

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 2024 are as follows.

Item	Materiality (critical challenges)	Prioritized themes	Assumed risks and opportunities	Long-term vision	Short- and medium-term KPIs	Results (FY2024)	Target (FY2025)	KPI (FY2030)						
E Environment	Contributing to the development of a recycling-based society with innovative thinking and technology	Climate change initiatives, zero waste, carbon neutrality, developing technology for hydrogen-based society, initiatives for the diversification of energy sources, and harmony with nature	Risk: Carbon tax and other environment-related regulations becoming stricter than anticipated Opportunity: Expansion of new business areas	Achievement of carbon neutrality	Carbon neutrality*	Scope 1 & 2 total emissions	74,000 t-CO ₂ -33%	72,000 t-CO ₂ -35%	-60%					
					Clean energy	Scope 3 total emissions	1,716,000 t-CO ₂ -13%	—	-28%					
						Renewable energy ratio	23%	28%	55%					
					Achievement of circular economy	Promotion of zero waste emissions*	Energy creation ratio	0%	—	5%				
							Water usage*	-29%	Below the previous year	-5% (intensity)				
					Contribution to nature positivity	A factory co-existing with nature		1 plant	1 plant	5 plants				
							Developing technologies in new sectors	Intellectual property accumulation (Cumulative patent applications filed since 2023)	220 (cumulative)	83 (single year)	500 (cumulative)			
					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	Risk: Increase in employee training costs Opportunity: Increase in opportunities to acquire professional human resources	Creating a workplace that enables our diverse human resources to actively thrive	Industry-academia-government collaboration	19	20	25	
										Building a health and safety culture based on mutual encouragement to call on each other for anything	Software/electronic human resources (Non-consolidated)	105 people	108 people	270 people
											Digital human resources (Non-consolidated)	53 people	75 people	220 people
Female managers (Non-consolidated)	6 people	6 people	10 people											
Female managers (Consolidated)	89 people	93 people	110 people											
Executives in overseas offices (General Manager level and above)	73.1%	73.7%	90%											
Fulfillment ratio of posted national staff														
Employee engagement score	53 points	55 points	60 points											
Male childcare leave acquisition rate	76.9%	83.0%	90%											
Skilled human resource development at Aisan Academy	18 people	21 people	22 people											
Frequency of occupational accidents (lost-time)	0.46	0.3	0											
G Governance	Establishing a governance system stakeholders can rely on	Corporate governance, compliance, risk management, and information security	Risk: Erosion of corporate value Opportunity: Capture new business opportunities	Maintain the status as a company trusted by the community and society	Sustainable social contribution activities (total number of participants)	1,596 people	1,500+ people/year	1,500+ people/year						
					Accurate and prompt disclosure Proactive voluntary disclosure	Realization of sustainable procurement (promotion of business activities that give consideration to environmental issues, human rights issues, compliance, etc.)	Sustainability check implementation rate	100%	100%	100%				
						Company-wide risk assessment and management execution	Compliance violations at suppliers	0	0	0				
							Conflict minerals confirmation rate	100%	100%	100%				
							Number of serious violations of laws and regulations: 0	Number of serious violations of laws and regulations	0	0	0			
								Employee awareness level on compliance	3.49	3.79 or higher	3.79 or higher			
								Level of helpline recognition	89%	100%	100%			
							Number of incidents: 0	Achievement rate of All Toyota Security Guidelines (V9)	90%	100% (Non-consolidated)	100% (Consolidated)			
								Achievement rate of Cyber Security Guideline (Lv3)	Lv2 100% (Consolidated)	Lv3 100% (Non-consolidated)	100% (Consolidated)			
							Human life first (rescue and relief)	Disclosure standards compliance rate		100%	100%	100%		
Establishment of the risk management system	Identification of priority risks	Establishment of an enterprise risk management (ERM) system	Steady implementation of ERM across the entire Group											
Contribution to regional recovery	Development and recognition of response standards for large-scale disasters	Code of conduct	Familiarization training	Operation of the standards	Operation of the standards									
		Recognition	100%	100%	100%									
Prompt restoration of production	Stockpiling of relief supplies	Food stock rotation	Food stock rotation	Food stock rotation	Food stock rotation									
		Establishment of a system that can restore the production within a week	③ 3 practical activities ③ Expansion of products subject to spare parts inventory visualization	③ Revision of production core system (visualization of intermediate inventory)	System construction/maintenance training									

* Compared to FY2019