

# Sustainability Management

## Message from the Director in Charge of Sustainability Promotion

It is our mission to contribute to people, society, and the global environment. Through our business activities, we aim to respect people, build a sustainable society together with our stakeholders, and pass on a beautiful global environment to future generations.

As our Group's main product, storage batteries are vital devices in next-generation vehicles, renewable energy generation, and energy storage systems. This means that through technological innovation, the Company can significantly contribute to realizing a decarbonized society. In addition to reducing the environmental burden associated with our business activities, ensuring health and safety in the manufacturing process, and managing human rights risks in the supply chain, providing social value through innovation, in other words, practicing our corporate philosophy of "Innovation and Growth" while promoting the integration of financial and non-financial strategies, forms the core of our Group's sustainability management.

We do not focus solely on short-term profit but instead promote sustainable management with a long-term perspective. We pursue strengthening our business foundation and enhancing corporate value across the Group.



**Hiroaki Matsushima**  
Director and Chief Financial Officer (CFO),  
GS Yuasa Corporation Director,  
GS Yuasa International Ltd.

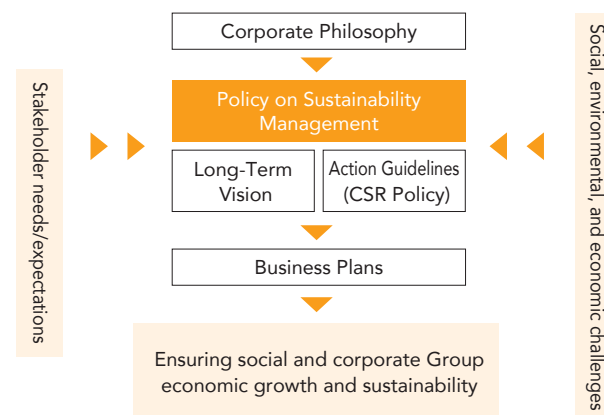
## Sustainability Promotion Process

### Policy on sustainability management

We are committed to utilizing advanced technologies developed in the field of stored energy solutions to deliver security and comfort to our customers around the globe, to make a real contribution to the global effort toward sustainability, and to grow corporate value.

1. We will strive to help address the challenges to sustainability and seek lasting growth together with the community.
2. We will pursue fair and healthy business practices, and maintain steadfast business foundations able to support sustained growth.
3. We will strive to earn the understanding and trust of a diverse range of stakeholders through dialogue.

Overview of the sustainability promotion process

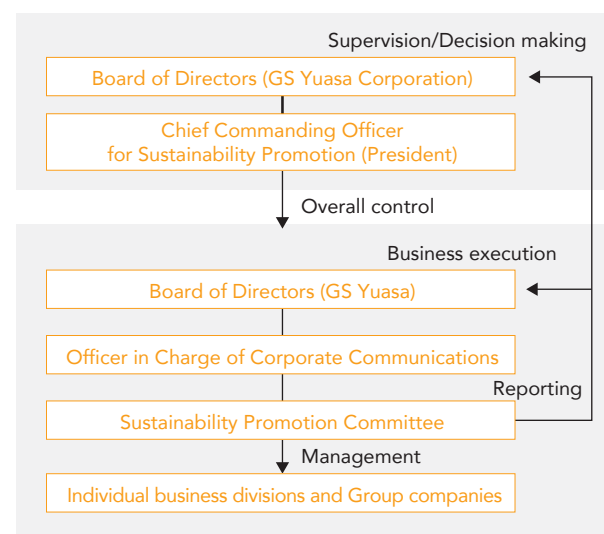


### Sustainability promotion framework

Within the Group, the president has been designated as the Chief Commanding Officer for Sustainability Promotion managing the entire Group's sustainability promotion. Further, the Board of Directors plays a central role in making important management decisions for the Group as a whole and supervises and manages the suitability of sustainability management in the Group.

Moreover, the Sustainability Promotion Committee, established at our core operating subsidiary, GS Yuasa International, is the primary decision-making body for the Group's business execution and works to discuss, formulate, and promote overall sustainability activities, thereby promoting group-wide sustainability management initiatives.

► Promotion of Sustainability Management  
<https://www.gs-yuasa.com/en/csr/structure.php>



## Sustainability promotion committee's main activities

The Sustainability Promotion Committee is chaired by an officer in charge of corporate communications who has a role to promote medium- to long-term initiatives to address key sustainability issues and consists of members from heads of major business divisions and Group companies. This committee manages the response to risks and opportunities related to sustainability issues that need to be handled by each division and Group company.

### Main activities details

#### Viewpoint of investors (ESG)

- Responding to investor expectations and needs regarding ESG issues
- Improving external ESG evaluations
- Ensuring transparency in ESG-related disclosures (such as integrated reports, annual securities reports, and corporate governance reports)

#### Viewpoint of global society (sustainability)

- Responding to sustainability issues with consideration of international frameworks and standards
- Promoting activities contributing to the SDGs through business activities
- Meeting global sustainability information disclosure requirements

#### Viewpoint of the company (CSR)

- Response to important CSR issues
- Promotion of supply chain CSR risk management
- Addressing stakeholder expectations and needs concerning CSR issues
- Ensuring transparency in CSR-related activities

### Main discussion themes in FY2023

- Evaluating the achievement of major CSR issues from the previous year and reviewing plans for subsequent years
- Deploying plans to address significant CSR issues to domestic and overseas Group companies
- Responding to new sustainability information disclosure standards
- Improving external ESG/CSR evaluation scores
- Evaluating the status of supply chain CSR risk management
- Promoting risk management related to the employment of foreign employees
- Addressing climate change and biodiversity
- Reporting on sustainability progress and discussions with the Board of Directors

## TOPICS Efforts to embed sustainability within the Company

### Distribution of the VISION BOOK and CSR Manual

To promote company-wide sustainability initiatives, the Group distributes the VISION BOOK, a document that clarifies our corporate philosophy and company system, to all our employees.

Our CSR Manual, detailing the CSR Policy which serves as action guidelines for sustainability management, is also distributed to all our employees. The CSR manual has also been translated into local languages (six languages\*) that local employees can understand and distributed to overseas Group companies. The Group is committed to ensuring that all domestic and overseas employees are cognizant of sustainability issues related to our CSR Policy and is making efforts for the promotion of sustainability initiatives through business activities.

\* English, Chinese (simplified), Chinese (traditional), Indonesian, Thai, and Vietnamese



### Introducing sustainability issues in rank-based training

The Group integrates CSR-focused sustainability issues into rank-based training programs.

List of hierarchical training courses with lectures on sustainability issues

- New general manager / manager / assistant manager (leader) training
- Career advancement training (6 years since joining)
- Skills improvement training (3 years since joining)
- Power-up training (4 years since graduating high school)
- New employee training
- Management training (5th year as section manager)
- Promotion exam etc.

# Materiality

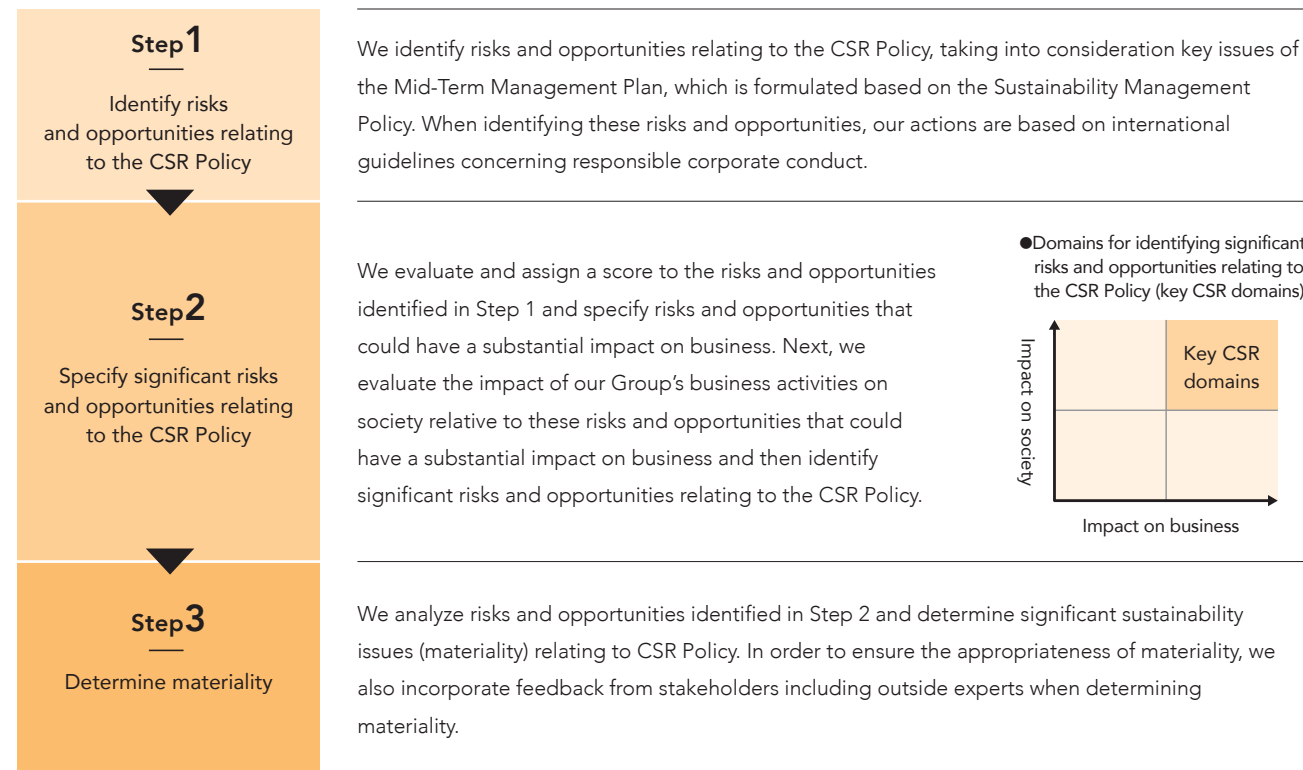
## Materiality Initiatives

To achieve our sustainability management goals, the Group identifies risks and opportunities associated with the action guidelines outlined in our CSR Policy, evaluates their impact on business and society, and identifies key sustainability issues (materiality) related to the CSR Policy. After considering perspectives such as reinforcing our business foundations and enhancing corporate value, we formulate a business plan that corresponds to those material issues (a materiality response plan) and set management indicators and targets to measure the progress of the plan. In addition, the Group body that promotes sustainability (the Sustainability Promotion Committee) regularly reviews materiality and the content of the materiality response plan, taking into account the needs and expectations of the stakeholders, sustainability issues, and other considerations. Furthermore, appropriate risk responses are implemented by using the Group's risk management system to address significant risks that concern the CSR Policy.

The GS Yuasa Group aims for enhanced management of financial and non-financial operations, as well as for sustainable corporate and social growth through execution of business processes that incorporate materiality in the Long-Term Vision and Mid-Term Management Plan.

Progress of Materiality P.38-39

### Materiality identification process



### Materiality operations

With respect to formulated materiality, we are conducting operations and management based on the measurable target management and management criteria, making ongoing improvements, and performing effective maintenance and management. The details of the plans are periodically reviewed and revised according to changes in sustainability issues and the needs and expectations of stakeholders.

## Towards Global Social Issue Solutions

We are aware that sustainability issues include issues relating to the creation of a world where people can lead healthy and free lives; economic, social, and technological development with consideration for the natural environment and the creation of a conflict-free, peaceful society; and the achievement of an abundant global environment that can coexist with nature. We believe that these human, social, and global environmental issues are closely related to the SDGs, global goals for sustainable development to be achieved by 2030.

By addressing materiality, GS Yuasa Group aims to contribute to the resolution of global social issues.



Contribution to Achieving SDGs through Materiality Response [https://www.gs-yuasa.com/en/csr/pdf/SDGs\\_2024.pdf](https://www.gs-yuasa.com/en/csr/pdf/SDGs_2024.pdf)

### TOPICS The "GS Yuasa's Initiatives for the SDGs" page was launched in July 2024

GS Yuasa's efforts toward achieving the SDGs are listed by SDG target. Please take a look.

<https://www.gs-yuasa.com/en/company/sdgs.php>

