

# I. Introduction

In recent years, the environment surrounding companies has become increasingly complicated and diversified due to intensifying climate change, internationalization, and advancement of information technologies. Amid such environmental changes, the United Nations has adopted a set of Sustainable Development Goals (SDGs), and companies are required to contribute to economic growth and resolving social issues.

In January 2010, we established the AISIN Group Principles of Corporate Behavior as a code of conduct for us to follow in order to fulfill our social responsibilities and achieve sustainable growth as a corporate group. Since then, every member of the AISIN Group has been striving to live up to the spirit of the Principles of Corporate Behavior.

We have also shared the Principles of Corporate Behavior with our suppliers, who are important business partners, and asked them to fully understand and practice the Principles.

Meanwhile, there is a growing need for the entire supply chain to come together and collaborate to tackle various issues, such as carbon neutrality, and human rights and labor issues. Given such circumstances, although we have always shared our views and worked together with our suppliers in the past, we have decided to issue the AISIN Group Supplier Sustainability Guidelines to further clarify our thoughts on sustainability and show them to our suppliers as well as society at large.

We hope that all our suppliers understand the purpose of these Guidelines and put them into practice in their operations. We also ask that they communicate to their own suppliers the purpose of the Guidelines and encourage their implementation.

July 2024



**Mr. Shinichiro Oshima**  
**Senior Executive Officer**  
**AISIN Co., Ltd.**

## II. Initiatives to Address Environmental Changes

### ■ AISIN Group’s priority issues

Upholding the philosophy of *Inspiring “Movement,” Creating Tomorrow*, the AISIN Group creates safe, comfortable, and convenient mobility, and provides new value that exceeds customers’ expectations. We are contributing to building a better environment through the electrification of mobility and clean power that makes effective use of energy to build a society where everyone can live with peace of mind. These values align closely with the UN’s Sustainable Development Goals (SDGs), and we believe that we can contribute to the accomplishment of the SDGs through our business activities, so we have selected seven priority issues to focus on as a group.

Through initiatives like these, we want to provide even more advanced value to society and contribute to the accomplishment of the SDGs through our business.



### ■ Initiatives for Carbon Neutrality

The Paris Agreement provided a new framework for global climate action, sparking a significant increase in public interest in environmental issues. Amid such circumstances, calls for carbon neutrality from society are rapidly increasing.

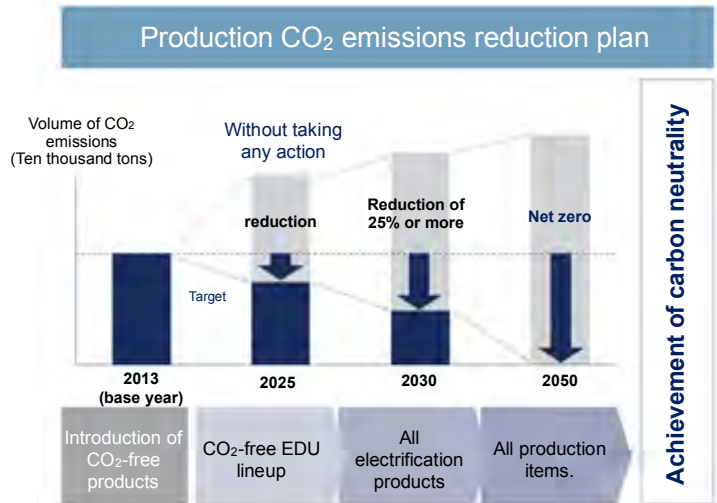
To “deliver beauty to our future earth,” which is a tenet of our Corporate Principles, as early as possible, we have declared that we will become carbon neutral by FY2050 (Mar 2051).

In order to achieve this goal, we have set a target for FY2030 (Mar 2031) as a milestone of reducing CO<sub>2</sub> emissions by at least 25% throughout the product life cycle, from raw material procurement to production, sales, use, and disposal.

For CO<sub>2</sub> emissions from production activities, AISIN has set a target of reducing CO<sub>2</sub> by at least 50% by FY2030 (Mar 2031), compared to the FY2013 level. To achieve this, we have clearly defined a carbon neutrality strategy and an electrification strategy, and are promoting company-wide activities based on these strategies.

To accomplish these targets, we have established a Carbon Neutral Promotion Center managed directly by our president in Jan 2024, which centralizes all activities related to carbon neutrality. The center takes the lead in drafting group-wide carbon neutrality strategies and introducing and procuring renewable energy; gathering and executing themes for reduction of CO<sub>2</sub> from production; and developing and commercializing technology through collaborations with external parties.

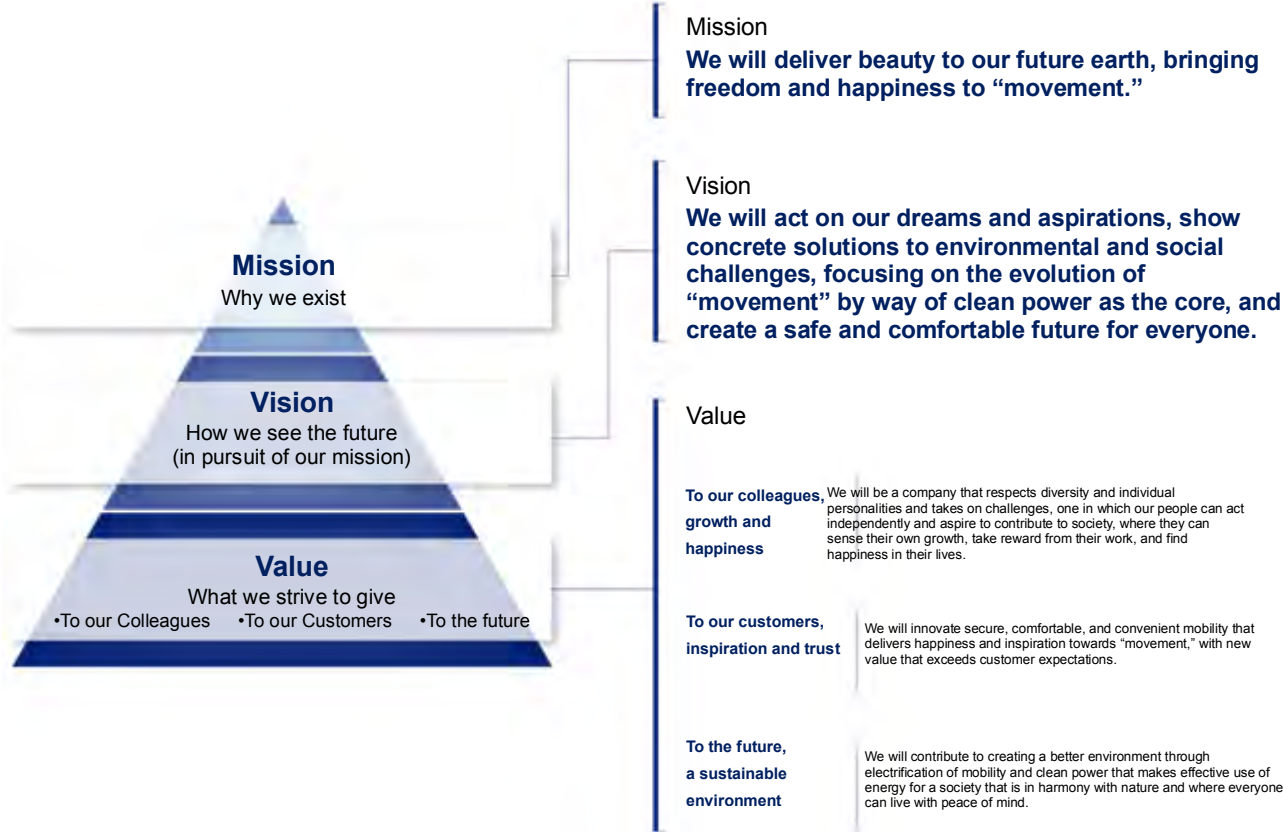
### ■ Roadmap to net zero Life Cycle CO<sub>2</sub> Emissions



### III. AISIN Group Corporate Principles

Under our philosophy of *Inspiring “Movement,” Creating Tomorrow*, we at the AISIN Group will act on our dreams and aspirations, and aim to show concrete solutions to environmental and social challenges, focusing on the evolution of “movement” by way of clean power as the core, and to create a safe and comfortable future for everyone. By promoting business activities based on this philosophy together with our suppliers, we aim to create a sustainable society and realize a beautiful future earth.

AISIN Group Philosophy  
***Inspiring “Movement,” Creating Tomorrow***



## **IV. AISIN Group Basic Procurement Policy**

AISIN's Expectations of Suppliers for Providing and the Process of Developing "Products and Services".

We expect suppliers to provide the best possible products at the lowest possible cost and comply with the following items to undertake sustainability activities:

We must also consider providing in the timeliest manner on a stable and long-term basis. Suppliers need to undertake product development and deploy manufacturing processes that address the customers' needs and wants today and tomorrow, following five main expectations. including that we also expect suppliers to deepen and expand Sustainability initiatives with business partners by developing and deploying individual guidelines incorporating as follows

### **1. Mutual development through mutual trust**

Based on the principle of coexistence and mutual prosperity, we seek mutual development with our, suppliers through various activities. We think it is important to build relationships of trust through close, interactive communication with our suppliers.

### **2. Open and fair competition**

We provide all companies wishing to do business with us with an opportunity to participate in conducting transactions in an open and fair manner, regardless of nationality, scale, or history of transactions. We select suppliers by comprehensively evaluating not only quality, technical capabilities, cost, and delivery date but also safety, attitude towards continuous improvement, and other factors.

### **3. Promotion of green procurement**

We intend to procure environmentally friendly parts, raw materials, and materials from environmentally conscious suppliers, with the aim of enhancing environmental conservation efforts in cooperation with suppliers.

### **4. Promotion of localization to be a good corporate citizen**

We aim to become a company that is valued by customers all over the world and contributes to creating an enriched society as a good corporate citizen. To this end, we seek to expand our corporate activities globally, and actively promote localization in each region as a local enterprise.

### **5. Compliance with laws and regulations**

We comply with all applicable laws and regulations in our procurement activities.








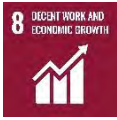
We also exercise due care in the handling of confidential information obtained through transactions.

## V. Supplier Sustainability Guidelines

### ■ Aim of the Guidelines

With the aim of realizing a sustainable society through its business activity the AISIN Group has established these Guidelines to specify the basic items on which we would like to work together with our suppliers through transactions. We ask our suppliers to understand each item of the Guidelines and put them into practice in their corporate activities. We also ask our suppliers to disseminate these Guidelines to their suppliers and ensure compliance therewith.

### ■ AISIN Group's priority sustainability issues and relevant items in the Guidelines

AISIN Group's priority sustainability issues and vision for 2030 (FY2031)		Relevant items in the Guidelines
Priority issues	Vision for 2030 (FY2031)	
<ul style="list-style-type: none"> <li>• Global warming control</li> <li>• Reduction of traffic accidents, providing safe means of movement/transportation</li> </ul>  	<p><b>Creating a mobility society that is more friendly to the environment and people</b></p> <p>Contributing to creating a mobility society that is more friendly to the environment and people by reducing energy consumption, utilizing clean energy, and providing safer and more comfortable means of transportation</p>	<p>1. Safety, Quality, and Contribution to Creating a Sustainable Society</p>
<ul style="list-style-type: none"> <li>• Promotion of the transition to clean energy</li> <li>• Promotion of health and welfare</li> </ul>  	<p><b>Creating a city that makes people's lives better and is more environmentally conscious</b></p> <p>Contributing to creating a city that makes people's lives better and is more environmentally conscious by spreading clean and highly efficient energy-related products, and providing comfortable housing spaces</p>	<p>1. Safety, Quality, and Contribution to Creating a Sustainable Society</p> <p>6. Environment</p>
<ul style="list-style-type: none"> <li>• Promotion of sustainable industrialization by technological innovation</li> <li>• Reduction of CO<sub>2</sub> emissions</li> <li>• Prevention of contamination</li> <li>• Reduction of substances of environmental concern</li> <li>• Resources circulation</li> <li>• Enhancement of resource efficiency</li> </ul>  	<p><b>Building a rich and sustainable society and transitioning to a recycling-based society</b></p> <ul style="list-style-type: none"> <li>• Contributing to building a rich and sustainable society by providing new value generated by future-oriented research and development</li> <li>• Contributing to the transition to a recycling-based society by promoting efforts to eliminate burdens on the global environment</li> </ul>	<p>1. Safety, Quality, and Contribution to Creating a Sustainable Society</p> <p>6. Environment</p> <p>7. Social Engagement and Contribution to Development</p>
<ul style="list-style-type: none"> <li>• Labor safety and health</li> <li>• Health • Human rights</li> <li>• Promotion of diversification</li> <li>• Job satisfaction reform</li> <li>• Work-life balance</li> <li>• Compliance</li> <li>• Sustainable procurement</li> </ul>  	<p><b>Creating a working environment where a variety of employees can work with motivation and without anxiety</b></p> <p>Promoting efforts to secure a working environment where diverse employees can work with motivation and without anxiety with the entire supply chain in mind</p>	<p>2. Compliance</p> <p>3. Disclosure and Communication</p> <p>4. Respect for Human Rights</p> <p>5. Promotion of Diverse Work Styles and Upgrading the Work Environment</p> <p>8. Thorough Crisis Management</p>

## **Guideline:**

### **1. Safety, Quality, and Contribution to Creating a Sustainable Society**

#### **(1) Social usability of products and services**

- We provide beneficial products and services while accurately understanding social needs, and pursuing quality and prices that are accepted by customers/consumers.

#### **(2) Safety of products and services**

- We develop, produce, and provide products and services while giving special consideration to safety.

#### **(3) Provision of adequate information in an easy-to-understand manner**

- We provide adequate information in an easy-to-understand manner in order to help customers reasonably select products and services.

#### **(4) Development of new technologies and products**

- We strive to develop new technologies and products to provide excellent products and services to customers/consumers.

#### **(5) For the sake of maintaining and improving the capability to develop new technologies and products**

- To maintain and improve the capability to develop new technologies and products, we strive to foster creative human resources and develop a frank and open corporate climate.

#### **(6) Compliance with safety regulations around the world, etc.**

- To develop and provide useful products and services while giving consideration to safety, we comply with laws and regulations around the world and strive to understand the background society, culture, and the like of each nation.

### **2. Compliance**

#### **(1) Each employee's compliance awareness**

- From senior management to every single employee, we strive to embrace corporate ethics, have a strong awareness of compliance, and act in a socially responsible manner.

#### **(2) Open and faithful acts**

- We neither pursue profit by illegal acts or unfair means, nor perform opaque acts that cannot be explained to international society.
- We comply with the laws and regulations, social norms, and business practices of each country and region, and do not engage in acts that violate the competition law of each country and region, such as private monopolies, unreasonable restriction of trade (cartels, bid-rigging, etc.), unfair trade, abuse of superior bargaining position, and non-compliance with corporate merger procedures.

#### **(3) Creation of a sound workplace culture**

- We do not tolerate misconduct in the workplace and strive to create a workplace with an open atmosphere where each individual is respected and that discourages misconduct.

**(4) Procurement transactions**

- We carry out procurement transactions in line with a fair and easy-to-understand procedure that is open to domestic and overseas companies while seeking mutual prosperity as a good business partner and striving to solve social issues together with the entire supply chain.
- We take measures to avoid the use of raw materials\* that may cause human rights issues.  
 \* Example: Minerals produced in the Democratic Republic of Congo and neighboring nations, which help fund armed groups in these regions, and mineral resources mined from regions or by groups in which child labor and exploitation are common practice

**(5) Anticorruption**

- We avoid acts that may invite suspicion that we have cozy relationships with the governments or administrative agencies, build healthy public and private relationships, and do not engage in illegal acts such as bribery.
- We do not provide or receive entertainment, gifts or money to or from customers, suppliers or other business partners for the purpose of obtaining or maintaining undue advantage or preferential treatment.

**(6) Information management, protection, etc.**

- We work to appropriately obtain, use, disclose, manage, and protect personal information and confidential information of customers, third parties, and our employees, and comply with all pertinent laws and regulations such as the Act on the Protection of Personal Information, the Unfair Competition Prevention Act, and insider trading regulations.

**(7) Protection of intellectual property**

- We protect our intellectual property and respect others' intellectual property.

**(8) Response to antisocial forces**

- We adopt an attitude of being resolutely against antisocial forces and organizations, and do not have any relationships with them.

**(9) Export and import management**

- When exporting or importing technologies or products that are regulated by the laws and regulations of each country/region, we implement appropriate export/import procedures and management in compliance with the relevant laws and regulations.

**(10) Prohibition of conflicts of interest**

- We do not engage in any acts contrary to the Company's interests that would benefit particular individuals, customers, business partners, or third parties.

◆ AISIN Group's policies regarding compliance  
 The AISIN Group has established the Anti-Corruption Policy and the Antitrust Compliance Policy, which apply to all executives and employees of the Group. All Group members are required to act appropriately in compliance with these policies.  
 We expect our suppliers to practice appropriate corporate behavior with reference to these policies.

Anti-Corruption Policy  
[https://www.aisin.com/en/sustainability/governance/corruption\\_policy/](https://www.aisin.com/en/sustainability/governance/corruption_policy/)

Antitrust Compliance Policy  
[https://www.aisin.com/en/sustainability/governance/antitrust\\_policy/](https://www.aisin.com/en/sustainability/governance/antitrust_policy/)

### **3. Disclosure and Communication**

#### **(1) Timely and appropriate information disclosure**

- We disclose information on overall corporate management that is truly required by stakeholders, including financial situation, business performance, and description of business activities, in a timely and appropriate manner. We also strive to actively and positively communicate with our stakeholders to maintain and develop healthy relationships.

### **4. Respect for Human Rights**

#### **(1) Respect for personality and human rights**

- We understand globally recognized human rights, and respect the human rights of all people related to our business activities based on the laws and regulations and labor customs of each country and region.

#### **(2) Fair recruitment**

- We strive to ensure equal opportunity in employment, and acquire awareness of and put into practice a fair recruitment process that respects basic human rights.

#### **(3) Prohibition of forced labor, child labor, and human trafficking**

- We comply with the laws and regulations of each country and region, and are never involved in forced labor, child labor or human trafficking in whatever form.

#### ◆ AISIN Group's policy regarding human rights

As a corporate group operating globally, in order to respect internationally recognized human rights and comply with the relevant laws and regulations of the countries and regions where we conduct business, the AISIN Group has established the AISIN Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights.

We expect all our business partners including suppliers to understand and support this policy.

AISIN Group Human Rights Policy

[https://www.aisin.com/en/sustainability/social/employee/respect/pdf/HumanRightsPolicy\\_2.pdf](https://www.aisin.com/en/sustainability/social/employee/respect/pdf/HumanRightsPolicy_2.pdf)



## **5. Promotion of Diversified Work Styles and Upgrading the Work Environment**

### **(1) Promotion of diversified work styles**

- We strive to upgrade our personnel and treatment systems so that diverse employees can establish their individuality as social beings and make the best possible use of their capacity.

### **(2) Support to employees for career and skills development**

- We respect our employees' personality and provide them with support for their career and skills development so that they can make the most of their abilities.

### **(3) Creation of a safe and comfortable work environment**

- We create a comfortable work environment that is conscious of the safety and mental and physical health of our employees to help them live a healthy life so that they can maximize their capabilities.
- We never allow harassment in the workplace. When we receive any complaint about harassment, we immediately investigate, report, and respond to such complaint sincerely, and strive to foster a healthy and vibrant work environment.

### **(4) Compliance with laws and regulations about working hours and payment of wages**

- We comply with the laws and regulations of each country and region, and appropriately manage working hours and pay wages.

### **(5) Sincere discussions and dialogue between labor and management**

- Through sincere discussions and dialogue with the labor union and other employee representatives or individual employees, we make united efforts to mutually flourish.
- We grant employees the right to freely organize or not organize an association based on laws, regulations, and the like of each country and region.

## **6. Creating Awareness of Environmental Impacts**

### **(1) Awareness of Green Procurement under the AISIN Group Basic Procurement Policy**

- We understand the purpose of the Green Procurement of the AISIN Group for the following 5 major proposes.

AISIN Group Green Procurement major requests to our suppliers

- Compliance with environment-related laws, regulations, and ordinances
- Environmental management
- Management of substances of concern
- Performance improvement
- Reporting of environmental data

### **(2) Active efforts to achieve carbon neutrality**

- With the aim of achieving carbon neutrality by FY2050, we actively promote the reduction of energy input and the use of renewable energy in all aspects of business activities including production.

## **7. Social Engagement and Contribution to Development**

### **(1) Establishing mutual trust with each country and local community**

- We respect the culture, traditions, and the like of countries and local communities around the world, and strive to establish mutual trust with local communities and stakeholders.
- We strive to help realize a sustainable society in cooperation with various stakeholders, including NPOs, local communities, and administrative organs.

## **8. Thorough Crisis Management**

### **(1) Risk management**

- To prevent an emergency situation from occurring and minimize the loss if it occurs, we establish and operate a group-wide crisis management system.

### **(2) Ensuring information security**

- We develop and operate a system to ensure information security in order to prevent the leakage of confidential information or to minimize damage if such an incident occurs.

## **<Our requests to suppliers>**

### **■ Developing and deploying guidelines for business partners**

- We ask all of our suppliers to develop policies and guidelines based on the guidelines above and disseminate them to their business partners to ensure that they are involved in sustainability initiatives.
- We also ask our suppliers to promote the above activities in consideration of the entire supply chain, and conduct follow-up and corrective actions as needed.