

Materiality Response Plans (FY 2021)

Materiality	Activity outline	Scope of application	FY 2021 plans		FY 2022 targets		FY 2020 results			
			KPI (key performance indicator)	Target	KPI (key performance indicator)	Target	KPI (key performance indicator)	Target	Results	Self-Assessment / Challenges
Thoroughly fulfilling our CSR and ensuring compliance	Provision of legal information and promotion of compliance training	Domestic	Number of times compliance education information disseminated annually	16 times	(Same as FY 2021)		Number of times compliance education information disseminated annually	16 times	18 times	We issued an educational email magazine on compliance that covers primarily legal issues that are anticipated as a result of effects of COVID-19. Since the results of employee surveys were positive, we made the self-assessment that this is an effective means of education. In the future, it is important to continually implement them.
			Number of significant compliance violations	None	(Same as FY 2021)		Number of compliance training implementation topics	2 topics or more	2 topics	We conducted training for all employees in the form of meetings covering topics relating to CSR policies. Many employees engaged in active exchanges of opinions and evaluated that training to be an effective program for raising employee awareness of CSR including compliance. We will continuously conduct this training in the future and assess the appropriateness of compliance management by changing KPI to indicate the status of legal violations starting in the following fiscal year.
		Overseas	Achievement ratio of compliance training plan	100%	(Same as FY 2021)		Achievement ratio of compliance training plan	100%	100%	We conducted e-learning on competition law at 19 sites. A total of 194 employees participated (the course attendance rate was 98%), and the average score on a proficiency test was 92 points. We believe that this training served to deepen the understanding not only of management, but also on-site employees. It is important that we investigate the topics of and tools for training in the next fiscal year and continuously undertake training to raise compliance awareness.
			Status of achievement of legal violation risk response plan	Status of achievement of legal violation risk response plan	(Same as FY 2021)		Status of achievement of legal violation risk response plan	Implementation of legal violation risk countermeasures	Implementation of legal violation risk countermeasures	We confirmed the presence of business risks at overseas Group companies on a monthly basis. In addition, we shared with all sites risk response information collected through a questionnaire survey of overseas Group companies concerning risks (including health and safety risks and compliance risks) with a high likelihood of occurrence and took action to prevent those risks from occurring. Going forward, continuously overseeing risk management (including compliance) of overseas Group companies will remain important.
Respect and Protection for intellectual property	Thorough avoidance of infringement third-party intellectual property rights, promotion of the use of company intellectual property rights	Domestic	Achievement ratio of patent use plans in the ASEAN region and China	100%	(Same as FY 2021)		Achievement ratio of patent use plans in the ASEAN region and China	100%	100%	In order to build a patent network and exercise patent rights in the ASEAN region and China, we began creating a mechanism for monitoring the patents of other companies. To maintain market dominance in the future, it is crucial that we continuously take action to appropriately and strategically acquire and use intellectual property rights relating to proprietary technologies.
	Promotion of the enforcement against infringement products (expansion of access channels to overseas organizations, etc.)	Overseas	Achievement ratio of response plan to intellectual property infringement (imitation products)	100%	(Same as FY 2021)		Achievement ratio of response plan to intellectual property infringement (imitation products)	100%	100%	We implemented the imitation product survey of countries monitored for imitation products. In addition, we worked with government officials in Vietnam, Indonesia, and Laos on exposing imitation products. It is important to continuously implement measures against imitation products in the future.
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%	(Same as FY 2021)		Cyberattack response ratio at time of detecting high security alerts	100%	100%	There have been no critical confidential information leakage accidents. It is important to continually strive to enhance our information security measures into the future.
		Domestic	Information leakage confirmation and response ratio at time of large data output	100%	(Same as FY 2021)		Information leakage confirmation and response ratio at time of large data output	100%	100%	
	Promotion of information security training	Domestic	Ratio of employees passing information security proficiency test	95% or more	(Same as FY 2021)		Ratio of employees passing information security proficiency test	94% or more	96%	This fiscal year we changed the KPI to the pass rate for employees including employees who have not taken the test, and we were able to achieve the target. We took action to increase the ratio of employees who take the test, and we believe that this led to us achieving the target. Considering that there are uncertain elements in the KPI, we will set target values starting in the next fiscal year. It will remain important in the future to continuously undertake activities in order to raise employee awareness regarding the importance of information security.

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Respect for individuality	Promotion of compliance training and thorough dissemination of hotline report system	Domestic	Achievement ratio of human rights training plan	100%	(Same as FY 2021)		Achievement ratio of human rights training plan	100%	100%	Based on the results of an analysis of records of training conducted at all workplaces, we believe that employee awareness of human rights increased. It is important to continuously implement measures into the future.
		Overseas	Achievement ratio of harassment education plan	100%	(Same as FY 2021)		Achievement ratio of harassment education plan	100%	100%	We proposed training plans for employees transferred overseas taking into account the harassment regulations of each country. In addition, we completed advance preparations for harassment training (preparation of training materials, etc.). We will conduct ongoing training concerning harassment starting in the following fiscal year.
			Establishment ratio of harassment report system	100%	---		Establishment ratio of harassment report system	100%	70%	For those overseas Group companies that do not have internal report systems regarding harassment, we planned to provide support for the introduction of such systems, but on-site visits were not possible due to COVID-19, and this program was suspended. It is necessary that we continue to take measures to prevent harassment in the future and provide ongoing support for the introduction of systems so that we can reliably operate support mechanisms for individuals who have been subjected to harassment.
	Thorough human rights risk management in value chain	Domestic	Status of achievement of human rights risk response plan	Implementation of human rights risk countermeasures	(Same as FY 2021)		Status of achievement of human rights risk response plan	Establishment of a human rights risk countermeasures	Implementation of human rights risk countermeasures	We conducted analysis and assessment of human rights risks that take into account value chains and identified human rights risk that warrant priority responses. The relevant risks have been integrated into existing business processes and countermeasures to address human rights risk are being taken. Going forward, it will be necessary to deploy those processes at domestic and overseas Group subsidiaries.
Respect for Diversity	Women's empowerment	Domestic	Number of training sessions held to promote the empowerment of women in our organization	1 time or more	(Same as FY 2021)		Number of training sessions held to promote the empowerment of women in our organization.	1 time or more	2 times	We held a workshop for female employees on designing their own career paths through the course of understanding one's perspectives, values, and aspirations towards work, and a training program for managers on supporting female employees' career development. Going forward, we acknowledge the importance of taking account of the results of the "Survey on awareness of promoting empowerment of female employees" to advance our plan on women's empowerment.
			Ratio of women among new graduates recruited for career-track positions	30% or more	(Same as FY 2021)		Ratio of women among new graduates recruited for career-track positions	30% or more	20%	Of 56 recent graduates hired for career-track positions, 11 were women. It is important to continuously and actively undertake public relations targeting female job seekers and to take measures such as expanding workplaces where women can play active roles into the future.
Human resources development	Promotion of human resource development programs	Domestic	Achievement ratio of training plan to support employee growth	100%	(Same as FY 2021)		Achievement ratio of training plan to support employee growth	100%	100%	We implemented training by rank and quality education based on the annual plan. In the future, it is important to not only improve the self-analysis skills of the employees but also to promote activities that support their future career development
			Achievement ratio of worksite education plan using skill map	100%	(Same as FY 2021)		Achievement ratio of worksite education plan using skill map	100%	100%	Each division took action to enhance the skills of personnel necessary to carry out business in accordance with a skill development education plan. In the future, it will be important to expand and enhance educational content and online educational services.
		Overseas	Achievement ratio of global human resources education plan	100%	(Same as FY 2021)		Achievement ratio of global human resources education plan	100%	100%	An educational program for managers at overseas sites was implemented for 14 employees in accordance with the annual plan. In addition, a global leader's development and training plan was conducted for eight young employees who are candidates to become managers in the future. We will continue to undertake measures for the development of global human resources who serve as business leaders in diverse environments that cross countries, regions, and culture.

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Enhancement of work environments and occupational health and safety	Promotion of the thorough management of employees' working hours and prevention of the recurrence of long working hours	Domestic	Response ratio to prevent the recurrence of long working hours	100%	(Same as FY 2021)		Response ratio to prevent the recurrence of long working hours	100%	100%	After monitoring the overtime working hours of general employees, there has not been long working hours in violation of the labor-management agreement on overtime work. In addition, it was confirmed every month at labor-management consultations that there had not been violations of the agreement and that appropriate working hours management had been enforced. It is important to continue these activities in order to maintain a comfortable working environment into the future.
			Annual frequency of labor-management consultations relating to working hours	12 times	(Same as FY 2021)		Annual frequency of labor-management consultations relating to working hours	12 times	12 times	
			Operational achievement ratio of standard for number of days of paid leave taken annually (10 days/person or more)	100%	(Same as FY 2021)		Operational achievement ratio of standard for number of days of paid leave taken annually (10 days/person or more)	100%	99%	Starting this fiscal year, we changed target management to expand the scope of application, but the target was not achieved. General employees achieved the target, but managerial employees, who were added to the scope of application, did not achieve the target. Nonetheless, the percentage of managerial employees who took paid leave increased substantially from the previous year, up from 73% to 96%, and consequently, we believe that measures encouraging employees to take paid leave have been effective to a certain degree. Going forward, we will analyze the conditions concerning the unachieved target and take ongoing measures to achieve the target.
		Overseas	Achievement ratio of working hours management standards	100%	(Same as FY 2021)		Status of achievement of plan to reduce long working hours	Set self-management criteria	Set self-management criteria	We analyzed data from periodic working hour surveys of overseas Group companies, provided feedback to each Group company regarding the analysis results, and called on them to curtail long working hours. Starting in the following fiscal year, we will continuously conduct working hour management with working hours in the previous fiscal year as self-management criteria.
	Promotion of labor safety and health risk management	Global	Number of serious occupational accidents	None	(Same as FY 2021)		Number of serious occupational accidents	None	None	We achieved the target by taking occupational accident prevention measures using risk assessment methods that identify and evaluate potential hazards in the workplace. It is important that we undertake training to raise employee awareness of safety and continuously improve measures to prevent occupational accidents.
		Domestic	Missed work frequency ratio	0.8 or less	Missed work frequency ratio	0.7 or less	Missed work frequency ratio	0.8 or less	1.0	We believe that countermeasures to address heatstroke and back pain were effective to a certain degree, but measures regarding accidents involving mechanical equipment (crushing of a body part, entanglement of the body, laceration, scraping, and so on) were not improved from the previous fiscal year. It is necessary that we thoroughly implement safety management work procedures and take budgetary measures to promote engineering countermeasures addressing crushing and entanglement incidents.
			Number of workers not meeting our blood lead concentration management standards	None	(Same as FY 2021)		Number of workers not meeting our blood lead concentration management standards	None	1	Starting in FY 2019, we set strict internal management standards for blood lead concentration of workers who work with lead and conducted operation in accordance with those standards, but there was one worker who did not meet the new management standards. It is necessary that we continuously improve the work environment where work involving lead is performed into the future.
			Number of worksites in work management category III	None	(Same as FY 2021)		Number of worksites in work management category III	None	6	There was a workplace in which the changes from the usage of a spot cooling system due to intense heat had an effect on the work environment. In conjunction with corrective actions for this case, it is important to seek drastic improvements. We plan to launch a project to improve exhaust capacity in workplaces where work involving lead is performed in order to improve the work environment starting in the next fiscal year.
		Overseas	Missed work frequency ratio	2.1 or less	Missed work frequency ratio	2.0 or less	Missed work frequency ratio	2.4 or less	1.9	The annual number of occupational accidents has been trending downward at multiple worksites, but the number of occupational accidents at production plants in Europe and the Americas is relatively high. Occupational accidents are particularly conspicuous at production plants that opened in recent years. It is necessary to implement priority measures to prevent occupational accidents at worksites that were recently established.
			Number of workers not meeting our blood lead concentration management standards	None	(Same as FY 2021)		Achievement ratio of plans for overseas deployment of blood lead management	100%	100%	We began managing blood lead levels in accordance with self-management criteria at all production sites of overseas Group companies. We made necessary operational improvements so that the new management standards are met at all production sites. Starting in the next fiscal year, we will change the KPI from the status of operational improvements to the status of compliance with management standards and evaluate the appropriateness of blood lead management.

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Provision of high-quality products	Promotion of quality improvement and strengthening of quality communication (utilization of quality management system)	Global	Achievement ratio of targets for claims and in-process defects	100%	(Same as FY 2021)		Achievement ratio of targets for claims and in-process defects	100%	95%	Quality loss targets were generally met at overseas production plants, but in Japan, the targets for claims and in-process defects were not achieved. We believe that uncertain elements (such as fluctuations in production due to effects of COVID-19) were a factor in the failure to achieve targets. In the next fiscal year, we will prioritize achieving targets for in-process defects that both domestic and overseas sites.
	Strengthening of maintenance service setup	Domestic	Achievement ratio of product maintenance service operation management standards	100%	(Same as FY 2021)		Status of achievement of product maintenance service system operational plan	Start of operation	Start of operation	We completed construction of a system to provide timely and appropriate product maintenance service and began operation of the system. Going forward, we will implement sales activities that ensure the maintenance of products with appropriate quality by implementing operational management that sets KPI for responding to all maintenance matters covered by this system.
	Promotion of product safety education	Global	Number of serious product accidents	None	(Same as FY 2021)		Number of serious product accidents	None	None	In FY 2020, we implemented priority product safety education (a product risk assessment course for engineers, an introductory product safety course for managers, and other programs). In the next fiscal year, we will continuously reinforce product safety management by carrying out voluntary action plan regarding product safety at overseas Group companies.
Promoting environmental protection	Promotion of effective use of water resources	Global	Ratio of reduction of water use (compared with FY 2018)	6.0% or more	Ratio of reduction of water use (compared with FY 2018)	8.0% or more	Ratio of reduction of water use (compared with FY 2018)	6.0% or more	9.1%	We believe that a major factor why the target was achieved was the decrease in production volume due to effects of COVID-19. Going forward, we will continuously undertake measures to reduce water use (including reuse of water).
	Contribution to realization of low-carbon society	Global	Ratio of reduction of CO ₂ emissions (compared with FY 2018)	4.0% or more	Ratio of reduction of CO ₂ emissions (compared with FY 2018)	6.0% or more	Ratio of reduction of CO ₂ emissions (compared with FY 2018)	4.0% or more	5.7%	We believe that a major factor why the target was achieved was the decrease in production volume due to effects of COVID-19. We are encouraging activities to save energy and procuring renewable energy. In the future, it will remain important to continuously take measures in order to achieve the target.
	Prevention of environmental pollution	Global	Number of major environmental accidents	None	(Same as FY 2021)		Number of major environmental accidents	None	None	There were no major environmental accidents as a result of operational management in accordance with strict voluntary management standards pursuant to environmental regulations. It is important that we continuously improve environmental risk management into the future.
	Improvement in ratio of use of recycled materials in products provided to markets	Global	Ratio of recycled lead used as lead raw materials in lead-acid batteries	35.0% or more	(Same as FY 2021)		Ratio of recycled lead used as lead raw materials in lead-acid batteries	35.0% or more	44.5%	The rate of use of recycled lead increased at some overseas Group companies in Turkey, Indonesia, and Thailand, and as a result, the result improved by 2.8 points compared to the previous fiscal year. Going forward, we will continue efforts to maintain and improve these levels.
Developing and popularizing environmentally considered products	Market expansion for our products contained in environmentally considered products (for use in low-emission vehicles, etc.)	Global	Percentage of environmentally considered products in total sales of all products	34.0% or more	Percentage of environmentally considered products in total sales of all products	35.0% or more	Percentage of environmentally considered products in total sales of all products	34.0% or more	34.8%	Product sales were impacted by COVID-19, but there has been a gradual recovery since the second half of FY 2020. Even under these circumstances, we were able to steadily increase sales of environmentally considered products. Going forward, we will undertake activities to provide products that meet the needs of a decarbonized society.
	Development of products enhancing environmental performance	Domestic	Compliance ratios by lithium-ion batteries with life span performance standards	100%	(Same as FY 2021)		Compliance ratios by lithium-ion batteries with life span performance standards	100%	100%	All types for which a design review was conducted at the development stage of lithium-ion batteries complied with life span performance standards. It is important to continually implement product designs which consider the product life cycle into the future.
Responsible procurement promotion	Responses to responsible mineral procurement	Domestic	Achievement ratio of responsible mineral survey plan	100%	(Same as FY 2021)		Achievement ratio of responsible mineral survey plan	100%	100%	All matters regarding customer-need based mineral procurement surveys are conducted in cooperation with suppliers to ensure that we are not complicit in armed conflict or human rights abuses (the minerals covered are gold, tantalum, tungsten, tin, and cobalt). We also established a Responsible Mineral Procurement Policy that can respond to changes in the covered minerals and risks. Starting in the next fiscal year, we will work with stakeholders in the mineral supply chain and reinforce measures for responding appropriately to CSR risk in mineral procurement.
	Management of supplier CSR risks	Global	Achievement ratio of supplier CSR issues improvement plan	100%	(Same as FY 2021)		Achievement ratio of supplier CSR issues improvement plan	100%	100%	We administered a survey on the status of CSR responses to 449 companies (298 in Japan and 151 overseas) and identified CSR issues in the supply chain. In the next fiscal year, we will undertake improvement measures to address those issues. In addition to a written survey, we will also conduct on-site checks and take other measures to examine efforts to ensure the appropriateness of those issues.

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

※ Due to effects of COVID-19, the final year of the Group's Mid-Term Management Plan was changed from FY 2021 to FY 2022, and consequently, this plan also was extended to FY 2022.

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