

Social

Respect for human rights

Materiality

- Promotion of compliance training and thorough dissemination of hotline report system
- Comprehensive human rights risk management

Promoting human rights education

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.

The GS Yuasa Group has established and enforces the basic rules on forced labor and child labor. We build a system to take immediate corrective action upon discovering forced labor or child labor by a supplier.

Related CSR Code of Conduct

● 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.

The GS Yuasa Group conducts employee education to implement business activities with 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 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

In fiscal 2019, we conducted worksite trainings in the form of meetings on the theme of respect for human rights. Based on results of the analysis of educational effects, we assessed that employees' awareness of human rights has improved. In addition, in order to conduct training in human rights risk for employees transferred overseas, we have created training materials that take into account the harassment regulations in each country.

Respect for diversity

Materiality

- Promotion of development of the skills of women

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 enabling them to maximize their potential in whatever they do. By raising the motivation for self-growth and increasing the number of active roles for female employees through the synergistic effects of the three L's, (Link: Strengthen links among our people; Life: Warmly embrace the different life events; Lead: Lead women toward opportunities for autonomy and growth), we aim to be a company where every female employee can shine in her own unique way.

Of the 56 recent graduates hired for career-track positions in fiscal 2019, 11 were women. The target of 30% or more has not been achieved. We are committed to continued efforts to achieve our target.

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

Human resource development

Materiality

- Promotion of human resource development programs

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 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.

In fiscal 2019, we conducted stratified training programs and quality management education based on our annual plan to improve our employees' problem-solving skills. In the future as well, we plan to promote activities to support the career development of employees.

Average annual human resources development training hours per employee (FY2019, GS Yuasa International Ltd.)

Item	Classification	Average training hours
Gender	Male	7.2
	Female	11.3
Types of employees	Indefinite-term employment	8.2
	Fixed-term employment	0.1

Enhancement of work environments and occupational health and safety

Materiality

- Promotion of the thorough management of employees' working hours and prevention of the recurrence of long working hours
- Promotion of labor safety and health risk management

Provision of comfortable working environment

The GS Yuasa Group believes that it is important for everyone to fully demonstrate their capabilities and to continue working zealously in good physical and mental health, and promotes initiatives that emphasize ease of work and job satisfaction. We also strive to establish friendly work environments that facilitate 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.

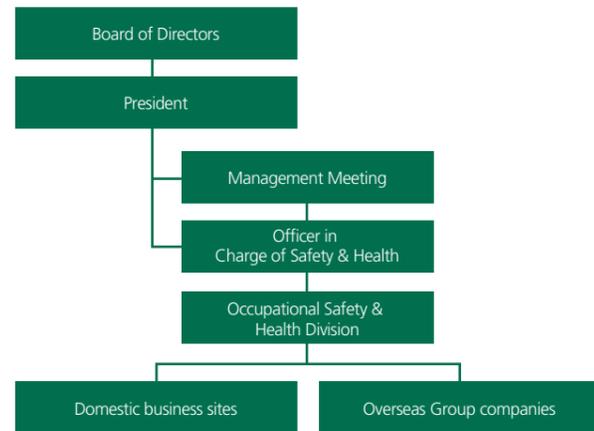
The Health and Safety Declaration by the president of our company states our commitment to our employees of our utmost efforts to protect them from illness and injury. In addition, we also ensure that employees are informed about our Health and Safety Policy which presents the fundamental approach to health and safety.

In order to promote health and safety throughout the company, our Occupational Safety and Health Division oversees the strengthening of health and safety management for the entire Group. In addition, we established organizational structures and carry out safety and health measures centered on safety and health committees established in 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

Social

Health and safety organizational structure overview



Reducing occupational accident risk

At all worksites of plants at domestic business sites, we identify potential hazard sources by conducting general inspections and take mitigation measures according to the scale of the risk. Similar measures are also taken concerning indications made by periodic on-site safety patrol activities conducted under the leadership of the safety and health officer. We also periodically take work environment measurements and conduct specialized health exams to monitor the effects of hazardous substances on employees and based on the results, make improvements to work environments.

We continuously reassess occupational accident risks and indicate sources of risk at the production plants of overseas Group companies based on the results of safety and health audits conducted by CSR promotion members. When improvements concerning indications are made, information on domestic management criteria and operational processes is shared, leading to lower risk throughout the Group.

In fiscal 2019, there were no major occupational accidents for the Group. In the future as well, we will continue to promote education to raise employees' awareness about safety and are committed to improvements in measures to prevent occupational accidents.

Provision of high-quality products

Materiality

- Promotion of quality improvement and strengthening of quality communication (utilization of quality management system)
- Strengthening of maintenance service setup
- Promotion of product safety education

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.

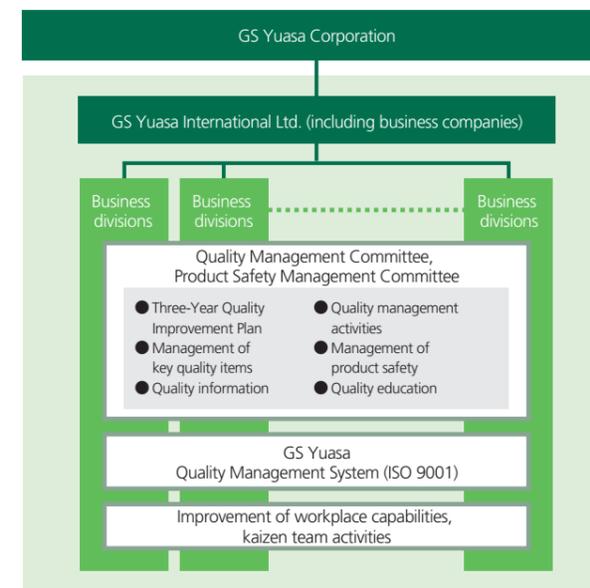
To maintain this trust, we formulated, under the leadership of top management, the GS Yuasa Quality Management System based on the ISO 9001 standard and are promoting a quality management system that crosses business divisions. The quality of our products and services is discussed company-wide every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

As part of our initiatives to pursue manufacturing, we are making utmost efforts to bolster the awareness of quality among employees and to boost their understanding and skills related to quality management through quality-related education courses to all employees and improvement team activities company-wide, thereby enhancing the quality of our products and services.

In fiscal 2019, the achievement rate for quality targets pertaining to the occurrence of complaints and in-process defects was 95%. We will continue to strive to achieve our goals regarding quality loss through quality improvement activities.

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

Quality management organization



Initiatives for product safety and swift dissemination of information

Ensuring product safety of GS Yuasa Group's products has been positioned as a critical challenge because our products store, control, and convert electrical energy.

We created a companywide organization centered on the Product Safety Management Committee to undertake measures for ensuring product safety. 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 realization procedures using know-how gained from case studies of failures, failure mode and effect analysis (FMEA), design review based on failure mode (DRBFM), 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.

In fiscal 2019, we implemented education for engineers on product safety risk assessment. We also conduct workshops for managers on product safety overview. We are committed to continued strengthening of product safety management through the achievement of the voluntary action plans for product safety management formulated by each department.

In fiscal 2019, there were no major safety accidents for the Group.

CSR procurement promotion

Materiality

- Responses to responsible mineral procurement
- Management of supplier CSR risks

CSR procurement initiatives

Given that forced labor, child labor, and environmental destruction are becoming international social issues, it is vital to base procurement in CSR championing human rights, working conditions, and the global environment along with quality, pricing, delivery deadlines, and other conventional supply demands.

In fiscal 2018, the GS Yuasa Group published the CSR Procurement Guidelines and issued it to suppliers to better clarify the practices of responsible procurement. The Guidelines is designed to improve mutual performance and reduce business risks by contributing to a sustainable society through partnerships with suppliers. Briefings targeting tier one suppliers are held to promote understanding and raise awareness of the spirit and key points in the Guidelines throughout the supply chain. Further, in the case of new transactions, we select suppliers that conform to the Guidelines.

We also conduct questionnaire surveys of suppliers to assess conformity with the Guidelines. In cases where issues are identified based on the survey results, we confirm the status of responses with suppliers and conduct audits as necessary. Audits are conducted by confirming documents and making on-site observations based on the Guidelines, and operational improvements are made in cooperation with suppliers.

In fiscal 2018, we surveyed a total of 367 companies, including 125 in Japan and 242 overseas. In fiscal 2019, we conducted supplier audits for issues identified in the survey results, and implemented necessary improvements (including measures that do not restrict employee migration).