

Materiality Response Plans (FY 2022)

Materiality	Activity outline	Scope of application	FY 2022 targets		FY 2021 results			
			KPI	Target	KPI	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	Number of times compliance education information disseminated annually	16 times	16 times	We issued educational email publications on compliance that cover primarily legal topics including receivables management, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, governance structures, and electronic signatures. Based on the results of an employee survey, we believe that this is an effective means of education and will continue implementation in the future.
			Number of significant compliance violations	None	Number of significant compliance violations	None	None	As a result of operation of a company-wide risk management system, implementation of training designed to raise employee awareness of compliance, and other measures, there were no significant compliance violations. Going forward, we will continue to undertake measures for preventing the occurrence of compliance risks.
		Overseas	Achievement ratio of compliance training plan	100%	Achievement ratio of compliance training plan	100%	100%	We translated emails publications relating to respect for human rights into seven languages and conducted training by distributing them to 19 business sites of overseas Group companies. We conducted a questionnaire and confirmed that there are no problems concerning the status of responses regarding human rights at each company. We were able to deepen understanding not only of management, but also among local employees. It is important that we review training topics and tools for the next fiscal year and continuously conduct training to raise awareness of compliance.
			Achievement ratio of significant compliance violation risk response plan	100%	Achievement ratio of significant compliance violation risk response plan	100%	100%	We confirmed the presence of business risks at overseas Group companies on a monthly basis. We also reinforced inspections of overseas Group companies with regard to risk that have a high likelihood of occurring (health and safety related risk, compliance risk, etc.) to prevent the occurrence of risks. 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 acquisition plans in the ASEAN region and China	100%	Achievement ratio of patent acquisition plans in the ASEAN region and China	100%	100%	We established a process to investigate whether the products of other companies infringe our intellectual property rights and verified the status of rights infringement by competitors' products in the ASEAN region. With regard to competitors' products in China, we completed advance preparations for operation of such a process including reaching agreement with local companies and other persons involved in business. In the future, we will carry out our strategy for the utilization of intellectual property by implementing this process appropriately.
	Promotion of the enforcement against infringement products	Overseas	Achievement ratio of response plan to intellectual property infringement (imitation products)	100%	Achievement ratio of response plan to intellectual property infringement (imitation products)	100%	100%	We investigated the status of trademark infringement, targeting websites that sell counterfeit goods and major electronic commerce websites worldwide and identified sites on which our intellectual property rights are being infringed. In the following fiscal year, following a close examination of the status of damage from counterfeit goods, we plan to take action to shut down the sites. It will remain important in the future to continue taking measures to mitigate the adverse impact on business caused by counterfeit goods in international markets.
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%	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 leak confirmation and response ratio at time of large data output	100%	Information leak 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	Ratio of employees passing information security proficiency test	95% or more	96%	We believe that the increase in the test-taking ratio as a result of measures to raise employee awareness of information security (including periodically distributing email publications) enabled us to achieve the target. 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 human rights education and thorough publicity of internal whistleblower system	Domestic	Achievement ratio of human rights training plan	100%	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%	Achievement ratio of harassment education plan	100%	100%	We conducted harassment training for employees working overseas Group companies and those scheduled to be transferred overseas. Starting in the next fiscal year, we will continuously conduct harassment training for employees scheduled to be transferred overseas. Going forward, we plan to expand harassment training to the local employees of overseas Group companies.
			Introduction ratio of harassment whistleblower system	100%	Introduction ratio of harassment whistleblower 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.
Respect for Diversity	Women's empowerment	Domestic	Ratio of women in management positions	4% or more	Number of times training to support women's empowerment conducted annually	1 time or more	3 times	We conducted training for female leaders on acquisition of business mindset skills that are necessary qualities for management positions and diversity management training for managers to promote career development support for female subordinates (there were 23 course participants, for a participation rate of 100%). It will remain important in the future to continuously provide opportunities for career enhancements to female employees.
			Ratio of women among new graduates recruited for career-track positions	30% or more	Ratio of women among new graduates recruited for career-track positions	30% or more	27%	Of 73 recent graduates hired for career-track positions, 20 were women. It is important to continuously and actively undertake public relations targeting female job seeks and to take measures such as expanding workplaces where women can play active roles into the future.
	Promotion of the employment of persons with disabilities	Domestic	Employment ratio of persons with disabilities	2.65%	---	---	---	(KPI and target values will be set in fiscal 2022)
Human resources development	Promotion of human resource development programs	Domestic	Achievement ratio of training plan for development of autonomous-minded human resources	100%	Achievement ratio of employee growth support training plan	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	100%	Achievement ratio of worksite education plan	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%	Achievement ratio of global human resources education plan	100%	100%	An educational program for managers at overseas sites was implemented for 15 employees in accordance with the annual plan. In addition, a global leader's development and training plan was conducted for 17 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.
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%	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	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	100%	Operational achievement ratio of standard for number of days of paid leave taken annually	100%	99%	Starting last 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 2018 fiscal, up from 73% to 99%, 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%	Achievement ratio of working hours management standards	100%	80%	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. In the future, we will continuously implement working hours management based on working hours in the previous fiscal year, which was set as a voluntary management standard.

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	Promotion of occupational health and safety risk management	Global	Number of serious occupational accidents	None	Number of serious occupational accidents	None	1	A serious occupational accident occurred at an overseas Group company. We promptly investigated the cause of the accident, took measures to prevent reoccurrence, and distributed the information to all Group companies to prevent the occurrence of similar accidents. It will be important in the future to conduct rigorous safety management using risk assessment methods for the identification and assessment of potential hazards in the workplace and to reinforce safety training for employees.
		Domestic	Missed work frequency ratio	0.3 or less	Missed work frequency ratio	0.8 or less	0.4	In fiscal 2021, we focused our efforts on fundamental countermeasures and engineering countermeasures to address mechanical accidents (such as accidents involving being crushed by or caught in equipment). Also, by focusing on rigorous safety management for work in high locations, we were able to substantially reduce the missed work frequency ratio from fiscal 2020 (when the ratio was 1.0). In fiscal 2022, we set targets at half or less of the fiscal 2021 KPI target values and will reinforce safety countermeasures even further.
			Number of workers exceeding internal blood lead concentration management standards (30 µg/dL)	None	Number of workers exceeding internal blood lead concentration management standards (35 µg/dL)	None	4	We strictly managed the blood lead concentration standards of workers who handle lead in accordance with internal standards, but the target was not achieved due to worker levels in excess of the standards in fiscal year-end measurements. It is necessary that we analyze the causes of non-conformity with the standards and continuously improve work environments at sites where lead is handled.
			Number of worksites in work management category III	None	Number of worksites in work management category III	None	None	We launched a project to increase the collection efficiency of lead dust that occurs in worksites, and as a result of reviewing local ventilation facilities, we were able to achieve the target. It will remain important in the future to continuously implement this project.
		Overseas	Missed work frequency ratio	1.8 or less	Missed work frequency ratio	2.1 or less	2.0	We shared information on analysis of causes of accidents that occurred overseas and on preventing reoccurrence with all sites and took measures to prevent the occurrence of similar accidents. In addition, we reduced the number of minor occupational accidents by more than 10%, leading to a reduction in the likelihood of accidents resulting in missed work. It will remain important in the future to take measures that mitigate the risk of accidents that lead to back pain and muscle pain.
			Number of workers exceeding internal blood lead concentration management standards (40 µg/dL)	None	Number of workers not meeting internal blood lead concentration management standards (60 µg/dL)	None	None	In fiscal 2021, we launched full-scale target management based on internal management standard values for all overseas production sites. As a result of improvements to facilities and operations at individual production sites, we achieved the targets. Starting in in fiscal 2022, we undertake operational management with even stricter internal control standard values.
Provision of high-quality products	Promotion of quality improvement and strengthening of quality communication	Global	Achievement ratio of targets for claims and in-process defects	100%	Achievement ratio of targets for claims and in-process defects	100%	64%	Targets for claims and in-process defects were not achieved in Japan and overseas. The main cause was a concentration of defects in specified business, but we believe that uncertain aspects (such as fluctuations in production caused by impacts of the COVID-19 pandemic) were also factors in not achieving the targets. It is important that we take priority measures to achieve KPI targets in the next fiscal year.
	Strengthening of maintenance service setup	Domestic	Achievement ratio of operational management standards for product maintenance service systems	100%	Achievement ratio of operational management standards for product maintenance service systems	100%	100%	In order to properly operate product maintenance service systems, we conducted target management using indicators to ascertain the status of capturing maintenance demand. Going forward, we will analyze results data and work to improve the efficiency of internal management standards to promote the capture of maintenance demand.
	Promotion of product safety education	Global	Number of serious product accidents	None	Number of serious product accidents	None	None	This fiscal year, we continuously reinforce product safety management through implementation of voluntary action plan concerning product safety at overseas Group companies and taking other measures. In the following fiscal year, we will conduct product safety training at overseas Group companies to raise understanding of product safety throughout the Group.

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Promoting environmental protection	Promotion of effective use of water resources	Global	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	10.3%	We believe that continuously encouraging the cyclical use of water at domestic and overseas Group company production sites was a factor in achieving the target. In the future, we will continuously implement measures to curtail water intake.
	Contribution to realization of low-carbon society	Global	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	8.1%	As a result of the launch of an energy saving and renewable energy project and company-wide implementation of measures starting in fiscal 2021, we were able to achieve the target. It will remain important in the future to continuously undertake company-wide countermeasures for achieving targets including encouraging energy-saving and the use of renewable energy.
	Prevention of environmental pollution	Global	Number of major environmental accidents	None	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 will remain important in the future that we continuously undertake rigorous environmental risk management.
	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	Ratio of recycled lead used as lead raw materials in lead-acid batteries	35.0% or more	55.9%	Increased the ratio of recycled lead use at some overseas Group companies in China, Turkey, Indonesia, and Thailand, and the result improved by 11.4 points compared to the previous fiscal year. We will continue our efforts to maintain and improve this level in the future.
Developing and popularizing environmentally considered products	Expansion of market for GS Yuasa products contained in products contributing to the curbing of global warming	Global	Ratio of environmentally considered products in total sales of all products	35.0% or more	Ratio of environmentally considered products in total sales of all products	34.0% or more	36.5%	In fiscal 2021, we steadily increased sales of environmentally considered products in conjunction with the recovery in sales from the downturn caused by the COVID-19 pandemic. In the future, we will continue efforts to provide products and services that appropriately meet the needs of stakeholders regarding a decarbonized society.
Responsible procurement promotion	Responses to responsible mineral procurement	Global	Achievement ratio of responsible mineral survey plan	100%	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, cobalt, and mica). In addition, we identified smelters with high CSR risks in mineral procurement by conducting a voluntary survey in Japan and took measures to mitigate risk in supply chains including those smelters. Going forward, we will take measures to respond to these risks in collaboration with stakeholders in mineral supply chains.
	Management of supply chain CSR risks	Global	Achievement ratio of supplier CSR issues improvement plan	100%	Achievement ratio of supplier CSR issues improvement plan	100%	100%	Based on the results of a supplier CSR survey, we took measures to improve identified CSR issues in supply chains. We cooperated with suppliers to investigate response measures to issues and made operational improvements. It will remain important in the future to continuously take measures to mitigate CSR procurement risks.

※ 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.