

## Fiscal 2022 Aisin Group Statement on Modern Slavery Act

Aisin Corporation is pleased to announce its initiatives for the period from April 1, 2021 to March 31, 2022 (hereinafter “fiscal 2022”) to prevent human rights violations, including slavery and human trafficking, in the Aisin Group and its supply chain in accordance with Article 54 of the United Kingdom’s Modern Slavery Act.

### **1. Business structure and supply chain**

We decided that the Aisin Group's mission would be “We will deliver beauty to our future earth, bringing freedom and happiness to ‘movement’.” We aim to greatly surpass our previous principles and methods for mobility, create all kinds of exciting mobility experiences and solve various issues faced by the planet through our products and services to create a happy and sustainable society for all people. To fulfill this mission, the Aisin Group has expanded its businesses, including the manufacture and sale of automotive parts and energy- and lifestyle-related products, to the United Kingdom and various other countries and regions around the world. As of April 1, 2021, the number of consolidated subsidiaries was 207 (75 companies in Japan and 132 companies overseas) and that of employees was about 120,000. In the UK, Aisin Europe S.A., Aisin Europe Manufacturing (UK) Ltd., and IMRA Europe S.A.S. are engaged in sales, manufacturing, and research and development, respectively.

The Aisin Group believes in coexisting and sharing prosperity with our suppliers, and strives to achieve mutual development. Therefore, we conduct our procurement activities in accordance with the Aisin Group Basic Procurement Policy: “Coexist harmoniously and share prosperity with suppliers with a view to stability in our trades in the long term” and “Carry out open and fair trades.” The Aisin Group’s domestic and overseas companies deal directly with 4,252 primary suppliers, 2,705 of which are parts suppliers.

For more information on the Aisin Group, please visit the website from the link below.

<https://www.aisin.com/en/>

### **2. Policy on prevention of slavery and human trafficking**

The Aisin Group has established the following nine principles as the Aisin Group Principles of Corporate Behavior. In accordance with these principles, irrespective of the location, we respect human rights, abide by the letter and spirit of all applicable laws, rules and regulations, and act in a sincere and socially responsible manner.

<Principles of Corporate Behavior>

1. Safety, Quality and Contribution to Creating a Sustainable Society
2. Compliance

3. Disclosure and Communication
4. Respect for Human Rights
5. Promotion of Diversified Work Styles and Upgrading the Work Environment
6. Environment
7. Social Engagement and Contribution to Development
8. Thorough Crisis Management
9. Company Leadership

For the full text of the Principles of Corporate Behavior, please visit the website from the link below.

[https://www.aisin.com/en/sustainability/social/csrmanage\\_charter/](https://www.aisin.com/en/sustainability/social/csrmanage_charter/)

In April 2021, the Aisin Group formulated the Aisin Group Human Rights Policy after deliberation and approval by the Human Rights Advisory Committee. The Human Rights Policy is positioned as the highest level human rights policy based on the United Nations Guiding Principles on Business and Human Rights and the Aisin Group Principles of Corporate Behavior. Our Human Rights Policy supports the International Bill of Human Rights and ILO Core Labour Standards (freedom of association, the right to collective bargaining, prohibition of forced labor, effective elimination of child labor, elimination of discrimination in hiring and workplaces, etc.) as minimum standards to be observed and is a pledge that the Aisin Group will fulfill its responsibility to respect human rights through due diligence. This policy not only applies to executives and employees; we also expect all business partners, including suppliers, to understand and uphold this policy.

For the full text of the Aisin Group Human Rights Policy, please visit the website from the link below.

[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)

With regard to our supply chain, to ensure that all of our procurement activities comply with the Aisin Group's policies along with relevant laws and regulations, we issued the Aisin Group Supplier Sustainability Guidelines in October 2021, specifying policies regarding, for example, human rights, labor, the environment, and compliance based on the Aisin Group Principles of Corporate Behavior. We also request our suppliers to ask their suppliers for similar initiatives, thereby promoting the prevention of slave labor and human trafficking throughout the supply chain.

### **3. Human rights due diligence**

Having established a scheme for human rights due diligence in line with the Aisin Group Human Rights Policy created based on the United Nations Guiding Principles on Business and Human Rights (UNGP), the Aisin Group is working on assessing human rights risks in the

business activities of the Group and its supply chain, preventing risks, implementing remedies for risks when they occur, and publicly disclosing the progress of these efforts. To make this a continuous initiative, the Aisin Group has set a target of 100 percent annual implementation of a human rights risk identification survey.

The Aisin Group has established the Human Rights Advisory Committee under the Consolidated Business Ethics Committee. The Human Rights Advisory Committee meeting is held once a year. To approve activity plans, the Human Rights Advisory Committee sets priority risks based on the medium-term plan while taking into account social trends related to human rights. At the first Human Rights Advisory Committee meeting held in April 2021, in recognition of increasingly active movements to protect migrant workers' rights, including legislation against modern slavery in countries around the world, and the growing public concern about the acceptance of overseas technical trainees in Japan, whom the Aisin Group also accept, forced labor in migrant labor was proposed and approved as a risk area of the highest level for fiscal 2022.

In advancing human rights initiatives, we are proceeding with discussions with advice from external experts regarding the creation of a framework, such as the establishment of policies and advisory committees, how to proceed with the selection of priority areas, the setting of activity indicators, and the analysis of survey results.

#### **4. Risk assessment and management**

##### **(1) Initiatives in Japan: Investigation of state of technical intern training program (supervising organization type)**

The Aisin Group accepts overseas technical trainees to work in Japan. External experts have pointed out the risk of forced labor situations where, in the case of the supervising organization type, the overseas agency sending the workers and/or the Japanese group coordinating their arrival charge(s) an exorbitant recruitment fee to migrant workers and holds them in debt bondage for that fee. For this reason, we decided to place a particular focus on investigating placements of overseas technical trainees.

We investigated the placement of overseas technical trainees in all our domestic group companies. As of the end of March 2021, there were around 1,250 technical trainees in 21 companies. These trainees were from Vietnam, China, Indonesia, Myanmar and Thailand, with over two thirds from Vietnam.

Based on this, we took the following measures to prevent human rights violations that could occur when we accept overseas technical trainees.

- We periodically investigated the placement of overseas technical trainees in our domestic group companies. The result was that there were no violations that could lead to human rights violations regarding, for example, operations, treatment, document management, protective measures, and supervising organization status.

- With regard to exorbitant recruitment fees charged to migrant workers, which can lead to forced labor, we are taking corrective action within the Group in stages, starting from the Vietnamese trainees.
- We attend the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI) from December 2020 for collaborations with various organizations, gathering of information, and discussions with experts. From June 2022, we also participate in the JP-MIRAI's pilot project to offer consultation services and relief to migrant workers, aiming to improve our functions in providing information and consultation services.

The investigation process has revealed that the impacts of COVID-19 have made it difficult for some overseas technical trainees to return to their home countries after their training period ends. We are addressing this on an ongoing basis through measures such as continuing these trainees' employment. We also continuously take necessary measures for pregnancy and childbirth during their training period.

## (2) Initiatives outside Japan: Investigation of state of migrant labor

Outside Japan, in June 2021, we investigated migrant labor at 121 overseas group companies to determine the state of migrant labor at our overseas sites and identify risks of forced labor.

Specifically, we investigated the following items: the number of migrant workers,\* their nationalities, the ratio of indirect employees, possible issues in the process of recruitment or returning home (e.g., charging recruitment fees, taking away passports and/or ID cards, and prohibiting workers from returning to their home country).

\* In this investigation, migrant workers refer to non-regular employees of non-Japanese nationality who have a status of residence (non-permanent residence) to work in Japan (e.g., dispatched, contract, fixed-term, and temporary employees, excluding those temporarily transferred from other companies/countries).

The result was that there were no infringements on migrant workers' rights at our group companies. We will continue to enhance our understanding of forced labor to prevent it from occurring.

Number of migrant workers at Aisin's overseas group companies (by region)

Region	No. of migrant workers (persons)
Americas	255
Europe	67
Asia	10
China	0

## 5. Establishment of consultation services

The Aisin Group has established an internal consultation service, a group-wide external consultation service by a lawyer, and a consultation service handled by the legal affairs division at Aisin Group's headquarters. In addition to these, in June 2021, we newly established the Aisin Global Hotline, which is available to all domestic and overseas parties inside and outside the company, to respond to inquiries regarding human rights. Consequently, all domestic and overseas stakeholders, including executives, employees and trading partners,

can report incidents or ask for a consultation. Thorough attention is paid to the rights of those using these services, including privacy and prevention of reprisals, when taking measures. In fiscal 2022, there were no reports or consultations about issues that could lead to human rights violations such as slave labor and human trafficking.

## 6. Training

The Aisin Group thoroughly promotes respect for human rights by providing the following training and awareness-raising opportunities.

### (1) Training at each level

[1] CSR basic training: We provided training on the Aisin Group Human Rights Policy and respect for fundamental human rights for new assistant managers and management.

[2] Top management training: We provided education for new regional managers in Japan and overseas regarding the importance of human rights initiatives and the need to take measures.

### (2) Education for workplaces

Education for compliance enforcement personnel: We provided training on the Aisin Group Human Rights Policy for compliance enforcement personnel in Japan and overseas to ensure that respect for human rights permeates the workplaces.

### (3) Awareness-raising for employees

Through information dissemination, including case studies of workplace harassment, we communicated the importance of respecting human rights to each and every employee in an easy-to-understand manner.

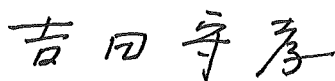
### (4) Activities geared toward suppliers

In December 2021, we held a briefing on the Supplier Sustainability Guidelines for about 750 major Aisin Group suppliers. We promoted understanding of human rights activities that companies should work on by sharing Aisin Group's examples and other information.

In line with the Aisin Group Human Rights Policy, the Aisin Group will continue to advance our initiatives by organizing issues and setting priority themes every fiscal year.

This statement was made on behalf of Aisin Corporation and the Aisin Group, and was approved by the Board of Directors of Aisin Corporation on August 25, 2022.

August 25, 2022



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Moritaka Yoshida

President and Executive Director

AISIN CORPORATION