

Initiatives to Respect Human Rights

Basic Approach

Respect for human rights in business has become increasingly important in recent years as we work toward achieving a sustainable society. Amid strong expectations for companies to conduct business with consideration for human rights, Aichi Steel is working to earn society's trust and be continually chosen by society at large by sincerely engaging with each of our stakeholders, including through activities that contribute to employee well-being, and by respecting the human rights of all people involved in our business operations.

Human rights policy

The Aichi Steel Group Human Rights Policy was established in March 2023 to define people-oriented management, including the company's common values, the Aichi Way, and to promote understanding and raise awareness both internally and externally. Based on the United Nations Guiding Principles on Business and Human Rights (UNGPR), this policy is positioned as the highest level of human rights policy that all officers and employees of our group should comply with. Our suppliers and other business partners have also expressed their understanding and support for it.

For more information on our Human Rights Policy, visit:

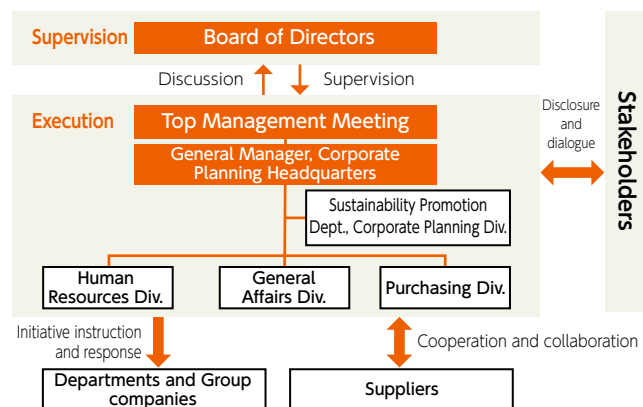


https://www.aichi-steel.co.jp/sustainability/policy_humanrights.pdf

Promotion structure

With the General Manager of the Corporate Planning Headquarters in overall charge and the Sustainability Promotion Department of Corporate Planning Headquarters as secretariat, the Human Resources Division, General Affairs Division, Purchasing Division, and other related divisions have collaborated to formulate action plans, share initiatives between divisions, and share and discuss social trends regarding human rights. They then report the details of these activities to the Top Management Meeting as appropriate. The Board of Directors monitor and supervise by receiving reports.

● Promotion structure chart



● Roles of each meeting

| Meetings | Composition | Respect for human rights roles |
|------------------------|--|---|
| Board of Directors | Chair: Chairman Outside Directors (2), Inside Directors (4) | <ul style="list-style-type: none"> Discuss formulation and revision of human rights policy Receive and supervise reports from the executive on status of initiatives to respect human rights, etc. |
| Top Management Meeting | Chair: President Chairman, Executive Vice Presidents, In-house Company Presidents, General Managers | <ul style="list-style-type: none"> Discuss policy and action plans related to respect for human rights Corporate action guidelines, procurement policies, etc. Human rights issue evaluation/identification and prevention/mitigation measures, etc. |

● Roles of each division

| Divisions | Roles |
|---|--|
| Human Resources Div. | <ul style="list-style-type: none"> Human rights awareness and education, etc. Support for participation of diverse human resources, etc. |
| General Affairs Div. | <ul style="list-style-type: none"> Development and operation of the grievance mechanisms |
| Purchasing Div. | <ul style="list-style-type: none"> Human rights due diligence (Suppliers) Collaborative and cooperative activities with suppliers |
| Sustainability Promotion Dept., Corporate Planning Div. | <ul style="list-style-type: none"> Human rights due diligence (in-house and Group companies) Planning and management of human rights respect initiatives Information disclosure |

Employee awareness and understanding

Based on our human rights policy, we actively conduct awareness-raising and dissemination activities aimed at realizing "people-oriented management." In FY2024, our existing tiered human rights education, already conducted domestically, was expanded to our overseas group companies, promoting the practice of human-rights-respecting behavior across the entire group. In addition, through the annual Compliance Awareness Survey, we monitor employees' understanding and engagement while continuing our awareness-raising activities.

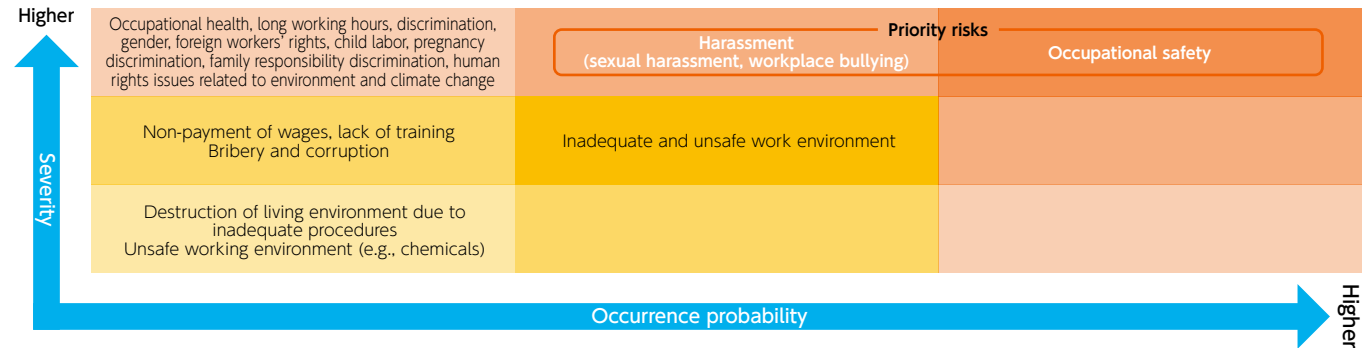
Human rights due diligence

To address human rights risks arising from our business activities, we mapped the human rights risks of the Aichi Steel Group based on information collected from domestic group companies, key business partners, and internal sources, then identified key issues and determined prevention and mitigation measures. In FY2025, we are implementing these measures and evaluating their effectiveness, working to reduce human rights risks throughout the supply chain.

Establishment of consultation desks

We have established a whistle-blowing system, an in-house hotline, and a human rights inquiry desk accessible to everyone. In FY2024, we clarified the responsible departments and procedures for handling each type of consultation. We have also set up a grievance mechanism for a wide range of stakeholders, including providing information to eligible employees about JP-MIRAI Assist, a consultation service available at Toyota Group companies for foreign workers. In FY2025, activities are underway to further improve the effectiveness of these consultation desks.

Major opportunities for dialogue with stakeholders



Roadmap for human rights initiatives

| Elements of human rights due diligence | | FY2023 | | FY2024 | FY2025 and onward |
|--|-------------------|--|---|--|--|
| 1. Develop, operate, and improve structures for implementation | | Reporting to companywide meetings and Board of Directors | | | |
| | | Operation and improvement of internal promotion structures | | | |
| 2. Raise awareness and understanding of human rights, and conduct education and training | In-house | Policy dissemination and briefing | Reflection in position-specific education | Revision of content as required | |
| | | Revision of Aichi Steel Group's Action Guidelines | | Activities to raise awareness and understanding of the guidebook | |
| | Aichi Steel Group | Policy dissemination and briefing to Group companies | | Human rights training at Group companies (policy, guidebook, etc.) | |
| | | Suppliers | Formulation of supplier guidelines | Activities to raise awareness and understanding of the guidelines | Collaborative activities through dialogue with suppliers, etc. |
| 3. Identify and evaluate human rights risks, and implement prevention, mitigation, and correction measures | In-house/In-group | Identification of human rights risks in supply chains | Investigation and evaluation within the Group | Implementation, monitoring, and additional investigation of prevention, mitigation, and correction measures according to results of the evaluation | Continuation and improvement |
| | | | | Investigation and evaluation of suppliers | Implementation, monitoring, and additional investigation of prevention, mitigation, and correction measures according to results of the evaluation |
| | Stakeholders | Information disclosure and enhancement through website and Integrated Report | | | |
| | | Dialogue with stakeholders | | | |
| 4. Develop grievance mechanisms | Aichi Steel Group | Confirmation and consideration of the status of the implementation of grievance mechanisms Improvement of human rights understanding among consultation contact point staff | | Evaluation and improvement to improve usability and trustworthiness | |
| | External | | | Consideration of expanding contact points for suppliers, or establishing an external whistle-blowing system | Consideration of raising awareness and improving usability for non-japanese users |
| | | | | Consideration of raising awareness and improving usability overseas | |