

GS Yuasa Corporation

CSR Activities in 2018

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 2018 fiscal year through the contents of the "CSR Activities" website, of the sites of our.

President's Message

President's Message

We are aiming to contribute to a sustainable society and develop our businesses further.



Nowadays, as power saving and lower environmental burdens have become major social issues on a global basis, the role of the GS Yuasa Group's products providing the function of "building up energy" has become more significant. I believe that the Group has been able to conduct business over the past 100 years because we have listened to voices from around the world, have flexibly dealt with social environmental changes and have continuously created new values.

In order to firmly succeed in this corporate mission, the Group signed the United Nations Global Compact (UNGC) which matches the Group's philosophy and sense of values, in April 2018. The Group operating businesses globally intends to fulfill its social responsibilities as well as to pursue sustainable growth by aggressively promoting the Four Areas/Ten Principles that the UNGC asks companies to embrace, support and implement.

As the first step towards that, the Group clarified initiatives with high priority as the "CSR major theme (materiality)" in Fiscal Year 2017 by considering the United Nations Sustainable Development Goals (SDGs). SDGs indicate issues that must be solved by humanity as a whole as a common subject for both developing countries and advanced nations. The GS Yuasa Group regards the solution of these issues as a business opportunity and intends to grow sustainably by contributing to society. There are a wide variety of areas in which we can contribute: for example, the spread of the use of environmentally conscious vehicles with lower carbon dioxide (CO₂) emissions, expansion of the use of renewable energy generation such as solar power and wind power, and strengthening social infrastructures by preparing backup industrial batteries/power-supply equipment for emergency situations such as disasters.

We will continue to create various "innovations" through our business activities and contribute to the solution of global social issues as well as global environmental conservation, aiming at sustainable growth. By doing so, the Group will continue to grow as a company that is indispensable for society and people around the world for the next 100 years, making efforts to meet the expectations of our stakeholders

Osamu Murao

President
GS Yuasa Corporation

■ The Ten Principles of the United Nations Global Compact

<Human Rights>

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

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

<Labour>

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

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

Principle 5: the effective abolition of child labour; and

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

<Environment>

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

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

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

<Anti-Corruption>

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

WE SUPPORT



CSR Policy and Code of Conduct

CSR Policy and Code of Conduct

The GS YUASA CSR Policy and Code of Conduct, formulated in May 2017 as the President's Policy, have become the foundation of the Group's CSR activities. In the GS Yuasa Group, 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 Responsible Procurement guideline among our suppliers, then address to promote Responsible Procurement upon interactive cooperation, aiming to ensure our social responsibilities across overall supply chain.

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



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 reforming our business processes and developing new technologies 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.

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, plans, and promotes CSR activities throughout the Group as a whole. As necessary, matters decided by the CSR Committee are reported to or included in the agenda for discussion by the Board of Directors before being reflected in our business strategy.

■ CSR Promotion Framework



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

Medium- to Long-Term CSR Promotion Initiatives

As shown in the following table, our Group formulates medium- to long-term CSR promotion plans with the aim of conducting CSR activities through our business. For fiscal 2019, we have set the target of incorporating important CSR themes that take account of global social issues and the needs and expectations of interested parties into our business strategy.

Phase	Period	Target
First stage	FY 2016-17	Create processes to deal with the CSR challenges 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 challenges into our business strategy (Fifth Mid-Term Management Plan)

Materiality

Materiality (Key CSR Challenges)

To reflect CSR challenges 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 Specification Process

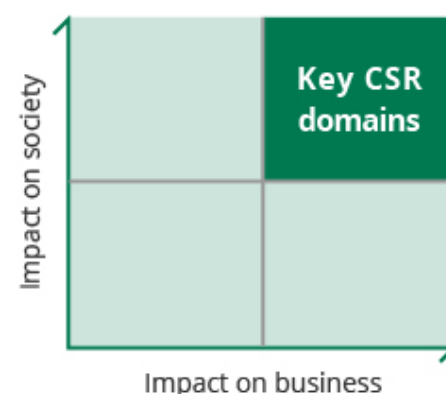
Step 1: Identify risk and opportunity in CSR

For key challenges in the Mid-Term Management Plan, we identify risk in CSR (that hinders the resolution of these challenges) and opportunity in CSR (that promotes the resolution of the challenges). 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.

■ Matrix of 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 its response plan are shown in the table below. With respect to materiality shown in this table, we will implement management by objectives based on the response plan and make improvements. 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.







■ Table of Materiality/Response Plan

Materiality	Activity outline	Scope of application [*]	KPI (key performance indicator)	FY 2018 target	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	Annual frequency of issue of legal information	16 times	
			Ratio of implementation of compliance training in training by rank for employees promoted to managerial and supervisory positions	100% of eligible persons	
		Overseas	Overseas deployment of domestic compliance training system	Understanding of local training systems	
			Building of system to share the legal information of each country	Understanding of method of gathering legal information at overseas sites	
Respect and Protection for intellectual property	Thorough avoidance of infringements from third-party intellectual property rights	Global	Strengthening of search to prevent patent infringement(thorough implementation of surveys at the development stage)	Complete operation	
	Promotion of the enforcement against infringement products(expansion of access channels to overseas organizations, etc.)	Overseas	Monitoring and enforcement of local intellectual property infringement (imitation products)	Complete operation	

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	FY 2018 target	SDGs _s
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	100%	
		Domestic	Information leakage confirmation and response ratio at time of large data output	100%	
		Overseas	Achievement of plan to deploy illegal /inappropriate access monitoring system in overseas Group companies	100%	
	Promotion of information security training	Domestic	Ratio of employees passing information security proficiency test	100%	
Respect for human rights					
Respect for individuality	Promotion of human resource development programs	Domestic	Achievement of educational plans relating to the improvement of self-analysis skills	100%	  
		Overseas	Understanding of the state of implementation of education relating to the improvement of self-analysis skills	Understanding of performance	
Conservation and improvement of adequate working environment					
Human resources development	Promotion of human resource development programs	Domestic	Achievement of educational plans relating to the improvement of self-analysis skills	100%	 
		Overseas	Understanding of the state of implementation of education relating to the improvement of self-analysis skills	Understanding of performance	

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	FY 2018 target	SDG _s
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) Number of days of annual paid leave acquired	(1) 100% (2) 12 times (3) 10 or more days/person	
		Overseas	Understanding of the state of response to long working hours, etc.	Understanding of performance	
	Promotion of labor safety and health risk management	Domestic	(1) Number of accidents requiring days off work (2) Employees' blood lead concentration (3) Number of Class 3 working environments	(1) None (2) 35μg/dl or less (3) None	 
		Overseas	(1) Understanding of state of accidents requiring days off work (2) Understanding of state of employees' blood lead concentration and setting of administrative standards (3) Understanding of state of lead handling control concentration	Understanding of performance Setting of administrative standards	
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 of quality targets	100%	
	Strengthening of maintenance service setup (site expansion, personnel training, etc.)	Domestic	Achievement of sales targets of maintenance companies	100%	  

Materiality	Activity outline	Scope of application	KPI (key performance indicator)	FY 2018 target	SDG _s
	Promotion of product safety education	Global	Number of serious product accidents	None	
Global environmental conservation					
Promoting environmental protection	Promotion of effective use of water resources	Domestic	Volume of wastewater	Reduce by 77% or more (compared with FY 2003)	 
		Overseas	Understanding of state of use of water recycling	Understanding of performance	
	Contribution to realization of low-carbon society	Domestic	CO ₂ emission intensity	Reduce by 5% or more (compared with FY 2013)	 
		Overseas	Understanding of state of management of CO ₂ emission reduction targets	Understanding of performance	
	Promotion of measures to prevent pollution (thorough environmental risk management)	Domestic	Number of cases exceeding voluntary administrative standards (water and air quality)	None	 
		Overseas	Understanding of state of operation of voluntary administrative standards (water and air quality)	Understanding of performance	
			Implementation of underground seepage risk surveys	Understanding of performance	
	Consideration of overseas deployment of voluntary used product retrieval system	Overseas	(1) Understanding of state of used product recovery in target countries (2) Understanding of used product recovery systems at target sites	Understanding of performance	

Materiality	Activity outline	Scope of application*	KPI (key performance indicator)	FY 2018 target	SDGs _s
Developing and popularizing environmentally considered products	Market expansion for our products contained in environmentally conscious products (for use in low-emission vehicles, etc.)	Global	Achievement of sales targets	100%	  
	Development of products enhancing environmental performance	Domestic	Achievement of long-life targets for Li batteries	100%	
Ensuring social responsibility within our supply chain					
Responsible Procurement promotion	Continued implementation of conflict mineral surveys	Global	Conflict mineral survey implementation ratio	100%	  
	Management of supplier CSR risks	Global	Retrieval ratio of supplier CSR risk questionnaires	100%	

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



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

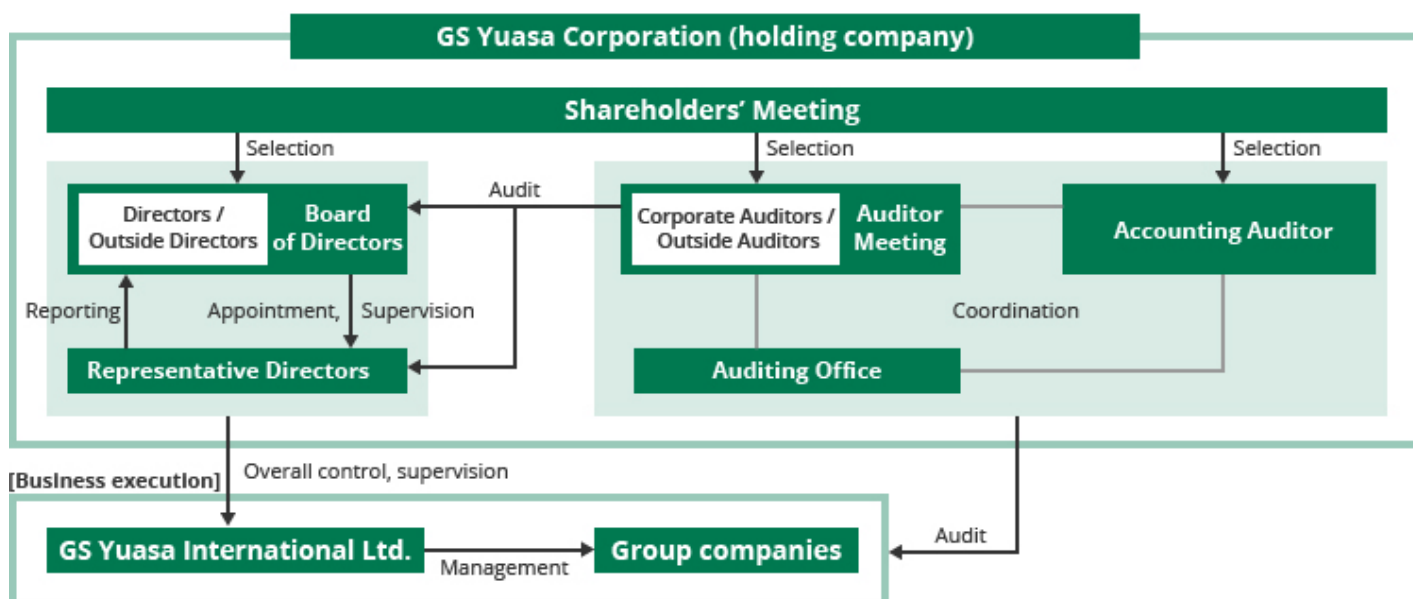
Approach and Governance System

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 improve 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 quick, effective decisions by prioritizing strategic decision making and supervisory functions for management policy. In addition, increasing the number of independent outside directors helps reinforce monitoring.

■ Governance Structure



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. In fiscal 2017, however, opinions were also stated to the effect that the follow-up of important agenda items was inadequate and discussion of medium- and long-term management plans needed deepening. Therefore, we have resolved to issue regular reports on matters designated as requiring progress reports, review the compilation process for medium- and long-term management plans, issue regular progress reports after compilation, and implement appropriate analysis and response. Going forward, we will continue to assess the effectiveness of the Board of Directors and strive to make further improvements.

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.

Remuneration of Directors

Remuneration paid to directors and auditors in fiscal 2017 is shown below./p>

■ Total Amount of Remuneration, Etc. by Category

Category	Total amount of remuneration, etc. (Million of yen)	Number of applicable persons
Directors (excluding outside directors)	209	11
Auditors (excluding outside auditors)	11	2
Outside directors/auditors	51	6

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 2017 is shown below.

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

Names	Board of Directors	Auditor Meeting
	No. of attendances /No. of meetings	No. of attendances /No. of meetings
Hirofumi Onishi, Outside Director	18 / 18	-
Ikuo Otani, Outside Director	13 / 13	-
Shinji Ochiai, Outside Full-time Auditor	18 / 18	15 / 15
Katsuya Ohara, Outside Full-time Auditor	18 / 18	15 / 15
Tsukasa Fujii, Outside Part-time Auditor	13 / 13	10 / 10

Internal Control System

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 Law, 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

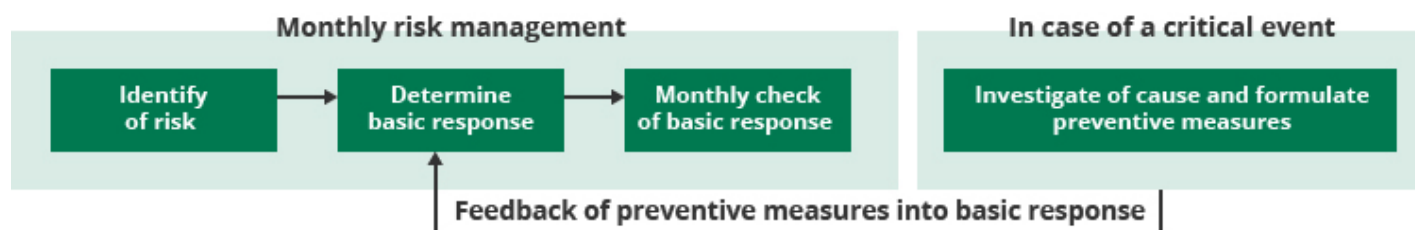
The GS Yuasa Group believes that risk management is essential for the lasting growth of the company. As our basic approach, the Group thinks that the following two points are important so that crises stemming from the escalation of risks do not exert a serious impact on the Group or on society in general. 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

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.

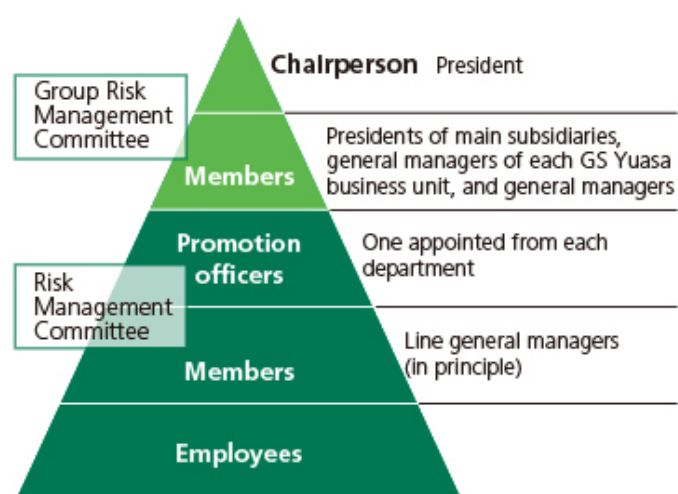
■ Risk Management Sheet



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

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.

Multifaceted activities with innovative methods are being used to promote compliance and ensure that the different themes cover all levels of employees. When promoting compliance, it is also essential to establish rules and a structure to follow, as well as a strong sense of commitment. In this spirit, we adopted Compliance Promotion Regulations in line with the Compliance Declaration made by the president. The GS Yuasa Corporate Ethical Standards cover the ten items that all employees must support and the corporate ethical behavior guidelines that outline responses to specific situations. Other activities are aimed at enhancing awareness by getting every employee to think about what he or she should do for compliance.

Compliance Manual

We distribute a compliance manual to all employees that includes company regulations related to compliance. The ten-item Code of Conduct includes commentary in a Q&A format, innovative ways to promote understanding with content based on actual practices, an introduction to the GS Yuasa Group corporate ethics hotline, the Group's internal whistleblower system and an emergency contact system for use in a crisis.

Workplace Meetings on Compliance

Workplace meetings on compliance have been conducted for six consecutive years since 2012. The purpose of these meetings is to improve employee awareness of compliance. The meetings, including active exchanges of opinion, were held at 441 workplaces in fiscal 2017 with 96% of the sites commenting that the activities were effective. Many topics were covered, including respect for human rights, prevention of inappropriate conduct, management of working hours, harassment, occupational health and safety, waste management, product safety, handling of confidential information and subcontracting laws. 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 2017, six reports were made including one case of harassment. 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	
2013	5
2014	3
2015	8
2016	5
2017	6

Elimination of Antisocial Elements

In our Corporate Ethical Standards, our Group clearly states its policy of "not having any relations whatsoever with antisocial elements and resolutely confronting any unreasonable demands, etc." And in our Corporate Ethical Behavior Guidelines, we specifically stipulate "prohibition of the provision of benefits," "elimination of antisocial elements," and a "firm response." Our employees are made fully aware of these standards and guidelines.

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

We see intellectual property, the result of technological development, as one of our important assets. Our basic policy is to protect our outstanding technology through aggressive patent applications and to maintain the trust of our customers by eliminating imitation products. Every year we file about 300 patent applications; in fiscal 2017 the number was 343.



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

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, and we respect diversity irrespective of race, gender, sexuality, nationality, place of birth, disability, religion or political opinion. At the same time, we conduct the necessary checks to make sure we don't hire people under the legal working age or those without qualifications.

Respect for Labor Rights

Creating a Pleasant Workplace through Labor and Management Working as One

The GS Yuasa Group companies in Japan have 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

TOPICS

Interaction between Company and Labor Union (GS Yuasa Labor Union's 10th Anniversary Festival and Summer Festival)

A festival was held at the Kyoto International Exhibition Hall (Miyako Messe) on April 15, 2017 to celebrate the 10th anniversary of the labor union's founding. More than 800 people attended, including family members, providing colleagues an excellent opportunity to interact.

A summer festival is also held at the Tokyo Branch every August, one of the events run by a mutual aid society that promotes friendships among employees.



TOPICS

Initiatives at Overseas Group Companies

Group companies in China, Southeast Asia and other areas overseas are deepening interactions between labor and management by holding company trips and sports festivals.

Tianjin GS Battery Co., Ltd. and GS Battery Taiwan Co., Ltd. have received a commendation from Tianjin City and the Department of Labor in Taiwan, respectively, for being a model company for good labor-management relations.



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 business partner.

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.

Response to the UK's Modern Slavery Act

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 October 2015 as one of the activities involved in securing the transparency of business.

GS Yuasa Battery Europe Limited (GYEUR), our subsidiary in the United Kingdom, has released a statement on its website regarding modern slavery. This company will continue to research the modern slavery risks regarding slave labor and human trafficking and will update this statement based on the results regularly.

➡ [Click here for GYEUR's statement on modern slavery.](#)

Conservation and Improvement of Adequate Working Environment

The GS Yuasa Group respects diversity and works to maintain and improve a pleasant work 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 an adequate working environment in which everyone can display their abilities fully and continues to work regardless of gender and age, to employees. Therefore, GS Yuasa is promoting initiatives aimed at enhancing employees' will to work, stabilization of the job retention rate and improvement in productivity, by conducting adequate employment management in order to heighten employees' awareness of a comfortable working environment and job satisfaction.

■ Number and ratio of new employees (FY2017, domestic companies)

Age group	Number of new employees (person)		Ratio (%)		Breakdown of new employees (person)			
					New graduates		Mid-career employees	
	Male	Female	Male	Female	Male	Female	Male	Female
10's	21	3	11.9	1.7	21	3	0	0
20's	85	31	48.3	17.6	69	29	16	2
30's	30	5	17.0	2.8	0	0	30	5
40's	1	0	0.6	0.0	0	0	1	0
Total	137	39	77.8	22.2	90	32	47	7

■ Number of resignees and job turnover (FY2017, domestic companies)

Age group	Number of resignees (person)		Job turnover (%)	
	Male	Female	Male	Female
20's	7	1	1.58	1.00
30's	21	5	3.71	5.95
40's	4	1	0.51	0.91
50's	1	0	0.15	0.00
60's	1	0	0.73	0.00
Total	34	7	1.29	1.82

Conservation and Improvement of Safety and Health in Working Environments

Reducing the Risk of Accidents through risk assessments

The GS Yuasa Group makes health and safety-related assessments based on an organizational framework led by health and safety committees in every business division and company, under a health and safety policy.

With respect to health and safety measures, we identify the root causes of potential danger through risk assessments and conduct measures to reduce risks ahead of time. In addition we appoint "safety trainers" who are vital for conducting safety-related programs in the workplaces, including contract employees. We are working to entrench and improve safety through education on safety procedures such as danger prediction and risk assessment.

For work environment management and health management, we are making efforts to improve the working environment based on regular monitoring and measurement results by grasping the actual condition of the workplace environment through assessments and by monitoring the impact of harmful substances on workers through special health diagnoses.

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.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Missed work frequency rate ^{*1}	0.00	0.37	0.55	0.85	0.45
Average frequency rate in manufacturing industry	1.05	1.00	1.06	1.15	1.02
Rate of intensity ^{*2}	0.00	0.00	0.01	0.01	0.01
Average rate of intensity in manufacturing industry	0.10	0.09	0.06	0.07	0.08

^{*1} 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

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

Ensuring Appropriate Working Hours

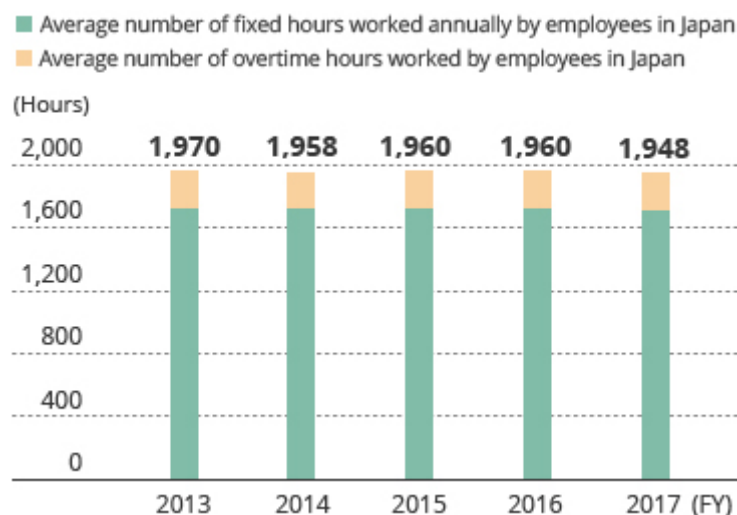
Optimizing Work Hours

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 held monthly checks 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.

For GS Yuasa Group companies in Japan, we have conducted a survey on the current status of the management of work hours from May 2018 and will give feedback on the results to each domestic company.

■ Average Number of Fixed Hours



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

*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

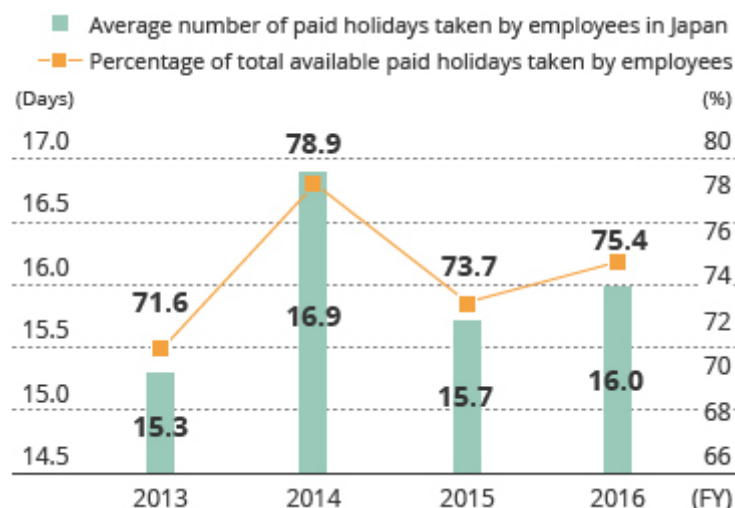
Work Style Reform

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 leave a year
- 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 outside Japan.

The years shown in this chart refer to September in the specified year to August of the following year, based on a calculation method set by Japan's Ministry of Health, Labor and Welfare.

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. 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. GS Yuasa was recognized for (1) improving the health awareness of employees, (2) enhancing the health management system, and (3) enhancing initiatives to promote health and conducting activities relating to diversity.

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

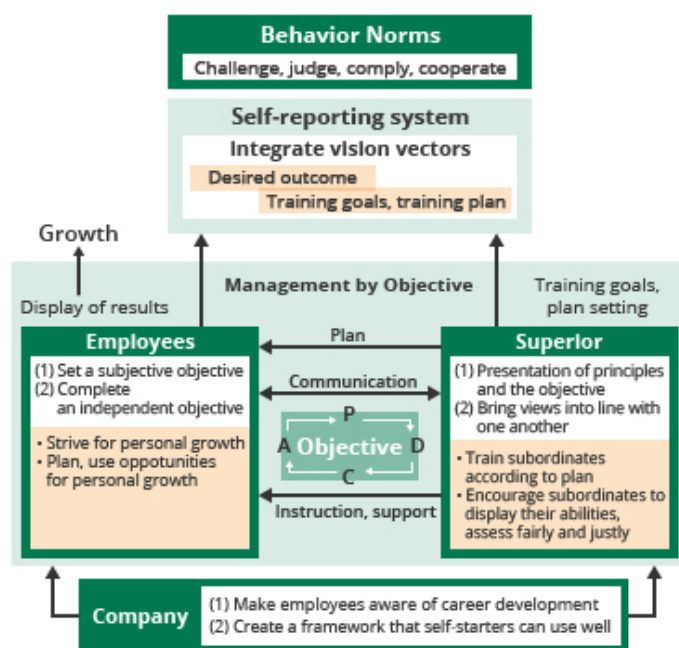


Mid to Long-term Human Resources Development and Appropriate Ability Assessment

Fostering Autonomous Acting Talent

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 acting talent. In off-the-job settings, employees take part in communications training and voluntary training for career development and the improvement of management skills. With respect to career development, we urge all employees to conduct a review of their career every year so that they will have a goal and a desirable image in their work in a responsible way

■ Basics of Human Resource Development



■ Training System



■ Average annual training hours per employee (GS Yuasa International Ltd.)

Item	Classification	Average training hours
Gender	Female	12.7
	Male	6.4
Types of employees	Indefinite-term employment	7.7
	Fixed-term employment	0.7

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, 2016 to March 31, 2019)

Objective 1	Steadily increase the percentage of women hired 20% in FY 2016 30% in FY 2018
Objective 2	Ensure that at least one woman a year takes part in next-generation select group training in order to boost the business skills of female employees
Objective 3	Support the strengthening of management abilities for supervisors in order to create an environment that encourages female employees to work to their potential

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 June 1, 2018, 2.69% 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 2.51%

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.

Supporting Work Alongside Childcare/Nursing Care

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

■ Childbirth, Childcare and Nursing care support systems

Item	System	Details
Childbirth Childbirth, Childcare	Alleviation of commutation during pregnancy	System under which work at the beginning or the end of working hours is exempted for female employees who are pregnant (up to 60 minutes/day)
	Maternity leave	System under which a leave of absence for six weeks before childbirth (14 weeks in case of multiple pregnancy) and eight weeks after childbirth can be obtained
	Leave for going to hospital during pregnancy/maternity protection leave	System under which female employees who are pregnant or have spent only less than one year after childbirth can obtain a leave for medical examination, etc.
	Maternity protection leave	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)

Item	System	Details
	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
Nursing care	Nursing care leave	System under which employees who are caring for a family member can take leave (up to one year)
	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)
	Nursing care time off	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)
	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)

■ 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

■ Utilization of Nursing care support system

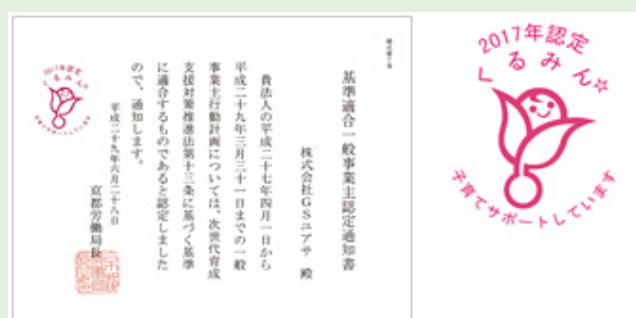
FY	Long-term Nursing care leave		Short-term Nursing care leave	
	Number of users (person)	Return-to-work rate (%)	Number of users (person)	Total number of days (day)
2014	2	100.0	12	42.5
2015	1	100.0	7	26.5
2016	1	100.0	10	30
2017	1	0.0	12	50.5

TOPICS

GS Yuasa Awarded Kurumin Mark

GS Yuasa International Ltd. attained the Kurumin Mark certification in 2017. 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 make up a large share of the population, 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

Quality Policy

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 "GS Yuasa Quality Policy."

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."

Ensuring Quality and Safety through Company-wide Quality Management

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. Yoshiaki Yamaguchi, Director of GS Yuasa International Ltd. is the chairman of this committee in fiscal 2018.

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 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.

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

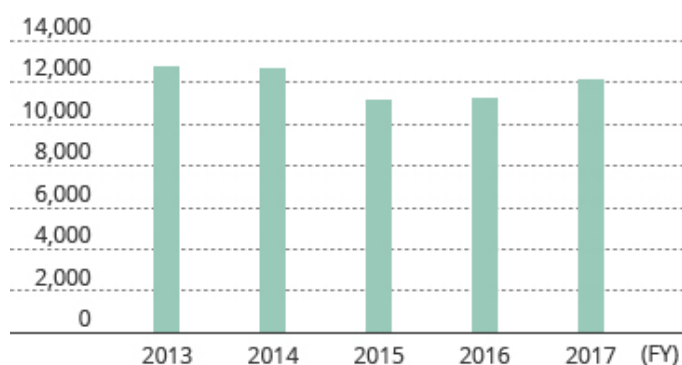
Promoting Greater Customer Satisfaction

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

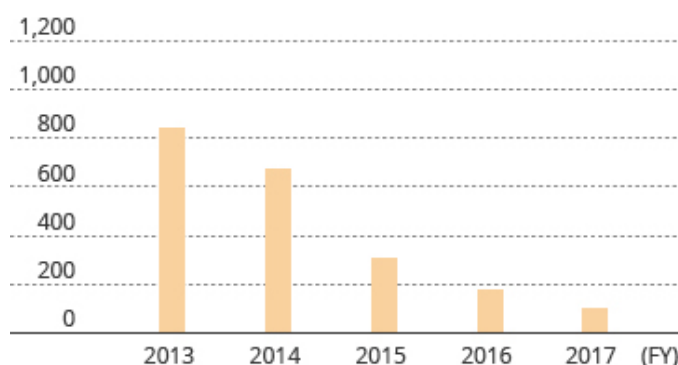
The number of complaints received from customers has tended to decline over the past five years.

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

■ Number of inquiries to the customer consultation office



■ Number of customer complaints



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

Toll free (in Japan): **0120-43-1211** Hours: Weekdays 9:00 - 17:30

(excluding Saturdays, Sundays, public holidays and holidays prescribed by the Company); Valid only within Japan,

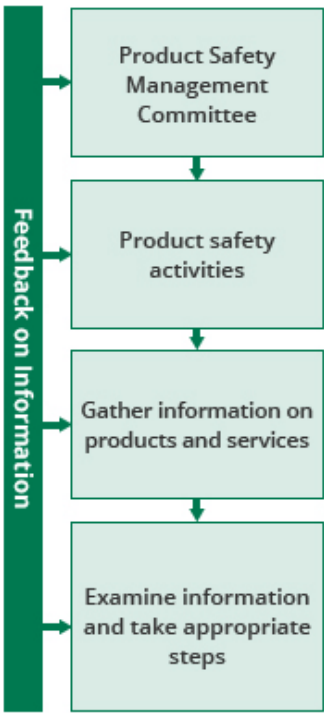
Initiatives for Product Safety and Swift Dissemination of Information

Ensuring 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>The flowchart shows a vertical sequence of four boxes: 'Product Safety Management Committee', 'Product safety activities', 'Gather information on products and services', and 'Examine information and take appropriate steps'. Arrows point downwards between each box. A vertical bar on the left, labeled 'Feedback on Information', has arrows pointing to each of the four boxes.</p>	<ul style="list-style-type: none"> ◇ Formulate policy on product safety activities ◇ Debate issues related to product safety ◇ Respond by setting up a crisis management headquarters 	<ul style="list-style-type: none"> • Risk Management Rules • GS Yuasa Quality Management System • Regulations on management of product safety
	<ul style="list-style-type: none"> ◇ Formulate policies on product safety in business divisions ◇ Ensure product safety in product realization process 	<ul style="list-style-type: none"> • Divisional policy book • Quality-related manual for business divisions
	<ul style="list-style-type: none"> ◇ Gather information on product safety ◇ Gather information on complaints, defects and accidents for our products and services 	<ul style="list-style-type: none"> • Claims information system and Customer Service Center • GS Yuasa website • Daily quality report
	<ul style="list-style-type: none"> ◇ Examine information, decide on and implement appropriate steps and make continual improvements (to prevent a reoccurrence) ◇ Manage and respond to crises concerning product-related accidents and quality-related claims ◇ Take steps to prevent harm and any additional accidents 	<ul style="list-style-type: none"> • Quality manual for business divisions • Manual on crisis management concerning product-related accidents and quality-related claims • Manual for implementing product recalls

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. 276 passed from Grade 1 to Grade 4 in fiscal 2017 with a cumulative total of 2,183 people passing the exam company-wide up to fiscal 2017.

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.

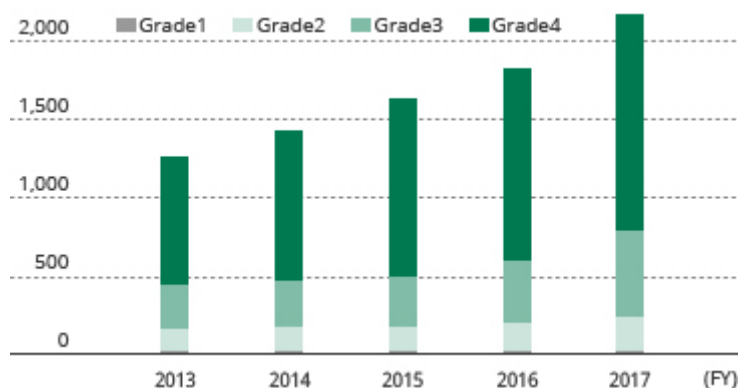
■ Quality-related Education

Quality Management Knowledge Level	Quality Education Course							External Seminars, etc.	Target Ranks and Job Types (Guidelines)	Reference Level for QC Examination
Application	Quality Engineering							External Seminar: Basic Course (Recommended)	Quality management promoters	Level 1
	Internal Quality Auditor Training			Estimation and Examination					Managerial positions, section managers, leaders (Technological Development Section, Quality Management Section)	Level 2
Basic Knowledge	Quality Management Systems	Seven New QC tools	Basic Knowledge of Control Charts	Sampling Inspection	Basic Knowledge of Sampling and Variation	FMEA	Basic Knowledge of Reliability			
				Basic Knowledge of Statistics		Support for Taking QC Examination Level 3				
	Why - Why Analysis									
Introduction	QC Story Method, Seven QC tools								New employees	Level 4
	Basic Knowledge of Quality									

■ Number of Quality Education Courses and Participants

Level of quality management knowledge	Fiscal 2016		Fiscal 2017	
	Number of courses	Number of participants	Number of courses	Number of participants
Introductory	6	161	9	230
Basic	22	692	24	504
Applied	7	179	7	77
Total	35	1,032	40	811

■ 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 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)

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 2017. As top management and a large number of employees took part in the presentation, kaizen teams nominated by each business division 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.

■ List of themes in fiscal 2017

	Presenting topics	Presenting teams
24th (July 2017)	Aiming to be the world's cleanest, safest battery plant	Industrial Battery Manufacturing Department, Industrial Battery Division, GS Yuasa Technology Ltd.
	Boosting productivity on the battery charge E line by stabilizing the labeling machine	Production Section 3, Global Production Division, GS Yuasa Energy Co., Ltd.
	Reducing labor hours and shortening preparation time by improving preparation systems	Development Department, Power Supply System Production Division, GS Yuasa International Ltd.
	Enhancing and strengthening reforms by using customer asset management systems more efficiently	Original Equipment Sales Group, Tokyo Sales Department I, Power Supply System Sales Division, GS Yuasa International Ltd.
	Improving sales quality through the swift implementation of a PDCA cycle	Renewable Energy Sales Group, Kansai Sales Department II, Power Supply System Sales Division, GS Yuasa International Ltd.
	Sales & Profits Improvement in Y2016	Yuasa Battery (Thailand) Pub. Co., Ltd.
	Improving sales and profits in 2016	Yuasa Battery (Thailand) Pub. Co., Ltd.
	Reducing the number of defects from work errors	Special Battery Quality Control Group, Special Battery & Lithium-ion Battery Division Manufacturing Department, GS Yuasa Technology Ltd.
25th (December 2017)	Improving productivity of EN batteries in the charging process (preparation for mass production and improvement in charging activities)	Manufacturing Group, Gunma Automotive Battery Production Department, Production Business Division, Automotive Battery Business Unit, GS Yuasa International Ltd.
	Activities to prevent defects by formulating the "new IC adoption standard"	Development Department No.3, Development Business Division, Lithium-ion Battery Business Unit, GS Yuasa International Ltd.
	LPS (LEJ Production System) - Systematic improvement activities -	Manufacturing Management Group, Production Management Division, Lithium Energy Japan Ltd.
	Stabilizing production of batteries for vehicles with start-stop systems in the B charging process	TIANJIN GS BATTERY Co., LTD.

	Presenting topics	Presenting teams
	Improving the fraction defective of pole plates in slitters/cutting machines	GS Battery Vietnam Co., LTD.
	Activities to improve the quality of reports on measurement results and promote rationalization "from 5S activities to business division-based improvement activities"	GS Environmental Science Laboratory Co., Ltd.
	Reducing losses of winding materials	Cell Assembly Section, Manufacturing No.2 Group, Production Division, Blue Energy Co., Ltd.
	Reducing the number of near miss in the charging process	Sealed Battery Section, Stationary Battery Manufacturing Group, Industrial Battery Manufacturing Department, Industrial Batteries & Power Sources Business Unit, GS Yuasa International Ltd.



At the presentation event



During the presentation



President Murao giving encouragement awards to presenters

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 continue to talk about failure in the future without forgetting it and will never allow a similar quality problem to occur.

In fiscal 2017, the second critical quality problem example exhibition was held at the Kyoto Plant, one of our Group companies, and top management and approximately 340 employees participated in this exhibition. The Exhibition is aimed at helping employees to learn a lesson from the past examples of failure as causes of critical quality problems or the mechanism of occurrence are explained.

In addition, in order for participants to further enhance an understanding of this, we prepared a presentation area within the venue where examples presented by each business division were displayed and held presentation and Q&A sessions regarding each display. The presentation was very successful as there were people seeing it while standing, indicating a high level of interest in the Group's quality problems among employees.



At the critical quality problem example exhibition



At the presentation



Global Environmental Conservation

Fundamental Environmental Policy and Environmental Mid-term Plans

The GS Yuasa Group works to protect the environment and make constant improvements that consider the impact on the global environment of business operations, products and services.

Fundamental Environmental Policy

The Fundamental Environmental Policy of the GS Yuasa Group was established to serve as a guideline for environmental management. In our domestic offices, we developed an organizational environmental management system and have been promoting initiatives to implement our environmental policy, which is based on our overarching fundamental environmental policy. We have developed mid-term plans for important issues related to our environmental policy in order to contribute to the emergence of a sustainable society. We continue to manage the status of implementation of these initiatives.

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. We continue to manage the status of implementation of these initiatives.

Third Five-Year Environmental Plan (FY 2014 to FY 2018) and FY 2017 Results

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

Key items Objectives		FY 2017 results	Self-Assessment / Challenges
1	Energy conservation and reduction of greenhouse gases We will reduce CO ₂ emission intensity from production in fiscal 2018 by at least 5%, relative to fiscal 2013.	CO ₂ emission intensity from production was reduced by 4% relative to fiscal 2013 (12.5 g CO ₂ /Wh).	Peak cut measures are the primary factor behind a tendency toward lower energy costs.
	We will reduce energy consumption intensity in logistics in fiscal 2018 by at least 5%, relative to fiscal 2013.	Energy consumption intensity in logistics was reduced by 8% relative to fiscal 2013 (0.0469L / ton-km).	The primary unit (intensity) improved significantly following a further modal shift, despite a leveling off in freight forwarding volume since fiscal 2014.
	We will create and operate efficient energy management systems.	We carried out energy conservation programs using our environmental management systems.	It is necessary to operate a system enabling a response to management risk associated with energy.

Key items Objectives		FY 2017 results	Self-Assessment / Challenges
1	Resource conservation We will reduce the rate of production errors and defective products (consistency with ISO 9001). We will reduce the rate of lead scrap to less than 2% in fiscal 2018.	The lead scrap rate was 3%.	It is necessary to strengthen initiatives aimed at reducing waste and loss by linking enhancements in productivity with design for the environment (DfE).
	We will reduce the amount of wastewater during production in fiscal 2018 by at least 77%, relative to fiscal 2003.	The amount of wastewater was reduced by 60% relative to fiscal 2003 (902,000 m ³).	The usage rate of recycled water is on the rise. Going forward, it will be important to continue promoting the usage of recycled water.
	Resource recycling In fiscal 2018, we will promote the correct ways of disposing and recycling 100% of used industrial products under a wide area certification system.	The percentage of used industrial products correctly disposed of or recycled under the wide area certification system was 98.9%.	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.
	We will create a resource recycling system for next-generation lithium-ion batteries.	We looked into a recovery method for lithium-ion batteries used in next-generation vehicles.	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.
	Environmentally conscious products We will work to popularize design for the environment (DfE) products.	We promoted the development and design of products using the GS Yuasa Design for the Environment (DfE) Guidelines formulated in October 2005.	Environmental consideration is lacking in product design relative to diversification and advancement in product application.
2			

<div>Key items</div> <div>Objectives</div>	FY 2017 results	Self-Assessment / Challenges
<div>3</div> <div>Promotion of green procurement</div> <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>
<div>Management of chemical substances</div> <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>
<div>4</div> <div>Thorough management of environmental risk</div> <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>

Key items Objectives		FY 2017 results	Self-Assessment / Challenges
5	<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>	There were no instances of emergencies directly related to environmental pollution and no instances of environment-related lawsuits, punitive fines or administrative fines.	It is important to conduct effective environmental risk management to enhance compliance.
6	<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>	We improved our environmental management systems by addressing the issues identified through periodic internal and external audits.	It is important to continuously improve environmental management systems to enhance environmental risk management.

Key items Objectives		FY 2017 results	Self-Assessment / Challenges
7	Social contribution 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.
8	Communication about the environment 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.	

Environmental Management Systems

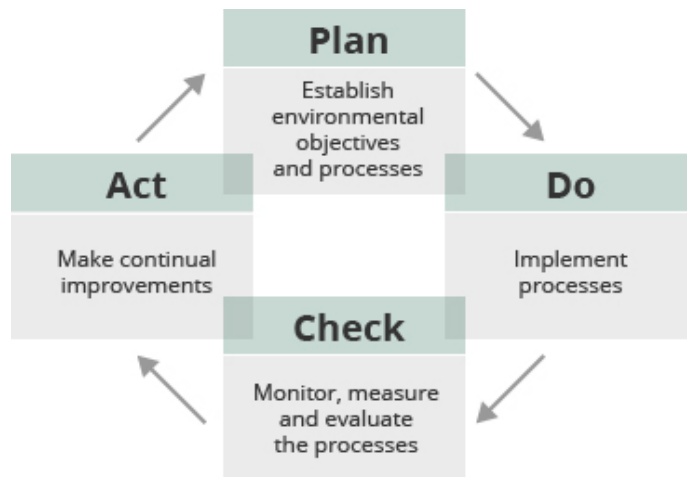
GS Yuasa operates environmental management systems that comply with international standards.

Operation of environmental management systems

At GS Yuasa Group sites in Japan, 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



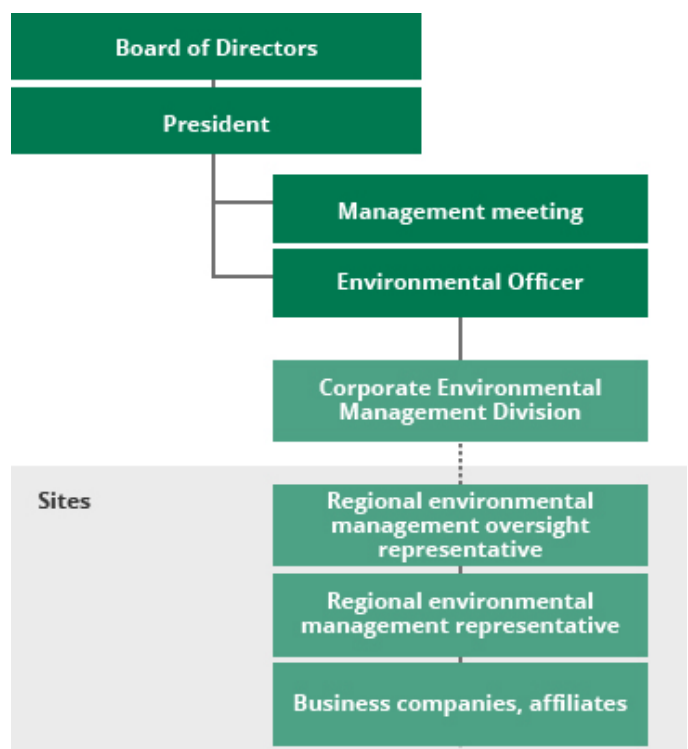
Organizational Structure

The organizational structure for GS Yuasa Group's environmental management systems includes an overall system for the entire Group as well as specific systems for individual sites.

In the Group-wide structure, 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 environmental officers under direct supervision. Environmental issues that affect the entire Group, such as fundamental environmental policy, are discussed and finalized at management meetings.

We also have environmental management systems for individual sites. These are led by regional environmental management oversight representatives and regional environmental management representatives, and important information on environmental performance is shared with the Group-wide environment management team.

■ Overview of Organizational Structure



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"> 1. Compliance with environmental laws and regulations, etc. (legal compliance audit) 2. Maintenance and management of environmental management systems (system audit) 3. Degree of achievement of environmental objectives (performance audit) 	<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.

Comprehensive Compliance Management

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 2017.

Preventing Exposure to Compliance Risk and Environmental Pollution Risk

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 working to mitigate the risk of environmental pollution, we take action in operations where there is the possibility of water contamination, air pollution or soil contamination. This includes tangible actions: increasing the visibility of operations and preventing spills as well as using equipment to remove noxious substances and intangible measures, such as equipment inspections, monitoring, measuring and enhancing operating procedures.

Also, we have identified the following potential emergency situations that could have a serious impact on the environment, and we are taking steps to prevent these situations from occurring.

- Spills of liquid waste from outside tanks, pipelines, etc. and underground seepage that exceeds accepted standards
- Discharges into the air of soot and smoke from melting furnaces, dust collectors and dehydrators that exceeds accepted standards

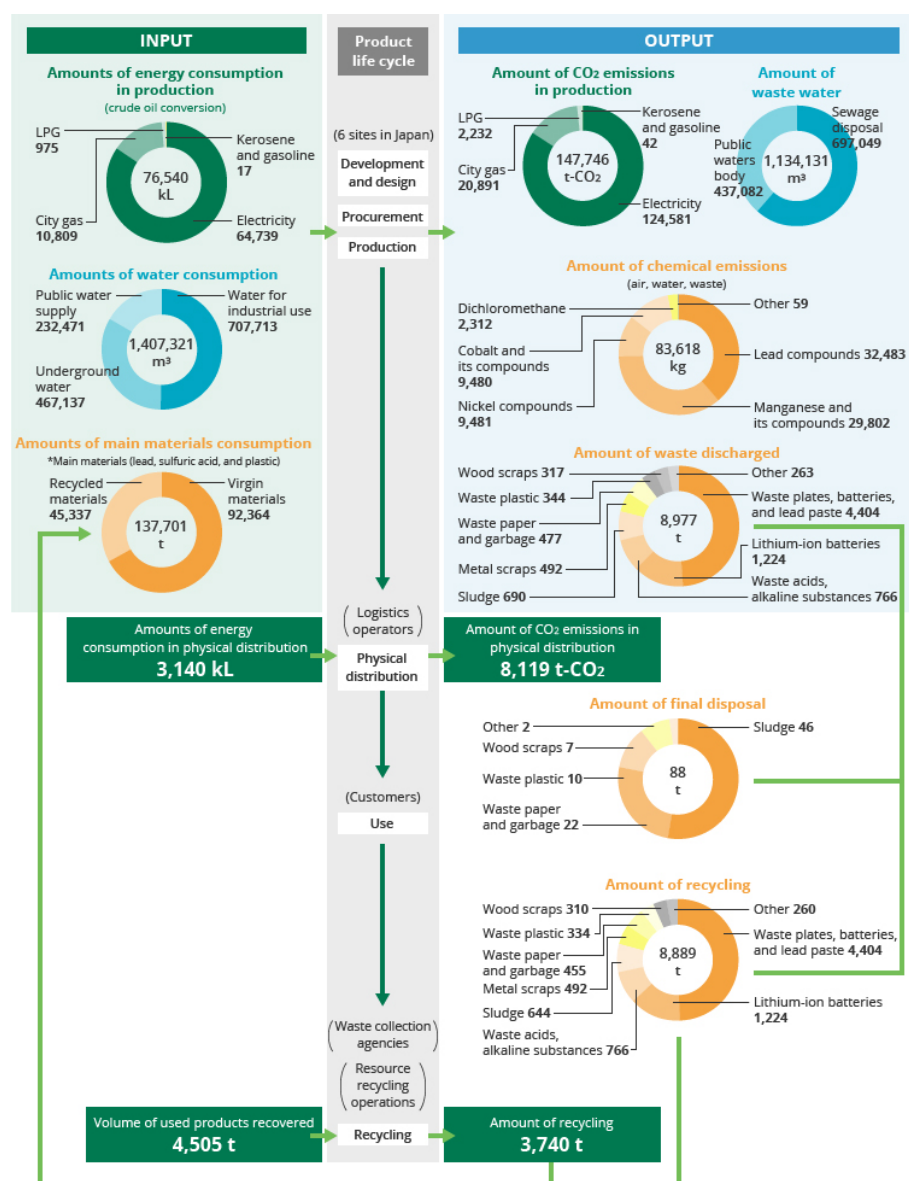
To make sure we are fully prepared for an emergency, we regularly hold emergency response training to help minimize damage.

There were no instances of emergencies directly related to environmental pollution at any of our business locations in fiscal 2017.

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

- Data came from six sites in Japan in fiscal 2017: GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants), Lithium Energy Japan and GS Ibaraki Works, Ltd.
- Figures for energy consumption and CO₂ emissions during transportation are solely from GS Yuasa International Ltd.
- Figures for the volume of used products recovered and resources recycled are solely from industrial batteries and power supplies.
- The conversion factor for calculating CO₂ emissions for power consumption uses the CO₂ emissions intensity data issued by the Electric Power Council for a Low Carbon Society (ELCS).

Management of CO₂ Emissions and Water Consumption at Production Sites Worldwide

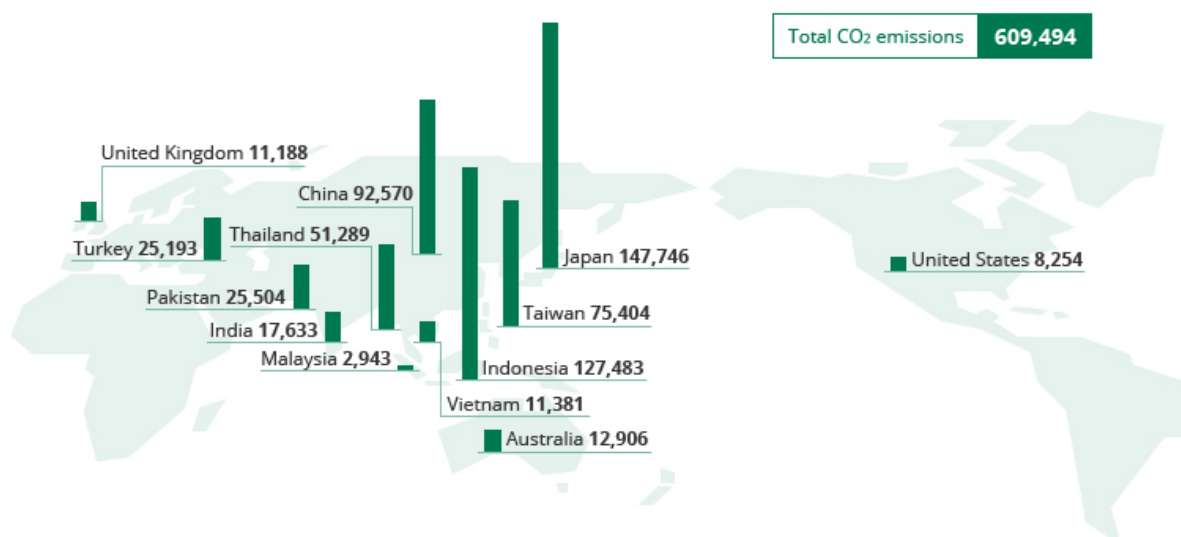
The GS Yuasa Group conducts research on CO₂ emissions and water consumption at production sites worldwide and undertakes global initiatives to identify and reduce CO₂ emissions and water consumption from production around the world.

The table below shows CO₂ emissions and water consumption for fiscal 2017 at major production sites worldwide. 92% of these production sites have obtained ISO 14001 certification and, to promote reductions in CO₂ emissions and water consumption and other necessary measures, are using an environmental management system that complies with international standards and regulations.

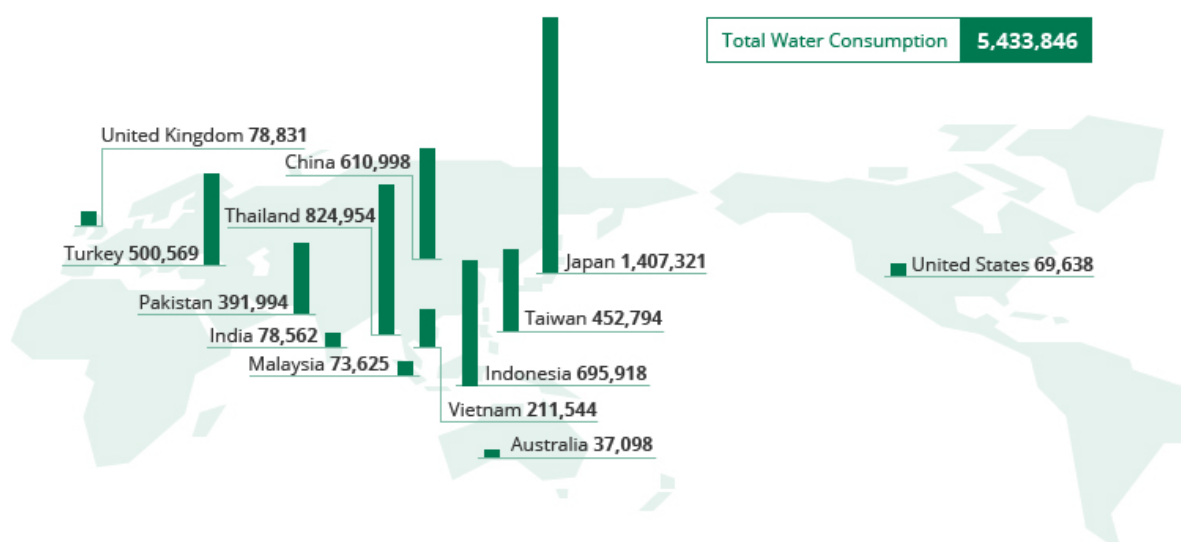
The periods covered by the calculations are:

Japan	April 1, 2017 - March 31, 2018
Outside Japan	January 1, 2017 - December 31, 2017

■ CO₂ Emissions by country (Unit: tCO₂)



■ Water Consumption by country (Unit:m³)



■ CO₂ Emissions and Water Consumption

Country	Production site	CO ₂ Emissions (tCO ₂)	Water Consumption (m ³)
Japan	GS Yuasa International Ltd. (Kyoto, Osadano, Gunma and Odawara Plants)	112,316	1,097,414
	Lithium Energy Japan Ltd.	31,004	98,168
	GS Ibaraki Works, Ltd.	4,426	211,739
China	Tianjin GS Battery Co., Ltd.	38,427	226,828
	Yuasa Battery (Shunde) Co., Ltd.	28,658	174,832
	Yuasa Battery (Guangdong) Co., Ltd.	16,170	175,832
	GS Battery (China) Co., Ltd.	7,898	14,318
	Tianjin Yuasa Batteries Co., Ltd.	1,417	19,188
Taiwan	Taiwan Yuasa Battery Co., Ltd.	51,460	302,765
	GS Battery Taiwan Co., Ltd.	23,944	150,029
Vietnam	GS Battery (Vietnam) Co., Ltd.	11,381	211,544
Malaysia	GS Yuasa Battery Malaysia Sdn. Bhd.	2,943	73,625
Indonesia	PT. GS Battery	68,448	390,222
	PT. Trimitra Baterai Prakasa	37,025	144,775
	PT. Yuasa Battery Indonesia	22,010	160,921
Thailand	Siam GS Battery Co., Ltd.	32,018	551,696
	Yuasa Battery (Thailand) Pub. Co., Ltd.	12,567	229,017
	GS Yuasa Siam Industry Ltd.	6,704	44,241
India	Tata AutoComp GY Batteries Private Limited	17,633	78,562
Pakistan	Atlas Battery Ltd.	25,504	391,994
Turkey	Inci GS Yuasa Aku Sanayi ve Ticaret Anonim Sirketi	25,193	500,569
United Kingdom	GS Yuasa Battery Manufacturing UK Ltd.	11,188	78,831
United States	Yuasa Battery, Inc.	8,254	69,638
Australia	Century Yuasa Batteries Pty. Ltd.	12,906	37,098


The CO₂ conversion factor for power outside Japan uses the coefficient specified under the GHG Protocol for each country.

Response to Carbon Disclosure Project (CDP)

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 disclosure of information on measures to deal with water risk, 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.

Greenhouse gas emissions

The Company requested third-party verification in order to secure the credibility of our greenhouse gas emission data that is disclosed on this webpage, 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 2017".

[Statement on third-party verification by SGS Japan Inc. \(FY2017\).](#) 

Environmental Performance Data

Scope of calculations related to environmental performance

1. Data for these calculations came from six GS Yuasa Group plants in Japan (Kyoto, Osadano, Odawara and Gunma Plants, Lithium Energy Japan and GS Ibaraki Works, Ltd.). Note, however, that figures for energy consumption and CO₂ emissions from logistics come from GS Yuasa International Ltd., including domestic logistics sites.
2. Data from five years (FY 2013 to FY 2017) was used in the calculations. Data for Lithium Energy Japan and GS Ibaraki Works, Ltd. is from fiscal 2014 and shown in orange on the graph. All data was reviewed prior to reporting.
3. The CO₂ conversion factor for calculating CO₂ emissions for power consumption uses emission intensity data from the Federation of Electric Power Companies of Japan (FEPC) and The Electric Power Council for a Low Carbon Society (ELCS) (table below). Furthermore, since the CO₂ emission intensity data for fiscal 2017 had not been released, the CO₂ emission data initially disclosed for fiscal 2017 was calculated using the intensity for fiscal 2016. At this point now that the CO₂ emission intensity for fiscal 2017 has been released, the calculation of the CO₂ emissions for fiscal 2017 has been redone using the intensity for fiscal 2017.

■ CO₂ conversion factor data for power consumption

FY2013	0.57
FY2014	0.56
FY2015	0.53
FY2016	0.52
FY2017	0.50

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) CO₂ emission intensity in production (g-CO₂/Wh) = Amount of emissions / Volume of batteries produced

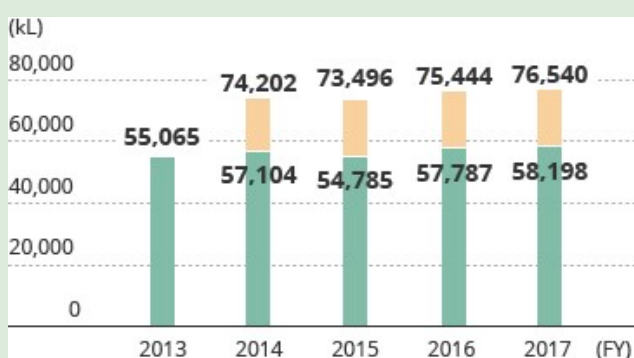
(3) Ratio of wastewater reduction relative to FY2003 (%) = [Amount of wastewater in FY2003 - amount of wastewater / Amount of wastewater in FY2003] x 100

(4) Resource recycling rate (%) = (Amount of resources recycled / Amount of waste) x 100

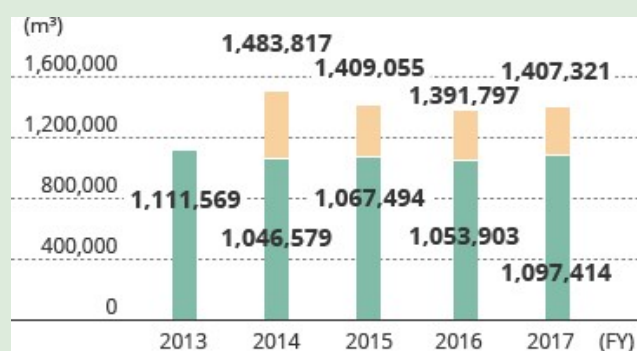
(5) Ratio of lead scrap (%) = (Amount of waste plates and batteries (lead) / Amount of lead consumption) x 100

INPUT

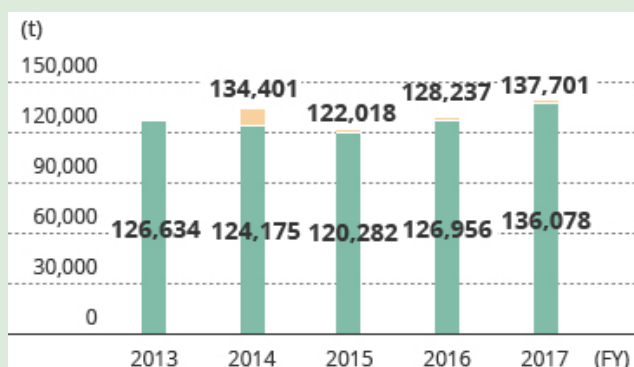
Energy Consumption in Production



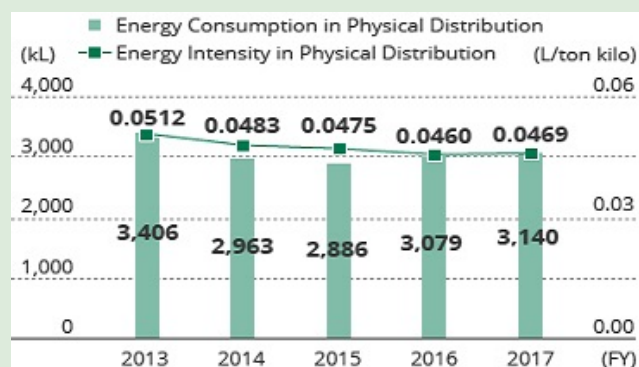
Water Consumption



Consumption of Major Materials

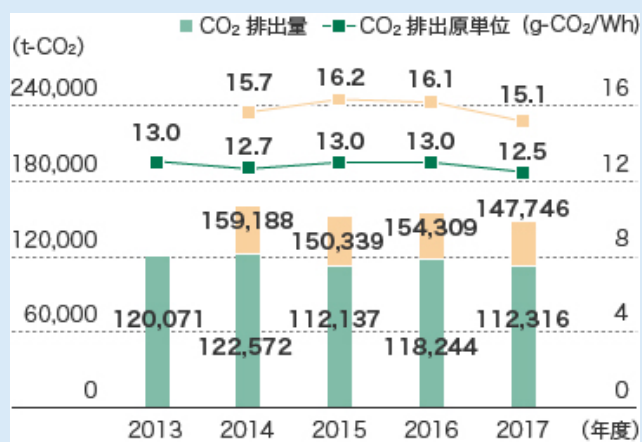


Energy Consumption in Physical Distribution and Energy Intensity in Physical Distribution

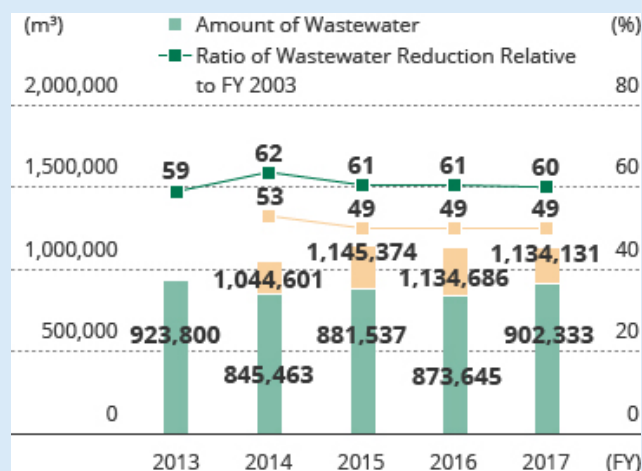


OUTPUT

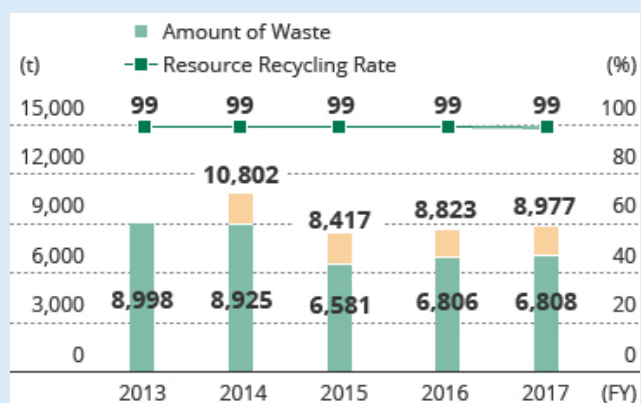
CO₂ emissions in Production and CO₂ Emission Intensity



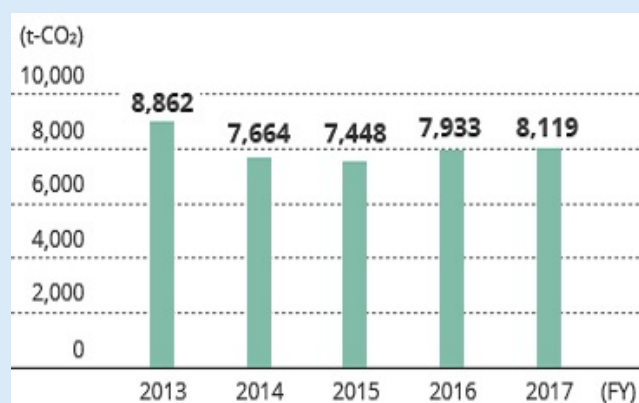
Amount of Wastewater and Ratio of Wastewater Reduction relative to FY2003



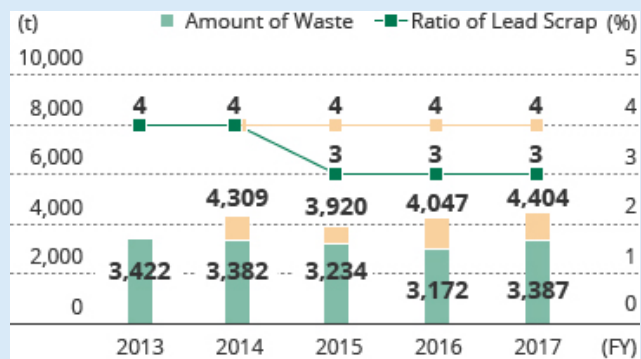
Amount of Waste and Resource Recycling Rate



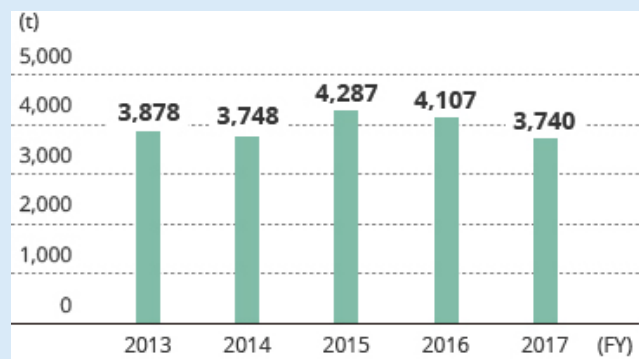
CO₂ Emissions in Physical Distribution



Amount of Waste Plates and Batteries (lead) and Ratio of Lead Scrap



Amount of Resources Recycled Under Wide Area Certification System



Environmental Accounting

Scope of calculations for environmental accounting

Structures Six domestic sites (Kyoto, Osadano, Odawara and Gunma Plants, 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, 2017 - March 31, 2018

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	Lithium Energy Japan	GS Ibaraki	Total
Business area costs (total)			379,756	156,199	23,542	80,818	72,360	40,627	753,302
Breakdown	Pollution prevention costs	Efforts to prevent air, water and soil pollution	246,380	101,352	4,904	40,249	4,570	20,028	417,483
	Global environmental conservation costs	Efforts to reduce greenhouse gas emissions	46,196	15,021	7,500	32,704	9,180	10,860	121,461
	Resource recycling costs	Efforts to ensure suitable disposal of waste	87,180	39,826	11,138	7,865	58,610	9,739	214,358
Upstream and downstream costs ^{*1}		Additional efforts to reduce environmental burden	389	9	16	0	0	0	414
Management activity costs ^{*2}		Employee education and ISO 14001 maintenance and management	17,348	1,974	394	605	2,253	1,027	23,601
Research and development costs		Research and development efforts in consideration of the environment	7,458,436	1,741,564	0	0	1,970,000	0	11,170,000
Social activity costs		Environmental volunteer efforts	550	1,095	323	685	770	220	3,643
Environmental remediation costs ^{*3}		Efforts related to soil pollution measures	0	2,516	0	0	0	0	2,516
Total			7,856,479	1,903,3572	24,275	82,108	2,045,383	41,874	11,953,476

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	-12,810 ^{*3}
Energy conservation effects	Cost reductions for electricity, heavy oil and gas (city gas, LNG, LPG)	-202,436 ^{*3}
Waste reduction effects	Cost reduction for industrial waste treatment	47,451 ^{*3}
Resource recycling effects	Profit from recycling and reusing waste	183,920

Effect of environmental conservation

Category	Key items	Material amount
Effects related to resources used in business activities	Amount of recycled water used	1,491,970m ³
	Amount of reduction in water use	-15,524m ³ ^{*3}
Effects related to environmental burden and waste from business activities	Amount of CO ₂ reduced	6,563ton-CO ₂ ^{*3}
	Amount of waste reduced (final disposal volume)	8ton ^{*3}
	Amount of wastewater reduced	555m ³ ^{*3}
	Amount of waste recycled	8,889ton ^{*3}
	Recycling rate ^{*4}	99%
	[Water quality] Amount of lead discharged	31kg
	[Air] Amount of lead emitted	131kg

^{*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

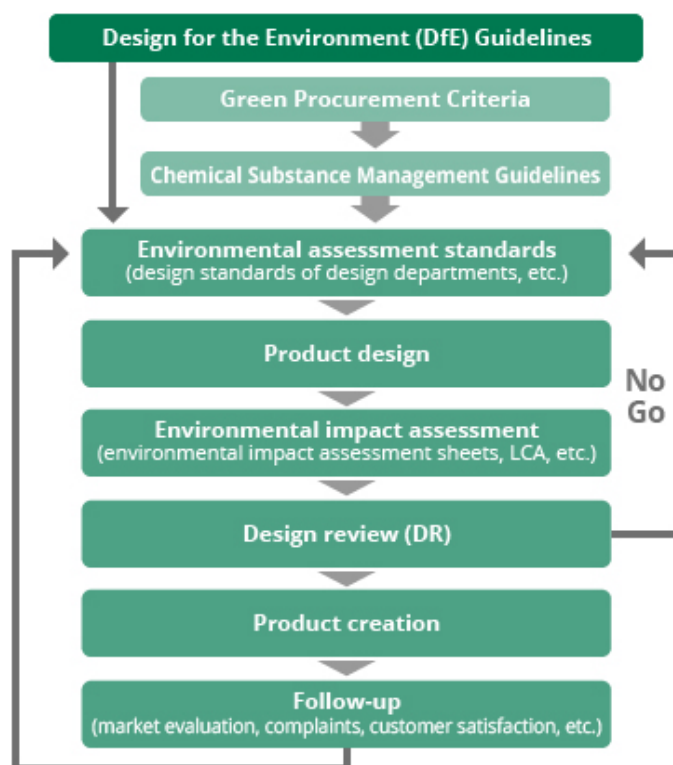
Design for the Environment (DfE)

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.

■ Flow of Environmental Assessment



■ 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) |

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.

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	47.0	-	4.4	29,000.0	29,051.4
	Osadano	29.8	-	13.8	3,027.5	3,071.1
	Gunma	40.8	4.8	-	34.4	80.0
	Ibaraki	13.0	7.7	-	260.0	280.7
Arsenic and its inorganic compounds*	Kyoto	1.1	-	0.6	2.8	4.5
	Gunma	0.0	0.6	-	0.0	0.6
Antimony and its compounds	Kyoto	7.3	-	0.9	38.0	46.2
	Osadano	0.0	-	5.6	0.0	5.6
	Gunma	0.0	2.4	-	0.0	2.4
Manganese and its compounds	Kyoto	0.0	-	0.0	1,800.0	1,800.0
	Osadano	2.1	-	0.0	0.2	2.3
	Lithium Energy Japan	0.0	-	0.0	28,000.0	28,000.0
Nickel compounds*	Kyoto	0.0	-	0.0	280.0	280.0
	Osadano	0.7	-	0.0	0.3	1.0
	Odawara	0.0	-	0.0	0.0	0.0
	Lithium Energy Japan	0.0	-	0.0	9,200.0	9,200.0
Cobalt and its compounds	Kyoto	0.0	-	0.0	280.0	280.0
	Osadano	0.1	-	0.0	0.2	0.3
	Lithium Energy Japan	0.0	-	0.0	9,200.0	9,200.0
Dichloromethane	Kyoto	0.5	-	0.0	380.0	380.5
	Ibaraki	1,900.0	0.0	-	31.0	1,931.0
Cadmium and its compounds*	Odawara	0.0	-	0.0	0.0	0.0
Triethylenetetramine	Ibaraki	0.0	0.0	-	0.0	0.0
Total		2,042.4	15.5	25.3	81,534.4	83,617.6

- : Outside scope of coverage

* : Production of Specific Class I Designated Chemical Substances

Making industrial waste treatment more efficient

The Kyoto Plant, one of our Group companies, reduces the number of times transport takes place by changing the load capacity (size) of vehicles for collecting and transporting sludge from 4 tons to 10 tons regarding the industrial waste treatment for some types of sludge. A reduction in the number of times transport takes place can lead not only to energy saving, a reduction in air pollutants and a reduction in greenhouse gases, but also lower collection and transport costs. In fiscal 2017, such costs were reduced by approximately 600,000 yen thanks to a reduction in the number of times transport of industrial waste took place.

In addition, we reviewed industrial waste disposal contractors in order to strengthen recycling of used metals such as gold, silver and aluminum contained in industrial waste, and as a result it can be changed from waste treatment to valuable resource transaction, leading to a reduction in waste treatment-related expenses. The GS Yuasa Group is promoting initiatives focusing on cost reductions thanks to activities to reduce the environmental burden.



Sludge loaded on a 10-ton truck

Energy Saving by Upgrading Air Conditioning Units

The Kyoto Plant, one of our Group companies, conducted energy saving activities by upgrading air conditioning units used in its factories and offices.

At the Kyoto Plant, many air conditioning units are used not only for offering comfort to employees but also for achieving the most suitable production conditions, and there were units that had been used for a long period of time. Furthermore, preventing leakage of refrigerants such as fluorocarbons which are used in refrigeration and cold storage equipment has become the center of attention as the Law concerning a reduction in emissions of fluorocarbons was enforced in 2015.

Under such circumstances, the Kyoto Plant planned to upgrade obsolete air conditioning units as an effective measure to reduce both energy use and a risk of leaking fluorocarbons. In formulating the plan, it determined which air conditioning units in the Plant should be upgraded, by rating them according to years of use and other factors. It had taken appropriate measures including the formulation of the unit upgrading plan and the estimation of the effects of cost reductions through energy saving, and consequently it was able to utilize a government subsidy.

In fiscal 2017, the upgrading of 21 air conditioning units resulted in successful reduction in CO₂ emissions by around 85 tons as well as a reduction in the risk of leaking fluorocarbons and unit maintenance costs.



Upgraded air conditioning unit (outdoor unit)

Increasing the Number of Water Meters

The Kyoto Plant, one of our Group companies, has been increasing the number of water meters from the previous fiscal year in order to appropriately grasp water consumption per workplace.

Previously, as the number of water meters that measure water consumption of each workplace was insufficient, the Kyoto Plant had calculated water consumption of each workplace every month by using the water use calculation standard set by itself and checked the effects of water saving activities and the existence of water leakage. However, it has become difficult to grasp water saving efforts by each workplace under the previous calculation standards due to a change in the production process and the water saving performance reaching a certain level.

Considering this situation, the Kyoto Plant installed additional 10 water meters at each appropriate point, after analyzing the current arrangements of water meters and the condition of water pipes. Moreover, it has installed the latest digital meters at important points, making it possible to monitor water consumption on a real-time basis. The Kyoto Plant will develop further initiatives and promote continuous water saving activities by appropriately grasping the water consumption of each workplace.



Monitoring of water consumption by a new-type of water meter

Transportation

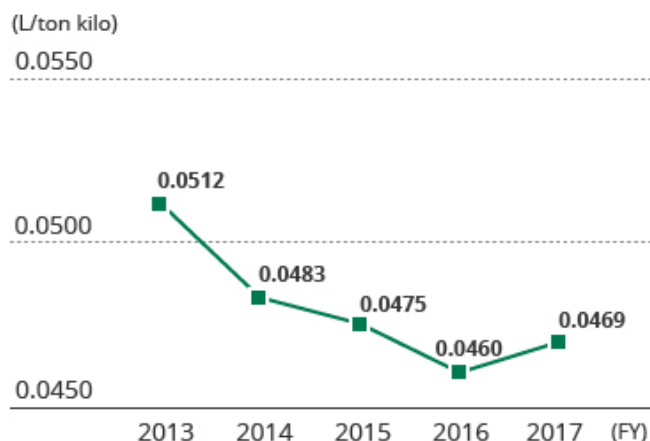
Reducing energy consumption in logistics

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 CO₂ 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 2017 by 8% 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)

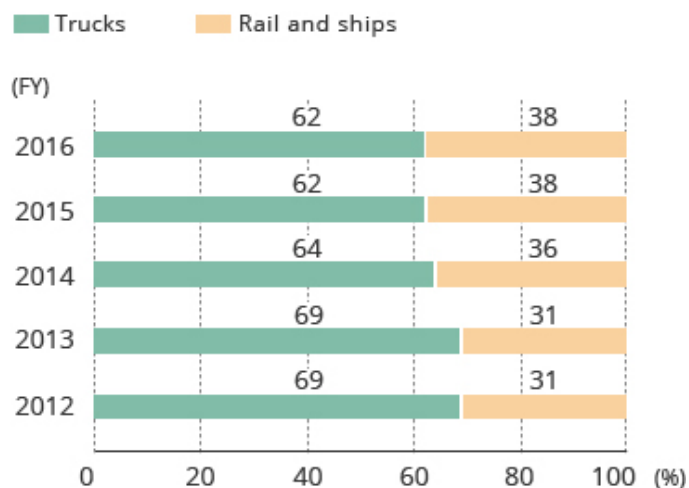


A ton kilo is a unit measuring the amount of freight forwarding volume being shipped.
One ton kilo is equivalent to moving one ton of cargo one kilometer.

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

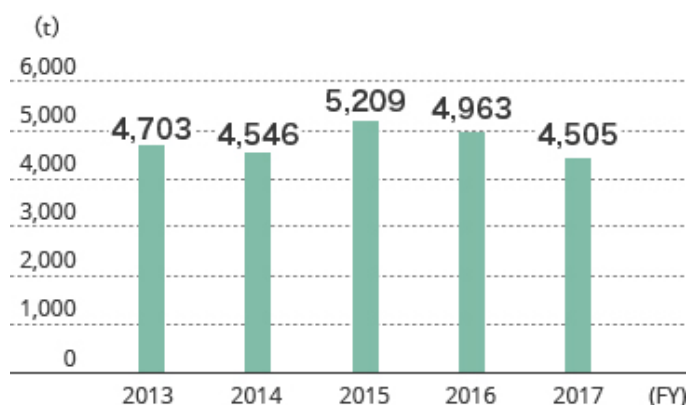
A wide-area certification system aims to involve the manufacturers of a product in the product's recycling and disposal once it reaches the end of its useful life. These systems make possible more efficient recycling and provide feedback on product design leading to easier disposal and reuse, while ensuring 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. In FY 2010 and FY 2013 we broadened the range of eligible products, and in FY 2011 we reviewed the operating rules related to small products, resulting in an improvement of our secure, effective disposal system for discarded goods.

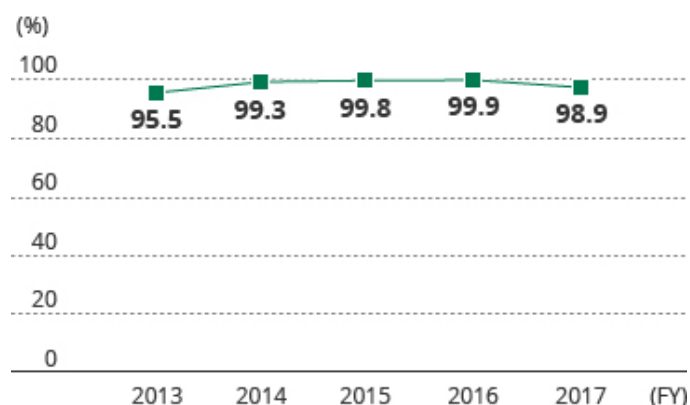
In FY 2017, the amount of discarded goods we processed under the wide-area certification system reached 4,505 tons. This figure was 98.9% of the discarded products the GS Yuasa Group in Japan collected in the same period. As far as industrial batteries for the domestic Group are concerned, the wide-area certification system is now firmly established.

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.

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 since April 2017.

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, in Hokkaido, it is necessary to reduce output fluctuations by installing storage battery systems when connecting photovoltaic power generation to power systems. The GS Yuasa Group's lithium-ion battery system was installed at this plant as a key device to reduce power output fluctuations.

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

Support for Activities of the Yakushima Environmental and Cultural Foundation

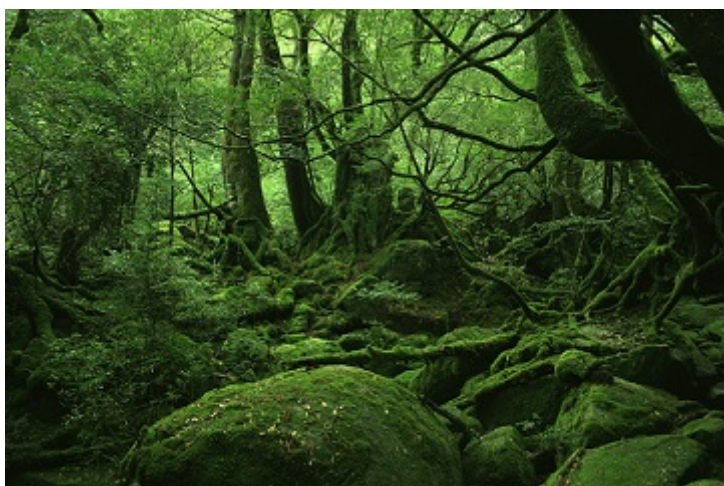
GS Yuasa Battery Ltd. (GYB) is providing support for the Yakushima Environmental and Cultural Foundation as part of initiatives to preserve the environment in the region.

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.

Holding an out-of-school class for elementary school students in the region

The Kyoto Plant, one of our Group companies, held an out-of-school class for children attending the elementary school in the neighborhood in September 2017.

The Plant has continued daily interactions with that school through supporting children on the routes to school, and this is the fourth time for it to hold the out-of-school class.

Under the topic "Let's study the region," attendants learned about our businesses by visiting a showroom within the Plant and through a Q&A session. At the showroom, children took notes with great enthusiasm while listening to explanations and showed an interest in our products. And at the Q&A session conducted at the end of the class, many students actively asked questions, showing a great interest in our business activities.

The GS Yuasa Group will continue to value a relationship with the local communities through these activities.

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

Development of high-accuracy location-positioning services

Space-use lithium-ion batteries manufactured by the GS Yuasa Group were installed in the quasi-zenith satellite system "Michibiki 2" launched by the Tanegashima Space Center in June 2017.

"Michibiki" is Japan's satellite positioning system (a system under which positioning information is calculated based on a radio wave from the satellite) mainly composed of quasi-zenith orbit satellites.

By combining this quasi-zenith satellite with the GPS satellite, stable and high-accuracy location-positioning services can be provided even in mountainous areas or streets of big business buildings in urban areas, paving the way for a wide range of applications such as an automatic driving system for automobiles that is expected to be put into practical use and the detection of earthquake or volcanic activity.

The GS Yuasa Group will continue to contribute to development of high-accuracy location-positioning services as a new social infrastructure indispensable for Japan's economic activities, through development and manufacturing of high-performance lithium-ion batteries.

Traffic safety for children on the routes to school

GS Yuasa International Ltd. received the award "Promotion for future Kyoto town planning" by the Kyoto City in October 2017.

This award, given by Kyoto City, is designed to honor individuals or organizations who have conducted activities to achieve a safe and healthy life for all generations with the aim of creating an attractive future Kyoto.

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. 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 at the same time we have carried out activities to prevent traffic accidents by protecting and guiding children on the street. As a result, the Kyoto Plant received the award.

The GS Yuasa Group will continue to promote activities contributing to a safe and healthy life in local communities.

Activities contributing to local communities at our production sites in Thailand

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

GS Yuasa Siam Industry Ltd. (GYSI) has been involved in activities focusing on interactions with local communities, such as cleaning of and donations to nearby elementary schools and temples, management of an ice cream shop for the event on Children's Day held on the second Saturday in January, offering fluorescent lights that were replaced by LED to elementary schools, holding a plant tour for students, and co-sponsoring a marathon in the industrial park. These activities have been highly rated by the Thai government, and GYSI had received the CSR-DIW Award* three years in a row from fiscal 2016.

Siam GS Battery Co. Ltd. (SGS) has installed signboards to prevent traffic accidents at a high-frequency accident location in the vicinity of the company, i.e., on the road with heavy car traffic located in front of the office. As a company engaged in the automobile industry, we are conducting activities to contain an increase in the number of traffic accidents resulting from the popularization of the automobile, as much as possible.

At production sites of the GY Yuasa Group in Thailand, we are promoting interaction with local communities through providing education to local residents and securing safety, rather than merely offering a donation or volunteer activities.

*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.



Plaque for the CSR-DIW Award(GYSI)



Plant tour for local junior high school students (GYSI)



Signboard for preventing traffic accidents (SGS)



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.

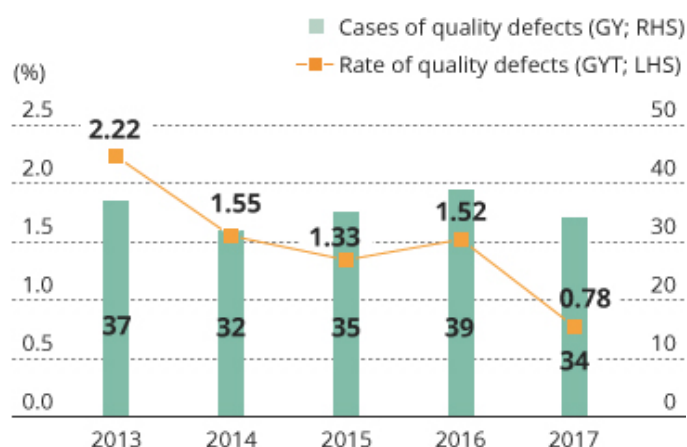
Promotion of Responsible Procurement

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 have set target values for fiscal 2018 at 24 cases (quality defects) for products to be delivered to GS Yuasa International Ltd. and 0.80% (rate of quality defects) for those to GS Yuasa Technology Ltd.

We believe that these activities create strong partnerships in the supply chain and are important 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



Note: The values in 2017 were revised from the previously announced values after reviewing this graph data.



Guidance on Quality for Business Partners

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.

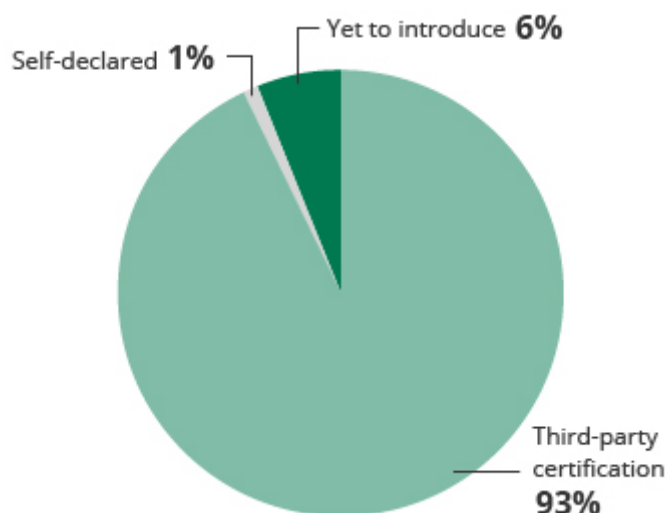
Requirements for Business Partners

1. Operation of an environmental management system
2. Examination of chemical substances contained in items being supplied
3. Checking the legality of cutting down certain trees (logging)
4. Programs to identify and reduce CO₂ emissions

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

GS Yuasa evaluates the appropriateness of stipulations to business partners concerning green procurement by checking and auditing the status of their response. 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.

■ Introduction of Environmental Management System by Business Partners (FY 2017, transaction amount base)



Promotion of Responsible Procurement

The GS Yuasa Group assesses business partners using a QCDE approach (quality, cost, delivery and environment). Going forward, we will add elements of CSR to these assessments to ensure that our social responsibility is being met throughout the supply chain. To achieve this goal, we will share the GS Yuasa Group's Responsible Procurement Guidelines with our business partners and work to promote Responsible Procurement based on mutual cooperation.

In briefing sessions on production in fiscal 2018, we are asking our business partners to strengthen their CSR initiatives and to cooperate with us on Responsible Procurement. Currently, we are conducting a survey on the status of our business partners' CSR initiatives. Going forward, we plan to identify CSR risk in the supply chain by analyzing and evaluating the survey results and implement initiatives to reduce risk.

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

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 "AA" rating (seven investment ratings: AAA, AA, A, BBB, BB, B and C).

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 2018" (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

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

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 2017".

[Statement on third-party verification by SGS Japan Inc. \(FY2017\).](#) 

GRI Content Index

GRI Content Index

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

GRI Standard		Disclosure Title		References
General Disclosures				
102	Organizational profile	102-1	Name of the organization	Corporate Profile [Corporate Name]
		102-2	Activities, brands, products, and services	Products
		102-3	Location of headquarters	Corporate Profile [Head Office]
		102-4	Location of operations	Corporate Information [Group Companies]
		102-5	Ownership and legal form	Stock Data
		102-6	Markets served	Securities Report [Securities Report(PDF)](Japanese only)
		102-7	Scale of the organization	Corporate Profile [Number of Employee] Location Financial Highlights [Sales] Financial > Chart Generator [Financial Position]
		102-8	Information on employees and other workers	-
		102-9	Supply chain	Ensuring Social Responsibility within Our Supply Chain
		102-10	Significant changes to the organization and its supply chain	News Release

GRI Standard		Disclosure Title		References
		102-11	Precautionary Principle or approach	Risk Management
		102-12	External initiatives	President's Message [UN Global Compact] Value-Creation Process [SDGs] Response to Carbon Disclosure Project Keidanren Charter of Corporate Behavior
		102-13	Membership of associations	-
	Strategy	102-14	Statement from senior decision-maker	President's Message CSR Policy and Code of Conduct
		102-15	Key impacts, risks, and opportunities	Risk Information
	Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Philosophy CSR Policy & Code of Conduct
		102-17	Mechanisms for advice and concerns about ethics	Basic Philosophy on Promoting Compliance GS Yuasa Group Corporate Ethics Hotline
	Governance	102-18	Governance structure	Corporate Governance > Approach and Governance System
		102-19	Delegating authority	CSR Promotion Framework
		102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Promotion Framework
		102-21	Consulting stakeholders on economic, environmental, and social topics	IR Calendar
		102-22	Composition of the highest governance body and its committees	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-23	Chair of the highest governance body	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)

GRI Standard		Disclosure Title		References
		102-24	Nominating and selecting the highest governance body	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-25	Conflicts of interest	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
		102-27	Collective knowledge of highest governance body	Evaluating the Effectiveness of the Board of Directors Policy on the Independence of Outside Directors
		102-28	Evaluating the highest governance body's performance	Evaluating the Effectiveness of the Board of Directors
		102-29	Identifying and managing economic, environmental, and social impacts	CSR Promotion Framework Materiality Specification Process
		102-30	Effectiveness of risk management processes	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-31	Review of economic, environmental, and social topics	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-32	Highest governance body's role in sustainability reporting	CSR Promotion Framework
		102-33	Communicating critical concerns	GS Yuasa Group Corporate Ethics Hotline
		102-34	Nature and total number of critical concerns	GS Yuasa Group Corporate Ethics Hotline
		102-35	Remuneration policies	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-36	Process for determining remuneration	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)
		102-37	Stakeholders' involvement in remuneration	Corporate Governance [CORPORATE GOVERNANCE(PDF)](Japanese only)

GRI Standard		Disclosure Title		References
		102-38	Annual total compensation ratio	-
		102-39	Percentage increase in annual total compensation ratio	-
	Stakeholder engagement	102-40	List of stakeholder groups	Analyst Coverage
		102-41	Collective bargaining agreements	-
		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	Securities Report [Securities Report(PDF)](Japanese only)
		102-46	Defining report content and topic Boundaries	Editorial Policy
		102-47	List of material topics	Materiality and Response Plan
		102-48	Restatements of information	Editorial Policy [Material changes]
		102-49	Changes in reporting	Editorial Policy [Material changes]
		102-50	Reporting period	Editorial Policy [Period covered]
		102-51	Date of most recent report	August 2017
		102-52	Reporting cycle	Annually (Scheduled to be disclosed in August 2019)
		102-53	Contact point for questions regarding the report	Inquiries to GS Yuasa Corporation
		102-54	Claims of reporting in accordance with the GRI Standards	-
		102-55	GRI content index	GRI Content Index

GRI Standard		Disclosure Title		References
		102-56	External assurance	<u>Management of CO₂ Emissions and Water Consumption at Production Sites Worldwide</u> (GS Yuasa Corporation has not obtained third-party assurance for the report as a whole, but obtained only for Greenhouse gas emission data.)
Economic				
201	Economic Performance	103	Management Approach	<u>Materiality and Response Plan</u>
		201-1	Direct economic value generated and distributed	<u>Financial > Chart Generator</u> [Results of Operations/Profitability Indicator Ratios] <u>Earnings Report</u> [Earnings Report(PDF) > Statements of Income(Cost of sales, Selling, general and administrative expenses, Non-operating expenses, Extraordinary loss, Profit)] <u>Shareholders Return</u>
		201-2	Financial implications and other risks and opportunities due to climate change	-
		201-3	Defined benefit plan obligations and other retirement plans	<u>Securities Report</u> [Securities Report(PDF)](Japanese only)
		201-4	Financial assistance received from government	-
202	Market Presence	103	Management Approach	-
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
		202-2	Proportion of senior management hired from the local community	-

GRI Standard		Disclosure Title		References
203	Indirect Economic Impacts	103	Management Approach	-
		203-1	Infrastructure investments and services supported	Contributions to the Environment [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	Compliance Manual Workplace Meetings on Compliance GS Yuasa Group Corporate Ethics Hotline
		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

GRI Standard		Disclosure Title		References
Environmental				
301	Materials	103	Management Approach	<u>Materiality</u> . [Promoting environmental protection] <u>Resource recycling</u>
		301-1	Materials used by weight or volume	-
		301-2	Recycled input materials used	<u>Flow of Materials in the Product Life Cycle</u> [Amount of main materials consumption]
		301-3	Reclaimed products and their packaging materials	<u>Flow of Materials in the Product Life Cycle</u> [Amount of recycling]
302	Energy	103	Management Approach	<u>Materiality</u> . [Promoting environmental protection] <u>Activity to Decrease Environmental Burdens > Transportation</u> <u>Activity to Decrease Environmental Burdens > Development and design</u>
		302-1	Energy consumption within the organization	<u>Flow of Materials in the Product Life Cycle</u> [Amount of energy consumption in production]
		302-2	Energy consumption outside of the organization	<u>Flow of Materials in the Product Life Cycle</u> [Amount of energy consumption in physical distribution]
		302-3	Energy intensity	<u>Environmental Performance Data</u>
		302-4	Reduction of energy consumption	-
		302-5	Reductions in energy requirements of products and services	-

GRI Standard		Disclosure Title		References
303	Water	103	Management Approach	<u>Materiality</u> [Promoting environmental protection] <u>Management of CO₂ Emissions and Water Consumption at Production Sites Worldwide</u>
		303-1	Water withdrawal by source	<u>Flow of Materials in the Product Life Cycle</u> [Amount of water consumption]
		303-2	Water sources significantly affected by withdrawal of water	-
		303-3	Water recycled and reused	<u>Effect of environmental conservation</u> [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	-

GRI Standard		Disclosure Title		References
305	Emissions	103	Management Approach	<u>Materiality</u> [Promoting environmental protection] <u>Management of CO₂ Emissions and Water Consumption at Production Sites Worldwide</u> <u>Identifying chemical substance emissions</u>
		305-1	Direct (Scope 1) GHG emissions	<u>Flow of Materials in the Product Life Cycle</u> [Amount of CO ₂ emissions in production]
		305-2	Energy indirect (Scope 2) GHG emissions	<u>Flow of Materials in the Product Life Cycle</u> [Amount of CO ₂ emissions in production]
		305-3	Other indirect (Scope 3) GHG emissions	<u>Flow of Materials in the Product Life Cycle</u> [Amount of CO ₂ emissions in physical distribution]
		305-4	GHG emissions intensity	<u>Environmental Performance Data</u>
		305-5	Reduction of GHG emissions	<u>Effect of environmental conservation</u> [Amount of CO ₂ reduced]
		305-6	Emissions of ozone-depleting substances (ODS)	-
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<u>Identifying chemical substance emissions</u> [Status of release and transfer of substances subject to the PRTR Law (Released into the air)]
306	Effluents and Waste	103	Management Approach	<u>Materiality</u> [Promoting environmental protection] <u>Preventing Exposure to Compliance Risk and Environmental Pollution Risk</u>
		306-1	Water discharge by quality and destination	<u>Flow of Materials in the Product Life Cycle</u> [Amount of waste water]
		306-2	Waste by type and disposal method	<u>Flow of Materials in the Product Life Cycle</u> [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	<u>Preventing Exposure to Compliance Risk and Environmental Pollution Risk</u>

GRI Standard		Disclosure Title		References
		306-4	Transport of hazardous waste	-
		306-5	Water bodies affected by water discharges and/or runoff	-
307	Environmental Compliance	103	Management Approach	<u>Materiality</u> [Promoting environmental protection] <u>Environmental Management Systems > Comprehensive Compliance Management</u>
		307-1	Non-compliance with environmental laws and regulations	<u>Environmental Management Systems > Comprehensive Compliance Management</u>
308	Supplier Environmental Assessment	103	Management Approach	<u>Materiality</u> [Responsible Procurement promotion] <u>Green Procurement</u>
		308-1	New suppliers that were screened using environmental criteria	-
		308-2	Negative environmental impacts in the supply chain and actions taken	-
Social				
401	Employment	103	Management Approach	<u>Provision of Comfortable Working Environment</u> <u>Ensuring Appropriate Working Hours</u> <u>Respect for Individual Work-Life Balance</u>
		401-1	New employee hires and employee turnover	<u>Provision of Comfortable Working Environment > Basic policy</u>
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
		401-3	Parental leave	<u>Supporting Work Alongside Childcare/Nursing Care</u>

GRI Standard		Disclosure Title		References
402	Labor/Management Relations	103	Management Approach	<u>Respect for Labor Rights</u>
		402-1	Minimum notice periods regarding operational changes	-
403	Occupational Health and Safety	103	Management Approach	<u>Materiality</u> . [Improvement of safety and health in working environments] <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>Reducing the Risk of Accidents through risk assessments</u>
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<u>Reducing the Risk of Accidents through risk assessments</u>
		403-3	Workers with high incidence or high risk of diseases related to their occupation	<u>Materiality</u> . [Improvement of safety and health in working environments > Promotion of labor safety and health risk management]
		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</u> . [Human resources development] <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 Acting Talent</u>

GRI Standard		Disclosure Title		References
		404-2	Programs for upgrading employee skills and transition assistance programs	<u>Fostering Autonomous Acting Talent</u>
		404-3	Percentage of employees receiving regular performance and career development reviews	<u>Fostering Autonomous Acting Talent</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 Standard		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</u> . [Respect for individuality] <u>Workplace Meetings on Compliance</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	-
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-

GRI Standard		Disclosure Title		References
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</u> . [Responsible Procurement promotion] <u>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	-
415	Public Policy	103	Management Approach	-
		415-1	Political contributions	No cases
416	Customer Health and Safety	103	Management Approach	<u>Materiality</u> . [Provision of high-quality products] <u>Focus on Safety and Quality</u>
		416-1	Assessment of the health and safety impacts of product and service categories	-
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<u>Important announcement regarding products</u>

GRI Standard		Disclosure Title		References
417	Marketing and Labeling	103	Management Approach	-
		417-1	Requirements for product and service information and labeling	Products Catalog (Japanese only). Export Handling Product (Japanese only).
		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	Materiality. [Strict management of confidential information] Information Security
		418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	-
419	Socioeconomic Compliance	103	Management Approach	Materiality. [Thoroughly fulfilling our CSR and ensuring compliance] Compliance with Laws, etc.
		419-1	Non-compliance with laws and regulations in the social and economic area	-

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

We disclose information centering on CSR activities in fiscal 2017 (April 1, 2017 to March 31, 2018).

In order to report the GS Yuasa Group's latest CSR activities, we disclose information on activities after fiscal 2017 whenever appropriate.

With respect to some performance data, we disclose information before fiscal 2017 to show a change over time.

Structures

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

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

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

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

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

Final update

March 26, 2019