

# Initiatives to Respect Human Rights

## Basic approach

Due to the increasing importance of respect for human rights in business globally, plus other factors such as diverse values and globalization of supply chains, there are strong expectations that companies will consider human rights in their corporate activities. To realize a sustainable society, our group will provide value to society and continue to be selected and trusted by society at large. We promote efforts to respect the human rights of all people involved in our corporate activities by dealing with each and every one of our stakeholders with sincerity.

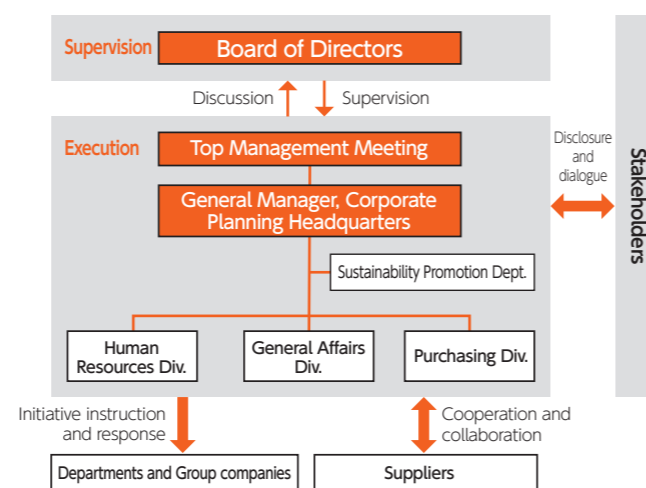
## Human rights policy

The Aichi Steel Group Human Rights Policy was established in March 2023 to define the kind of management that values people, 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.

## Promotion structure

With the General Manager of the Corporate Planning Headquarters in overall charge and the Sustainability Promotion Department 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"> <li>Discuss formulation and revision of human rights policy</li> <li>Receive and supervise reports from the executive on status of initiatives to respect human rights, etc.</li> </ul>
Top Management Meeting	Chair: President Chairman, Executive Vice Presidents In-house Company Presidents, General Managers	<ul style="list-style-type: none"> <li>Discuss policy and action plans related to respect for human rights</li> <li>Corporate action guidelines, procurement policies, etc.</li> <li>Human rights issue evaluation/identification and prevention/mitigation measures, etc.</li> </ul>

## ◆ Roles of each division

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

For more information on our Human Rights Policy, click here.



[https://www.aichi-steel.co.jp/sustainability/policy\\_humanrights.pdf](https://www.aichi-steel.co.jp/sustainability/policy_humanrights.pdf)

## Employee awareness and understanding

Aichi Steel is actively promoting awareness-raising and penetration activities to ensure compliance with our human rights policy. As well as conducting human rights education by job level (new hires, career hires, mid-career employees, promoted employees, etc.), we have revised and widely distributed the AICHI STEEL Group Action Guidelines, which specifically set out actions to be taken by all officers and employees of the Group. In FY2024, we will confirm the level of understanding and penetration of compliance among employees through a Compliance Awareness Survey while continuing our awareness-raising activities. At our overseas group companies, we have begun to develop and distribute our human rights policy translated into local languages.

## Human Rights Due Diligence

We conduct human rights due diligence to counter human rights risks that may arise in the course of our business activities. In FY2023, as a first step, we implemented a self-check via a self-survey questionnaire for Japanese group companies. We also conducted a desk study of human rights risks using information collected from secondary suppliers and beyond, to identify and assess human rights risks in our Japanese group's major supply chains, including our company's own. In FY2024, we are identifying negative impacts on

our company and our Japanese group companies and promoting efforts to prevent and mitigate them. We are also conducting self-evaluation surveys for about 100 primary suppliers of major procurement items to identify key issues that should be prioritized in supply chains.

## Consultation contact point

We have introduced an internal whistle-blowing system for the Aichi Steel Group and suppliers in Japan, and have established an in-house consultation contact point for harassment, childcare/nursing care, mental health, and other issues. In FY2023, we developed new grievance remedy mechanisms, including a human rights consultation contact point available to all stakeholders, both internal and external.

## ◆ Major opportunities for dialogue with stakeholders



## ◆ Respect for human rights roadmap

Elements of human rights due	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	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
	Policy dissemination and briefing to Group companies		Human rights training at Group companies (policy, guidebook, etc.)
3. Identify and evaluate human rights risks, and implement prevention, mitigation, and correction measures	Formulation of supplier guidelines	Activities to raise awareness and understanding of the guidelines	Collaborative activities through dialogue with suppliers, etc.
	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
		Investigation and evaluation of suppliers	Continuation and improvement
4. Develop grievance remedy mechanisms	Information disclosure and enhancement through website and Integrated Report		
	Dialogue with stakeholders		
4. Develop grievance remedy mechanisms	Confirmation and consideration of the status of the implementation of grievance remedy mechanisms	Evaluation and improvement to improve usability and trustworthiness	
	Improvement of human rights understanding among consultation contact point staff	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