



GS Yuasa Corporation

# CSR Activities in 2019

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 2019 fiscal year through the contents of the "CSR Activities" website, of the sites of our.

# President's Message

## President's Message

### Realizing sustainable growth for business and society



In recent times, the realization of a sustainable society is the target of many proposals and initiatives in the international community, and a wide range of activities both in the public and private sector are being pursued with this goal in mind. Energy technology is essential for maintaining stable living conditions and enabling economic activities while preserving the global environment, and batteries are increasingly seen as playing a vital role in finding solutions in this area. I am convinced that our products and services can significantly contribute to the resolution of social issues.

In April 2018, we signed the United Nations Global Compact (UNGC), which matches the corporate philosophy and values of the GS Yuasa Group. We will intensify our efforts in the Four Areas/Ten Principles that the UNGC asks of companies, and we will concentrate on leveraging our competence and experience to help realize the Sustainable Development Goals (SDGs) which can also be seen as a future market requirement. In concrete terms, the Fifth Mid-Term Management Plan launched in fiscal 2019 defines new initiatives aimed at key CSR issues (Materiality) which are directly related to our business operations. We aim to create results (Outcomes) that can be shared by the company and society through suitable business processes integrated with business strategies. In order to achieve this, we have embarked on various initiatives, joining forces with all of our stakeholders.

On the occasion of launching the current Mid-Term Management Plan, we formulated a long-term vision to become an energy devices company that continues to create new value. GS Yuasa was the first company to successfully manufacture lead-acid batteries in Japan. We also were first worldwide in realizing mass production of lithium-ion batteries for electric vehicles, and 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, space satellites, aircraft, etc. We are meeting the expectations of our stakeholders also through engagement in next-generation vehicle development, the renewable energy sector including photovoltaic and wind power installations and infrastructure applications. While expanding these business activities we are also striving to further improve the quality of management. With batteries at the core of operations, we aim to create new value that contributes to the well-being and happiness of people and the sustainable growth of business and society as a whole.

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.



# 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, all employees understand that CSR activities are business activities, and we encourage everyone to take part based on our 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 labor rights, and will not tolerate any forced labor or child labor. Diversity will be respected, 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 industrial information 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 assess sufficiently third parties' patents, industrial designs, trademarks and other commercial 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 patent holder, or 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 employee

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 abuse

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 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 environmental considerations 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 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 responsibilities within our supply chain

#### 7-1. Responsible Procurement promotion

We will share CSR 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



## CSR Promotion Framework

**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, including related companies both in Japan and overseas, 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 through development of 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, 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



A CSR course at TBP

# 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>Ratio of environmental considerations products to overall sales: 35% (2021)</li> <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> </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 independent 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>
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).

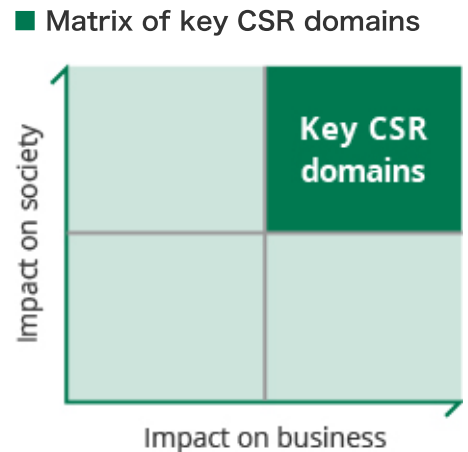
## Materiality Specification Process

### 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: Specify materiality

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

## Materiality and Response Plan

Materiality specified 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 three-year 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.

This table also shows results of specifications after confirming the relevance between the materiality specified by the Group and SDGs\* which is regarded as the universal language, for our stakeholders' understanding.















\*SDGs (Sustainable Development Goals): Goals to construct a sustainable society, which were adopted by the United Nations, clearly indicating global social issues that should be solved.




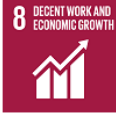








■ Summary of Materiality Response Plans (fiscal 2019–2021)

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	SDGs
Developing fair, transparent, and sound business, and anticorruption				
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)Progress ratio of legal violation risk response plan	
Respect and Protection for intellectual property	Thorough avoidance of infringements from third-party intellectual property rights	Domestic	Application implementation ratio of patent infringement surveys at the development stage	
	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	
Respect for human rights				
Respect for individuality	Promotion of compliance training and thorough dissemination of hotline report system	Domestic	Achievement ratio of human rights training plan	  
		Overseas	(1)Achievement ratio of plans for overseas deployment of domestic harassment training (2)Progress ratio of operation improvement plan for harassment report system	
	Comprehensive human rights risk management	Domestic	Progress ratio of human rights risk response plan	  

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	SDGs
Conservation and improvement of adequate working environment				
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	(1)Achievement ratio of educational plans for heads of overseas site (2)Achievement ratio of overseas deployment plan for career development support tools	
Improvement of safety and health in working environments	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	Progress ratio 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 persons subject to work management category III in work environment measurements	 
		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)	SDGs
Fulfillment of our responsibilities to provide safe and secure products and services				
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	Progress ratio of product maintenance service system operational plan	 
	Promotion of product safety education	Global	Number of serious product accidents	
Global environmental conservation				
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 (thorough environmental risk management)	Domestic	Number of major environmental accidents	 
		Overseas	Progress ratio of environmental risk response plan (water quality, air quality, underground seepage)	
	Improvement in ratio of use of recycled materials in products provided to markets	Global	Ratio of use of recycled lead (raw material) in all lead-acid batteries by weight	
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	 

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	SDGs
Ensuring social responsibility within our supply chain				
Responsible procurement promotion	Response to conflict mineral survey	Domestic	Achievement ratio of conflict mineral survey plan	
	Management of supplier CSR risks	Domestic	Achievement ratio of supplier CSR issues improvement plan	  
		Overseas	Achievement ratio of supplier CSR issues improvement plan	 
	Reduction of environmental burden in supply chains	Domestic	(1)Ratio of reduction of CO <sub>2</sub> emissions in supply chains (compared with the previous year) (2)Ratio of reduction of water use in supply chains (compared with the previous year)	   

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

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



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

**We are focused on strengthening our corporate governance to enhance our sustainable growth and improve our medium- and long-term corporate value.**

### Corporate Governance

#### Approach and Governance System

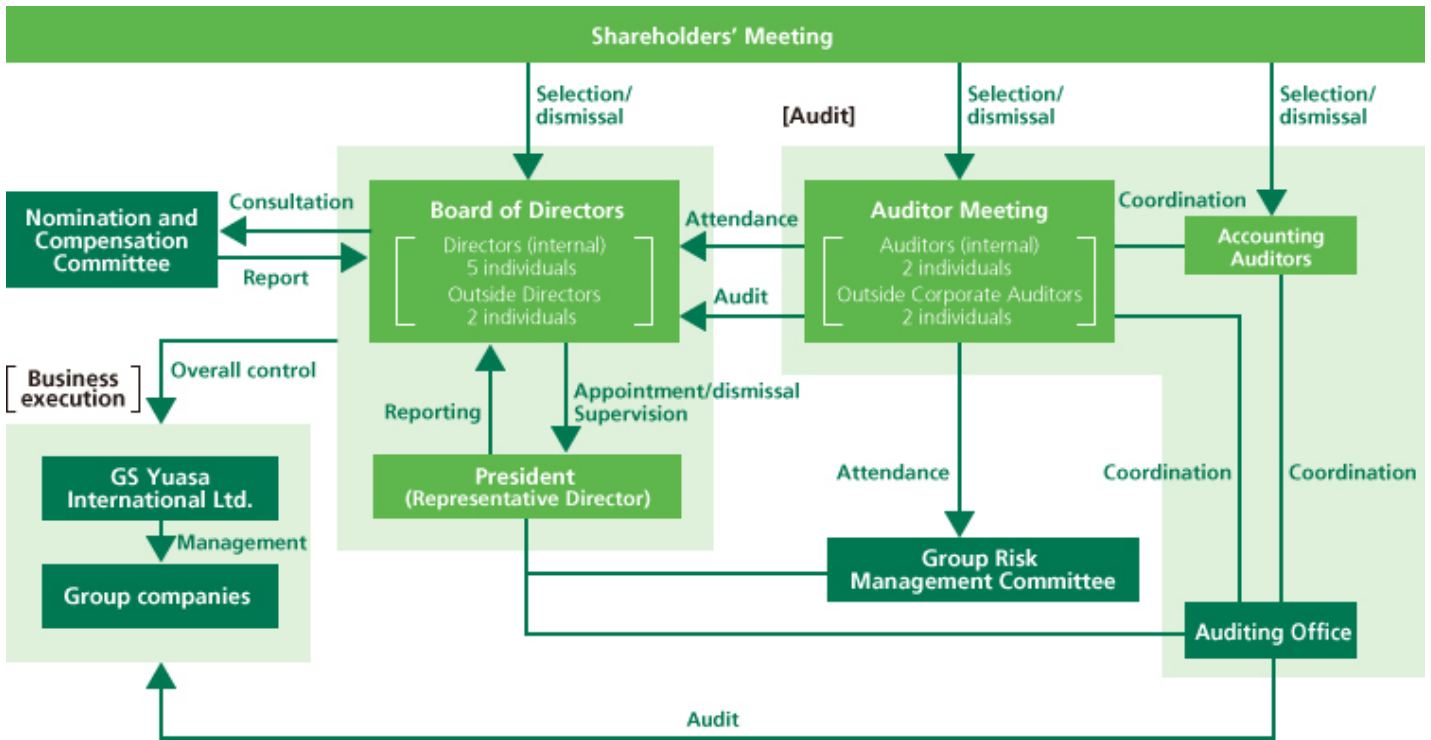
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To drive sustainable growth and enhance corporate value over the medium and long terms, the GS Yuasa Group is committed to establishing an organization and systems that enable fast, efficient responses to a changing business environment. At the same time, our basic policy on corporate governance is to make every effort to thoroughly implement and strengthen compliance and enhance the soundness and transparency of management.

A new governance structure began in fiscal 2017 based on this philosophy. GS Yuasa Corporation, the holding company, is responsible for formulating management strategies for all of the Group's businesses, as well as management for the entire Group and oversight of the Group's business execution. GS Yuasa International Ltd., the Group's core operating company, is the key decision-making body for business execution, consolidating and strengthening business execution and making swift business-related decisions.

The Board of Directors makes fast and effective decisions related to the Group's management by prioritizing strategic decision making and supervisory functions for management policy. In addition, monitoring has been reinforced by appointing multiple independent outside directors.

■ Governance Structure (FY 2019)



## Evaluating the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors has been evaluated once a year since fiscal 2016. All directors and corporate auditors fill out a questionnaire on the structure, management, agenda and duties of the board. As a result of analysis and evaluation of the content, it has been deemed that the Board of Directors is operating effectively. Countermeasures identified for improvement in fiscal 2017 were evaluated in fiscal 2018 and found to have been largely achieved. However, as some suggested further improvement was needed vis-a-vis the frequency and content of follow-up reports pertaining to important agenda items, re-evaluation of these areas was discussed. Going forward, we will continue to assess the effectiveness of the Board of Directors and strive to make further improvements.

## Establishment of Nomination and Compensation Committee

On February 26, 2019, the Board of Directors voted to establish a discretionary Nomination and Compensation Committee, chaired by an independent outside director, and serving as an advisory body to the Board of Directors. The goal of the committee will be to strengthen the independence, objectivity and accountability of Board of Director functions such as director nominations and compensation.

Nomination committee functions include consulting on proposals for nominating new directors and for selecting a new corporate president and plans for successors (including human resource development), in addition to reporting findings to the Board of Directors. Meanwhile, the compensation committee will consult on policy determinations for director compensation as well as for individual director remuneration, and reporting findings to the Board of Directors.

## ■ Nomination and Compensation Committee structure

Classification	Position title	Names
Chairperson	Outside Director	Ikuo Otani
Committee member	President	Osamu Murao
	Executive Vice President	Kei Nishida
	Outside Director	Takayoshi Matsunaga

## Reasons for Appointing Internal Directors

To provide control over the Group as the holding company, GS Yuasa Corporation applies a balanced approach to appointing directors who possess knowledge and experience covering the business and functions of the entire Group and the necessary aptitude and competence to ensure speedy decision making.

At present there are no female directors, but GS Yuasa positively recruits female graduates and promotes measures to encourage women to be active at work, including next-generation training, and the ratio of women in managerial positions is gradually increasing.

## Policy on the Independence of Outside Directors

Candidates selected as outside directors must meet the requirements for independence set out in the Companies Act and possess the experience and insight to objectively and fairly judge the legality and appropriateness of the execution of the company's duties from the shareholders' perspective without being limited by being in charge of business implementation. Also, we believe in the importance of employing people who are outwardly independent and use the Tokyo Stock Exchange's independence standards as their reference.

## Record of Attendance by Outside Directors at Board of Directors and Auditor Meetings

The record of attendance by outside directors at meetings of the Board of Directors and auditors in fiscal 2018 is shown below.

## Record of Attendance by Outside Directors at Board of Director and Auditor Meetings

Names	Board of Directors	Auditor Meeting
	Number of attendances / Number of meetings	Number of attendances / Number of meetings
Ikuo Otani, Outside Director	18 / 18	-
Takayoshi Matsunaga, Outside Director	13 / 13	-
Shinji Ochiai, Outside Corporate Auditor (Full-time)	18 / 18	13 / 13
Katsuya Ohara, Outside Corporate Auditor (Full-time)	18 / 18	13 / 13
Tsukasa Fujii, Outside Corporate Auditor (Part-time)	13 / 13	13 / 13

## Remuneration of Directors

Remuneration paid to directors and auditors in fiscal 2018 is shown below.

### Total Amount of Remuneration, Etc. by Category and by Type, and Number of Applicable Persons

Category	Total amount of remuneration, etc. (Millions of yen)	Number of applicable persons
Directors (excluding outside directors)	102	6
Auditors (excluding outside corporate auditors)	12	1
Outside directors/auditors	54	6



## Internal Control System

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To strengthen the management foundation, the GS Yuasa Group has improved the system and relevant rules to ensure the maintenance of ethical business practices based on the Companies Act. This system includes mechanisms to ensure effective auditing, information management, and risk management throughout the Group.

To comply with the internal control reporting system required under the Financial Instruments and Exchange Act, we are maintaining an internal control system and financial reporting mechanisms to meet all requirements.

Our international subsidiaries and other consolidated Group companies evaluate the status of the improvement and implementation of internal controls. Following external audits, reports on these internal controls are publicly disclosed.

## 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 in general. 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.

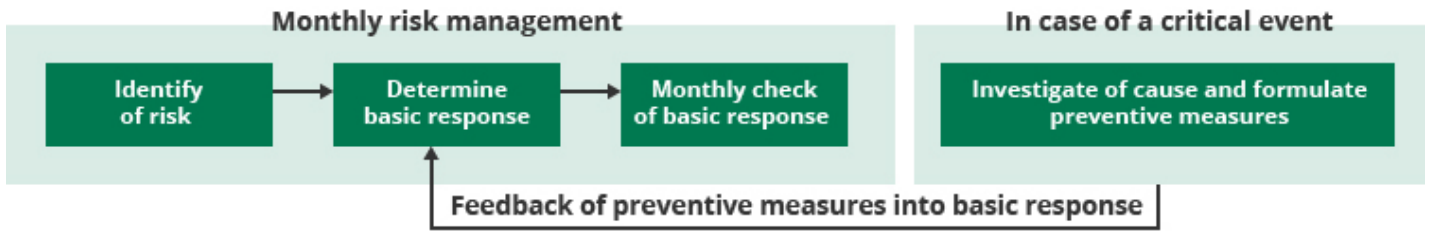
### Risk Management Based on Risk Management Sheets

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In accordance with the risk management rules, each department assesses risk every month 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 part of a mechanism to improve the effectiveness of risk management.

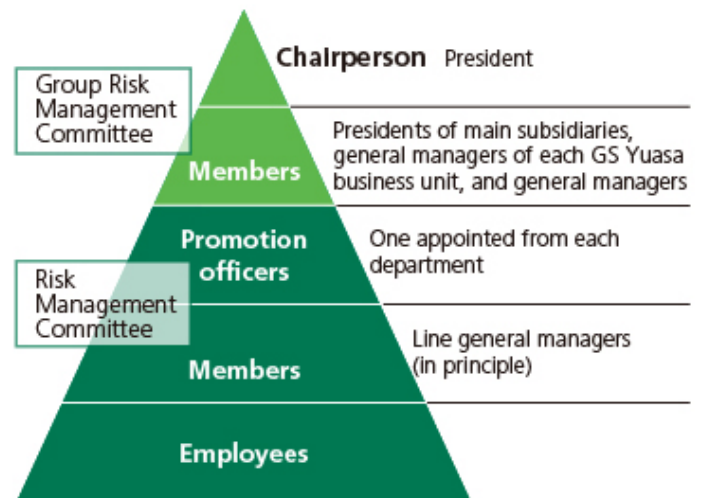
■ Risk Management Sheet



## 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 groupwide 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.

■ Risk Management Structure



## 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 of the Group Risk Management Committee will be appointed to organize a crisis management headquarters, under the president, to minimize corporate losses. The system we have set up enables us to implement an effective response swiftly and with appropriate care.

## Compliance with Laws, etc.

### Basic Philosophy on Promoting Compliance

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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. Following these guidelines, multifaceted compliance promotion activities should be developed at every employee level, and each employee should incorporate self-directed and proactive actions into his/her basic approach to yield an effective improvement in compliance awareness.

### Permeation of Compliance Awareness

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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

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Workplace meetings on compliance, initiated in fiscal 2012 as a means of allowing compliance awareness to permeate to each and every employee, have been conducted for seven consecutive years.

Transitioning into "workplace meetings on CSR" from fiscal 2018, these meetings introduced 14 topics aligned with CSR policy, and are now being expanded to 22 Group companies within Japan in addition to the 331 GS Yuasa workplaces. Some 96% of workplaces have reported these activities to be effective, resulting in vigorous debate. The 14 topics of discussion include: defining CSR, preventing intentional wrongdoing, handling confidential information, subcontracting laws, personal information protection, security trade controls, intellectual property, respect for human rights, sexual/power harassment, management of working hours, occupational health and safety, product safety, waste management and promotion of supply chain CSR activities. The meetings use educational materials made by the division in charge on each topic and including content related to the circumstances of the Group. We intend to continue running these meetings and upgrading the content to ensure that it is both up-to-date and educational.

## 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 2018, we received 10 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
2014	3
2015	8
2016	5
2017	6
2018	10

## Elimination of Antisocial Elements

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

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.

In fiscal 2019, we are promoting efforts geared toward 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.

## 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 is establishing the following basic rules on forced labor and child labor at overseas Group companies, in addition to Japan. We 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

To implement business activities with respect for human rights, the GS Yuasa Group promotes education to raise employee awareness toward 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. As necessary, personnel participate in human rights risk assessment and other 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 2018)

Company	Number of Worksites	Worksite Implementation Rate (%)	Average implementation time (hours)
GS Yuasa International Ltd.	301	100	1.5
Group companies in Japan	133	100	2.6
Total	434	100	1.8

\* 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 GS Yuasa Group believes it is important to provide a comfortable and healthy working environment in which everyone can display their abilities fully and continues to work regardless of gender and age, to employees. Such projects are conceived to build workplaces rich in energy and fulfillment for each and every member, promoting initiatives to supply employees with work environments steeped in rich and open 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 (FY2018, domestic companies)

Age group	Number of new employees (person)		Ratio (%)		Breakdown of new employees (person)			
	Male	Female	Male	Female	New graduates		Mid-career employees	
					Male	Female	Male	Female
10's	37	5	16.9	2.3	37	5	0	0
20's	83	26	37.9	11.9	48	23	35	3
30's	44	8	20.1	3.7	0	0	44	8
40's	11	3	5.0	1.4	0	0	11	3
50's	1	0	0.5	0.0	0	0	1	0
60's	1	0	0.5	0.0	0	0	1	0
Total	177	42	80.8	19.2	85	28	92	14

## ■ Number of resignees and job turnover (FY2018, domestic companies)

Age group	Number of resignees (person)		Job turnover (%)	
	Male	Female	Male	Female
10's	1	0	2.8	0.0
20's	9	2	1.8	1.8
30's	21	6	3.2	5.6
40's	6	1	0.7	0.9
50's	8	0	1.0	0.0
60's	11	0	7.0	0.0
Total	56	9	1.9	2.1

## ■ Number and Breakdown of Employees (FY 2018, domestic business companies)

Types of employees	Number (persons)		Ratio (%)	
	Male	Female	Male	Female
Fulltime employee	2,918	448	86.7	13.3
Fixed-term employment	201	19	91.4	8.6
Total	3,119	467	87.0	13.0

# 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. These efforts are accompanied by everyday health and safety activities routed through organizational structures focused on Safety and Health Committees established at individual business divisions and companies.

## Health and safety policy

- **Policy**

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

- **Action Agenda**

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. Managers/supervisors will grasp the root causes of dangers associated with safety and health and take measures systematically to lower their risks.
3. Managers/supervisors will not overlook unsafe behavior of employees and will provide guidance to correct them.
4. Employees will follow predetermined rules related to safety and health in order to protect their own selves.
5. 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

GS Yuasa Group domestic business site initiatives for safe working environments include installation of soft poles for onsite pedestrian-vehicle separation, reviews of the volume and location of pedestrian crossings, moves to one-way vehicle traffic, restricted bicycle access and other measures. General inspections are conducted simultaneously at all plant workplaces, with risk assessments tracking hazards and risk reduction steps used to address such threat levels. Workplace conditions are further clarified with environmental measurements and monitoring of the impact of hazardous substances on workers through specialized health exams. In this way, work environment improvements reflect the results of regular monitoring and measurements.

Regarding overseas Group companies, we have implemented health and safety inspections at 18 battery manufacturing sites since fiscal 2017. Besides tracking safety levels, we have endeavored to reduce the risk of occupational accidents by reassessing risks, pointing out hazards and requesting improvements. Domestic safety control standards, operational processes and other health and safety management schemes are also being deployed at overseas sites, promoting effective administration over our Group-wide health and safety performance.

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

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Missed work frequency rate <sup>*1</sup>	0.37	0.55	0.85	0.45	0.47
Average frequency rate in manufacturing industry	1.00	1.06	1.15	1.02	1.20
Rate of intensity <sup>*2</sup>	0.00	0.01	0.01	0.01	0.00
Average rate of intensity in manufacturing industry	0.09	0.06	0.07	0.08	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

## Raising Worker Awareness Concerning Safety

We conduct activities intended to raise worker awareness of safety at each domestic Group business site 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. This educational program is not limited to domestic business sites but is being deployed at overseas Group companies in stages.

[Examples of activities for raising safety awareness]

- Posting statements of management intent concerning occupational safety at all worksites
- Distributing safety and health cards (cards with fundamental information concerning workplace safety) to workers (including all relevant persons who enter worksites)
- Periodically conducting safety and health awareness surveys (surveys cover all employees who work at worksites and employees of subcontractors and cooperating companies)

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

- Periodic training relating to safety techniques such as risk prediction training and risk assessment (covers safety trainers who serve as the personnel for safety activities at each worksite)

# Ensuring Appropriate Working Hours

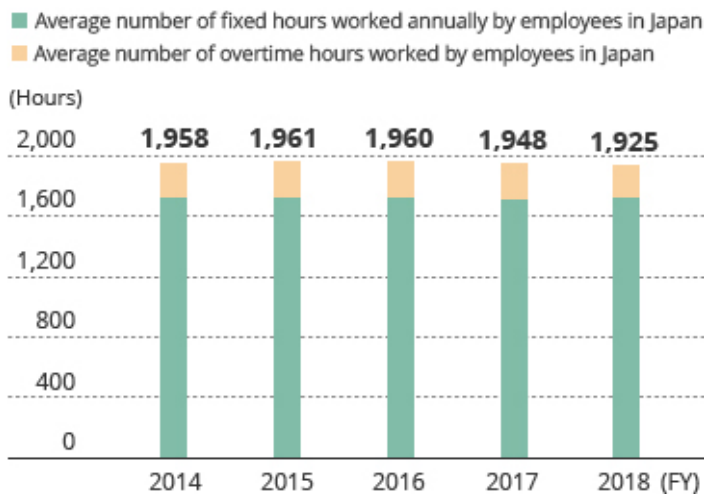
## Optimizing Work Hours

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.

In fiscal 2018, we conducted a survey on the current status of the management of work hours at GS Yuasa Group companies in Japan (22 companies) and gave feedback on the results to each company. As necessary, on-site visits were conducted, and we gave a report to ensure appropriate management of working hours.

### ■ 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

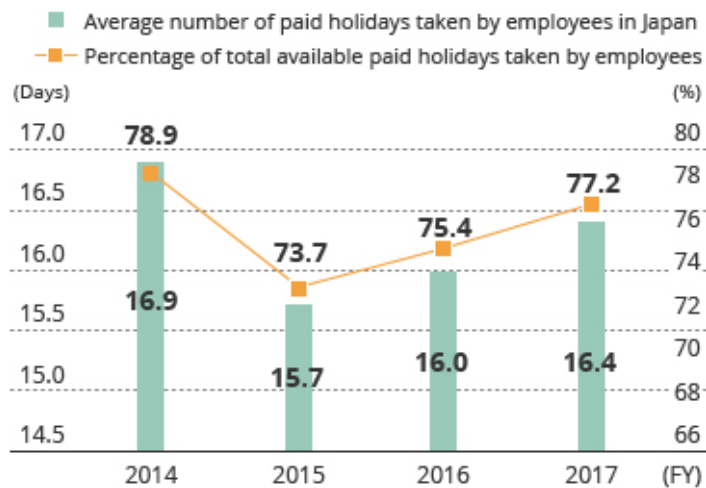
## Work Style Reform

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

## TOPICS

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

GS Yuasa International Ltd. and three Group companies were each designated as a Company with Excellent Health Management 2018 - White 500 in a program run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for the third year 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. Especially in fiscal 2018, we were highly evaluated for our endeavors to optimize working hours.

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



#### • Specific group-wide health promotion measures

##### 1. 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
- Prohibiting overtime late at night

##### 2. Mental disorder early detection, treatment, prevention of worsening

- Expanded consultation and counseling with industrial physicians and nursing staffers
- Encourage nursing staffer consultations for all employees identified as high risk through stress tests
- Continued access to "line care" and "self-care" training sessions

##### 3. Early cancer detection and treatment

- Regular distribution of cancer self-examination guides to employees and family members
- Inclusion of gynecological examinations in regular health checkups

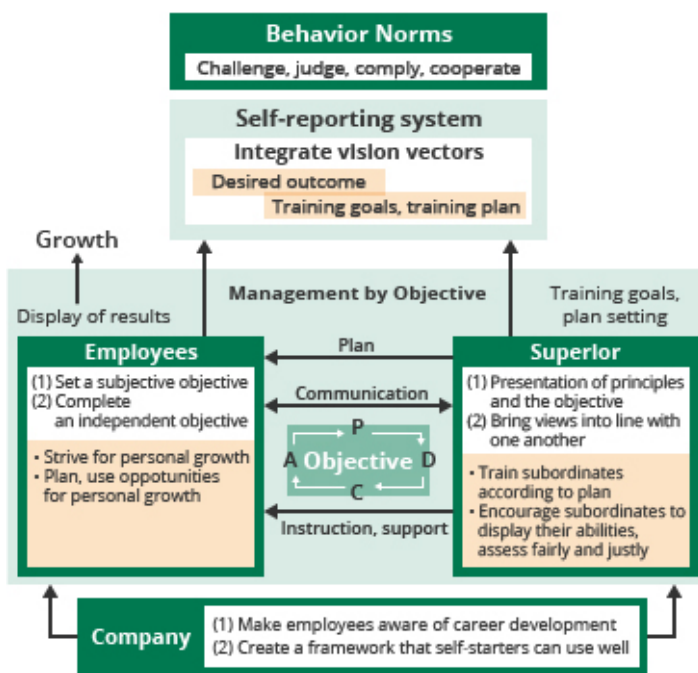


# Mid to Long-term Human Resources Development and Appropriate Ability Assessment

## 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 (FY2018, GS Yuasa International Ltd.)

Item	Classification	Average training hours
Gender	Male	1.6
	Female	2.5
Types of employees	Indefinite-term employment	2.2
	Fixed-term employment	0.2

## 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 developing women who can maximize their potential in whatever they do. We aim to create a company where every female employee shines in her own unique way by enhancing the desire for personal growth and increasing the style and number of roles through the synergistic effects of what we call the "three Ls."

#### 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, 2018, domestic business companies)

Classification	Female (persons)	Total (persons)	Ratio of Women (%)
Management	16	765	2.1
Division manager or more (included in the above)	2	256	0.8
Officer	0	40	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, 2019, 2.79% of employees were people with disabilities, which exceeds the legally mandated employment rate of 2.2% as well as the previous fiscal year's mark of 2.74%

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 (FY2018, domestic companies)

Classification	Number of rehired employees (persons)	Rehiring ratio (%)	Employment ratio of rehire applicants (%)
Male	44	77	100
Female	7	100	100
Total	51	80	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, 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)
	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	100.0	1	1.2	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
2017	1	0.0	12	50.5

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

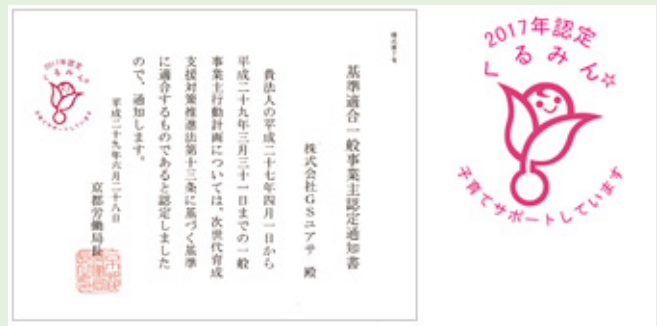
\*Period : April to March (long-term nursing care leave), September to August (short-term nursing care leave)

TOPICS

GS Yuasa Awarded Kurumin Mark

The Kurumin Mark is a symbol granted by Japan's Ministry of Health, Labor and Welfare to organizations that meet certain standards regarding formulation of action plans, attainment of their goals and other related actions based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

The GS Yuasa Group aims to be a company that continually supports childrearing by establishing an environment where employees can strike a good balance between work and childcare, and then further enrich these results.



Business Operations Considering Religious Customs in Each Region

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.

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.

# 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 respond 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



## 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.

## Promoting Greater Customer Satisfaction

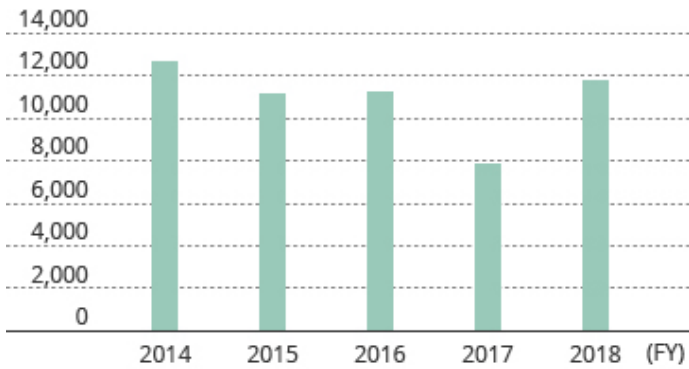
The GS Yuasa Group values the opinions, recommendations and complaints of customers regarding our products and services as important customer feedback. We improve our products and services after considering inquiries received by email and the opinions of customers heard at our Customer Consultation Office. 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.

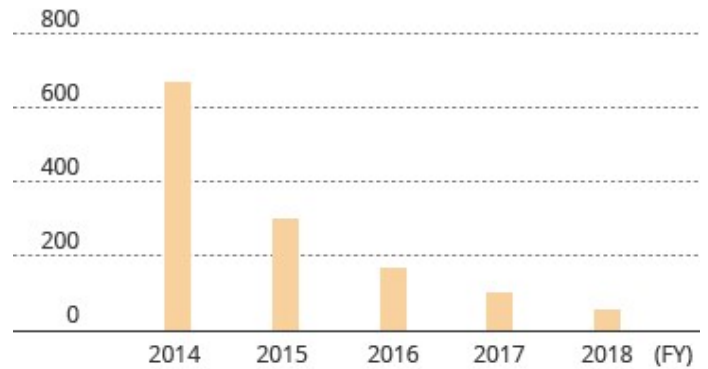


Going forward, we will continue working to improve customer satisfaction by paying close attention to the opinions of our customers.

**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,

**TOPICS**

**Supplier of the Year Award Received from Customer Company**

GS Yuasa Technology Ltd. and GS Yuasa Lithium Power, Group subsidiaries, were presented with the 2018 Supplier of the Year Award from the Boeing Company for development of lithium-ion battery cells for use in space applications.

Space lithium-ion batteries manufactured by the Group have been used in many domestic and overseas satellites and in space station supply vehicles.

The award from Boeing was presented in recognition of the significant contributions to enhancing the performance of satellites and to the development of next-generation products by the Group's performance, development capabilities, technical support capabilities, and response capabilities.

The Group will continue striving to enhance customer satisfaction by providing high-quality products that instill confidence.

## Initiatives for Product Safety and Swift Dissemination of Information

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

The Product Safety Management Committee is responsible for guaranteeing the safety of our products across the board. 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 testing procedures using failure mode and effect analysis (FMEA) 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.

Moving ahead, we aim to become a company supported by trust and quality by developing human resources capable of providing guidance on quality engineering and product safety, while proactively disclosing information on product safety.

### ■ 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. 244 passed from Grade 1 to Grade 4 in fiscal 2018 with a cumulative total of 2,456 people passing the exam company-wide up to fiscal 2018.

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

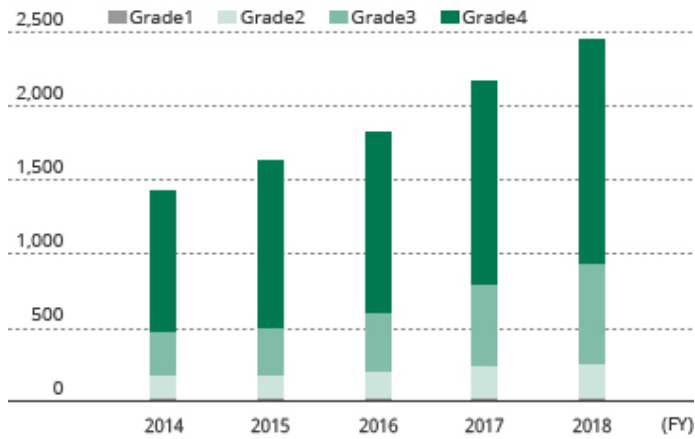
Quality Management Knowledge Level	Quality Education Course				External Seminars, etc.	Target Ranks and Job Types (Guidelines)	Reference Level for QC Examination
Application	Specialist Training Course for Manufacturing (Learning practical knowledge to develop management skills)					Quality management promoters	Level 1
	Internal Quality Auditor Training	Product on Safety	Quality Engineering	FMEA	Quality Management Correspondence Education (Preparation course for QC Examination Level 2) (Recommended)	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) (Recommended)	All employees who entered the company 2 or more years ago	Level 3
Introduction	QC Story Method, Seven QC tools					New employees	Level 4
	Basic Course on Quality Control (All new employees)						

Note: QC Exam levels are for reference only.

### ■ Number of Quality Education Courses and Participants (FY2018)

Level of quality management knowledge	Number of courses	Number of participants
Introductory	8	206
Basic	11	328
Applied	29	243
Total	48	777

## ■ 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.

## Examples of Activities

### 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 2018. 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 2018

- Improve operating rates in lithium-ion battery assembly processes
- Reduce defective product costs at that Karawang plant (Indonesia)
- Reduce in-process defects at automobile lead-acid battery plants
- Reduce work-in-progress in electric-powered vehicles lead-acid battery production processes
- Make processes visible to improve intellectual property work
- Improve traceability systems using IT in inspection work
- Work toward establish a culture of safety at GS Yuasa



Group photo of participants in a presentation meeting



During the presentation

## 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 2018, the critical quality problem example exhibition was held at the Kyoto Plant, one of our Group companies, and 320 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.

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



At the presentation



## 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

At the GS Yuasa Group, we set conservation of the global environment as one of our most important tasks, and we contribute to the creation of a sustainable society through the development, manufacture, and sale of batteries, which are a form of clean energy, power supply systems, and lighting equipment.

### • Action Agenda

1. We carefully evaluate the impact on the environment of our business activities, products and services, and we work to save energy, reduce resources and waste, and recycle resources as a way to protect the environment, which includes preventing pollution. By making continual improvements in these areas, we aim to improve our environmental performance.
2. We promote the development and design of products that protect the environment by considering how to reduce the environmental burden at every stage of the product life cycle, including acquiring raw materials, development and design, production, transportation, use and disposal.
3. We work to decrease environmental burdens with our business partners throughout our entire supply chain, including materials procurement and physical distribution.
4. We have created environmental management systems according to ISO 14001 standards and have enacted environmental policies at each of our offices based on these fundamental policies. We also advance our environmental management activities by setting related objectives.
5. We abide by all laws, ordinances, agreements, and regulations related to the environment, as well as other requirements agreed on by the Group. We also make voluntary management standards according to these as necessary to promote environmental conservation.
6. We appropriately execute revisions based on environmental audits and management reviews to maintain and improve our environmental management systems continuously.
7. Through education, training, and other environmental awareness efforts, we promote the environmental awareness of all Group employees, and we contribute to society through our environmental preservation activities.
8. We seek to achieve good communications with our stakeholders and with society as a whole by appropriately providing information related to the environment, including our fundamental environmental policy.

## 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. Fiscal 2018 is the final year of the third Five-Year Environmental Plan, and accordingly, an overview of the plan has been created and a new Environmental Mid-Term Plan will be formulated.

The scope of application of the plan for fiscal 2019 and later will be expanded from the four domestic sites in the past to 27 domestic and overseas sites. In addition, the new plan will set environmental objectives linked to the fifth Mid-Term Management Plan and it will be carried out as a business strategy for responding to key management issues that concern the Group as a whole



## Overview of Third Five-Year Environmental Plan (FY 2014 to FY 2018)

Sites covered: GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants)

<p>Key items</p> <p>Objectives</p>	<p>Overview</p>	<p>Self-Assessment / Challenges</p>
<p><b>Energy conservation and reduction of greenhouse gases</b></p> <p>We will reduce CO<sub>2</sub> emission intensity from production in fiscal 2018 by at least 5%, relative to fiscal 2013.</p>	<p>CO<sub>2</sub> emission intensity from production was reduced by 11% relative to fiscal 2013 (11.8 g CO<sub>2</sub>/Wh).</p>	<p>The objective was achieved by increasing the percentage of sales of environmentally considered products with high capacity, raising business efficiency (improving storage battery charging processes, etc.) and taking other measures.</p>
<p>We will reduce energy consumption intensity in logistics in fiscal 2018 by at least 5%, relative to fiscal 2013.</p>	<p>Energy consumption intensity in logistics was reduced by 7.2% relative to fiscal 2013 (0.0475L / ton-km).</p>	<p>The primary unit (intensity) improved significantly following a further modal shift, despite a leveling off in freight forwarding volume since fiscal 2014.</p>
<p>We will create and operate efficient energy management systems.</p>	<p>We carried out energy conservation programs using our environmental management systems.</p>	<p>It is necessary to operate a system enabling a response to management risk associated with energy.</p>
<p><b>Resource conservation</b></p> <p>We will reduce the rate of production errors and defective products (consistency with ISO 9001).</p> <p>We will reduce the rate of lead scrap to less than 2% in fiscal 2018.</p>	<p>The lead scrap rate was 3.2%.</p>	<p>The rate has been improving since fiscal 2014, but that objective was not achieved. It is necessary to strengthen initiatives aimed at reducing waste and loss by linking enhancements in productivity with design for the environment (DfE).</p>
<p>We will reduce the amount of wastewater during production in fiscal 2018 by at least 77%, relative to fiscal 2003.</p>	<p>The amount of wastewater was reduced by 59% relative to fiscal 2003 (918,000 m<sup>3</sup>).</p>	<p>The objective was not achieved, but the usage rate of recycled water is on the rise. We will promote the use of recycled water and make continue improvement measures in the future.</p>

<p>Key items</p> <p>Objectives</p>	<p>FY 2017 results</p>	<p>Self-Assessment / Challenges</p>
<p><b>Resource recycling</b></p> <p>In fiscal 2018, we will promote the correct ways of disposing and recycling 100% of used industrial products under a wide area certification system.</p>	<p>The percentage of used industrial products correctly disposed of or recycled under the wide area certification system was 94%.</p>	<p>The percentage of used industrial products correctly disposed of or recycled under the wide area certification system was almost 100%. The resource recycling scheme has taken hold thanks to this system.</p>
<p>We will create a resource recycling system for next-generation lithium-ion batteries.</p>	<p>We looked into a recovery method for lithium-ion batteries used in next-generation vehicles.</p>	<p>It is important to establish a suitable resource recycling scheme for lithium-ion batteries used in next-generation automobiles, for which the market is expected to expand.</p>
<p><b>Environmentally conscious products</b></p> <p>We will work to popularize design for the environment (DfE) products.</p>	<p>We promoted the development and design of products using the GS Yuasa Design for the Environment (DfE) Guidelines formulated in October 2005.</p>	<p>Environmental consideration is lacking in product design relative to diversification and advancement in product application.</p>
<p><b>Promotion of green procurement</b></p> <p>We will support the acquisition and advancement of environmental management system certification by business partners.</p>	<p>93% of all transactions were made with business partners that have acquired environmental management system certifications.</p>	<p>A certain level of suppliers has now introduced an environmental management system. Going forward, it will be important to promote activities to support further improvement.</p>
<p><b>Management of chemical substances</b></p> <p>We will monitor the flow of materials subject to the GS Yuasa Group Chemical Management Guidelines.</p>	<p>In coordination with green procurement, we thoroughly revamped the management of chemical substances contained in products and complied with Japanese and international regulations on the allowable amounts.</p>	<p>It is important to continuously implement management of chemical substances in products relative to laws, regulations and customer requirements.</p>

<p>Key items</p> <p>Objectives</p>	<p>FY 2017 results</p>	<p>Self-Assessment / Challenges</p>
<p>4</p> <p>Thorough management of environmental risk</p> <p>We will comprehensively manage environmental risk with our environmental management systems throughout the entire product life cycle.</p>	<p>We managed environmental risk using our own environmental management systems.</p>	<p>It is important to effectively conduct environmental risk management in response to business challenges and stakeholder needs and expectations, etc.</p>
<p>5</p> <p>Legal compliance</p> <p>We will set voluntary management standards that are stricter than environmental laws and regulations, and we will make improvements to environmental management technologies.</p>	<p>There were no instances of emergencies directly related to environmental pollution and no instances of environment-related lawsuits, punitive fines or administrative fines.</p>	<p>It is important to conduct effective environmental risk management to enhance compliance.</p>
<p>6</p> <p>Maintenance and continuous improvement of environmental management systems</p> <p>We will make continual improvements to our environmental management systems with the aim of producing effective environmental management.</p>	<p>We improved our environmental management systems by addressing the issues identified through periodic internal and external audits.</p>	<p>It is important to continuously improve environmental management systems to enhance environmental risk management.</p>

Key items Objectives		FY 2017 results	Self-Assessment / Challenges
7	<b>Social contribution</b> We will actively and continually take part in environmental conservation.	We undertook environmental programs and initiatives, which included cleaning the areas around our offices.	It is important to promote social contribution and environmental communication to meet stakeholder needs and expectations.
	<b>Communication about the environment</b> We will expand the scope of environmental information disclosure through the Environmental & Social Report and ensure social appraisal is fed back to our environmental management activities.	We conducted external communications to reach a wider range of stakeholders, which included publishing the GS Yuasa Report.	

■ 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)
CO <sub>2</sub> emissions	6% reduction compared with fiscal 2018
Water consumption	8% reduction compared with fiscal 2018
Percentage of environmentally considered products in total sales of all products	35% or more
Rate of use of recycled lead (raw material) in all lead-acid batteries by weight	35% or more

## Environmental Management Systems

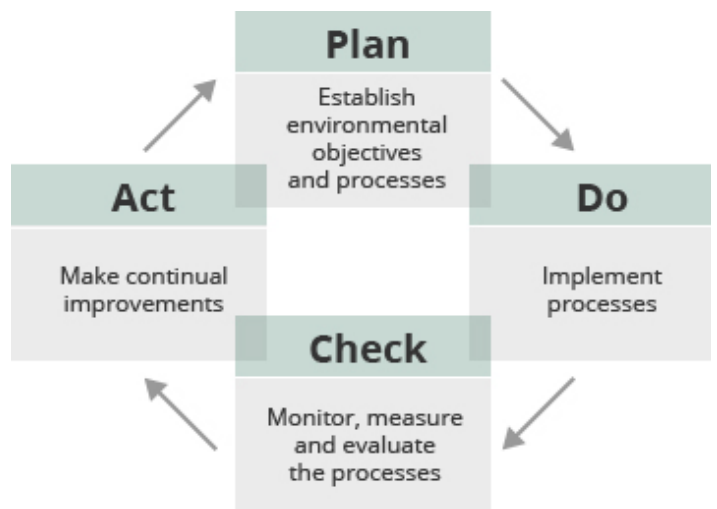
**GS Yuasa operates environmental management systems that comply with international standards.**

### 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



\*Four domestic business sites have obtained integrated ISO 14001 certification (scheduled to increase to seven in fiscal 2019)

\*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>
-------------------------------------------------------------------------------------	------------

## 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 2018.

## 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.

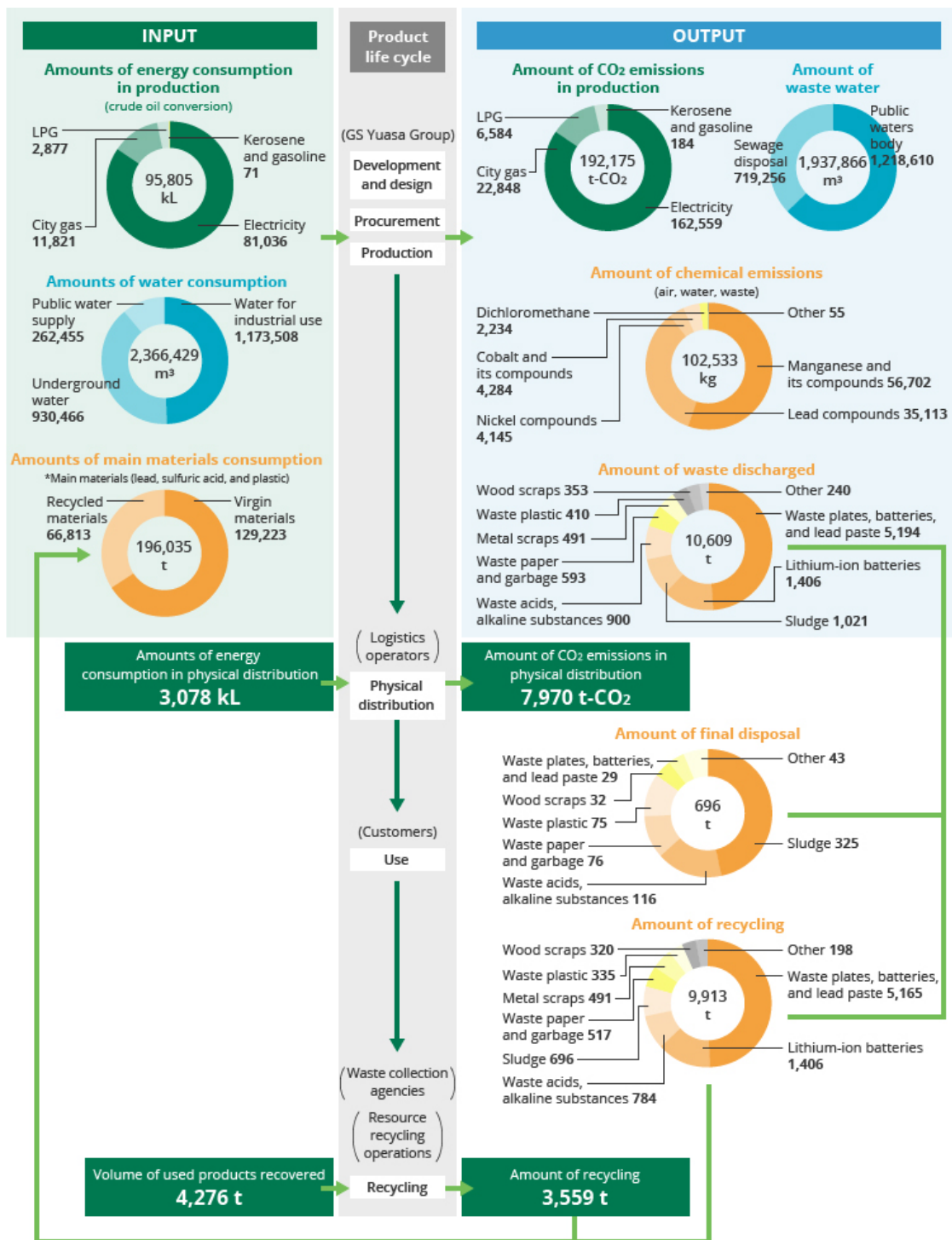
In fiscal 2018 there were no instances of emergencies directly related to environmental pollution at any of our business locations.

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.

# 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**

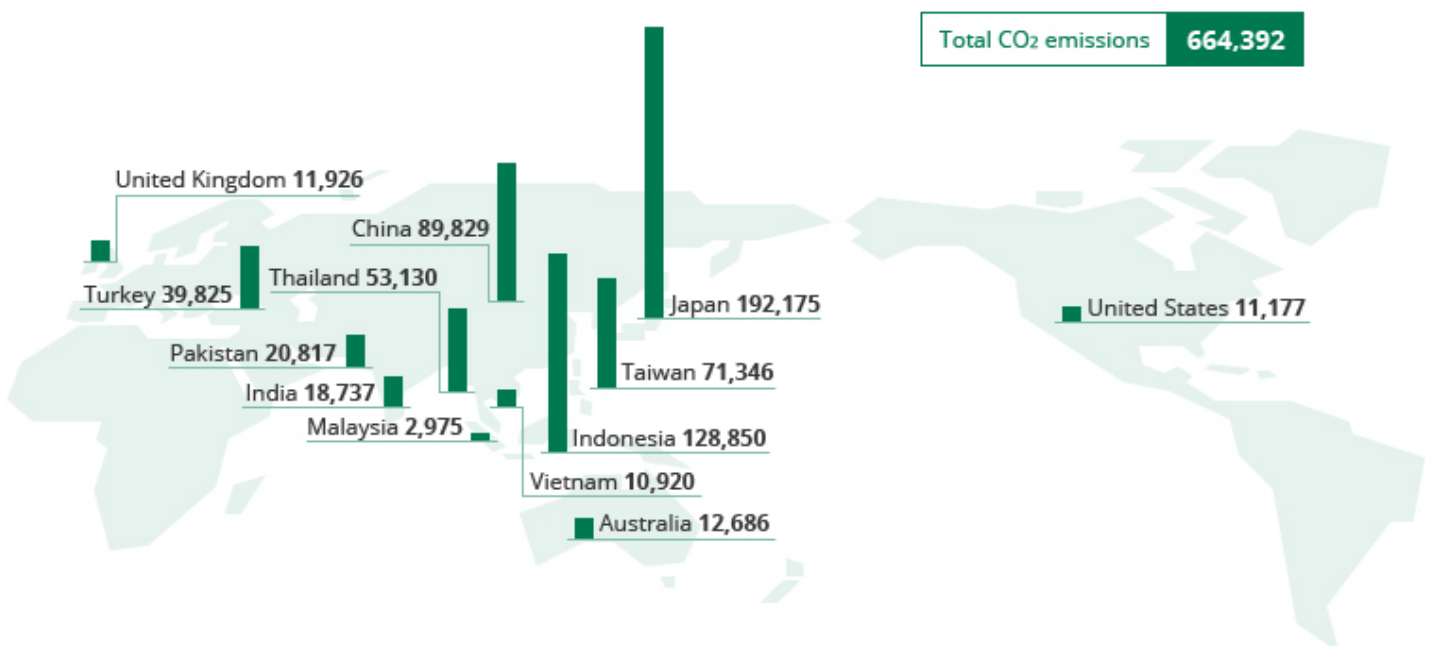
- (1) Data came from seven sites in Japan in fiscal 2018: GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants), GS Yuasa Energy Co., Ltd., Lithium Energy Japan and GS Ibaraki Works, Ltd.
- (2) Figures for energy consumption and CO<sub>2</sub> emissions during transportation are solely 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

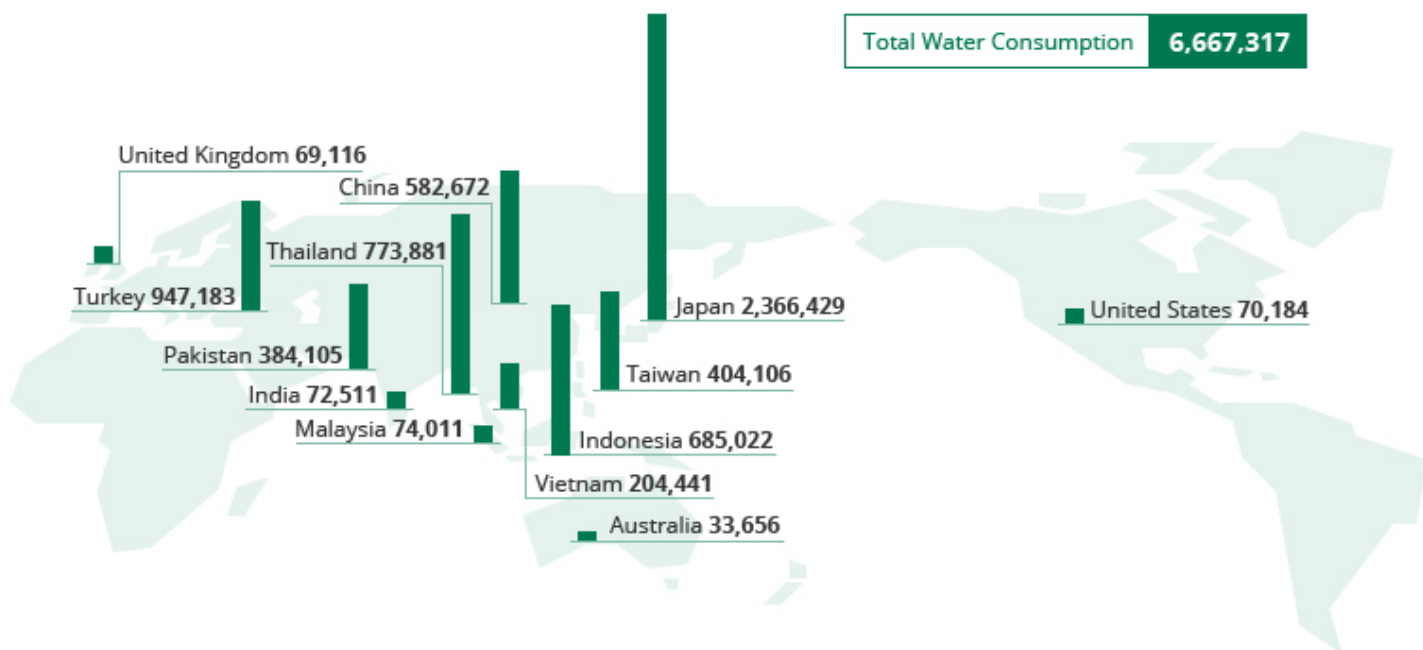
The GS Yuasa Group conducts research on CO<sub>2</sub> emissions and water consumption at production sites worldwide and undertakes global initiatives to identify and reduce CO<sub>2</sub> emissions and water consumption from production around the world.

The table below shows CO<sub>2</sub> emissions and water consumption for fiscal 2018 at major production sites worldwide. In fiscal 2019 we started taking action to contribute to a low-carbon, sustainable society as part of our business strategy by incorporating these global reduction targets into the Group's Mid-Term Management Plan.

■ **CO<sub>2</sub> Emissions by country (Unit: tCO<sub>2</sub>)**



■ Water Consumption by country (Unit:m<sup>3</sup>)



■ CO<sub>2</sub> Emissions and Water Consumption

Country	Production site	CO <sub>2</sub> Emissions (tCO <sub>2</sub> )	Water Consumption (m <sup>3</sup> )
Japan	GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants)	124,186	1,127,913
	GS Yuasa Energy Co., Ltd	30,463	982,669
	Lithium Energy Japan Ltd.	32,757	102,262
	GS Ibaraki Works, Ltd.	4,769	153,582
China	Tianjin GS Battery Co., Ltd.	36,970	218,890
	Yuasa Battery (Shunde) Co., Ltd.	27,247	175,893
	Yuasa Battery (Guangdong) Co., Ltd.	17,099	169,862
	GS Battery (China) Co., Ltd.	8,512	18,027
Taiwan	Taiwan Yuasa Battery Co., Ltd.	50,187	119,350
	GS Battery Taiwan Co., Ltd.	21,159	284,756
Vietnam	GS Battery (Vietnam) Co., Ltd.	10,920	204,441
Malaysia	GS Yuasa Battery Malaysia Sdn. Bhd.	2,975	74,011
Indonesia	PT. GS Battery	65,840	377,301
	PT. Trimitra Baterai Prakasa	38,582	132,035
	PT. Yuasa Battery Indonesia	24,428	175,686

Country	Production site	CO <sub>2</sub> Emissions (tCO <sub>2</sub> )	Water Consumption (m <sup>3</sup> )
Thailand	Siam GS Battery Co., Ltd.	34,162	564,332
	Yuasa Battery (Thailand) Pub. Co., Ltd.	12,423	175,516
	GS Yuasa Siam Industry Ltd.	6,545	34,033
India	Tata AutoComp GY Batteries Private Limited	18,737	72,511
Pakistan	Atlas Battery Ltd.	20,817	384,105
Turkey	Inci GS Yuasa Aku Sanayi ve Ticaret Anonim Sirketi	39,825	947,183
United Kingdom	GS Yuasa Battery Manufacturing UK Ltd.	11,926	69,116
United States	Yuasa Battery, Inc.	11,177	70,184
Australia	Century Yuasa Batteries Pty. Ltd.	12,686	33,656

#### ■ Calculation basis

Items	Japan	Outside Japan
Period covered	April 1, 2018 - March 31, 2019	January 1, 2018 - December 31, 2018
Number of organizations	7	20
CO <sub>2</sub> conversion factor for power	Values published by the Electric Power Council for a Low Carbon Society (ELCS)	Individual country-based GHG protocol factors

## Utilization of Third-Party Evaluation of our CO<sub>2</sub> Emissions and Water Consumption

The GS Yuasa Group responds to the CDP Climate Change Questionnaire, a project requesting companies to release information on their climate change strategy and greenhouse gas emissions. The Group also responds to the Water Security Questionnaire, as is the case with climate change. We use the results of CDP evaluations and promote initiatives to mitigate and adapt to climate change as well as to recognize water risks and develop a strategy for that.

The Group received third-party verification from SGS Japan Inc., confirming the credibility of the greenhouse gas emission data that we have disclosed. We will continue to implement third-party verification to assure accuracy in the disclosure of data.

[Statement on third-party verification by SGS Japan Inc. \(FY2018\)](#) 

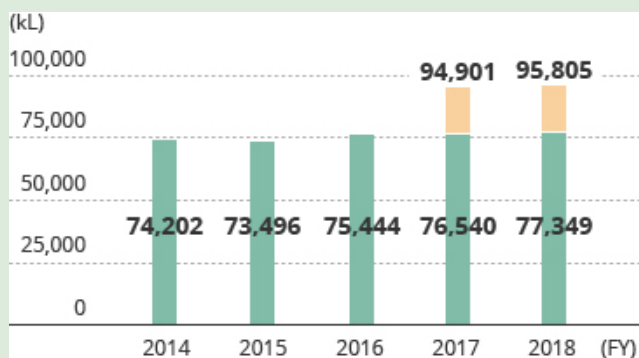
## Environmental Performance Data

### Scope of calculations related to environmental performance

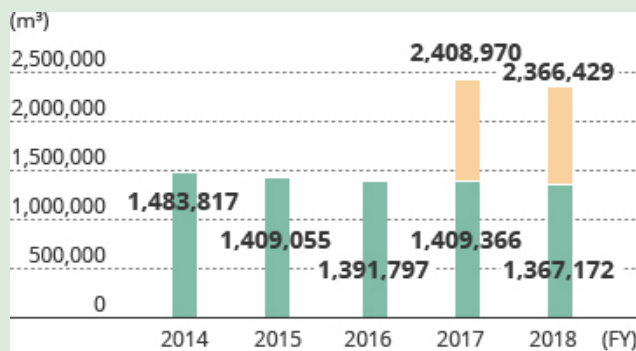
1. Data for these calculations came from seven GS Yuasa Group plants in Japan (Kyoto, Osadano, Odawara and Gunma Plants, GS Yuasa Energy Co., Ltd., Lithium Energy Japan and GS Ibaraki Works, Ltd.). Note, however, that figures for energy consumption and CO<sub>2</sub> emissions from logistics come from GS Yuasa International Ltd., including domestic logistics sites.
2. Data from five years (FY 2014 to FY 2018) was used in the calculations. However, data from GS Yuasa Energy Co., Ltd. is included starting with fiscal 2017 (where there are two figures in a graph, the upper figure is the result including GS Yuasa Energy). 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).
4. Intensity data used in the graph was calculated using the following formulas:
  - (1) Energy intensity in logistics (L/ton kilo) = Energy consumed / Amount of transported cargo
  - (2) CO<sub>2</sub> emission intensity in production (g-CO<sub>2</sub>/Wh) = Amount of emissions / Volume of batteries produced
  - (3) Ratio of wastewater reduction relative to FY2003 (%) = [Amount of wastewater in FY2003 - amount of wastewater / Amount of wastewater in FY2003] x 100
  - (4) Resource recycling rate (%) = (Amount of resources recycled / Amount of waste) x 100
  - (5) Ratio of lead scrap (%) = (Amount of waste plates and batteries (lead) / Amount of lead consumption) x 100

### INPUT

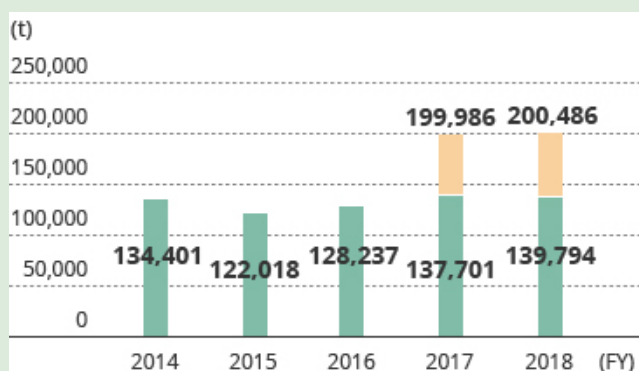
#### Energy Consumption in Production



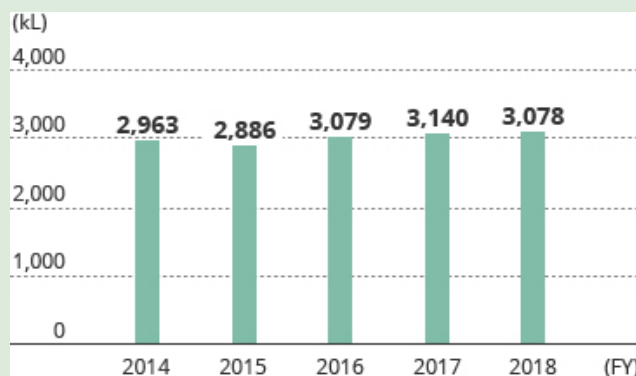
#### Water Consumption



#### Consumption of Major Materials

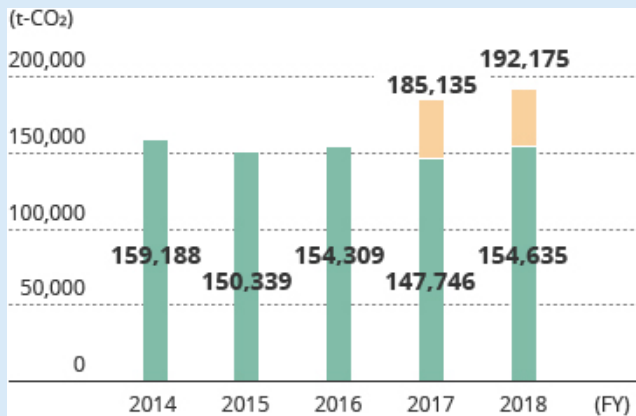


#### Energy Consumption in Physical Distribution

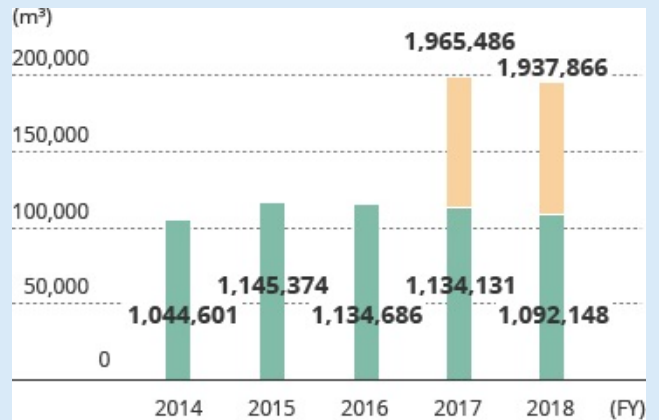


## OUTPUT

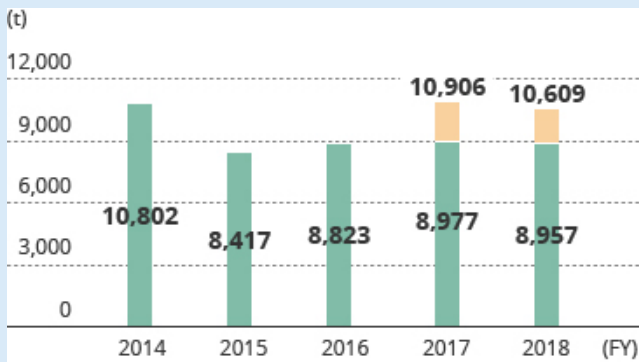
### CO<sub>2</sub> emissions in Production



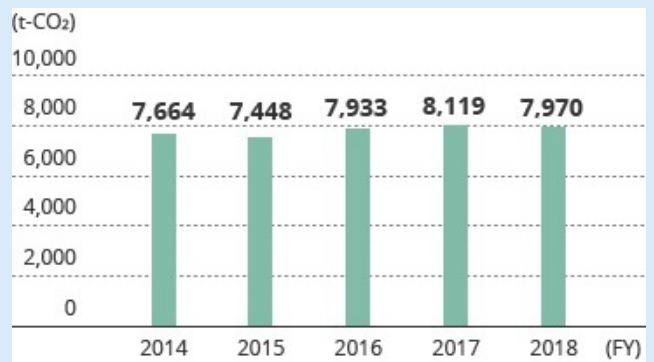
### Amount of Wastewater



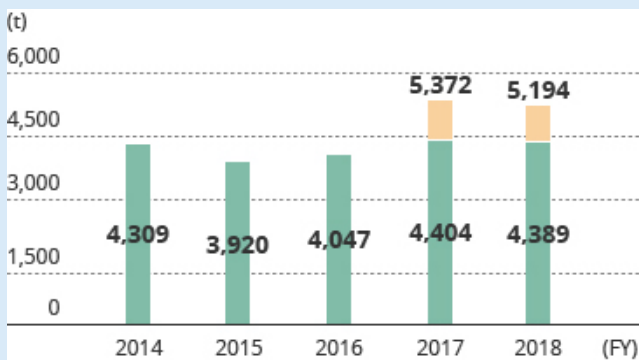
### Amount of Waste



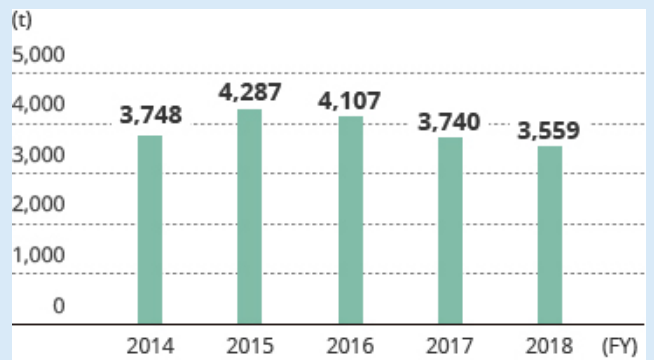
### CO<sub>2</sub> Emissions in Physical Distribution



### Amount of Waste Plates and Batteries (lead)



### Amount of Resources Recycled Under Wide Area Certification System



## Environmental Accounting

### Scope of calculations for environmental accounting

**Structures** 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.

**Period covered** April 1, 2018 - March 31, 2019

**Reference** Environmental Accounting Guidelines 2005 Edition (issued by the Ministry of the Environment)

### Environmental conservation costs (categorized by business activity)

(Thousands of yen)

Category		Key initiatives	Kyoto Plant	Osadano Plant	Odawara Plant	Gunma Plant	GS Yuasa Energy	Lithium Energy Japan	GS Ibaraki	Total
Business area costs (total)			390,102	379,869	28,811	69,860	169,157	75,747	42,554	1,156,100
Breakdown	Pollution prevention costs	Efforts to prevent air, water and soil pollution	237,392	269,675	7,066	33,154	145,656	6,674	22,490	722,108
	Global environmental conservation costs	Efforts to reduce greenhouse gas emissions	45,757	20,109	12,319	28,418	3,979	8,940	15,267	134,789
	Resource recycling costs	Efforts to ensure suitable disposal of waste	106,953	90,085	9,426	8,287	19,523	60,133	4,797	299,204
Upstream and downstream costs <sup>*1</sup>		Additional efforts to reduce environmental burden	173	14	14	0	0	0	0	200
Management activity costs <sup>*2</sup>		Employee education and ISO 14001 maintenance and management	5,318	2,295	474	800	857	1,324	1,376	12,444
Research and development costs		Research and development efforts in consideration of the environment	7,190,151	1,595,849	0	0	1,009,000	73,000	0	9,868,000
Social activity costs		Environmental volunteer efforts	1,760	1,008	310	635	19,760	1,385	303	25,160
Environmental remediation costs <sup>*3</sup>		Efforts related to soil pollution measures	0	158	0	751	220	0	203	1,332
Total			7,587,505	1,979,192	29,608	72,046	1,198,994	151,456	44,436	11,063,236

## Economic effect of environmental conservation initiatives

(Thousands of yen)

Category	Key item	Monetary amount
Economic effects of more efficient water use	Water use and wastewater cost reduction	-20,423 <sup>*3</sup>
Energy conservation effects	Cost reductions for electricity, heavy oil and gas (city gas, LNG, LPG)	-288,567 <sup>*3</sup>
Waste reduction effects	Cost reduction for industrial waste treatment	-84,911 <sup>*3</sup>
Resource recycling effects	Profit from recycling and reusing waste	74,020

## Effect of environmental conservation

Category	Key items	Material amount
Effects related to resources used in business activities	Amount of recycled water used	1,576,980m <sup>3</sup>
	Amount of reduction in water use	42,541m <sup>3*</sup> 3
	Amount of energy saved (crude oil conversion)	-904kL <sup>*3</sup>
Effects related to environmental burden and waste from business activities	Amount of CO <sub>2</sub> reduced	-7,040ton-CO <sub>2</sub> <sup>*3</sup>
	Amount of waste reduced (final disposal volume)	-24ton <sup>*3</sup>
	Amount of wastewater reduced	27,620m <sup>3*</sup> 3
	Amount of waste recycled	9,913ton
	Recycling rate <sup>*4</sup>	93%
	[Water quality] Amount of lead discharged	37kg
[Air] Amount of lead emitted	126kg	

\*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

#### Design for the Environment (DfE)

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. For this reason, we are committed to designing products based on the GS Yuasa Design for the Environment Guidelines with the aim of reducing the environmental burden throughout the product life cycle, which includes the consumption of resources, the emission of greenhouse gases, and waste. The guidelines cover design that considers the materials used in the product, the 3Rs (reduce, reuse, recycle), ease of disassembly, labeling, energy conservation and packaging. The GS Yuasa Group promotes the development and design of environmentally conscious products through design for the environment (DfE) by using these guidelines while, at the same time, maintaining and improving the performance of products.

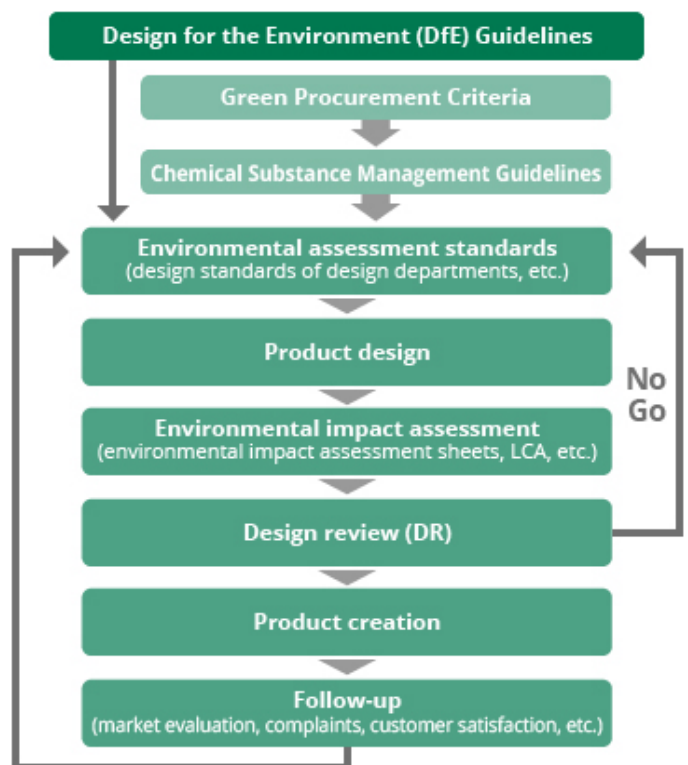
#### Implementing environmental impact assessments for products

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	-	6.3	28,000.0	28,066.3
	Osadano	21.0	-	14.0	3,600.0	3,635.0
	Gunma	15.0	3.9	-	9.9	28.8
	GS Yuasa Energy	14.0	8.4	-	3,300.0	3,322.4
	Ibaraki	16.0	4.7	-	40.0	60.7
Arsenic and its inorganic compounds*	Kyoto	2.7	-	0.8	3.2	6.7
	Gunma	-	1.5	-	0.0	1.5
	GS Yuasa Energy	-	-	-	0.3	0.3
Antimony and its compounds	Kyoto	9.0	-	1.5	33.0	43.5
	Osadano	0.0	-	2.3	0.0	2.3
	Gunma	0.0	0.6	-	0.0	0.6
	GS Yuasa Energy	-	-	-	0.2	0.2
Manganese and its compounds	Kyoto	0.0	-	0.0	2,700.0	2,700.0
	Osadano	1.5	-	0.0	0.1	1.6
	Lithium Energy Japan	-	-	0.0	54,000.0	54,000.0
Nickel compounds*	Kyoto	0.0	-	0.0	44.0	44.0
	Osadano	0.7	-	0.0	0.1	0.8
	Odawara	0.0	-	0.0	0.0	0.0
	Lithium Energy Japan	0.0	-	0.0	4,100.0	4,100.0

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	0.0	-	0.0	184.0	184.0
	Osadano	0.0	-	0.0	0.1	0.1
	Lithium Energy Japan	0.0	-	0.0	4,100.0	4,100.0
Dichloromethane	Kyoto	0.4	-	0.0	300.0	300.4
	Ibaraki	1,900.0	0.0	-	34.0	1,934.0
Cadmium and its compounds*	Odawara	0.0	-	0.0	0.0	0.0
Triethylenetetramine	Ibaraki	0.0	0.0	-	0.0	0.0
Total		2,040.3	19.1	24.9	100,448.9	102,533.2

- : Outside scope of coverage

\* : Production of Specific Class I Designated Chemical Substances

## Making industrial waste treatment more efficient

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

In particular, we consider the treatment of wastewater containing lead from manufacturing processes as an important issue for not only waste material but also wastewater treatment.

In fiscal 2018, we developed our system of wastewater treatment facilities at our Kyoto Plant in order to effectively treat wastewater containing lead from manufacturing processes.

By installing high-speed sedimentation equipment that can recover lead from wastewater before treatment, we reduced the lead concentration of wastewater before treatment to about 1/150.

As a result, we were able to reduce the amount of chemicals used for wastewater treatment, and we expect that the amount of sludge containing lead produced from the wastewater treatment process is about 15% lower than before introduction.



Installed high-speed sedimentation equipment

## 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 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.

In fiscal 2018, we have improved some of our battery-charging processes and have enhanced the equipment at our Kyoto Plant. In doing so, we were able to reduce about 292tons of CO<sub>2</sub> emissions.

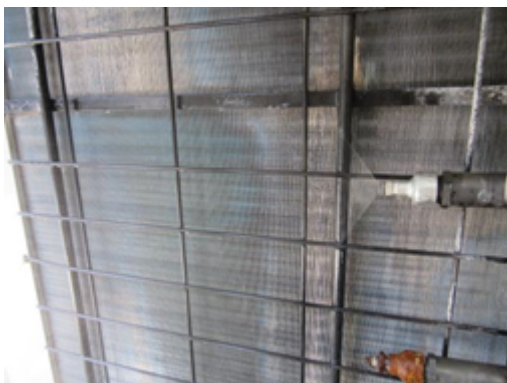
GS Yuasa Group promotes activities to reduce GHG emission by improving the work efficiency and conserving energy as much as possible.

## Reducing Water Used in Production Processes

At the Group's domestic business sites, we promote using water efficiently by recycling water, conserving water and so on.

At our storage battery plants, we continuously promote recycling water for cooling batteries in the charging process.

In addition, at our special battery plants, we promote conserving water for cooling air-conditioner. For example, we changed the water nozzles on water-cooling devices for the outdoor units of dehumidifiers to spray type nozzles, reduced about 450m<sup>3</sup> of water usage each month (during summer months) while maintaining their cooling performance.



A spray-type water dispersion nozzle

# Transportation

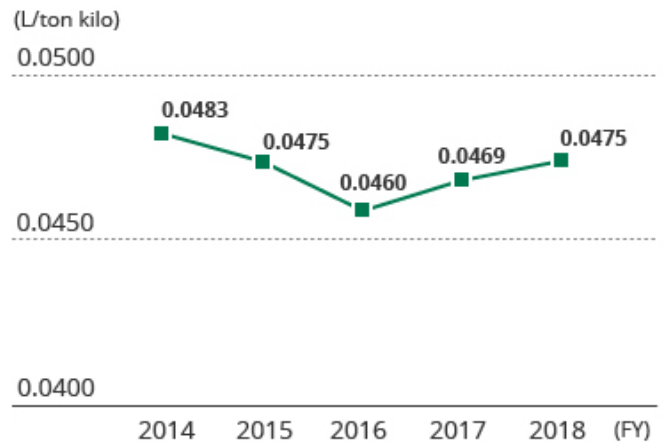
## Reducing energy consumption in logistics

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. After that, a panel of experts regularly checks the results (relative to targets for reducing energy). We also work to reduce the quantity of items shipped between sites by integrating physical distribution base and we have conducted a modal shift from trucks to rail containers and other related systems for transportation.

Through these activities, we succeeded in reducing the energy consumption intensity in fiscal 2018 by 7.2% compared with fiscal 2013. Going forward, we will strive to continually improve energy efficiency in logistics and will promote activities that lower the environmental burden and logistics costs.

### ■ Energy consumption per freight forwarding (crude oil conversion)

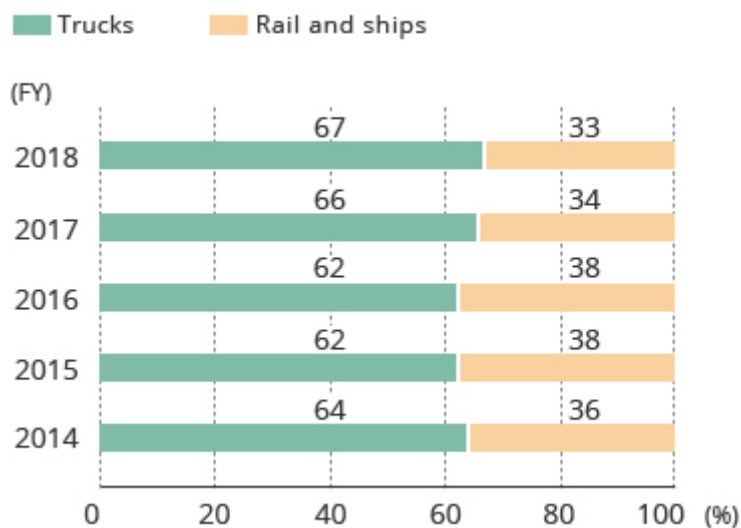


A ton kilo is a unit measuring the amount of freight forwarding volume being shipped. One ton kilo is equivalent to moving one ton of cargo one kilometer.

## Operation of an Eco Rail Mark System

The Eco Rail Mark System is a system of certification for companies and products that make thorough use of rail transportation for minimal environmental burden. The GS Yuasa Group has been designated as a certified company by the Railway Freight Association for seven series of batteries for automobiles and motorcycles have been certified. 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. The Group will promote logistics that consider the environment by increasing the amount of freight shipped by rail.

## ■ Ratio of freight forwarding volume



Examples of GS Yuasa Group products with Eco Rail certification

## Resource recycling

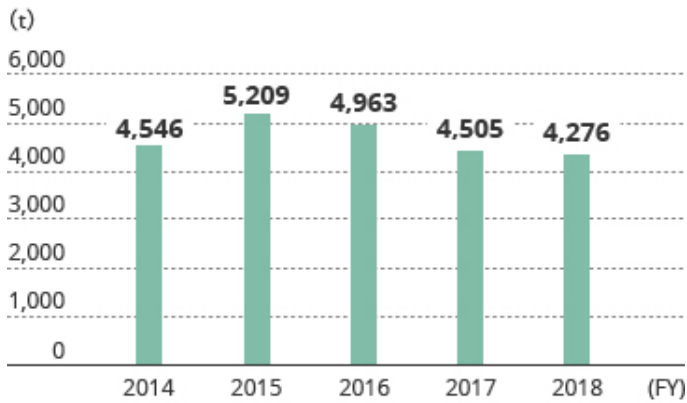
### Operation of the wide-area certification system

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.

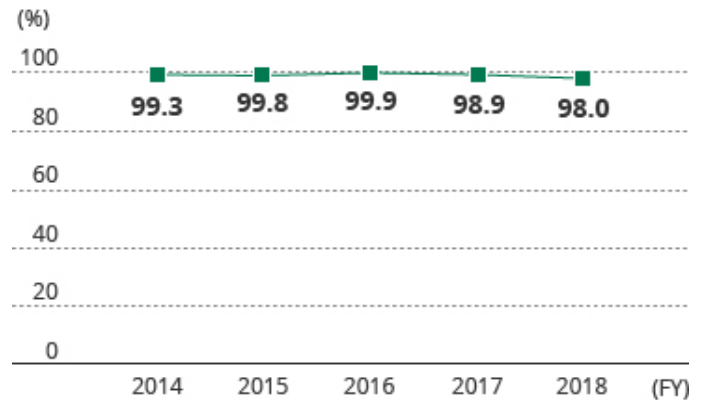
In January 2008, the GS Yuasa Group in Japan acquired wide-area certification from the Ministry of the Environment for industrial batteries and power supplies, and in January 2009 started accepting orders in earnest for a recycling system based on this certification. Even following the start of operations, 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. As a result, the vast majority of used industrial batteries currently collected by the Group are processed under application of the wide-area certification system.

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)



■ Application Rate of 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). We also plan to strengthen our efforts to use recycled materials in our products as we aim to contribute further to a recycling-oriented society.

# Building Better Relationships with Local Communities

## We contribute to local communities through our business activities.

### 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

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

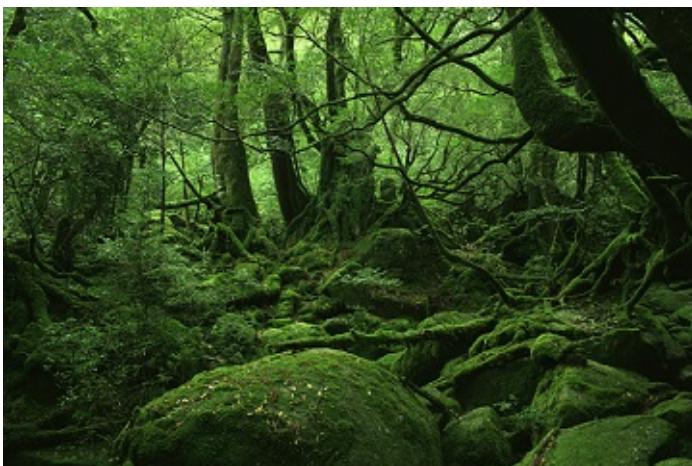
GS Yuasa Battery Ltd. (GYB) is providing support for the Yakushima Environmental and Cultural Foundation as part of initiatives to preserve the environment in the region.

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 Programs 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 2018, the workings of photovoltaic power generation and its environmental contributions were explained to elementary school students through a program on "the roles of photovoltaic power generation and storage batteries." By presenting nearby examples of the introduction of solar power systems and conducting hands-on lessons using solar panels combined with storage batteries, the students learned about the process of generating electricity from photovoltaic power, a renewable energy.

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



A lesson using solar cells

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

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 2018, the Shiki Theatre gave eight performances (morning and afternoon over four days) of its original musical, "Majorin - Who Gave up Her Magic". The shows were enjoyed by large numbers of children from around the city of Kyoto. Eight employees of the GS Yuasa Group assisted as volunteers in four of the performances over two 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 "Majorin - Who Gave up Her Magic" (Photograph: Takeshi Arai)



Volunteers assisting with the production

## Contributions to Society

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

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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 Kyoto Plant

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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, following an accident in fiscal 2018 when an earthquake originating in northern Osaka Prefecture caused a concrete-block wall to collapse, we carried out a safety inspection of the concrete-block wall surrounding our office site. Based on the results of the inspection, we replaced the 840-meter-long concrete-block wall facing the school route with a fence, thereby endeavoring to improve the safety of passing schoolchildren and local residents. The GS Yuasa Group will continue to promote activities contributing to a safe and healthy life in local communities.



Before exterior wall renovation



After exterior wall renovation

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

In Indonesia, 14.4% of infants and children aged 0 to 59 months suffer from malnutrition. In the Karawang Regency (province) of Indonesia, there are 270 infants and children 0 to 59 months experiencing malnutrition.

PT GS Battery Indonesia (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 2018, two 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.

## Marine Environment Preservation Undertaken in Cooperation with NPO

Australia is a country with abundant leisure activities including marine sports and fishing, but in recent years, ocean pollution caused by illegal dumping and other factors has become a serious issue.

To ensure the sustainability of the important marine market, Century Yuasa Batteries Pty Ltd. (CYBA), a Group company based in Australia, is conducting a program to donate one Australian dollar for each marine battery that it sells to a nonprofit organization that performs preservation of the ocean environment. The funds donated by CYBA support the NPO's activities and are also used for environmental education in local communities and other programs.

CYBA is supporting solutions to local social issues by working in collaboration with a wide range of stakeholders including NPOs.

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

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 2016 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)



Plaque for the CSR-DIW Award(GYSI)



## Ensuring Social Responsibility within Our Supply Chain

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

### Basic Procurement Policy

## Major Procurement Programs

The GS Yuasa Group provides education and guidance on compliance and CSR (corporate social responsibility) to business partners, checks the way they manage harmful substances in products, responds to conflict minerals via surveys and encourages green procurement. We also conduct activities to help our business partners improve results and hold study sessions and presentations on how to boost quality.

Through better partnerships in the supply chain, we are improving the results of both our business partners and the GS Yuasa Group, while decreasing business risk.

### 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.**

## Briefing Sessions on Production

The GS Yuasa Group holds briefing sessions on production run by management as well as social gatherings every year to increase our major business partners' understanding of the GS Yuasa Group's management policies, annual business policy and basic procurement policy. This also deepens mutual understanding and strengthens relationships of trust with these business partners. In addition, we give awards to business partners who have made outstanding contributions to quality, price and the supply system in terms of transactions in the previous fiscal year.



A briefing session on production



An award is presented to a business partner

## Promotion of Responsible Procurement

### Stance on CSR Procurement

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 CSR procurement (responsible procurement activities taking sustainability into consideration) 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.

### CSR Procurement Initiatives

In fiscal 2018, the GS Yuasa Group published CSR Procurement Guidelines and issued it to suppliers to better clarify the practices of responsible procurement. These 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.

To pinpoint important CSR issues in its supply chain, the Group surveys our suppliers' grasp of proper CSR measures. Questionnaires track corporate ethics, human rights, work environments, environmental protection, product safety, information and other themes. We also follow up on responses that pose doubts or are unclear. In fiscal 2018, we conducted questionnaires targeting 367 suppliers (125 in Japan, 242 overseas). Based on analysis and assessment of the responses, we will determine pivotal supply chain CSR issues and implement appropriate measures.

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





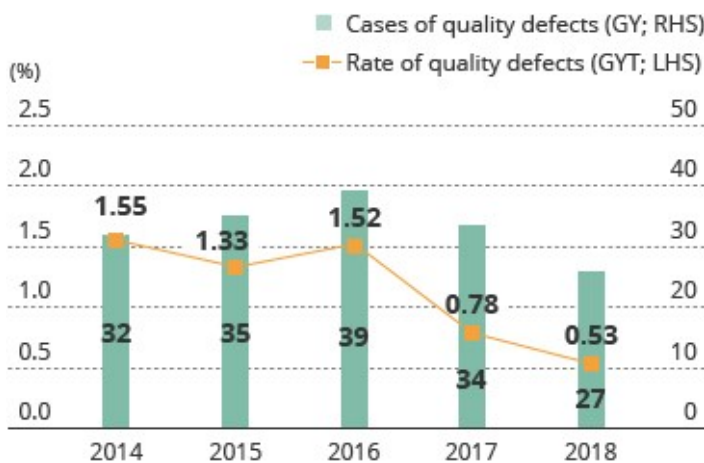
A CSR procurement briefing for suppliers

## 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.

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.

### ■ Incidence of Quality Defects among Products Delivered from Suppliers



GY : GS Yuasa International Ltd.  
 GYT : GS Yuasa Technology Ltd.



Guidance on Quality for Business Partners



A quality improvement meeting

## Response to Conflict Minerals

Conflict minerals mean mineral resources mined in some conflict areas in the world.

In these conflict areas, social problems such as inhumane acts including massacres, abductions, violence and recruitment of child soldiers by armed groups have occurred, and minerals mined in such areas are used as a source of substantial funds by armed groups.

The GS Yuasa Group recognizes that it is important to tackle the conflict mineral problem for the global supply chain and is promoting activities not to be complicit in any form of human rights abuses, in cooperation with various stakeholders including our business partners.

Therefore, we have formulated a policy to deal with the problem of conflict minerals and are promoting responsible minerals procurement without using conflict minerals in accordance with operational management based on this policy.

### Policy on Conflict Minerals

GS YUASA promotes the following commitments to avoid assisting such anti-social activities as armed conflict waged by armed groups and human rights violations associated with the armed conflict in the Democratic Republic of the Congo and neighboring countries (hereinafter "Congo & Neighboring Countries") and to achieve the responsible procurement of minerals.

1. We work to avoid direct or indirect procurement of conflict minerals (gold, tin, tantalum and tungsten which lead to the assistance mentioned above) from the Congo & Neighboring Countries and the use the conflict minerals, in accordance with GS YUASA CSR Policy.
2. If it is discovered that conflict minerals have been procured or used by our group company and its supplier, we will cooperate with related companies and take action to avoid such procurement and use.
3. We will continually investigate the use of conflict minerals voluntarily or upon a request from our customers. When information on the purchasing source (such as the name of a smelter) has not been disclosed in good faith and we have concerns about the possible procurement and use of conflict minerals, we will work to clarify information on the purchasing source.

## 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
<ol style="list-style-type: none"> <li>1. Operation of an environmental management system</li> <li>2. Examination of chemical substances contained in items being supplied</li> <li>3. Checking the legality of cutting down certain trees (logging)</li> <li>4. Programs to identify and reduce CO<sub>2</sub> emissions</li> </ol>

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.

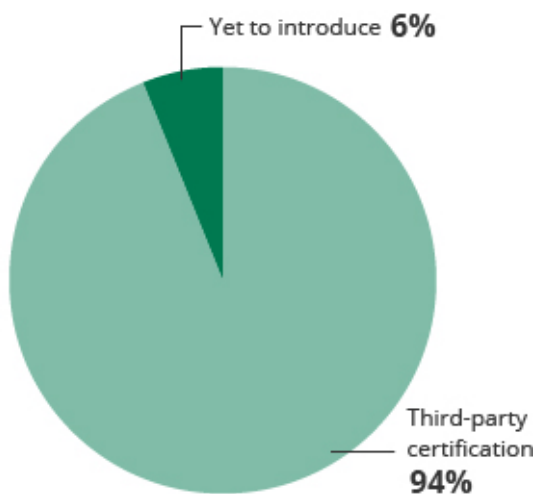
GS Yuasa evaluates the appropriateness of stipulations to business partners concerning green procurement by checking and auditing the status of their response. When selecting new business partners, we apply business partner selection criteria relating to environmental management. In fiscal 2018, all 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 2018, transaction amount base)



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

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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.

In fiscal 2018, we conducted a survey of our main domestic suppliers concerning greenhouse gas emissions and water consumption in conjunction with production of products supplied to our Group and ascertained the status of environmental impact in supply chains. Starting in fiscal 2019, we will request that suppliers cooperate with our measures for achieving CO<sub>2</sub> emission 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.

## 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 C).

### 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.

### 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.

## 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).

Utilization of human resources	Environment	Corporate governance	Sociability
AA	AA	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 (three ranks: gold, silver and bronze).

## 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" (White 500)

"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. GS Yuasa International Ltd. has been selected as a certified company of this system.

## Kurumin Mark

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The Company has been certified as a company that supports child care in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, which aims to support sound and health development of children who will lead the next generation. Thus, the Company has obtained the Kurumin Mark and we can utilize it as a certified company.

## 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 2018".

[Statement on third-party verification by SGS Japan Inc. \(FY2018\)](#) 

# 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="#">Value-Creation Process</a> [ SDGs ] <a href="#">Utilization of Third-Party Evaluation of our CO<sub>2</sub> Emissions and Water Consumption [ 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	-	
102-39	Percentage increase in annual total compensation ratio	-	

GRI Standards		Disclosure Title		References
	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 [ Securities Report(PDF) ] (Japanese only)</a>
		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 [ Material changes ]</a>
		102-49	Changes in reporting	<a href="#">Editorial Policy [ Material changes ]</a>
		102-50	Reporting period	<a href="#">Editorial Policy [ Period covered ]</a>
		102-51	Date of most recent report	September 2018
		102-52	Reporting cycle	Annually (Scheduled to be disclosed in September 2020)
		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="#">Utilization of Third-Party Evaluation of our CO<sub>2</sub> Emissions and Water Consumption</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="#">Materiality and Response Plan</a>
		201-1	Direct economic value generated and distributed	<a href="#">Chart Generator</a> [ Results of Operations/Profitability Indicator Ratios ] <a href="#">Earnings Report [ Earnings Report(PDF) &gt; Statements of Income(Cost of sales, Selling, general and administrative expenses, Non-operating expenses, Extraordinary loss, Profit) ]</a> <a href="#">Shareholders Return</a>
		201-2	Financial implications and other risks and opportunities due to climate change	-
		201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Securities Report [ Securities Report(PDF) ] (Japanese only)</a>
		201-4	Financial assistance received from government	-

GRI Standards		Disclosure Title		References
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="#">Permeation of Compliance Awareness Workplace Meetings on CSR</a> <a href="#">GS Yuasa Group Corporate Ethics Hotline</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	-
		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 ]
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 ]

GRI Standards		Disclosure Title		References
		302-3	Energy intensity	<a href="#">Environmental Performance Data</a>
		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 ]
		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	<a href="#">Environmental Performance Data</a>
		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) ]

GRI Standards		Disclosure Title		References
306	Effluents and Waste	103	Management Approach	<a href="#">Materiality</a> [ Promoting environmental protection ] <a href="#">Environmental Risk Management</a>
		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	-
<b>Social</b>				
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</a> > <a href="#">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	-

GRI Standards		Disclosure Title		References
403	Occupational Health and Safety	103	Management Approach	<u>Materiality [ Improvement of safety and health in working environments ]</u> <u>Conservation and Improvement of Safety and Health in Working Environments</u>
		403-1	Workers representation in formal joint management-worker health and safety committees	<u>Top-Management-Promoted Health and Safety Measures</u>
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<u>Top-Management-Promoted Health and Safety Measures</u>
		403-3	Workers with high incidence or high risk of diseases related to their occupation	<u>Materiality [ Improvement of safety and health in working environments &gt; Promotion of labor safety and health risk management ]</u>
		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	<u>Materiality [ Human resources development ]</u> <u>Mid to Long-term Human Resources Development and Appropriate Ability Assessment</u>
		404-1	Average hours of training per year per employee	<u>Fostering Autonomous-minded Human Resources</u>
		404-2	Programs for upgrading employee skills and transition assistance programs	<u>Fostering Autonomous-minded Human Resources</u>
		404-3	Percentage of employees receiving regular performance and career development reviews	<u>Fostering Autonomous-minded Human Resources</u>
405	Diversity and Equal Opportunity	103	Management Approach	<u>Respect for Individual Work-Life Balance</u>
		405-1	Diversity of governance bodies and employees	<u>Employment of People with Disabilities</u>
		405-2	Ratio of basic salary and remuneration of women to men	-
406	Non-discrimination	103	Management Approach	<u>Prohibition of Discrimination and Respect for Diversity</u>
		406-1	Incidents of discrimination and corrective actions taken	No cases
407	Freedom of Association and Collective Bargaining	103	Management Approach	<u>Respect for Labor Rights</u>
		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	<u>Prohibition of Forced Labor and Child Labor</u>
		408-1	Operations and suppliers at significant risk for incidents of child labor	-

GRI Standards		Disclosure Title		References
409	Forced or Compulsory Labor	103	Management Approach	<u>Prohibition of Forced Labor and Child Labor</u>
		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	<u>Materiality [ Respect for individuality ] Workplace Meetings on CSR</u>
		412-1	Operations that have been subject to human rights reviews or impact assessments	-
		412-2	Employee training on human rights policies or procedures	<u>Promoting Human Rights Education</u>
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
413	Local Communities	103	Management Approach	<u>Building Better Relationships with Local Communities</u>
		413-1	Operations with local community engagement, impact assessments, and development programs	-
		413-2	Operations with significant actual and potential negative impacts on local communities	-
414	Supplier Social Assessment	103	Management Approach	<u>Materiality [ Responsible Procurement promotion ] Promotion of Responsible Procurement</u>
		414-1	New suppliers that were screened using social criteria	-
		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

GRI Standards		Disclosure Title		References
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	-
		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 2018 (April 1, 2018 to March 31, 2019).

In order to report the GS Yuasa Group's latest CSR activities, we disclose information on activities after fiscal 2018 whenever appropriate.

With respect to some performance data, we disclose information before fiscal 2018 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 1, 2019