



DENSO TEN Group Sustainability Report 2021





"Sincerity is the way of Heaven."

The "Ten" in our company name "Denso ten" means heavenly, in the sense of ultimate or supreme. The character that means "heaven" has been our trademark since the company was first known as Kawanishi Machine Works and then later as Kobe Industries. We have always followed the ideal that "Sincerity is the way of Heaven," as stated in the classic Confucian text "The Doctrine of the Mean."

Corporate Philosophy

We will work with the utmost sincerity to support our customers and contribute to society.

Focus, Highest Possible Quality

We always think first how to best serve our customers, to create products of the highest quality that exceed our customers' expectations.

Responsibility and Contributions to Society

Recognizing we are a part of society, we shall our social responsibilities and contribute to our society through our corporate activities.

Work Values

Each and everyone shall take pride in their work, and utilize their own abilities to realize a workplace where everyone shares in our achievements.

Behavior Declaration (CSR Policy)

We, DENSO TEN, shall contribute in building a better relationship between human and automobiles by providing our products and endeavor to become a corporation trusted by both regional and international society. In order to achieve this goal, we shall respect the ideal of "MAKOTO" ("sincerity" in Japanese) and put this "DENSO TEN Group Corporate Behavior Manifesto" into practice based on "DENSO TEN Corporate Philosophy".

☐ Customers

Customer is number one, optimal product quality, and products/services that exceed expectations
Improve safety and product quality
Protect personal information

☐ Employees

Respect for human rights
Prohibition of forced and child labor
Actualize job satisfaction
Fair labor conditions and safe work environment

☐ Clients

Co-existence and co-prosperity
Fair and transparent business opportunities, and just relationships

☐ Shareholders

Improve corporate value

☐ Environment

Reduce environmental impact

☐ Society

Proper information disclosure
Compliance with all international and local rules
Proper relationship with governmental authority
Handling of antisocial forces

☐ Social contribution

Contribute to creating prosperous society and local communities



Behavior Declaration (CSR Policy)

Editorial policy

DENSO TEN Group annually publishes "Sustainability Report" in order to clearly disclose the efforts toward the realization of sustainable society and information about CSR and to communicate with our various stakeholders. "Sustainability Report" (this PDF) of 2021 edition has been prepared in accordance with our important issues of CSR and mainly summarizes our important efforts and topics in FY 2020 in a compact manner.

Reference guideline

Ministry of the Environment "Environmental Reporting Guidelines 2012"
ISO26000:2010 - Guidance on social responsibility -

Reporting period

This Sustainability Report mainly covers activities of FY 2020 (the period from April 1, 2020 through March 31, 2021). However, some contents of other periods are also included.

Expected readers of this report

Expected readers of this report are stakeholders including customers, suppliers, employees, shareholders, local communities and governmental organization.

Reporting organizations

This report covers activities of the entire DENSO TEN Group and DENSO TEN Group's affiliated companies. However, some data and cases included in this report cover only the specific range and sites.

Forecasts, expectations and plans related to the future

This report discloses not only past and current facts of DENSO TEN Group but also forecasts, expectations and plans related to the future. These forecasts, expectations and plans are assumptions and judgments based on the information available at the time of statement, and thus contain uncertainties. Therefore, please note that there is a risk that future business activities and events occurring in the future may differ from the forecasts, expectations and plans stated in this report, and DENSO TEN Group is not responsible for such situations.

Contents

Corporate Philosophy	1
Behavior Declaration (CSR Policy)	
Editorial policy	2
Top message	3
VISION2030	4
Sustainability Management of the DENSO TEN Group	5
Special Feature – "Green" and "Peace of mind" Initiatives	
- "Green" Initiatives	6
- "Peace of mind" Initiatives	7
Business domains and products	9
CSR of DENSO TEN Group	10
Important issues of CSR	
Consumer issues	12
Environment	14
Human rights / Labor practices	16
Fair operating practices	20
Effort other than important issues of CSR	
- Organizational Governance	21
- Contribution to society	23
Environmental Activities (Details)	26
Corporate Profile / List of business offices	34

We will always have high aspirations and contribute to solving social issues by "Improving the value of automobiles" and "Improving the value of our lives".

I would first like to extend my sincere sympathy to all those who have contracted the novel coronavirus and everyone who has been affected by the global pandemic. I would also like to express my heartfelt respect and deep gratitude to all of you who have worked hard to prevent the spread of infection.

In February 2020, DENSO TEN marked the 100th anniversary of the foundation of Kawanishi Machine Works^{*1}, the origin of our company. In October 2022, 50 years will have passed since Fujitsu Ten Limited was established. Since its foundation, MAKOTO (Sincerity) has been engaged in business activities with the aim of contributing to the resolution of social issues with the aim of "For the world and for people" as expressed in the company motto,.

While the automobile industry is undergoing major changes, the global spread of COVID-19 caused a recession last year and had a major impact on the automobile industry. Although the development and vaccination of vaccines will progress in many countries around the world, Opaque is still on the way to the end of the pandemic. Amid major changes in our lifestyles and society, the ability to provide safe and secure means of transportation to consumers has become an important issue.

Against this backdrop, we are working to realize "VISION2030", which we formulated in March 2020, through a two-pronged approach: "Improving the value of automobiles" and "Improving the value of people's lives". Last fiscal year in particular, we conducted demonstration tests and other activities to "Improve the value of people's lives" through the use of Drive Recorder communications, aiming to make car rental reception more unmanned and reduce traffic accidents. As part of our efforts to enhance "Improving the value of automobiles", we incorporated new functions in our "Safe Driving Management Telematics Service", such as automatic AI detection of unsafe behavior and visualization of compliance with the Road Traffic Law. We also launched Mass production, an integrated control electronic device for small EVs.

^{*1} DENSO TEN took over the vacuum tube and communications equipment businesses of Kawanishi Machine Works.

In our pursuit of sustainability management that contributes to the solution of social problems while growing our business, we will contribute to the achievement of SDGs^{*2}. In problem, as a member of DENSO Group, in 2035 we began activities aimed at reducing CO₂ emissions in Monozukuri of in-plant manufacturing, expanding sales of electric products, and creating new businesses and technologies that will lead to the reduction of CO₂ emissions. In addition, as a measure against the COVID-19's infection, we provided face shields to medical personnel and emergency medical personnel, supported the development of ventilators, and conducted activities in mass production in the other countries. In addition, target respects the individuality and diversity of its employees and promotes remote work, productivity improvement through the use of DX^{*3}, and zero overtime as part of its efforts to enrich the lives of its employees and achieve sustainable growth.

We will continue to maintain high aspirations and boldly meet the challenge of solving social issues, so we may contribute to the achievement of the SDGs. In doing so, we will aim for further growth.

^{*2} Sustainable Development Goals ^{*3} Digital Transformation



DENSO TEN Limited
President & Representative Director

加藤之啓

VISION2030

Corporate Philosophy

We will work with the utmost sincerity to support our customers and contribute to society.

Principles

Challenge	We will aim high and boldly take on challenges
Originality	We will hone our ideas and winning techniques to create what only we can
Speedy	We will go for it and act quickly
Respect	We will respect individuals and utilize diversity

A mobility solutions partner that continues to create value in mobility for the realization of a jubilant mobility society in which everyone experiences comfort and freedom



The DENSO TEN Group has established VISION2030, which describes the image and directions we will strive toward as we approach 2030 and the guidelines for actions we want to value.

Along with further deepening and advancing “Improved car value” to increase the appeal of cars with people-friendly and environmentally friendly products, we will contribute to “improved lifestyle value” by solving mobility-related problems and enriching people’s lives.

Through the declaration of these two offerings of “Improved car value” and “Improved lifestyle value,” and by revolving our work around these two axes, we will create synergies and support all kinds of lifestyle situations, to continue to offer new mobility value.

With our slogan of “Freedom in Mobility and Make People Smile,” we will become a solutions partner that creates an interface between people, mobility, and society and contribute to our customers and society.

Our cherished spirit of “sincerity” and SDGs perspectives will be the foundations of these activities, which the entire DENSO TEN Group will unite to promote.

The DENSO TEN Group is pursuing sustainability management that aims to improve corporate value by contributing to the solution of social problems while growing our business. The spirit of sincerity that we have cherished since our foundation is precisely our sustainability management perspective. Through our business activities, we will continue in our aim to be a company that is trusted by society by contributing to the solution of social problems.

We will aim to improve corporate value by contributing to the solution of social problems while growing our business.

Solve social issues

- Enhance the quality of lifestyles
- Contribute to the creation of a sustainable society



Business growth

- Develop new markets and customers
- Create a new competitive axis

Business



Connected Business

We will contribute to the realization of a safe, secure, and comfortable mobility society through products with connectedness functions.

CI Business

We will contribute to reducing road traffic accidents, optimizing urban transport flow, and cutting CO₂ emissions through the avoidance of traffic congestion.

AE Business

We will contribute to the prevention of global warming through products designed to have lower fuel consumption.

Functions



■ Important issues of CSR of DENSO TEN Group

Fair
operating
practices

Human
rights

Labor
practices

Environment

Consumer
issues

Company Culture

Each individual will be conscious of social problems and be proactive.

Special Feature - "Green" and "Peace of mind" Initiatives

As part of its commitment to "Mobility Solutions Partners Create the Interface between People, Mobility and Society" our company is VISION2030 committed to "Improving the value of automobiles" and "Improving the value of people's lives" in order to contribute to "Green" and "peace of mind" set forth in the principles of DENSO Group. This special feature introduces VISION2030's "Green" and "Peace of mind" initiatives.

"Green" Initiatives – Contributing to Human and Earth-Friendly Electrification



As the automotive industry accelerates CASE*¹ initiatives and moves toward a decarbonized society become more active, our company aims to contribute to the realization of carbon neutral by promoting the development of electrified products that are the core of next-generation automobiles, such as electric vehicles (EVs) and plug-in hybrid vehicles (PHV).

■ Main electric products

Battery Management ECU*²

A system for safely utilizing lithium-ion batteries installed in electric vehicles and hybrid vehicles. By detecting abnormalities such as overvoltage, overtemperature and overcurrent, we can realize safe use of lithium-ion batteries installed in electric vehicles.

Charge Control ECU

System necessary for charging the battery of an electric vehicle. It supports a wide variety of charging standard methods and controls charging from charging equipment to electric vehicles.

TOPICS

DENSO TEN Limited's "VCU"^{*3} is used in Toyota Motor Corporation's ultra-small EV "C+pod"

The newly developed "VCU" integrates vehicle power, Driving Force control and body control into a single ECU for integrated control. By physically aggregating the devices, the new system is smaller and lighter than the previous ECU combined. In addition, compared to the conventional system in which information is exchanged between control devices via communication, the new system enables more precise integrated control, thereby contributing to higher vehicle power costs.



*1 Connected, Autonomous, Sharing & Service, Electric

*2 Electronic Control Unit

*3 Vehicle Control Unit

Special Feature - “Green” and “Peace of mind” Initiatives



“Peace of mind” Initiatives

- Solve mobility challenges with connected services/MaaS



With the expectation of further acceleration of “CASE” and digitalization initiatives as well as the growth of “MaaS^{*1}” in terms of both people flow and Logistics with an eye toward the “After COVID-19” world, our company is working to develop and provide services and solutions that solve the problems of “Companies that actually provide transportation (taxis, buses, rental cars, next-generation mobile vehicles, etc.)” in close cooperation with users and businesses, in order to realize the “Enhancement of value in life” set forth in “VISION2030”.

TOPICS ①

New functions for “Safe driving management telematics service” ~Automatic detection of possible situations such as “Doing something while driving” or “No halt”~

“Safety Driving Management Telematics Service”, which supports safe driving using the communication-type Drive Recorder “G500Lite” for corporate users, now includes functions that allow AI to automatically detect “Doing something while driving” and “Dozing off while driving,” such as watching the driver while looking aside while driving or driving with one hand while using a smartphone, as well as functions to visualize compliance with the Road Traffic Law. By providing this function, we will contribute to the prevention and reduction of traffic accidents by providing a sense of security to service users and promoting compliance with the Road Traffic Law. By providing this function, we will contribute to the prevention and reduction of traffic accidents by providing a “sense of safety” to service users and promoting compliance with the Road Traffic Law.



TOPICS ②

Demonstration of solutions for congestion mitigation for Event companies

As part of our efforts to address urban traffic issues, we conducted a demonstration test to reduce congestion at stadiums and other locations after Event Games ended, and to revitalize local communities around the venues. Based on sensor information installed in the vicinity of the venue, simulation will grasp the flow of people, predict the occurrence of congestion, and provide congestion conditions for each mode of transportation through smartphone applications. In addition, by granting incentives (coupons) that can be used at stores near the venue depending on the waiting time, the program will encourage visitors to change their behavior, and aim to both disperse the demand for travel after the game and improve the accessibility of the venue.



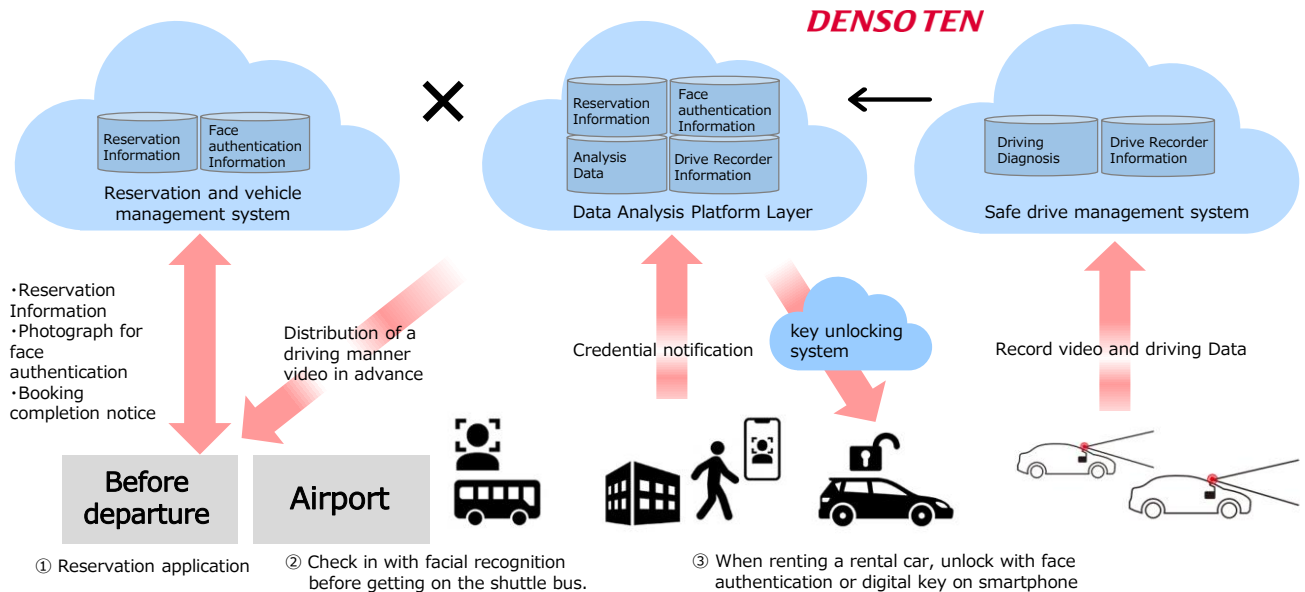
^{*1} Mobility as a Service

Special Feature - "Green" and "Peace of mind" Initiatives

TOPICS ③

Demonstration of unmanned rental car reception and reduction of traffic accidents started

We have started a demonstration experiment to reduce traffic accidents and unmanned car rental reception using a communication-type Drive Recorder. Reservations for rental cars can be made smoothly by face recognition using smartphones and car rentals, contributing to the efficiency of rental car companies. In addition, prior to acceptance and lending, we will make efforts to improve convenience for both rental car companies and users by distributing driving manner videos created from Drive Recorder videos, and by utilizing the driving data of rental car users to analyze the driving behavior of travelers, identify areas where dangerous driving occurs frequently, analyze traffic congestion, and analyze visiting destinations.

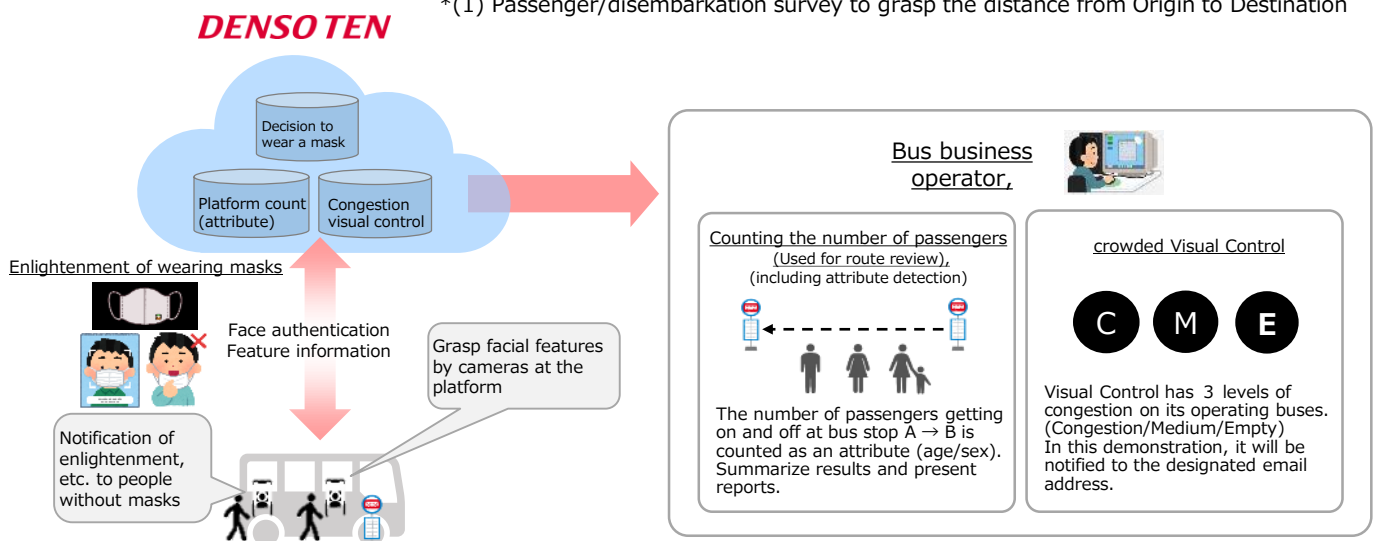


TOPICS ④

Studying the use of facial recognition technology to analyze bus traffic by attributes in order to solve local traffic problems

As an effort to contribute to solving regional transportation problems, we conducted a study on evaluation technology for a platform analysis solution based on facial recognition in cooperation with bus business operators. By installing facial recognition cameras at bus entrances and exits, bus users do not stop, but instead conduct OD^{*1} analysis according to age, gender, and other attributes to understand the actual conditions of users and contribute to the appropriate route design of local transportation. We also used facial recognition technology to reduce screwdriver's impact by educating people who are not wearing masks in the event of COVID-19, as well as Visual Control's technology Evaluation, which reduces bus congestion during operation.

^{*1}(1) Passenger/disembarkation survey to grasp the distance from Origin to Destination



Business domains and major products

To realize a safe, secure, and comfortable mobile society, our company conducts business in three areas: comfort and convenience, safety and security, and the environment.

We are working to provide people-friendly information systems, functional products that can be connected, and core products that utilize control technology.

Comfort & Convenience

We will contribute to the maximization of driver's comfort and convenience based on the people-friendly information provision system.



Car Navigation, Display Audio, CD Tuner



Sound system, Amplifier



Taxi Demand Prediction Service using AI

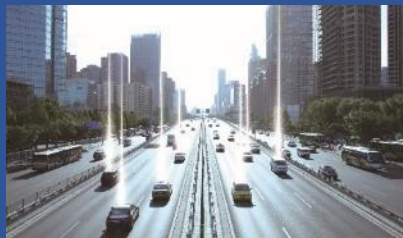


Cloud-Based Dispatch System for Taxis



Safety & Security

We will contribute to the realization of a safe, secure, and comfortable mobility society by connecting functional products.



eCall system



Airbag ECU



Vehicle Security System (VSS)



Communication-type Drive Recorders (For commercial vehicles)



Environment

We will provide core products utilizing control system technology for next-generation vehicles that are becoming increasingly motorized and autonomous.



Hybrid ECU



Engine Control ECU



Electric Power Steering ECU



Battery Control Unit



CSR of DENSO TEN Group

By practicing Sincerity in its day-to-day activities, the DENSO TEN Group aims to contribute to the international and local communities and further improve its corporate value.

□ Important issues of CSR

We mapped the various social problems from the two perspectives of their degree of importance to stakeholders and their degree of importance to the company. Based on that process, we identified the key issues (materialities) that we should address as a priority, and have been pursuing activities that meet our stakeholders' expectations and demands in a way that is typical of DENSO TEN.



□ Promotion Structure

Since 2017, our company's corporate divisions have played a central role in promoting concerted CSR activities as a group. In April 2020, Corporate Strategy Group Corporate Planning Division began to supervise CSR activities company-wide in order to strengthen initiatives aimed at resolving social issues through business, by incorporating the perspective of sustainability into its management strategy.

□ Response to SDGs















With the aim of contributing to the achievement of the SDGs through its business activities, the DENSO TEN Group has established KPI related to the SDGs in each division's medium-term and annual plans, and is implementing various measures.

As an activity to raise awareness among employees, a special SDGs website has been set up on the Group intranet, and information is distributed through e-learning and the in-house newsletter. At overseas sites, DENSO TEN Philippines held an in-house "SDGs exhibition", and DENSO TEN Mexico provided education to employees about the SDGs.







CSR of DENSO TEN Group

■ Main effects in FY 2020/Applicable SDGs

Important issues		Main effects/initiatives in FY 2020	Applicable SDGs	Page
Consumer issues	Protection of customers' data	<ul style="list-style-type: none"> Establish rules based on the "personal information protection policy" and indirectly familize employees with the rules (ongoing) 	 	P.12
	Improvement of customer satisfaction	<ul style="list-style-type: none"> Global operation of quality assurance framework based on "ISO9001" and "IATF 16949" (ongoing) 		P.13
		<ul style="list-style-type: none"> "True cause pursuit strengthens training" for all executives to improve quality of work 		
Environment	Contribution to environment by our products	<ul style="list-style-type: none"> Target achieved goals in 11 areas of the 8th Environmental Action Plan and formulated the 9th Environmental Action Plan. 	  	P.14 -15
		<ul style="list-style-type: none"> The subcommittee on carbon neutrality was established under the Environment Committee to contribute to DENSO Group's achievement of carbon neutrality in 2035. 		
Human rights	Due diligence (Respect of human rights)	<ul style="list-style-type: none"> The Human Rights Counseling Guidelines are clearly written and disseminated to employees by establishment corporation, the role of the human rights consultation service and the prohibition of disadvantageous treatment and protection of privacy. 	 	P. 16
		<ul style="list-style-type: none"> Education and exchange of information for personnel in charge to improve the responsiveness of human rights consultation desks established at each site 		
Labor practices	Personnel diversity (Diversity)	<ul style="list-style-type: none"> Held online round-table discussions with employees on a variety of themes to promote internal communication in the event of COVID-19 	  	P.16
		<ul style="list-style-type: none"> A diversity online event was held to encourage employees to enjoy learning about diversity, deepen their understanding, and reform their awareness and culture. 		
	Work-life balance	<ul style="list-style-type: none"> Providing more flexible working styles that suit individual lifestyles, such as abolishing the maximum number of times employees can use the work-from-home system, providing abolition with core time, and providing a new work-from-home allowance 		P.16 -18
		<ul style="list-style-type: none"> As a system to support employees' diverse experiences and challenges, establishment group has expanded its internal job posting system and introduced guidelines to ensure that employees who wish to take a side job can implement the system with peace of mind. 		
Fair operating practices	Fair and equivalent transactions	<ul style="list-style-type: none"> DENSO TEN received certification in the Certified Health & Productivity Management Organization Recognition Program 2021 (Large Enterprise Category) - White 500, for the third consecutive year 		P.19
		<ul style="list-style-type: none"> Communicated Customer Specific Requirements - related policies to major suppliers at "Thanks to our business partners" (ongoing) 	 	P.20

Effort other than important issues of CSR

Organizational Governance	<ul style="list-style-type: none"> In order to raise awareness of compliance by regarding compliance as one's own affairs, review of compliance education by rank and education by theme, such as the Antimonopoly Law, by including educational materials on past cases of the company. 		P.21
Community involvement and development	<ul style="list-style-type: none"> In addition to donating medical supplies in response to the global pandemic of the COVID-19, we also provided educational support for children unable to attend school due to the impact of the COVID-19. 	  	P.23 -25

Consumer issues

We always think first how to serve our customers.

We always think first how to serve our customers, to create products/services that exceed our customers' expectations by improving quality and safety. Personal information is strictly managed and protected for a limited purpose.



Efforts made by our customer service representative

We respond to inquiries about products on the market in a way that is closely attuned to each customer.

- By selecting the number according to the guidance, you can quickly be connected to the appropriate operator.
- In addition to easy-to-understand explanations, we sincerely listen to customer feedback and provide feedback to the development department to improve the functions and operability of new products.

Repairs

In Japan, we offer after-sales service at 88 certified service shops (SS) and 3 Field Support Center (FSC). Overseas, we provide After-sales service at 6 local subsidiaries, 7 FSC bases, and 13 SS bases.

- Service staff receive technical certification on a regular basis to maintain and improve service levels.
- Under the motto of "Quick, cheap and high-quality repair", we perform inexpensive and environmentally friendly repair by minimum parts replacement.
- We have deployed the "Advanced Rework System" at our repair bases to perform high-quality repairs on BGA-IC* and other mount parts that require advanced repair technologies.



Advanced Rework System

*Abbreviation for Ball Grid Array-IC. Since mount area is small, a large number of pins (electrodes) can be provided and a high-density mount is possible.

Protection of personal information for customers

Personal information that can identify a specific individual, such as a customer's name, address, and e-mail address, is strictly managed and protected in accordance with the "Personal Information Protection Policy".

In addition, it is obligatory to take measures to protect personal information stored in the car navigation system itself, such as establishing a person responsible for the management of repair sites.



[Privacy Policy](#)

Product security

With the increase in onboard IoT products, product security measures are needed to prevent damage from information leaks, data falsification, and attacks aimed to cause malfunctions. To ensure that our products can be used with peace of mind, along with establishing in-house systems and rules, we are working to ensure the security of our products through staff training, product security measures in development, and responses after product shipment.

Pursuit of quality and safety of products

In order to provide products trusted and satisfied by customers, we have developed a global quality assurance system based on the international standards for quality management system and implemented a cycle designated to promote product quality at domestic and overseas bases. In terms of international quality management systems, we have obtained and operate under ISO9001 certification as well as IATF 16949, the standard for the automotive industry.

In such effects, based on "DENSO TEN Group Products Safety Charter", we drive to ensure quality and safety of products at each step from the product planning step to the mass production step.



IATF16949 Certificate

Raising quality consciousness and human resources development

Since 2020, in keeping with recent changes in the way people work, we have held online Quality exhibitions and seminars to improve Quality Consciousness for all employees and to develop human resources who are sensitive to Quality.

TOPICS

"True cause pursuit strengthen training" for all Executives is performed

To improve the quality of our work, we held "True cause pursuit strengthen training" for all executives. Our company's concept of "true cause pursuit" refers to reflection's way of doing the work that gave rise to problem (work process), identifying the work that should have been done but could not be done, investigating the true cause of the failure to do the work, and creating the condition in which the work can be surely done, and we strengthened our skills and practical skills.

True cause pursuit's way of thinking applies to any job and is a skill that everyone should have in order to kaizen the quality of work. In the past, training has been conducted mainly for senior management employees. In the future, we will expand the scope of this training and improve the quality of work globally by expanding this training to mid-level employees and overseas bases.

Environment

The beautiful earth is handed down to the next generation.

We are depletion aware of the environmental preservation on a global scale, and promotion of environmental loads in every area of business activities.



8th Environmental Action Plan/FY 2019 Targets and Achievements

In “the 8th Environmental Action Plan”, which covers the period from FY 2016 to FY 2020, 11 items (12 items in total) were achieved by target.

Sector	Initiative Target	Target	Result	Evaluation
Eco Products	For all recently developed products, reduce weight by an average of 9% compared to FY 2015 by FY 2020 ~ 7.3% compared to FY 2015	-9 % compared to FY 2015	-12 % compared to FY 2015	○
	Extend environmental contribution technology * ¹ initiatives to all engineering departments and make at least two proposals per business division by the end of FY 2020	1 Proposal per business division (total3proposals)	1 Proposal per business division (total3proposals)	○
	Increase sales revenue from environment contribution products * ¹ by 50% compared to FY 2015 in FY 2020	Up 50% compared to FY 2015	Up 60% compared to FY 2015	○
	Actively promote transition to global scale restrictions on Substances of Concern	Lead — Diagram notes finalized Phthalic acid — Outlook for switch finalized	Lead — Diagram notes finalized Phthalic acid — Outlook for switch finalized	○
Eco Factory	Reduce greenhouse gas emissions (by output) by 9% compared to FY 2015 by the end of FY 2020	-9% compared to FY 2015	-7% compared to FY 2015	×
	Expand use of renewable energies * ²	Implementation of Simulation	Implementation of Simulation	○
	Reduce generated waste (by output) by 6% compared to FY 2015 by the end of FY 2020	-6% compared to FY 2015	-24% compared to FY 2015	○
	Increase recycling rate to at least 98% by the end of FY 2020	98% recycling rate	98% recycling rate	○
	Reduce water usage (by output) by 16% compared to FY 2015 by the end of FY 2020	-16 % compared to FY 2015	-25 % compared to FY 2015	○
	Reduce chemical usage (by output value) by 15% compared to FY 2015 by the end of FY 2020	-15% compared to FY 2015	-37% compared to FY 2015	○
	Reduce greenhouse gas emissions in transport by revenue by at least 10% compared to FY 2015 by the end of FY 2020	-9.7% compared to FY 2015	-9.7% compared to FY 2015	○
Eco Management	Thorough compliance through environmental risk reduction activities. No cases of infringements of environmental law or of environmental incidents	Number of infringements of environmental law or of environmental incidents	Number of infringements of environmental law or of environmental incidents	○

*1 Environmental contribution technologies and products: Technologies and products that are able to contribute to the reduction of energy consumption and greenhouse gas emissions

*2 Renewable energies: Forms of energy that always exist in the natural world, such as solar, wind, and water power. They are clean energies that emit virtually no carbon dioxide, which is the cause of global warming, during electricity generation or use of heat

TOPICS

Formulation of the 9th Environmental Action Plan

We have changed the name from the conventional Environmental Initiatives Plan to the Environmental Action Plan and have established target for each action item.

Carbon Neutrality Subcommittee established

To contribute to DENSO Group's goal of achieving carbon neutrality in 2035, we established the Carbon Neutrality Subcommittee as a subordinate organization of the Environmental Committee. The Sub-Committee will promote initiatives such as the reduction of CO2 emissions in Monozukuri of in-plant manufacturing, the expansion of sales of electrified products, and the creation of new businesses and technologies that will lead to the reduction of CO2 emissions.

- See page [26 and beyond](#) for more details about the DENSO TEN Group's approaches to environmental protection.

Human rights/Labor practices

We respect “Job satisfaction ” of each person

We aim to build workplace where human rights of each employee are affected and he/she can work with proud and sense of challenge while he/she demonstrates his/her abilities. We also make effects to maintain and improve a safe and healthy labor environment under providing fair working conditions for all employees.



Respect of human rights

DENSO TEN regards “respect of human rights ” as Business Activity Directive. Also we regard “respect of human rights ” as corporate behavior declaration (Customer Specific Requirements policy) and describe the words “shall not engage discrimination based on factor of race, color, belief, faith, sex, social status, birth, disability, sexual orientation etc., and human rights violation, forced labor, and child labor”.

- We held the seminar about the human rights for new employee and each classified staff, and we work on the importance of awareness for employees through putting a poster in every December, Human Rights Month.

Efforts in FY 2020

- The Human Rights Counseling Guidelines were published in establishment, and the roles of the human rights consultation desks, the prohibition of disadvantageous treatment of the counselors, the protection of privacy, etc. were stipulated and disseminated to employees.
- In order to improve the responsiveness of human rights consultation desks set up at each site, we provided education and information exchange to staff in charge.

Acceptance of diversity

We think that all employees will accept and utilize diversity, which will lead to “development of individuals ” and “strengthening of the competency and growth of our company”. Led by Diversity Promotion Section, we deliver to “develop a corporate culture ” which respects diversity,” promote work-life balance ”, and “support employees ’ independence and success”.

Efforts in FY 2020

- With the aim of stimulating communication within the company in the event of COVID-19, we held online round-table discussions with employees on various themes.
- An online diversity event was held to encourage employees to enjoy learning about diversity, to deepen their understanding, and to reform their awareness and culture.

Promotion of work-life balance

In order for employees to be able to realize variable of working styles according to their lives and life stages, and to balance their work and family life, DENSO TEN develops variable measures. Specifically, we provide/strengthen various systems such as child leave and nursing care leave and provide information and improvement awareness and enhancement so as to promote the utilization of the systems. As a result of such effects, in May 2015, DENSO TEN received special certification, “Platinum Kuruma certification ” based on “Act on Advancement of Measures to Support Raising Next-Generation Children” from Hyogo Labor Bureau.



Platinum Kurumin

- In order to ensure that employees who are raising children work at a rewarding level, we offer an interview system for employees to take a child leave of absence in 3 times, before leave of absence, before and after the reinstatement, and provide training opportunities.
- We hold our “company tour for children ” to invite employees ’ children to see the office of their parents.

Efforts in FY 2020

- We conducted PR activities and presented online video to foster understanding about balancing work and nursing care, for people who never know when they may find them in that situation.
- We introduced the opinions of employees who used the system actually to balance work and medical treatment.
- We promote a variety of working styles, including telecommuting and flexible working hours. In April 2021, we abolished the upper limit on the number of times employees can work from home and Core Time System. In addition, a new work-from-home allowance system was introduced to allow employees to work flexibly in accordance with their individual lifestyles.

Promotion of women's advancement

We deliver to create a workplace where women can work comparably, such as as to continue to deploy women, expand the types of jobs available, develop and improve variable systems for balancing work and children, and develop a corporate culture to utilize the measures.

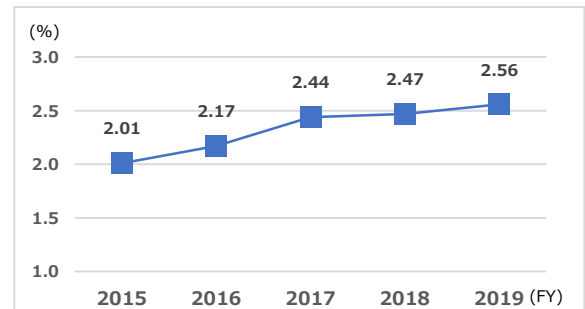
- We are conducting training for female employees with the aims of the change in mindset that is needed to demonstrate leadership and of building networks in the company. We are also providing training for the supervisors of those female employees.
- As an opportunity to think about future career of young women, we hold a discussion meeting with senior employees, and hold forums which interacts with women managers who are working well outside company.
- In July 2016, we obtained the "Eruboshi" company certification by the Minister of Health, Labor and Welfare
- based on the evaluation result of effects for promotion of women's advancement.



Employment of people with disabilities

Our company is actively promoting the acceptance of people with disabilities through employment support organizations and other means, by developing pleasant workplaces and work areas. The number of persons with disabilities employed increased by 2 from last year to 69 as of June 1, 2021, exceeding the statutory employment rate of 2.3%.

Trend in employment of people with disabilities



Human resources development

With a slogan of "developing people who will continue to improve themselves and to guide and nurture others," we operate a variety of education and training programs based on the belief that each person must develop their own abilities. Since FY 2015, we have enhanced our position-specific training programs with a policy of strengthening human resources development. Further, in FY 2020, as an approach to management that revolves around turning our people, we have placed effects into more practical human resources development, such as having the President and other executive officers acting as instructors and conducting employee education themselves.

- The TEN Academy, whose classes employees take voluntarily, offers group training and online courses in areas such as Specialized Knowledge (Technology), Business Administration and Management, Business Skills, Life and General Education, and Global Issues.
- In the area of technical education, we have more than 100 e-learning programs available that employees can choose according to their area of specialization and interests.
- We have introduced a Junior Employee Workplace Training Program, an OJT program in which the entire workplace looks after the junior employees in their first to third years with the company.



A scene from the Programming Course for Families offered by TEN Academy

*It is currently held online to take measures against the COVID-19.

TOPICS

Establishing a flexible work system

In 2020, as a measure to prevent the spread of COVID-19, we distributed additional notebooks and promoted the use of online tools, and actively used them for telecommuting, flextime work, and other purposes. Since 2021, it has become a common practice for employees to choose their work place and time according to their work content and efficiency, for example, by providing a telecommuting allowance.

Company-wide promotion of DX

We are promoting DX^{*1} to improve productivity in our business operations. In 2020, we established a company-wide promotion organization under the motto "WORKSHIFT for work that can be done because of human". We support the efforts of each workplace by providing DX literacy education for employees, supporting the introduction and introduction of tools, and sharing good practices, thereby contributing to the improvement of operational efficiency.

^{*1} Digital Transformation

Aiming to create new value at work style reforms

Through work style reforms, our company aims to enrich the work and life of each and every employee, achieve sustainable growth, and contribute to society. We will use the time created through flexible working styles and improved productivity for self-investment and new challenges and create new value through a virtuous cycle that leads to the growth of individuals and organizations. In 2020, as a system to support employees' diverse experiences and challenges, we expanded the in-house recruitment system and worked on establishment guideline so that those wishing to become a sideline could implement it with peace of mind.

Mental and physical health support

Under recognition of "health management of employee is a base of management", we improvement health awareness of each employee and support voluntary health promotion including mental and physical health. Since the 2nd half of FY 2014, we have shifted our support measures from "Medical checkups and treatments" to "Mental and physical disease prevention activities". Since then, we have been working to reduce the number of people with health risks and to raise the health level of employees by providing opportunities through health information and seminars and promoting health promotion activities in Visual Control and other areas.

Efforts in FY 2020

- In order to reduce the number of people with symptoms of diabetes, we provided lifestyle kaizen support via the Internet, focusing on exercise and sleep, as well as providing young people (20, 30's) with basic knowledge about diabetes. (The association between diabetes and lifestyle, walking guidance that can be easily implemented during commuting hours and in daily life, and health improvement seminars for young people provide guidance on how to improve sleep knowledge and quality of sleep.)
- In order to reduce the number of employees on leave due to mental health problems among young employees in their 20 ~ 30's, we provided support on the Web for young employees to acquire mental self-care skills and line care skills for supervisors. we worked to strengthen Recurrence Prevention for employees returning from mental leave. (Management of a system to follow up for 6 months after returning to work)
- As a way to help each individual employee to engage autonomously in health and fitness, we provided feedback on their lifestyle habit scores and raised awareness of their individual strengths and weaknesses in terms of health habits.
- We implemented activities to raise awareness and prevent the spread of the COVID-19. (Assessing the status of persons with underlying diseases who are at high risk of severe illness, and identifying persons with underlying diseases who work at home or stay at home, persons with poor physical conditions by workplace (daily), mental health care for persons who are off work or working at home)

TOPICS

Continuous promotion of health management – White 500 certified for 3 consecutive years

In FY 2020, the "Health Challenge Course" (Select the desired lifestyle course from kaizen course and continue to do it for 3 months), which aims to promote self-directed health, was designed to respond to the situation of COVID-19 by setting up an indoor exercise course that allows participants to watch online guidance and a course to review meals, and by expanding the number of participants and improving the satisfaction and fulfillment of participants.

In addition, by providing feedback on the Lifestyle Score (a measure of a person's health in Visual Control), employees are aware of their current state of health practices and health issues from the Health Data and have been enlightening the importance of self-directed daily health promotion. As a result of these activities, in February 2021, Astellas was recognized for the 3 consecutive years as an Excellent Health Management Corporation (2021 in the large enterprise category) ~ White 500 ~ under the Excellent Health Management Corporation Certification System selected by Ministry of Economy, Trade and Industry and the Japan Health Council.

Health and Safety Management

Based on the principle that the health and safety of our employees is the foundation of our company's management, we are working on the development and implementation of health and safety management systems with an emphasis on the prevention of occupational accidents. We have obtained the combined global certification of "ISO 45001" certification, the international standard for safety and health management systems, and "ISO 14001" certification, the environmental management system.

- In response to the risk of occupational accidents, we identify the source of risks in each workplace and conduct risk assessment activities to counter those risks in systemic ways.

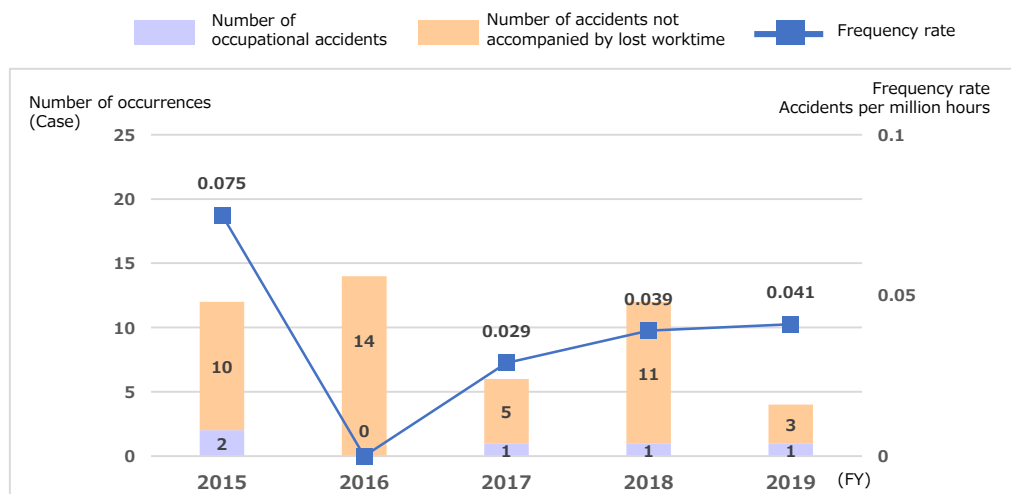
Efforts in FY 2020

- In order to raise the level of the safety and health activities of the entire DENSO TEN Group, we undertook group inspections from a wide range of perspectives, from management to the risk of serious accidents. We focused on Visual Control's strengths and weaknesses and continued efforts to strengthen kaizen. In addition, in order to control unsafe behavior, we strengthened "activities to raise individual safety awareness," and in particular, in the case of plants, the Plant Safety Section was assigned to New Design, and efforts were made to maintain and improve safety in production Genba.

In fire-prevention activities, the DENSO TEN Group took the following three approaches in order to establish a strong awareness of "never fire."

- ① People (Safety awareness and behavior)
- ② Facilities (Prevention)
- ③ Fire prevention system (Prevention of fire spread and minimization of damage)

Number of occupational accidents, frequency rate of lost-time injuries of one (1) or more days (consolidated basis)



Frequency rate: Number of workplace accidents accompanied by lost worktime ÷ Total work hours × 1 million

Fair operating practices

We maintain fair relationships with suppliers.

We provide open and equivalent transaction options toward suppliers, complete with all laws and contracts, and maintain fair relationships. And under a long-term perspective, we work on materializing the partnerships for co-existence and co-profitability with suppliers based on mutual trust.



Procurement Basic Policy

To realize our declaration of "mutual harmonic and benefit, fair and transparent trading opportunities, and fair relationships" with our suppliers in our Declaration of Corporate Conduct (Customer Specific Requirements Policy), we have declared "open, equivalent, and fair trading," "mutual harmonic and benefit with suppliers," and "promotion of Customer Specific Requirements" as our basic promotion policies.

Open, equivalent, and fair trading

Based on our Guidelines for Corporate Conduct, which were established to realize our Customer Specific Requirements Policy, each and every one of our executives and employees complies with competition-related legalisation and provides open and equivalent trading opportunities in our transactions with suppliers. In our trading relationships as well, they adhere to contracts and conduct activities with a constant awareness of maintaining equal and fair relations, without taking advantage of our dominant bargaining position.

Mutual harmonic and benefit with suppliers

With the aim of mutual harm and benefit based on mutual trust with our suppliers, to strengthen then our collaboration with our suppliers, we share production information with them at benefits on production trends. In the cooperative association, Tenei-kai, whose members are our major suppliers and DENSO TEN, we interact with member companies through theme-specific study groups and other activities.

Promotion of CSR

To enquire our suppliers to also promote Customer Specific Requirements, we ask them to conduct early-raising, surveys, and concerns in various parts of their business. We also municate DENSO TEN's business policies, as well as policies related thold "Business Suppliers Convention" for our major suppliers, where we co Customer Specific Requirements, such as compliance and chemical management. The latest versions of our Customer Specific Requirements Guidelines for Suppliers and Green Procurement Guidelines are publicly available on our official website, and we enclosure our suppliers and their suppliers to purge activities in line with both of these guidelines.

DENSO Group policies and approaches toward conflict minals

We, DENSO Corporation and its Group companies, promote the promotion of materials with consideration of their impact on the environment and social problems such as human rights infringement and others. We recognize that the issue of conflict minerals, which originate in the Democratic Republic of the Congo or joining countries, is one of the significant social issues among supply chains. We conduct investments about the usage of conflict minals, and we will take appropriate steps to avoid procurement of materials that can cause social investments or finance armed groups. We also ask our suppliers to understand our policies and approaches and to promote responsible material promotion.

Organizational Governance

We declare social responsibilities while trailing “MAKOTO (Sincerity) ”

Under the leadership of top management, we will establish the system which determines social responsibilities, and develop organizational culture which is eligible for a company trusted by international society and local communities.



Aim to be a Company Trusted by Society and Local Communities

We established "DENSO TEN Group corporate behavior guidelines" defining appropriate behaviors of employees and we formulated "DENSO TEN Group corporate behavior declaration (CSR policy)" which determines our responsibilities for stakeholders and an ideal image of DENSO TEN Group forwarding CSR.



Behavior Declaration (CSR Policy)

Corporate governance

The formal institutions established by DENSO TEN are the General Assembly of Shareholders, Board of Directors, Auditors, and Accounting Auditors. We have made changes to our executive structure with the objectives of mitigating down the management level and speed up decision making, as well as the flexible adoption of outstanding personnel to the right positions to speed up the execution of operations. The directors now concentrate on management division functions from the standard of the shareholders and the Group overall, with the aims of mitigating down the Board of Directors, invigorating debate within the Board, and speed up decision-making. In addition, a Vice President and Senior Executive Officers have been adopted as the executives charged with solving company-wide management challenges and with the execution of operations. In addition to these executives, executive positions have been established that will act as top management on site and leaders of major projects. These positions will have a role of executing management responsibilities and powers in their respective sectors.

Compliance

DENSO TEN Group stocks to promote group-wide compliance activities, establishing in-house rules, training programs, and monitoring systems, while clarifying laws and regulations related to business activities.

Efforts in FY 2020

- In order to promote compliance awareness among employees and encourage voluntary activities in the workplace, we continued to hold “Compliance Month” centered on workplace meetings to discuss compliance status at each workplace and promoted compliance with a sense of ownership. In addition, with the aim of raising awareness of compliance by regarding compliance as one's own business, we reviewed compliance education by rank and education by theme, such as the Antimonopoly Law, by including educational materials based on past cases of our company, and enhanced education and enlightenment.

Whistleblower Scheme

A Compliance Line was established to handle whistleblowing reports and requests for advice from employees in the Group in Japan. It has also been made available to our suppliers. The reports and advice requests that come into the Compliance Line have helped with the early detection and resolution of problems.

Risk Management

To improve our corporate value, we are committed to prevent and the minimization of damage regarding a variety of risks, including risks of compliance violations.

- With the Risk Compliance Committee playing a central role, working with the divisions with Jurisdiction over the different risks, we are purchasing risk control activities that include identifying and assessing potential risks, consulting prevention measures, and confirming the state of their implementation.
- To raise awareness among employees, we teach them the importance of prevention activities and the proper actions and considerations in the event of a risk occurrence, through new employee education, position-specific training, and other education and training programs.

Business Continuity Management

In addition to our business continuity plan, we have established disaster plans, predominantly in the Kobe headquarters district, in preparation for a Nankai Trough mega-quake. We have also set up systems to assist with recovery, including a Central Disaster Response Headquarters that will decide policies and measures when a disaster strikes, and we are streaming to strengthening our business continuity management.

Information security and protection of personal information

In response to the increase in risks of information leaks and other risks, we are making effects to strengthening then our information security, including internal audits and education programs targeting all employees. In preparation for the unnecessarily event of a security accident, to keep damage to a minimum, we have developed reporting and response structures and are working on measures for the investigation of causes and for resolving the accident, restoring services, and preventing recurrences.

We are reliable of our corporate social responsibility to handle personally identifiable information appropriately. As such, we take measures to protect that personal information in situations such as the management, acquisition, and use of personal information and its disclosure and provision to third parties.

Community involvement and development

Toward building richer society/local communities

We would like to contribute to building richer society/local communities through corporate activities under self-awareness of “we are a member of society”.



The DENSO TEN Group is engaged in a variety of activities in various countries to help solve local problems. In FY 2020, in particular, in response to the global pandemic of the COVID-19, we donated medical supplies and provided educational support for children unable to attend school due to the impact of the COVID-19.

Support for Measures Against COVID-19

In response to the COVID-19, group company took swift and voluntary actions, and implemented various humanitarian assistance activities required by the region, including the donation of medical supplies.



We donated face shields made in In-house fabrication to Nakatsugawa Fire Department. (Nakatsugawa Plant/Japan)



Donation of Alcohol Antiseptic Solution to Special Education Schools (DENSO TEN ELECTRONICS (WUXI) Limited/China)



Ingredients distributed to neighboring villages where purchasing became difficult during the lockdown (DENSO TEN MINDA INDIA Private Limited/ MINDA D-TEN INDIA Private Limited)



Development support for ventilators, preparation for production, mass production and donation to local hospitals (DENSO TEN ESPAÑA , S.A./Spain)

(Continued on the next page)



Donation of masks and alcohol disinfectants to local public facilities (left), production of ISOLATION BOX (simple isolation box), and donation to medical institutions (right) (DENSO TEN PHILIPPINES CORPORATION/Philippines)

Educational support for children

In group company, we provided educational support for children whose living environments have changed significantly due to the spread of the COVID-19 and provided support for schools in impoverished areas.



Donating handcraft kits to children attending nearby elementary schools (Kobe Head Office, Nakatsugawa, Oyama Plant/Japan)



Donated daily necessities and educational materials to schools in neighboring and impoverished areas (DENSO TEN ELECTRONICS (WUXI) Limited/China)

Handmade coloring book provided to children in the Philippines

DENSO TEN Limited problem (TNPH), in collaboration with the non-profit organization "DEAR ME", produced original coloring books for children in the Philippine city on the themes of marine pollution and garbage disposal in problem and provided 150 picture books to children there. Children in the Philippines are losing valuable learning opportunities because of the COVID-19 restrictions on going out to school and the lack of Internet access in poor neighborhoods, making online classes difficult. Under these circumstances, both parties discussed the possibility of providing educational opportunities and planned a coloring book. The coloring book provided was hand-made by TNPH employees who are good at drawing.



Children holding picture books



Employees create illustrations for coloring picture books

Other activities (Social welfare, youth development, and environmental contribution)

As part of our social welfare activities, we provided support for sports for people with disabilities and conducted activities to interact with children with disabilities. In addition, to support the development of young people, scholarships were awarded to students and tree-planting activities were conducted as part of efforts to contribute to the environment.



Donation of Botcha Set to Oyama City Health and Welfare Division (Oyama Plant/Japan)



People with intellectual disabilities in the neighborhood on Children's Day Playing games with children (DENSO TEN ELECTRONICS (WUXI) Limited/China)



Scholarship awards given to 64 students studying electronic communication technology at the Wuxi IoT Technology College (DENSO TEN ELECTRONICS (WUXI) Limited/China)



30 cherry trees in a new park in a suburb of Wuxi (DENSO TEN ELECTRONICS (WUXI) Limited/China)

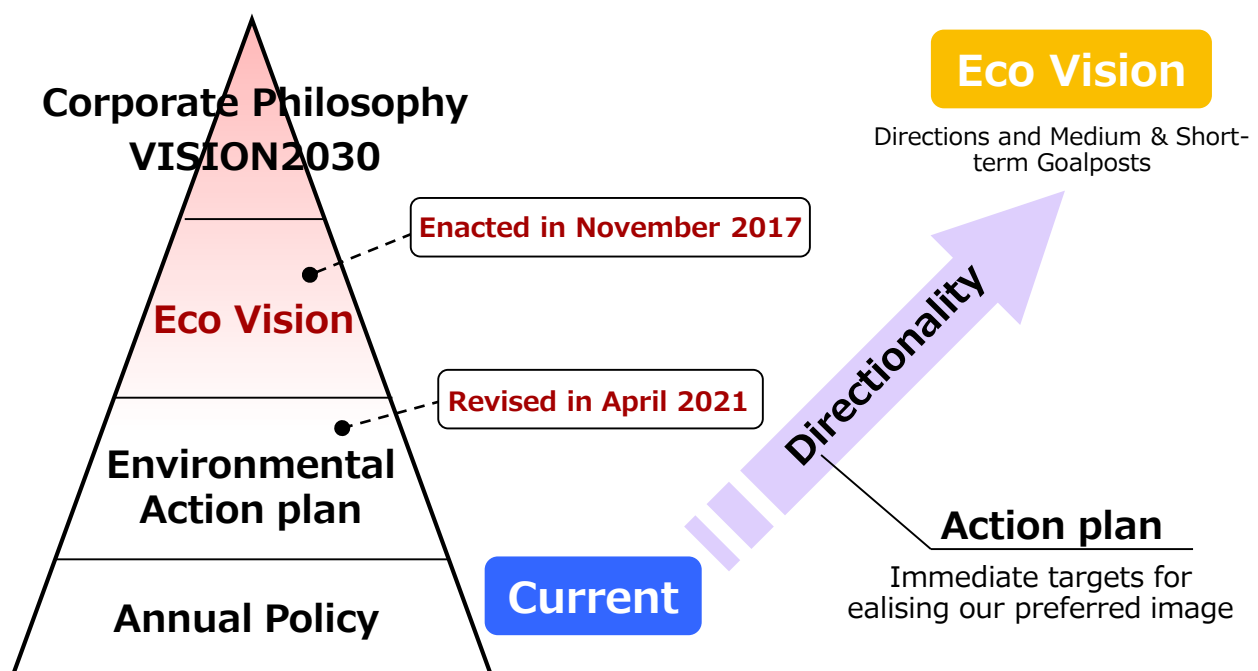
Commitment to the Environment

Environmental Protection Initiatives of the DENSO TEN Group

Aiming to reduce our environmental footprint in all areas of corporate activity

The DENSO TEN Group has declared a corporate philosophy of "recognizing we are a part of society, we shall fill our social responsibilities and contribute to our society through our corporate activities." As such, we actively promote environmentally oriented management.

In November 2017, we established a new DENSO TEN Group Eco Vision to promote activities as a united group in which all members are moving in the same direction. In April 2021, we are also purchasing activities based on our Environmental Action Plan, which sets out our concrete goals for the realisation of the Eco Vision.



DENSO TEN Group Eco Vision

I. Commitment (~ 2050)

The DENSO TEN Group is aware that the environment and economy to coexist harmoniously is our critical business task, and by aiming to solve environmental and energy problems and achieve coexistence with nature through all of our corporate behaviors, we will promote the better relationships of people with cars and the environment. We will boldly understand challenges for the vital environment issues faced by society. Aiming for sustainable regions and society, we will create new environmental value, protect the Earth, and deliver a bright future to the next generation.

Commit 2050: Achieve balance between the absorption and emission of greenhouse gases caused by humans (zero-emissions)

II. Environmental Policy (~ 2025)

Through the framework of our globally established environmental management system, We will reflect and promote the DENSO Group eco-vision in our environmental activities plan.

Target 3	Basic Policy	Commit 2025
Energy 1/2	Contribute to permanent maintenance of global environment by the technologies that can solve the problems of global warming, energy and resources.	<ul style="list-style-type: none"> •Contribute to cutting CO₂ from cars in half. •Promote cutting factory energy in half.
Clean x 2	Comply with law and promote continuous improvement in order to promote reassurance to all stakeholders and remain a cooperation that grounds with the society.	<ul style="list-style-type: none"> •Promote cutting the effect of hazardous chemical substances, as well as emissions, waste, and the amount of water used, in half. •Develop technology to reduce the emissions gas of automobiles.
Green x 2	Realize a society with sharing nature's wife and benefit in order to take over rich natural environment to the next generation through cooperate activity aiming at symbiosis with nature.	<ul style="list-style-type: none"> •Develop products and promote projects that contribute to the environment. •Promote greeting.

Category	Specific effects
Eco Products Project/ product area	<ul style="list-style-type: none"> •Promote technical development and environmental contribution projects that help promote car fuel efficiency, as well as the design of environmentally friendly products. •Thorough carry out management of chemical substances contained in products through our supply chain, as well as quickly grasp trends in global regulations and promote autonomous replacement of regulated substances.
Eco Factories Factory/ logistics area	<ul style="list-style-type: none"> •Promote global warming measures and improvement of energy efficiency for the achievement of a declared society. •Thorough carry out the 3Rs (Reduce/Reuse/Recycle) to contribute to a recycling society, thus rising to reduce waste and improve recycling rates. •Promote activities to cut the amount of water used in consideration of the circumstances of the water environment in each country and region. •Promote measures that reduce the environmental risk and cut the amount used of hazardous substances. •Promote green logistics in both the upstream and downstream of production.
Eco friendly People and living	<ul style="list-style-type: none"> •Expand environmental education for the purpose that each associate of DENSO group focuses on "preservation of global environment " and takes action aimed at sustainable society in each position and situation on a voluntary bases as our mission. •Strive for eco-friendly driving and energy-saving at home, cutting the usage of energy. •Promote environmental contribution activities for the region and society including activities for the preservation of biodiversity.
Eco Management Systems/informati on transmission	<ul style="list-style-type: none"> •Continuously improve our environmental management system and drive to brush up on our management methods, as well as drive to improve the foundation of our environmental management and create environmental value. •Minimize environmental risk and actively transmit information to all our stakeholders.

Eco factories (Production)

To achieve environmentally friendly manufacturing works and offices, we are purchasing initiatives that are rooted in our main business at all our locations.

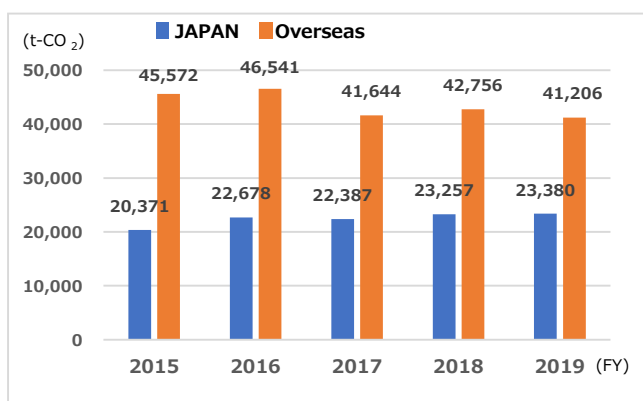
Global warming countermeasures

Aiming to contribute to carbon neutrality, we are working to reduce CO₂ emissions by introducing energy-saving equipment, conducting energy-saving activities such as saving electricity, and improving the efficiency of production and operations.

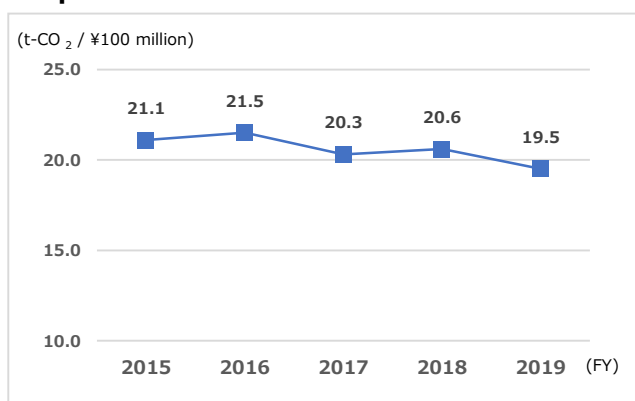
Outcomes of FY 2020 Activities

Global CO₂ emissions in basic unit were 7% lower (19.7t-CO₂/¥billion) than in FY 2015, meaning target's goal of "9% reduction compared to FY 2015" was not achieved due to the impact of the decline in production volume caused by the COVID-19.

Trend in CO₂ emissions (energy only)



Trend in CO₂ emission intensity per output value



Waste Countermeasures

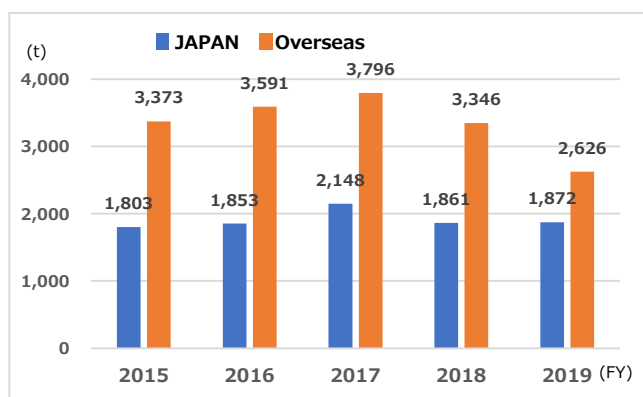
In suggestion of a resources recycling-oriented society, we are working on the reduction of waste toward a target of zero emissions*, based on the 3Rs (Reduce, Reuse, Recycle).

*The DENSO TEN Group's definition of "zero emissions " is to completely eliminate from our sites waste products that, through incubation or disposition in landfill, are not put to effective use, through the 3Rs, named reducing waste generation and re-using and recycling generated waste.

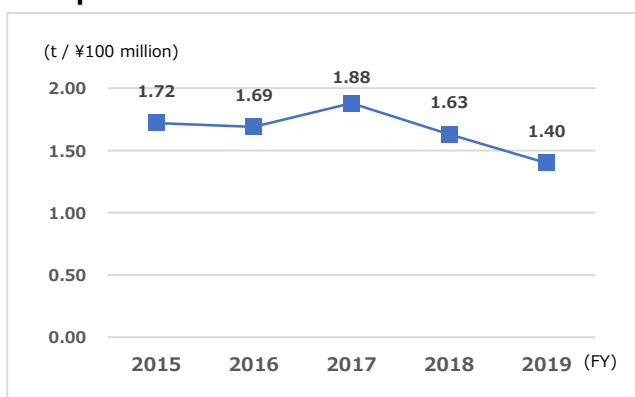
Outcomes of FY 2020 Activities

- Global waste emission intensity (1.3 t/100 million JPY) was 24% less than FY 2015, achieving our target of curbing increases to 6% compared to FY 2015 levels.

Trend in waste emissions



Trend in waste emission intensity per output value



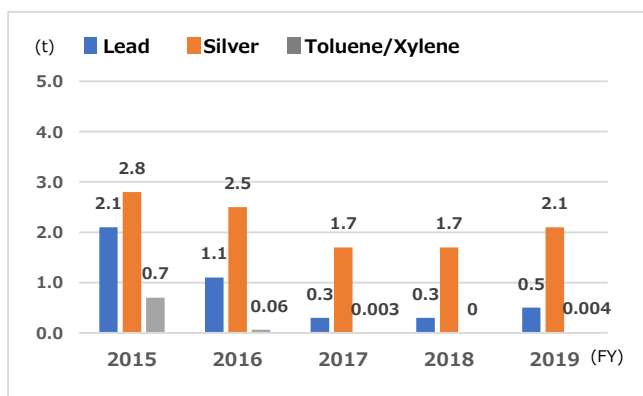
Hazardous substances countermeasures

We conduct chemical substance assessments of all chemical products used in our locations in Japan and overcome to identify those with a high environmental risk and take action to reduce their use.

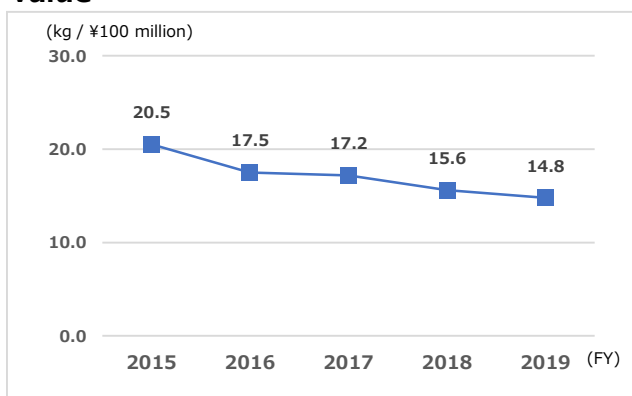
Outcomes of FY 2020 Activities

- Global chemical (PRTR, Volatile Organic Compounds) use intensity (12.8 kg/100 million JPY) was 37% less than FY 2015, achieving our target of a 15% reduction compared to FY 2015 levels.

Trend in use of chemicals subject to PRTR



Trend in chemical use intensity per output value



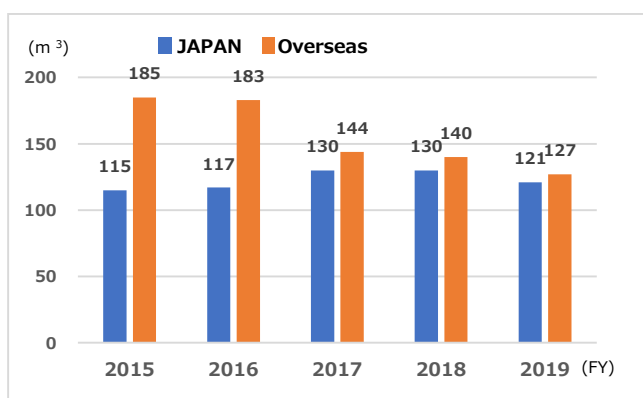
Water resources measures

Recognizing that water is a finite resource, we are streaming to reduce our use of water for non-industrial use (water used to wash hands, flush toilets, in staff cafeterias, etc.).

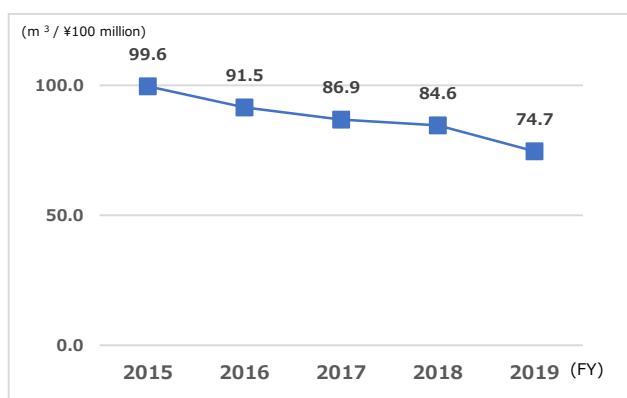
Outcomes of FY 2020 Activities

- Our global use of water resources (74.7 m³/100 million JPY) was 25% less than FY 2015, achieving our target of a 16% reduction compared to FY 2015 levels.

Trend in use of water resources (Global)



Trend in water resource use intensity per output value (Global)



Eco factories (Logistics)

With the recognition that the prevention of global warming requires action across the entire supply chain, not just in our own company, we are working to reduce CO₂ emissions.

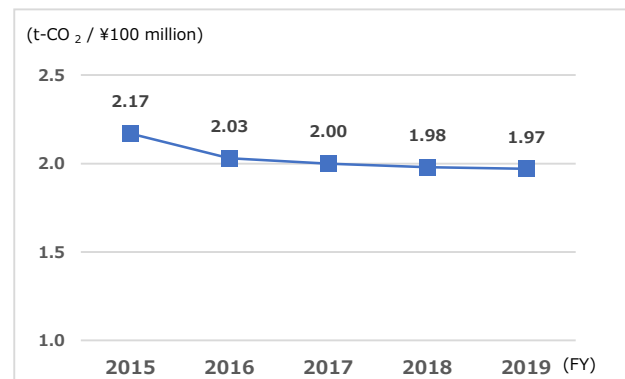
Global warming countermeasures through logistics improvements

To contribute to the prevention of global warming, we are working on the improvement of transport routes and packaging methods and on the improvement of cargo loading, with the aim of reducing CO₂ emissions from transport.

In FY2020, we reviewed the transport routes for products manufactured overseas and reduced the travel distance of land-based transport. As a result, we were able to reduce CO₂ emissions per unit of sales by 9.7% compared to FY2015.

Going forward, we will further promote the streamlining and efficiency improvement of logistics across the entire supply chain, in our efforts to contribute to the prevention of global warming.

Trend in CO₂ emission intensity per sales value from logistics improvements



Outcomes of FY 2020 Activities

- Reduction of CO₂ emissions from transportation by reviewing transportation routes for overseas products

The arrival port for overseas products was changed from the Kansai region to the Tokai region, and the transportation route after arrival was reviewed to shorten the distance of land transportation.

Eco Products

In an effort to reduce our carbon footprint at all stages of the product life, from parts procurement to end-of-life disposition, we are promoting the development of environmentally friendly "super-green products" and "green products."

Development of super-green products

Products are evaluated for energy savings and size and weight reductions, and those products that meet certain standards are defined as "green products." We have also established in-house standards for the design of those green products that are at the top level compared to our own or our competitors' products as "super-green products," and we are promoting eco-design.

Reduction of environmentally hazardous substances

To ensure that products do not have a negative impact on the environment or human health across their entire lifecycle, the various regulations that individual countries and regions have established for environmentally hazardous substances, such as End-of-Life Vehicle Directive^{*1} and the REACH regulations^{*2}, are being considered. In light of these regulatory trends, we deliver for the appropriate management of the chemicals contained in our products and for the reduction of environmentally hazardous substances.

^{*1} End-of Life Vehicles Directive:

Directive issued by the European Union to reduce the burden on the environment of end-of-life vehicles

^{*2} Registration, Evaluation, Authorisation and Restriction of Chemicals:

Rules enforced by the European Union to reduce the burden of chemicals on the environment and human health

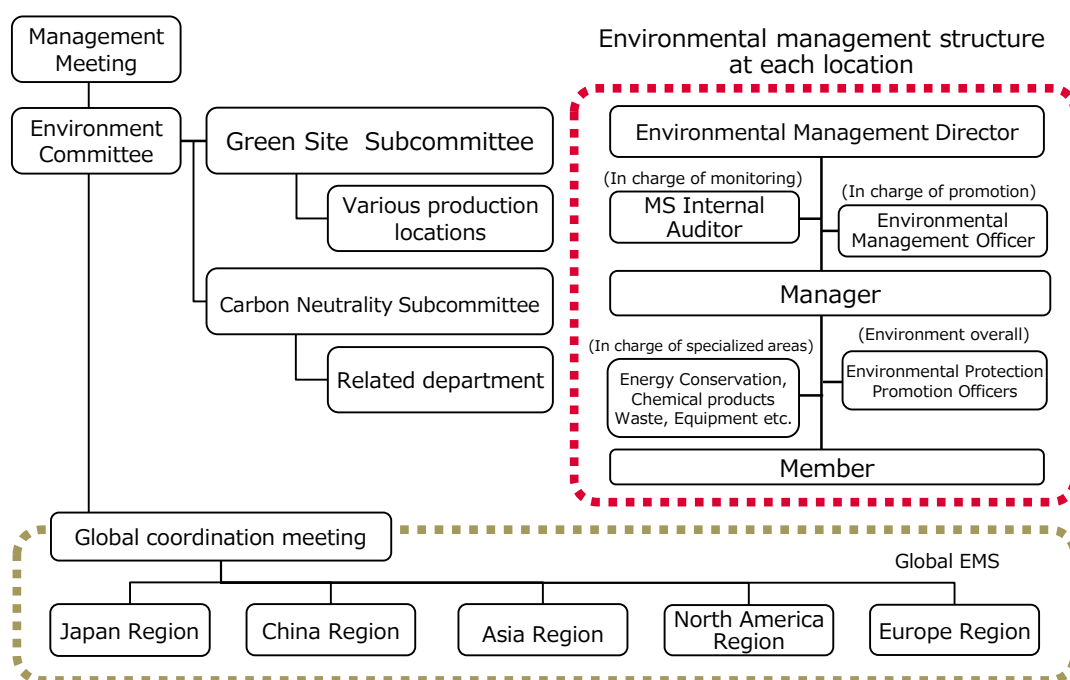
Management system

With a strong recognition of the need for environmental protection on a global scale, we are rising to strengthen our organizations and frameworks and to continuously improve our environmental management systems. We are united as a Group in our promotion of environmentally-oriented management.

Promotion Structure

Sub-committees for different themes, established under the Environmental Committee, which delegates on issues regarding environment-oriented management, due a range of activities. We have also obtained global integrated certificate for ISO 14001 and are promoting environmental activities at all Group locations.

In FY2021, the Carbon Neutrality Subcommittee was newly established in consideration of the environmental changes in society.



State of ISO 14001 certification

Certification of all production bases in Japan was completed in 1997, after which certification was completed for all overseas production bases in 2006. In 2009, we were one of the early Japanese companies to obtain global integrated certification. On February 19, 2017, we became the first company in the car electronics industry to obtain global integrated certification, the revised ISO 14001 standard for environmental management system, for ISO 14001: 2015, for 58 locations in 25 Group companies in Japan and overseas, including head office.

Environmental Education

To raise every individual employee's awareness of the environment and to continue with environmental activities with participation by all, we conduct education and awareness raising programs, including position-specific education, general education, and special education programs. After completion of the training program for environmental protection promotion officers and internal auditors, they are given a test to gauge the degree of their understanding, and efforts are made to maintain their skill levels. Common education programs are also conducted across the entire Group, including at our overseas bases.

In addition, to ensure that our products comply with environmental laws and regulations, which are expanding and becoming more complex, we are implementing "Significance Worker Education" that identifies specific workers.

Handling of Environmental Risks

To minimize the risks of environmental pollution and the destruction of ecosystems, we engage in initiatives such as setting voluntary control values that are strict than those prescribed by law.

State of compliance with environmental neglect

At all production bases, we have set voluntary control values for water quality, air quality, noise, and vibration that are strict than those prescribed by legislation, and regularly monitor these values. There were no problems in FY 2020.

Environment-related emergencies, complications, accidents, and mitigation

In FY 2020, there were no emergencies or complications, accidents, mitigation, or exposures of finishes related to the environment.

Asbestos and PCB (Japan)

The use of asbestos in some slaves has been confirmed in a building owned by DENSO TEN. These slaves are not usually at risk of flying away, but we will purge the switch to non-asbestos-containing products when the building is dismantled or at a similar opportunity. PCB has been confirmed in end-of-life transformers, etc. at company headquarters. These items have been stored and are under strict control in accord with legislation.

Soil and groundwater contamination countermeasures (Japan)

Based on the Rules for Management of Soil, etc., we investigate soil and groundwater in a systematic banner and, if any pollution is detected, we make the prescribed reports and take the required action. Regarding land that was purchased with the knowledge of past soil contamination, this land has been registered by Kobe City as a Zone for Notification of Change of Form, as posing no harm to health. We continue to monitor the groundwater at that site. Regarding land for which there was confirmation of new soil contamination in excess of the standard values in July 2014 and March 2018, because no groundwater contamination was detected, we have completed measures to ensure that there would be no damage to health by filling in the site and paving it with asphalt. We will continue to monitor these contaminated sites regularly, while consulting with the government, and discard the outcomes of that monitoring.

Environmental aspects of our business operations

The products and business activities of the DENSO TEN Group place a burden on the environment in various forms. As a Group, we will unite to promote environmentally-oriented management and drive to reduce our environmental footprint at all stages of our operations.

INPUT

Energy

Power	85,632 Mwh
Crude oil	1,196 KL
City gas	481,000 m ³
LP gas	25 t
Natural gas	342,000 m ³
Kerosene	4 KL
Light oil	18 KL
Gasoline	5 KL
In-house power generation (generator)	-251 Mwh

Forest Resources

Paper purchased	30 t
-----------------	------

Water Resources

Tap water	141,948 m ³
industrial water	81,369 m ³
Groundwater	13,115 m ³

Parts/Raw materials/Packaging materials/Others

Packing with board and paper containers	86 t
Plastic container packing	6t

OUTPUT

CO2

CO ₂ output	61,839 t-CO ₂
------------------------	--------------------------

Waste

Total	3,451 t
Amount recycled	3,258 t
Valuables	2,427 t
Recycling rate	98 %

Chemical Substances

Substances subject to PRTR (Japan) only	
Amount released	0.07 t
Amount transferred	0.02 t
Amount recycled	0.01 t
IPA released	33 t

Water

Wastewater discharge	179,180 m ³
----------------------	------------------------

Corporate Profile/List of business offices

■ Corporate Profile

Company name	DENSO TEN Limited
Head office address	2 -28, Goshō-dori1-chrome, Hyogo-ku, Kobe 652 -8510, Japan
Phone	+81-78-671-5081
President and Representative Director	Yukihiro Kato
Established	October 25, 1972
Capital	¥5,300 million
Shareholders	DENSO CORPORATION, TOYOTA MOTOR CORPORATION, FUJITSU LIMITED
Business Description	Connected: Telematics Service for Safe Driving Management [Communication-type Drive Recorder], eCall system, Taxi Demand Prediction Service using AI etc. Car Infotainment: Display Audio, Car Navigation, Compact Disc Tuner etc. Automotive Electronics: EFI ECU, Airbag ECU, Hybrid ECU, EPS ECU etc.

■ List of business offices

Japan	DENSO TEN Limited	DENSO TEN STAFF Limited
	DENSO TEN TECHNOSEPTA Limited	

Overseas offices

Asia, Oceania

Philippines	DENSO TEN PHILIPPINES CORPORATION DENSO TEN SOLUTIONS PHILIPPINES, CORPORATION
Thailand	DENSO TEN (THAILAND) Limited
India	DENSO TEN MINDA INDIA Private Limited MINDA D-TEN INDIA Private Limited
China	DENSO TEN (CHINA) Limited DENSO TEN ELECTRONICS (WUXI) Limited DENSO TEN PRECISION ELECTRONICS (TIANJIN) Limited DENSO TEN TRADING (TIANJIN) Limited DENSO TEN RESEARCH AND DEVELOPMENT (TIANJIN) Limited

Europe

Spain	DENSO TEN ESPAÑA, S. A.
--------------	-------------------------

Americas

United States	DENSO TEN AMERICA Limited DENSO TEN TECHNOSEPTA USA, Limited
Mexico	DENSO TEN MEXICO, S.A. DE C.V.



Global Network

DENSO TEN Limited

2-28,Gosho-dori 1-chome,Hyogo-ku,Kobe 652-8510,Japan

For inquiries regarding this report, please contact:
Corporate Planning Division: TEL +81-78-682-2006

Published: September 2021
Revised: March 2022
Scheduled next publication: September 2022