

Global Environmental Conservation

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

Fundamental Environmental Policy and Mid- to Long-term Environmental Plans

Fundamental Environmental Policy

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

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

Fundamental Environmental Policy

- Fundamental Philosophy

We are committed to people, society, and the global environment through the "Innovation and Growth" of our employees and business entities. We will apply the advanced energy technologies we have built up through battery research and development work to deliver comfort and peace of mind to customers around the world, and aim to realize a sustainable society and increase corporate value.

- Action Guidelines

1. Compliance with laws, regulations, and other requirements

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

2. Reducing environmental burden

We will aim to be carbon neutral by reducing greenhouse gas emissions throughout our supply chain to limit climate change impacts. We will also recognize water as an important resource and strive to conserve it by reducing consumption levels.

3. Efficient utilization of natural resources

Toward a circular economy*, we will strive to minimize the amount of natural resources we use through a range of means, including reducing raw material usage, using recycled materials, and reducing waste throughout product life cycles and services.

4. Environment-friendly products

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

5. Biodiversity

Given that our business activities, products, and services depend on the natural environment, we will promote biodiversity conservation activities to protect the ecosystems of endangered and rare species.

6. Disclosure

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

7. Human resources development

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

*Resource recycling society with zero waste

Mid- to Long-term Environmental Plans

We have developed mid-term plans for important issues related to our fundamental environmental policy in order to contribute to the emergence of a sustainable society. Since fiscal 2019 we have been promoting this as one of our business strategies to address key management issues that concern the entire Group by incorporating environmental objectives into our Mid-term Management Plan.

In April 2023, the GS Yuasa Group announced our Carbon Neutrality Declaration in the pursuit of reaching zero CO2 emissions (Scope 1 and Scope 2) from our business activities by fiscal 2050. As specific milestones for achieving our Carbon Neutrality Declaration, we have set CO2 emission reduction targets through fiscal 2030 and CO2 emission reduction targets in our Mid-term Management Plan. Going forward, the Group will continue to actively promote initiatives to mitigate climate change (energy conservation activities, use of renewable energy, etc.) with the aim of achieving carbon neutrality.

■ Mid- to Long-term environmental goals

Items	Medium-term goals (FY 2025)	Long-term goals (FY 2030)	Results (FY 2024)	Results for the base year (FY 2018)	Remarks
CO2 emission reduction rate (compared to fiscal 2018)	15.0% or more	30.0% or more	16.9%	380,118t-CO2	Organizational boundary (Scope of application): The financial control approach is adopted. Sales companies and offices, as well as production sites with CO2 emissions of less than 1,000 t-CO2, are excluded. Proportion of emissions covered by the reduction target: 100%
Water consumption reduction rate (compared to fiscal 2018)	15.0% or more	---	14.8%	5,229,801m ³	
Percentage of environmentally considered products in total sales of all products	45.0% or more	---	36.7%	31.9%	
Ratio of recycled lead used as lead raw materials in lead-acid batteries	70.0% or more	---	72.4%	36.8%	Ratio of utilization of recycled materials in main products

*Scope: Nine domestic business sites, 14 overseas business companies

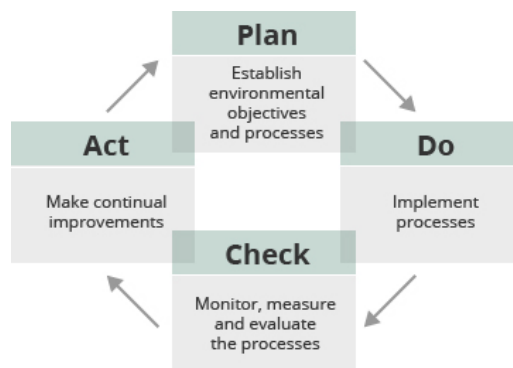
Environmental Management

Operation of environmental management systems

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

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

■ PDCA Cycle

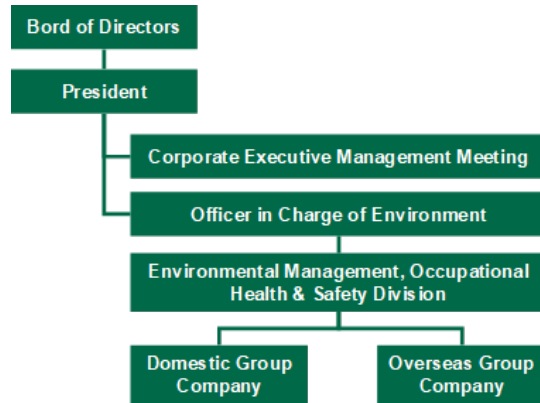


Organizational Structure

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

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

■ Overview of Organizational Structure



■ Acquisition rate of environmental management system certification at major production sites in Japan and overseas

ISO 14001 certification	82%
Environmental management system standards other than ISO 14001	18%
Total	100%

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

Internal environmental auditors — with qualifications gained from training both inside and outside the company — determine the condition of the following:

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)

External environmental auditing

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 organization subject to audit 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.

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

Education for Employees	In every division, we provide education to all employees to build awareness of their role in achieving the environmental policy.
Education for new recruits	New recruits are made aware of the GS Yuasa Group's basic philosophy on environmental management.

Specialized Environmental Education

Training of internal environmental auditors	At every business location, we train internal environmental auditors and provide them with education to boost their skills to continually improve our environmental management systems.
Emergency response training	In every division, we regularly provide training on responses to potential emergencies to all employees working in operations that have significant potential impact on the environment.

Environmental Compliance Management

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 2024.

Environmental Risk Management

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

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

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

In fiscal 2024 there were no instances of emergencies directly related to environmental pollution at any of our business locations.

Appropriate Environmental Information Disclosure

The Group conducts environmental information disclosure in response to the CDP^{*1}. The CDP requires companies to disclose information of environmental strategies based on the needs of institutional investors and customers. As we recognize that climate-related issues are one of the important management issues, we are working on climate-related information disclosure based on the TCFD^{*2} framework.

For the volume of greenhouse gas emissions (including energy consumption), we disclose information for which authenticity of data has been secured through third-party verification^{*3}. We are also promoting disclosure of information on water security performance and countermeasures with regards to water risks.

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

^{*1} This is a global-standard information disclosure platform for corporate initiatives to address environmental issues (climate change, water security etc.), with an established mechanism in which scores calculated based on corporate information disclosure are used for evaluation by investors and others.

^{*2} An organization established by the Financial Stability Board at the request of G20 for examining climate-related information disclosure and ways in which financial institutions can respond

^{*3} We have received third-party verification from SGS Japan Inc. (Scope 2 verification data: CO2 emissions calculated based on the market-based method)

 [Statement on third-party verification \(FY 2024\) \(https://www.gs-yuasa.com/en/csr/pdf/SGS_250821e.pdf\)](https://www.gs-yuasa.com/en/csr/pdf/SGS_250821e.pdf)

 [Refer here for information on our initiatives for the TCFD \(https://www.gs-yuasa.com/en/ir/tcfid.php\)](https://www.gs-yuasa.com/en/ir/tcfid.php)