


Human rights


Basic stance

The AISIN Group aims to become a corporate group that encourages taking on challenges through the Group's global consolidation, and empowers all employees so as to develop people who are better than anywhere else. To achieve these goals, the key is to respect the human rights of all people together with our employees, as well as our internal and external stakeholders. In addition, respect for human rights is foundational in all of our business activities. We are keenly aware of the need to more thoroughly understand the various human rights issues associated with the activities we carry out in each country and area of business, and take appropriate measures.

Policy

In 2021, The AISIN Group Human Rights Policy was formulated by the Human Rights Expert Committee. As a pledge that the AISIN Group will fulfill its responsibility to respect human rights, the policy has been incorporated into each function's important regulations, including those of the Group companies and the supply chain.

 [AISIN Group Human Rights Policy](#)

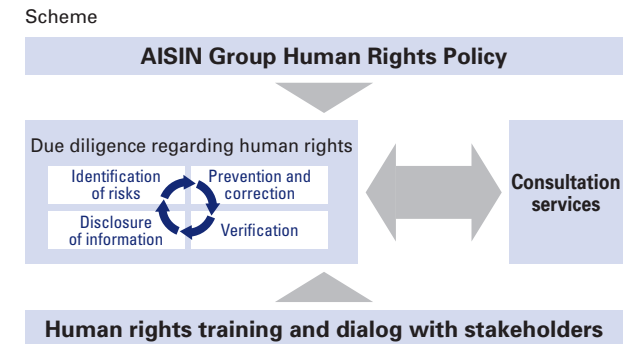
 [Fiscal 2023 Aisin Group Statement on Modern Slavery Act](#)

Vision

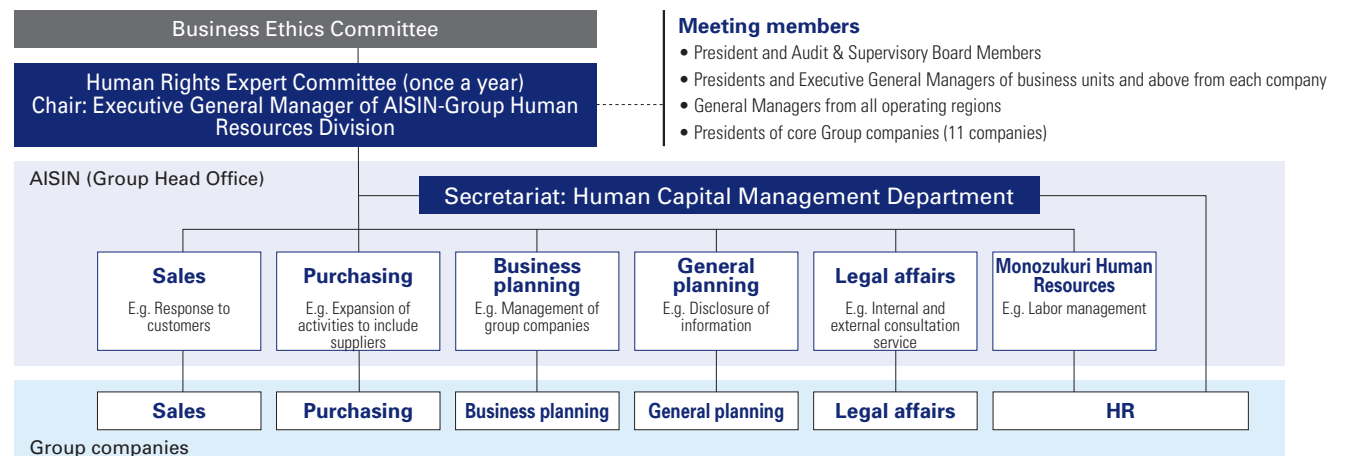
The AISIN Group aims to settle the due diligence process regarding human rights throughout the Group, including the supply chain, by 2025. To achieve this target, it is important to clarify the human rights risks and the status of countermeasures taken. While continuing to achieve a 100% implementation rate for a survey to identify human rights risks, we will advance steps toward the target and details of the survey through a cycle of due diligence regarding human rights, including internal and external education, and talks and negotiations with stakeholders.

Scheme and framework

We have established a program in line with the UN Guiding Principles on Business and Human Rights to promote human rights activities. In addition, in order to increase the commitment by management, we hold a Human Rights Expert Committee meeting each fiscal year to deliberate and decide on policies and plans.



Frameworks



Human rights

Due diligence regarding human rights

Aisin sets critical risks for each year. From FY2022 onward, we have designated the Technical Intern Training for Foreign Nationals program as the highest priority area as it may contribute to forced labor, and we have been promoting the initiatives below.

Ensuring proper operation of the technical intern trainees

We conduct inspections on a regular basis on the reality of how we use the program (via supervising organizations) in Japan, and found that as of the end of March 2023, 18 companies had accepted 404 trainees. In addition, our Group companies and major suppliers that have accepted trainees conduct self checks to confirm the details of their training, treatment, document management, protective measures, etc. Furthermore, as a follow-up survey starting from FY2024, we conducted on-site inspections and interviews with the trainees in accordance with the manual for proper operation published by the Organization for Technical Intern Training, and confirmed that no human rights violations were found. We also exchange opinions with each supervising organization on how to ensure proper operation of the program and share understanding about the human rights of trainees.

Corrective action against recruitment fees

A survey on the status of trainees accepted found that about half of the trainees were from Vietnam. In cooperation with members of the Toyota Group, we are proceeding with measures to collect recruitment fees for trainees from Vietnam.

Collaboration with external stakeholders

We collaborate with external stakeholders in promoting initiatives through participating in the Japan Platform for Migrant Workers toward a Responsible and Inclusive Society (JP-MIRAI) and cooperate with collaborative programs.



Assessment on areas of major human rights risks

To identify and address the major human rights risks (discrimination, harassment, forced labor, child labor, working hours, wages, dialogue with employees, safety and health, and supply chain), we had the AISIN Group companies and major suppliers perform self-checks. As a result, it was found that there is room for improvement in understanding of laws and regulations or enlightenment. Therefore, we implemented measures for improvement, in Japan to start with, including 1) appointing persons in charge of promoting human rights activities and holding study meetings, 2) distributing checklists on human rights-related laws, and 3) sharing and communicating educational contents. Self-inspection will continue to be performed to confirm the improvement status.

Training and enlightenment activities

Scope	Description
Executive management	Incorporating a human rights program in the training for newly appointed executives
Human rights-related departments (HR, Purchasing, etc.)	Holding study sessions with Group companies globally to share understanding and each department's role
Recruitment Section	Ensuring opportunities for job interviewers to learn from the Aichi Labor Bureau about points to note
Related to discrimination	Holding membership in the Industrial Federation for Human Rights, Aichi, and also working with the Corporate Federation for Dowa and Human Rights Issues in proceeding with awareness-raising activities
Newly joined or promoted employees	Holding CSR training seminars covering the area of human rights
All employees	Japan: Raising employees' awareness through case studies that they can work on easily Overseas: Incorporating human rights programs in the compliance training in each region
Suppliers	Issuing the AISING Group Supplier Sustainability Guidelines and organizing an explanatory session to ask for their support We held study sessions with 110 major suppliers and shared our activities.

Establishment and reinforcement of consultation services

In addition to internal consultation services, we have the AISIN Global Hotline, which receives consultation requests from outside the company. For foreign technical intern trainees, we have established a dedicated consultation system using "JP-MIRAI Assist Services".

Policy on responsible mineral procurement and activities

Policy

To promote global mineral procurement that takes into account the impact on social issues, such as human rights and the environment, we carry out activities to avoid the use of minerals that are defined as an issue under the laws and regulations of each country (Dodd-Frank Wall Street Reform and Consumer Protection Act in the USA, Conflict Minerals Regulation in the EU, etc.). We ask that our suppliers understand our stance on this issue and work with us on responsible procurement of minerals.

Activities

In FY2024 again, we asked our suppliers for cooperation in checking whether conflict minerals were used, and reported the results to our customers. By participating in an industrial organization, we are striving to establish an effective inspection method. We will continue responsible procurement of minerals in line with the policy.

Human rights

Employee-Employer communications at AISIN Group

At the AISIN Group, to maintain sound relationships between employees and management, we emphasize the concepts of respect for human rights, “Respect to each member”, “Mutual trust between employees and management”, and “Acknowledgement of employees and management as the two wheels for moving the organization forward (i.e., mutual cooperation). We periodically organize roundtable conferences between employees and management to share the policies and problems each other, toward establishing an environment where employees can feel job satisfaction. When implementation of HR measures will affect employees greatly, we inform employees of such measures well in advance.

Lessons learned from labor dispute in India

(1) Overview of the AHL labor dispute

In May 2017, AISIN Automotive Haryana Pvt. Ltd. (AHL), a consolidated subsidiary located in India, experienced a strike by its employees demanding the establishment of a workers' union at AHL. The local government announced a strike ban one month later, and the strike came to an end with the arrests of 288 employees who used force to blockade the company gate in protest against the ban. Furthermore, AHL dismissed 175 employees who continued to practice absenteeism after the strike, despite having been called to come back to work many times by AHL. Aisin believes that it was an unavoidable response to protect the lives and safety of employees not involved in the dispute. However, this incident was the largest labor dispute in the history of the AISIN Group, leaving a major scar on both employees and management at AHL. Aisin regrets that this incident caused great concern to our stakeholders, including the local community and business partners.

(2) Measures to prevent recurrence

In the AISIN Group

Based on the lessons learned from having overcome several difficulties between employees and management in the past, the AISIN Group believes that “in order for a company to grow, it is essential for both employees and management to listen to each other, trust each other, and build a cooperative relationship.” However, taking this AHL labor dispute as an opportunity to reaffirm and reinforce the idea that “it is essential for both employees and management to trust each other and build a cooperative relationship,” even overseas where labor practices may differ from Japan, we wrote down Aisin’s Stance on Employees-Management Relations, which summarizes the abovementioned ideas that should be valued in employee-management relations, and communicated it to all AISIN Group companies in the name of the Aisin President. In addition, we reviewed the AISIN Group Principles of Corporate Behavior, a code of conduct used to fulfill social responsibility as members of the AISIN Group based on the Group Philosophy, and strengthened our perspectives of “Respect for Human Rights” and “Promotion of Diversified Work Styles and Upgrading the Work Environment” more than ever before. We are thoroughly implementing it as the AISIN Group’s common action guidelines. Furthermore, we have developed an assessment tool to confirm that human resource operations are conducted appropriately and in line with Aisin’s Stance on Employees-Management Relations, and we are continuously checking it globally. We have also established a system that any problems found in the inspection results can be immediately improved based on predetermined rules.

In AHL

On August 4, 2017, President Ihara (then president of Aisin Seiki) directly explained to employees at AHL Aisin’s employees-management standpoint, as well as his reflection as part of management, and declared a new start. Since then, AHL has been restructuring the systems and measures for communication between employees and management, such as by improving the forum for the exchange of opinions between employees and management, building a highly transparent and fair HR system, and holding various informal events, to improve employees-management relations. The positive opinion rate in the employee satisfaction survey, which was initially 40%, reached 90% in the survey in January 2019. Aiming for 100%, we will enhance the measures for further improvement.

(3) Declaration for the future

Using the AHL labor dispute as a lesson, the AISIN Group aims to build a company that all employees can be proud of, with the goal of avoiding any similar issues at any AISIN Group company in the future.

Human rights

Working hours

We comply with the Labor Standards Act. If it is necessary to have employees work beyond the statutory working hours, we complete the statutory procedures and ensure close communication with the workers' union while taking account of the members' health and safety. To reduce the total working hours and enable employees to work flexibly, we are actively introducing IT tools and establishing a telework system. In addition, to maintain the ratio of annual paid leave taken at 100%, we are making various efforts, such as issuing the company's top message and reviewing the work styles of personnel posted overseas.

Wages

While not only complying with laws in terms of the minimum wage and other aspects in each region but also respecting the concept of equal pay for equal work, we determine a wage level that allows employees to work with peace of mind through discussions between employees and management, taking living wages in consideration.

Starting wages at Aisin (on a non-consolidated basis)

	Starting wages (April 2022 results)	Vs. Minimum wage of Aichi Prefecture	Vs. Minimum wage of Tokyo
Technical college graduate (regular course)	182,000 yen	114%	105%
Technical college graduate (specialized course)	208,000 yen	130%	119%
University graduate	208,000 yen	130%	119%
Master's degree holder	230,000 yen	144%	132%
Doctoral degree holder	264,000 yen	165%	152%

The minimum wages have been calculated using the monthly average of 20.3 days and eight hours per day, with reference to those of Tokyo (1,072 yen) and Aichi Prefecture (986 yen) as of fiscal year 2024. There is no gender or regional gap within the same qualification grade.

Employment stability

We believe that in order to ensure employment stability, it is important to standardize HR and labor concepts and frameworks throughout the Group. We implement various measures based on this belief in accordance with the law, resulting in the turnover for fiscal year 2023 of four group companies*¹ being 1.8%. *²

*1 Aisin, Aisin Takaoka, Aisin Chemical, and ADVICS

*2 Number of those leaving their company (for personal reasons) from April 1, 2022 to March 31, 2023 / number of employees enrolled as of April 1, 2022

Prevention and mitigation of other human rights risks

With regard to other human rights risks, the AISIN Group respects internationally accepted rules and ensures compliance with the relevant laws and regulations of the countries where it operates, thereby working to prevent and mitigate human rights risks. Examples of the specific initiatives we have gradually been implementing are as follows.

Examples of the activities

- At the time of recruitment, we verify the ages of new hires using public documents to prevent child labor.
- The company bears the fees associated with acceptance of temporary workers.
- To prevent forced labor, passports and other important documents are kept by the employees themselves.
- We will not treat employees who submit a request for retirement disadvantageously.