

Aisan Group’s Materiality

In order to achieve the goal of “beaming future is in our hands” as stated in VISION2030, the Aisan Group will take on the challenge of technological innovation, including EV and hydrogen technologies, and aim to become the top manufacturer of environmental technologies. In order to bring peace of mind and smiles to the children of the future, we have identified four materialities from a wide range of themes, taking into account both positive and negative impacts generated through our business activities, and have also set related KPIs. The results of initiatives for each item in fiscal 2023 are as follows.

Category		Materiality (Key issues)	Prioritized themes	Vision		KPI (Indicators)	Results (FY2023)	Target (FY2025)		
E	Environment	Contributing to the development of a recycling-based society with innovative thinking and technology	Climate change initiatives, waste reduction, carbon neutrality, developing technology for hydrogen-based society, initiatives for the diversification of energy sources, and harmony with nature	Contribution to global environmental protection and the realization of a sustainable society		Carbon neutrality	Scope 1 & 2 total emissions	CO <sub>2</sub> emissions	86,000 t-CO <sub>2</sub>	Compared to FY2019: -25%
							Scope 3 total emissions	CO <sub>2</sub> emissions	203,000 t-CO <sub>2</sub> *	Compared to FY2019: -20%
						Clean energy	Renewable energy	Offset	+10.2%	+15%
							Energy creation	Credit	Thermal management verified	+1%
S	Human Resource/Corporate Culture	Developing human resources that can take on challenges for innovation and promoting a corporate culture where people “mutually respect and energize each other”	Human resource development, diversity, work style reform, safety/health, DX (robotification and IoT), and employee engagement	Realize a workplace environment that enables our diverse human resources to actively participate at work		Employee engagement score		52 points	55 points	
						Number of female managers		5 people	6 people	
						Number of executives in overseas offices		17 people	17 people	
						External verification		Kurumin accreditation (Support Raising Next-Generation Children)		Kurumin Plus accreditation
				Items for disclosure of human capital		3	19			
				Building a health and safety culture based on mutual encouragement to call on each other for anything	Safety and health awareness level		Indicators decided	10% increase		
					Number of occupational accidents		2	0		
					Number of employees with mental health problems		9	12 or less		
	Ratio of smokers		24%		20%					
	Society	Achieving harmony with the local community and contributing to a sustainable society	Human rights, sustainable procurement, and harmony with the local community	Maintain the status as a company trusted by the community and society  Realization of sustainable procurement  <small>(promotion of business activities that give consideration to environmental issues, human rights issues, compliance, etc.)</small>		Ongoing social contribution activities		12 activities/year	10+ activities/year	
						Sustainability check implementation rate		Guidelines formulated	100%	
						Non-compliance by suppliers		0	0	
Conflict minerals confirmation rate						100%	100%			
G	Governance	Establishing a governance system stakeholders can rely on	Corporate governance, compliance, risk management, and information security	Number of serious violations of laws and regulations of laws and regulations: 0		Number of serious violations of laws and regulations		0	0	
						Employee awareness level (compliance measures)		3.34	3.79 or higher	
						Level of helpline recognition		80%	90%	
				Number of incidents: 0		All Toyota Security Guidelines		V8 100%	V8 100%	
						Cyber Security Guideline Ver. 2		LV2 100%	LV3 100%	
				Accurate and prompt disclosure Proactive voluntary disclosure		Disclosure standards compliance rate		100%	100%	
						Establishment of the risk management system		Implemented by the headquarters	Establishment of the system	
				Human life first (rescue and relief)		Development and recognition of response standards for large-scale natural disasters 100% - autonomy => Ensure awareness and training		Prepared the standards	Operation of the standards	
								Reached 100% recognition	Familiarization training	
				Contribution to regional recovery				Recognition activities	Level up	
						Stockpiling of relief supplies		Food updated	Update	
				Prompt restoration of production		Establishment of a system that can restore the production within a week and implementation of continuous training		Three practical activities Horizontal development of visualization of spare parts inventory (throttle bodies)	Revision of production core system (visualization of intermediate inventory)	
Securing backup production manpower (Cross-functional training ratio = ratio of reserve manpower secured)		Clarified the risks	100%							

\* Scope 3 is the actual results for FY2022. (Non-consolidated and for Categories 1-7)