

Social

Message from Director in Charge of Human Resources

Continuing to enhance corporate value through diversity management to build stronger worksites



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Importance of human capital in enhancing corporate value

GS Yuasa places importance on continuing to create new value by capitalizing to the maximum degree possible on the diverse values, experiences, knowledge, and abilities possessed by the human resources working at all our sites and pooling their wisdom. Autonomous-minded human resources, which is our ideal for achieving this goal, are the driving force behind the realization of our management philosophy and vision. Raising the HR value of employees through training leads directly to enhancing GS Yuasa's corporate value. To maintain and improve our medium- to long-term organizational strength, increase our competitiveness, and continue to ensure the flexibility and robustness capable of enduring unexpected changes, we must strive to improve the organization and enhance human capital.

Our main initiatives include engagement with employees and regular checks to gauge and improve their mental health condition. In implementing these efforts, we will set important engagement items for the company as key performance indicators (KPIs). In addition, we will promote measures to enhance work engagement and ensure psychological safety.

Diversity and inclusion, human resource development

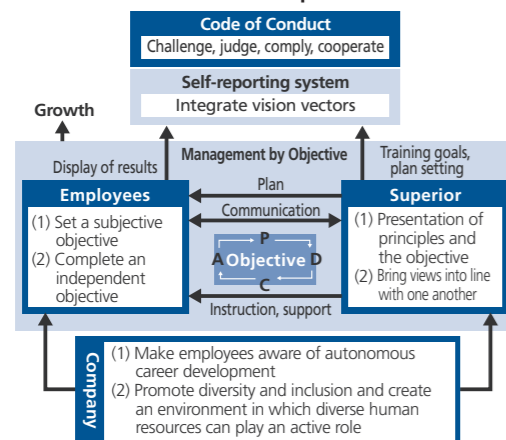
GS Yuasa has endeavored to capitalize on the personalities and abilities of each individual and to build workplaces where each individual can continue to work with enthusiasm and fulfillment. Since 2016 we have devoted efforts toward promoting women's empowerment and in fiscal

2021 GS Yuasa was certified as a Nadeshiko Brand by the Japanese Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, which means that we are recognized as an outstanding enterprise in encouraging women's success in the workplace. Going forward, we see the positioning of diversity in medium- to long-term targets and organizational decision making as most important issues and thus intend to promote further diversity and inclusion. We also expect to achieve our targets over the next few years for raising the ratio of women in managerial posts. In addition, we will endeavor to raise the ratio of non-Japanese in managerial posts and the ratio of mid-career recruits.

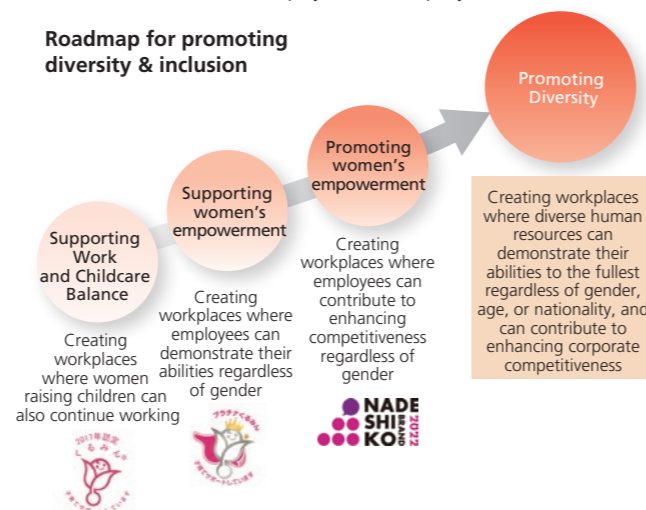
Regarding human resource development, we believe that the wellspring of value creation lies in worksites and therefore devote our efforts to the training of autonomous-minded human resources to boost worksite strength. Future points that will need strengthening are high-level expertise, management that capitalizes on diverse perspectives and ideas, and building a corporate culture in which employees mutually learn outstanding techniques. In particular, we will expand educational opportunities and career development so as to respond to an age characterized by volatility, uncertainty, complexity, and ambiguity (VUCA). Furthermore, we will redefine the necessary skills and rebuild our training system in line with the advance of digitalization. As a result, we will establish diversity management to build stronger worksites.

One of the strengths of our company is that we have many humble and hardy human resources who go about their work with sincerity. It is these human resources that have built GS Yuasa into what we are today through their steady efforts and determination to overcome various difficulties. Amid the increasing diversity of workstyles and values and fluidity of human resources, our aim is to build GS Yuasa into an enterprise with a corporate culture of realizing the creation of innovations in which both employees and company shine.

Basics of human resource development



Roadmap for promoting diversity & inclusion



Respect for Individuality

The GS Yuasa Group is aware that respect for human rights is at the foundation of business activities and that preventing the occurrence of human rights violations through decision-making and activities is a key element of management. Furthermore, since the Group engages in business on a global scale, we believe that appropriate management of human rights issues not only within GS Yuasa and its Group companies, but also in our transactional relationships with business partners including domestic and overseas suppliers is essential. We promote human rights risk management based on international norms on human rights and are engaged in activities to prevent and reduce the negative impact of human rights on our stakeholders.

Identification of human rights risks

We collaborate with outside experts to identify human rights issues that pose human rights risk so that we can appropriately manage those risks. We have set not only employees but also stakeholders in the value chain as the target when identifying human rights issues.

Furthermore, we evaluated risks relating to human rights issues at GS Yuasa, a core business company, and identified issues to be addressed with priority. We assess risk that originates not from business but from people from the perspective of whose rights and which rights will be negatively impacted from the Group's business activities. We address related human rights issues by taking human rights risk countermeasures integrated into existing business processes.

In the future, we will deploy this process at domestic and overseas Group companies as well.

Human rights issues to be addressed with priority (GS Yuasa International Ltd.)

Issue	Human rights risk	Persons subject to impact
Unsafe or unhealthy work environment	Risk that employees will not be able to work healthily due to inappropriate labor health and safety management	Employees
Harm to health from environmental pollution	Risk that the lives or health of local residents will be harmed due to atmospheric pollution or water contamination resulting from business activities	Local residents

Organization of grievance mechanisms relating to human rights violations

We operate an internal whistleblower system to provide a remedy to the victims of negative impacts on human rights. We have created a system that enables employees (including

supplier employees) who may have been affected by human rights violations resulting from business activities to directly consult about or report on negative impacts on their human rights. If information that raises concerns regarding human rights violations is received, we promptly analyze the validity of that information and take appropriate measures to prevent any expansion of human rights risk over the course of time.

Promoting human rights education

We conduct employee education with the aim of fostering an understanding of the importance of business activities and so that we can implement them with respect for human rights.

Examples of human rights respect education

- Implementation of human rights education at the workplace
- Distributing email publications on human rights
- Human rights risk explanatory meetings etc.

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Worksite training on diversity

We have been consistently providing human rights education in the form of meetings for all our employees. In fiscal 2021, we set "diversity (respect for diversity and inclusion)" as an essential theme. Through discussions based on case studies in the workplace, we have strived to enhance awareness of the importance of respecting diversity and about unconscious bias (prejudices that one unconsciously holds due to past experiences, knowledge, and beliefs, among other things).

Responding to human rights issues at overseas group companies

To avoid or mitigate negative impacts on human rights from our business activities, the Group conducts measures to address human rights issues 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. In addition, we analyze and evaluate the results of those inspections and implement necessary countermeasures while taking into consideration the national and local culture and customs where we conduct business.

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Human Resource Development / Respect for Diversity

At the GS Yuasa Group, we believe that front-line workplaces are the engines that generate corporate value, and the lead players in those workplaces are employees. Thus, we encourage the development of "autonomous-minded human resources" who can think independently, work proactively, and generate results at their day-to-day work sites, which are the best places for developing human resources. In addition, in order to nurture a culture in which diverse human resources can grow together and play an active role, we undertake diversity management so that we can fully utilize the diverse individuality of employees and strengthen organizational capabilities.

Fostering autonomous-minded human resources

Through on-the-job training (OJT) that focuses on the management by objective system, we are working on fostering autonomous-minded human resources. In addition, off-the-job training (Off-JT) which includes rank-specific training and open-to-all training, is used to improve leadership and management skills and promote career development.

With regard to career development, the Group promotes career management in which employees communicate their aspirations in terms of duties, work location, and skill development, to the Company through annual reviews on career development. This enables them to proactively think about their goals and their vision of their work.

Promoting diversity (diversity & inclusion)

The Company and its core subsidiaries are actively promoting diversity and inclusion as one of its management issues. In 2018, the Company launched the "GY Mirai Project" to actively recruit diverse human resources and continuously develop an environment that allows each individual to make the most of their individuality and abilities, and to create a workplace where each individual can continue to work with enthusiasm and fulfillment.

In particular, in the promotion of women's empowerment, the Company believes that it is necessary to increase the number of female employees involved in medium- and long-term goals and organizational decision-making, and to develop diversity and inclusion to realize its philosophy of "Innovation and Growth," focusing on expanding opportunities for employees to play an active role by simultaneously supporting the two axes of "career development" and "support for work-life balance." Further, top management regularly sends out messages and is working to help employees understand and spread awareness of the importance and significance of these initiatives.

Career development

We are also working to build a system that enables early identification of candidates for directors and managerial positions.

Main Initiatives

- Conducting training on the theme of career advancement for female employees and their superiors
- Proactive dispatch for external leadership training
- Conducting training to foster next-generation management
- Introduction of e-learning that aims to promote understanding of women-specific health issues
- Holding exchange meetings between female outside directors and managers
- Ensuring fairness in promotions and appointments (responding to life events) and assigning roles according to expertise
- Considering mid-career recruitment of female managers (including candidates for managerial positions)
- Initiatives to promote women's empowerment has been added to the evaluation indicators for managers and the evaluation criteria at the time of appointment



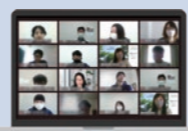
An exchange meeting with female outside directors

Support for work-life balance

With the aim of "creating an environment that makes it is easy for employees to participate in childcare," we have established a support system for childbirth and childcare, etc. In addition, we are working to ensure that both men and women can use the system, such as by establishing an Expert Committee on the Development of Future Generations that holds consultations between the labor union and the Company.

Main initiatives

- Sharing information on support systems using the in-house intranet
- Conducting information exchange meetings for work-childcare balance
- Publishing the Handbook on Supporting Work-Childcare Balance, and distributing it to all employees
- Implementing a Questionnaire on Balancing Work and Nursing Care and utilizing it to further understanding of the current situation and consider countermeasures



Information exchange meetings for work-childcare balance (held online)

Promotion of diversity initiatives in management

We are incorporating and promoting diversity and inclusion initiatives into our management goals.

Main initiatives

- Establishing a roadmap and goals for diversity promotion, and publicize the details of initiatives and results both internally and externally
- Discussing diversity initiatives and issues at meetings attended by senior management, and report plans and implementation status at Board of Directors meetings
- Establishing an item on diversity as part of director's priority issues

Key indicator concerning the promoting women's empowerment

Indicator	FY2021 result	FY2024 target
Percentage of women in managerial positions	3.5%	4.0%
Percentage of women among workers	14.1%	15.0%
Ratio of women among new graduates recruited for career-track positions	27.4%	30.0%
Percentage of women at the assistant managers rank	8.9%	10.0%
Men's rate of taking childcare leave	22.5%	40.0%*1

*1 The target for fiscal 2024 was revised based on the actual value for fiscal 2021.

TOPIC

First certified as a Nadeshiko Brand*2 in fiscal 2021

The company has been selected for the Nadeshiko Brand that is jointly sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



*2 The aim is to promote investment in companies and accelerate corporate initiatives by introducing listed Japanese companies that excel in promoting women's empowerment as attractive stocks to investors who place importance on improving corporate value over the medium to long term.

Promoting employment of persons with disabilities

GS Yuasa Socie Ltd., a special subsidiary of GS Yuasa, actively employs persons with disabilities. The company's fiscal 2021 employment rate for persons with disabilities was 2.68%. Since 2016, the company has introduced a system to ensure safe and stable employment by designating all employees as "regular employees" with indefinite-term employment regardless of whether they have a disability or not.

In addition, through the provision of company-wide consultation and support for employment, lifestyle, and medical care, such as holding training sessions to nurture "key support personnel" at all workplaces, we are striving to establish a foundation for an in-house support system that facilitates the realization of long-term stable work.



Training for key support personnel

Enhancement of Work Environments and Occupational Health and Safety

In order to protect all employees (including contractors) from injury and illness, the Group believes that it is important for the entire company to work together to promote activities aimed at building a culture of safety. To this end, we have established the Fundamental Health and Safety Policy,*3 which outlines our basic approach to safety and health initiatives throughout the Group, and we are promoting activities aimed at preventing the occurrence of occupational accidents.

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

Promoting health and safety management

In order to promote the activities for achieving the Fundamental Health and Safety Policy, 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 promote safety and health measures centered on safety and health committees established in individual business divisions and companies.

Health and safety organizational structure overview



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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 continuously reassess occupational accident risks, indicate sources of risk at the production plants of overseas Group companies, and provide advice on improvement, 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.

Work style reform

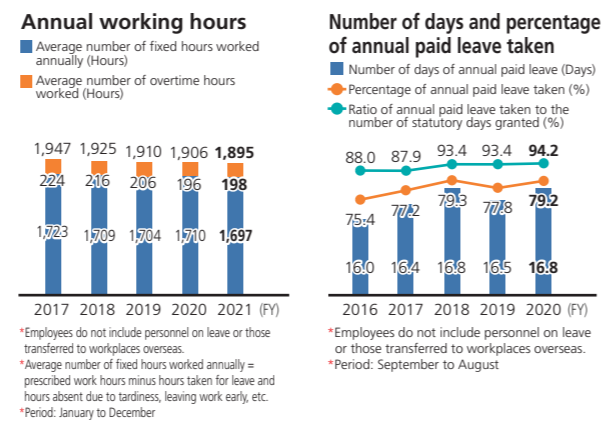
The GS Yuasa Group is striving to ensure the most appropriate work hours through cooperation between labor and management. GS Yuasa has introduced and managed systems to accurately understand and manage

List of our company's systems

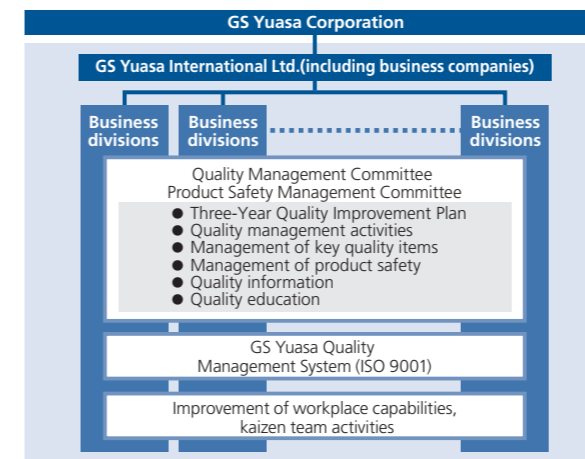
Childbirth, childcare, and nursing care	<ul style="list-style-type: none"> Childcare leave*1 Nursing leave Exemption / limitation of overtime work Accumulated leave (System under which employees can accumulate the number of days for annual paid leave whose validity has expired) 	<ul style="list-style-type: none"> Paid leave for births and childcare Long-term and short-term nursing care leave 	<ul style="list-style-type: none"> Short-time working Short-time working due to nursing care (work with a flexible schedule)
Flexible work style	<ul style="list-style-type: none"> Telecommuting program Staggered work times to secure breaks (securing intervals between shifts) Leave in hourly units Making it compulsory to take at least 10 days of annual paid leave Setting "no overtime" day 	<ul style="list-style-type: none"> Flextime system Half-day leave Menstrual leave Work-life synergy leave (consecutive paid leave is recommended) Monitoring employees working in excess of the standard hours*2 	
Diverse careers	<ul style="list-style-type: none"> Career change system (career track positions⇄regular positions / career track positions⇄specialists (a system that establishes multiple career paths)) Recruitment of region-specific office positions System for conversion from non-regular employees to regular employees Leave of absence for volunteering duties, social service leave 	<ul style="list-style-type: none"> Return to work program Leave of absence for self-training 	
Variation in work style	<ul style="list-style-type: none"> Commendation system for improvement activities that have enhanced workability and productivity, etc. 		

*1 Average acquisition days of childcare leave for men: 48.6 (FY2021) *2 Average non-statutory working hours per month: 16.5 hours (FY2021)

work hours (attendance management system and access control system). Based on this data, an expert committee combining labor and management is held monthly, and we check the condition of employees working long hours. Education at the workplace sites to improve awareness of employees and managers also addresses the theme of appropriate management of working hours. In addition, as an initiative aimed at creating a balanced working style, we are promoting improvement activities that contribute to the enhancement of work efficiency and creativity and the optimization of work allocation.



Quality management organization



Initiatives for product safety

We created a companywide organization centered on the Product

Responsible Procurement Promotion

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 essential to promote procurement activities with the highest priority on CSR elements (including human rights, working conditions, and the global environment). For this, rather than engaging only in in-house CSR activities, we aim to continue implementing responsible procurement that responds to social issues in cooperation with suppliers. We believe that engaging in responsible procurement will enhance the corporate value of both the Group and our suppliers, and enable the realization of mutual prosperity throughout the entire supply chain.

Responsible procurement promotion

We issued the Responsible Procurement Guidelines, which explain matters that we want suppliers to undertake from a responsible procurement perspective, in fiscal 2018. These Guidelines are formulated with the aim of reducing business risks that may impact improvement in mutual performance and business sustainability, based on contribution to a sustainable society through partnerships with suppliers. Through briefings for suppliers and other means, we facilitate an understanding of the essence of these Guidelines, and disseminate them throughout the entire supply chain.

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 use results of product safety risk assessments and utilize know-how gained from case studies of failures and so on. In addition, we make note of product unsafe events on a daily basis, and provide our customers with appropriate product safety information.

In the unlikely event that a product accident which may harm the customer occurs, we implement a system in which we immediately confirm the facts and investigate the cause, and respond to emergencies (prompt and appropriate information provision, first aid measures to prevent the occurrence and spread of harm, measures to prevent recurrence, and so on), as necessary.

In addition, to continuously improve product safety management, we leverage information such as points for improving product safety obtained through periodic internal audits and external inspection.

Responsible procurement survey of suppliers

To create a sustainable supply chain, we periodically survey our major suppliers concerning their compliance with the requirements in the Responsible Procurement Guidelines. In this survey, suppliers evaluate their own responsible response status using questionnaire type of surveys, and the Group identifies CSR issues in the supply chain based on the results of the self-evaluations and implements a process to resolve these issues. We are working in collaboration with our suppliers to resolve the CSR issues in the supply chain in order to strengthen our business foundation.

Overview of Supplier CSR Survey Items (Fiscal 2022)

Category	Number of questions	Example question items
Human rights, labor	12	Forced labor, child labor, working hours, wages, inhumane behavior, discrimination
Health and safety	10	Occupational safety management, preparedness for emergency situations, industrial health, machinery and equipment
Environment	6	Environmental permits, pollution control, hazardous substances, waste, atmospheric emissions, wastewater
Ethics	7	Legal compliance, bribery, intellectual property, unfair trade, internal whistleblower systems, information security
Product safety	1	Ensuring product safety

Provision of High-quality Products

GS Yuasa's products store, control, and convert electrical energy, and we are aware that because of this, product safety is of paramount importance. It is also important that we approach manufacturing activities and strive to enhance quality of products and services from the customer's perspective so that we can remain a manufacturer trusted by customers at all times.

Implementation of quality management system

The Group promotes group-wide activities aimed at improving the quality of products and services provided to customers based on our Quality Policy.*3 For this, GS Yuasa Group has formulated, the GS Yuasa Quality Management

System based on the ISO 9001 standard, under the leadership of top management. The aim is to promote a quality management system that crosses business divisions. The quality of our products and services is discussed every month by the Quality Management Committee, which is chaired by the executive officer in charge of quality, to enable us to enhance quality on an ongoing basis.

We are also 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 team activities for improvement company-wide, thereby enhancing the quality of our products and services.

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