

# Risk management

GRI 102-11, 15, 30, 31,33, 103-2

## Basic stance

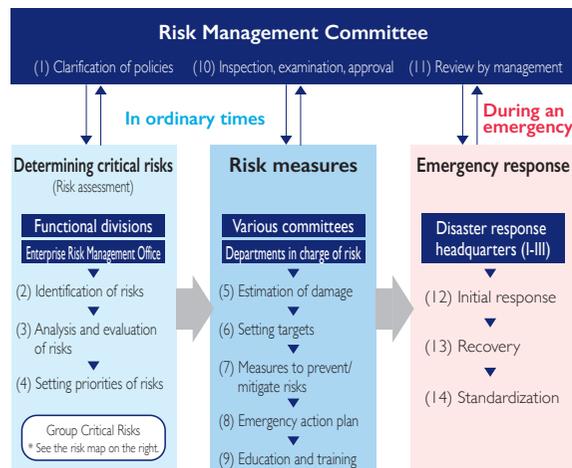
Aisin considers risk management to be a crucial element that needs to be tackled in order to achieve sustainable growth and stability. Risks attributable to the external environment are increasingly diversifying, including natural disasters such as major earthquakes and river flooding associated with climate change, the COVID-19 pandemic, shortages of semiconductors and materials, suspension of infrastructure supply, such as industrial water, electricity and communication networks, and cyber attacks, as well as economic insecurity due to the U.S.-China conflict and the Russia-Ukraine war. And these risks have significant impact on Aisin. Aisin works to constantly identify the risks that may inhibit its growth and promotes risk management in both aspects of minimizing damage and continuation of business.

## Risk management initiatives

Under the Risk Management Committee established after the fire at its Kariya Plant in 1997, Aisin promotes risk management initiatives both in ordinary times and during an emergency. In ordinary times, each functional division identifies, analyses/assesses, and sets priorities of risks. And the Risk Management Committee determines critical risks. For the critical risks, various committees and departments in charge of the risks carry out measures to prevent or mitigate the risks, training and standardization. The Risk Management Committee manages the progress of these risk mitigation measures. For an emergency, plans have been developed according to different risk levels for procedures, from setting up the disaster response headquarters and initial response to recovery, with the aim of enhancing the capability for early recovery.

Aisin researches and assesses a wide range of information, both inside and outside the company, on the risks that may affect its business operations. Internal risks are identified through interviews with divisions in charge or top management, according to the social condition, the environment, or the nature of the issue, while external risks are assessed based on risk evaluations of specialized organizations. For these risks, Aisin sets priorities each year. The identified risk of all levels are evaluated based on the axis of impact and likelihood of occurrence. High-priority risks are designated as the AISIN Group Risks (17 most critical risks and 16 critical risks), for which we advance focused measures.

### Risk management processes



### Risk management framework



FY2022 AISIN Group Risk Map (most critical and critical)

