

Social

Respect for Human Rights

Prohibition of discrimination and respect for diversity

The GS Yuasa Group promotes fair employee selection, evaluation and training based on ability and performance. We prohibit discrimination in recruitment, personnel assessment and other employee circumstances. Also we respect diversity irrespective of race, gender, sexuality, nationality, place of birth, disability, religion or political opinion.

Prohibition of 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 build a system to take immediate corrective action upon discovering forced labor or child labor by a supplier.

- **Prohibition of forced labor and child labor**
We will neither force labor, nor employ children under the legal working age. Furthermore, we will not tolerate forced labor or child labor in any way.
- **Avoidance of complicity in human rights abuse**
Directly or indirectly, we will not be complicit in human rights abuse.

Promoting human rights education

To implement business activities with respect for human rights, the GS Yuasa Group promotes education to raise employee awareness toward respect for human rights. The following enlightenment and education initiatives help employees grasp various human rights issues and the importance of business activities keyed to human rights. When necessary, personnel participate in human rights risk assessment and other human rights management training sessions, nurturing and expanding knowledge vital in properly recognizing and evaluating human rights risks and their negative effects.

Human rights respect education

- Worksite training (meetings, discussions) in respect for human rights and avoiding harassment
- Distribution of booklets and internal e-mail newsletters designed to increase respect for human rights
- Distribution of our Group CSR policy manuals

- Human rights risk explanatory meetings targeting overseas site managers

Social topic 1
Grasping human rights initiatives at overseas Group companies

To avoid and alleviate negative effects of business activities on stakeholder human rights, from fiscal 2017 the GS Yuasa Group launched efforts to grasp the status of human rights initiatives at overseas Group companies. Specifically, our CSR promotion inspectors toured working environments and examined other aspects of overseas Group companies, confirming compliance with the legal systems in nations and regions where business is conducted and making comparisons with international human rights standards.

At certain overseas Group companies, issues have been encountered with internal whistleblower system and other procedures. Plans call for analysis and evaluation of these results to devise countermeasures in line with the cultures and customs of the nations and regions where business is conducted.

Main inspection items

- Presence of forced labor, child labor, discrimination
- Work hours and wage management
- Respect for diversity
- Humane treatment
- Freedom of association
- Occupational health and safety, health care
- Comfortable working environments
- Human resources development, fair evaluation and personnel treatment systems

Conservation and Improvement of Adequate Working Environment

Provision of comfortable working environment

The GS Yuasa Group believes it is important to provide a comfortable and healthy working environment in which everyone can display their abilities fully and continues to work regardless of gender and age, to employees. Such projects are

conceived to build workplaces rich in energy and fulfillment for each and every member, promoting initiatives to supply employees with work environments steeped in rich and open communication. To progressively raise employee satisfaction, the Group moves to secure outstanding personnel, boost labor productivity and otherwise enhance its corporate competitiveness.

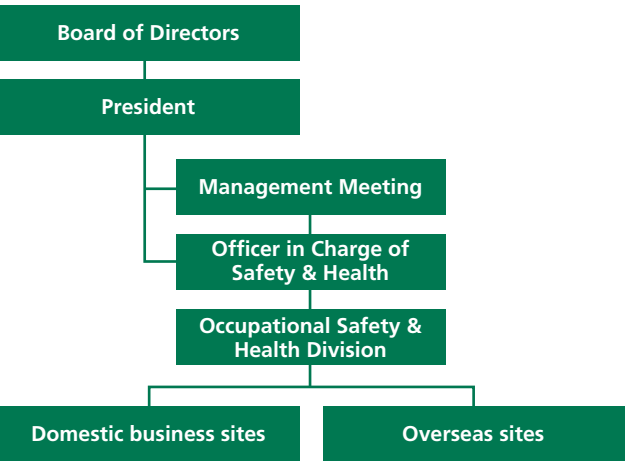
Top-management-promoted health and safety measures

The GS Yuasa Group promotes company-wide endeavors to build a corporate culture of safety. Based on the Health and Safety Declaration by the President, our uncompromising commitment is to protect all employees from injury, sickness and other workplace issues.

The Health and Safety Policy sets forth the Group’s basic thinking on the optimum approaches in this domain. Our Occupational Safety and Health Division is instrumental in strengthening health and safety management at both domestic business sites and overseas Group companies. These efforts are accompanied by everyday health and safety activities routed through organizational structures focused on safety and health committees established at individual business divisions and companies.

* Our Health and Safety Policy is available on our website: https://www.gs-yuasa.com/en/csr/working_env.php

Health and safety organizational structure overview



Reducing occupational accident risk

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

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

Human resources development and appropriate ability assessment

At the GS Yuasa Group, front-line workplaces are the engine that generates corporate value, and the lead players in those workplaces are our employees. We believe the best training is on-the-job training, so with a strong focus on management by objective we implement training to nurture autonomous-minded human resources.

In off-the-job training, employees take part in

Average annual human resources development training hours per employee (FY2018, GS Yuasa International Ltd.)

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

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communications training and voluntary training for career development and the improvement of management skills. With respect to career development, we promote career management in which all employees take the initiative in setting goals and thinking about their vision of work by implementing annual reviews relating to career formation.

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 shine 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” (Link: Strengthen links among our people; Life: Warmly embrace the different life events; Lead: Lead women toward opportunities for autonomy and growth).

Action plan promoting women’s roles
(April 1, 2019 to March 31, 2022)

Objective 1

Raise ratio of women among new graduates recruited for career-track positions every year to over 30%

Objective 2

Raise understanding of childcare support systems to encourage male employees to participate in childcare

Objective 3

Raise the maximum limit on use of half-day paid leave

Fulfillment of Our Responsibilities to Provide Safe and Secure Products and Services

Ensuring quality and safety through company-wide quality management

The GS Yuasa Group is promoting initiatives aiming to improve the quality of the products and services offered to our customers on a group-wide basis, based on the GS Yuasa Quality Policy. To remain a manufacturer trusted by customers at all times, the GS Yuasa Group approaches manufacturing activities from the customer’s perspective and works relentlessly to improve the quality of products and services. To maintain this trust, we formulated, under the

leadership of top management, the GS Yuasa Quality Management System based on the ISO 9001 standard and are promoting a quality management system that crosses business divisions. The quality of our products and services is discussed company-wide every month by the Quality Management Committee, which is chaired by a director (the executive officer in charge of quality), to enable us to

Quality management organization



respond swiftly to any change. As part of our initiatives to pursue manufacturing, we provide quality-related education courses to all employees and promote improvement team activities company-wide as a way to bolster the awareness of quality among employees and to boost their understanding and skills related to quality management. Thereby enhancing the quality of our products and services.

* Our Quality Policy is available on our website:
https://www.gs-yuasa.com/en/csr/quality_management.php

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.

Product safety action flow

Flow		Details of activities	Process, mechanism
Feedback on information	Product Safety Management Committee	• Formulate policy on product safety activities • Debate issues related to product safety • Respond by setting up the crisis management headquarters	Risk Management Rules GS Yuasa Quality Management System Regulations on management of product safety
	Product safety activities	• Formulate policies on product safety in business divisions • Ensure product safety in product realization process	Divisional policy book Quality-related manual for business divisions
	Gather information on products and services	• Gather information on product safety • Gather information on complaints, defects and accidents for our products and services	Claims information system and Customer Service Center GS Yuasa website Daily quality report
	Examine information and take appropriate steps	• 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	Quality-related manual for business divisions Manual on crisis management concerning product-related accidents and quality-related claims Manual for implementing product recalls

Social topic 2
Designated as a Company with Excellent Health Management

GS Yuasa International Ltd. and three Group companies were each designated as a Company with Excellent Health Management 2018 - White 500 in a program run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for the third year in a row. Fiscal 2018 witnessed outstanding evaluations and certification for company-wide work hour optimization efforts addressing work style reforms. Aiming to create a working environment in which employees can enjoy good health and work with vigor, we will continue to promote health management.



Specific group-wide health promotion measures

1. Optimize work hours, maintain positive work-life balance
- Thorough observance of “no-overtime-work days”
 - Making it compulsory to take at least 10 days of annual paid leave
 - Establish monthly overtime work hour limits
 - Prohibiting two consecutive days of work on prescribed holidays
 - Prohibiting overtime late at night
2. Mental disorder early detection, treatment, prevention of worsening
- Expanded consultation and counseling with industrial physicians and nursing staffers
 - Encourage nursing staffer consultations for all employees identified as high risk through stress tests
 - Continued access to “line care” and “self-care” training sessions
3. Early cancer detection and treatment
- Regular distribution of cancer self-examination guides to employees and family members
 - Inclusion of gynecological examinations in regular health checkups

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Social topic 3

Holding an exhibition showing examples of critical quality problems

The GS Yuasa Group believes that failure at a workplace provides a valuable learning opportunity in terms of the prevention of defective products. From this perspective, we have taken measures from fiscal 2016; specifically, we share information on examples of past product-related accidents caused by unsafe conditions and critical quality problems with employees so that we will never allow a similar quality problem to occur.

In fiscal 2018, the critical quality problem example exhibition was held at the Kyoto Plant, one of our Group companies, and 320 employees participated in this exhibition. These exhibitions use panels and other means to explain the causes, mechanisms and other aspects behind the occurrence of past critical quality problems, helping employees recognize examples of past mistakes as important lessons. For further understanding of such lessons, areas are provided onsite for exhibition-related presentations and Q&A sessions.

Results of participant questionnaires indicate that these exhibitions are effective in raising employee awareness of quality issues. Reflecting such visitor desires, exhibitions will continue to utilize the lessons of past failures to raise quality going forward.



At the exhibition



At the presentation

Carrying Corporate Social Responsibility to the Supply Chain

Promotion of CSR procurement

The GS Yuasa Group advances materials procurement based on awareness of such international social issues as forced labor, child labor and environmental destruction. Along with quality, performance, pricing, delivery deadlines and other conventional supply demands, it is also vital to base procurement in CSR championing human rights, working conditions and the global environment. Toward that end, the Group does not simply tackle CSR on its own, but also, in cooperation with suppliers, promotes CSR procurement (responsible procurement activities taking sustainability into consideration) in response to social issues.

By tackling CSR, we believe we can raise the mutual corporate value of our Group and suppliers and realize a mutually prosperous supply chain overall.

CSR procurement initiatives

In fiscal 2018, the GS Yuasa Group published CSR Procurement Guidelines and issued it to suppliers to better clarify the practices of responsible procurement. These Guidelines seek to support a sustainable society through the partnership linking the Group to all suppliers. The key goal is to reduce business risks capable of negatively impacting improvements in mutual performance and sustainability, with supplier briefings held to raise awareness of the spirit and key points of these new parameters throughout the supply chain.

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