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AISIN Europe Supplier Sustainability Guidelines

I. Introduction

In recent years, the environment surrounding companies has become increasingly complicated and diversified due to the intensification of climate change, internationalization, and the advancement of information technologies. Amid such environmental changes, the United Nations has adopted a set of Sustainable Development Goals (SDGs), and companies are expected to contribute to economic growth and the resolution of social issues.

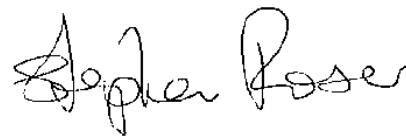
The AISIN Group has launched the Principles of Corporate Behavior as a code of conduct for us to follow to fulfill our social responsibilities and achieve sustainable growth as a corporate group. Since then, as part of the group, Aisin Europe has been striving to live up to the spirit of the Principles of Corporate Behavior, but also with our suppliers, who are important business partners.

In the European context, new initiatives have also been growing to drive important changes and bring relevant contributions aligned with the Green Deal. There is a growing need for the entire supply chain to come together and collaborate to tackle various issues, such as carbon neutrality, human rights, and labor issues.

These changes have encouraged us to launch the Supplier Carbon Neutrality and the Supplier Sustainability Policy to guarantee that our best efforts have the same goals. Although we have always shared our views and worked together with our suppliers in the past, we have decided to issue the AISIN Europe Supplier Sustainability Guidelines to further clarify our thoughts on sustainability and share them with our suppliers as well as society at large.

We trust that all our suppliers understand the purpose of these Guidelines and put them into practice in their operations. We also ask that they communicate to their own suppliers the purpose and importance of the Guidelines and encourage their implementation.

April 2024

A handwritten signature in black ink that reads "Stephen Roser". The signature is written in a cursive, flowing style.

Stephen Roser
OEM Purchasing Director
AISIN Europe

An abstract graphic featuring flowing, wavy lines composed of numerous small blue dots and thin lines, creating a sense of motion and digital connectivity. The lines curve across the page, with some brighter spots that resemble light flares or data points.

AISIN Corporation Global Guidelines

II. Initiatives to Address Environmental Changes

■ AISIN Group's priority initiatives

Upholding the philosophy of *Inspiring "Movement," Creating Tomorrow*, the AISIN Group creates safe, comfortable, and convenient mobility, and provides new value that exceeds customers' expectations. We are contributing to building a better environment through the electrification of mobility and clean power that makes effective use of energy to build a society where everyone can live with peace of mind. These values align closely with the UN's Sustainable Development Goals (SDGs), and we believe that we can contribute to the accomplishment of the SDGs through our business activities, so we have selected seven priority issues to focus on as a group.

Through initiatives like these, we want to provide even more advanced value to society and contribute to the accomplishment of the SDGs through our business.



■ Initiatives for carbon neutrality

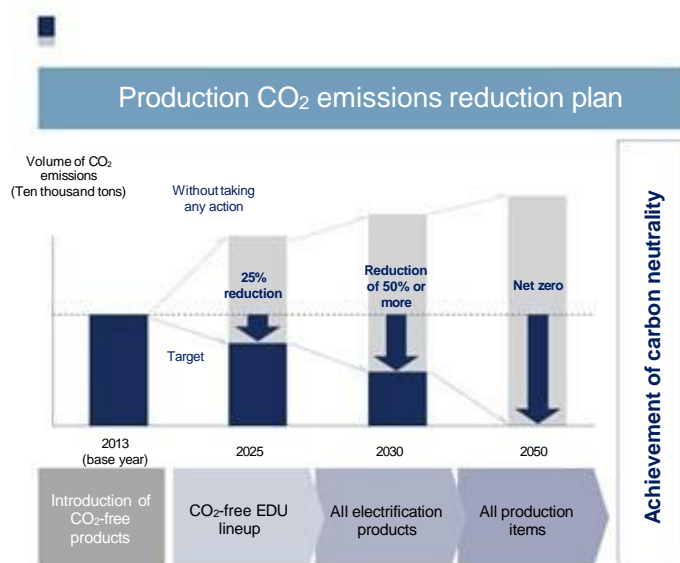
The Paris Agreement provided a new framework for global climate action, sparking a significant increase in public interest in environmental issues. Amid such circumstances, calls for carbon neutrality from society are rapidly increasing.

To "deliver beauty to our future earth," which is a tenet of our Corporate Principles, as early as possible, we have declared a goal of becoming carbon neutral by 2050 (FY 2051).

In order to achieve this goal, we have set a target for 2030 (FY2031) as a milestone of reducing CO₂ emissions by at least 25% throughout the product life cycle, from raw material procurement to production, sales, use, and disposal.

For CO₂ emissions from production activities, we have set a target of reducing CO₂ by at least 50% by 2030, compared to the 2013 level. To achieve this, we have clearly defined a carbon neutrality strategy and an electrification strategy, and are promoting company-wide activities based on these strategies.

To accomplish these targets, we have established a Carbon Neutral Promotion Center managed directly by our president in FY2021, which centralizes all activities related to carbon neutrality. The center takes the lead in drafting group-wide carbon neutrality strategies and introducing and procuring renewable energy; gathering and executing themes for reduction of CO₂ from production; and developing and commercializing technology through collaborations with external parties.

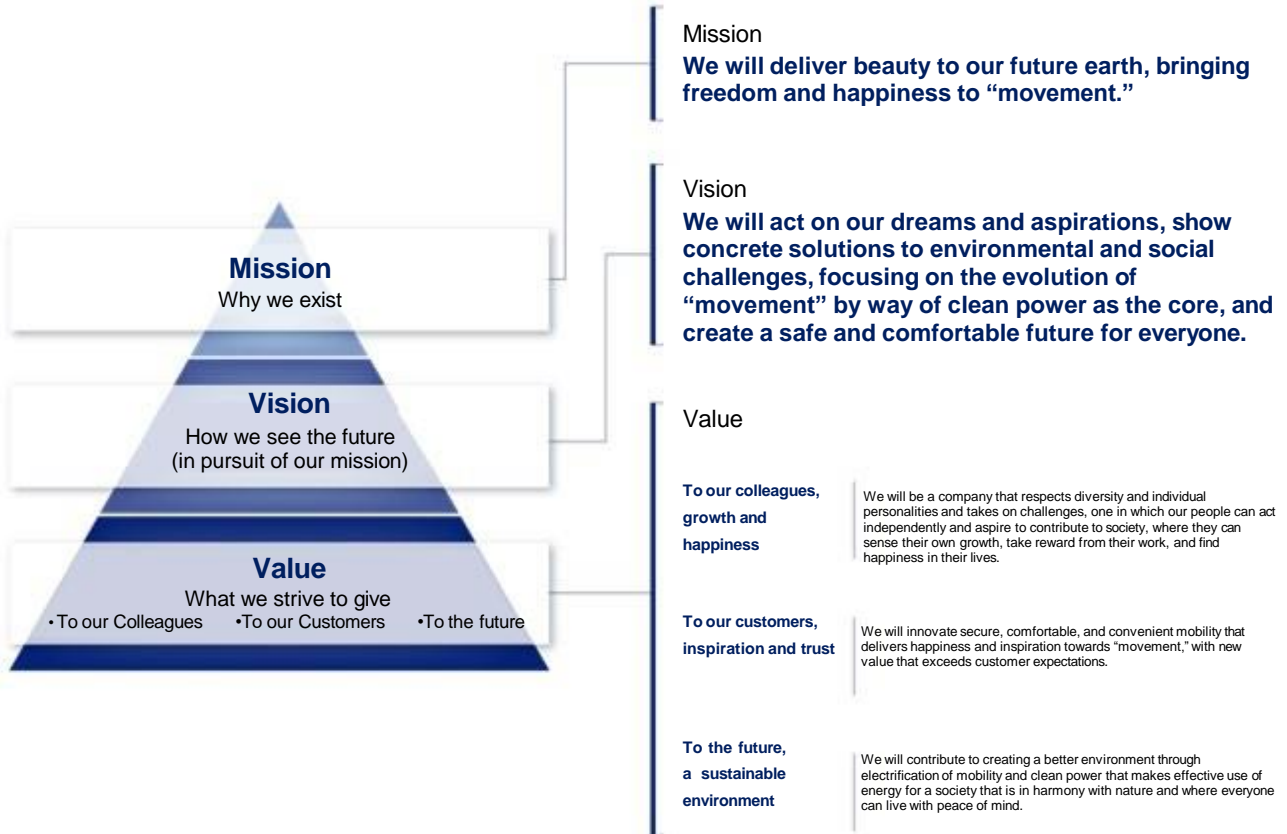


III. AISIN Group Corporate Principles

Under our philosophy of *Inspiring “Movement,” Creating Tomorrow*, we at the AISIN Group will act on our dreams and aspirations and aim to show concrete solutions to environmental and social challenges, focusing on the evolution of “movement” by way of clean power as the core, and to create a safe and comfortable future for everyone. By promoting business activities based on this philosophy together with our suppliers, we aim to create a sustainable society and realize a beautiful future earth.

AISIN Group Philosophy

Inspiring “Movement,” Creating Tomorrow



IV. AISIN Group Basic Procurement Policy

Our basic policy for procurement is described below.

1. Mutual development through mutual trust

Based on the principle of coexistence and mutual prosperity, we seek mutual development with our suppliers through various activities. We think it is important to build relationships of trust through close, interactive communication with our suppliers.

2. Open and fair competition

We provide all companies wishing to do business with us with an opportunity to participate in conducting transactions in an open and fair manner, regardless of nationality, scale, or history of transactions. We select suppliers by comprehensively evaluating not only quality, technical capabilities, cost, and delivery date but also safety, attitude towards continuous improvement, and other factors.

3. Promotion of green procurement

We intend to procure environmentally friendly parts, raw materials, and materials from environmentally conscious suppliers, with the aim of enhancing environmental conservation efforts in cooperation with suppliers.

4. Promotion of localization to be a good corporate citizen

We aim to become a company that is valued by customers all over the world and contributes to creating an enriched society as a good corporate citizen. To this end, we seek to expand our corporate activities globally, and actively promote localization in each region as a local enterprise.

5. Compliance with laws and regulations

We comply with all applicable laws and regulations in our procurement activities.









We also exercise due care in the handling of confidential information obtained through transactions.

V. AISIN Group Supplier Sustainability Guidelines

■ Aim of the Guidelines

With the aim of realizing a sustainable society through its business activities, the AISIN Group has established these Guidelines to specify the basic items on which we would like to work together with our suppliers through transactions. We ask our suppliers to understand each item of the Guidelines and put them into practice in their corporate activities. We also ask our suppliers to disseminate these Guidelines to their suppliers and ensure compliance therewith.

■ AISIN Group's priority sustainability issues and relevant items in the Guidelines

AISIN Group's priority sustainability issues and vision for 2030 (FY2031)		Relevant items in the Code of Conduct
Priority issues	Vision for 2030 (FY2031)	
<ul style="list-style-type: none"> Global warming control Reduction of traffic accidents, providing safe means of movement/transportation  	<p>Creating a mobility society that is more friendly to the environment and people</p> <p>Contributing to creating a mobility society that is more friendly to the environment and people by reducing energy consumption, utilizing clean energy, and providing safer and more comfortable means of transportation</p>	<ul style="list-style-type: none"> 2. Environment 4. Health and Safety
<ul style="list-style-type: none"> Promotion of the transition to clean energy Promotion of health and welfare  	<p>Creating a city that makes people's lives better and is more environmentally conscious</p> <p>Contributing to creating a city that makes people's lives better and is more environmentally conscious by spreading clean and highly efficient energy-related products, and providing comfortable housing spaces</p>	<ul style="list-style-type: none"> 1. Business Ethics 2. Environment 3. Health Safety
<ul style="list-style-type: none"> Promotion of sustainable industrialization by technological innovation Reduction of CO₂ emissions Prevention of contamination Reduction of substances of environmental concern Resources circulation Enhancement of resource efficiency  	<p>Building a rich and sustainable society and transitioning to a recycling-based society</p> <ul style="list-style-type: none"> Contributing to building a rich and sustainable society by providing new value generated by future-oriented research and development Contributing to the transition to a recycling-based society by promoting efforts to eliminate burdens on the global environment 	<ul style="list-style-type: none"> 1. Business Ethics 2. Environment 5. Responsible Supply Chain
<ul style="list-style-type: none"> Labor safety and health Health • Human rights Promotion of diversification Job satisfaction reform Work-life balance Compliance Sustainable procurement  	<p>Creating a working environment where a variety of employees can work with motivation and without anxiety</p> <p>Promoting efforts to secure a working environment where diverse employees can work with motivation and without anxiety with the entire supply chain in mind</p>	<ul style="list-style-type: none"> 1. Business Ethics 3. Human Rights and Working Conditions 4. Health and Safety 5. Responsible Supply Chain

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AISIN Europe Code of Conduct

VI. Code of conduct

PURPOSE AND BACKGROUND

Our vision is to achieve excellence, innovation, transparency and performance in a sustainable manner.

People and the environment are business most important resources. We strongly feel that companies should fulfil their social responsibilities and obligations to realize a healthy and harmonious development between enterprises and employees, enterprises and society, and enterprises and the environment. As part of this, we are working together to attain the highest standards in business integrity and the social and environmental performance of our supply chain.

Supply chains have a high degree of complexity; therefore, we believe in the benefits of a common approach and message where possible. This Supplier Code of Conduct (“Code”) contains the common standards towards business ethics, working conditions, human rights, health and safety, environmental leadership and supply chain due diligence for suppliers at all tiers. We expect suppliers to uphold these standards and cascade them throughout their supply chain.

The Code are based on fundamental principles of social, environmental and governance responsibility that are consistent with applicable laws and international standards, which may include the UN Guiding Principles on Business and Human Rights, ILO Conventions, OECD Guidelines for Multinational Enterprises, the Rio Declaration on Environment and Development, as well as the Paris Agreement. The Code is based on the Drive Sustainability/AIAG Automotive Guiding Principles to Enhance Sustainability Performance in the Supply Chain and on the Responsible Business Alliance Code of Conduct.

The Code defines common standards for suppliers. To fulfil the Code, suppliers should implement a management system/s – defined as a combination of policies, processes, functions, tools and internal controls – that help an organization to control its operations, reach objectives and ensure continuous improvement. The recommendations concerning the practical application of the Code are outlined in the Practical Guidance.

The Code may be voluntarily adopted by any customer/organization and subsequently applied by that organization to its supply chain and subcontractors, including providers of contract labor. Suppliers must regard the Code as a total supply chain initiative. At a minimum, organizations committing to apply the Code shall also require its next tier suppliers to acknowledge and implement the Code.

Suppliers must always comply with applicable laws and regulations and aim to apply best industry practices. In situations when the Code go further than applicable laws and regulations, the Code apply only to the extent permissible under applicable mandatory laws and regulations. Individual manufacturers may have their own standards, codes and policies in addition to the Code.

1. BUSINESS ETHICS

Suppliers should uphold the highest standards of integrity and operate honestly and equitably throughout the supply chain.

Suppliers should implement a management system for business ethics that includes the following:

- **Anti-Corruption and Anti-Money Laundering:** Suppliers should not participate in or endorse any corrupt practices in whatever form, including offering or accepting bribes, excessive gifts or hospitality or facilitation payments. Suppliers should not facilitate or support money laundering. Suppliers should report any suspicious transactions and be alert for signs of money laundering.
- **Data Protection and Data Security:** Suppliers should respect the privacy and civil liberties in respect of the collection, retention, use or dissemination, as well as any other processing of personal data.
- **Financial Responsibility/Accurate Records:** Suppliers should perform their business dealings in a transparent manner and accurately reflect them in the companies' financial reports and filings. Suppliers should confirm an adequate financial reporting system control is in place.
- **Disclosure of Information:** Suppliers should disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices.
- **Conflicts of Interest:** Suppliers should ensure that their employees avoid and disclose situations where their financial or other interests' conflict with job responsibilities, or situations giving any appearance of impropriety.
- **Counterfeit Parts:** Suppliers should minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.
- **Intellectual Property:** Suppliers should respect valid intellectual property rights.
- **Export Controls, Trade, and Economic Sanctions:** Suppliers should comply with applicable restrictions on the export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.
- **Grievance Mechanism:** Suppliers should establish an effective grievance mechanism in line with UN Guiding Principle 31 that allows concerns related to business ethics, human rights, or any other topic to be raised anonymously, confidentially and without retaliation.
- **Remediation:** Suppliers should provide for or cooperate in remediation through legitimate processes when their business activities cause or contribute to adverse environmental or social impacts.
- **Non-retaliation:** Suppliers should avoid any form of threats, intimidation, and physical or legal attacks against stakeholders, including those exercising their legal rights to freedom of expression, association, peaceful assembly and protest against their business activities.
- **Cyber Security:** Suppliers should establish end-to-end cybersecurity measurements to protect critical systems and sensitive information from digital attacks. A comprehensive cybersecurity strategy, governed by best practices and modern key technologies like automation, digitalization, advanced analytics, artificial intelligence (AI) and machine learning are required prerequisite to ensure adequate information security by preventing, detecting, and responding to attacks in an efficient way.

- **Artificial Intelligence (AI):** Suppliers should develop and establish a solid and reliable AI governance framework consisting of processes, methods, controls and supporting tools to drive greater confidence and transparency in the end-to-end lifecycle of AI. It is recommendable to ensure traceability of the system's operation by automatic event logging capabilities throughout the entire life cycle.
- **Data Integrity:** Suppliers should ensure that products are designed, manufactured, tested and suitable for use based on data that is accurate, reliable, and complete. Product quality is a highest priority, and data integrity is a fundamental aspect of a company's Quality Management System.
- **Fair Business, Advertising and Competition:** Standards of fair business, advertising, and competition are to be upheld.

2. ENVIRONMENT

Suppliers should develop, implement, and support a proactive approach to environmental responsibility through environmental protection practices, conserving natural resources and reducing overall environmental footprint of production, goods and services throughout their life cycle.

Suppliers should implement an environmental management system that includes the following:

- **Carbon Neutrality:** Suppliers should strive to set science-based and time-bound emission reduction goals and renewable energy objectives that are aligned with the Paris Agreement and put in place measures that drive forward the decarbonization of the entire value chain.
- **Water Quality, Consumption & Management:** Suppliers should minimize water consumption, effectively reuse and recycle water with responsible treatment of wastewater discharges and prevent potential impacts from flooding as a consequence of rainwater run-off, as required by and in accordance with applicable law.
- **Air Quality:** Suppliers should routinely monitor and disclose, appropriately control, minimize, and to the extent possible, eliminate emissions contributing to air pollution, as required by and in accordance with applicable law. Suppliers should assess cumulative impacts of pollution sources at their facilities and mitigate their pollution levels accordingly.
- **Responsible Chemical Management:** Suppliers should identify, minimize or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Companies should also be aware of any use of restricted substances in processes and finished products, and actively investigate suitable substitutes to maintain product and environmental stewardship. Chemicals, waste, and other materials posing a hazard to humans, or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.
- **Circularity, Sustainable Resources, Waste Reduction, Reuse and Recycling:** Suppliers should promote closed loop systems by supporting the use of sustainable, renewable natural resources. Suppliers shall implement a systematic approach to identify, manage, reduce, reuse, recycle and, as last option, to responsibly dispose waste.
- **Animal Welfare:** Suppliers should respect the five animal freedoms formalized by the World Organization for Animal Health (OIE) concerning animal welfare. No animal should be raised and killed for the single purpose of being used in a product.
- **Biodiversity, Land Use and Deforestation:** Suppliers should protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on Biodiversity.
- **Soil Quality:** Where appropriate, suppliers should monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination

- **Noise Emissions:** Where appropriate, suppliers should monitor and control the levels of industrial noise to avoid noise pollution.
- **Environmental Permits and Reporting:** All required environmental permits (e.g., discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

3. HUMAN RIGHTS AND WORKING CONDITIONS

Suppliers must respect the human rights of workers, local communities and other relevant stakeholders. Prevent and address adverse human rights impacts linked to their business activities, in accordance with the UN Code on Business and Human Rights.

Suppliers should implement a management system for human rights and working conditions that includes the following:

- **Child Labor and Young Workers:** Suppliers must observe the minimum employment age in their business activities and throughout their supply chain in accordance with the ILO Minimum Age Convention and shall ensure that child labor is not tolerated in any form.
- **Wages and Benefits:** Suppliers must provide their workers with remuneration in accordance with applicable regulations and prevailing industry practices; such remuneration should be adequate to cover basic needs and enable a decent standard of living for the workers and their families, which includes respecting minimum wages, overtime compensation, medical leave and government-mandated benefits.
- **Working Hours:** Suppliers must comply with local laws and collective bargaining agreements (where applicable) regarding working hours or should comply with the ILO Standards on Working Time in the absence of relevant local regulations. To the extent a company does have independent working standards that do not reference ILO standards, such company may comply with ILO in the absence of local laws and collective bargaining agreements.
- **Modern Slavery:** Suppliers must prohibit any forms of forced, bonded or compulsory labor, including human trafficking.
- **Ethical Recruiting:** Suppliers must not mislead or defraud potential workers about the nature of the work, ask workers to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to worker passports and other government-issued identity documents. Workers must receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.
- **Freedom of Association and Collective Bargaining:** Suppliers should allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Companies should respect worker rights to associate freely, to join or not join labor unions, bargain collectively, seek representation and join workers' councils.
- **Non-Discrimination and Harassment:** Suppliers should not tolerate any form of discrimination or harassment in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.

- **Women's Rights:** Suppliers should provide equal opportunity in employment and commit to equal pay for equal work.
- **Diversity, Equity, and Inclusion:** Suppliers should develop and promote inclusive cultures where diversity is valued and celebrated, and everyone is able to contribute fully and reach their full potential. Suppliers should encourage diversity in all levels of their workforce and leadership, including boards of directors.
- **Rights of Minorities and Indigenous Peoples:** Suppliers should respect the rights of local communities to decent living conditions; education, employment, social activities; and the right to Free, Prior, and informed Consent (FPIC) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.
- **Land Rights and Forced Eviction:** Suppliers should avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.
- **Private or Public Security Forces:** Suppliers should not commission or use private or public security forces to protect the business project if, due to a lack of training or control on the part of the company, the deployment of the security forces may lead to violations of human rights.

4. HEALTH AND SAFETY

Suppliers should provide workers a safe and healthy working environment that meets or exceeds applicable local laws and industry standards for safety and occupational health.

Suppliers should implement a management system for a safe and healthy working environment that includes the following:

- **Workspace:** Suppliers should provide a working environment that meets or exceeds local and national safety, occupational health, and fire safety legislation, in addition to encouraging remote workers to understand and apply best practices.
- **Personal Protective Equipment:** Where applicable, suppliers should provide their workforce with necessary Personal Protective Equipment (PPE) and ensure they understand how and when it needs to be applied.
- **Emergency Preparedness:** Suppliers should reduce the risk of occupational hazards and develop an emergency preparedness and response plan.
- **Incident and Accident Management:** Suppliers should implement hazard and risk analysis systems to minimize the potential for incidents or accidents at the workplace. An investigation system should drive to determine the root cause, and a corrective action system should ensure all permanent measures have been taken to minimize the chance of a recurrence.
- **Contractors:** Suppliers should properly manage the health and safety of contractors as part of a company's extended supply chain. Suppliers should coordinate their procurement processes to identify hazards and to assess and control risks arising from the contractor's business activity with the supplier, and the company's business activity that impacts the contractors' workers.
- **Road Traffic Safety:** All suppliers should adopt a systematic way of working with road safety. They should ensure commitment on all levels of the organization by establishing a policy on road traffic safety with clear targets for how to manage road traffic safety concerns within their direct control as well as within their sphere of influence. All suppliers should work towards tracking, understanding and managing their Road Traffic Safety Footprint, i.e. injuries related to road traffic within their operations and those that occur within their supply chain, and to work systematically internally and with their supply chain partners to improve road safety impact.

5. RESPONSIBLE SUPPLY CHAIN

Suppliers should select business partners that comply with the practices of responsible business conduct and cascade the Code along the supply chain.

Suppliers should implement a supplier management system that includes the following:

- **Due Diligence:** Suppliers should conduct due diligence on their direct suppliers and subcontractors in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, promote transparency and traceability and use their best efforts to implement the ESG standards further along the supply chain, and cascade the Code further along the supply chain.
- **Responsible Sourcing of Raw Materials and Minerals:** Suppliers should responsibly source raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency, and by implementing due diligence measures in accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

VERIFICATION

In order to review the supplier's compliance with all the topics presents, AISIN Europe has adopted an SAQ (Self Assessment Questionnaire) aligned with presented Code of Conduct. Collaboration is expected from the suppliers to share information and improvement plans of action.

Additional audits and assessments related to the presented topics can be also required, depending on the conduct of business and risk assessment based on company's profile, country of origin, among other characteristics.

■ Definitions

Management System: A management system is the way in which an organization manages the interrelated parts of its business in order to achieve its objectives. These objectives can relate to a number of different topics, including product or service quality, operational efficiency, environmental performance, health and safety in the workplace and many more.

Source: <https://www.iso.org/management-system-standards.html>

ESG standards: Environmental, social, and governance (ESG) is a framework for assessing the impact of the social, sustainability and ethical practices of a company. These are areas of interest for “socially responsible investors.”

Source: <https://corporatefinanceinstitute.com/resources/knowledge/other/esg-environmental-social-governance/>

Grievance mechanism: A grievance mechanism is a formal, judicial/non-judicial complaint process that can be used by individuals, workers, communities and/or civil society organisations that are being negatively affected by certain business activities and operations.

Source: <https://www.somo.nl/hrgm/what-are-grievance-mechanisms/>

Carbon neutrality: Carbon neutrality, or having a net zero carbon footprint, refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset.

Source: <https://www.europarl.europa.eu/news/en/headlines/society/20190926STO62270/what-is-carbon-neutrality-and-how-can-it-be-achieved-by-2050>

Water footprint: Water is measured and monitored in three ways, which in combination, make up a water footprint or water account. (1) The amount of water extracted or withdrawn from a water source – i.e., direct from a river, from a pipeline/reservoir – which is classed as water IN to a company. (2) The amount of water discharged from a company – to the sewer or river or treatment plant – which is called water OUT from a company (3) The difference between these two values is called CONSUMPTION – the amount of water it takes to make your product/embedded in your product and includes the impact of evaporation.

Source: <https://waterfootprint.org/en/water-footprint/what-is-water-footprint/>

Circular economy/circularity: Looking beyond the current take-make-waste extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system.

Source: <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

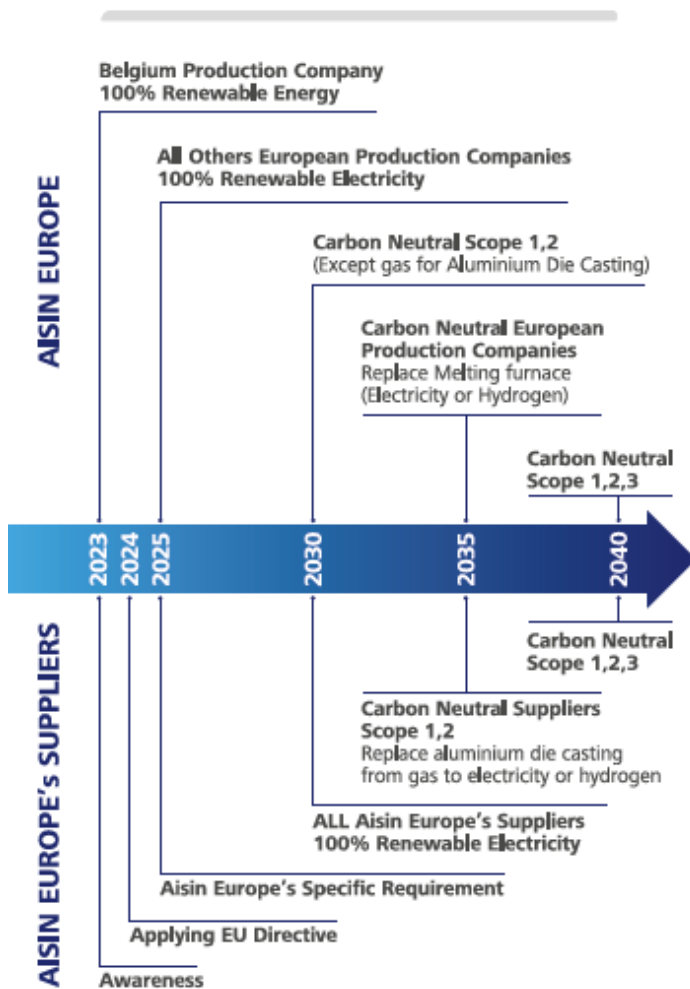
Occupational Health: Occupational health aims to promote and maintain the physical, mental and social well-being of workers in all occupations. Its objectives are: The maintenance and promotion of workers' health and working capacity; The improvement of working conditions and the working environment to become conducive to safety and health; The development of work organization and working cultures that should reflect essential value systems adopted by the undertaking concerned, and include effective managerial systems, personnel policy, principles for participation, and voluntary quality-related management practices to improve occupational safety and health.

Source: <https://www.who.int/health-topics/occupational-health>

VII. AISIN Europe Specific Requirement

Carbon Neutrality guidelines

The following timeline specifies the target for our suppliers in consonance with our direct achievements.



CARBON NEUTRAL TIMELINE

- In the year 2023, AISIN Europe took the first step to define a policy and raise awareness about the necessity of carbon reduction, aligning with the SBTi (Science Based Target Initiative) commitment. The purpose is to communicate our ambition, goals, and the next steps toward a decarbonization journey to our suppliers.
- In 2024, AISIN Europe begins to collect data within suppliers to provide reliable information for CSRD (Corporate Sustainability Reporting Directive) and to establish a carbon database for scope 3. All suppliers should be able to provide trustworthy carbon data.
- In 2025, all suppliers must be able to present a Carbon Neutrality plan or a Net-Zero Target, preferably meeting the requirements in accordance with the limitations of the Paris Agreement. It is also desirable that the plan be approved by SBTi, CDP, or other relevant institutions.
- In 2030, AISIN Europe aims to achieve 100% renewable energy in our supply chain. This means that all selected partner suppliers should be capable of providing goods originating from renewable sources.
- In 2035, it is expected that suppliers can present carbon-neutral plants. One alternative is by replacing the aluminum die-casting process based on gas with renewable energy or hydrogen.
- In 2040, it is expected that, by working with all tiers, the complete supply chain can present the best conditions for achieving carbon neutrality in scopes 1, 2, or 3.

■ Definitions

Carbon neutrality: Carbon neutrality, or having a net zero carbon footprint, refers to achieving net-zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset.

Source: <https://www.europarl.europa.eu/news/en/headlines/society/20190926STO62270/what-is-carbon-neutrality-and-how-can-it-be-achieved-by-2050>

Net-Zero : Setting corporate net-zero targets aligned with meeting societal climate goals means: (a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralizing any residual emissions at the net-zero target date – and any GHG emissions released into the atmosphere thereafter.

Source: <https://sciencebasedtargets.org>

Scopes 1, 2 and 3: The GHG Protocol Corporate Standard classifies a company's GHG emissions into three scopes. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Source: <http://ghgprotocol.org>

AISIN GLOBAL HOTLINE

AISIN Group also has a reporting system which enables external stakeholders to report any concerns related to AISIN Group's compliance.

Any behavior or act by the officers and employees of AISIN Group that violates AISIN Group's compliance policies, including, but not limited to, AISIN Group Principles of Corporate Behavior, Guidelines in Compliance with Social Responsibility and Human Rights Policy.

You can check our policies and access our hotline in AISIN Global website (www.aisin.com) or check the following addresses.

[AISIN Global Sustainability](#)

[AISIN Global Hotline](#)