	Create value by bringing about a recycling-oriented society and a natural recycling loop, by using resource recovery and new solutions	<ul style="list-style-type: none"> <li>Progress of resource recovery and other new solutions</li> <li>Status of resource recovery technologies</li> </ul>
	Improving urban and living environments	Create value by improving sustainable urban and living environments, by using water environment platforms and new solutions	<ul style="list-style-type: none"> <li>Progress of water environment platform and other new solutions</li> </ul>
	Mitigation of and adaptation to climate change	Help reduce society's greenhouse gas emissions overall, through our business activities (products and services) and through new technologies and solutions	<ul style="list-style-type: none"> <li>Emissions in Scopes 1, 2, and 3</li> <li>Progress of decarbonization efforts</li> </ul>

### Indicators for how we hope to achieve our goals

	Materiality	Indicators	Content and direction of indicators
Innovation	Business operations based on diverse values	<ul style="list-style-type: none"> <li>Proportion of female and foreign employees at Executive Officer level or above</li> <li>Proportion of female managers</li> </ul>	Whether, or not, there is diversity among managing executives Whether, or not, there is diversity among managers and the next generation of managing executives
	Strengthening of R&D and partnerships	<ul style="list-style-type: none"> <li>Patent Asset Index (total value of patent portfolio)</li> </ul>	Whether, or not, we have a high level of R&D capabilities and strength in innovation
Stakeholders	Improvement of employee growth and job satisfaction	<ul style="list-style-type: none"> <li>Employee engagement score</li> <li>DX personnel</li> </ul>	Achievement, or not, of an environment where employees can fulfill their maximum potential Presence, or lack, of DX-related capabilities, a common theme in our mid-term plans
	Customer satisfaction and safety	<ul style="list-style-type: none"> <li>Customer/dealer satisfaction</li> </ul>	Achievement, or not, of customer trust
	Enhancement of transparency and dialogue	<ul style="list-style-type: none"> <li>Evaluation level from outside evaluators</li> <li>Participation in social contribution activities</li> </ul>	Whether, or not, there is a high degree of transparency in our business management, when looked at objectively Whether, or not, we are giving due consideration and responding to non-business-related regional issues
Governance	Strengthening of corporate governance	<ul style="list-style-type: none"> <li>Evaluation level for the effectiveness of the Board of Directors</li> </ul>	Whether, or not, the executive side is acting to ensure the Board of Directors fulfills its roles and functions
	Penetration and practice of K-ESG management	<ul style="list-style-type: none"> <li>Permeation of K-ESG management</li> </ul>	Whether, or not, the way of thinking behind K-ESG management, the ethical and behavioral model to achieve the goals of GMB2030, has taken root
	Strengthening of risk management	<ul style="list-style-type: none"> <li>Response to human rights due diligence</li> </ul>	Whether, or not, human rights risks in the supply chain are minimized