

Compliance

Basic stance

The AISIN Group believes that compliance is not only about following laws and regulations but also about meeting people’s expectations and earning their trust as a good corporate citizen from the perspective of Our Group Philosophy, Inspiring “movement”, creating tomorrow.

Policy

Under the AISIN Group Principles of Corporate Behavior and the Guidelines on Compliance with Social Responsibility as basic policies, we have formulated the Antitrust Compliance Policy and the Anti-Corruption Policy as policies common to the entire AISIN Group with regard to the Antitrust Laws and anti-corruption, along with guidelines which serve as a specific code of conduct.

Antitrust Compliance Policy

Violations in FY2023

0

Anti-Corruption Policy

Violations in FY2023

0

Vision

We are carrying out extensive Group-wide initiatives around the world to ensure that everyone in the AISIN Group shares the same strong sense of ethics such as acting honestly, fairly, and in good faith, and that compliance is their default state of mind. Our goal is to maintain high compliance awareness and eradicate serious law violations by establishing a global Group legal and compliance system.

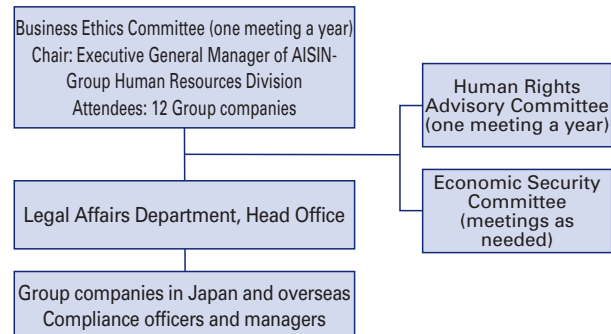
The AISIN Group believes that an open workplace culture where employees can freely exchange opinions is the foundation of compliance. Based on this belief, employees are encouraged to consult their supervisors or use the whistleblowing service if they sense any problem, while the real voices of employees are listened to and utilized through the compliance awareness surveys and workplace visits by the Group Head Office Legal Affairs Department. Through these initiatives, we are working to create a workplace culture where members can mutually respect and care for each other, and share their joys and concerns.

Implementation frameworks

Aisin has a Business Ethics Committee headed by the Executive Manager of the AISIN-Group Human Resources Division as Chair in place, as a meeting organ to decide important policies and frameworks regarding compliance. Presidents, executive management, and Audit & Supervisory Board Members of the 12 core Group companies attend the committee meetings to confirm the status of compliance activities and issues and give approvals to the activity policies and matters to be implemented for the next fiscal year.

In January 2018, we established a Legal Affairs Department at the AISIN Group Head Office, bringing together all the departments involved in legal affairs to ensure that the whole of the AISIN Group meets or exceeds a particular level of compliance. Acting as the Group’s only specialist legal affairs department, it plans and implements global Group compliance activities. In addition, we appoint compliance officers and managers at each Group company, thereby establishing a framework to promote compliance globally.

Organizational diagram of the Business Ethics Committee



PDCA for compliance activities



Compliance

Developing an open workplace culture

The AISIN Group has long been promoting the creation of an open workplace culture for the purpose of early detection of, response to, and prevention of problems. President himself visits worksites to listen to and respond to real voices (troubles and concerns) of employees. Workplaces are encouraged to hold frank discussions based on the results of various awareness surveys.

Early detection and correction of issues through whistleblowing system

The AISIN Group has a service for reporting and questions about compliance. The service is available to all executives and employees, both in Japan and overseas, and their family members, as well as trading partners and other stakeholders. With this service, we endeavor to detect and correct violations as quickly as possible while paying thorough attention to privacy, prevention of retaliation, and other rights of whistleblowers.

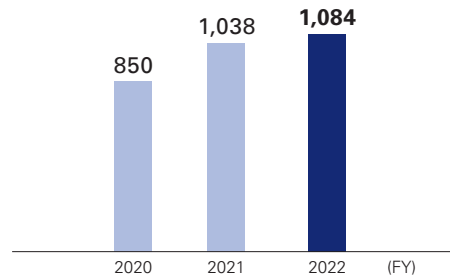
We have established an internal consultation service, a Group-wide external consultation service provided by a lawyer, and a consultation service handled by the Legal Affairs Department of the AISIN Group Head Office to enable whistleblowers to use the service that best suits their situation. We also accept reports and consultations from external stakeholders via the AISIN Global Hotline, a web-based system. The whistleblowing reports are gathered at the Legal Affairs Department of the AISIN Group Head Office. For critical cases, the Group Head Office Legal Affairs Department takes the lead in implementing countermeasures. Thus, we have established a system for early detection and correction of issues. Furthermore, the operation of the system is being monitored through monthly reporting to the Audit & Supervisory Board Members of Aisin.

Responding to business changes

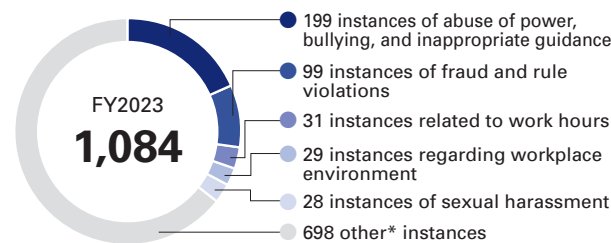
The AISIN Group is engaged in not only existing businesses but also various new businesses. To be prepared to quickly respond to potential compliance risks lying in diverse business forms, the Legal Affairs Department of the Group Head Office provides consultation on important matters from an early stage. We have also set up a chatbot and a legal consultation service to provide consultation on contract screening, thereby enhancing ties with each business.

Status of use of the whistle blowing system

Number of reports received through the whistleblowing service



Domestic and overseas reports and consultations



* "Other" includes inquiries about internal rules and procedures, and concerns about working relationships. While these are not reports concerning compliance or fraud, we work with the relevant departments to resolve these issues so that we can eliminate these points of concern and improve these employees' working conditions.

Compliance awareness surveys

The AISIN Group conducts a common survey of all its employees both in Japan and overseas to confirm their awareness of compliance. Through the survey, we investigate the degree of penetration of compliance activities, the presence of potential compliance risks, the level of awareness of the whistleblowing service, etc. The results are reported to the Business Ethics Committee and fed back to Aisin's internal departments and Group companies both in Japan and overseas.

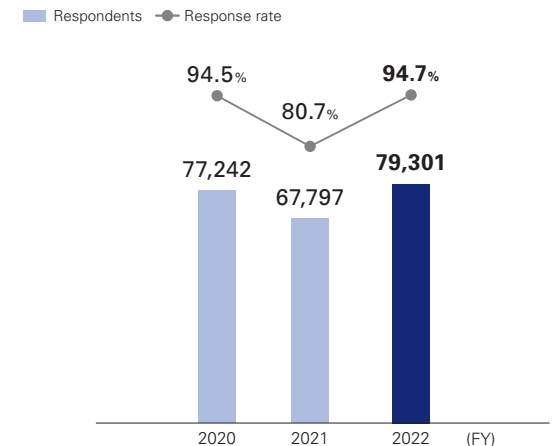
Compliance awareness survey results (Japan)

Compliance awareness level (out of 5 points)

FY	2020	2021	2022
	—*	4.22	4.24

* Not asked in FY2021

Compliance awareness survey Respondents and response rate



Compliance

Various training and awareness-raising activities

The AISIN Group carries out various training and awareness-raising activities to ensure that compliance is the default state of mind for every employee. In FY2023, 92.1% of our employees both in Japan and overseas participated in training or awareness-raising activities related to compliance. Training takes the form of group training and e-learning by levels, roles, and areas of work, both in Japan and overseas. We also post on-demand training videos on our internal portal, allowing employees to undergo training at their own pace. In FY2023, animation videos for various themes were posted so that employees can view them at any time easily, enabling them to familiarize themselves with the concept of compliance.

For awareness raising, we carry out activities such as issuing “Legal News” which provides the latest information monthly by the Legal Affairs Department and distributing discussion sheets about familiar themes, including mistakes.

List of training and awareness-raising activities

Classification	Training/tool	Executive Management	Management staff	Employees	Main description	Frequency
Specific levels	Compliance seminars for executives	○			Latest compliance topics	Once a year
	Training for new executives	○			Responsibilities and key themes for Executive Management	Upon appointment
	Compliance training for General Managers		○		The importance of compliance, roles	Once a year
	CSR management training		○		The importance of compliance	Upon promotion to management
	Training for new plant managers			○	The importance of compliance, roles	Upon appointment of Assistant Managers
	Training for new hires			○	Basic compliance, charters, and codes of conduct	When joining the company
Education	Training for compliance managers	○	○		Roles and key themes for managers	Once a year
	Training for export control managers		○		Laws and company rules	Once a year
	Pre-departure training for employees assigned overseas	○	○	○	The importance of compliance and key themes	Upon assignment
	Training for top management overseas	○	○		The responsibility as an officer to follow compliance	Upon appointment
	Training for whistleblowing service personnel		○	○	Investigation methods and points of caution	Once a year
Specific themes	Antitrust compliance training		○	○	Laws, company policies, and guidelines	As necessary
	Anti-corruption training		○	○	Laws, company policies, and guidelines	As necessary
	Training on prevention of insider trading		○	○	Laws and company rules	As necessary
Awareness raising	Articles Economic Security Assurance Information	○	○	○	Laws and regulations, and latest trends	Once a month
	Articles Legal News from Group Head Office	○	○	○	Laws and regulations, familiar compliance cases, and initiatives by the Legal Affairs Department	Once a month
	Cartoons Workplace discussion sheets	○	○	○	Explanations and points of caution for specific themes	Once a month

Main themes of on-demand training

- The Antimonopoly Act
- Harassment
- Regulations against insider trading
- Clear communication
- Act against Delay in Payment, etc. to Subcontractors
- Fake subcontracting practices
- Product liability
- Labor
- Prevention of bribery and corruption
- Copyright
- Export trading management
- Contracts, etc.

Compliance

Antitrust compliance

The AISIN Group continues to strive to comply with antitrust laws so that the lessons learned from the 2014 violation of the U.S. antitrust laws will not be forgotten. In 2020, we formulated and rolled out the AISIN Group Antitrust Compliance Policy, which applies to all Group companies, and established guidelines that serve as a specific code of conduct to ensure regulatory compliance.

Regarding the importance of antitrust compliance, we conduct training tailored to the risks of each region at Group companies in Japan and overseas, as well as providing education on the topic in various training programs.

In addition, before we interact with competitors, the Legal Affairs Department at our Group Head Office checks to make sure the interaction is legal. Furthermore, we investigate the risk of violating the Antimonopoly Act through compliance awareness surveys, and conduct prevention and improvement activities as necessary.

Prevention of bribery and corruption

In 2020, we formulated and rolled out the AISIN Group Anti-corruption Policy, which applies to all Group companies, and established guidelines that serve as a specific code of conduct to ensure the prevention of bribery and corrupt practices. Additionally, in order to prevent the provision of benefits that are inappropriate based on socially accepted standards, we have published a Group-wide guide and have set out in our internal regulations procedures for advance application and approval with a system in place to prevent bribery.

In a similar way to our antitrust compliance efforts, we cover the importance of complying with anti-corruption policies in various training sessions to ensure thorough awareness, conduct compliance awareness surveys to investigate the risk of corrupt practices, and take preventive actions and implement improvement activities as necessary.

We also prevent and check corrupt practices through activities to strengthen internal control systems, including internal audits.