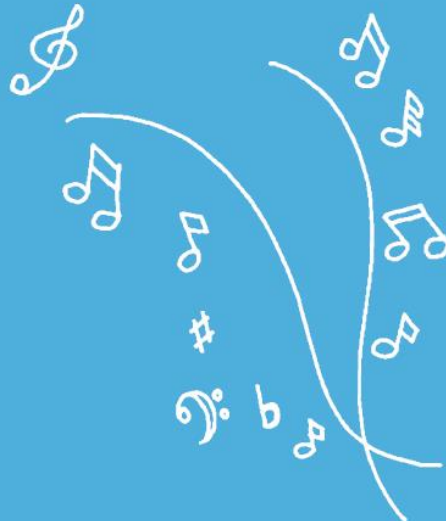


DENSO TEN Group Sustainability Report 2022





"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 (Sustainability 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 realize this goal, we cherish "MAKOTO" ("sincerity" in Japanese) and strive to resolve social issues through the implementation of this "DENSO TEN Group Corporate Behavior Manifesto" based on the "DENSO TEN Corporate Philosophy" and contribute to the sustainable development of society.

Customers

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

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
 Thorough risk management

Social contribution

Contribute to creating prosperous society and local communities

Role of Executive management

Realization of the spirit of these guidelines
 Building effective governance



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 2022 edition has been prepared in accordance with our important issues of CSR and mainly summarizes our important efforts and topics in FY 2021 in a compact manner.

Reference guideline

Ministry of the Environment "Environmental Reporting Guidelines 2018"

ISO26000:2010 - Guidance on social responsibility -

Reporting period

This Sustainability Report mainly covers activities of FY 2021 (the period from April 1, 2021 through March 31, 2022). 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.

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We will contribute to solving social issues by "Improved car value", "Improved lifestyle value" and achieving "carbon neutral".

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 trend toward carbon neutrality is gaining momentum, and reform, which has adopted "CASE" as its shaft brand, is accelerating, the automotive industry was also significantly affected by the global semiconductor shortage and the spread of COVID-19 in the last fiscal year. In addition, with threats related to cybersecurity and Russia's military invasion of Ukraine, the global situation is becoming increasingly uncertain.

As our lifestyles and societies undergo major changes, the ability to "How safe, secure and eco-friendly transportation is provided" to people in the field of mobility has become an important issue.

Against these circumstances, we are working to achieve our goal of becoming "Carbon neutral" by providing products and services that contribute to "Improved car value" and "Improved lifestyle value", as set out in VISION2030 formulated in March 2020. Last fiscal year, in the area of "Improved lifestyle value," we used engineering, which understands human flow by sensors and location information, to conduct demonstration tests and other activities with the aim of reducing crowding during event hours and revitalizing the economy around venues. To "Improved car value", we developed the lightweight, high-performance Edge AI engineering that recognizes vehicles, pedestrians, and other objects in real time as they are recorded in Drive Recorder and other locations. We also developed the "Redundant power supply module" with Toyota, which contributes to the realization of advanced driving assistance engineering and the improvement of vehicle safety performance through the stable supply of power. As a member of DENSO Group, we took steps to contribute to achieving "Carbon neutral" in 2035 by implementing measures to reduce CO₂ emissions in Monozukuri of in-plant manufacturing, expand sales of electrified products, and create new businesses and new engineering that will help curb CO₂ emissions.

We also intend to promote sustainability management, "Contribute to solving social issues while accompanying business growth" and contribute to the achievement of the SDGs *2 "9th environmental action plan was prepared for problems on global warming and other environmental issues with a period of action from fiscal year 2021 to 2025.

In addition, in order to respect the individuality and diversity of our employees, and to ensure a free and prosperous life and sustainable growth of the company, we are promoting initiatives such as remote working and DX*3 to improve the productivity, and allowing people to work on the side, thereby promoting the penetration and establishment of work style reforms, thereby improving employee's satisfaction.

We will continue to strive to be a company trusted by our customers and society for 50 and 100 years to come by always being ambitious, boldly taking on challenges to solve social issues and contributing to the achievement of the SDGs.



DENSO TEN Limited
President & Representative Director

加藤之啓

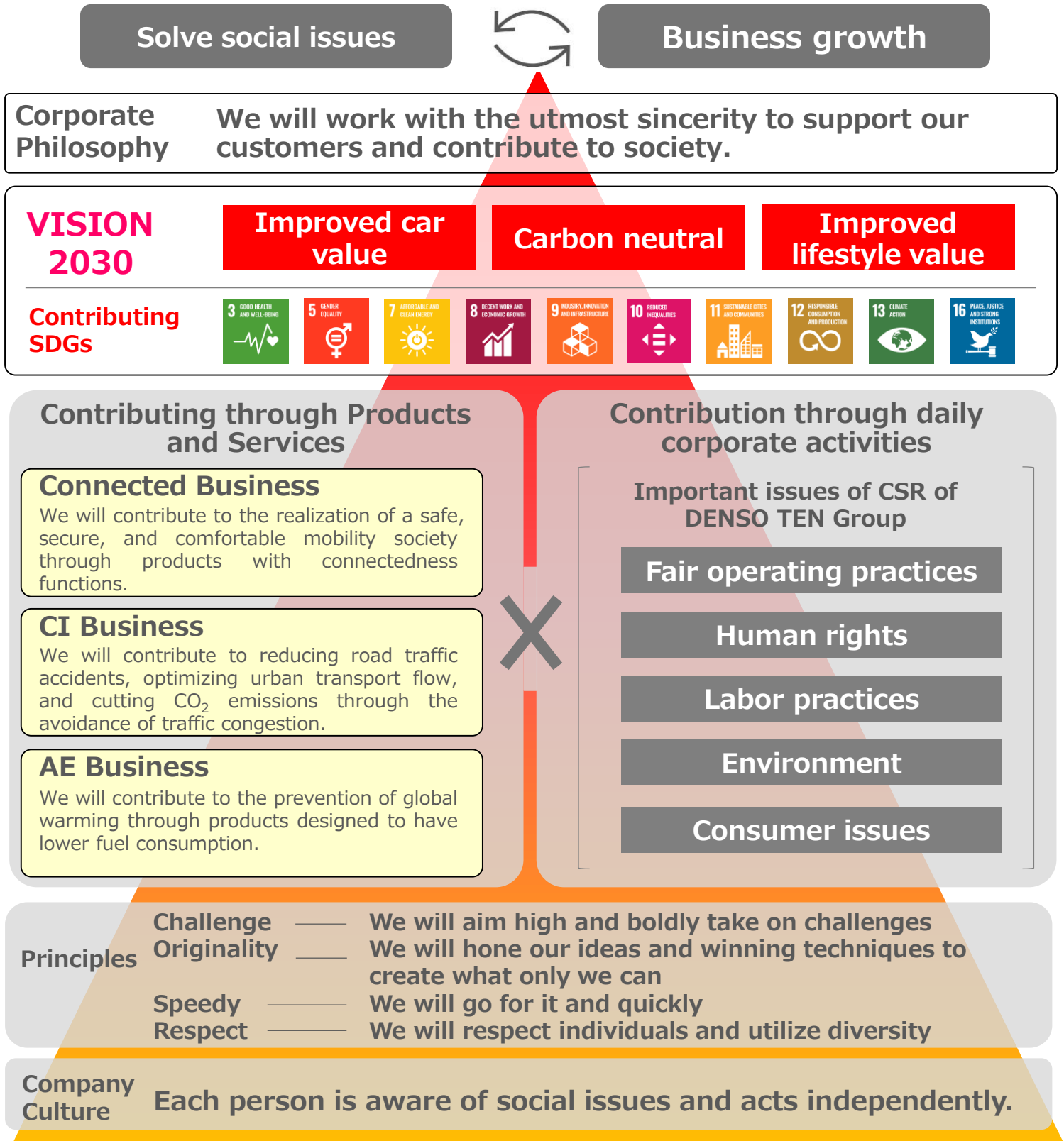
*1 DENSO TEN took over the vacuum tube and communications equipment businesses of Kawanishi Machine Works.

*2 Sustainable Development Goals

*3 Digital Transformation

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. Sustainability management is the very practice of our corporate philosophy of "We will work with the utmost sincerity to support our customers and contribute to society." 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.

Contribute to solving social issues and increase corporate value while growing our business



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.

Special Feature - Initiatives to create value in mobility

In VISION2030, our company is promoting initiatives to "Improved car value" and "Improved lifestyle value" as part of its "Mobility solutions partner to create the interface between people, mobility and society".

In this special issue, we introduce our initiatives to create a mobility society full of smiles in which everyone feels comfortable and free.



Initiatives to "Improved car value"

- Improve the attractiveness of cars with products that are friendly to people and the environment



As "CASE*1" initiatives accelerate in the automotive industry and there is a growing movement toward the realization of a decarbonized society, we are working to develop products that are friendly to people and the environment and that make cars more attractive.

TOPICS

Jointly developed "Redundant power supply module" with TOYOTA Motor Corp. ~ Contributing to Realization of advanced driving support technology and improving vehicle safety performance

To realize advanced driving support technology for autonomous driving, it is necessary to provide stable power to each sensor installed in the vehicle. For this reason, it is essential to provide "power redundancy," such as supplying power to each device from a sub-system power supply, so that if, for example, the main system power supply fails in some way, it can be supported until the car is safely stopped.

The newly developed "Redundant power supply module" achieves power redundancy by consolidating power control between the main and sub-systems and battery control for monitoring the batteries used as sub-system power supplies into one ECU*2 for integrated control.



Voice of the developer

The newly developed product is a power supply module essential for autonomous vehicles, and we have been developing it with TOYOTA Motor Corp. in the hope that it will contribute to "Improved car value" through the spread of autonomous vehicles. As an engineer, it was a great experience to be involved in the realization of the advanced driving assistance engineering. We will continue to contribute to "Improved car value".



AE Business Group
Power Electronics Engineering Div.
Shohhei Hashikawa

*1 Connected, Autonomous, Sharing & Service, Electric *2 Electronic Control Unit

Special Feature - Initiatives to create value in mobility



Initiatives to "Improved lifestyle value" - Solve mobility challenges with connected services/MaaS



In order to realize "improved lifestyle value" of "VISION2030", our company is working to develop and provide service solutions that cater to users and businesses and solve the problems of "businesses that actually provide 'transportation'".

TOPICS①

"Comatte MaaS" A Service for reducing congestion to make the value of "Waiting".

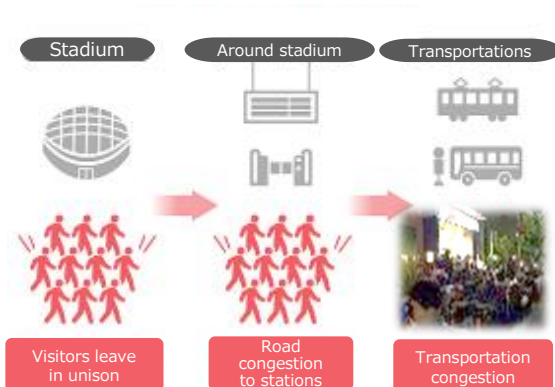
A demonstration experiment was conducted at Noevir Stadium Kobe with the aim of alleviating congestion at event time and revitalizing the economy around the stadium.

In the Noevir Stadium Kobe area at the time of event games, congestion in the nearby stations and on the roads leading from the stadium to the station has become a regional issue. In this demonstration experiment, we aim to reduce congestion by dispersing the time and place where returnees are concentrated after a match.

A dedicated smartphone application allows visitors to check the congestion situation around the venue, and incentives (points) are given according to the waiting time in the venue to encourage visitors to wait and spread out the time to return home. Points can be redeemed for coupons that can be used at merchandise stores or affiliated stores around the venue. By promoting side trips on the way home, we aim to disperse congested areas and contribute to economic revitalization around the venue.

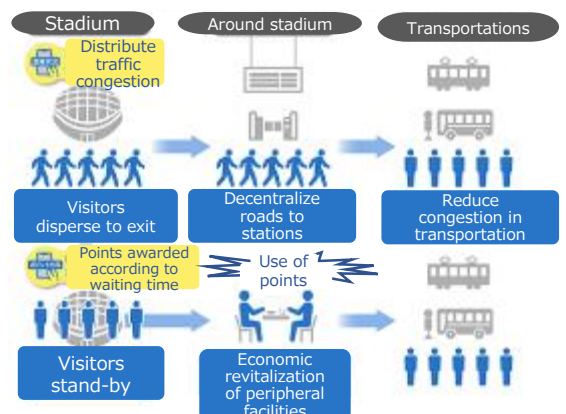
Current issue

After the game is over, it is crowded as the visitors' head home all at once.
Demand for transportation in the surrounding area is concentrated instantaneously.



Scheme of demonstration experiments

By dispersing "time" and "place" where returnees are concentrated, it contributes to easing congestion and revitalizing the economy.



Continued next page

Special Feature - Initiatives to create value in mobility

Key features of "Comatte MaaS"

① Distribution of public transportation congestion around the stadium

It accumulates human flow data from sensor information set around the venue and reproducibility predicts human flow in simulation engineering based on those data. The application displays the congestion status (waiting time) of public transportation obtained by simulation calculation after the game to encourage people to wait at and around the venue.



It notifies peoples of "waiting time information" of the nearest transportation from the dedicated application.

② Incentives (points) based on waiting time

If you wait in the designated area after the game, you will be awarded points according to the time. The points can be redeemed for coupons that can be used at merchandise stores in the stadium or affiliated stores around the venue.



Points are awarded and exchanged for coupons depending on the waiting time around the venue

③ Proposals for a taxi-hailing method that avoids congestion

After the match, a smooth taxi dispatch that avoids crowding will be realized by guiding multiple potential taxi stops when ordering a taxi dispatch so that a taxi can be taken in a less crowded place.



Proposed taxi dispatch to avoid congestion

The demonstration test was conducted for Vissel Kobe's J-League game held at Noevir Stadium Kobe. The demonstration experiment was conducted with Kobe University and Rakuten Mobile, Inc., as part of the "Search for Factors Contributing to Natural Congestion Mitigation in the Stadium Experience," which was adopted by Project "Urban Innovation Kobe University (FY 2020)" as a research activity grant sponsored by Kobe City. our company is in charge of simulation engineering utilization and application system development. This service resulted in an average behavior change rate of approximately 40~50%, confirming that effect is in the category of behavior change to alleviate congestion.

Easing congestion will enable safe and secure hosting of event games, including the reduction of the risk of the spread of COVID-19, in a new normal society. In addition, by dispersing visitors to the facilities around event venue, we will contribute to the revitalization of local commercial facilities.

Through R & D and empirical research, we will continue to contribute to both alleviating congestion and revitalizing local communities in implementing event in a new normal society.

Voice of employees

This development has been carried out with the hope of solving the social problem of congestion in event time. What we realized was that while satisfying stadium users, we would solve social issues by maximizing the economic effect of the surrounding area, making this a sustainable initiative.

In the future, we will not only reduce congestion in specific places, but also aim to create a community where people can continue to live, and we will continue to support the movement of visitors to the city so that they can travel safely and comfortably.



New Business Promotion Group
Innovation Development Center
Natsumi Nishiyama

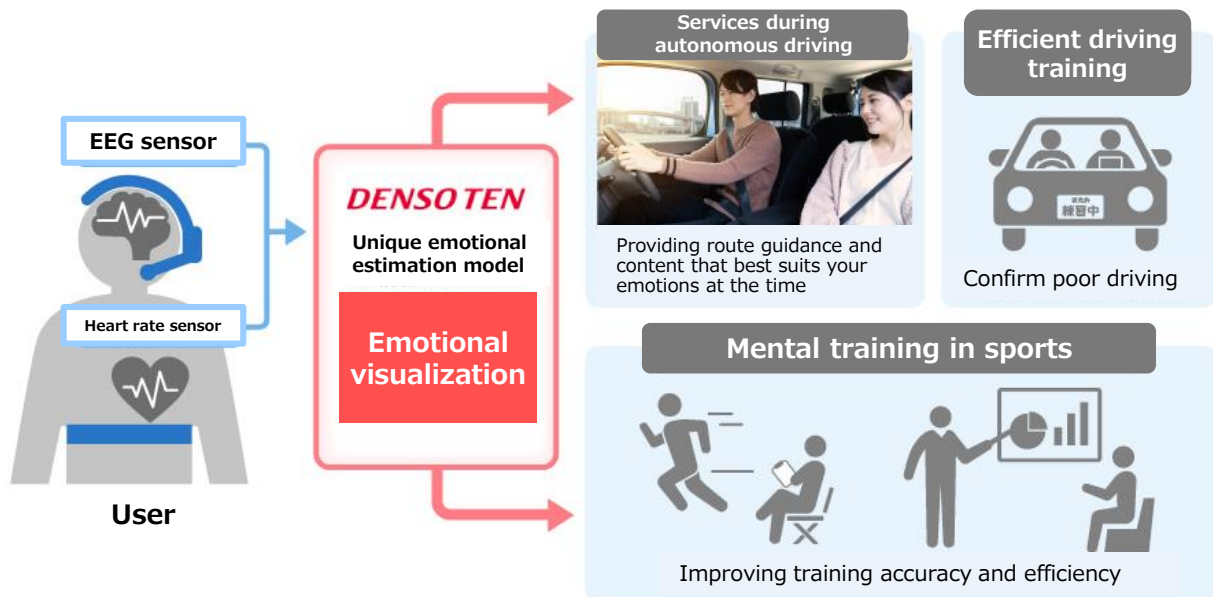
Special Feature - Initiatives to create value in mobility

TOPICS②

Emotion estimation model based on brain and heartbeat waveforms ~Used for services that contribute to safe and secure driving

We have developed a new emotion estimation technique based on a unique emotion model based on a medical approach (the way the body works) based on the relationship between emotion and the action of the brain and heart. By utilizing multiple biological sensors, such as brain wave and heart rate sensors, we visualize the emotions of drivers and others, and combine the emotions of those drivers with various information stored in cloud servers, aiming to provide optimal services for each situation.

For example, we expect to provide services that contribute to safe and secure driving, such as suggesting a route that allows for a somewhat detour when traffic jams are frustrating, efficient driving training at driving schools, and even mental training for athletes.



Voice of employees

Believing that "By understanding a person's emotions, we can provide services according to their situation and support their activities and growth!" we are working to develop technologies to infer human emotions from biometric information.

It is very difficult to understand human invisible emotions, but we have developed a unique emotion model by unraveling the mechanism of emotion generation based on medical facts and combining our signal processing techniques.

We will continue to innovate technology to solve social issues in a wide range of fields, from mobility, such as driver and passenger support, to education, such as learning and sports, to factories and other work sites, and to contribute to improving the value of cars and life.



New Business Promotion Group
Innovation Development Center
Tetsuhiro Kato

Business domains and major products

In order to realize a safe, secure, and comfortable mobility society, our company is working to provide connected functional products, human-friendly information systems, and core products that utilize control system technology in the three business domains of "Cn", "CI", and "AE".

Cn business

[In-vehicle communication equipment]

Taking on the growth areas of connected services and "MaaS", we aim to realize a safe, secure and comfortable mobility society through connected functional products (incorporating advanced information processing using IT/IoT technology).

eCall system



Cloud-Based Dispatch System for Taxis



Vehicle Security System (VSS)



Communication-type Drive Recorders (For commercial vehicles)



CI business

[In-vehicle multimedia equipment]

Based on human-friendly information systems, including in-vehicle navigation and display audio, we aim to connect the social infrastructure with the vehicle, thereby maximizing the "safety and comfort" of drivers.

Car Navigation, Display Audio, CD Tuner



Sound system, Amplifier



Home audio



AE business

[In-vehicle electronics]

DENSO TEN aims to contribute to the realization of carbon neutrality and safe and secure transportation by providing core products (ECU) that utilize control system technology for next-generation vehicles that are increasingly going electric and autonomous.

Hybrid ECU



Engine Control ECU



Airbag ECU



Battery Control Unit



Redundant power supply module



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. Overseas, Denso Ten Philippines held an in-house SDGs exhibition.







CSR of DENSO TEN Group

■ Main effects in FY 2021/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 familiarize employees with the rules (ongoing) 		P.13
	Improvement of customer satisfaction	<ul style="list-style-type: none"> Global operation of quality assurance framework based on "ISO9001" and "IATF 16949" (ongoing) "True cause pursuit strengthens training" for all executives to improve quality of work 	 	P.14
Environment	Contribution to environment by our products	<ul style="list-style-type: none"> Target achieved in all nine items of the 9th Environmental Action Plan from FY 2021 to FY 2025 	  	P.15 -16
		<ul style="list-style-type: none"> Develop action plan to achieve carbon neutrality 	 	
Human rights	Due diligence (Respect of human rights)	<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 (ongoing) 	 	P. 17
Labor practices	Personnel diversity (Diversity)	<ul style="list-style-type: none"> Conduct activities to promote a broad and deep understanding of diversity, such as disseminating information on diversity and expanding content by renewing information dissemination sites 	  	P.17
		<ul style="list-style-type: none"> Poll employees and, based on the results, create a more engaging and participatory diversity online event 		
	Work-life balance	<ul style="list-style-type: none"> "Children's Visitation Day", in which employees' children tour their parents' workplace, is held as an online event that employees can participate regardless of physical distance 		P.17 -19
<ul style="list-style-type: none"> Begin applying for a side job to encourage employees to use their time to develop new skills and expertise that will lead to self-growth and career development 				
	Enhancement of employee wellness	<ul style="list-style-type: none"> DENSO TEN received certification in the Certified Health & Productivity Management Organization Recognition Program 2022 (Large Enterprise Category) - White 500, for the fourth consecutive year 		P.19 - 20
Fair operating practices	Fair and equivalent transactions	<ul style="list-style-type: none"> Communicate sustainability-related policies to major business partners at the "Business partner appreciation meeting" (ongoing) 	 	P.22

Effort other than important issues of CSR

Organizational Governance	<ul style="list-style-type: none"> With the aim of raising awareness of compliance by regarding compliance as one's own business, we have enhanced education and enlightenment by conducting group working in education at the time of entry into the company, reviewing educational materials in education on subcontract laws, and establishing e-learning on antitrust laws 		P.23
Community involvement and development	<ul style="list-style-type: none"> In addition to donating educational materials to schools in the area, domestic business offices conducted activities to raise awareness of traffic safety, such as holding outposts at intersections and distributing traffic safety booklets to elementary schools in the area. In addition, our overseas offices implemented educational support initiatives for children who are unable to attend school due to COVID-19 	  	P.25 -26

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.

We also collect their personal information with their consent and strictly manage and protect it for a limited purpose.



Efforts made by our customer service representative

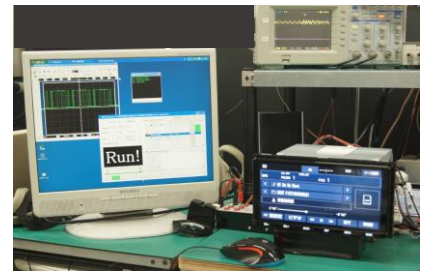
We respond to inquiries about products on the market in a way that is closely attuned to each customer.

- 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 12 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.
- To ensure that the product can be used safely and for a long time after repair, we have an "Automated inspection system" at the repair site that ensures the same level of functionality and performance as the product production plant, without omission, and performs high-quality repairs.



Automated inspection 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 the safe use of our company products, we are working to ensure the security of our products by ensuring that they are equipped with technology (encryption, etc.) to protect them from cyberattacks, as well as by developing internal systems and rules and conducting employee education.

TOPICS

Expanded product cybersecurity coverage

In fiscal year 2021, we worked to develop standards and regulations for the cybersecurity development process for on-board equipment and to develop human resources to secure development capabilities.

In fiscal year 2022, in line with the growing importance of connected services for providing new added value through "connecting," we established standards and regulations for the cybersecurity development process for IT services (OUTCAR) and product privacy and worked to develop human resources.

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.

To improve the quality of our work, we also offer "Training to strengthen the ability to pursue true causes".

Our company's concept of "pursuit of true causes" refers to looking back on the way of doing the work (business process) that created the problem, finding out the work that should have been done but could not be done, and pursuing the true causes of the work that could not be done, in order to create a state in which it can be done without fail, in order to strengthen its skills and practical ability.

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.



Goals and achievements of the 9th environmental action plan

All 9 goals were achieved in the 9th environmental action plan, which covers the period from fiscal year 2021 to 2025.

Sector	Initiative Target	FY21		
		Target	Result	Evaluation
Minimum CO ₂ Monozukuri	Reduce CO ₂ emissions from production (per value added) by 30% from FY 2012 levels by the end of FY 2025	Compared to FY 2012 ▲18%	Compared to FY 2012 ▲27%	○
	Reduce CO ₂ emissions from logistics (per sales) by 13% from FY 2012 levels by the end of FY 2025	Compared to FY 2012 ▲51.3%	Compared to FY 2012 ▲51.5%	○
Eco materials & low emissions	Reduce noncompliance to zero by tightening regulations on environmentally hazardous substances in products	Zero nonconformity	Zero nonconformity	○
Minimum environmental impact production	Reduce emissions (per value added) by 20% from FY 2012 levels by the end of FY 2025	Compared to FY 2012 ▲15%	Compared to FY 2012 ▲25%	○
	Reduce chemical substance use (per value added) by 52% from FY 2012 levels by the end of FY 2025	Compared to FY 2012 ▲55%	Compared to FY 2012 ▲57%	○
	Reduce water resource use (per value added) by 52% from FY 2012 level by the end of FY 2020	Compared to FY 2012 ▲38%	Compared to FY 2012 ▲44%	○
Natural symbiosis action	Maintain implementation of environmental activities based on annual plans	Maintenance rate 100%	Maintenance rate 100%	○
Management of environmental value creation	Maintain the operation of DENSO TEN Group EMS, which combines product EMS and manufacturing EMS and strengthen environmental management	Maintenance rate 100%	Maintenance rate 100%	○
	Thorough compliance through environmental risk reduction activities	0 cases of violation/abnormality of laws	0 cases of violation/abnormality of laws	○

Promoting carbon neutrality

We aim to become carbon neutral in FY 2035 through the following measures: 0 factory CO₂ emissions through thorough energy conservation and procurement of renewable energy power and gas credits; development of products for electric vehicles and lightweight and energy-saving automotive electronics; and reduction of movement of people and vehicles through connected technologies.

Efforts in FY 2021

- We formulated an action plan to achieve carbon neutrality.
- To achieve carbon neutrality at its plants in 2025, the company switched to renewable energy for electricity use at its 3 facilities.
 - DENSO TEN Philippines (TNPH) June 2021 -
 - DENSO TEN Espana (TNES) April 2022 -
 - DENSO TEN Thailand (TNTH) May 2022 -
- Briefings were held for suppliers to promote carbon-neutral activities in the supply chain.

➤ See page [27 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.
- In FY 2020, we established guidelines for human rights counseling services, which clearly state the role of these services and the prohibition of disadvantageous treatment of those who consult with them, as well as the protection of their privacy, and made them known to employees.

Efforts in FY 2021

- 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 2021

- We engaged in activities to promote broad and deep understanding of diversity, such as disseminating information on diversity and expanding content through the renewal of information dissemination websites.
- We conducted a survey of our employees, and based on the results, we conducted a participatory diversity online event that generated more interest.

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 then 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. It has since been renewed annually to maintain its accreditation.



Platinum Kurumin

Efforts in FY 2021

- Our work system is enhanced, and we take advantage of our telecommuting and flextime systems, in which employees choose where and when to work according to family circumstances and work productivity.
- To ensure that employees who are raising children are able to work with a sense of satisfaction, we offer training opportunities and a three-time interview program with employees who are on parental leave before, after and after they return to work.
- "The Children's Visitation Day" was held as an online event for employees' children to visit their parents' workplaces regardless of physical distance.
- During caregiving month, information on caregiving was disseminated multiple times to introduce laws and systems for balancing work and caregiving.

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.

Efforts in FY 2021

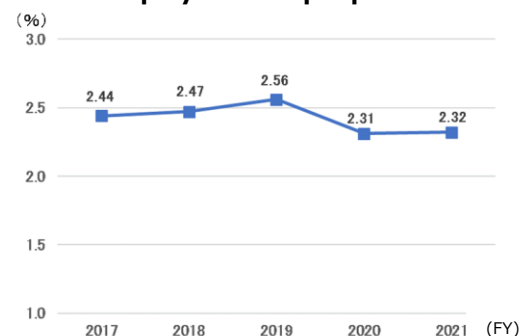
- With the aim of creating an internal network that can mutually enhance each other, we held roundtable discussions for "Female executives" and for "Young regular position" at each stage of their career.
- As an opportunity to think about future career of young women, we hold a discussion meeting with 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. It has since been renewed annually to maintain its accreditation.



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 employees with disabilities increased by two from the previous year, and as of June 1, 2022, the company exceeded the legal 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.

- As part of "DENSO TEN Academy", which employees take voluntarily, we offer courses in areas such as "Expertise (Engineering)" "Global" and so on. We also hold seminars for in-house instructors, and in FY 2021, we held 6 seminars in which executives talked about their areas of expertise.
- 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

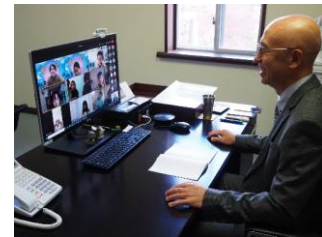
*Online in FY 2021 to combat COVID-19

TOPICS

Holding online Children's Visitation Day

The annual "Children's Visitation Day" has been held since 2006 as an opportunity for them to think about "working" and deepen communication with their families by seeing their parents at work, which is not seen at home.

In 2021, for the first time, the event was held in an "online format" in which participants could participate regardless of physical distance. We were able to prepare content that could be enjoyed online and enjoyed by the children of our employees.



President Kato answers children's questions

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 slogan "WORKSHIFT to work that only people can do." 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 2021, we are encouraging employees to use their time to develop new skills and expertise, and we have started to apply for side jobs to help them develop themselves and their careers.

Mental and physical health support

Under recognition of "health management of employee is a base of management", we improve 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 2021

- 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. (Providing instruction on the relationship between diabetes and lifestyle, stretching to improve physical fatigue from daily life and desk work, and sleep knowledge and ways to improve sleep quality in health care seminars for young people)
- 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. (Identifying people who are unwell by workplace (conducted daily), and confirming and instructing the health status of infected people by an industrial physician after completion of medical treatment)

TOPICS

Continuous promotion of health management – White 500 certified for 4 consecutive years

In FY 2021, 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 March 2022, Astellas was recognized for the 4 consecutive years as an Excellent Health Management Corporation (2022 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

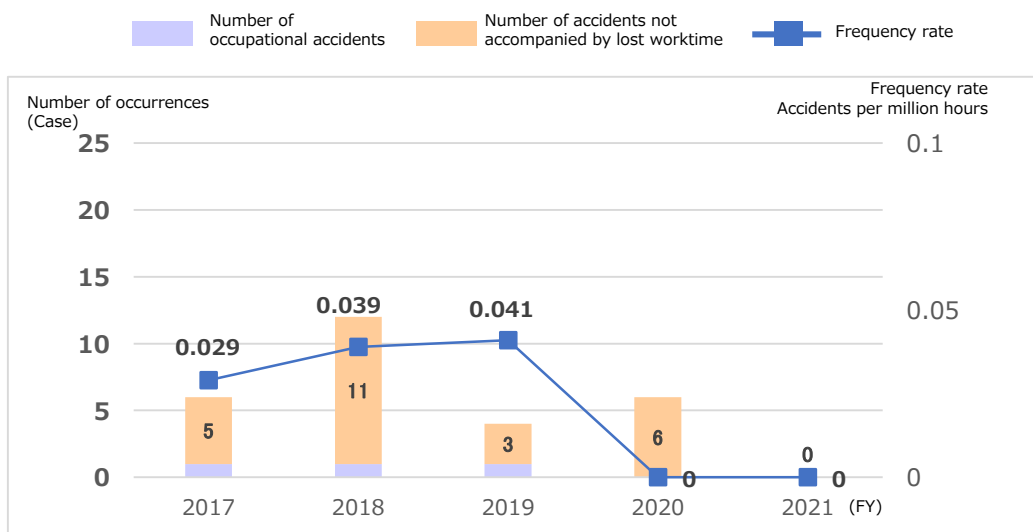
Based on the principle that the health and safety of our employees is the foundation of our company's management, we are working on the development and implementation of health and safety management systems with an emphasis on the prevention of occupational accidents. We have obtained the combined global 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 2021

- In order to curb unsafe behavior and prevent occupational accidents, we engaged in activities to raise individual safety awareness with the goal of ensuring that basic actions are implemented. To carry out these activities, we conducted a safety awareness survey of all employees of the Group in Japan to visualize the level of implementation of basic actions and to promote activities tailored to actual conditions. In addition, with regard to the plant, efforts were made to visualize and establish the level of penetration through dialogue between supervisors and workers.

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

- In the area of fire prevention activities, we continued to work on the following three points of view in order to establish a strong awareness from the DENSO TEN Group of "Never starting a fire".
 - ① People (Safety awareness and behavior) (2) Facilities (Prevention) (3) Fire prevention system (Prevention of fire spread and minimization of damage)

TOPICS

Conduct initial firefighting education and hands-on training for all employees

With the aim of "Raising fire prevention awareness among employees" and "Strengthening the initial firefighting system when employees at work by teleworking", all employees were provided with fire prevention education (e-learning) and initial firefighting training using actual fire extinguishers.



Fair operating practices

Open and fair business practices and responsible procurement practices

In addition to striving for open, fair, free and fair transactions, we will endeavor to conduct responsible procurement activities to ensure that this policy is implemented not only within the DENSO Group but also in the supply chain. We also respect our suppliers and other business partners as partners, build relationships of trust, and aim for mutual development.



Procurement policy "Basic approach"

Our procurement policies include the "Open door policy", "Mutual development based on mutual trust", "Promote environmentally friendly 'green procurement'", "Promotion of local procurement to become 'Good corporate citizen'", and "Thorough Compliance with Laws and Regulations and Confidentiality", and we have put the "Denso group supplier sustainability guidelines" into publish and deploy.

Open door policy

We conduct procurement activities by seeking a wide range of suppliers in a fair and impartial manner, both in Japan and overseas, for the procurement of parts, materials and production equipment for our products.

In selecting suppliers, we take into account the quality, technology, cost and delivery times, as well as their attitude and system for continuous improvement.

Mutual development based on mutual trust

We hope to achieve mutual development through business transactions. In order to do it, we believe it is important to build stronger relationships of trust through close communication with suppliers.

Promoting sustainability in the supply chain

We ask all our business partners to agree to the tenets of the "DENSO Group Sustainability Policy" and to promote sustainability by concluding a "Basic Transaction Agreement" that includes "compliance, protection of human rights, environmental preservation, workplace safety and other social responsibilities", and by assigning contact persons and clarifying policies at suppliers regarding sustainability.

In order to promote our sustainability policy, we also ask for public awareness, surveys and inspections at various venues. Major business partners are informed of DENSO TEN's business policies as well as its sustainability-related policies, such as strengthening risk tolerance and sustainable business expansion, at the "Business partner appreciation society".

DENSO Group policies and approaches toward conflict minerals

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 minerals, 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 (Sustainability Policy)

Corporate governance

The formal institutions established by DENSO TEN are the General Assembly of Shareholders, Board of Directors, Auditors, and Accounting Auditors. In addition, we have streamlined our management team to speed up decision-making, and adopted an executive system that allows us to allocate talented people in a flexible and optimal manner to speed up business execution.

Director will focus on function, which is responsible for management supervision from the standpoint of shareholders and the group as a whole, in order to streamline Director Society, to increase discussions at Director Society, and to speed up decision-making. At the same time, Director Society will appoint Executive Vice President and Senior Executive Officer as officers who will resolve management issues and conduct business for the entire company.

In addition to these officers, Director Society has appointed Executive Officer to serve as a leader of Genba's top and important project and to exercise executive responsibility and authority in his area of responsibility.

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 2021

- Aiming to treat compliance as one's own business and to raise awareness of compliance, we conducted group working on compliance risks around us in our education at the time of joining the company and reviewed our education on the subcontracting law by including educational materials based on past cases of our company. In addition, the Group enhanced its education and enlightenment activities by newly implementing e-learning on antitrust laws and providing web training on antitrust laws with a focus on case studies for employees in Engineering division.

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.

- Led by the Risk and Compliance Committee, the department responsible for each risk promotes risk control activities, such as identifying potential risks, studying evaluation and prevention policies, and checking implementation status.
- 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.

TOPICS

Responding to increasingly sophisticated corporate cyberattacks

In FY 2021, in preparation for increasingly sophisticated cyberattacks, we introduced a behavior detection system to respond to unknown viruses as well as existing computer viruses.

To protect production, we are also gradually introducing a monitoring system and integrated threat management system for production networks separated by LAN. In FY 2022, we will strengthen file access rights to prevent information leaks and strengthen email security measures to deal with targeted emails. We will continue to provide security education and awareness to all employees, including executives, to improve literacy.

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".



DENSO TEN Group is engaged in a variety of activities in various countries to help solve local problems.

Contributing to local communities



Donation of a "Traffic Safety Drill" from the Toyota Mobility Fund to an elementary school (Corporate Headquarters, Nakatsugawa Plant)



Donating bocce sets to nearby junior high schools (Corporate Headquarters)



Purchase potatoes harvested in impoverished areas and distribute to employees (DENSO TEN ELECTRONICS (WUXI) Ltd./China)

Traffic safety activities



Conducted traffic sentries calling for safe driving and no reckless crossing (Toyota Office)



Sponsored the creation of banners inspired by elementary school students with traffic safety slogans (Corporate Headquarters)

Educational support for children



Created original coloring books on the theme of environment problem and provided them to children (DENSO TEN Philippines/Philippines)



Donated 100 desks and chairs to students in impoverished areas (DENSO TEN ELECTRONICS (WUXI) Ltd./China)

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



Donated a set of tune-up equipment to the Chair Ski Association (Corporate Headquarters)



Donating hand bells and percussion instruments to welfare facilities that actively offer music therapy and other services (Corporate Headquarters)



Children's Day games with children with intellectual disabilities in the neighborhood (DENSO TEN ELECTRONICS (WUXI) Ltd./China)



Scholarship awards given to 64 students studying electronic communications engineering at the IoT Engineering Institute of WUXI Institute of Technology (DENSO TEN ELECTRONICS (WUXI) Ltd./China)



10 volunteers pick up trash in Long Beach (DENSO TEN America/USA)



Planted 30 mandarin and pear trees on the outskirts of Wuxi (DENSO TEN ELECTRONICS (WUXI) Ltd./ China)

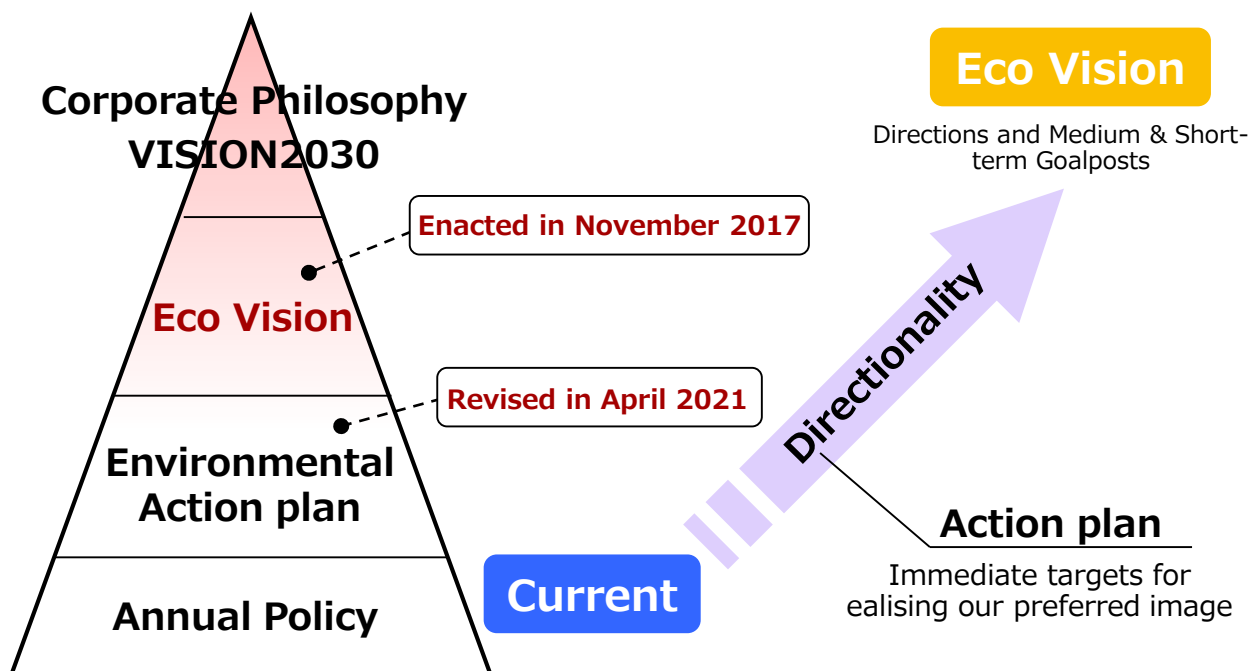
Commitment to the Environment

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.

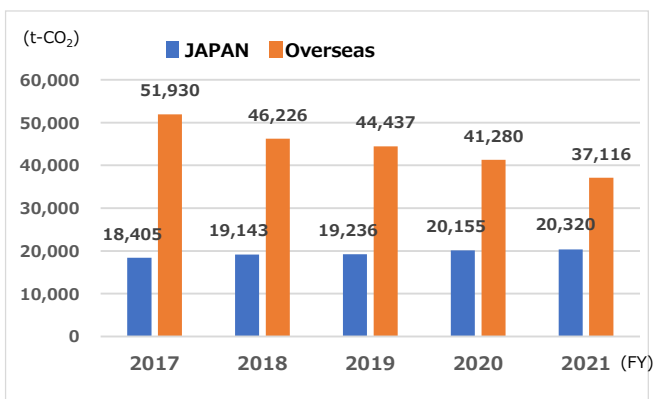
Global warming countermeasures

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.

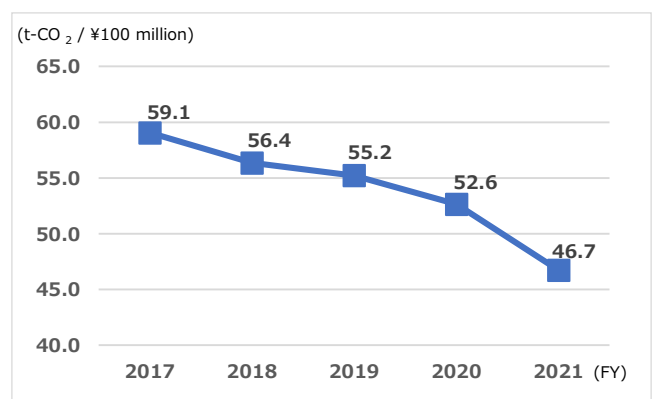
Outcomes of FY 2021 Activities

Global CO₂ basic unit decreased by 27% from FY 2012 (46.7 t-CO₂/100 million yen), achieving target goal of "reducing CO₂ emissions by 18% from fiscal 2012 levels".

Trend in CO₂ emissions (energy only)



CO₂ Emissions per Value Added by basic unit



Emissions control

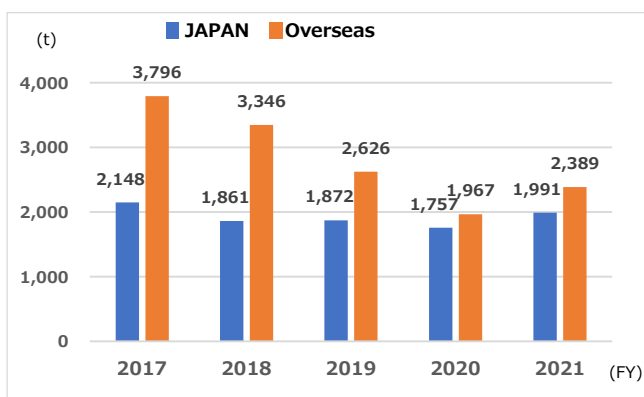
In anticipation of a resource-recycling society, we are working to reduce emissions and achieve zero emissions * based on the 3Rs (Reduce: suppress generation, Reuse: reuse, Recycle: recycling).

*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.

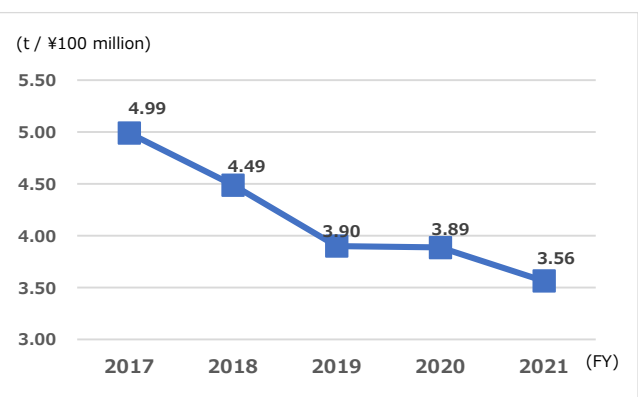
Outcomes of FY 2021 Activities

Basic unit's global emissions decreased by 25% (3.6 tons/billion yen) from FY 2012, achieving target goal of "reducing emissions by 15% from FY 2012 levels".

Trends in emissions



Trends in basic unit emissions per value added



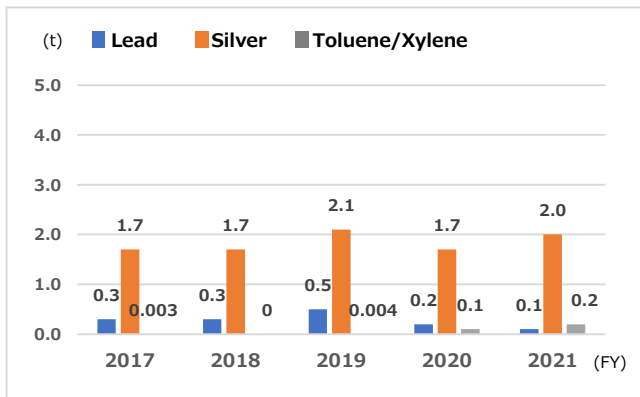
Hazardous substances countermeasures

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.

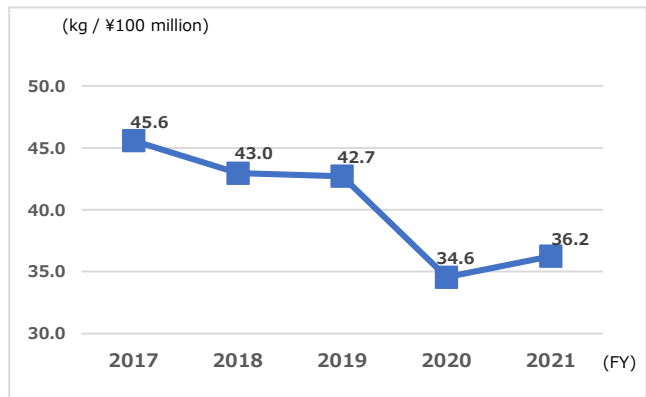
Outcomes of FY 2021 Activities

Chemicals globally (PRTR, VOC) basic unit decreased 57% from FY 2012 levels (36.2 kg/100 million yen), achieving target goal of "reducing emissions by 55% from FY 2012 levels".

Trend in use of chemicals subject to PRTR



Trends in Chemical basic unit per value added



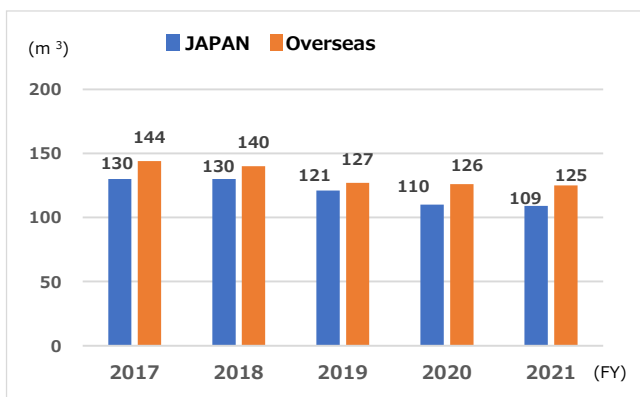
Water resources measures

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.).

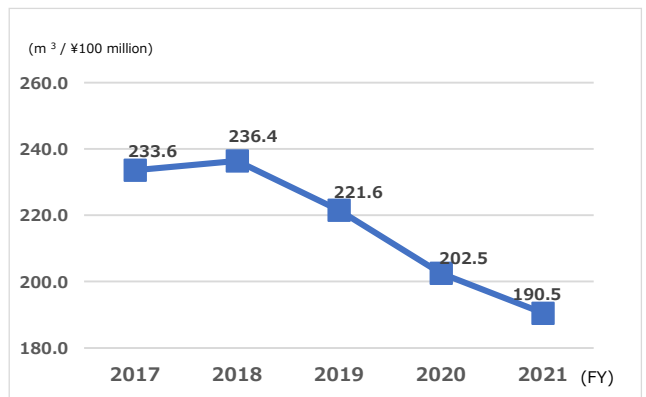
Outcomes of FY 2021 Activities

- Our global use of water resources (190.5 m³/100 million JPY) was 44% less than FY 2015, achieving our target of a 38% reduction compared to FY 2015 levels.

Trend in use of water resources (Global)



Trends in water resources per value added in basic unit (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.

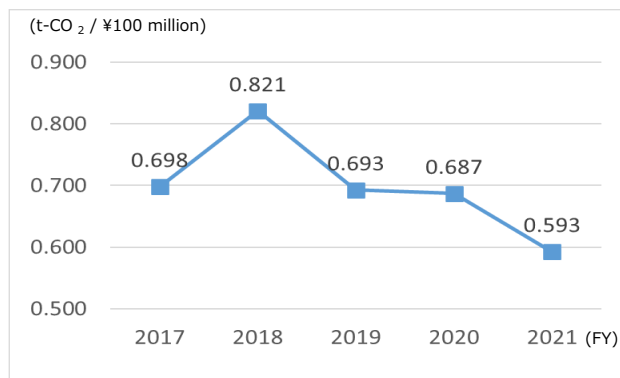
Global warming countermeasures through logistics improvements

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 FY 2021, we revised the transportation routes for overseas production goods and implemented joint transportation with group company to shorten the ground transportation distance and reduce the number of flights. We were able to reduce CO₂ emissions per unit of sales by 10.0% compared to FY 2012.

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.

Trends in transportation CO₂ emissions per unit of sales in logistics kaizen



*Figures are calculated based on transport CO₂ emissions from domestic emissions and non-consolidated sales.

Outcomes of FY 2021 Activities

- **Revised transportation routes for overseas production goods and reduced transportation CO₂ emissions through joint transportation with group company**

The port of arrival for overseas production goods was changed from the Tokai region to the Kyushu region, thereby shortening the land transportation distance for shipments to customers in the Kyushu region. In addition, we implemented joint transportation of packages for the same customers between group company to reduce the number of transports.

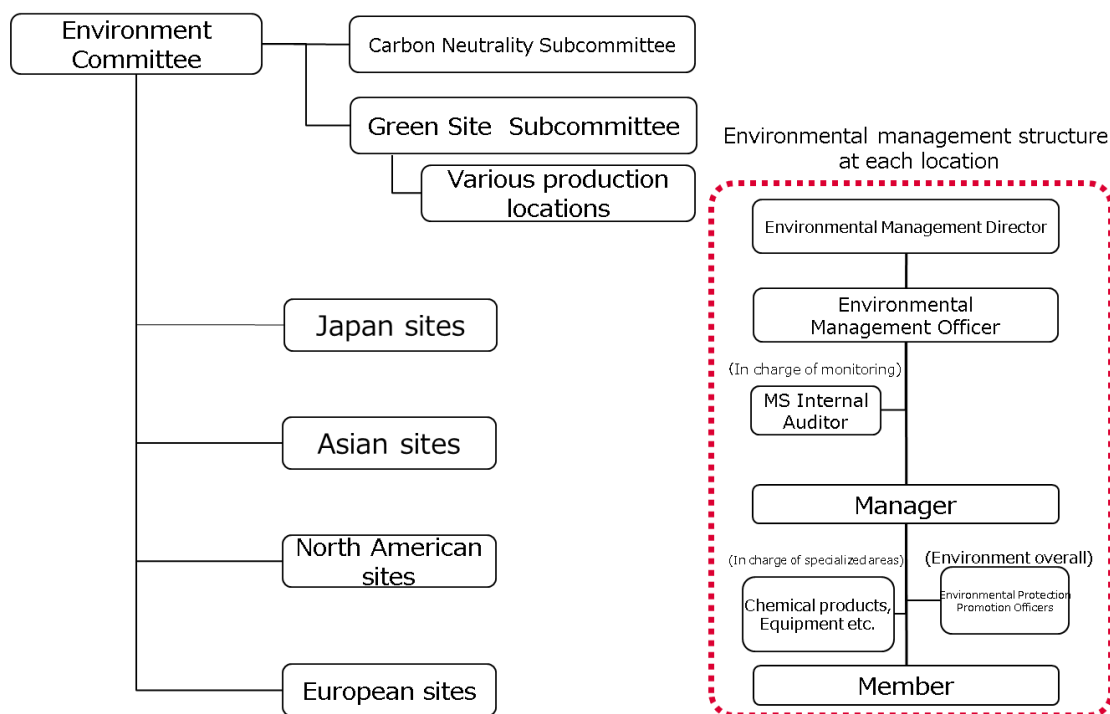
Management system

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 2021.

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.

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.

Status of PCBs (Japan)

Although low-concentration PCBs have been found in used transformers and other equipment at the headquarters, they are strictly stored and managed in accordance with legal regulations.

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

Forest Resources

Water Resources

Parts/Raw materials/Packaging materials/Others

Power	84,529 Mwh
Crude oil	1,170 KL
City gas	429000 m ³
LP gas	75 t
Natural gas	56,000 m ³
Kerosene	6 KL
Light oil	125 KL
Gasoline	23 KL
In-house power generation (generator)	-868 Mwh
Paper purchased	26 t
Tap water	128,495 m ³
industrial water	82,526 m ³
Groundwater	16,271 m ³
Packing with board and paper containers	37 t
Plastic container packing	4t

OUTPUT

CO₂

Emissions

Chemical Substances

Water

CO ₂ output	57,436 t-CO ₂
Total	4,379 t
Amount recycled	4,184 t
Valuables	2,748 t
Recycling rate	96 %
Substances subject to PRTR (Japan) only	
Amount released	0.8 t
Amount transferred	0.2 t
Amount recycled	0.07 t
IPA released	39 t
Wastewater discharge	136,881 m ³

■ 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 etc. Car Infotainment: Display Audio, Car Navigation 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

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