

Fiscal 2024 Aisin Group Statement on Modern Slavery Act

Aisin Corporation is pleased to announce its initiatives for the period from April 1, 2023 to March 31, 2024 (hereinafter “fiscal 2024”) to prevent human rights violations, including slavery and human trafficking, in the Aisin Group and its supply chain in light of the UK Modern Slavery Act 2015 and similar laws and regulations in other countries.

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 March 31, 2023, the number of consolidated subsidiaries was 199 (74 companies in Japan and 125 companies overseas) and that of employees was about 117000. 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 we strive 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 companies have direct dealings with 4,673 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/governance/csrmanage_charter/

In April 2021, the Aisin Group formulated the Aisin Group Human Rights Policy after deliberation and approval by the Aisin Group Human Rights Expert Committee. The Human Rights Policy is positioned as the highest policy of human rights 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 human rights-related international norms such as 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

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 and we reached 100% in fiscal 2024.

The Aisin Group has established the Aisin Group Human Rights Expert Committee under the Consolidated Business Ethics Committee. The Committee meeting is held once a year. To approve activity plans, the Committee sets priority risks based on the medium-term plan while taking into account social trends related to human rights. At the third Human Rights Expert Committee meeting held in April 2023, The following focused items were proposed and approved for fiscal 2024: (1) Taking foreign technical intern training as a top priority risk area, (2) Continue to address major human rights areas such as discrimination, harassment, wages, working hours, and safety, and (3) Strengthening our activity to supply chains. These priority activities areas should be confirmed on a priority basis from the perspective of risk severity (impact) and potential (frequency of occurrence), taking into account the level of social concern and the acceptance status of technical intern trainees.

In advancing human rights initiatives, we are proceeding with discussions with advice from external experts, such as Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI), 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 / Performance indicator and effectiveness

(1) Survey on immigrant labor and toward proper management of foreign technical intern training (supervising organization type)

In 2021, we conducted a migrant labour survey for all overseas group companies to understand the actual situation of migrant labour and identify risks of forced labor. The survey details include the number of people immigrating from, the ratio of indirect employees, and possible problems in the recruitment or return process (e.g., requesting dispatch fees, taking away passports and ID cards, prohibition of returning to the home country). As a result, we have confirmed that there are no violations of the rights of immigrant workers at our overseas group companies, and we will continue to increase understanding of forced labor and prevent it from occurring.

Number of immigrant workers at overseas Aisin Group companies (as of the end of June 2021)

Region	Immigrant Workers (person)
Americas	255
Europe	67
Asia	10
China	0

On the other hand, in Japan, we confirmed the situation regarding technical intern trainees, who are essentially migrant workers, and found that group companies were accepting a large number of technical intern trainees (as of the end of March 2021, about 1,250 trainees in 21 companies). It has been pointed out by outside experts that technical intern training (organizational supervision type) in Japan has a relatively high possibility of leading to forced labor, and we are continuing to investigate with a focus on foreign technical intern trainees.

In fiscal 2024, we surveyed all 188 group companies and 163 major suppliers in Japan regarding the acceptance status of technical intern trainees (response rate: 100%). It was found that approximately 400 trainees (as of the end of March 2023) were accepted to group companies, approximately 1,400 trainees (as of the end of August 2023) were to major suppliers. The countries from which technical intern trainees came from mainly Vietnam, China, Myanmar, Indonesia, and in particular, trainees from Vietnam account for about half of the total.

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 intern trainees in our domestic group companies and major suppliers. 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.
- Regarding the acceptance status of foreign technical interns at Japanese group companies and major suppliers, we conduct regular self-checks in accordance with the "Foreign Technical Intern Training Appropriate Implementation Manual" published by the Organization for Technical Intern Training, and monitored job contents, payment terms and conditions, document management, protective measures, and supervising organization status. etc. In fiscal 2024, we conducted on-site inspections and interviews with technical intern trainees at Japanese group companies and some suppliers in order to understand the actual situation in more detail. Although we provided guidance for improving operations in some companies, we did not find any cases of forced labor, child labor, human trafficking, or serious legal violations that would lead to human rights violations. In addition, we exchange opinions with each supervising organization to ensure appropriate management and share our understanding of respecting the human rights of technical intern trainees.
- Critical points for improvement and good practices identified through inspections are disseminated to related parties, and we continue to provide guidance on ensuring compliance with relevant laws and regulations and necessary measures for pregnancy and childbirth during the training.
- With regard to exorbitant recruitment fees charged to trainees, which can lead to forced labor, we are taking corrective action within the group companies in stages, starting from the Vietnamese trainees.
- From December 2020, we have participated the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI). From fiscal year 2024, for more collaborations with various organizations, gathering of information, and discussions with experts, we have participated to the "Private Company Collaboration Program" of JP-MIRAI.

(2) Confirming the status of human rights activities using the human rights self-check sheet

In fiscal 2024, we have conducted self-check surveys of the all 188 Aisin Group companies and 163 companies of major suppliers in order to understand the systems and actual conditions of corporate activities in the major human rights fields, identify issues, and link them to improvement activities(response rate: 100%). The content of the self-check conforms to the content of the self-inspection sheet stipulated by the Japan Auto Parts Industries Association. The check sheet covers 9 major areas, namely (1) Elimination of discrimination, (2) Harassment, (3) Child labor, (4) Forced labor, (5) Wage, (6) Working hours, (7) Dialogue with employees, (8) Safe and healthy working environment, and (9) activities toward suppliers. Five aspects are checked for each area: (1) laws and regulations, (2) organizational framework, (3) prevention, (4) enlightenment, and (5) actual status.

As a result of the survey, although improvements have been made overall compared to last year, especially in Japan (+0.2 points on a 5-point scale), especially in the fields of discrimination, harassment, forced labor, and child labor, are relatively behind. We learned that there is room for improvement in terms of grasping laws and regulations, implementing enlightenment, and confirming actual conditions. In addition, we conducted interviews and local inspections with several companies to confirm the detailed situation so that each company can make improvements that can be implemented. We summarized the details of the following activities, held briefings for the group and major suppliers, and requested them.

[Improvement activities (outline)]

Items	Actions
1. Establishment of a structure for promoting human rights activities	-Set Human Rights Promoters in all Japanese group companies -Request determination of the department in charge of human rights and assignment of responsible persons to major suppliers
2. Corresponding to the most prioritized item (foreign technical intern training)	-Thorough compliance with laws and regulations, based on "Foreign Technical Intern Training Appropriate Implementation Manual" -Correction of fees, and awareness of consultation service - Sharing good practices confirmed during inspection hearings
3. Improvement activities on major human rights areas	Formulation and distribution of "the fiscal 2023 version of the List of Important Actions from the Perspective of Human Rights", and inspections at each company
4. Prevention and	Study sessions, dissemination of compliance-related

enlightenment	policies and consultation service, and provision of the contents for enlightenment
5. Supply Chain	Dissemination of “the Aisin Group Supplier Sustainability Guidelines” and requests for support

Additionally, we have started study sessions and dialogue with regional headquarters companies in order to carry out awareness programs tailored to the customs and customs of each region.

(3) 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, from June 2021, we newly established the Aisin Global Hotline, which is available from outside the Aisin Group, to respond to inquiries regarding human rights.

In addition, starting in May 2023, we will be providing information and a dedicated consultation desk to foreign technical intern trainees and those with a specific skill residence status through "JP-MIRAI Assist", which is one of the "Private Company Collaboration Programs" to strengthen monitoring of their feedback. Furthermore, when dealing with “JP-MIRAI Assist”, thorough consideration is given to human rights, such as protecting privacy and preventing any disadvantage to the person seeking consultation.

In fiscal 2024, no cases of forced labor, child labor, human trafficking, etc., or serious legal violations leading to human rights violations were found through the above consultation services.

5. Training

The Aisin Group thoroughly promotes respect for human rights by providing the following training and awareness-raising opportunities also in fiscal 2024.

(1) Training for newly appointed Aisin Group officers

We provide training on the background of human rights activities, the content of human rights activities required of companies, and the Aisin Group's human rights activities, and hold discussions using case studies.

(2) Aisin Group human rights department study session

We held a study group for divisions that play a central role in human rights activities, such as human resources, human resource development, legal affairs, procurement, general planning, business planning, and sales, etc., in Japanese Group companies.

(3) Workshop for recruit interviewers

A lecturer is invited from the Aichi Labor Bureau, and lectures are given to interviewers, etc.

(4) 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.

(5) Awareness-raising for employees

In addition to disseminating our human rights policy, we conveyed the importance of respecting human rights to every employee in an easy-to-understand manner through the information, including case studies of workplace discrimination and harassment based on prejudice and human rights violations in the supply chain.

(6) Activities geared toward suppliers

In April 2022, we held a briefing on the Supplier Sustainability Guidelines for about 750 major Aisin Group suppliers. Also, we had a study session and feedback meeting with 163 major suppliers and promoted understanding of human rights activities that companies should work on by sharing Aisin Group's examples and other information.

6. Action plans for the next fiscal year and thereafter

(1) Ensuring proper management on foreign workers

Focusing on the Japanese group companies, We will continue to confirm the actual situation with regard to ensuring appropriate employment of foreigners, including technical intern training, taking into account the perspectives of external experts. Additionally, we will ensure proper operation through dialogue with major supervising organizations, staffing companies, and other human services companies.

(2) Collaboration with stakeholders towards the elimination of social issues related to foreign workers

Since it is difficult to resolve various issues related to accepting foreign workers through the activities of the Aisin Group alone, we will also work on social solutions through collaboration with JP·MIRAI and others.

(3) Linking global human rights activities with overseas regions

In promoting the Aisin Group's human rights activities, we believe that it is important to promote independent human rights activities in each region of the world. We will strengthen activities for dialogue and cooperation between the Group headquarters and regional headquarters, so as to ensure activity between conventional activities in each region and global activities. We will also strengthen our disclosure content with reference to the Corporate Sustainability Reporting Directive (CSRD).

(4) Stretching activities in the supply chain

We will gradually expand and deepen the study sessions and self-checks and local inspections related to human rights that we have been doing with major suppliers.

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 it was approved by the Aisin Group Human Rights Expert Committee on March, 18, 2024.

March 18, 2024

Handwritten signature in Japanese characters: 吉田 尚彦 (Moritaka Yoshida).

Moritaka Yoshida

President and Executive Director

AISIN CORPORATION