



GS Yuasa Corporation

# CSR Activities in 2020

Web version



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Every year, the GS YUASA Group announces its views toward CSR and the status of related initiatives on its GS YUASA websites. This PDF file has been prepared to allow readers to refer to the information released in the 2020 fiscal year through the contents of the "CSR Activities" website, of the sites of our.

# President's Message

## President's Message

### Become an energy device company that continually creates new value



As the first in Japan to successfully manufacture lead-acid batteries, and first worldwide in achieving mass production of lithium-ion batteries for electric vehicles, our high level of technological expertise is demonstrated by products that deliver stable performance even in extreme and highly demanding environments, such as in deep sea research submersibles, aircraft, space satellites, etc. We are also meeting the expectations of our stakeholders through engagement in next-generation vehicle development, the renewable energy sector, and infrastructure applications. I am confident that these efforts are the result of practicing our corporate philosophy of being committed to people, society and the global environment through the innovation and growth of our employees and business entities.

In May 2017, we formulated as the President's Policy the GS Yuasa CSR Policy and Code of Conduct, which clarifies this corporate philosophy, and in April 2018 we signed the U.N. Global Compact (UNGC), which aligns with our own CSR policies and values. Our business companies have set up a CSR Committee to put into practice the Four Areas and Ten Principles the UNGC asks of companies, as well as the sustainable development goals (SDGs) adopted by the United Nations and our CSR policies. We are working to contribute to a sustainable society through our business activities.

Society and markets continue to change along with the times. To ensure we continue to respond to the expectations of our shareholders, we have set out a long-term vision to become an energy device company that continually creates new value. The role expected of energy devices in helping to realize a sustainable society will become increasingly important, and going forward, we will continue to listen seriously to feedback from a variety of stakeholders as we take on the challenge of creating new value to make ourselves needed by society.

Osamu Murao

President  
GS Yuasa Corporation

## ■ The Ten Principles of the United Nations Global Compact

### <Human Rights>

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### <Labour>

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### <Environment>

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### <Anti-Corruption>

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

**WE SUPPORT**





# CSR Policy and Code of Conduct

## CSR Policy and Code of Conduct

The GS YUASA CSR Policy and Code of Conduct, formulated in May 2017 as the President's Policy, have become the foundation of the Group's CSR activities. In the GS Yuasa Group, we carry out business in accordance with the CSR Policy and Code of Conduct in order to ensure the sustainable development of society and business.

### CSR Policy

Besides legal compliance, we respect international norms, guidelines, and initiatives related to social responsibility, work on sustainable development of our business through developing energy storage technologies, and contribute to people, society, and global environment.

#### 1. Developing Fair, Transparent, and Sound Business, and Anti-Corruption

GS YUASA conducts a transparent business policy which aims to earn the trust of customers, business partners, shareholders, and of local communities as a top priority. And to adhere to laws and regulations of each country and region. Furthermore, we address to prevent any kind of corruption, will not tolerate any illegal political contribution, bribery of public officials, and will not have relationships with personnel or organizations of organized crime.

#### 2. Respect for Human Rights

GS YUASA will respect all human rights and fundamental labor rights, and will not tolerate any forced labor or child labor. We will also respect diversity, without any discrimination being tolerated.

#### 3. Conservation and Improvement of Adequate Working Environment

GS YUASA will provide safe and comfortable working environments for employees. Proper management will be provided in order to promote mid to long-term development of human resources.

#### 4. Fulfillment of Our Responsibilities to Provide Safe and Secure Products and Services

GS YUASA ensures the safety and quality of products/services to the end of their lifecycle throughout manufacturing. Furthermore, GS YUASA honest provides clear safety information for all products/services.

## 5. Global Environmental Conservation

GS YUASA addresses to prevent pollution, and to mitigate climate change, and to establish a sound material-cycle society through using sustainable resources.

## 6. Building Better Relationships with Local Communities

GS YUASA will contribute to sound and sustainable development of local communities through building better relationships with their local communities.

## 7. Ensuring Social Responsibility within Our Supply Chain

GS YUASA will promote actions to ensure social responsibility within our supply chain.

Date : May 1, 2017  
GS Yuasa Corporation  
President Osamu Murao

## CSR Code of conduct

### 1. Developing Fair, Transparent, and Sound Business, and Anti-Corruption

#### 1-1. Compliance

- (1) We respect international and regional norms, guidelines, and initiatives, and also strictly comply with the laws and regulations in each country and region in which we operate.
- (2) As a member of the international community, we will comply with the export control laws and regulations of each country in order to maintain international peace and security, and we will not export in a manner to spread materials which could lead to the proliferation of weapons of mass destruction.

#### 1-2. Elimination of mixing up official business with personal affairs

We will never conduct to bring damage to the company, through misappropriation of corporate assets and corporate expenses only for one's personal ends or else with misfeasance allowing one's personal advantage.

#### 1-3. Fair, Transparent and free competition and trade

- (1) We will not engage horizontal agreements (cartel) through meeting and participation to trade association's activities, i.e. price and quantity fixing as well as exclusivity in distribution of products and services. Upon receipt of such proposal, we decline clearly without leaving no doubt to be misunderstood. To this extent, we will never act in collusion with other contractors, nor to fix the winning bidder and/or contract price.
- (2) We never act in abuse of dominant position, to take advantage of subcontractors, i.e., withholding the amount of subcontract payments without reasons attributable to the subcontractor or failing to make payment after the lapse of the due date of payment, or obtaining undue or improper advantage. Also, upon issuing our order to subcontractors, we will retain the written offer on paper or electronic record.

- (3) We will not obtain or use trade secret or data of other companies or firms in an unauthorized way.
- (4) We will not leave product labelling or service information inexact or unclear in a manner to cause customers misunderstanding.

#### 1-4. Management of confidential information

- (1) We observe the protection of confidential information and its appropriate use; then, at the event of disclosure to the third parties, we will disclose only after concluding confidentiality agreement.
- (2) We will observe the protection and appropriate use of confidential information received from our business partners and co-researchers or co-developers; We will not disclose to the third parties without the prior consent of the disclosing party.
- (3) Before assembling personal information, we will at first notify the purpose of use, and then collect in an appropriate way. The purpose of using personal information is to be limited and specified.
- (4) We will conserve personal information data in safety and control its use, then monitor in a suitable way the employees and subcontractors using/handling these data.
- (5) We always respect the individual privacy, so need to pay the most attention in handling their confidential information, learned from one's business relations or in the course of business, and at last, not to inform or leak to anyone without authority.
- (6) We will not commit so-called ""insider trading"", act of making max profit in stock and security exchanges transaction thanks to privileged acknowledgement of internal information, within our group and received from business partners.

#### 1-5. Respect for intellectual property

- (1) We will research sufficiently third parties' patents, industrial designs, trademarks and other intellectual property rights, prior to development, production, commercialization and delivery of, or providing our products and services.
- (2) We will not use intellectual property of a third party without authorization of intellectual property holder, unless we have a justifiable reason.
- (3) We will not unlawfully duplicate any software and other copyrighted works, i.e., Literature and images, Journalistic articles, Paintings, Music.

#### 1-6. Separation from organized crime

- (1) We will not provide any form of benefit in excess of the normal shareholder's right to any person or company associated with organized crime.
- (2) We will cut off business or any other relationships with individuals and organizations having an indication of support for organized crime.

#### 1-7. Transparency of information disclosure

We will disclose, within a specific time limit and with appropriate method, any information required by laws and regulations of each country and region in which we operate, as well as specific information to maintain good communication with other stakeholders and local communities.

#### 1-8. Legal compliance for political funds control

We will not contribute for political funds, requesting some business advantage in return, such as acquisition or maintenance of trading, or access to nondisclosure information. Also, we will comply with the conditions stipulated by the laws and regulations of each country and region in which we operate before making political contributions.

#### 1-9. Prohibition to offer entertainment or gifts to public employees

We will not offer money, entertainment, gifts, or other economic benefits, nor provide advantages to public employees or equivalent persons perceived as a conflict of interest.

#### 1-10. Sound relationship with business partners

We will endeavor to maintain sound business relationships with our business partners; therefore we will not receive money, gift or entertainment offered from business partners exceeding commonly accepted limits.

## 2. Respect for Human Rights

#### 2-1. Prohibition of discrimination and respect for diversity

We will respect and honor diversity and will not discriminate anyone for any reason, including race, gender, sexual identity, nationality, national origin, disability, and religious or political opinions.

#### 2-2. Respect for individual personality

We will not condone the removal of human rights of any individual person, including sexual harassment and power harassment, nor the reduction of personal dignity of others.

#### 2-3. Respect for labor rights

We will respect labor rights including freedom of association and collective bargaining rights, in accordance with the laws of each country and region in which we operate.

#### 2-4. Prohibition of forced labor and child labor

We will neither force labor, nor employ children under the legal working age. Furthermore, we will not tolerate forced labor or child labor in any way.

#### 2-5. Avoidance of complicity in human rights abuses

Directly or indirectly, we will not be complicit in human rights abuse.

## 3. Conservation and Improvement of Adequate Working Environment

#### 3-1. Conservation and improvement of safety and health in working environments

We will maintain and improve working environments from the perspective of health and safety in accordance with laws and regulations of each country or region in which we operate.



### 3-2. Ensuring appropriate working hours, securing minimum wages and prohibiting unreasonable wage reduction

- (1) We will provide management in order to maintain appropriate working hours and will make every effort to take measures to prevent mental and physical health disorders caused by overwork.
- (2) We ensure that the salaries we pay are over the minimum wage of each country or region in which we operate, and that there will be no unreasonable reduction.

### 3-3. Mid to long-term human resources development and appropriate ability assessment

We will make every effort to proactively support career development in accordance with each employee's abilities and aptitudes. Performance of each employee will be assessed adequately.

### 3-4. Respect for individual work-life balance

We will make every effort to respect diverse working styles, so as to ensure work-life balance and to maintain physical and mental health of employees.

### 3-5. Offer of equal employment and working opportunities

We will offer equal opportunities in recruitment and promotion, as well as forbid any arbitrary or discriminatory treatments.

## 4. Fulfillment of Our Responsibilities to Provide Safe and Secure Products and Services

### 4-1. Focus on safety and quality

We will address to prioritize safety and quality throughout our business. For this purpose, we will strive to provide safe products and services to maintain and improve satisfied quality for customers, through all our business activities which are research & development, design, procurement, production, sales and after-sales service.

### 4-2. Making Safety Information accessible

We clarify Safety Information on our products and services. Safety Information includes Instruction manuals supplied with products, Labelling of products, Web portal communication, etc. We will make Safety Information accessible for customers as well as for any other stakeholders involved in commercialization of our products and services.

### 4-3. Solutions in case of Product accidents

We address to prevent spin-off effects on the extent of damages of accidents as well as swiftly react in case a serious accident occurs on our product or service. And also, we investigate and collate the relative facts, research of causalities, make a necessary report on these inside and outside our company group, and then we disclose information so as to take preventive steps.

## 5. Global Environmental Conservation

### 5-1. Promoting environmental protection

- (1) We will evaluate environmental impact resulting from our business activities, products and services; strive for environmental protection (including prevention of pollution) through energy saving, greenhouse gas reduction, efficient use of raw materials and water as well as waste reduction and recycling; and aim to increase our environmental performance through continuous improvement of these aspects.
- (2) We will address to reduce the environmental burden resulting from the activities conducted at each stage of the life cycle of products and services, from acquisition of raw materials, development and design/conception, production, transportation, use, until end-of-life treatment and final disposal.
- (3) We will satisfy environmental needs corresponding to comply with environmental laws and regulations. In addition, if necessary, we address to develop our environmental risk management with operational control by voluntary management standards and for preventing accidents likely to lead to environmental pollution.

### 5-2. Providing environmentally conscious products

We will contribute to the environmentally conscious society through the provision of products and services corresponding to the environmental requirements.

## 6. Building Better Relationships with Local Communities

### 6-1. Contribution to the sustainable development of communities

We recognize that we are member of the community and we aim to work together in cooperation with the local community which is our foundation. We will respect local culture and customs.

### 6-2. Adoption of local human resources

We will actively adopt local human resources in the business activities of our overseas affiliates and contribute to the development of local communities through our business activities.

## 7. Ensuring Social Responsibility within Our Supply Chain

### 7-1. Responsible Procurement promotion

We will share responsible procurement guideline among our suppliers, then address to promote Responsible Procurement upon interactive cooperation, aiming to ensure our social responsibilities across overall supply chain.

Date : May 1, 2017  
GS Yuasa Corporation  
President Osamu Murao



**Our CSR management, in which we seek to contribute to a sustainable society and ensure long-term commerce, forms an integral part of our aim to realize our corporate philosophy.**

## GS Yuasa Group's CSR

"Innovation and Growth", our corporate philosophy, is the basis of the GS Yuasa Group's CSR. By developing new technologies and reforming our business processes without being bound by convention, we aim to generate innovation and, as a result, drive sustainable growth by expanding earnings and contributing to people, society, and the global environment. This is the basis of our CSR. Furthermore, by responding swiftly through our business to global social issues and the needs and expectations of interested parties, we aim to become a company in which society places long-term trust and hopes for us to remain a presence into the future.

➤ [See details of GS Yuasa's philosophy and Management vision](#)

## CSR Promotion Framework

Our Group has established an organizational framework to promote CSR through our business and to make continuous improvements. In order to supervise the CSR activities of the entire Group, we have designated the company President as the chief commanding officer for the promotion of CSR and set up the post of officer in charge of CSR, who is appointed by and works directly under the president. In addition, the CSR Committee, which is chaired by the officer in charge of CSR and comprises persons responsible for CSR in business divisions, Group companies, etc. as members, discusses, promotes and plans CSR activities throughout the Group as a whole. After important matters relating to the promotion of CSR in the Group, including CSR Policy, have been discussed in the CSR Committee, they are decided by the Board of Directors and management meetings.

### ■ CSR Promotion Framework



## CSR Promotion Process

The GS Yuasa Group has established a process based on our CSR promotion plan that advances CSR-related initiatives through business activities. The goal of this process is to achieve enhanced corporate value and stakeholder satisfaction by building a mechanism based on a corporate philosophy which reflects the Group's enduring corporate values.

We have formulated management and CSR policies to serve as evaluation criteria for decision-making to facilitate realization of our corporate philosophy. Regarding the major areas of CSR policy, we have compiled the CSR Code of Conduct, which clarifies the specific direction of CSR activities, and individual policies clarifying concrete behavioral standards in CSR activities.

Our business strategy process incorporates planning designed to realize CSR policy. Corporate planning is formulated to ensure social and corporate Group economic growth and sustainability which fulfills stakeholder needs and expectations while addressing social issues. Achieving this planning requires application of multiple management systems based on existing business processes. Performance of operational processes relies on reevaluation by the CSR Committee, chaired by the officer in charge of CSR, with continuous improvements as necessary.

Meanwhile, our CSR Manual, detailing the Group's CSR Policy, is distributed to each employee to ensure Company-wide CSR promotion. Behavioral standards underpinning the CSR Policy are clarified for employees in Q&A sections and columns covering key topics, along with a checklist for employee self-assessment of behavioral conformity with CSR Policy. The CSR Manual is translated into 6 languages for use among local-hire employees in our overseas Group companies to ensure full comprehension of Group policy. Our goal is to promote CSR directionality and to implement CSR through our business activities based on a common understanding of CSR shared by all Group employees in Japan and overseas.

### ■ CSR Promotion Initiatives

Phase	Period	Target
First stage	FY 2016-17	Create processes to deal with the CSR issues in relation to our business strategy (Fourth Mid-Term Management Plan)
Second stage	FY 2018	Analyze and evaluate our performance using these processes and then make improvements
Third stage	FY 2019	Establish business processes that incorporate CSR issues into our business strategy (Fifth Mid-Term Management Plan)
Fourth stage	FY 2019 onward	Implement CSR activities in all of our business processes to ensure sustainable social and corporate growth.



■ Overview of CSR Promotion Process



TOPICS

CSR Promotion Activities at Overseas Group Companies

We actively conduct CSR education at overseas sites to encourage overseas Group companies to undertake effective CSR measures.

We periodically distribute an e-mail newsletter (the CSR e-mail newsletter) with easy-to-understand explanations of basic CSR terminology and Group CSR policies. At overseas Group companies, the CSR e-mail newsletter is translated into six languages that local employees can understand and use for CSR training provided to all employees.

At PT. Yuasa Battery Indonesia (YBID) and PT. Trimitra Baterai Prakasa (TBP), both of which are located in Indonesia, training for raising CSR awareness is conducted through employee dialogues on each educational topic. At Inci GS Yuasa Aku Sanayi ve Ticaret Anonim Sirketi in Turkey, and GS Battery Vietnam Co., Ltd (GSV) in Vietnam, the code of corporate ethics adopted by the company is used as a topic of CSR training and case studies on anti-corruption and other issues are used to deepen understanding of corporate ethics.

Since we believe that it is necessary for all employees including those at overseas Group companies to have a sense of ownership regarding CSR, we will continue to conduct CSR training throughout the Group in the future.



CSR Training at YBID (FY 2018)



A CSR course at TBP (FY 2018)

# Materiality

## Incorporating Materiality (Key CSR Issues) into Group Business Strategy

To reflect CSR issues in our business strategy, the GS Yuasa Group analyzes and assesses the impact on business and the impact of our business on society and then clarifies the Group's materiality for items that need to be addressed. Regarding the specified materiality, as necessary we have set targets relating to our business strategy and, to achieve those targets, have formulated concrete activity plans and key performance indicators (KPIs) to gauge progress in achieving the goals.

Materiality is periodically revised by the GS Yuasa Group CSR Committee in accordance with evolving stakeholder needs/expectations and social issues. When incorporating materiality into business strategy, the CSR Committee formulates plans that will lead to enhanced stakeholder satisfaction through the strengthening of our corporate infrastructure and enhancement of corporate value.

The GS Yuasa Group aims for enhanced management of financial and non-financial operations, as well as for sustainable corporate and social growth through execution of business processes that incorporate materiality in the Mid-Term Management Plan.

### ■ Overview of CSR issues impacting sustainable growth in our Fifth Mid-Term Management Plan

Category	Topic	CSR Issues Relating to Sustainable Growth	Details of Main Plans and Targets
E	Contribute to sustainability of the global environment	<ul style="list-style-type: none"> <li>• Development and global sales of environmental considerations products</li> <li>• Reduction of environmental burden of business activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Group-wide CO<sub>2</sub> emission reduction target: 6%/3 years</li> <li>▪ Group-wide water use reduction target: 8%/3 years</li> <li>▪ Ratio of environmental considerations products to overall sales: 35%</li> </ul>
S	Respect for human rights and contribution to society	<ul style="list-style-type: none"> <li>• Respect for human rights</li> <li>• Enhancement of productivity and motivation through human resources development</li> <li>• Enhancement of work environments and occupational health and safety</li> <li>• Products and information sharing that is reassuring to consumers</li> <li>• Contribution to the addressing of societal issues with responsible procurement and reduction of procurement risks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhance human rights education and human rights risk management</li> <li>▪ Nurture autonomous-minded human resources and establish groundwork for utilizing diverse human resources</li> <li>▪ Promote measures to improve work-life balance</li> <li>▪ Achieve group-wide quality improvement</li> </ul>

Category	Topic	CSR Issues Relating to Sustainable Growth	Details of Main Plans and Targets
G	Promotion of fair, transparent, and swift group-wide governance	<ul style="list-style-type: none"> <li>• Respect for international norms and compliance with laws of respective countries</li> <li>• Protection of intellectual property</li> <li>• Thorough management of confidential information</li> <li>• Swift and appropriate management decision-making</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote compliance education, preparation of legal information</li> <li>▪ Contribute to elimination of counterfeit goods and bolster patent infringement prevention activities</li> <li>▪ Management that is mindful of the corporate governance code</li> </ul>

\*CSR issues relating to sustainable growth are categorized as E (environment), S (social) or G (governance).

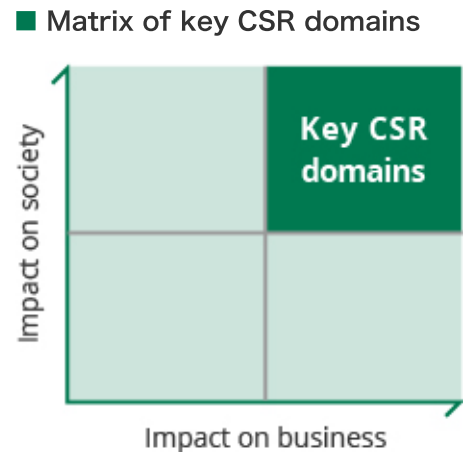
## Materiality Specification Process

### Step 1: Identify risk and opportunity in CSR

For key challenges in the Mid-Term Management Plan, we identify risk in CSR (that hinders the resolution of these issues) and opportunity in CSR (that promotes the resolution of the issues). When identifying these risks and opportunities, our actions are based on international guidelines related to CSR.

### Step 2: Specify significant risk and opportunity in CSR

We evaluate and assign a score to the scale of the CSR risk and opportunity identified in Step 1 in consideration of the impact on business (possibility of occurrence x scale of impact on business), which enables us to specify risks and opportunities as key business challenges. Next, we evaluate the impact of our Group's business activities on society relative to these core business risks and opportunities based on the number of related CSR themes and social importance. We then specify risks and opportunities that will be key CSR domains.



### Step 3: Determine materiality

We order the core CSR risks and opportunities evaluated in Step 2 and then determine materiality in consideration of the response method to the risks and opportunities. In order to ensure the appropriateness of materiality, where necessary we also incorporate feedback from stakeholders through dialogue with outside experts.

## Materiality and Response Plan

Materiality determined by the GS Yuasa Group and summaries of its response plans are shown in the table below.

With respect to materiality shown in the table, we will conduct operation and management based on the measurable target management and management criteria, make ongoing improvements and perform effective maintenance and management. The details of the formulated plans will be reviewed and revised as necessary according to the status of changing circumstances and other factors.

When carrying out the Mid-Term Management Plan, the first year of which is fiscal 2019, we formulated new materiality response plans to address CSR issues relating to sustainable growth under the relevant plan. After summarizing the fiscal 2018 materiality response plans and reviewing the materiality, we established materiality response plans for fiscal 2019 and later.

### ■ Summary of Materiality Response Plans (fiscal 2019–2021)

Materiality	Activity outline	Scope of application	KPI (key performance indicator)
Thoroughly fulfilling our CSR and ensuring compliance	Provision of legal information and promotion of compliance training	Domestic	(1)Number of times compliance education information disseminated annually (2)Number of compliance training implementation topics
		Overseas	(1)Progress ratio of plans for overseas deployment of domestic compliance training system (2)Status of achievement of legal violation risk response plan
Respect and Protection for intellectual property	Thorough avoidance of infringement third-party intellectual property rights, promotion of the use of company intellectual property rights	Domestic	Achievement ratio of patent use plans in the ASEAN region and China
	Promotion of the enforcement against infringement products (expansion of access channels to overseas organizations, etc.)	Overseas	Achievement ratio of response plan to intellectual property infringement (imitation products)
Strict management of confidential information	Promotion of security measures and strengthening of illegal /inappropriate access monitoring	Global	Cyberattack response ratio at time of detecting high security alerts
		Domestic	Information leakage confirmation and response ratio at time of large data output
	Promotion of information security training	Domestic	Ratio of employees passing information security proficiency test



Materiality	Activity outline	Scope of application*	KPI (key performance indicator)
Respect for individuality	Promotion of compliance training and thorough dissemination of hotline report system	Domestic	Achievement ratio of human rights training plan
		Overseas	(1)Ratio of employees passing the harassment training proficiency test (2)Status of achievement of operational improvement plan for harassment report system
	Comprehensive human rights risk management	Domestic	Status of achievement of human rights risk response plan
Respect for Diversity	Promotion of development of the skills of women	Domestic	(1)Number of times training sessions supporting women's skill development are conducted annually (2)Ratio of women among new graduates recruited for career-track positions
Human resources development	Promotion of human resource development programs	Domestic	(1)Achievement ratio of training plan to support employee growth (2)Achievement ratio of worksite education plan using skill map
		Overseas	Achievement ratio of global human resources education plan
Enhancement of work environments and occupational health and safety	Promotion of the thorough management of employees' working hours and prevention of the recurrence of long working hours	Domestic	(1)Response ratio to prevent the recurrence of long working hours (2)Annual frequency of labor-management consultations relating to working hours (3)Operational achievement ratio of standard for number of days of paid leave taken annually (10 days/person or more)
		Overseas	Status of achievement of plan to reduce long working hours
	Promotion of labor safety and health risk management	Domestic	(1)Number of serious occupational accidents (2)Missed work frequency ratio (3)Number of workers not meeting our blood lead concentration management standards (4)Number of worksites in work management category III
		Overseas	(1)Number of serious occupational accidents (2)Missed work frequency ratio (3)Achievement ratio of plans for overseas deployment of worker blood lead management

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)
Provision of high-quality products	Promotion of quality improvement and strengthening of quality communication (utilization of quality management system)	Global	Achievement ratio of targets for claims and in-process defects
	Strengthening of maintenance service setup	Domestic	Status of achievement of product maintenance service system operational plan
	Promotion of product safety education	Global	Number of serious product accidents
Promoting environmental protection	Promotion of effective use of water resources	Global	Ratio of reduction of water use (compared with FY 2018)
	Contribution to realization of low-carbon society	Global	Ratio of reduction of CO <sub>2</sub> emissions (compared with FY 2018)
	Prevention of environmental pollution	Global	Number of major environmental accidents
	Improvement in ratio of use of recycled materials in products provided to markets	Global	Ratio of recycled lead used as lead raw materials in lead-acid batteries
Developing and popularizing environmentally considered products	Market expansion for our products contained in environmentally conscious products (for use in low-emission vehicles, etc.)	Global	Percentage of environmentally considered products in total sales of all products
	Development of products enhancing environmental performance	Domestic	Compliance ratios by lithium-ion batteries with life span performance standards
Responsible procurement promotion	Responses to responsible mineral procurement	Domestic	Responses to responsible mineral procurement
	Management of supplier CSR risks	Global	Achievement ratio of supplier CSR issues improvement plan

\*The scope of application may not cover all Group companies.

\*This plan is periodically reviewed, and as a result, there may be differences from the details of the plan disclosed last time.

[See here for detailed information concerning materiality response plans](#) 

## Developing Fair, Transparent, and Sound Business, and Anti-Corruption

**To gain the trust of society, we emphasize appropriate earnings through highly ethical conduct.**

Compliance with Laws, etc.

### Basic Philosophy on Promoting Compliance

By training our personnel according to our philosophy of innovation and growth while manifesting our commitment to society and preserving the global environment, we are ensuring that all employees are guided in their behavior focusing on compliance with laws, company regulations and ethical standards.

The Compliance Declaration made by the President states that success must never be achieved through legal and moral infringements and that "establishing rules and structure" and "developing a strong sense of commitment to realize compliance" are essential to becoming a corporate leader in compliance. Based on these guidelines, multifaceted compliance promotion activities are developed at every employee level, and each employee is encouraged to incorporate self-directed and proactive actions to yield an effective improvement in compliance awareness.

### Permeation of Compliance Awareness

The CSR Manual which delineates rules for adherence by every corporate Group member is distributed to all employees to facilitate permeation of compliance awareness.

The manual clarifies Group CSR policy and outlines behavioral standards which each employee must follow during business activities. To facilitate its usage as a tool for employees in gauging behavioral standards, the manual delineates following items:

- Concrete examples of compliance operations and the occurrence of compliance risks (explanations using a question and answer format and columns)
- Diagnostic checklist to help employees assess their own adherence to corporate behavioral standards.

The manual further details how to use the internal whistleblower system for simple risk detection and introduces an emergency contact system for use in a crisis to realize quick responses to compliance infringements.

## Workplace Meetings on CSR

Workplace meetings on compliance were initiated in fiscal 2012 as a means of allowing compliance awareness to permeate to each and every employee and have been conducted for eight consecutive years through till 2019.

Transitioning into "workplace meetings on CSR" from fiscal 2018, these meetings introduced topics aligned with CSR policy, and are now being expanded to 22 Group companies within Japan in addition to the 364 GS Yuasa workplaces. The educational materials used in the meetings have been made by the division in charge for each topic and include content related to the circumstances of the Group. Vigorous debates took place at many of the meetings held in fiscal 2019, and 97% of the workplaces rated them as meaningful. We intend to continue running these meetings and upgrading the content to ensure that it is both up-to-date and educational.

### ■ Examples of themes of CSR workplace meetings

- Defining CSR
- Preventing intentional wrongdoing
- Handling confidential information
- Subcontracting laws
- Personal information protection
- Security trade controls
- Intellectual property
- Respect for human rights
- Harassment
- Management of working hours
- Occupational health and safety
- Product safety
- Waste management
- Ensuring social responsibility within our supply chain

## GS Yuasa Group Corporate Ethics Hotline

We established GS Yuasa Group corporate ethics hotline regulations and set up a corporate ethics hotline. Accessible both internally and externally, the hotline enables employees, temporary workers, business partners and others to provide information anonymously if they become aware of behavior by a Group employee that violates the law or company regulations or is unethical or otherwise inappropriate or any matter that is at risk of becoming a violation. In fiscal 2019, we received seven reports relating to harassment and other matters. We conduct inquiries and take appropriate action, on these matters, while remaining committed to protecting whistleblowers.

### ■ Number of reports to the GS Yuasa Group corporate ethics hotline

FY	Number of reports
2015	8
2016	5
2017	6
2018	10
2019	7



## Elimination of Antisocial Forces

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The GS Yuasa Group clearly disavows contact "with personnel or organizations of organized crime" in our CSR Policy, while our CSR Code of Conduct similarly stipulates "separation from organized crime," stating a specific policy that, "we will not provide any form of benefit in excess of the normal shareholder's right to any person or company associated with organized crime" and "we will cut off business or any other relationships with individuals and organizations having an indication of support for organized crime." This policy and the Code of Conduct have been shared with all Group employees.

## Information Security

### Efforts to Ensure Information Security

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Our Group places importance on global efforts to ensure information security. Through the regular monitoring of communications by an outside security service, the introduction of an illegal connection detection system and other measures, we endeavor to prevent illegal access to our in-house network and forestall damage. To prevent the outflow of confidential information, we conduct the encryption of personal computer data taken outside the company and promote awareness-raising activities so that employees follow our procedures for the management of information system use, including the distribution of an information security handbook and the implementation of e-learning. Furthermore, based on Japanese security standards, we conduct surveys of security measures in overseas Group companies and give guidance to address vulnerabilities.

## Intellectual Property

### Efforts to Ensure the Protection of Intellectual Property

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We see intellectual property, the result of technological development, as one of our important assets.

Every year we file about 200 to 300 patent applications in Japan and about 100 to 150 overseas. Our basic policy is to protect our Group's outstanding technology through aggressive patent applications and to maintain the trust of our customers by eliminating imitation products.

Since fiscal 2019, we have been promoting efforts geared toward patent analysis and AI/IoT patents to supplement our ongoing slate of activities. We are also focusing on intellectual property risk aversion activities in our overseas Group companies and are affording intellectual property support to business promotion in our forefront and overseas divisions. We are also pursuing ongoing countermeasures, exposing and litigating against injurious overseas counterfeit goods, to ensure the reliability of available products for our customers.

## Transparent Information Disclosure

### Good Communication with Society

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We believe that for the GS Yuasa Group to achieve sustainable growth and increase corporate value, it is necessary that we undertake business activities while gaining understanding through positive dialogue with various stakeholders

In recent years, the asset investment of shareholders and investors has become increasingly diversified and strong interest in the environmental initiatives and stakeholder relationships of investment targets has developed. The GS Yuasa Group appropriately discloses not just financial information, but also material information relating to sustainability and works to enhance the transparency of management.

Through our disclosures on this CSR website, we seek to deepen mutual understanding and build trusting relationships through communications with a wide range of stakeholders by publicly disclosing accurate, understandable, and highly useful information regarding the Group's material impacts on society and the environment.

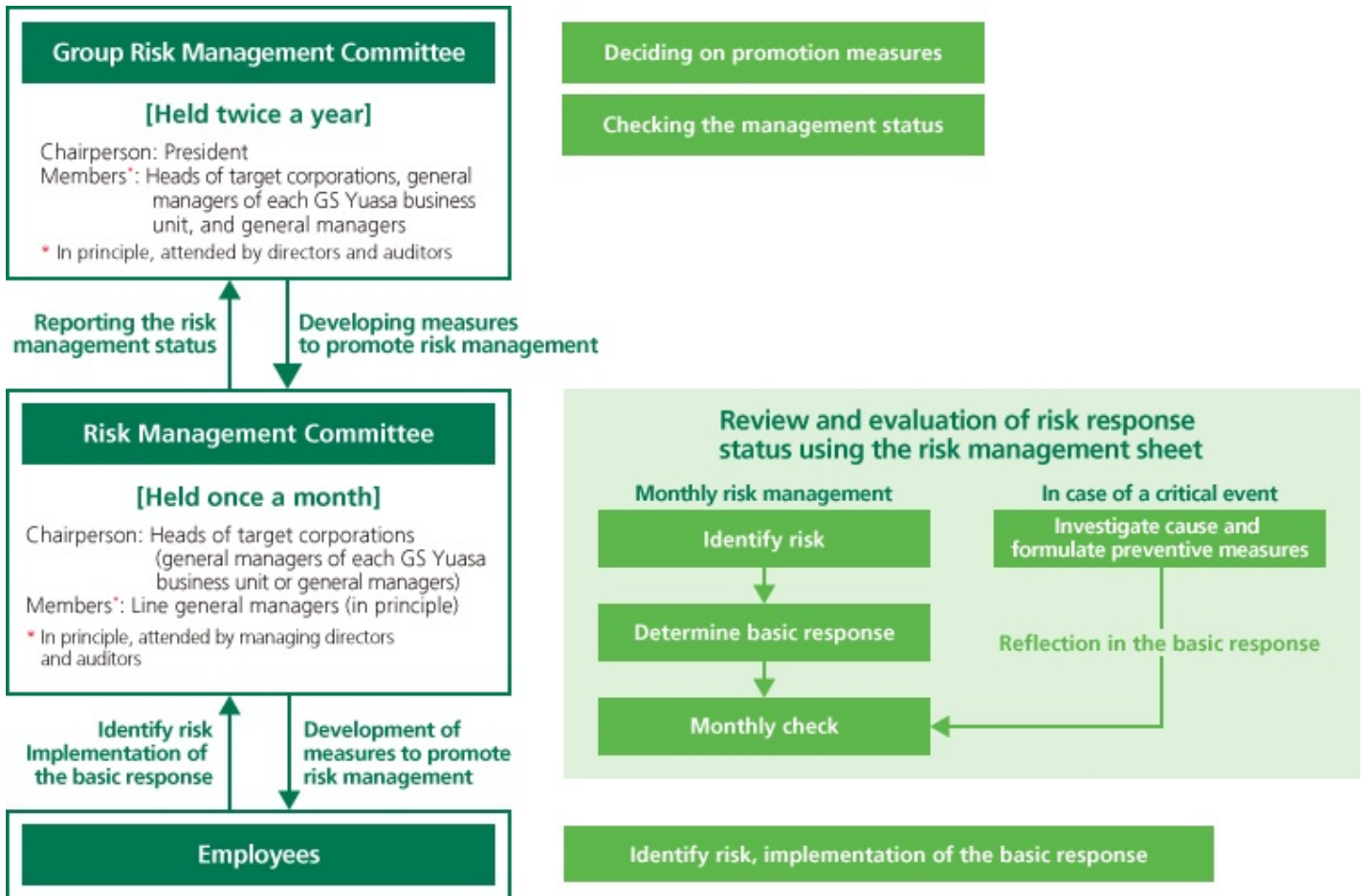
## Risk Management

### Basic Approach

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The GS Yuasa Group believes that risk management is essential for the lasting growth of the company. As our basic approach, the Group thinks that the following two points are important so that crises stemming from the escalation of risks do not exert a serious impact on the Group or on society. First, by predicting and understanding risks and adopting appropriate preliminary measures, the escalation of risks (outbreak of crises) can be prevented. Second, effective measures can be taken beforehand so that even if a crisis does occur, the loss is kept to a minimum. Based on this approach, to properly promote risk management, our Group has formulated risk management rules that stipulate the responsibilities of employees and our risk management promotion setup.

■ The structure and functions of risk management



## Risk Management Based on Risk Management Sheets

In accordance with the risk management rules, each department assesses risk using a risk management sheet. On this form, the department first fills in the measures it is taking as a basic response to mitigate the risks it has identified and to avoid any critical events as well as the policies to minimize loss if a critical event does occur. Each department confirms the status of implementation of these measures and related policies each month. The department also fills in the details of any critical events that occurred, as well as a summary of the response and the investigation into the cause and measures to prevent a reoccurrence. These preventive measures are fed back into the "basic response" and the status of implementation is checked each month to provide a framework that ensures that similar events do not happen again.

The risk management sheets produced by the departments are compiled at the divisional level with the director in charge of the division verifying and assessing the status of response through the Risk Management Committee. The deliberations by the committees are summarized and then fed back to each department as required, to enhance the effectiveness of risk management.

## Risk Management under the Group Risk Management Committee

The Group Risk Management Committee, headed by the president and consisting of the chairs of departmental Risk Management Committees, holds semiannual meetings to promote group-wide risk management and to encourage the sharing of key information related to risk management. The Risk Management Committee confirms that the appropriate risk management measures have been implemented and the committee chairs report on progress in this area. We also actively exchange opinions and share information on the different styles of risk management.

## System for Dealing with Crises

To prepare for the possibility that a risk materializes, we have established a system that includes an emergency contact network to swiftly implement crisis management. If a serious crisis occurs, members from the Group Risk Management Committee will be appointed to organize a crisis management headquarters, under the president, to minimize corporate losses, and an effective response will be implemented swiftly and with appropriate care.

➤ [See here for a summary of the Group's corporate governance.](#)

### TOPICS

#### Response to the COVID-19 pandemic

In order to prevent the spread of the novel coronavirus infection, our Group has implemented the following initiatives giving top priority to the safety of our customers, the local residents, concerned parties, and employees.

- Implementation of telecommuting and staggered office hours in workplaces where this can be implemented and not just in areas considered to be under declaration of a state of emergency
- Cancellation or postponement of meetings and events that are not urgent, along with Web and telephone conferencing alternatives
- Suspension of domestic and overseas business trips, in principle, along with Web and telephone conferencing alternatives
- Strict enforcement of health management including hand washing, gargling, alcohol disinfection, and wearing a mask
- Voluntarily refraining from going to work in case of poor health such as in the case of a fever

Note: Depending on the spread of the infection, this includes prevention measures that have been relaxed or partially lifted.

## Respect for Human Rights

The GS Yuasa Group believes that the rights of all people must be respected in order to realize our philosophy of contributing to people, society and the global environment.

### Prohibition of Discrimination and Respect for Diversity

#### Providing Fair Selection and Opportunity

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The GS Yuasa Group promotes fair employee selection, evaluation and training based on ability and performance. We prohibit discrimination in recruitment, personnel assessment and other employee circumstances. Also, we respect diversity irrespective of race, gender, sexuality, nationality, place of birth, disability, religion or political opinion.

### Respect for Labor Rights

#### Creating a Pleasant Workplace through Labor and Management Working as One

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The GS Yuasa Group companies in Japan promote a pleasant workplace through labor and management working as one. GS Yuasa International Ltd. has adopted a "union shop system" and as a general rule all regular employees, aside from management, are members of the labor union. Furthermore, we are pursuing business based on mutual understanding achieved through labor union recommendations and active discussion on management policies of the Group companies in Japan, including working conditions and benefit programs for employees. Through this relationship between labor and management, we are securing the objectivity and transparency of company management, while increasing the effectiveness of various initiatives.



## ■ Labor-Management Consultative Structure(Domestic Group Companies)

Name of Labor-management consultative body	Meeting frequency	Content
Management council	4 times/year	Company's management policies, business conditions and status of business execution, etc.
Divisional committee	Monthly	Issues for the respective R&D and business divisions
Factory committee	Monthly	Issues in production divisions
Health and safety committee (statutory)	Monthly	Initiatives to prevent occupational accidents
Expert committee on work hours	Monthly	Checking the status of work hours and making improvements
Expert committee on future generations	Twice/year	Child-rearing and nursing care support

## Prohibition of Forced Labor and Child Labor

### Basic Rules on Forced Labor and Child Labor

The GS Yuasa Group has established and enforces the basic rules on forced labor and child labor. We build a system to take immediate corrective action upon discovering forced labor or child labor by a supplier.

#### Prohibition of Forced Labor and Child Labor

We will neither force labor, nor employ children under the legal working age. Furthermore, we will not tolerate forced labor or child labor in any way.

#### Avoidance of complicity in human rights abuse

Directly or indirectly, we will not be complicit in human rights abuse.

## Responses to Laws and Regulations on Modern Slavery and Wage Disparities

The GS Yuasa Group complies with the laws and regulations of every country and region, taking all necessary steps to meet the provisions of the UK's Modern Slavery Act enacted in 2015 and the Gender Pay Gap Information Regulations enacted in 2017 as one of the activities involved in securing the transparency of business.

GS Yuasa Battery Europe Limited (GYEUR), an overseas Group company in the United Kingdom, has released statements on its website regarding these laws and regulations and information on the status of its undertakings. This company will continue to periodically release information in the future.

[Click here for relevant information \(link the GYEUR website\).](#) 

## TOPICS

### Grasping Human Rights Initiatives at Overseas Group Companies

To avoid and alleviate negative effects of business activities on stakeholder human rights, from fiscal 2017 the GS Yuasa Group launched efforts to grasp the status of human rights initiatives at overseas Group companies.

Specifically, our CSR promotion inspectors toured working environments and examined other aspects of overseas Group companies, confirming compliance with the legal systems in nations and regions where business is conducted and making comparisons with international human rights standards.

At certain overseas Group companies, issues have been encountered with internal whistleblower system and other procedures. Plans call for analysis and evaluation of these results to devise countermeasures in line with the cultures and customs of the nations and regions where business is conducted.

#### • Main inspection items

- Presence of forced labor, child labor, discrimination
- Work hours and wage management
- Respect for diversity (employment of persons with disabilities, promoting women's roles, etc.)
- Humane treatment (harassment, internal whistleblower system, etc.)
- Freedom of association
- Occupational health and safety, health care
- Comfortable working environments (job turnover, etc.)
- Human resources development, fair evaluation and personnel treatment systems

## Raise Employee Awareness toward Respect for Human Rights

### Promoting Human Rights Education

The GS Yuasa Group conducts employee education to implement business activities with respect for human rights.

The following enlightenment and education initiatives help employees to grasp various human rights issues and the importance of business activities keyed to human rights. When necessary, personnel participate in human rights management training sessions, nurturing and expanding knowledge vital in properly recognizing and evaluating human rights risks and their negative effects.

## ■ Human rights respect education

- Worksite training (meetings, discussions) in respect for human rights and avoiding harassment
- Distribution of booklets and internal e-mail newsletters designed to increase respect for human rights
- Distribution of our Group CSR policy manuals
- Human rights risk explanatory meetings targeting overseas site managers

## ■ Worksite Training on Respect for Human Rights and Harassment (FY 2019)

Company	Number of Worksites	Worksite Implementation Rate (%)	Average implementation time (hours)
GS Yuasa International Ltd.	364	100	1.4
Group companies in Japan	164	100	2.4
Total	528	100	1.9

\* Implemented for all GS Yuasa International Ltd. employees

## Conservation and Improvement of Adequate Working Environment

The GS Yuasa Group respects diversity and works to maintain and improve a pleasant working environment. We are also committed to developing human resources with an emphasis on workplace conditions.

### Provision of Comfortable Working Environment

#### Basic policy

The Group believes that the ability of everyone to fully demonstrate their capabilities and continue working in good physical and mental health is crucial and takes measures with an emphasis on worksites that facilitate work and providing meaningful work. We also strive to establish work environments that facilitate communication.

To progressively raise employee satisfaction, the Group moves to secure outstanding personnel, boost labor productivity and otherwise enhance its corporate competitiveness.

#### ■ Number and ratio of new employees (FY2019, domestic companies)

Age group	Number of new employees (person)		Ratio (%)		Breakdown of new employees (person)			
					New graduates		Mid-career employees	
	Male	Female	Male	Female	Male	Female	Male	Female
10's	36	2	17.2	1.0	36	2	0	0
20's	81	31	38.8	14.8	63	29	18	2
30's	40	7	19.1	3.3	0	0	40	7
40's	9	3	4.3	1.4	0	0	9	3
50's	0	0	0.0	0.0	0	0	0	0
60's	0	0	0.0	0.0	0	0	0	0
Total	166	43	79.4	20.6	99	31	67	12

## ■ Number of resignees and job turnover (FY2019, domestic companies)

Age group	Number of resignees (person)		Job turnover (%)	
	Male	Female	Male	Female
10's	0	0	0.0	0.0
20's	18	2	3.4	1.4
30's	13	3	1.9	2.7
40's	6	0	0.8	0.0
50's	7	2	0.8	1.9
60's	5	0	3.0	0.0
Total	49	7	1.6	1.5

## ■ Number and Breakdown of Employees (FY 2019, domestic business companies)

Types of employees	Number (persons)		Ratio (%)	
	Male	Female	Male	Female
Fulltime employee	2,959	466	86.4	13.6
Fixed-term employment	198	20	90.8	9.2
Total	3,157	486	86.7	13.3

## TOPICS

### Introduction of GLTD Program

The Group introduced a group long-term disability (GLTD) insurance program in November 2019 with the aim of creating an environment where employees can work with reassurance and expanding our benefits programs. If an employee requires an extended period of recuperation due to injury or illness, the GLTD program creates an environment that allows the employee to focus on recovery without worrying about income, supporting a rapid return to work. The program provides a certain level of income up to age 60 and adds supplementary benefits through the self-help efforts of employees.



# Conservation and Improvement of Safety and Health in Working Environments

## Top-Management-Promoted Health and Safety Measures

The GS Yuasa Group promotes company-wide endeavors to build a corporate culture of safety. Based on the Health and Safety Declaration by the President, our uncompromising commitment is to protect all employees from injury, sickness and other workplace issues.

The Health and Safety Policy sets forth the Group's basic thinking on the optimum approaches in this domain. Our Occupational Safety and Health Division is instrumental in strengthening health and safety management at both domestic business sites and overseas Group companies. We established organizational structures and carry out safety and health measures centered on safety and health committees established in individual business divisions and companies.

Some overseas Group companies have acquired certification of their occupational health and safety management systems in compliance with international standards. By effectively using systematic mechanisms based on the PDCA cycle, we are continuously improving safety and health performance. Domestic business sites are currently working to acquire certification for their occupational health and safety management systems in compliance with international standards (ISO 45001) and seek to achieve effective management in order to carry out health and safety policies.

### Health and safety policy

- **Policy**

We will create a corporate culture that ensures worker's safety and health.

- **Action Agenda**

Top management will promote activities in line with the health and safety policy by sharing the following action agenda applicable to all employees.

1. We will fulfill legal requirements, invest resources and stipulate procedures for all of our operations in order to ensure a healthy and safe working environment.
2. We will promote continuous improvement to the management system to achieve determined goals for health and safety.
3. Managers/supervisors will grasp the root causes of dangers associated with safety and health and take measures systematically to lower their risks.
4. Through conference and discussion, managers/supervisors will reflect opinions of employees to activities promoting health and safety.
5. Managers/supervisors will not overlook unsafe behavior of employees and will provide guidance to correct them.
6. Employees will follow predetermined rules related to safety and health in order to protect their own selves.
7. Employees will make a report to their superiors requesting for improvement of facilities or procedures when he or she finds the root cause of danger.

## ■ Overview of Organizational Structure



## Reducing Occupational Accident Risk

At all worksites of plants at domestic business sites, we identify potential hazard sources by conducting general inspections and take mitigation measures according to the scale of the risk. Similar measures are also taken concerning indications made by periodic on-site safety patrol activities conducted under the leadership of the safety and health officer. We also periodically take work environment measurements and conduct specialized health exams to monitor the effects of hazardous substances on employees and based on the results, make improvements to work environments.

We continuously reassess occupational accident risks and indicate sources of risk at the production plants of overseas Group companies based on the results of safety and health audits conducted by CSR promotion inspectors. When improvements concerning indications are made, information on domestic management criteria and operational processes is shared, leading to lower risk throughout the Group.

### ■ Missed work frequency rate and rate of intensity (GS Yuasa International Ltd.)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Missed work frequency rate <sup>*1</sup>	0.55	0.85	0.45	0.47	0.62
Average frequency rate in manufacturing industry	1.06	1.15	1.02	1.20	1.20
Rate of intensity <sup>*2</sup>	0.01	0.01	0.01	0.00	0.01
Average rate of intensity in manufacturing industry	0.06	0.07	0.08	0.10	0.10

<sup>\*1</sup> Missed work frequency rate is the number of people missing work per 1,000,000 work hours, calculated as :Missed work frequency rate = (Number of people missing work / Total hours worked) x 1,000,000

<sup>\*2</sup> Rate of intensity is the number of lost days due to accidents per 1,000 work hours, calculated as :Rate of intensity = (Days missed / Total hours worked) x (300/365) x 1,000

## Ensuring Safety During Travel Within Plant Sites

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At domestic business sites, we create safe environments for travel within plant sites by installing soft poles to separate vehicles and pedestrians, optimizing the number and positions of crosswalks, setting one-way routes for vehicles, restricting bicycle access, and taking other measures.

At the Kyoto Plant, multiple bicycle-parking lots located throughout the site were consolidated into a single lot, reducing opportunities for contact between pedestrians and vehicles. In addition, we ensure the safety of bicycles and pedestrians passing near site gates by taking measures to improve visibility on roads and sidewalks around the plant and installing automatic alarm devices to provide notice when vehicles enter and exit.

To prevent accidents caused by movement within plants, the Group is working to ensure thorough compliance with traffic safety measures and traffic rules on plant sites.

## Heatstroke Countermeasures

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To respond to the increase in occupational accidents caused by heatstroke in our domestic business sites, we have informed workers about heatstroke countermeasure guidelines specifying measures for mitigating the adverse physical effects of working in a high-temperature, high-humidity environment, the timing of breaks, and other matters. We are also taking measures to permanently install emergency response kits (with salt supplements, ice packs, etc.) to mitigate the initial symptoms of heatstroke at worksites.

In fiscal 2019, we conducted a heatstroke countermeasure seminar to increase worker vigilance and improved labor environments by introducing work close that curtail body temperature increases at the worksite. At the Kyoto Plant, minibuses circulate around the plant site in the summer, and we have initiated measures to reduce the physical burdens on workers when moving around the site in hot weather.

The Group is taking active measures to prevent the incidence of heatstroke in employees by conducting comprehensive physical status management (including provision of adequate water and salt) at high-temperature, high-humidity work environments and conducting training to raise worker awareness regarding heatstroke prevention.

## Raising Worker Awareness Concerning Safety

The GS Yuasa Group conduct activities intended to raise worker awareness of safety in order to maintain and improve safety and health management operations.

We also ensure that safety and health activities are well-established and raise their levels by conducting education and training to prevent safety and health risks from occurring.

[Examples of activities for raising safety awareness]

- Posting statements of management intent concerning occupational safety at all worksites
- Distribution of site safety cards with basic site safety information
- Periodically conducting safety and health awareness surveys

[Examples of education and training to prevent safety and health risks from occurring]

- Periodic training on hazard avoidance techniques (including risk prediction and risk assessment)
- Periodic experience-based risk training for employees to gain first-hand understanding of the nearby risks at the worksite



Experience-based risk training (1)  
(March 2016)



Experience-based risk training (2)  
(March 2016)

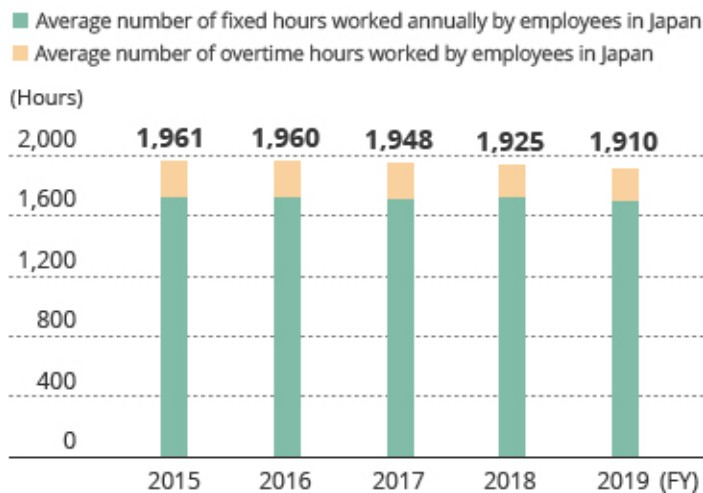
# Ensuring Appropriate Working Hours

## Optimizing Work Hours

Aiming to be a workplace that protects the health of employees and enables them to work with peace of mind, the GS Yuasa Group is striving to ensure the most appropriate work hours through cooperation between labor and management. GS Yuasa International Ltd. has introduced and managed systems to accurately understand and manage work hours (attendance management system and access control system). Moreover, an expert committee combining labor and management is held monthly, and we check the condition of employees working long hours and other related matters, making efforts to manage appropriate working hours.

We are taking steps to reduce labor hours for employees who had worked long hours by providing consultation with an industrial physician and through an advisory system (see "Work Style Reform" below) for supervisors. In addition, we provide compliance-related education with the themes of promoting understanding of work hour rules and appropriately managing work hours, to employees.

### ■ Annual Working Hours



\*Notes: Employees do not include personnel on leave or those transferred to workplaces overseas.

\*Number of annual prescribed workdays = prescribed work hours minus hours taken for leave and hours absent due to tardiness, leaving work early, etc.

\*Period: January to December



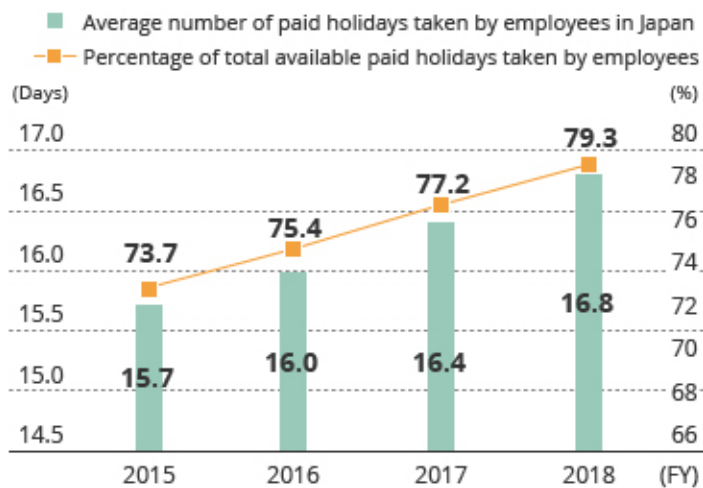
## Work Style Reform

At GS Yuasa Group, labor and management are working as one to reduce long work hours and encourage employees to take annual paid leave with the aims of improving work efficiency and enhancing creativity at work by making sure employees stay physically and mentally healthy.

### Examples of initiatives to provide variation in work style

- Setting one "no overtime" day a week
- Making it compulsory to take at least 10 days of annual paid leave
- Prohibiting two consecutive days of work on prescribed holidays
- Prohibiting overtime late at night (10 p.m. to 5 a.m.)
- Introducing a system to monitor employees working in excess of the standard hours, and providing advice to supervisors on how to deal with overtime issues

### ■ Percentage of Annual Paid Leave Taken



\*Notes: Employees do not include personnel on leave or those transferred to workplaces overseas.

\*Period: September to August

# Mid to Long-term Human Resources Development and Appropriate Ability Assessment

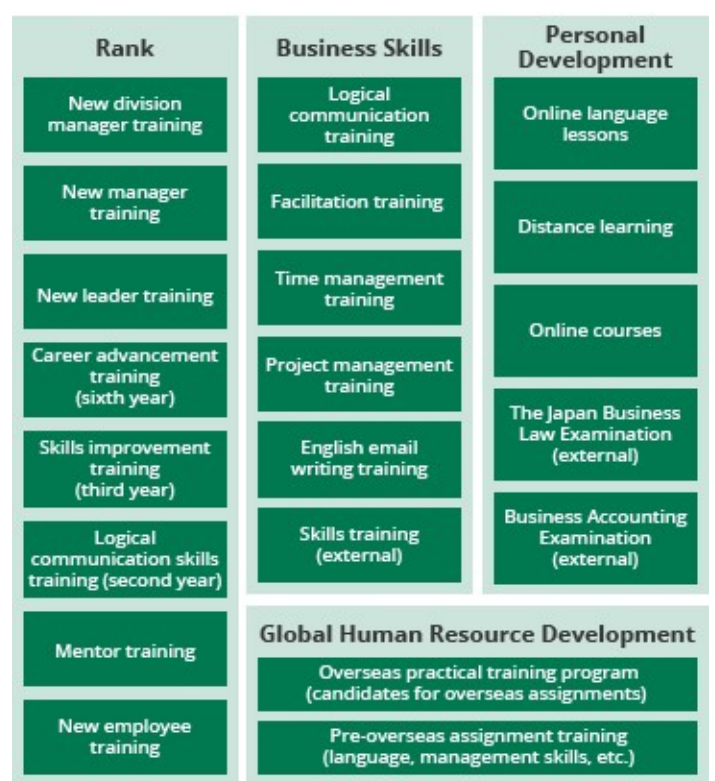
## Fostering Autonomous-minded Human Resources

At the GS Yuasa Group, front-line workplaces are the engine that generates corporate value, and the lead players in those workplaces are our employees. We believe the best training is on-the-job training, so with a strong focus on management by objective we implement training to nurture autonomous-minded human resources. In off-the-job training, employees take part in communications training and voluntary training for career development and the improvement of management skills. With respect to career development, we promote career management in which all employees take the initiative in setting goals and thinking about their vision of work by implementing annual reviews relating to career formation.

### ■ Basics of Human Resource Development



### ■ Training System



### ■ Average annual human resources development training hours per employee (FY2019, GS Yuasa International Ltd.)

Item	Classification	Average training hours
Gender	Male	7.2
	Female	11.3
Types of employees	Indefinite-term employment	8.2
	Fixed-term employment	0.1

## Respect for Individual Work-Life Balance

### Promoting Women's Roles

The GS Yuasa Group believes that providing the environment and opportunity for women's roles will enable every woman to shine, which in turn will help us achieve the "innovation and growth" stated in our philosophy in an effort to do so, the Group is taking steps to promote women's roles with the aim of enabling them to maximize their potential in whatever they do. By raising motivation for self-growth and increasing the number of active roles for female employees through the synergistic effects of the three L's, we aim to be a company where every female employee can shine in her own unique way.

#### Declaration

GS Yuasa will provide a diversity of roles for women that are bright, fun and affirming.

#### ■ The "three Ls"



#### Action Plan Promoting Women's Roles (April 1, 2019 to March 31, 2022)

<b>Objective 1</b>	Raise ratio of women among new graduates recruited for career-track positions every year to over 30%
<b>Objective 2</b>	Raise understanding of childcare support systems to encourage male employees to participate in childcare
<b>Objective 3</b>	Raise the maximum limit on use of half-day paid leave

#### ■ Hiring Women for Management Positions (as of April 1, 2019, domestic business companies)

Classification	Female (persons)	Total (persons)	Ratio of Women (%)
Management	18	753	2.4
Division manager or more (included in the above)	2	253	0.8
Officer	0	39	0.0

## Employment of People with Disabilities

To promote the employment of people with disabilities, GS Yuasa International Ltd. offers a wide range of opportunities to people with disabilities, including in a company certified as a special subsidiary\* in December 2007.

As of April 1, 2020, 2.53% of employees were people with disabilities, which exceeds the legally mandated employment rate of 2.2%.

We will continue to manage employment so that people with disabilities can put their skills and qualities to good use in an effort to maintain and improve a pleasant work environment.

\*Special subsidiary: A system based on the Disabled Persons Employment Promotion Law, under which, when a subsidiary is certified by Japan's Ministry of Health, Labor and Welfare as giving special consideration to the employment of people with disabilities, it can be regarded as one of the parent company's business establishments when calculating the employment rate of people with disabilities.

## Rehiring of Elderly Employees

Our Group operates a rehiring system by which employees who have reached mandatory retirement age can continue to work and utilize their wealth of experience and high-level skills and abilities. If an employee who has reached mandatory retirement age wishes to extend his or her employment with us, appropriate decisions on conditions and personnel assignment are made based on an evaluation of job necessity, the employee's work ability, and other factors. Furthermore, as with currently active employees, we operate a work target management system and reflect job performance in conditions so that rehired employees can work with motivation.

In the future, as Japanese society continues to be characterized by a low birthrate and further aging, the securing of human resources is expected to become increasingly difficult. Not only does our Group see the employment of senior citizens as one measure to alleviate the labor shortage, but we aim to improve our capacity for sustained business growth by enabling outstanding elderly people to display their skills and know-how.

### ■ State of Rehiring of Elderly Employees (FY2019, domestic companies)

Classification	Number of rehired employees (persons)	Rehiring ratio (%)	Employment ratio of rehire applicants (%)
Male	153	82.3	100
Female	10	100	100
Total	163	83.0	100

\*Rehiring ratio: Ratio of rehired employees to retirees.

\*Employment ratio of rehire applicants: Ratio of employment of retirees wishing to be rehired.

## Supporting Work Alongside Childcare/Nursing Care

GS Yuasa International Ltd. formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children as a joint labor-management program. We are involved in activities to achieve the objectives of the plan, with the aim of creating an environment that makes it easy for employees to participate in childcare. We have also set up an in-house electronic message board called Supporting a Work and Childcare Balance where we disseminate information on childcare-related systems to employees. To ensure that the childbirth, childcare and nursing care support systems are being used, we are making every effort to increase awareness of the systems through training based on levels within the Company that include managers.

### ■ Childbirth, Childcare and Nursing care support systems

Item	System	Details
Childbirth Childbirth, Childcare	Alleviation of commutation during pregnancy	System under which work at the beginning or the end of working hours is exempted for female employees who are pregnant (up to 60 minutes/day)
	Maternity leave	System under which a leave of absence for six weeks before childbirth (14 weeks in case of multiple pregnancy) and eight weeks after childbirth can be obtained
	Leave for going to hospital during pregnancy/maternity protection leave	System under which female employees who are pregnant or have spent only less than one year after childbirth can obtain a leave for medical examination, etc.
	Maternity protection leaves	System under which female employees who are pregnant or have spent only less than one year after childbirth can take leave (up to one year)
	Paid leave for births	System under which employees who have a newborn can take leave (three days)
	Childcare leave	System under which employees who are bringing up a child/children can take leave (as the maximum period, until a child reaches the age of two)
	Short-time working due to childcare	System under which employees who have a child in the sixth grade or under in elementary school or a child with disability can work for a short time or work with a flexible schedule
	Nursing leave	System under which employees can take leave for nursing a child in the third grade or under in elementary school (five days/year for one child; ten days/year for two children or more)
	Breast-feeding hours	System under which employees can get time for breast-feeding a baby under a year old (twice/day, 30 minutes each time)
	Exemption/limitation of overtime work and late-night work	System under which employees who are raising a child can be exempt from/limit overtime and late-night work



Item	System	Details
Nursing care	Long-term nursing care leave	System under which employees who are caring for a family member can take leave (up to one year)
	Short-term nursing care leave	System under which employees can take leave for nursing a family member (five days/year for one person; ten days/year for two persons or more)
	Short-time working due to nursing care	System under which employees who are caring for a family member can work for a short time or work with a flexible schedule (up to three years)
	Exemption/limitation of overtime work and late-night work	System under which employees who are caring for a family member can be exempt from/limit overtime and late-night work
Others	Accumulated leave	System under which employees can accumulate the number of days for annual paid leave whose validity has expired (up to 40 days, acquired for the reason of nursing care for a family member or raising a child in the third grade or under in elementary school, etc.)
	Leave in hourly units	System under which employees can take leave in hourly units from granted annual paid leave (up to 24 hours/year; to be expanded to a maximum of 40 hours/year in September 2020)
	Telecommuting program	A program that allows employees to work from home, so they can balance work with childcare or nursing care
	Return to work program	A program for rehiring employees who left work for childcare, nursing care or other similar reasons to return to work if certain conditions are met

#### ■ Utilization of Childcare support system

FY	Females			Males		
	Number of users (person)	Usage rate (%)	Return-to-work rate (%)	Number of users (person)	Usage rate (%)	Return-to-work rate (%)
2014	5	100.0	100.0	0	0.0	---
2015	9	100.0	100.0	1	1.1	100.0
2016	7	100.0	88.9	2	3.0	50.0
2017	8	100.0	87.5	1	1.2	100.0
2018	15	100.0	91.0	2	1.8	100.0

\* Notes: Employees do not include personnel on leave or those transferred to workplaces overseas.

■ Utilization of Nursing care support system

FY	Long-term nursing care leave		Short-term nursing care leave	
	Number of users (person)	Return-to-work rate (%)	Number of users (person)	Total Number of days(day)
2014	2	100.0	12	42.5
2015	1	100.0	7	26.5
2016	1	100.0	10	30.0
2017	1	100.0	14	63.5
2018	2	100.0	23	103.0

\*Notes: Employees do not include personnel on leave or those transferred to workplaces overseas.

\*Period : April to March (long-term nursing care leave), September to August (short-term nursing care leave)

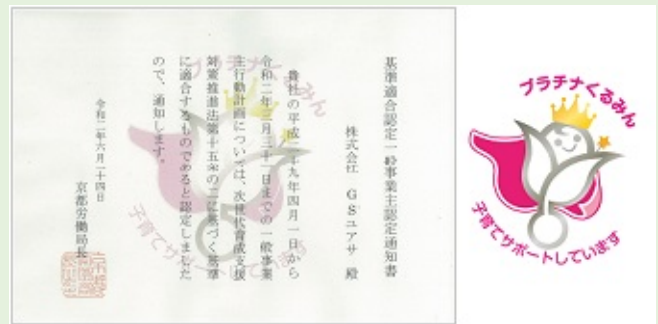
TOPICS

GS Yuasa has received Platinum Kurumin certification

Platinum Kurumin is a program of certification granted by Japan’s Ministry of Health, Labour and Welfare to organizations that provide high levels of childcare support

GS Yuasa has long worked to create environments where employees can continue to work while caring for children and first received Kurumin certification in 2017. Since then, we have established action plans to promote support and enhance its effects, expanded the applicable period of the program for reduced working hours for child care, introduced a telecommuting program that includes childcare, and took other measures, leading to the Platinum Kurumin certification.

The Group will continue its efforts to a company that continuously supports child care by enabling employees to strike a good balance between work and child care with confidence.



## Health Management Initiatives

In order to realize the corporate philosophy of “innovation and growth of our employees and business entities,” the GS Yuasa Group believes that it is important to prepare the foundation to enable employees to perform their duties while maintaining good physical and mental health so as to achieve maximum performance.

### Health Management Policy

In order to realize the "innovation and growth" of our employees and business entities, the GS Yuasa Group supports employees and their families in collaboration with health insurance society so as to ensure that they maintain their own health and encourages "health promotion" so that all employees can work zealously and with a sense of fulfillment.

- We strive to prevent the onset and severity of lifestyle-related diseases and mental disorders.
- We support managing of both work and medical treatment so that everyone can engage in decent work.
- We encourage health promotion to maintain and improve health.

### ■ Promotion Framework

The GS Yuasa Group appoints a general occupational health physician (a contracted occupational health physician) at the head office and occupational health physicians at its major offices, with 10 full-time nursing staffers nationwide. In addition, in collaboration with the health insurance society, the Group conducts health management promotion meetings attended by the health management officer (concurrently serving as chairperson of health insurance society) and labor union executives to promote measures for employee health issues. Further, in order to prevent severity of mental disorders, we have established a conducive environment for counseling from clinical psychotherapists that can be availed every week at our head office and some of our other offices.

### ■ Specific measures for health promotion

#### 1. Prevention of lifestyle-related diseases

- Confirmation of medical examination and follow ups for persons with abnormal findings in regular health checkups
- Recommendations of thorough medical examinations to persons who have to get secondary health checks (including health check-ups utilizing workers' compensation insurance)
- Regular distribution of our “Health Mail Magazine” aimed at promoting the health of employees through collaboration between our company and health insurance society
- Implementation of quit-smoking measures and measures against passive smoking
- Implementation of health consultations and education for new graduates and mid-career employees to improve health literacy in early stages
- Conducting health events (including walking events twice a year)

#### 2. Early detection and treatment of mental disorders

- An enhanced system of consultation and counseling with occupational health physicians and nursing staffers
- Encourage nursing staffer consultations for all employees identified as high risk through stress tests
- Continued access to "line care (care by supervisors)" and "self-care (care based on the awareness of individuals)" training sessions

3. Early detection and treatment of cancer
  - Inclusion of various cancer screenings and gynecological examinations in regular health checkups (no individual payments)
  - Regular distribution of cancer self-examination kits to employees and family members (no individual payments)
4. Optimize work hours, maintain positive work-life balance
  - Thorough observance of "no-overtime-work days"
  - Making it compulsory to take at least 10 days of annual paid leave
  - Establish monthly overtime work hour limits
  - Prohibiting two consecutive days of work on prescribed holidays and overtime late at night
  - Introduction of leave in hourly units, telecommuting program, and expansion of the flextime system

■ Objectives and Results for "health promotion"

Items	Objectives	Results		
		FY2017	FY2018	FY2019
Consultation rate of regular health checkups	100%	100%	100%	100%
Consultation rate of medical re-examination of persons with abnormal findings in regular health checkups	70%	57%	59%	63%
Consultation rate of stress checks	100%	84%	93%	94%
Rate of smoking	20%	24%	23%	22%
Consultation rate of gynecological examinations	100%	58%	55%	58%
Consultation rate of colorectal cancer screenings	100%	65%	65%	67%

TOPICS

The GS Yuasa Group Designated as a "Company with Excellent Health Management"

GS Yuasa International Ltd. and four Group companies were each designated as a Company with Excellent Health Management 2018 in a program run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for the four years in a row.

Under this system, corporations that implement particularly excellent health management in terms of initiatives to deal with health issues in local communities and health promotion suggested by Nippon Kenko Kaigi are publicly honored.

Aiming to create a working environment in which employees can enjoy good health and work with vigor, we will continue to promote health management.



## Business Operations Considering Religious Customs

At the GS Yuasa Group's overseas sites in Indonesia where Muslims are the large majority, we are conducting business operations considering Islamic traditions and customs. PT. Yuasa Battery Indonesia, PT. Trimitra Baterai Prakasa and PT. GS Battery have a mosque in their respective offices. These companies allow employees to offer prayers at a mosque during working hours, and Muslims gather for prayers on Fridays from both the office and outside the company. We also established a multi-purpose room that can be used as a mosque on the site of the Group's Kyoto Plant and allow employees to pray during working hours.

The GS Yuasa Group believes that understanding and respecting customs, cultural values and religion in each region are indispensable for building a good relationship with local employees and effectively operating businesses.

### TOPICS

#### Special Website on Diversity Established

In April 2020, the GS Yuasa Group launched a special website to provide timely information on our approaches to diversity and the status of activities. The site presents easy-to-understand information regarding the Group's measures for the empowerment of women, work style reforms, employment of persons with disabilities and foreign nationals, and more.

Going forward, we will actively disclose information on plans to provide opportunities for diverse human resources to demonstrate their full capabilities as well as the results of those plans.

- [See here for information on the special diversity website \(in Japanese\).](#)





## TOPICS

### Human Resource and Labor Measures to Prevent the Spread of the Novel Coronavirus

In response to the novel coronavirus, which is spreading globally, strong social demands are being made to prevent the spread of infection including avoiding crowded areas and avoiding gathering in areas where people gather in high density and spend time. The GS Yuasa Group is conducting human resource and labor management to prevent the spread of the novel coronavirus infections so that we can ensure the safety and peace of mind of our employees.

- **Introduction of telecommuting program and staggered work times**

We introduced a telecommuting program and staggered work times as measures to prevent the spread of the novel coronavirus. Neither of these programs has no limit on the number of times they may be used. We are operating this program so that they can be actively used such as by allowing employees to make use of both programs.

- **Handling of leave in conjunction with school closures, etc.**

In cases where employees are unable to freely report to work due to requests to parents to refrain from sending their children to daycare facilities, school closures, and so on and in cases where there are substantial health risks from infection with the novel coronavirus due to chronic illness and so on, we are allowing employees to use their accumulated leave. In some cases, employees who do not have accumulated leave are permitted to take special leave in the form of non-statutory leave.

- **Measures concerning use of cafeterias**

- (1) Distribution of cafeteria used times

Crowding in cafeterias is mitigated by distributing employee used times throughout morning and afternoon.

- (2) Modification of seating arrangements

To prevent the spread of infection while eating, seating arrangements have been modified so that cafeteria users do not face one another and employees are requested to shorten their cafeteria use times.

- (3) Ventilation in cafeterias

To increase ventilation within cafeterias, which are closed spaces, windows and doors are open when cafeterias are being used.

- (4) Hand washing before use

Alcohol-based disinfectant sprays have been installed at handwashing stations and at other locations so that cafeteria users can disinfect their hands.

- **Measures concerning new employees**

The fiscal 2020 new employee entrance ceremony and group training for new employees were canceled and on-the-job training commenced on April 1 at the assignment sites of new employees. Group training programs for new employees have been changed to video courses and online learning so new employees can study in the workplace.

- **Measures concerning recruiting**

All recruiting events (company briefings, interviews, etc.) scheduled for March 2020 and later have been canceled and online company briefings are being conducted. Since April 8, 2020, job matching interviews have been conducted online rather than in person. Online interviews are also conducted for mid-career recruits.



# Fulfillment of Our Responsibilities to Provide Safe and Secure Products and Services

As a trusted manufacturer, GS Yuasa is constantly working to improve customer satisfaction and ensure safety.

## Focus on Safety and Quality

### Ensuring Quality and Safety through Company-wide Quality Management

The GS Yuasa Group is promoting initiatives aiming to improve the quality of the products and services offered to our customers on a group-wide basis, based on the Quality Policy. To remain a manufacturer trusted by customers at all times, the GS Yuasa Group approaches manufacturing activities from the customer's perspective and works relentlessly to improve the quality of products and services.

To maintain this trust, we formulated, under the leadership of top management, the GS Yuasa Quality Management System based on the ISO 9001 standard and are promoting a quality management system that crosses business divisions. The quality of our products and services is discussed company-wide every month by the Quality Management Committee, which is chaired by a director (the executive officer in charge of quality), to enable us to enhance quality by responding swiftly to any change.

As part of our initiatives to pursue manufacturing, we provide quality-related education courses to all employees and promote improvement team activities company-wide as a way to bolster the awareness of quality among employees and to boost their understanding and skills related to quality management. Thereby enhancing the quality of our products and services.

These activities have been highly rated by the Union of Japanese Scientists and Engineers, and the Industrial Batteries Production Division of the Industrial Batteries & Power Sources Business Unit received the Deming Prize, which is designed to reward individuals and companies who have produced good results through the implementation of quality management, in fiscal 2015.

#### Quality Policy

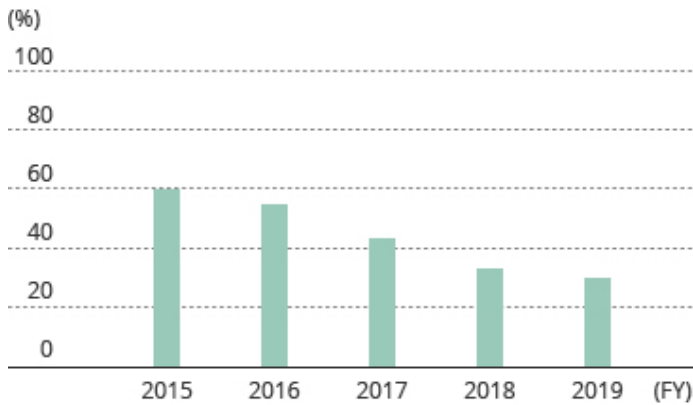
**GS YUASA is committed to a diligent study of 'Monozukuri' customer first thinking and the improvement of products and service for the realization of our Corporate Philosophy.**

**\*'Monozukuri':** Meaning 'Meaning 'manufacturing' is not just pointing to 'craftsmanship' in the narrow sense. It is "the overall process of the corporation, the industry and the on-site activity, implementing the designers' determination into the products and the services for customer satisfaction, corporate profit and job security."

■ Quality Management Organization



■ Quality Loss Index for Domestic Business



\*The index is shown with the FY 2014 quality loss index set at 100  
(The quality loss rate is the loss ratio occurring during product manufacturing and sales.)

## Rounds of inspection by top management

The GS Yuasa Group systematically conducts rounds of onsite inspection, centering on domestic factories and branches, by management. Through rounds of inspection by management conducted as part of top management activities, the management grasps the actual state of onsite operations and has a dialogue with employees working at each site.

Based on the "quality" of work, employees share the situation of actual activities and tasks regarding various themes such as safety, quality and environment with management, fostering mutual understanding.

Persons in charge of onsite operations as well as younger managers report tasks and activities of each site to management, providing an opportunity for the exchange of opinions between employees and management.

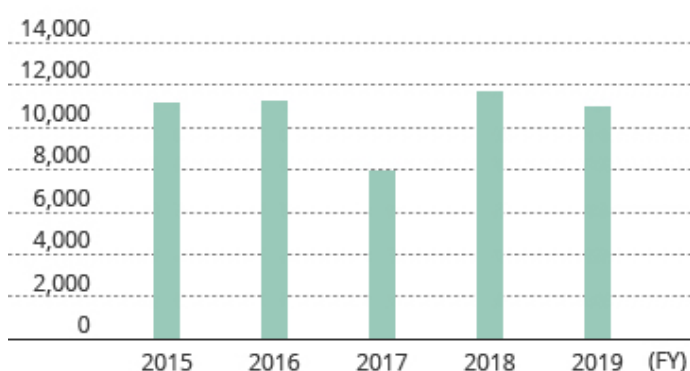
## Promoting Greater Customer Satisfaction

The GS Yuasa Group values the opinions, recommendations and complaints of customers regarding our products and services as important customer feedback. We improve our products and services after considering inquiries received by email and the opinions of customers heard at our Customer Consultation Office. We have taken measures using audio guidance through which the telephone number of a person in charge is automatically dialed according to inquiries from customers from fiscal 2017, making efforts to improve convenience for customers.

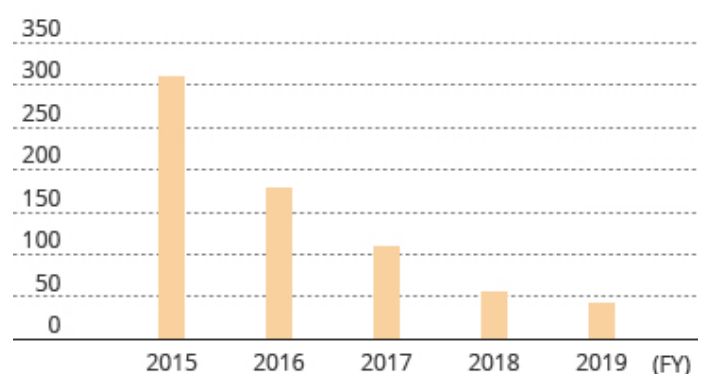
The number of complaints received from customers has tended to decline.

Going forward, we will continue working to improve customer satisfaction by paying close attention to the opinions of our customers.

■ Number of inquiries to the customer consultation office



■ Number of customer complaints



**GS Yuasa Customer Consultation Office** (accepts inquiries and provides consultation on the GS Yuasa Group's products)

Toll free (in Japan): **0120-43-1211** Hours: Weekdays 9:00 - 17:30  
(excluding Saturdays, Sundays, public holidays and holidays prescribed by the Company); Valid only within Japan,

## Initiatives for Product Safety and Swift Dissemination of Information

Ensuring product safety of GS Yuasa Group's products has been positioned as a critical challenge because our products store, control and convert electrical energy.

We created a companywide organization centered on the Product Safety Management Committee to undertake measures for ensuing product safety. We promote developments in business divisions after assessing conformity with product safety standards as well as the safety of products as they are used, age and deteriorate. For this reason, we are strengthening our product realization procedures using know-how gained from case studies of failures, failure mode and effect analysis (FMEA), design review based on failure mode (DRBFM), and fault tree analysis (FTA). In addition, we gather information on issues with product safety and provide this to top management without delay as part of a system that we have established and are operating to ensure a swift response.

### ■ GS Yuasa Product Safety Action Flow

Flow	Details of activities	Process, mechanism
<p>Product Safety Management Committee</p>	<ul style="list-style-type: none"> <li>◇ Formulate policy on product safety activities</li> <li>◇ Debate issues related to product safety</li> <li>◇ Respond by setting up a crisis management headquarters</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Rules</li> <li>• GS Yuasa Quality Management System</li> <li>• Regulations on management of product safety</li> </ul>
<p>Product safety activities</p>	<ul style="list-style-type: none"> <li>◇ Formulate policies on product safety in business divisions</li> <li>◇ Ensure product safety in product realization process</li> </ul>	<ul style="list-style-type: none"> <li>• Divisional policy book</li> <li>• Quality-related manual for business divisions</li> </ul>
<p>Gather information on products and services</p>	<ul style="list-style-type: none"> <li>◇ Gather information on product safety</li> <li>◇ Gather information on complaints, defects and accidents for our products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Claims information system and Customer Service Center</li> <li>• GS Yuasa website</li> <li>• Daily quality report</li> </ul>
<p>Examine information and take appropriate steps</p>	<ul style="list-style-type: none"> <li>◇ Examine information, decide on and implement appropriate steps and make continual improvements (to prevent a reoccurrence)</li> <li>◇ Manage and respond to crises concerning product-related accidents and quality-related claims</li> <li>◇ Take steps to prevent harm and any additional accidents</li> </ul>	<ul style="list-style-type: none"> <li>• Quality manual for business divisions</li> <li>• Manual on crisis management concerning product-related accidents and quality-related claims</li> <li>• Manual for implementing product recalls</li> </ul>

## Improving Employees' Awareness of Quality

The GS Yuasa Group educates employees about quality to instill a "culture of quality" throughout the organization based on our Quality Policy.

We are adopting a system under which all employees can be taught based on the type of their work and their experience through a quality education program systemized according to the level of quality control and type and rank of their job. Furthermore, basic quality-related education has been compulsory for all new recruits since fiscal 2008 and their knowledge of quality control (QC) is evaluated based on the results of the QC examination. 356 passed from Grade 1 to Grade 4 in fiscal 2019 with a cumulative total of 2,812 people passing the exam company-wide up to fiscal 2019.

The GS Yuasa Group will promote activities contributing to a reduction in quality-related losses by positioning the raising of employees' awareness of quality and the attainment of knowledge as important issues.

### ■ Quality-related Education

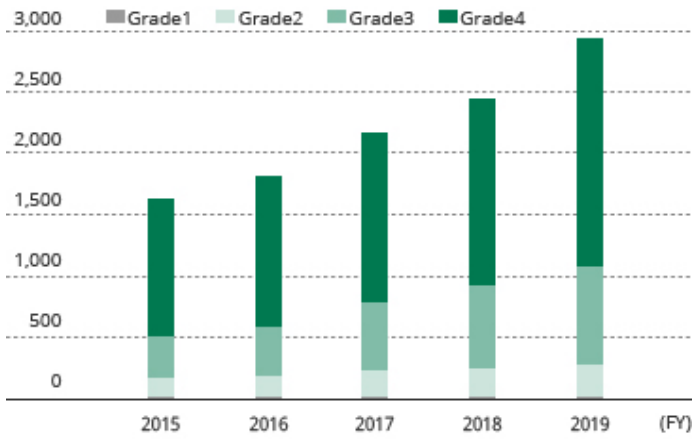
Quality Management Knowledge Level	Quality Education Course				External Seminars, etc.	Target Ranks and Job Types (Guidelines)	Reference Level for QC Examination
Application	Specialist Training Course for Manufacturing (Learning practical knowledge to develop management skills)					Technological development section Quality management section	Level 1
	Internal Quality Auditor Training	Product on Safety		FMEA	Quality Management Correspondence Education (Preparation course for QC Examination Level 2)	Managerial positions, section managers, leaders (Technological Development Section, Quality Management Section)	Level 2
	Quality Management System Requirements	Sampling and sampling Inspection	Basic Knowledge of statistical dispersion	Basic Knowledge of Reliability			
Basic Knowledge	Seven New QC tools	Basic Knowledge of Control Charts	Basic Knowledge of Statistics	Support for Taking QC Examination Level 3	Quality Management Correspondence Education (Equivalent to QC Examination Level 3)	All employees who entered the company 2 or more years ago	Level 3
	"Why-why analysis"						
Introduction	QC Story Method, Seven QC tools					New employees	Level 4
	Basic quality (compulsory for new entrants, general)						

Note: QC Exam levels are for reference only.

### ■ Number of Quality Education Courses and Participants (FY2019)

Level of quality management knowledge	Number of courses	Number of participants
Introductory	15	310
Basic	19	449
Applied	18	445
Total	52	1,204

### ■ Cumulative Total of Successful QC Examinees



\*Period: April to March of the following year

## Developing Human Resources in Quality Management through "Monozukuri (Manufacturing) Expert" Education

On the occasion of the 100th anniversary of its founding, the GS Yuasa Group launched the "Monozukuri Expert" education workshops in October 2017, with the aim of developing continuously human resources who can "study Monozukuri diligently" under the Group's Quality Policy.

At the workshops, we are aiming to develop human resources who will learn control technology required mainly for design development and be capable of implementing such technology. Participants of the workshops are expected to become an expert after a one-year training period and act as a core member for quality improvement in the workplace by utilizing his/her knowledge and experience.



## Presentation about Team Activities to Drive Kaizen (improvement)

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The GS Yuasa Group is promoting kaizen team activities to bolster the awareness of quality among employees and conduct aggressive quality management control in an effort to improve the quality of our products and services. In addition, we have held a presentation event at which kaizen teams present examples of their improvement activities since fiscal 2004, for the following purposes:

- Promotion of activities to enhance workplace capabilities
- Learning from kaizen activities/successful results and horizontal deployment
- Participation of all employees in kaizen activities
- Promotion of dynamic communications
- Building a corporate culture with a mindset focused on improvement

This presentation event was held twice (July and December) in fiscal 2019. As top management and a large number of employees took part in the presentation, kaizen teams nominated by each business division, including overseas Group companies, presented examples of their improvement activities.

At the end of the presentation event, the executive officer in charge of quality gave feedback (individual and overall) to the teams, and the President expressed his appreciation to the teams and provided an assessment of the presentations. Furthermore, the "encouragement award" by the President and the "impression award" determined by participants' votes were presented to teams.

At presentation events in recent years, not only kaizen teams in quality-related business divisions but also people in the sales and development divisions as well as overseas sites made presentations, with a variety of themes.

The GS Yuasa Group believes that everyone must attain quality management tools. Through the presentation event, we will share experiences/know-how in each workplace on a global basis and horizontally develop the results of improvement, continuing our efforts to conduct various improvement activities.

### ■ Examples of themes in fiscal 2019

- Support for recovery of the damage to Kansai International Airport caused by Typhoon No. 21
- Measures to reduce defect rate at new plants in China
- Implementation of reciprocal plant tours with the aim of enhancing business partner quality
- Digitization of forms in manufacturing processes and reinforcement of traceability
- Improvement of operational efficiency and accuracy by creating an automotive battery business data collection
- Work style reforms through drastic improvement in front office operations
- Measures to reinforce environmental management systems at domestic business sites



Group photo of participants in a presentation meeting (July 2019)



During the presentation (December 2019)

## Holding an exhibition showing examples of critical quality problems

The GS Yuasa Group believes that failure at a workplace provides a valuable learning opportunity in terms of the prevention of defective products.

From this perspective, we have taken measures from fiscal 2016; specifically, we share information on examples of past product-related accidents caused by unsafe conditions and critical quality problems with employees so that we will never allow a similar quality problem to occur.

In fiscal 2019, the critical quality problem example exhibition was held at the Kyoto Plant, one of our Group companies, and 421 employees participated in this exhibition. These exhibitions use panels and other means to explain the causes, mechanisms and other aspects behind the occurrence of past critical quality problems, helping employees recognize examples of past mistakes as important lessons. For further understanding of such lessons, areas are provided onsite for exhibition-related presentations and Q&A sessions. Until fiscal 2018, the exhibition was held for limited periods, but by changing it to a permanent exhibit, information on critical quality problems can be shared with employees from sites other than the Kyoto Plant at any time.

Results of participant questionnaires indicate that these exhibitions are effective in raising employee awareness of quality issues. Reflecting such visitor desires, exhibitions will continue to utilize the lessons of past failures to raise quality going forward.



At the critical quality problem example exhibition (November 2019)



At the presentation (November 2019)



# Global Environmental Conservation

## Fundamental Environmental Policy and Environmental Mid-term Plans

**We work for environmental conservation in order to reduce the impact of our business operations, products and service on environment, and make continuous improvements.**

### Fundamental Environmental Policy

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In recent years, we understand that our stakeholders have become increasingly concern about our environmental issues, including climate-related issues. In such a situation, we believe that we are socially responsible for realizing a low-carbon society and contributing to a recycling-oriented society.

The GS Yuasa Group has established this Fundamental Environmental Policy to outline our basic Group-wide approach to environmental efforts. The policy aims to clarify our social responsibility toward the environment and guide our contributions to the emergence of a sustainable society. We are also developing and using environmental management systems that will help to reduce environmental impacts and prevent any accidents that could cause environmental pollution.

## Fundamental Environmental Policy

- **Fundamental Philosophy**

We are committed to people, society and the global environment through innovation and growth of our employees and business entities. We will apply the advanced energy-related technologies we have built up through battery research and development work to help form a carbon-neutral circular economy and bring about a sustainable society.

- **Action Agenda**

1. Compliance with laws, regulations, and other requirements

We will strive to prevent environmental incidents, comply with legal requirements, and reduce risks connected with the use of chemical substances, and continually improve our environmental management system with the aim of enhancing our environmental performance.

2. Reducing environmental load

To contribute to the prevention of global warming, we will reduce greenhouse gas emissions and water consumption levels across our entire supply chain.

3. Efficient utilization of natural resources

To contribute to the creation of a circular economy, we will minimize the amount of natural resources we use through a range of means, including reducing raw material usage, using recycled materials, and reducing wastage.

4. Environment-friendly products

To be able continue “creating the future of energy”, we will develop and manufacture products that can contribute to the formation of a carbon-neutral circular economy.

5. Disclosure

We will disclose environment-related information to stakeholders in an appropriate manner, and strive to coexist harmoniously with communities through engaging in proactive communication.

6. Human resources development

We will foster, across the entire GS Yuasa Group, personnel able to forge the future of our business with the aim of meeting our responsibilities in helping to create a carbon-neutral circular economy.

## Environmental Mid-term Plans

We have developed mid-term plans for important issues related to our fundamental environmental policy in order to contribute to the emergence of a sustainable society.

Since fiscal 2019 we have been promoting this as one of our business strategies to address key management issues that concern the entire Group by incorporating environmental objectives into our Mid-term Management Plan. In addition, the scope of application of this plan has been expanded from four domestic sites in the past to 27 domestic and overseas sites.

### ■ Main Environmental Objectives of the Fifth Environmental Mid-Term Plan (FY 2019–2021)

Scope: 27 domestic and overseas offices (7 in Japan and 20 overseas)

Items	Objectives (fiscal 2021)	Objectives (fiscal 2019)	Results (fiscal 2019)	Self-Assessment / Challenges
CO <sub>2</sub> emissions	6% reduction compared with fiscal 2018	2% reduction compared with fiscal 2018	2% reduction	The target was achieved as a result of energy-saving measures in production processes including storage battery charging processes and parts manufacturing processes. It is important to take measures to reduce greenhouse gas emissions through activities that improve operational efficiency into the future.
Water consumption	8% reduction compared with fiscal 2018	3% reduction compared with fiscal 2018	2% reduction	Overseas Group companies achieved water use reduction targets, but domestic business sites did not achieve the targets due to problems with water circulation facilities and other factors. In the future, we will continuously undertake activities to promote the reuse of water.
Percentage of environmentally considered products in total sales of all products	35% or more	31% or more	34%	The target was achieved as a result of higher sales of vehicles with start-stop systems, which reduce fuel consumption, and products subject to generating systems that use renewable energy. Going forward, we will continue to provide products that meet market needs in relation to global warming.
Ratio of recycled lead used as lead raw materials in lead-acid batteries	35% or more	28% or more	42%	The rate of use of recycled lead by overseas Group companies has increased rapidly in recent years, resulting in the amount of recycled lead used in lead-acid batteries greatly exceeding initial expectations. Going forward, we will continue efforts to maintain and improve these levels.



# Environmental Management Systems

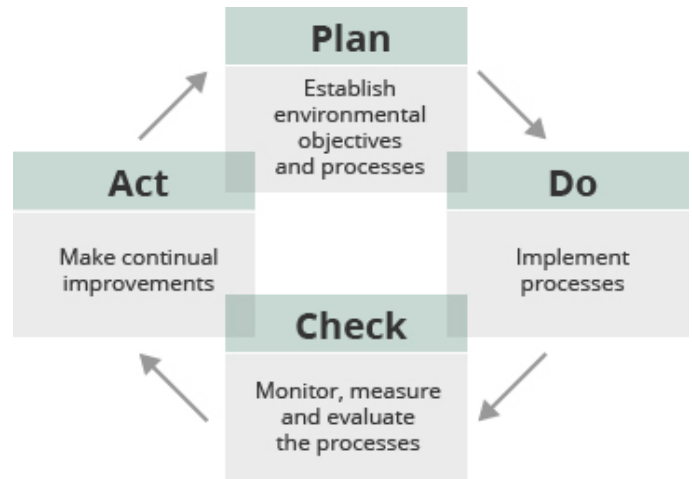
**GS Yuasa operates environmental management systems that comply with international standards.**

## Operation of environmental management systems

At GS Yuasa Group, we are developing and using environmental management systems that comply with the ISO 14001 international standard.

At every site, we use a PDCA (Plan, Do, Check, Act) cycle as part of a systematic framework for environmental management, enabling us to make continual improvements for environmental conservation.

### ■ PDCA Cycle

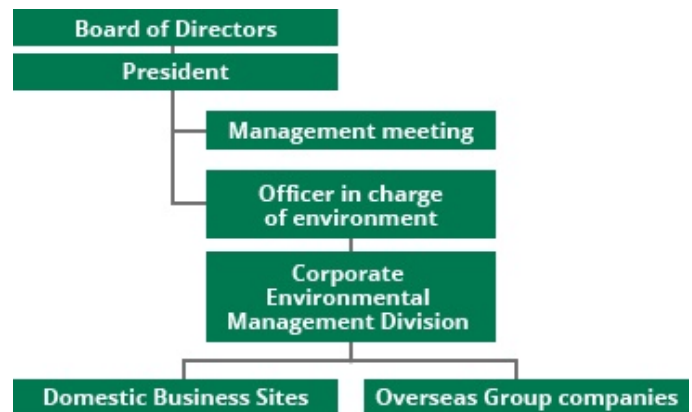


## Organizational Structure

In the organizational structure for GS Yuasa Group's environmental management systems, the president of GS Yuasa serves as the chief executive officer responsible for environmental management, overseeing the environmental management of the entire Group working with officers in charge of environment under direct supervision. Environmental issues that affect the entire Group, such as fundamental environmental policy, are discussed and finalized at management meetings.

We are also establishing environmental management systems for domestic business sites and overseas Group companies to enable quick and efficient communication within the group. Starting in fiscal 2018, we are expanding the scope of ISO 14001 certification, the international standard for environmental management systems, from our main domestic business sites to the entire Group, thereby building a system for strategically achieving the Group's environmental goals.

### ■ Overview of Organizational Structure



\*Seven domestic business sites have obtained integrated ISO 14001 certification

\*Among our overseas Group companies, 20 production sites have obtained ISO 14001 certification for systems currently in use

<b>ISO certification acquisition rate at domestic and overseas production sites</b>	<b>96%</b>
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## Environmental Auditing

We conduct internal environmental audits at every GS Yuasa Group business site to determine whether our environmental policy is being implemented appropriately and that environmental objectives are being met. In addition, we evaluate the environmental management system to improve performance as well as to improve the system itself. We also have an environmental certification agency conduct external environmental audits to check the conformity and effects of our environmental management systems.

Internal environmental auditing	External environmental auditing
<p>Internal environmental auditors — with qualifications gained from training both inside and outside the company — determine the condition of the following:</p> <ol style="list-style-type: none"> <li>1. Compliance with environmental laws and regulations, etc. (legal compliance audit)</li> <li>2. Maintenance and management of environmental management systems (system audit)</li> <li>3. Degree of achievement of environmental objectives (performance audit)</li> </ol>	<p>Audits of the status of maintenance and management for environmental management systems based on ISO 14001 standards and the functioning of PDCA cycles confirmed that every business site adheres to ISO 14001 standards. We will continue working to improve these systems by evaluating environmental management from a third-party perspective and by using information on such items as areas needing improvement.</p>

## Environmental Education

The GS Yuasa Group employs different types of environmental education to maintain and improve environmental management systems. In addition, we regularly provide training to avoid exposure to environmental risk.

### General Environmental Education

#### ■ Employee education

In every division, we provide education to all employees to build awareness of their role in achieving the environmental policy.

#### ■ Education for new recruits

New recruits are made aware of the GS Yuasa Group's basic philosophy on environmental management.

### Specialized Environmental Education

#### ■ Training of internal environmental auditors

At every business location, we train internal environmental auditors and provide them with education to boost their skills to continually improve our environmental management systems.

## ■ Emergency response training

In every division, we regularly provide training on responses to potential emergencies to all employees working in operations that have significant potential impact on the environment.

## Environmental Compliance Management

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The GS Yuasa Group regularly reviews the environmental laws and regulations that must be obeyed, and ensures, through monitoring, that operations are managed in a way that is legally compliant.

Further, business is conducted in compliance with environmental laws and regulations since we use hazardous substances, such as lead, in our products and we must obey the laws and regulations related to the operation of recycling systems for used products.

There was no litigation and there were no punitive fines or administrative fines for nonadherence to environmental laws or regulations in fiscal 2019.

## Environmental Risk Management

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Our GS Yuasa Group develops environmental risk management with consideration to the different needs of our stakeholders. In every business location, we work to prevent environmental pollution through operational management based on voluntary standards that are stricter than regulatory standards based on environmental laws, regional ordinances and agreements.

In operations that have significant potential impact on the environment, we implement both tangible and intangible measures to reduce the risk of pollution. The tangible measures include: increasing the visibility of operations, preventing spills and using equipment to remove noxious substances. Intangible measures include: equipment inspections, monitoring, measuring and enhancing of operational procedures

We also hold emergency response training regularly to help mitigate damage in an emergency situation.

In fiscal 2019 there were no instances of emergencies directly related to environmental pollution at any of our business locations.

In fiscal 2019, we have started to analyze and evaluate the impacts of climate-related risks on our future business and have prepared measures against these risks.

## Initiatives for the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*1</sup>

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In the recommendations published by the TCFD in June 2017, in order to stabilize financial markets through a smooth transition to a low-carbon society, companies are being called on to disclose information on medium- to long-term climate related risks and their financial impact.

In December 2019, the GS Yuasa Group expressed its support for the TCFD recommendations and affirmed its participation in the TCFD Consortium.

The GS Yuasa Group recognizes that climate-related issues that may have a significant long-term impact on corporate management are important management issues, and believes that it is necessary to promote strategies for responding to such issues. For this, the Group initiated the work of examining risks and opportunities based on climate change scenarios in fiscal 2019 that took into account the information disclosure scheme proposed by TCFD. We are promoting analysis of risks and opportunities in respective scenarios taking as basis the 2°C scenario, which assumes that a low-carbon society has been realized through the achievement of the goal<sup>\*2</sup> related to the increasing global average temperature, and the 4°C scenario, which assumes that this goal has not been achieved and global warming has progressed.

The following table lists the risks and opportunities being currently examined as potential candidates. In particular, trends in the automotive market affecting the automotive battery business, which is our main product, are considered important in terms of both risks and opportunities. In addition, the spread of renewable energy on a global scale is being seen as a major opportunity to expand sales of storage battery systems.

In the future, we are committed to promoting identification of risks and opportunities using TCFD and to the development of business strategies, as well as to making concerted efforts for appropriate disclosure of information related to climate change.

<sup>\*1</sup> An organization established by the Financial Stability Board at the request of G20 for examining climate-related information disclosure and ways in which financial institutions can respond

<sup>\*2</sup> The goal of keeping the global average temperature increase well below 2°C compared to the pre-Industrial Revolution levels

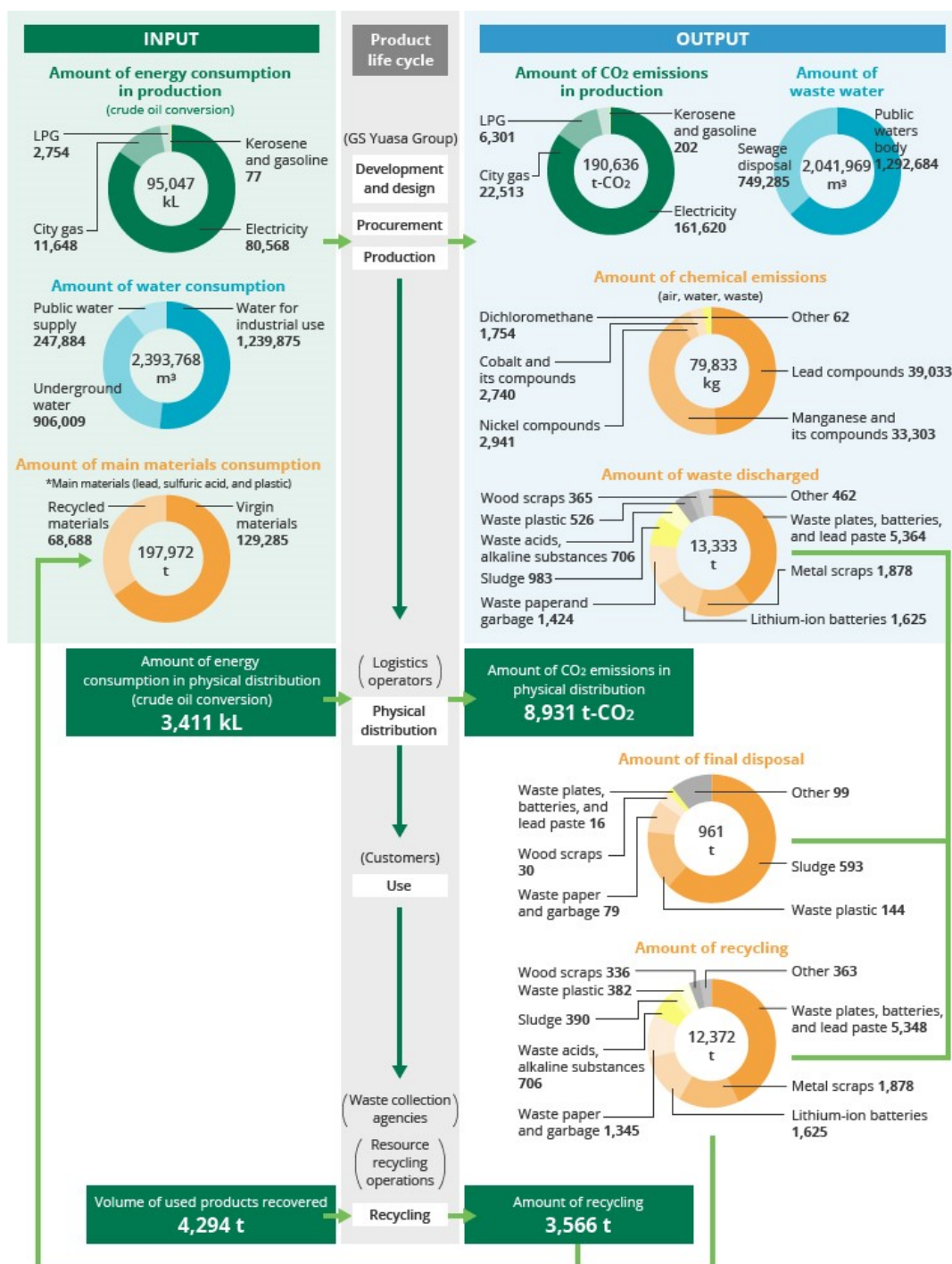
■ Risks and Opportunities Being Examined as Potential Candidates

Classification	Area	Value Chain Stage	Content
Opportunities	Products and Services	Sales	With the spread of renewable energy, it is expected that there will be an increase in the demand for large-scale storage batteries for power storage facilities necessary for supply stabilization. Sales are expected to increase through the development of power storage systems and product development that meet market needs.
	Products and Services	Sales	The below 2°C and the 2°C scenarios suggest that the market for gasoline cars will expand in the medium-term and hybrid and electric vehicles will become popular in the long-term. By launching products that meet the market needs at the right time, we expect to see an increase in market share.
Transition Risks	Regulations	Procurement	The 2°C scenario suggests that carbon taxes will be increased to meet each country's CO <sub>2</sub> emission reduction targets and costs of procurement of energy from fossil fuels will increase. Additional initiatives for energy conservation and use of renewable energy will become important.
	Market	Sales	Considering the implications of below 2°C and 2°C scenarios, as well as regulatory planning conditions including for gasoline vehicles in Europe, it is expected that the gasoline vehicle market will shrink significantly in the long-term. It is necessary to transform business models to respond to market changes.
Physical Risks	Short-term Risks	Direct Operations, Procurement	There are concerns about suspension of operations at our company plants and disruption of the supply chain due to flood damage caused by abnormal weather. A survey to analyze and evaluate losses caused by flood damage at our company plants has been conducted from fiscal 2019.
	Long-term Risks	Direct Operations	Some overseas affiliated companies have concerns about the future risk of drought in a 4°C scenario. It is necessary to adopt measures including reduction in the amount of water used and promoting water reuse to ensure sufficient water for business activities.

# Environmental Performance and Environmental Accounting

We are committed to continually improving environmental performance and to evaluating the effectiveness of our environmental activities.

## Flow of Materials in the Product Life Cycle



## ■ Remarks

- (1) Data came from seven sites in Japan in fiscal 2019: GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants), GS Yuasa Energy Co., Ltd., Lithium Energy Japan and GS Ibaraki Works, Ltd.
- (2) Figures for energy consumption and CO<sub>2</sub> emissions during transportation are solely from GS Yuasa International Ltd.
- (3) Figures for the volume of used products recovered and resources recycled are solely from industrial batteries and power supplies.
- (4) The conversion factor for calculating CO<sub>2</sub> emissions for power consumption uses the CO<sub>2</sub> emissions intensity data issued by the Electric Power Council for a Low Carbon Society (ELCS).

## Reduction of CO<sub>2</sub> Emissions and Water Consumption at Production Sites Worldwide

The GS Yuasa Group is committed to working on reduction of CO<sub>2</sub> emissions and water consumption in production activities worldwide.

We are promoting initiatives that contribute to a low-carbon, sustainable society as part of our business strategy by incorporating these global reduction targets in the Group's Mid-Term Management Plan.

### ■ CO<sub>2</sub> emissions and water consumption by country(FY 2019)

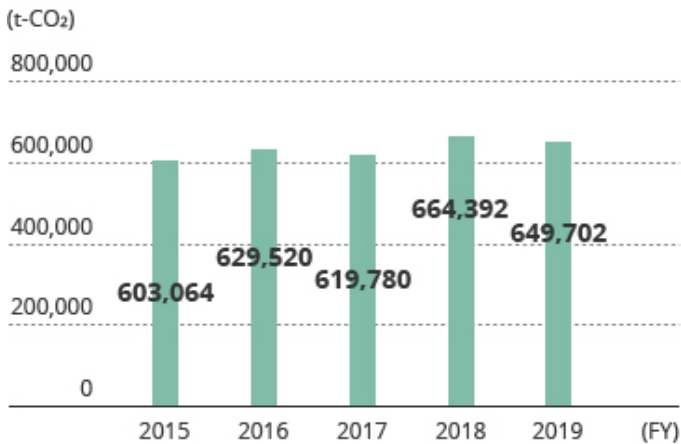
Country	CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	Water Consumption (m <sup>3</sup> )
Japan	190,636	2,393,768
China	82,245	585,578
Taiwan	72,912	346,970
Vietnam	12,559	243,067
Malaysia	1,944	59,873
Indonesia	124,877	727,019
Thailand	53,157	764,067
India	20,472	81,641
Pakistan	18,425	325,419
Turkey	37,346	844,204
United Kingdom	11,882	64,247
United States	10,571	75,468
Australia	12,677	34,274
Total	649,702	6,545,593



■ CO<sub>2</sub> emissions and water consumption by production sites for the Group(FY 2019)

Country	Production site	CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	Water Consumption (m <sup>3</sup> )
Japan	GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants)	126,042	1,169,524
	GS Yuasa Energy Co., Ltd	30,285	996,957
	Lithium Energy Japan Ltd.	29,537	94,323
	GS Ibaraki Works, Ltd.	4,772	132,964
China	Tianjin GS Battery Co., Ltd.	37,218	268,354
	Yuasa Battery (Shunde) Co., Ltd.	24,111	145,002
	Yuasa Battery (Guangdong) Co., Ltd.	14,789	154,425
	GS Battery (China) Co., Ltd.	6,127	17,797
Taiwan	Taiwan Yuasa Battery Co., Ltd.	52,142	237,477
	GS Battery Taiwan Co., Ltd.	20,769	109,493
Vietnam	GS Battery Vietnam Co., Ltd.	12,559	243,067
Malaysia	GS Yuasa Battery Malaysia Sdn. Bhd.	1,944	59,873
Indonesia	PT. GS Battery	67,072	409,616
	PT. Trimitra Baterai Prakasa	33,900	146,323
	PT. Yuasa Battery Indonesia	23,904	171,080
Thailand	Siam GS Battery Co., Ltd.	36,487	556,616
	Yuasa Battery (Thailand) Pub. Co., Ltd.	11,328	163,252
	GS Yuasa Siam Industry Ltd.	5,342	44,199
India	Tata AutoComp GY Batteries Private Limited	20,472	81,641
Pakistan	Atlas Battery Ltd.	18,425	325,419
Turkey	Inci GS Yuasa Aku Sanayi ve Ticaret Anonim Sirketi	37,346	844,204
United Kingdom	GS Yuasa Battery Manufacturing UK Limited	11,882	64,247
United States	Yuasa Battery, Inc.	10,571	75,468
Australia	Century Yuasa Batteries Pty. Limited	12,677	34,274

### ■ Changes in the CO<sub>2</sub> emissions for the Group\*



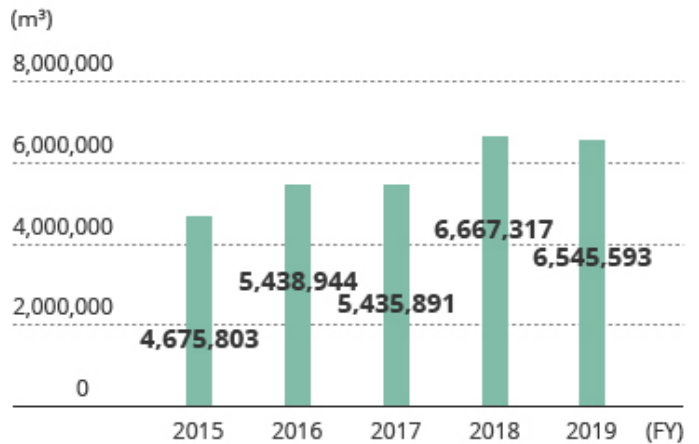
\*We have been expanding the scope of application since fiscal 2018.

\* The CO<sub>2</sub> conversion factor in the calculation of CO<sub>2</sub> emissions associated with power usage uses the following published values.

Japan: The primary unit of CO<sub>2</sub> emissions of the Electric Power Council for a Low Carbon Society (ELCS)

Outside of Japan: Individual country-based GHG protocol factors

### ■ Changes in the water consumption for the Group\*



\*We have been expanding the scope of application since fiscal 2018.

## Appropriate Environmental Information Disclosure

The Group conducts information disclosure in response to the CDP. The CDP requires companies to disclose information of environmental strategies based on the needs of institutional investors and customers.

For the volume of greenhouse gas emissions, we disclose information for which authenticity of data has been secured through third-party verification\*. We are also promoting disclosure of information on performance and countermeasures with regards to water risks.

In the future as well, we are committed to working on disclosure of appropriate environmental information in response to the needs of various stakeholders.

\*We have received third-party verification from SGS Japan Inc. [Statement on third-party verification \(FY2019\)](#). 

## Environmental Performance Data

### Scope of calculations related to environmental performance

1. This data summarizes the environmental performance of six and seven sites of affiliated companies in Japan. However, energy consumption and CO<sub>2</sub> emissions in physical distribution and figures for the volume of used products recovered and resources recycled, are values for GS Yuasa International Ltd.

Scope of application	Target organization
Six sites	GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants), Lithium Energy Japan and GS Ibaraki Works, Ltd.
Seven sites	Six sites, GS Yuasa Energy Co., Ltd.,
GY	GS Yuasa International Ltd.

2. The period covered by this data is from fiscal 2015 to 2019. However, since for GS Yuasa Energy Co., Ltd., data compilation began in 2018, data from the seven sites prior to 2018 is not disclosed. All data was reviewed prior to disclosed.
3. The CO<sub>2</sub> conversion factor for calculating CO<sub>2</sub> emissions for power consumption uses emission intensity data for fiscal 2016 from the Electric Power Council for a Low Carbon Society (ELCS) (0.52 t-CO<sub>2</sub>/MWh).

Category	Items	Unit	Scope of application	fiscal 2015	fiscal 2016	fiscal 2017	fiscal 2018	fiscal 2019
INPUT	Amount of main materials consumption	t	Six sites	122,018	128,237	137,701	139,704	134,837
			Seven sites	-	-	-	200,486	197,972
	Amount of water consumption	m <sup>3</sup>	Six sites	1,409,055	1,391,797	1,409,366	1,367,172	1,381,683
			Seven sites	-	-	-	2,366,429	2,393,768
	Amount of energy consumption in production (crude oil conversion)	kL	Six sites	73,496	75,444	76,540	79,975	76,747
			Seven sites	-	-	-	95,805	95,047
Amount of energy consumption in physical distribution (crude oil conversion)	kL	GY		2,886	3,079	3,140	3,078	3,411
Volume of used products recovered	t	GY		5,209	4,963	4,505	4,276	4,294

Category	Items	Unit	Scope of application	fiscal 2015	fiscal 2016	fiscal 2017	fiscal 2018	fiscal 2019
OUTPUT	Amount of waste discharged	t	Six sites	8,417	8,823	8,977	8,957	9,069
			Seven sites	-	-	-	10,609	13,333
	Amount of recycling	t	Six sites	8,316	8,726	8,889	8,801	8,674
			Seven sites	-	-	-	9,913	12,372
	Amount of wastewater	m <sup>3</sup>	Six sites	1,145,374	1,134,686	1,134,131	1,092,148	1,121,283
			Seven sites	-	-	-	1,937,866	2,041,965
	Amount of CO <sub>2</sub> emissions in production	t-CO <sub>2</sub>	Six sites	150,339	154,309	147,746	154,635	153,434
			Seven sites	-	-	-	192,175	190,636
	Amount of CO <sub>2</sub> emissions in physical distribution	t-CO <sub>2</sub>	GY	7,448	7,933	8,119	7,970	8,931
	Volume of used products recycling	t	GY	4,287	4,107	3,740	3,559	3,566

## Environmental Accounting

### Scope of calculations for environmental accounting

<b>Structures</b>	Seven domestic sites (Kyoto, Osadano, Odawara and Gunma Plants, GS Yuasa Energy Co., Ltd., Lithium Energy Japan and GS Ibaraki Works, Ltd.). Note, however, that environment-related equipment costs within business area costs do not include onsite affiliated companies.
<b>Period covered</b>	April 1, 2019 - March 31, 2020
<b>Reference</b>	Environmental Accounting Guidelines 2005 Edition (issued by the Ministry of the Environment)

## Environmental conservation costs (categorized by business activity)

Category		Key initiatives	Total (Thousands of yen)
Business area costs (total)			1,378,583
Breakdown	Pollution prevention costs	Efforts to prevent air, water and soil pollution	971,851
	Global environmental conservation costs	Efforts to reduce greenhouse gas emissions	150,972
	Resource recycling costs	Efforts to ensure suitable disposal of waste	255,761
Upstream and downstream costs <sup>*1</sup>		Additional efforts to reduce environmental burden	29
Management activity costs <sup>*2</sup>		Employee education and ISO 14001 maintenance and management	7,708
Research and development costs		Research and development efforts in consideration of the environment	9,517,000
Social activity costs		Environmental volunteer efforts	24,950
Environmental remediation costs <sup>*3</sup>		Efforts related to soil pollution measures	4,948
Total			10,933,219

## Economic effect of environmental conservation initiatives

Category	Key item	Monetary amount (Thousands of yen)
Economic effects of more efficient water use	Water use and wastewater cost reduction <sup>*3</sup>	-6,063
Energy conservation effects	Cost reductions for electricity, heavy oil and gas (city gas, LNG, LPG) <sup>*3</sup>	114,033
Waste reduction effects	Cost reduction for industrial waste treatment <sup>*3</sup>	45,948
Resource recycling effects	Profit from recycling and reusing waste	160,845

## Effect of environmental conservation

Category	Key items	Material amount
Effects related to resources used in business activities	Amount of recycled water used	1,413,992m <sup>3</sup>
	Amount of reduction in water use <sup>*3</sup>	-27,338m <sup>3</sup>
	Amount of energy saved (crude oil conversion) <sup>*3</sup>	758kL
Effects related to environmental burden and waste from business activities	Amount of CO <sub>2</sub> reduced <sup>*3</sup>	1,539ton-CO <sub>2</sub>
	Amount of waste reduced (final disposal volume) <sup>*3</sup>	-265ton
	Amount of wastewater reduced <sup>*3</sup>	-104,099m <sup>3</sup>
	Amount of waste recycled	12,372ton
	Recycling rate <sup>*4</sup>	93%
	[Water quality] Amount of lead discharged	35.7kg
	[Air] Amount of lead emitted	154.0kg

\*1 Upstream and downstream costs are the total of consulting expenses and expenses for contracts to create new products based on the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging.

\*2 In addition to employee education, and costs related to ISO 14001 maintenance and management, the management activity cost includes expenses related to information disclosure.

\*3 The tables show amounts reduced compared with the previous fiscal year (negative amounts represent increases).

\*4 Recycling rate (%) = (amount recycled / amount of waste) x 100



## Activity to Decrease Environmental Burdens

The GS Yuasa Group is working to lessen the Group's environmental burden not only at the manufacturing stage but also throughout the product life cycle.

### Development and design

#### Designing environmentally conscious products

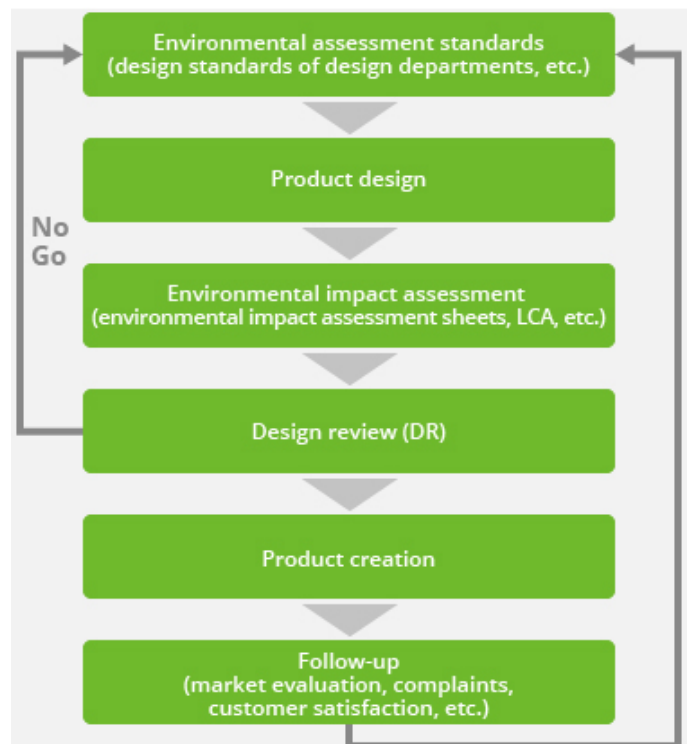
The GS Yuasa Group's products have some impact on the environment during every stage of the product life cycle, from procurement and manufacturing to transportation, use and disposal. In order to reduce the environmental burden throughout the product life-cycle caused by the consumption of resources and the generation of greenhouse gases and waste, the Group is committed to improving the product performance through designing that considers selection of raw materials, ease of disassembly and segregation, energy conservation, and appropriate labelling.

For an environmental assessment of product design, design departments employ design standards and then evaluate the suitability of products in design review (DR) meetings based on environmental impact assessments of every stage of the product life cycle. When environmental impact standards are not met, we review the design standards and redesign the product. We use the expertise of several departments in addition to design departments, including engineering, marketing, procurement, quality and the environment, to make sure that the results of Design for the Environment (DfE) are communicated widely, which also maximizes their effectiveness.

#### ■ Environmental Assessment Items

1. Energy conservation
2. Volume reduction
3. Recyclability
4. Ease of disassembly
5. Ease of separation processing
6. Safety and environmental conservation
7. Material selection
8. Ease of maintenance
9. Energy efficiency
10. Reusability (life extension)

#### ■ Flow of Environmental Assessment



## Reflecting information in the products we distribute

Important information, such as customer requirements for GS Yuasa Group products, is used when we change the design of existing products or design new products. This helps boost the value of our Design for the Environment. Information from interested parties related to after-sales service, returns and complaints are used as a valuable resource to improve the environmental performance of products.

## Management of chemical substances contained in products




The GS Yuasa Group takes steps to provide products with minimal environmental burden based on the Chemical Substance Management Guidelines, which clarify the standards for chemical substances in products. These guidelines are part of initiatives to examine chemical substances contained in materials delivered as stipulated in the GS Yuasa Group green procurement criteria. With these guidelines, we classify chemicals contained in our main materials, as well as the secondary materials and the parts used in the products that the Group makes and sells as either prohibited substances or managed substances. The GS Yuasa Group works with our business partners who supply main materials, auxiliary materials and components to identify and definitively manage the substances covered by the guidelines to raise the environmental quality of our products.

## Popularizing environmentally considered products

The GS Yuasa Group defines environmentally considered products as those products that help mitigate global warming, and we are actively working to develop and popularize such products.

In fiscal 2019 we started incorporating into the Group's Mid-Term Management Plan sales targets for environmentally considered products, making it part of our business strategy to work on climate change through the products we provide to customers.

### ■ Examples of Environmentally Considered Products

Item	Description	Examples of products
Batteries for vehicles with start-stop systems	Batteries for vehicles with start-stop systems (ISS) for improving gas mileage by allowing the engine to stop instead of idling to reduce fuel consumption	
Storage battery system	A system to effectively utilize renewable energy (power conditioners, lithium-ion battery, etc.)	
Automotive Lithium-ion Batteries	Hybrid vehicle batteries and electric vehicle batteries that contribute significantly to reducing greenhouse gases	

\*Click image to enlarge

## Production

### Identifying chemical substance emissions

Today, among the chemicals used in GS Yuasa Group plants, the following substances are subject to reporting under the PRTR Law.\* The Group incorporates the management of hazardous substances into environmental management and regularly assesses how they have been handled to reduce environmental risk and related legal compliance.

\*PRTR (Pollutant Release and Transfer Register) Law

This law covers identifying, etc., the emissions of specific chemical substances into the environment and promotes improved management. The law requires businesses to collect, tabulate and disclose data related to hazardous chemical substances, their sources, the amount of emissions and how much is transferred out of the plant, including as waste. Class I Designated Chemical Substances (substances that may damage people's health or interfere with the growth of animals and plants) are subject to reporting under the PRTR system. Of these substances, those that have carcinogenic properties are classified as Specific Class I Designated Chemical Substances.

#### ■ Status of release and transfer of substances subject to the PRTR Law

(kg)

Substances subject to the PRTR Law	Sites	Released into the air	Released into public waterways	Transferred to sewage system	Transferred outside the site	Total
Lead compounds*	Kyoto	60.0	-	4.9	33,000	33,064.9
	Osadano	33.0	-	16.0	3,000	3,049.0
	Gunma	36.0	3.0	-	13.0	52.0
	GS Yuasa Energy	7.0	7.1	-	2,800	2,814.1
	Ibaraki	18.0	4.7	-	30.0	52.7
Arsenic and its inorganic compounds*	Kyoto	2.8	-	0.4	3.4	6.6
	Gunma	-	0.7	-	-	0.7
	GS Yuasa Energy	-	-	-	0.3	0.3
Antimony and its compounds	Kyoto	8.1	-	0.4	42.0	50.5
	Osadano	-	-	2.7	-	2.7
	Gunma	-	0.7	-	-	0.7
	GS Yuasa Energy	-	-	-	0.3	0.3
Manganese and its compounds	Kyoto	-	-	-	1,300.0	1,300.0
	Osadano	2.8	-	-	-	2.8
	Lithium Energy Japan	-	-	-	32,000	32,000
Nickel compounds*	Kyoto	-	-	-	540.0	540.0
	Osadano	1.0	-	-	0.1	1.1
	Odawara	0.0	-	0.0	0.0	0.0
	Lithium Energy Japan	-	-	-	2,400.0	2,400.0

Substances subject to the PRTR Law	Sites	Released into the air	Released into public waterways	Transferred to sewage system	Transferred outside the site	Total
Cobalt and its compounds	Kyoto	-	-	-	340.0	340.0
	Osadano	0.1	-	-	0.1	0.2
	Lithium Energy Japan	-	-	-	2,400.0	2,400.0
Dichloromethane	Kyoto	0.5	-	-	320.0	320.5
	Ibaraki	1,400.0	-	-	34.0	1,434.0
Cadmium and its compounds*	Odawara	0.0	-	0.0	0.0	0.0
Triethylenetetramine	Ibaraki	0.0	0.0	-	0.0	0.0
Total		1,569.3	16.2	24.3	78,223.2	79,833.0

- : Outside scope of coverage

\* : Production of Specific Class I Designated Chemical Substances

## Reducing waste emissions

In addition to promoting activities for reduction of waste emissions (including lead-containing sludge and waste alkali) that contains hazardous substances generated during the production process, the Group is also actively working on reducing the generation of non-hazardous waste (such as wood scraps).

The Gunma plant has changed the specifications of wooden pallets used when importing batteries from overseas, and has achieved reuse of these for transportation of batteries within the plant and to other business sites. In fiscal 2019, we reused more than 7,000 wooden pallets resulting in a 224-tons reduction in waste emissions volume compared to the previous fiscal year, while at the same time leading to initiatives to curb the consumption of natural resources.

The GS Yuasa Group is committed to promoting activities for waste reduction and recycling in order to contribute to a recycling-oriented society.



Packaging of batteries imported from overseas



Wooden pallets for reuse

## Cutting Greenhouse Gas Emissions from Production Activities

At Our Group's domestic business sites, we not only encourage activities for energy conservation, such as switching to LED lighting and education of energy saving, we also promote activities for efficient energy use, such as modifying equipment condition setting and updating equipment.

In particular, we consume much of the Group's electricity use in storage batteries charging process. We consider energy conservation during our charging process as an important issue for GHG emission reduction. Therefore, at all of our sites, we undertake measures for energy conservation during our charging process.

As a result of our continuous efforts to improve the battery-charging process of storage batteries and enhance the charging equipment at our Kyoto Plant, we achieved reduction in power consumption by 381MWh in fiscal 2019 (resulting in a reduction of approximately 197t of CO<sub>2</sub> emissions).

GS Yuasa Group promotes activities to reduce GHG emission by improving the work efficiency and conserving energy as much as possible.



Charging process of storage batteries

## Operation of wastewater treatment assuming abnormal weather

As hazardous substances (such as lead) are used to manufacture storage batteries, the Group is continuously engaged in activities to minimize the adverse effects on the environment around the plant. In addition, we have adopted preparatory measures that conform to regulatory standards for discharge of wastewater off-site, in the event of abnormal weather (such as heavy rainfall) caused by climatic changes.

At the Osadano Plant, roof deposits (including hazardous materials) are regularly cleaned by the sprinkler system installed on the roof of the factory. The wash water from the artificial sprinkling is released after conducting proper wastewater treatment. We are committed to working on stabilization of the water quality of wastewater by adopting regular countermeasures to deal with heavy rainfall.



Sprinkler system installed on the factory roof (Osadano Plant)



## Transportation

### Energy conservation activities for logistics

The GS Yuasa Group promotes energy conservation for freight forwarding (shipping) as one way to reduce the environmental burden during the product life cycle.

As part of coordinated efforts to save energy, we created a system to identify the quantity of goods being shipped, as well as energy consumption and CO<sub>2</sub> emissions during logistics. We have established a system to identify the quantity of goods being shipped, as well as energy consumption and CO<sub>2</sub> emissions during logistics, and are implementing energy saving measures such as reducing the quantity of items shipped between sites by integration of physical distribution bases and a modal shift from trucks to rail containers and other related systems for transportation.

In addition, the Group has been designated as certified by the Eco Rail Mark System\* for five series of batteries for automobiles and motorcycles. By getting customers to purchase certified products, we are promoting activities in which customers and companies can participate together to reduce the burden on the environment.

Our Group promotes logistics that consider the environment by active utilization of rail freight transportation.

\*A system of certification by the Railway Freight Association, for companies and products that make thorough use of rail transportation for minimal environmental burden.



Examples of GS Yuasa Group products with Eco Rail certification

## Resource recycling

### Application of the wide-area certification system for industrial batteries

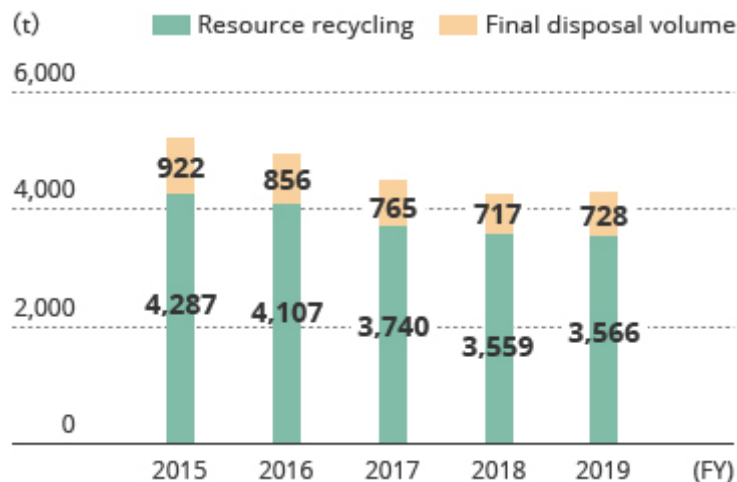
A wide-area certification system aims to involve the manufacturers of a product in the product's recycling and disposal once it reaches the end of its useful life. These systems make possible more efficient recycling and provide feedback on product design leading to easier disposal and reuse, while ensuring that discarded goods are disposed of properly.

In January 2008, the GS Yuasa Group in Japan acquired wide-area certification from the Ministry of the Environment for industrial batteries and power supplies, and in January 2009 started accepting orders in earnest for a recycling system based on this certification. Even following the start of operations, we continue to make improvements such as expanding the scope of covered products and reviewing operational rules to create mechanisms for the reliable and proper disposal of used industrial batteries.

In the future, we will promote even more effective operation of the wide-area certification system to improve customer service as well as to recycle and properly dispose of post-use products.



## ■ Amounts Handled under the Wide-Area Certification System (Industrial Batteries, Power Supplies)



### Thorough operation and management of processing under a wide area certification system

The GS Yuasa Group believes in the importance of creating and operating a system for recovering and recycling resources from our used products to help create a recycling-oriented society. To achieve this goal, the Group is strengthening initiatives for processing used products and resource recycling using a wide area certification system based on the wide area certification system for industrial waste guidelines issued in March 2010. These guidelines express our basic philosophy on processing used Group products. Under the guidelines, we have designated three key elements for operating a wide area certification system: (1) an outline of the system; (2) processing under the system; and (3) establishing an operational system and clarifying the concrete management and operating procedures. In addition, we are working to ensure the effective operation and management of processing under the wide area certification system using tools, such as a checklist to confirm the status of processing by waste processors, and by showing a series of examples in the guidelines.

### Increasing Usage Rate of Recycled Lead in Products

The GS Yuasa Group is working to increase the usage rate of recycled lead—the primary material used in lead-acid batteries, one of our core products.

In fiscal 2019 we started taking action to work toward a recycling-oriented society as part of our business strategy by incorporating into the Group's Mid-Term Management Plan targets for the usage rate of recycled lead contained in our lead-acid batteries.

The GS Yuasa Group has been taking action to recycle our post-use products by building and operating a recycling system based on extended producer responsibility (EPR). Going forward, we also plan to strengthen our efforts to promote the use of recycled materials in our products.



# Building Better Relationships with Local Communities

**We seek to contribute to solutions to social issues through our business activities so that we can support the sound and sustainable development of local communities.**

## Contributions to Society

### Contribution to the SDGs through Products and Services

The Sustainable Development Goals (SDGs) express priority global issues and the ideal status of global society in relation to economics, society, and the environment in the lead-up to 2030. Many countries, companies, and other organizations are actively addressing these issues with the aim of creating sustainable societies.

The GS Yuasa Group believes that it can contribute to achieving the society sought by the SDGs by practicing our corporate philosophy of contributing to people, society, and the global environment through innovation and growth of our employees and business entities. The Group is developing globally with storage batteries as its main products, and by providing products and services to regional societies in every country of the world by making use of the storage battery technologies we have accumulated through more than a century of experience, we are working to solve the shared problems of the international community.

[See here for information on our efforts to contribute to the SDGs with Group products and services.](#) 



## Contributions to R&D Relating to Space Development Applications

The Group's space lithium-ion batteries are used on the International Space Station (ISS). The ISS is a manned test facility constructed approximately 400 km above the Earth's surface. It is used through the cooperation of many countries.

The main objective of the ISS is scientific and technological advances through various experiments and research in outer space, and the results of research, experimentation, and measurement are contributing to enriching lifestyles and enhancing industrial competitiveness. It is a key facility for making significant advances in space development and is also a symbol of international cooperation and peace operated jointly through the provision of state-of-the-art technologies by numerous countries.\*

Power for all equipment on the ISS including experimentation and observation devices and life support systems is supplied by photovoltaic power generation. However, power generation ceases 16 times each day as the ISS passes through the earth's shadow, and during these periods, power is supplied by GS Yuasa lithium-ion batteries for space use that are charged while the station is in the sunlight.

The GS Yuasa Group will continue contributing to the development of science and technology for the realization of a sustainable society through development and manufacture of high-performance lithium-ion batteries.

\*Source: the Japan Aerospace Exploration Agency (JAXA)

## Traffic Safety Around the Plant

The Kyoto Plant, one of our Group companies, has conducted activities to support elementary school students on the routes to school for a long period of time. To prevent traffic accidents, we keep traffic by vehicles used for our operations down on the routes to school when children are on the way to and from school, and we also make efforts to ensure safety along school routes by protecting and guiding children on the street. In addition, we are working to ensure nearby bicycle traffic safety by taking measures to prevent accidents when employees commute to and from work by bicycle.

The GS Yuasa Group will continue to promote activities that will lead to safe living in local communities.

### ■ Measures to prevent traffic accidents involving employees who commute by bicycle

- Only employees who pass an in-company test of safe bicycle use are permitted to commute by bicycle
- Training is conducted to raise the safety awareness of employees who use bicycles
- Periodic traffic safety training is provided to employees who commute by bicycle



Traffic safety training for employees who commute by bicycle (April 2016)

## Participation in Community Programs for Reducing Infants and Children Suffering from Malnutrition

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In Indonesia, malnutrition is becoming an increasingly serious problem. In cases where infants and children suffer from malnutrition, they are more susceptible to suffer from diabetes, heart disease, and other conditions later in their adult life, and there is a possibility of adverse economic impacts due to a smaller labor force and expanding medical expenses.

PT. GS Battery (PTGS), an overseas Group company located in Karawang, has been participating since fiscal 2015 in a program to reduce children suffering from malnutrition in order to contribute to resolving this type of social problem. The program provides nutritional supplement food to infants and children until they receive adequate nutrition. In fiscal 2019, thirty-seven malnourished children were the recipients of nutritional supplementary food.

PTGS will continue supporting programs for reducing malnourished infants and children, which have the potential of reducing the incidence of illness and developmental disabilities.

## Activities contributing to local communities at our production sites in Thailand

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At our Group companies in Thailand, we are promoting activities to contribute to local communities as a company with a good relationship with local communities.

Siam GS Battery Co. Ltd. (SGS) performed dredging work for flood control of rivers in the area where the business site is located in advance of the rainy season, which starts in June. During the rainy season in Thailand, large amounts of rainfall in a short period, causing rivers to flood, and as a result, the company worked to improve a situation that could adversely affect the lives of employees living in the area as well as the local economy.

Siam GS Sales Co., Ltd. (SGSS) conduct an annual event in cooperation with the local police department encouraging people to drive safely. In Thailand, the traffic accident fatality rate is 32.7 per 100,000 persons, the worst level in Asia (fiscal 2019 statistics), making this a serious social issue. As a business involved in the automobile industry, SGSS undertakes activities that contribute to the creation of a local community where people can live in safety.

GS Yuasa Siam Industry Ltd. (GYSI) conducts cleanup campaigns and gives donations to nearby elementary schools and temples, donates fluorescent lights that have become unneeded as a result of conversion to LED lighting, holds plant tours for students, sponsors a marathon event in the industrial park and participates in various other activities that emphasize interaction with the local community. GYSI makes periodic reports to community representatives on the results of monitoring measurements of hazardous substances (lead) released into the environment in conjunction with business activities and takes other measures to maintain good communications with the local community. These activities were recognized by the Thai government, leading to receipt of the CSR-the DIW Award<sup>\*1</sup> and Thailand Brand Mark<sup>\*2</sup> certification.

<sup>\*1</sup>The CSR-DIW Award is given by the Department of Industrial Works (DIW) in Thailand to companies that promote exceptional business activities that contribute to sustainable development and the local community.

<sup>\*2</sup> Thailand Brand Mark is a mark used in Thailand that guarantees not only the quality of manufactured products and services, but also the reliability and safety of production processes, environmental consideration, social responsibility and other factors. Under the program, companies that meet certain standards set by the Department of International Trade Promotion of the Ministry of Commerce are certified.





River dredging work (SGS)



Driving safety campaign (SGSS)  
(FY2018)



Plaque for the CSR-DIW  
Award(GYSI)

## Contributions to the Environment

### Stable Supply of Photovoltaic Generation Systems

A photovoltaic generation system using the GS Yuasa Group's lithium-ion batteries has been in operation at the Kushiro Town Toritoushi Wildland Photovoltaic Generation Plant in Hokkaido.

When generating photovoltaic power, changes in natural conditions, such as sunshine hours and temperature, can lead to significant fluctuations in the power generated, while a major increase in the photovoltaic power load could reduce the quality of the system's power in terms of both voltage and frequency. For this reason, storage battery systems are necessary to stabilize output fluctuations in power generated when photovoltaic power generating facilities are connected to the power grid.

In conjunction with the global increase in energy demand due to the growing population, economic growth and other factors, there are increasing calls for the expanded use of renewable energy as an alternative to limited fossil fuels. The introduction of storage battery systems to stabilize output fluctuations is essential for the effective use of energy from photovoltaic or wind power generation.

The Group continues to promote the use of high-performance lithium-ion battery systems in power generation and is aiming to contribute to creating sustainable local communities using renewable energy.



Industrial lithium-ion battery module LIM50EN series



Overall view of Kushiro Toritoushi Wildland Photovoltaic Generation Plant

## Increasing the Accuracy of Greenhouse Gas Observations

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The IBUKI-2 greenhouse gases observing satellite launched from the Tanegashima Space Center in October 2018 was equipped with a space lithium-ion battery manufactured by the Group. The mission of IBUKI-2 is to accurately and uniformly measure greenhouse gases such as carbon dioxide and methane around the world and to increase the precision of measurements.

Many countries are obligated to report on their own greenhouse gas emissions in accordance with the Paris Agreement, in international mechanism relating to climate change. As a result, the data obtained from IBUKI-2, which can take uniform measurements around the world, is expected to play an important role as a scientific basis for confirming the accuracy of greenhouse gas emissions volumes by each country.\*

Group products will continue to contribute to international efforts to curtail global warming.

\*Source: the Japan Aerospace Exploration Agency (JAXA)

## Support for Activities of the Yakushima Environmental and Cultural Foundation

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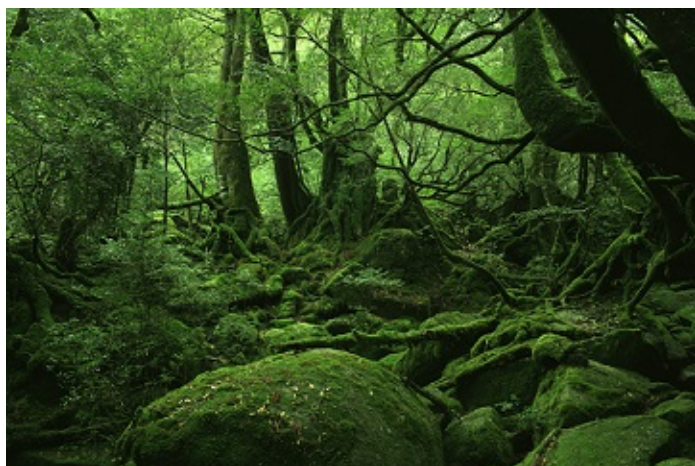
GS Yuasa Battery Ltd. (GYB) is providing support for the Yakushima Environmental and Cultural Foundation as part of initiatives to preserve the environment in the region.

Yakushima, which was placed on the World Heritage List in 1993 for the first time in Japan, is representative of nature in Japan. The Foundation is involved in activities to protect the beautiful natural environment on Yakushima, a heritage for humanity, and the business for creating communities where nature and people can co-exist.

Furthermore, GYB offers a family tour to Yakushima as the prize to the Gold Award winner of the "GS Yuasa Eco Art Contest for Elementary School Students" which has been held from fiscal 2009, and also conducts activities for elementary school students to experience the beauty of nature.

The GS Yuasa Group is promoting contribution to the protection of nature on Yakushima which is called the "Island of Life" and environmental education for children through support for the Foundation.

[Please refer here for the website of the Yakushima Environmental and Cultural Foundation](#) 



Rich natural environment on Yakushima

(photo courtesy of the Yakushima Environmental and Cultural Foundation, a public interest incorporated foundation)



## Contributions to Human Resource Development

### GS Yuasa Eco Art Contest for Elementary School Students

Since FY 2009, GS Yuasa Battery Ltd. has sponsored the GS Yuasa Eco Art Contest for Elementary School students to give the pupils, who will become the young citizens in the future, an opportunity to express their thoughts on the global environment.

This contest program provides the opportunity for children and their families to come together and think about the environment. We plan to continue holding this event in the future in the form of a painting.

### Environmental education classes for Elementary School Students Held

The Group's Kyoto Plant conducts classes on environmental topics for elementary school students in Kyoto City in cooperation with the local chamber of commerce and industry. This program is intended to deepen the understanding of elementary school students concerning environmental issues by conducting courses on the Company's environmental technologies at elementary schools.

In fiscal 2019, we conducted an environmental course on the workings of photovoltaic power generation and its environmental contributions at a nearby elementary school with "the roles of photovoltaic power generation and storage batteries" as the theme. By presenting nearby examples of the introduction of photovoltaic power and conducting hands-on lessons using solar panels combined with storage batteries, the elementary school students learned about how photovoltaic power, a renewable energy, is used. The course covered not just the relationship between photovoltaic power generation and storage batteries, but also that photovoltaic power generation can help curtail global warming.

Going forward, the Group will continue to conduct educational programs regarding environmental preservation for children, who will become the leaders of tomorrow.



A lesson on photovoltaic systems  
(November 2019)



A lesson using solar cells  
(November 2019)

## Support for Shiki Theatre Company's "Kokoro no Gekijo (Theatre of the Heart)"

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The GS Yuasa Group supports some of the twelve performances in Kyoto Prefecture of "Kokoro no Gekijo" (Theatre of the Heart), sponsored by the Shiki Theatre Company and Performing Arts Centre Foundation. "Kokoro no Gekijo" uses the stage to communicate to children such important life lessons as the value of life, consideration of others, and the joy of trusting each other. Children across Japan are invited to the performances in school groups, free of charge.

In September 2019, the Shiki Theatre gave eight performances (morning and afternoon over four days) at ROHM Theatre Kyoto of its original musical, "The Story of a Seagull and the Cat Who Taught Her to Fly". The shows were enjoyed by large numbers of children from around the city of Kyoto. Six employees of the GS Yuasa Group assisted as volunteers in four of the performances over three days, helping out at reception and showing the audience to their seats.

Through our continued support of Shiki Theatre Company's "Kokoro no Gekijo," we will continue to support activities that deliver valuable, unchanging lessons to children who will be leaders of the future.



Shiki Theatre Company's family musical "The Story of a Seagull and the Cat Who Taught Her to Fly" (Photograph: Takashi Uehara) (September 2019)



Volunteers assisting with the production (September 2019)

# Ensuring Social Responsibility within Our Supply Chain

**The GS Yuasa Group, together with the supply chain, will contribute to creating a sustainable society.**

## Collaboration with Business Partners

### Building Better Partnerships

The GS Yuasa Group believes that all suppliers are important business partners. Based on this idea, we provide support for improving operations and for quality control and health and safety management as well as education and guidance on compliance and CSR (corporate social responsibility) to business partners. We also hold production briefing sessions and annual social gatherings run by management to raise understanding of our management policies, annual business policies, and basic procurement policy and to deepen mutual understanding and trust. We also created a system for granting awards to business partners that have made outstanding contributions to quality, price, delivery, and social contribution.

Through better partnerships throughout the supply chain, we seek to improve the results of both our business partners and the GS Yuasa Group.

#### Basic Procurement Policy

**We intend to boost the results of our business partners and the GS Yuasa Group by working to create better partnerships based on mutual understanding and relationships of trust.**



Presenting an award to a business partner  
(April 2020)

## Promotion of Responsible Procurement

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The GS Yuasa Group advances materials procurement based on awareness of such international social issues as forced labor, child labor and environmental destruction. Along with quality, performance, pricing, delivery deadlines and other conventional supply demands, it is also vital to base procurement in CSR championing human rights, working conditions and the global environment. Toward that end, the Group does not simply tackle CSR on its own, but also, in cooperation with suppliers, promotes responsible procurement in response to social issues.

By tackling CSR, we believe we can raise the mutual corporate value of our Group and suppliers and realize a mutually prosperous supply chain overall.

## Responsible Procurement Initiatives

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In fiscal 2018, the GS Yuasa Group published Responsible Procurement Guidelines and issued it to suppliers to better clarify the practices of responsible procurement. The Guidelines seek to support a sustainable society through the partnership linking the Group to all suppliers. The key goal is to reduce business risks capable of negatively impacting improvements in mutual performance and sustainability, with supplier briefings held to raise awareness of the spirit and key points of these new parameters throughout the supply chain.

In the case of new transactions, we select business partners that conform to the Guidelines.

We also conduct questionnaire surveys of business partners to assess conformity with the Guidelines. In cases where issues are identified based on the survey results, we confirm the status of responses with business partners and conduct audits as necessary. Audits are conducted by confirming documents and making on-site observations based on the Guidelines, and operational improvements are made in cooperation with business partners.

In fiscal 2018, we surveyed a total of 367 companies (125 in Japan and 242 overseas). We conduct audits of business partners in fiscal 2019 based on the survey results and take necessary improvement measures (measures to avoid restricting the freedom of movement of workers and so on).

[Responsible Procurement Guidelines \(557KB,14page\)](#) 



A responsible procurement briefing for suppliers  
(February 2019)



## Ensuring Quality and Health/Safety

To promote activities that raise quality and enhance health and safety, including for business partners who supply parts and raw materials, the GS Yuasa Group provides guidance on quality reflecting the needs of our business partners as well as health and safety patrols, if required. In programs that raise quality, we share with business partners the target values and the results of quality defect analysis of products supplied to the Group and work to improve the quality of these items along with our partners. We also provide support for the quality enhancement measures of business partners such as by conducting quality improvement lectures and holding quality improvement events where business partners conduct plant tours for one another.

Health and safety patrols that perform safety inspections at business partner plants point out potential hazards and propose measures to mitigate those hazards depending on the scale of the risks. We provide support for business partners to identify workplace risks that pose hazards to workers and take appropriate action including monitoring of hazards and formulation of safe working procedures. Since fiscal 2019, we have been holding experience-based training, so business partner personnel can experience first-hand and gain an understanding of the hazards in their workplaces.

Through these activities, we are supporting the creation of strong partnerships in the supply chain and measures to ensure the quality of products used by customers as well as the health and safety of our business partners.



Business partner plant tour  
(October 2019)



Quality improvement lectures  
(October 2019)



Experience-based training  
(January 2020)

## Responsible Mineral Procurement

The GS Yuasa Group believes that addressing social issues (armed conflict, human rights violations, etc.) that may arise during the extraction, transport, and trading of minerals used in our products is crucial in the global mineral supply chain, and we strive to conduct responsible mineral procurement with an emphasis on internationally certified frameworks.

Therefore, we have formulated a policy on responsible mineral procurement and we undertake comprehensive operations and management in accordance with that policy so that we can collaborate with business partners and various other stakeholders to undertake activities without being complicit in armed conflict or human rights abuses.

## GS YUASA Responsible Mineral Procurement Policy

GS YUASA shall, recognizing the risks of significant adverse impacts which may arise in the supply chain of the minerals used in the products, parts, and materials handled by our company, promote responsible mineral procurement while respecting the internationally recognized framework through the following initiatives, to fulfill the responsibilities to respect human rights and avoid contributing to conflicts.

1. GS YUASA will investigate whether its group companies or their suppliers procure or use the minerals that may contribute to human rights violations or armed conflicts.
2. GS YUASA will, if it was revealed that anyone of its group companies or their suppliers has procured or used minerals that have a high risk of contributing to human rights violations or armed conflicts, work on activities to avoid the procurement or use of such minerals, in collaboration with related companies.

[See here for the full text of the policy on responsible mineral procurement.](#) 

## Green Procurement

The GS Yuasa Group companies in Japan makes the following requests of business partners based on our Green Procurement Criteria.

### Requirements for Business Partners

1. Operation of an environmental management system
2. Examination of chemical substances contained in items being supplied
3. Checking the legality of cutting down certain trees (logging)
4. Programs to identify and reduce CO<sub>2</sub> emissions

For 2. above, we ask our business partners to examine substances using Chemical Substance Management Guidelines, which comply with international laws and regulations including EU directives (REACH, RoHS, etc.), and to test individual chemical substances as specified by customer needs.

GS Yuasa evaluates the appropriateness of stipulations to business partners concerning green procurement by checking and auditing the status of their response. When selecting new business partners, we apply business partner selection criteria relating to environmental management. In fiscal 2019, all business partners that entered into new agreements satisfied those criteria.

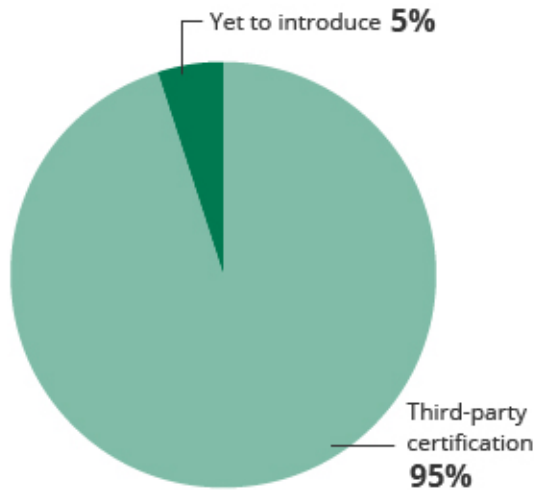
By prioritizing those business partners that supply goods that conform to green procurement standards, we are reducing the environmental burden, including the burden within the supply chain.



■ **Business partner selection criteria relating to environmental management**

- Acquired third-party certification of environmental management systems
- Has not acquired third-party certification of environmental management systems but has submitted a plan for acquisition

■ **Introduction of Environmental Management System by Business Partners (FY 2019, transaction amount base)**



## Reduction of CO<sub>2</sub> Emissions and Water Consumption in Supply Chains

The GS Yuasa Group is working to reduce environmental impact not just from its own business activities, but throughout the entire supply chain to address environmental issues including climate change and resource depletion.

To address global warming and water resource issues in particular, we request that business partners cooperate with our measures for achieving CO<sub>2</sub> emissions and water consumption reduction targets (down by 1% or more compared with the previous fiscal year) in conjunction with production of products supplied to our Group.

The Group is working to conserve natural environments in all its business activities by efficiently using resources including energy and water throughout the entire supply chain.

## Managing Business Continuity Risks in the Supply Chain

The GS Yuasa Group conducts periodic surveys to determine the status of business continuity of business partners so that we can ensure stable supplies of purchased parts and materials even in the event of unexpected circumstances including the occurrence of a natural disaster or accident.

If a disaster or other incident occurs, we use the information gathered from earlier surveys to respond promptly. After assessing the status of damage to business partners, we investigate appropriate response measures and so on.

Going forward, we will collaborate with business partners and take measures to ensure business continuity even in the face of unexpected circumstances.

## External Evaluation

We describe the results of evaluations from various stakeholders regarding the GS Yuasa Group's CSR activities.

### Inclusion in ESG Investment Constituents

ESG investment means an investment made by selecting companies who consider Environment, Social and Governance. Corporate value in terms of investment is evaluated based not only on financial information (a company's business performance and managerial conditions, etc.) but also non-financial information (a reduction in emissions of greenhouse gases, management of chemical substances, response to human rights issues, employees' work-life balance, compliance, and independence of outside directors, etc.).

### MSCI Japan ESG Select Leaders Index

This index was developed by Morgan Stanley Capital International (MSCI). For the index, companies with high ESG evaluation in each category of business have been selected. This is the index adopted by the ESG investment managed by the Government Pension Investment Fund (GPIF), an entity managing pension reserve funds in Japan.

The Company has been selected for this index by acquiring "A" rating (seven investment ratings: AAA, AA, A, BBB, BB, B and CCC). (As of March 2020)

### FTSE4Good Index Series

The Company has been selected for inclusion in global representative ESG investment indices developed by FTSE Russell, a subsidiary of the London Stock Exchange. The FTSE4Good Index series is a series of stock market indices made up of corporations that satisfy global criteria for ESG management and performance. (As of June 2020)

### FTSE Blossom Japan Index

The Company has been selected by FTSE Russell, a subsidiary of the London Stock Exchange, for inclusion in the FTSE Blossom Japan Index, a stock market index made up of Japanese corporations with outstanding ESG practices. This index was adopted for ESG investment management by the Government Pension Investment Fund (GPIF), which manages and invests pension funds in Japan. (As of June 2020)

## CSR Rating

### Toyo Keizai CSR Ranking

CSR survey conducted by Toyo Keizai Inc. with the aim to find "a company that is trusted by society."

The Company has acquired the following ratings for each initiative (five ratings: AAA, AA, A, B and C). (As of November 2019)

Utilization of human resources	Environment	Corporate governance	Sociability
AA	AAA	AA	AA

### EcoVadis Business Sustainability Ratings

EcoVadis operates a joint platform to evaluate sustainability of suppliers, and evaluates suppliers based on CSR-related standards considering response to environmental issues, labor practices, respect for human rights, fair trade and Responsible Procurement.

The Company has received the "silver rank" certification level (Four ranks: Platinum, gold, silver and bronze). (As of September 2020)

## Evaluation, Certification, Award, Etc. Regarding CSR Activities

### DBJ Employees' Health Management Rated

Under the health management rating loan system conducted by the Development Bank of Japan Inc. (DBJ), companies that conduct excellent initiatives for their employees' health have been evaluated/selected, and the terms and conditions of loan are set up according to the evaluation.

The Company received the highest rank "particularly excellent in terms of initiatives for employees' health" in 2018.

### "Company with Excellent Health Management 2020"

"Company with Excellent Health Management" means a system under which the Ministry of Economy, Trade and Industry (METI) and The Nippon Kenko Kaigi jointly confer companies that carry out particularly excellent health management, based on activities to deal with local health issues and initiatives for health improvement promoted by The Nippon Kenko Kaigi. The Company has been selected as a certified company of this system.

## Platinum Kurumin

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Platinum Kurumin is a certification program under which the Minister of Health, Labour and Welfare recognizes companies that offer high levels of childcare support. GS Yuasa was selected as a certified company under this program.

## CDP

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CDP is a London-based international non-profit organization that collects, analyzes, and publicly releases information on the environmental strategies of leading companies around the world in response to the needs of institutional investors. GS Yuasa is classified in the B rank for climate change programs that require information disclosure on greenhouse gas emissions, risks and opportunities arising from climate change, and other topics (assessments are based on an eight-step scale: A, A-, B, B-, C, C-, D, D-).

## Third-Party Assurance

### Greenhouse gas emissions

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The Company requested third-party verification in order to secure the credibility of our greenhouse gas emission data that is disclosed on the CSR web content, and received the results of verification, saying "there is no item indicating that it has not reported material points about the GS Yuasa Group's greenhouse gas emissions (Scopes 1 and 2) in FY 2019".

[Statement on third-party verification by SGS Japan Inc. \(FY2019\)](#) 

# GRI Content Index

## GRI Content Index

On this CSR website, we have referenced that the GRI (Global Reporting Initiative) Standards, an international guideline for companies' sustainability reports.

GRI Standards		Disclosure Title		References
<b>General Disclosures</b>				
102	Organizational profile	102-1	Name of the organization	<a href="#">Corporate Profile</a> [ Corporate Name ]
		102-2	Activities, brands, products, and services	<a href="#">Products</a>
		102-3	Location of headquarters	<a href="#">Corporate Profile</a> [ Head Office ]
		102-4	Location of operations	<a href="#">Group Companies &amp; Links</a>
		102-5	Ownership and legal form	<a href="#">Stock Data</a>
		102-6	Markets served	<a href="#">Securities Report</a> [ Securities Report(PDF) ] (Japanese only)
		102-7	Scale of the organization	<a href="#">Corporate Profile</a> [ Number of Employee ] <a href="#">Location</a> <a href="#">Financial Highlights</a> [ Sales ] <a href="#">Financial &gt; Chart Generator</a> [ Financial Position ]
		102-8	Information on employees and other workers	<a href="#">Provision of Comfortable Working Environment</a>
		102-9	Supply chain	<a href="#">Ensuring Social Responsibility within Our Supply Chain</a>
		102-10	Significant changes to the organization and its supply chain	<a href="#">News Release</a>
		102-11	Precautionary Principle or approach	<a href="#">Risk Management</a>
		102-12	External initiatives	<a href="#">President's Message</a> [ UN Global Compact ] <a href="#">Appropriate Environmental Information Disclosure</a> [ <a href="#">Carbon Disclosure Project</a> ] Keidanren Charter of Corporate Behavior
		102-13	Membership of associations	-
	Strategy	102-14	Statement from senior decision-maker	<a href="#">President's Message</a> <a href="#">CSR Policy and Code of Conduct</a>
		102-15	Key impacts, risks, and opportunities	<a href="#">Risk Information</a>
	Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<a href="#">Philosophy</a> <a href="#">CSR Policy &amp; Code of Conduct</a>
		102-17	Mechanisms for advice and concerns about ethics	<a href="#">Basic Philosophy on Promoting Compliance</a> <a href="#">GS Yuasa Group Corporate Ethics Hotline</a>

GRI Standards		Disclosure Title	References
Governance	102-18	Governance structure	<a href="#">Corporate Governance &gt; Approach and Governance System</a>
	102-19	Delegating authority	<a href="#">CSR Promotion Framework</a>
	102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">CSR Promotion Framework</a>
	102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">IR Calendar</a>
	102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-23	Chair of the highest governance body	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-24	Nominating and selecting the highest governance body	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-25	Conflicts of interest	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Governance</a>
	102-27	Collective knowledge of highest governance body	<a href="#">Evaluating the Effectiveness of the Board of Directors</a> <a href="#">Policy on the Independence of Outside Directors</a>
	102-28	Evaluating the highest governance body's performance	<a href="#">Evaluating the Effectiveness of the Board of Directors</a>
	102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">CSR Promotion Framework</a> <a href="#">Materiality Specification Process</a>
	102-30	Effectiveness of risk management processes	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-31	Review of economic, environmental, and social topics	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-32	Highest governance body's role in sustainability reporting	<a href="#">CSR Promotion Framework</a>
	102-33	Communicating critical concerns	<a href="#">GS Yuasa Group Corporate Ethics Hotline</a>
	102-34	Nature and total number of critical concerns	<a href="#">GS Yuasa Group Corporate Ethics Hotline</a>
	102-35	Remuneration policies	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-36	Process for determining remuneration	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
	102-37	Stakeholders' involvement in remuneration	<a href="#">Corporate Governance [ CORPORATE GOVERNANCE(PDF) ](Japanese only)</a>
102-38	Annual total compensation ratio	-	



GRI Standards		Disclosure Title		References
		102-39	Percentage increase in annual total compensation ratio	-
	Stakeholder engagement	102-40	List of stakeholder groups	<a href="#">Analyst Coverage</a>
		102-41	Collective bargaining agreements	<a href="#">Respect for Labor Rights</a>
		102-42	Identifying and selecting stakeholders	-
		102-43	Approach to stakeholder engagement	-
		102-44	Key topics and concerns raised	-
	Reporting practice	102-45	Entities included in the consolidated financial statements	<a href="#">Securities Report</a> [ Securities Report(PDF) ] (Japanese only)
		102-46	Defining report content and topic Boundaries	<a href="#">Editorial Policy</a>
		102-47	List of material topics	<a href="#">Materiality and Response Plan</a>
		102-48	Restatements of information	<a href="#">Editorial Policy</a> [ Material changes ]
		102-49	Changes in reporting	<a href="#">Editorial Policy</a> [ Material changes ]
		102-50	Reporting period	<a href="#">Editorial Policy</a> [ Period covered ]
		102-51	Date of most recent report	September 2019
		102-52	Reporting cycle	Annually (Scheduled to be disclosed in September 2021)
		102-53	Contact point for questions regarding the report	<a href="#">Inquiries to GS Yuasa Corporation</a>
		102-54	Claims of reporting in accordance with the GRI Standards	-
		102-55	GRI content index	<a href="#">GRI Content Index</a>
	102-56	External assurance	<a href="#">Appropriate Environmental Information Disclosure</a> (GS Yuasa Corporation has not obtained third-party assurance for the report as a whole, but obtained only for Greenhouse gas emission data.)	
<b>Economic</b>				
201	Economic Performance	103	Management Approach	<a href="#">Incorporating Materiality (Key CSR Issues) into Group Business Strategy</a>
		201-1	Direct economic value generated and distributed	<a href="#">Chart Generator</a> [ Results of Operations/Profitability Indicator Ratios ] <a href="#">Earnings Report</a> [ Earnings Report(PDF) > Statements of Income(Cost of sales, Selling, general and administrative expenses, Non-operating expenses, Extraordinary loss, Profit) ] <a href="#">Shareholders Return</a>
		201-2	Financial implications and other risks and opportunities due to climate change	-

GRI Standards		Disclosure Title		References
		201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Securities Report</a> [ Securities Report(PDF) ] (Japanese only)
		201-4	Financial assistance received from government	-
202	Market Presence	103	Management Approach	-
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
		202-2	Proportion of senior management hired from the local community	-
203	Indirect Economic Impacts	103	Management Approach	-
		203-1	Infrastructure investments and services supported	<a href="#">Contributions to the Environment</a> [ Stable Supply of Photovoltaic Generation Systems / Support for Activities of the Yakushima Environmental and Cultural Foundation ]
		203-2	Significant indirect economic impacts	-
204	Procurement Practices	103	Management Approach	-
		204-1	Proportion of spending on local suppliers	-
205	Anti-corruption	103	Management Approach	-
		205-1	Operations assessed for risks related to corruption	-
		205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Workplace Meetings on CSR</a>
		205-3	Confirmed incidents of corruption and actions taken	No cases
206	Anti-competitive Behavior	103	Management Approach	-
		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No cases
<b>Environmental</b>				
301	Materials	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Resource recycling</a>
		301-1	Materials used by weight or volume	<a href="#">Environmental Mid-term Plans</a> [ Ratio of recycled lead used as lead raw materials in lead-acid batteries ]
		301-2	Recycled input materials used	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of main materials consumption ]
		301-3	Reclaimed products and their packaging materials	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of recycling ]

GRI Standards		Disclosure Title		References
302	Energy	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Activity to Decrease Environmental Burdens &gt; Transportation</a> <a href="#">Activity to Decrease Environmental Burdens &gt; Development and design</a>
		302-1	Energy consumption within the organization	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of energy consumption in production ]
		302-2	Energy consumption outside of the organization	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of energy consumption in physical distribution ]
		302-3	Energy intensity	-
		302-4	Reduction of energy consumption	<a href="#">Effect of environmental conservation</a> [ Amount of energy saved ]
		302-5	Reductions in energy requirements of products and services	-
303	Water	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Reduction of CO<sub>2</sub> Emissions and Water Consumption at Production Sites Worldwide</a>
		303-1	Water withdrawal by source	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of water consumption ]
		303-2	Water sources significantly affected by withdrawal of water	-
		303-3	Water recycled and reused	<a href="#">Effect of environmental conservation</a> [ Amount of recycled water used ]
304	Biodiversity	103	Management Approach	-
		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	-
		304-3	Habitats protected or restored	-
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
305	Emissions	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Reduction of CO<sub>2</sub> Emissions and Water Consumption at Production Sites Worldwide</a> <a href="#">Identifying chemical substance emissions</a>
		305-1	Direct (Scope 1) GHG emissions	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of CO <sub>2</sub> emissions in production ]

GRI Standards		Disclosure Title		References
		305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of CO <sub>2</sub> emissions in production ]
		305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of CO <sub>2</sub> emissions in physical distribution ]
		305-4	GHG emissions intensity	-
		305-5	Reduction of GHG emissions	<a href="#">Effect of environmental conservation</a> [ Amount of CO <sub>2</sub> reduced ]
		305-6	Emissions of ozone-depleting substances (ODS)	No cases
		305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<a href="#">Identifying chemical substance emissions</a> [ Status of release and transfer of substances subject to the PRTR Law (Released into the air) ]
		306	Effluents and Waste	103
306-1	Water discharge by quality and destination			<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of waste water ]
306-2	Waste by type and disposal method			<a href="#">Flow of Materials in the Product Life Cycle</a> [ Amount of final disposal / Amount of recycling ] (Waste emissions are disclosed not by hazardous / harmless categories but by type and disposal.)
306-3	Significant spills			<a href="#">Environmental Risk Management</a>
306-4	Transport of hazardous waste			No import or export of specified hazardous substances under the Basel Convention
306-5	Water bodies affected by water discharges and/or runoff			-
307	Environmental Compliance	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Environmental Compliance Management</a>
		307-1	Non-compliance with environmental laws and regulations	<a href="#">Environmental Compliance Management</a>
308	Supplier Environmental Assessment	103	Management Approach	<a href="#">Materiality</a> [ Responsible Procurement promotion ] <a href="#">Green Procurement</a>
		308-1	New suppliers that were screened using environmental criteria	<a href="#">Green Procurement</a>
		308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Reduction of CO<sub>2</sub> Emissions and Water Consumption in Supply Chains</a>

GRI Standards		Disclosure Title		References
Social				
401	Employment	103	Management Approach	<a href="#">Provision of Comfortable Working Environment</a> <a href="#">Ensuring Appropriate Working Hours</a> <a href="#">Respect for Individual Work-Life Balance</a>
		401-1	New employee hires and employee turnover	<a href="#">Provision of Comfortable Working Environment &gt; Basic policy.</a>
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
		401-3	Parental leave	<a href="#">Supporting Work Alongside Childcare/Nursing Care</a>
402	Labor/Management Relations	103	Management Approach	<a href="#">Respect for Labor Rights</a>
		402-1	Minimum notice periods regarding operational changes	-
403	Occupational Health and Safety	103	Management Approach	<a href="#">Materiality [ Improvement of safety and health in working environments ]</a> <a href="#">Conservation and Improvement of Safety and Health in Working Environments</a>
		403-1	Workers representation in formal joint management-worker health and safety committees	<a href="#">Creating a Pleasant Workplace through Labor and Management Working as One</a>
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<a href="#">Top-Management-Promoted Health and Safety Measures</a>
		403-3	Workers with high incidence or high risk of diseases related to their occupation	<a href="#">Materiality [ Improvement of safety and health in working environments &gt; Promotion of labor safety and health risk management ]</a>
		403-4	Health and safety topics covered in formal agreements with trade unions	The agreement between GS Yuasa and the labor union includes clauses regarding safety and health.
404	Training and Education	103	Management Approach	<a href="#">Materiality [ Human resources development ]</a> <a href="#">Mid to Long-term Human Resources Development and Appropriate Ability Assessment</a>
		404-1	Average hours of training per year per employee	<a href="#">Fostering Autonomous-minded Human Resources</a>
		404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Fostering Autonomous-minded Human Resources</a>
		404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Fostering Autonomous-minded Human Resources</a>



GRI Standards		Disclosure Title		References
405	Diversity and Equal Opportunity	103	Management Approach	<a href="#">Respect for Individual Work-Life Balance</a>
		405-1	Diversity of governance bodies and employees	<a href="#">Employment of People with Disabilities</a>
		405-2	Ratio of basic salary and remuneration of women to men	-
406	Non-discrimination	103	Management Approach	<a href="#">Prohibition of Discrimination and Respect for Diversity</a>
		406-1	Incidents of discrimination and corrective actions taken	No cases
407	Freedom of Association and Collective Bargaining	103	Management Approach	<a href="#">Respect for Labor Rights</a>
		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
408	Child Labor	103	Management Approach	<a href="#">Prohibition of Forced Labor and Child Labor</a>
		408-1	Operations and suppliers at significant risk for incidents of child labor	-
409	Forced or Compulsory Labor	103	Management Approach	<a href="#">Prohibition of Forced Labor and Child Labor</a>
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
410	Security Practices	103	Management Approach	-
		410-1	Security personnel trained in human rights policies or procedures	-
411	Rights of Indigenous Peoples	103	Management Approach	-
		411-1	Incidents of violations involving rights of indigenous peoples	-
412	Human Rights Assessment	103	Management Approach	<a href="#">Materiality [ Respect for individuality ] Respect for Human Rights</a>
		412-1	Operations that have been subject to human rights reviews or impact assessments	-
		412-2	Employee training on human rights policies or procedures	<a href="#">Promoting Human Rights Education</a>
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
413	Local Communities	103	Management Approach	<a href="#">Building Better Relationships with Local Communities</a>
		413-1	Operations with local community engagement, impact assessments, and development programs	-

GRI Standards		Disclosure Title		References
		413-2	Operations with significant actual and potential negative impacts on local communities	-
414	Supplier Social Assessment	103	Management Approach	<u>Materiality</u> [ Responsible Procurement promotion ] <u>CSR Procurement Initiatives</u>
		414-1	New suppliers that were screened using social criteria	<u>CSR Procurement Initiatives</u>
		414-2	Negative social impacts in the supply chain and actions taken	<u>CSR Procurement Initiatives</u>
415	Public Policy	103	Management Approach	-
		415-1	Political contributions	No cases
416	Customer Health and Safety	103	Management Approach	<u>Materiality</u> [ Provision of high-quality products ] <u>Focus on Safety and Quality</u>
		416-1	Assessment of the health and safety impacts of product and service categories	<u>Initiatives for Product Safety and Swift Dissemination of Information</u>
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<u>Important announcement regarding products</u>
417	Marketing and Labeling	103	Management Approach	-
		417-1	Requirements for product and service information and labeling	<u>Automotive/Motorcycle Batteries &amp; Chargers</u> <u>Traction Batteries &amp; Chargers</u> <u>Lighting Equipment</u> <u>Industrial Batteries/Power Supply Systems</u> <u>Lithium-ion Batteries</u> <u>Export Handling Product (Japanese only).</u>
		417-2	Incidents of non-compliance concerning product and service information and labeling	No cases
		417-3	Incidents of non-compliance concerning marketing communications	No cases
418	Customer Privacy	103	Management Approach	<u>Materiality</u> [ Strict management of confidential information ] <u>Information Security</u>
		418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	No cases
419	Socioeconomic Compliance	103	Management Approach	<u>Materiality</u> [ Thoroughly fulfilling our CSR and ensuring compliance ] <u>Compliance with Laws, etc.</u>
		419-1	Non-compliance with laws and regulations in the social and economic area	No major fines or penalties were imposed

# Editorial Policy



## Editorial Policy

On this CSR website, we report on the GS Yuasa Group's concept and initiatives regarding CSR. We disclose information that considers the opinions of stakeholders and their importance to the GS Yuasa Group.

### Period covered

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We disclose information centering on CSR activities in fiscal 2019 (April 1, 2019 to March 31, 2020).

In order to report the GS Yuasa Group's latest CSR activities, we disclose information on activities after fiscal 2019 whenever appropriate.

With respect to some performance data, we disclose information before fiscal 2019 to show a change over time.

### Structures

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GS Yuasa Group (GS Yuasa Corporation and major domestic and overseas subsidiaries) are covered.

The term "the Company" refers to GS Yuasa Corporation.

An explanation is given in a particular situation whenever appropriate if the structure covered differs.

### Accuracy of information

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To ensure the accuracy of the information we disclose, it is verified by multiple departments, such as the department in charge of the specific area and the Public Relations Department.

### Material changes

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Regarding structures covered, there has been no material change in disclosed information.

Furthermore, there is no item that should be corrected due to an error in a description in the previous disclosed information.

## Referenced guidelines

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We have referenced the GRI (Global Reporting Initiative) standard, an international guideline for companies' sustainability reports.

- [Click here for GRI Content Index.](#)

## Final update

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November 19, 2020