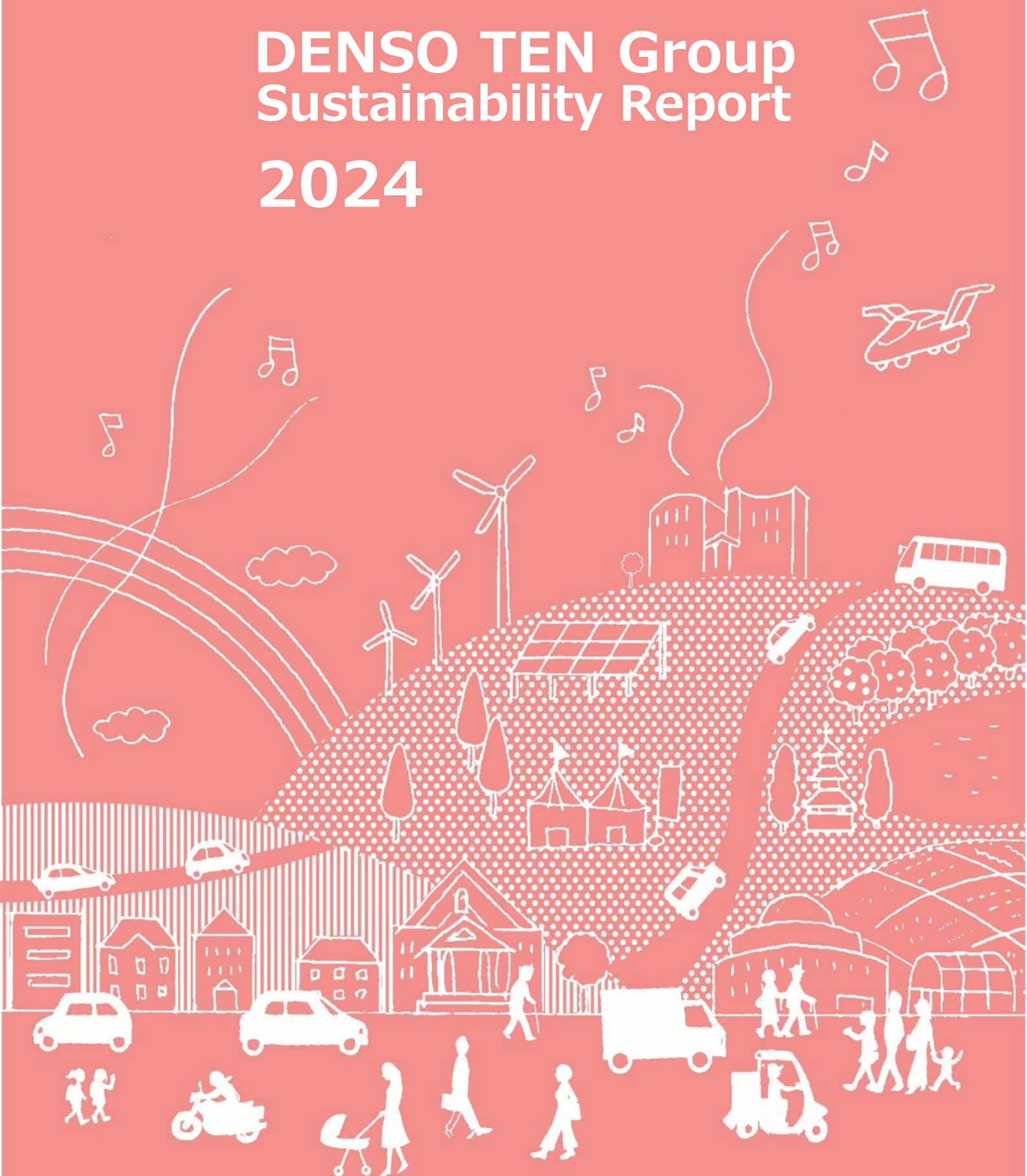




DENSO TEN

DENSO TEN Group Sustainability Report 2024



Corporate Philosophy and Declaration of Corporate Behavior (Sustainability Policy)

Contains our corporate philosophy and sustainability policy.

P.3

Top Message

We will contribute to solving social issues by “Improved car value”, “Improved lifestyle value” and achieving “Carbon neutral”.

A message from President Yonemoto will be shared with you.



P.4

Sustainability Management of the DENSO TEN Group

Overview of sustainability management is available.

P.5

VISION2030

This section introduces the long-term vision of the DENSO TEN Group.

P.6

Special Feature – Initiatives to Achieve VISION2030

Presenting our efforts to "Improved car value" and "Improved lifestyle value" in FY2022, along with the developers' voice.

Launched “Offseg”, a safe driving management telematics service for corporate customers.



P.7

Business Domains and Main Products

Main products of each business group are introduced.

P.10

CSR of the DENSO TEN Group

DENSO TEN Group CSR priority issues/Promotion system/SDGs/Major activities in FY 2023 and related SDGs

P.11

Initiatives for CSR Priority Issues

Consumer Issues

Seeking quality and product safety / Quality awareness and human resource development / After-sales service support / Product security

[TOPICS] Digital transformation for after-sales service

[TOPICS] Establish cyber security and privacy measures for products and services

P.13

Environment

Target and achievements of the 9th Environmental Action Plan/Promotion of carbon neutrality

[TOPICS] DENSO TEN Wuxi acquired “National Green Plant Certification” and “Wuxi Five-Star Green Plant Certification”

P.15

Human Rights and Labor Practices

Respect for human rights/Acceptance of diversity/Promotion of work-life balance/Promotion of women's activities/Human resource development/Employment of persons with disabilities
Mental and physical health support/Health and safety management

P.17

[TOPICS] Strengthen support for employees' autonomous career realization

[TOPICS] Continuous promotion of health and wellness management – White500 certification for 6 consecutive years

[TOPICS] “Stop work on-site and identify the source of the hazard with everyone present” was conducted

Fair Operating Practices

Procurement policy “Basic concept”/Promoting sustainability in the supply chain

P.22

Initiatives other than CSR Priority Issues

Organizational Governance

Aiming to be a company trusted by society and local communities/Corporate governance/Compliance/Whistleblower system/Risk management/Business continuity management/Information security and personal information protection

P.25

[TOPICS] Response to cyber attacks on increasingly sophisticated companies

Community Involvement and Development

Overview of DENSO TEN community contribution activities/Safety/Environment/Sound/Sports support for people with disabilities/Other community contribution activities

P.27

[TOPICS] Conduct traffic safety classes in cooperation with local police

Environmental Initiatives (Details)

DENSO TEN Group Eco-Vision/Eco factory (production and logistics)/Management system/Response to environmental risks/Business activities and environmental aspects

P.31

Company Profile/Location List

This is the company profile of DENSO TEN Group.

P.39

Editorial Policy

It is published annually with the aim of disclosing information on CSR and efforts to realize a sustainable society in an easy-to-understand manner and promoting communication with various stakeholders. The 2024 report focuses on important initiatives and topics in fiscal 2023.

This report was compiled with reference to the Ministry of the Environment’s “Environmental Reporting Guidelines” and “ISO26000:2010”.

Reporting period

This report focuses on activities during fiscal 2023 (April 1, 2023 to March 31, 2024). Some information for other periods is also included.

Organization covered by the report

This report describes the activities of DENSO TEN Group and its group companies. Some data and cases are limited to specific range or sites.



"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

"Sincerity is the way of Heaven."

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



We will contribute to solving social issues by “Improved car value”, “Improved lifestyle value” and achieving “Carbon neutral”.

Since our founding, we have been engaged in business activities to contribute to solving social issues with the aspiration of “for the world and for people,” as indicated by our corporate philosophy “sincerity is the way of heaven,” which is also the origin of our company name “TEN”.

Today, the automotive industry is undergoing an ever-increasing pace of change, as the shift toward electrification to achieve a decarbonized society is triggering a rapidly expanding movement toward the use of software in cars. In addition, the values of companies and people have changed dramatically in the wake of the COVID-19 pandemic and various conflicts and disasters that have occurred over the past several years.

As our lifestyles and society change drastically, the key issue in the field of mobility is how to provide consumers with “safe, secure, and environmentally friendly transportation”.

Under these circumstances, we are working to provide products and services that contribute to “enhancing the value of vehicles” and “enhancing the value of people's lives” and to achieve “carbon neutrality” as set forth in our “VISION2030” formulated in March 2020.

Last fiscal year, we launched a safe driving management telematics system that prevents trouble, accidents, and waste in company-owned vehicles by using AI to automatically detect dangerous scenes, such as failure to obey a stop sign or excessive speed, from drive recorder camera footage.

In addition, DENSO TEN ELECTRONICS (WUXI) Limited received the “National Green Factory Certification” for its efforts in energy-saving modification of facilities, introduction of solar power generation, and acquisition of certification for energy management systems and greenhouse gas emission systems.

We will promote sustainability management that “contributes to solving social issues while ensuring business growth,” and will also contribute to achieving the SDGs.

As part of its diversity initiatives, we held a “Diversity EXPO” aimed at encouraging employees to change their behavior. The event included an experience session of volleyball for people with disabilities and a lecture by an executive based on his experience of being posted outside Japan.

We also respect the individuality and diversity of our employees, and are committed to enriching their lives and ensuring the sustainable growth of the company. In addition, we promote the formulation and implementation of career plans for each employee to enhance their growth and job fulfillment, leading to higher employee satisfaction.

We will continue to boldly take on the challenge of solving social issues and contribute to the achievement of the SDGs, aiming to be a company that is further trusted by our customers and society.

米本 宜司

President and Representative Director
DENSO TEN Limited



Sustainability Management of The DENSO TEN Group

DENSO TEN Group promotes sustainability management, which aims to improve corporate value by contributing to the resolution of social issues while realizing corporate growth. Sustainability management is the very practice of our corporate philosophy of "We value MAKOTO (Sincerity) and work to contribute to our customers and society." We will continue to contribute to solving social issues through our business activities and aim to become a company that is trusted by society.

Aiming to improve corporate value by contributing to solving social issues while realizing corporate growth

Solving Social Issues



Realization of company growth

Corporate Philosophy

"Sincerity is the way of Heaven."

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

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.

VISION 2030

Improved car value

Carbon neutral

Improved lifestyle value

Contributing SDGs



Contributing through Products and Services

HMI Solutions Business

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

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

Electronics & Electrification Business

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



Contribution through daily corporate activities

Important issues of CSR of DENSO TEN Group

Fair operating practices

Human rights

Labor practices

Environment

Consumer issues

Principles

Challenge Originality

Right Speedy Respect

We will aim high and boldly take on challenges

We will hone our ideas and winning techniques to create what only we can

We will do the "Right Work" and "Careful Work"

We will go for it and quickly

We will respect individuals and utilize diversity

VISION2030

Corporate Philosophy

"Sincerity is the way of Heaven."
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 |
| Right | We will do the "Right Work" and "Careful Work" |
| Speedy | We will take the initiative 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.

As a “Mobility Solution Partner that creates the interface between people, mobility, and society,” as stated in VISION 2030, we are promoting initiatives to “enhancing the value of vehicles” and “enhancing the value of people’s lives.” In this special feature, we introduce our efforts to realize a mobility society where everyone can feel comfort and freedom and where smiles abound.



Initiatives to “Improved lifestyle value”



As technological innovation continues in the automotive industry in the area of CASE^{*1} and moves toward the realization of a decarbonized society intensify, we are working to develop products that are friendly to people and the environment and that further enhance the appeal of automobiles.

^{*1} Taken from the acronyms Connected, Autonomous, Sharing & Services, and Electric

TOPICS

**Launched “Offseg”, a safe driving management telematics service for corporate customers.
~ AI automatically detects 12 dangerous scenes from drive recorder camera footage, which account for 70% of human-caused accidents, such as failure to obey a stop sign or exceeding the speed limit ~**

Offseg^{*1}, a product of safe driving management telematics service for corporate customers utilizing a communication-type drive recorder was launched in June 2023. AI automatically detects 12 dangerous scenes from drive recorder camera footage, which account for approximately 70%^{*2} of all human-caused accidents, including failure to obey a stop sign and excessive speed.^{*3} Six of these scenes, such as ignoring a traffic light^{*4} or driving while looking aside, are detected in real time and warnings are issued to the driver.

In addition, the system supports the operational efficiency of managers who manage and educate drivers on safe driving by automating the creation of educational materials for e-learning and driving diagnosis according to the driving tendencies of individual drivers. Furthermore, in response to the “mandatory alcohol check” in December 2023, the system is linked to other companies’ alcohol detection systems ^{*5}



^{*1} Offseg is a registered trademark of DENSO TEN Limited. Offseg was born from the concept of “preventing troubles, accidents, and waste in company-owned vehicles.

^{*2} Proportion of the 12 dangerous scenes that can be detected by Offseg among factors causing human accidents according to “Traffic accident statistics table data for 2018” published by Institute for Traffic Accident Research and Data Analysis (ITARDA)

^{*3} Even if the driving behavior is subject to detection, it may not be detected depending on the situation.

^{*4} Please refer to the press release below for more information on image recognition technology for ignoring traffic signals.
<https://www.denso-ten.com/jp/release/2023/02/20230209.html>

^{*5} Offseg does not guarantee compliance with the mandatory alcohol checks imposed by the revision of the Road Traffic Law in April 2022 and December 2023.

[Offseg Key Features]

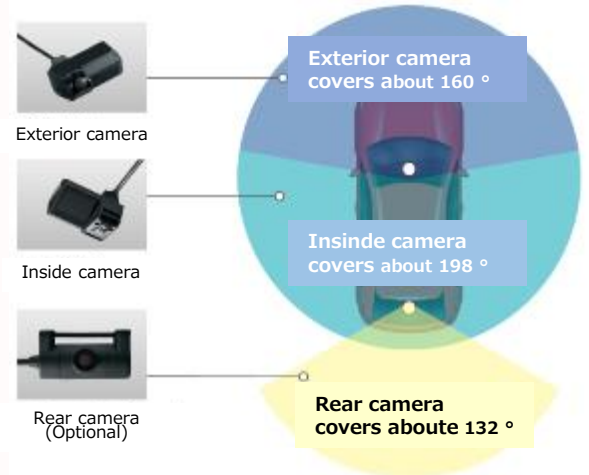
Trouble Prevention

Camera records and stores approximately 360° coverage in all situations

The compact unit with 2 integrated cameras, which does not obstruct the driver's view, captures a wide range of approximately 360° with full HD2 million pixels. An optional rear camera can also be installed to record rear-end collisions, collisions while backing up, and other troubles that occur in the rear of the vehicle.



Product mounting image



Accident prevention

AI detects the cause of the accident and automatically notifies the driver and the manager

Using AI, the system automatically detects 12 dangerous situations that account for approximately 70% of all human-caused accidents, including failure to obey a stop sign, excessive speed, driving in the wrong direction, and insufficient distance between vehicles. In addition to AI in the cloud, edge AI in the on-board unit can detect and warn in real time while driving about six different scenes, such as ignoring traffic signals and driving while looking aside. The on-board equipment alerts drivers with sound, image, and voice warnings, thereby contributing to the reduction of accidents. In addition, managers are notified by e-mail, making it easy to identify dangerous scenes.

*Even if the driving behavior is subject to detection, it may not be detected depending on the situation.

*For safety checks when backing up, detection is possible only when the reverse signal is connected. No warning sound

List of 12 scenes with accident risk that can be detected by AI

● Detected by on-board equipment ● Detected by behavior analysis on the cloud

| Accident Risk | | Warning to Driver | | | Administrator |
|----------------------------|---|------------------------------------|--------------------|------|-----------------|
| | | Warning Sound・Display Notification | Voice Notification | none | |
| Safety Not Confirmed | Checking Left and Right at Intersection | | | ● | Notify by Email |
| | Safety Check When Reversing | ● | ● | | |
| | Failure to Stop at Stop Sign | | ● | | |
| | Ignoring Traffic Signals | ● | | | |
| | Prohibited Passage (Wrong Way) | | ● | | |
| Inattention to the Front | Distracted Driving | ● | | | |
| | Drowsy Driving | ● | | | |
| | Using Mobile Phone | ● | | | |
| Inadequate Prediction | Insufficient Following Distance | ● | | | |
| | Exceeding Legal Speed Limit | | ● | | |
| Transportation environment | Misrecognition of obstacles | | | ● | |
| Inattention to Movement | Near Miss(e.g., Sudden Appearance) | | | ● | |

6 scenes are warned in real time

Waste prevention

Automation of safe driving management and vehicle management

Automation by the system enables safe driving management with as little human intervention as possible. AI analyzes the driving tendencies of drivers based on the detected dangerous scenes, and automatically creates and distributes educational materials for e-learning. Through the web application, drivers can check the results of their own driving diagnosis and safe driving guidance that reflects their driving tendencies, and look back on the results. In this way, support tailored to the individual driver is made possible, helping to maintain motivation for safe driving awareness.

Screen image of educational material for e-learning



Video of near-miss scene



画面名 * わき見運転時の注意点

問題文 * ドライバーはどのような運転をすべきだったでしょうか？

問題設定 * ◎する ○しない

選択肢1 * 運転に集中し、周囲の確認を怠らない

選択肢2 * 何も考えず、前方車両に続いて走行する

選択肢3 * 考え事をしながら、突然と運転する

選択肢4 * 多少であれば携帯電話をしても構わない

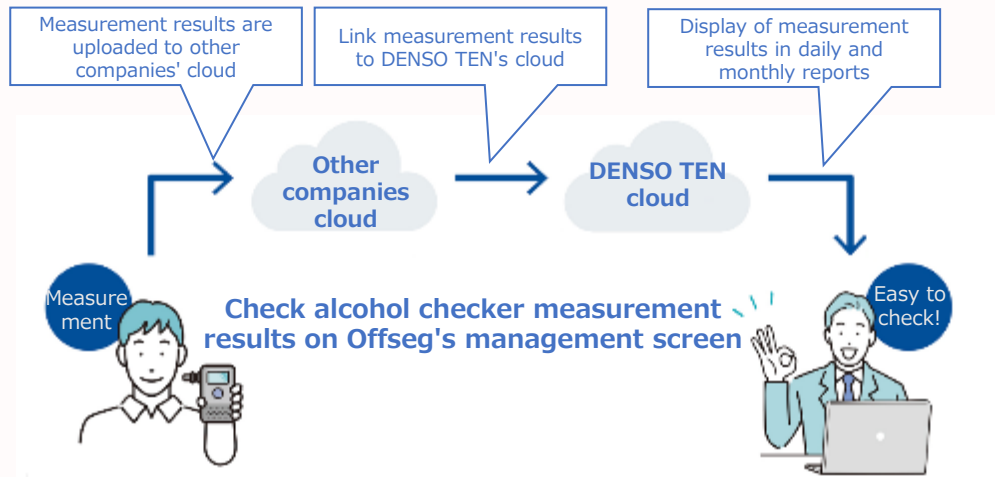
正解 * 選択肢1

解説 * 走行中、目の前の状況は刻一刻と変化しています。周囲の状況確認を怠る方が一瞬の事態に対応できず、事故につながる可能性があります。運転に集中することで、交通事故から自身の身を守りましょう。

[Offseg Key Features]

Cooperation with other companies' alcohol detection systems

The service has been linked to other companies' alcohol detection systems since late December 2023. Drivers check their alcohol concentration and the results are uploaded to the cloud of each company that provides alcohol detection systems. The system is then linked to DENSO TEN's cloud and displays the measurement results in Offseg's daily and monthly reports. Safe driving managers can check the driving records and alcohol detection results for each driver on the Offseg management screen at the same time, thus saving time and effort.



* Offseg does not guarantee compliance with the mandatory alcohol checks imposed by the revision of the Road Traffic Law in April 2022 and December 2023.
* DENSO TEN is not involved with other companies' alcohol detectors and detection systems.

Voice of the person in charge

This product has a function that can detect violations of sudden acceleration and deceleration. We believe that managers can use the actual recorded data to provide guidance to drivers to achieve safe and fuel-efficient driving, thereby contributing to CO2 emissions reduction.

In addition, in the management of daily and monthly reports, they are automatically generated and managed in PDF format without outputting them to paper, making work paperless.

By having companies introduce and utilize this product, which is full of functions that can reduce the risk of accidents, we as Sales Division will contribute to the realization of a safe, secure, and comfortable mobility society.



Tomokazu Satoh

Department 1
Aftermarket Sales Division
Marketing & Sales Group

Business Domain and Main Products

DENSO TEN Group contributes to the intelligence and electrification of vehicles with **HMI integrated ECU in the safety domain**, as well as **drive system and power system products**.

HMI Solutions Business

Provides comfortable and safe mobility with human-friendly HMI technology



Electronics & Electrification Business

Contributes to carbon neutrality with drive and power supply products that are indispensable for vehicles

IVI(AVN/DA)·CID



IVI : In Vehicle Infotainment
CID : Center Infotainment Display

Emergency call service for policyholders



Sound system



Safe driving management Telematics Service for corporate customers



Offseg®

*Offseg is a registered trademark of DENSO TEN Limited.

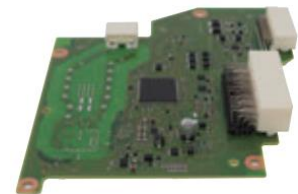
Charging communication ECU



Battery monitoring ECU



Charging integrated ECU



ECU for electric vehicles



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.

□ CSR Priority Issues

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.



■ Major Activities in FY 2023 and Related SDGs

| CSR Priority Issues | | Major Initiatives and Results in Fiscal 2023 | Related SDGs | Related pages |
|-----------------------------|--|--|---|---------------|
| Issues related to consumers | Protection of customer data | <ul style="list-style-type: none"> Strict management and protection of personal information in accordance with the “Personal Information Protection Policy” (ongoing) |   | P.13 - 14 |
| | Improvement of customer satisfaction | <ul style="list-style-type: none"> Global operation of quality assurance system based on ISO 9001 and IATF 16949 (ongoing) Digital transformation of repair procedures and automated inspection programs to streamline the maintenance of the repair environment for products for a variety of vehicles. | | |
| Environment | Environmental contribution by products | <ul style="list-style-type: none"> DENSO TEN Wuxi acquired “National Green Plant Certification” and “Wuxi Five-Star Green Plant Certification”. |   | P.16 |
| Human rights | Due diligence (Respect for human rights) | <ul style="list-style-type: none"> E-learning on human rights for all employees, in addition to training by job level (ongoing) |   | P.17 |
| Labor practice | Diversity of human resources | <ul style="list-style-type: none"> Conduct activities to promote a broad and deep understanding of diversity by strengthening the dissemination of information on diversity and expanding the content of the information website (ongoing) Held “Diversity EXPO” to encourage employees to change their behavior, including a volleyball experience for people with disabilities and a lecture by an executive based on his experience of being posted outside Japan |    | P.17 |
| | Work-life balance | <ul style="list-style-type: none"> Held “Children's Visiting Day” at four sites in Japan for employees' children to visit their parents' workplaces (ongoing) Introduced a “Career Plan Drawing System” that enables each employee to draw up mid-to long-term career plans proactively and commit to development goals and skill development plans through conversations with their supervisors, leading to effective development |  | P.17 - 19 |
| | Employee health | <ul style="list-style-type: none"> DENSO TEN recognized as an Excellent Health Management Corporation 2024 (Large-Scale Corporations Category: White 500) for 6 consecutive years |  | P.20 |
| Fair business practices | Fair and equitable transactions | <ul style="list-style-type: none"> Established the “Conflict Minerals Response Policy” and revised the “DENSO TEN Group Supplier Sustainability Guidelines.” |   | P.24 |

Initiatives other than CSR Priority Issue

| | | | |
|---------------------------|---|---|-----------|
| Organizational governance | <ul style="list-style-type: none"> Seize opportunities such as “Compliance Month” to conduct e-learning and comprehensive inspections of compliance risks in the workplace (ongoing) |  | P.25 |
| Community involvement | <ul style="list-style-type: none"> Conducted social contribution activities at each Group site in Business, such as traffic safety classes, sports support for the disabled, tree planting, etc. (continued) |     | P.27 - 30 |

Our first priority is to help our customers.

We will create products and services that are ahead of expectations by focusing on what is helpful to our customers and striving to improve quality and safety. In addition, personal information of customers is collected with the consent of the customer, and is strictly managed and protected with limited purposes of use.



Pursuing Quality and Product Safety

In order to deliver products that our customers can trust and be satisfied with, we have developed a global quality assurance system based on international quality management standards, and are implementing a cycle for quality improvement at each of our domestic and overseas sites. For the international quality management system, in addition to ISO9001, we have obtained and are operating the IATF16949 certification, which is a standard for the automotive industry. Based on "DENSO TEN Group Product Safety Charter," quality and product safety are ensured at every stage from product planning to mass production.



IATF16949 Certification

Raising Quality Awareness and Human Resource Development

Since 2020, in line with recent changes in the way we work, we have been holding online quality exhibitions to raise the quality awareness of all employees and to train personnel with high quality sensitivity.

In addition, we conduct "training to strengthen the ability to pursue the true cause" with the aim of improving the quality of work.

Our company's concept of "pursuit of the true cause" is to look back at the work process (business process) that created the problem, find the work that should have been done but could not be done, pursue the true causes of the work that could not be done, and create a condition in which the work can be done reliably, thereby strengthening the skills and practical ability of the work.

After-service Response

Response to Repair of Defective Products

With the motto of "quick, inexpensive, high-quality repairs" at repair bases in Japan and overseas, we provide environmentally friendly repair services by replacing the minimum number of parts.

In addition, to ensure that our products can be used with confidence for a long time after repair, our repair bases are equipped with an "automatic inspection system" that can guarantee the same functionality and performance without omission as at the production plant, thereby realizing high-quality repairs.



Parts replacement work

Management and Protection of Customer Data

We strictly manage and protect personal information obtained during repairs, such as customer names, addresses, and e-mail addresses, that can be used to identify specific individuals, in accordance with our "Personal Information Protection Policy."

Furthermore, we have mandated the protection of personal information stored in car navigation systems by appointing a person responsible for the management of such information at each repair location.



[Privacy Policy](#)

Product Security

With the increase in the number of in-vehicle IoT products, product security measures are needed to prevent damage from information leaks, tampering, and attacks aimed at malfunctioning products. To ensure that our products can be used with confidence, we ensure that our products are equipped with technologies (encryption, etc.) to protect them from cyber-attacks, and we work to ensure product security by establishing internal systems and rules and educating our employees.

TOPICS

After-sales service support

- **Use DX for after-sales service**

In FY2023, we worked to improve the efficiency of the repair environment for our products for various vehicles by digitally transforming the after-sales service, particularly the creation of procedure manuals and automated inspection programs necessary for repairs.

In FY2024, we will expand to operational management of repairs and work to create an environment that enables us to provide faster, cheaper, and higher quality repairs to our customers.

Product security

- **Establish cyber security and privacy measures for products and services**

Along with the expansion of connected services, users' awareness of privacy protection is growing both in Japan and beyond. In FY2023, following the preceding cyber security for in-vehicle products, we worked to establish a company-wide execution structure for securing IT services and protecting the privacy of in-vehicle products and IT services.

In FY2024, we began enforcing a privacy protection process for in-vehicle products and IT services. We will further strengthen the system by educating the members who are engaged in the project. By developing guidelines that summarize the concept of privacy impact assessment, we will strengthen our support to facilitate the derivation of privacy risks hidden in various business models.

Environment

We will pass on our beautiful planet to the next generation

We are deeply aware of the need to protect the environment on a global scale and promote the reduction of environmental impact in all areas of our corporate activities.



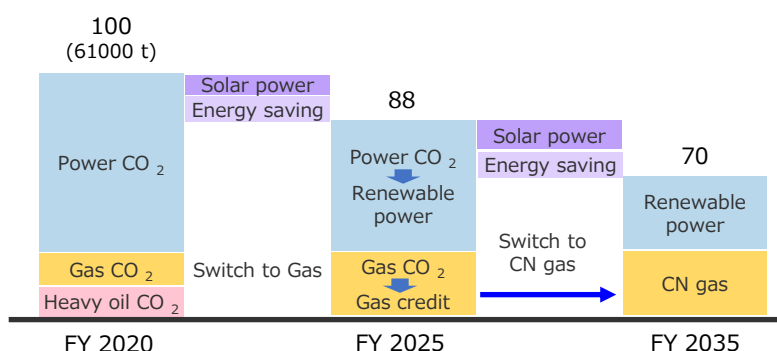
The 9th Environmental Action Plan Targets and Results

We are promoting to achieve the targets of "The 9th Environmental Action Plan," which covers the period from FY2021 to FY2025.

| Field | Working Target | FY 2023 | |
|--|---|---|---|
| | | Target | Actual Results |
| Minimum CO ₂ manufacturing | Reduce CO ₂ emissions (per value added in production by 30% from the FY2012 level by the end of FY2025 | Compared to FY 2012 ▲39% | Compared to FY 2012 ▲39% |
| | Reduce CO ₂ emissions (per net sales) in logistics by 13% from the FY2012 level by the end of FY2025 | Compared to FY 2012 ▲32% | Compared to FY 2012 ▲49% |
| Ecomaterials & low emission | 0 noncompliance with laws and regulations due to stricter regulations on environmentally hazardous substances in products | 0 non-conforming | 0 non-conforming |
| 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 ▲17% | Compared to FY 2012 ▲26% |
| | Reduce the amount of chemical substances used (per value added) by 52% from the fiscal 2012 level by the end of fiscal 2025 | Compared to FY 2012 ▲59% | Compared to FY 2012 ▲64% |
| | Reduce water resource consumption (per value added) by 52% from FY 2012 levels by the end of FY 2025 | Compared to FY 2012 ▲47% | Compared to FY 2012 ▲51% |
| Natural symbiosis action | Maintain the implementation of environmental activities based on the annual plan | 100% maintained | 100% maintained |
| Management of environmental value creation | Maintain DENSO TEN Group EMS operation that integrates product EMS and manufacturing EMS to strengthen environmental management | 100% maintained | 100% maintained |
| | Thorough compliance through environmental risk reduction activities | Violation of laws and regulations Abnormalities 0 | Violation of laws and regulations Abnormalities 0 |

Promote carbon neutrality in manufacturing

Through thorough energy conservation and procurement of renewable energy electricity and gas credits, we aim to achieve zero CO₂ emissions by FY2025 and zero CO₂ emissions by FY2035 by switching gas credits to carbon neutral gas.



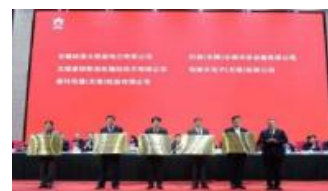
Initiatives in FY2023

- By FY2022, we aim to achieve zero CO₂ emissions at three of our seven production sites outside Japan by installing solar panels and switching to renewable energy sources for electricity consumption, etc. In FY2023, we installed new solar panels at one of our sites. Furthermore, we are making steady progress toward our goal of zero CO₂ emissions by FY2025 by installing solar panels at our headquarters and production sites in Japan, switching to renewable energy at all of our sites, and preparing for the completion of the switch.
- The following efforts were made to achieve energy- saving manufacturing processes.
 - Continued development toward elimination of soldering equipment (flow dip) that consumes large amounts of electricity.
 - Implemented an energy management system (EMS) at three production sites in Japan and other countries to improve power loss by visualizing power consumption and operating status of factory facilities.

TOPICS

● DENSO TEN Wuxi acquired “National Green Plant Certification” and “Wuxi Five-Star Green Plant Certification”

DENSO TEN Wuxi acquired ISO 50001 (Energy Management System) and ISO 14064 (Greenhouse Gas Management System) certifications, as well as product carbon footprint certification. In addition, solar panels were installed on 63% of the roof of the building, and a system was established to monitor the amount of electricity used by the production line. In recognition of these efforts, Wuxi factory received “National Green Factory Certification” and “Wuxi Five-Star (highest rating) Green Factory Certification.”



We value "job satisfaction" for each person

We aim to create a workplace where the human rights of each employee are respected and where each employee can work with pride and satisfaction while demonstrating their abilities. We also strive to maintain and improve a safe and healthy working environment while providing fair working conditions for all employees.



Respect for human rights

As a global company, we have stated "respect for human rights" in our corporate action guidelines and declaration of corporate behavior (sustainability policy), and clearly stipulate that we will not engage in discrimination or human rights violations based on race, color, religion, creed, gender, social status, family origin, disability, sexual orientation, etc., nor will we engage in forced labor or child labor.

- In addition to conducting training on human rights for new employees and for each level of employees, we strive to raise their awareness through the display of posters and other means during human rights week in December each year.
- Established guidelines for the human rights consultation counter, clearly stating the role of the counter, prohibition of disadvantageous treatment of consultants, protection of privacy, etc., and made these guidelines known to all employees.

Initiatives in FY2023

- Education of staff in charge and exchange of information were conducted to improve the responsiveness of the human rights consultation offices set up at each site.
- Conduct annual human rights education for all employees, in addition to education by job level. Conducted e-learning covering case studies on power harassment, sexual harassment, and maternity harassment.
- "Communication training to lower the risk of harassment and promote the success of diverse subordinates" was conducted. The content of the training was to learn communication skills for the purpose of preventing harassment and promoting diversity..

Acceptance of diversity

Based on the belief that accepting and utilizing the diversity of each employee leads to "personal growth" and enhances the competitiveness and growth of the company, the Diversity Promotion Department takes the lead in "fostering a corporate culture" that respects diversity, "promoting work-life balance," and "supporting individual independence and success."

Initiatives in FY2023

- We have been engaged in activities to promote a broad and deep understanding of diversity by strengthening the dissemination of information on diversity and expanding the content of our information website.
- Seminars and discussions were held on a wide range of topics (e.g., people with disabilities, childcare by men, cancer treatment, etc.) in order to attract more employees to the topic. We also held a variety of participatory events called Diversity EXPO.

Promotion of work-life balance

We have developed various measures to enable employees to balance their lives and work by realizing work styles that suit their lifestyles and life stages. We have developed and enhanced various systems, such as childcare and nursing care leave systems, and disseminated information and raised awareness to promote the use of these systems.

As a result of these ongoing efforts, in May 2015 we received special certification (Platinum Kurumin Certification) from the Hyogo Labor Bureau based on the "Law for Measures to Support the Development of the Next Generation". Since then, we have renewed the certification every year to maintain it.



Initiatives in FY2023

- We have a well-developed work system and utilize a telecommuting and flexible work system that allows employees to choose their own work place and hours according to their personal circumstances and work productivity.
- We provide a system of three interviews with employees taking childcare leave before taking leave, before returning to work, and after returning to work, as well as training opportunities for employees who are raising children so that they can work with a sense of fulfillment.
- Held “Children's Visiting Day” at four sites (Kobe Head Office, Oyama Plant, Nakatsugawa Plant, and Toyota Office) for children of employees to visit their parents' workplaces.

Promote women's activities

We are striving to create a workplace where women can work comfortably, and are working to continue hiring women, expand job opportunities, develop and expand systems to support work and childcare balance, and foster a culture that encourages the use of these systems.

Initiatives in FY2023

- A “Positive Action Seminar” was held for women who are active in manufacturing and technical workplaces as a step toward demonstrating their abilities in the workplace and considering their own career development.
- For young female employees who will be able to choose diverse careers in the future, we held a career development discussion session with the aim of creating an image of their individual career and networking with senior employees and other women.
- In July 2016, we received certification as an “Eruboshi” company from the Minister of Health, Labor and Welfare in recognition of our efforts to promote the advancement of women. Since then, the certification has been renewed annually and maintained.



Eruboshi mark
(Stage 3)

Human resource development

Since FY2015, we have been conducting various educational programs based on the concept of “developing one's own abilities” under the slogan of “developing human resources who will continue to improve themselves and provide guidance and training to others”. Furthermore, from FY2020, we focus on more practical human resource development as part of our “management centered on development,” with the president and directors directly providing employee education as instructors in in-house training programs.

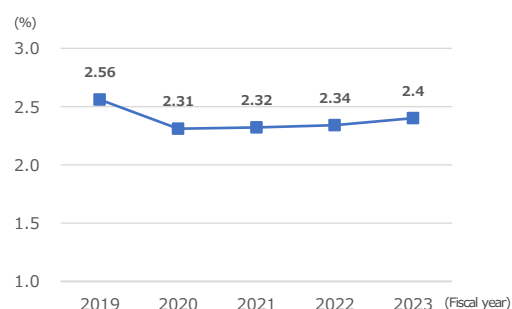
Initiatives in Fiscal 2023

- Self-development “TEN Academy” offers courses in areas such as “Expertise (Technology)” and “Global”.
- In technical education, we offer more than 100 e-learning programs for employees to choose from according to their areas of expertise and interests.
- We have introduced the “Young Employee Training System” to follow up young employees up to their third year of employment through on-the-job training at their workplace.

Employment of people with disabilities

We are actively working to hire people with disabilities through employment support organizations and other means, and to develop workplaces and job areas that are comfortable for people with disabilities to work in. The number of employees with disabilities has increased by four since last year, and as of the end of FY2023, we have met the legally mandated employment ratio (2.3%).

• Employment Ratio of People with Disabilities



Strengthen support for employees' autonomous career realization

In FY2023, we adopted a “career plan” system in which each employee proactively draws a mid- to long-term career plan, commits to development goals and skill development plans up and down through conversations with his/her supervisor, and obtains skill development opportunities on his/her own initiative, as well as through the planned provision of development opportunities such as rotations. In addition, training on career support for subordinates was provided to all line leaders as training for supervisors.

As a result, the “career design” item in the annual employee survey increased from 3.37 in FY2023 to 3.53 in FY2024, up 0.16 points from the previous year. In addition, about 70% of employees were satisfied with 1-on-1 meetings with their supervisors to discuss their career plan.

In FY2024, we will continue this effort and expand our educational programs to encourage employee growth.



Support for mental and physical health

Based on the recognition that “ensuring employees' health is the foundation of management,” we support employees' health awareness and voluntary health promotion, both physically and mentally. Since then, we have been promoting health promotion activities, including the dissemination of health information, the provision of opportunities through seminars, and the visualization of health levels, in order to reduce the number of employees with health risks and raise the level of health among employees.

Initiatives in FY2023

- In order to reduce the number of prevalent cases, we provided support for the acquisition of basic knowledge about diabetes and actions for prevention, as well as lifestyle improvement with a focus on exercise and sleep. (Relationship between diabetes and lifestyle habits, stretching to improve physical fatigue caused by daily life and desk work, and guidance on knowledge of sleep and how to improve sleep quality at health-up seminars for young people were provided.)
- To improve knowledge of women's health issues and increase understanding and interest in women's health issues in the workplace, information was distributed to all employees on Pink Ribbon Day in October and during women's health week in March every year. In addition, we have set up a dedicated consultation desk, held educational seminars on gynecological cancer screening, and conducted in-house screening and subsidized the cost of the screening to promote the creation of a workplace where women can work with vigor and enthusiasm.



Practical Seminar for Women

- With the aim of promoting exercise habits through walking, we held a “Walking Competition among Workplaces” using a walking application provided by an external foundation. Sixty-four groups of 542 people from various sites in Japan participated, and about half of the participants walked more than 7,000 steps/day. In a survey of participants, 63% said they walked more during the event than usual, and 97% said they wanted to continue walking after the event to keep their step count in mind. In the lifestyle survey conducted after the convention, more than half of the participants increased their exercise frequency and number of steps compared to the previous year.

TOPICS

- **Ongoing promotion of health management - Recognized as a White 500 company for the sixth consecutive year**

We see improving employee performance (increasing productivity) and creating a workplace where employees can work vigorously with a sense of fulfillment and job satisfaction (revitalizing the organization) as management issues that we want to solve through health management. To this end, we are working to “reduce the number of employees with health risks” and “promote health promotion activities for all employees” as our target indicators for reducing absenteeism and presenteeism and improving work engagement.

In FY2023, the “Health Challenge Course,” which aims to promote self-directed health promotion (participants select a course of their choice from approximately 30 courses, such as diet, exercise, sleep, and stress reduction that lead to lifestyle improvement, and continue the course for three months), and the “Family Course,” which allows employees' families to participate together, have been newly established. The number of participants was increased and the level of satisfaction and fulfillment improved.

In addition, we calculated and provided feedback on the lifestyle score (visualization of health level). Based on the current status of each person's health habit practice and health data, we have been raising awareness of health issues and the importance of daily autonomous health promotion efforts.

As a result of these activities, in March 2024, we were recognized for the sixth consecutive year as one of the “Excellent Health Management Corporations 2024 (Large Corporations) - White 500” under the certification system for excellent health management corporations selected by the Ministry of Economy, Trade and Industry and the Japan Health Council.



2024
健康経営優良法人
Health and productivity
ホワイト500

Health and safety management

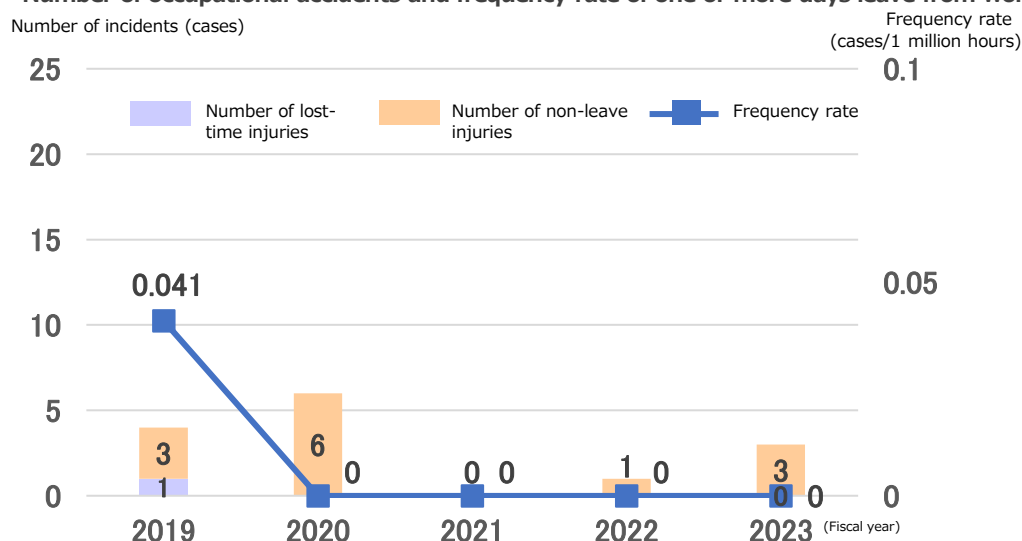
Based on the basic philosophy that “ensuring the safety and health of our employees is the foundation of our management,” we are working to establish and operate a health and safety management system with an emphasis on preventing occupational accidents. We have acquired global combined certification with ISO45001, the international standard for safety and health management systems, and ISO14001, the environmental management system.

- Risk assessment activities are conducted to identify dangerous sources at each workplace and systematically implement countermeasures against the risk of occupational accidents.

Initiatives in FY2023

- To strengthen the safety management system and safety management in the workplace, we expanded the number of safety managers assigned to each division and department (last year, they were assigned to each Groups unit). In addition, as an activity to communicate the company's safety stance to employees, the president, directors, and executives conducted safety patrols when employees arrived at work (safety awareness goods were handed out) to raise safety awareness throughout the company.
- As for the plants, the following two initiatives were undertaken: ① **“Mutual study among sites,”** in which on-site supervisors gather at their respective sites to conduct on-site inspections and exchange opinions in order to strengthen the level of safety management; and ② **“Stop on-site work and identify sources of danger with all”** to foster safety behavior and awareness level among operators

Number of occupational accidents and frequency rate of one or more days leave from work (consolidated)



Frequency rate: Number of work-related lost time injuries ÷ total working hours × 1,000,000

TOPICS

● "Stop on-site work and identify sources of danger with all"

As an opportunity for operators to “think about safety,” we periodically stopped work to identify sources of danger in their own workplaces with the participation of all employees. The periodic execution of the program led to deepening and maintaining operators' safety awareness, and also raised the level of their sensitivity to danger. The ability to extract even minor dangers has improved the state of safety in the workplace.

Extracted dangerous sources are put into a dangerous source map for each workplace until countermeasures are completed, and all members share the map to prevent accidents.

Fair operating practices

Open and fair business practices and responsible procurement practices

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



Procurement policy “Basic concept”

DENSO Group has established the following procurement policies: “Open Door Policy,” “Mutual Development Based on Mutual Trust,” “Promotion of Environmentally Friendly ‘Green Procurement,’” “Promotion of Local Procurement Aimed at Being a Good Corporate Citizen,” and “Thorough Legal Compliance and Confidentiality.” “DENSO Group Supplier Sustainability Guideline” has been published and is being developed as a more concrete formulation of these policies.

Procurement policy: Basic approach to procurement

1. Open door policy

With regard to the procurement of parts, materials, and production equipments for its products, DENSO Group is developing procurement activities by seeking a wide range of suppliers with a fair and equitable attitude, both in Japan and outside of Japan. In selecting suppliers, we take into consideration not only quality, technology, cost, and delivery time, but also the supplier's attitude and system for continuous improvement.

2. Mutual development based on mutual trust

DENSO Group hopes to achieve mutual development through business transactions. To this end, we believe it is important to build a strong relationship of trust through close communication with our suppliers.

3. Promotion of environmentally friendly ‘Green Procurement’

DENSO Group promotes environmentally friendly development, design, and production activities from a total perspective. To this end, we aim to “purchase products with minimal environmental impact from environmentally conscious suppliers.”

4. Promotion of local procurement aimed at being a good corporate citizen

DENSO Group is actively engaged in local production and local procurement, seeking to expand the scope of its corporate activities around the world. Through these activities, we aim to contribute to local communities and be a good corporate citizen.

5. Thorough legal compliance and confidentiality

DENSO Group complies with all relevant laws and regulations in its procurement activities. In addition, we take sufficient care in handling confidential information obtained through transactions.

Concrete measures

Strengthen partnerships with suppliers

In order to promote mutual growth with suppliers in the midst of global competition, DENSO TEN strives to strengthen partnerships by sharing information on procurement policies and fostering communication through the company website and “DENSO TEN Supplier Appreciation Meetings,” as well as by strengthening the corporate structure of suppliers and recognizing outstanding suppliers.

In the Group companies outside of Japan, the procurement departments of each regional site take the lead in deepening mutual understanding through company-specific gatherings with suppliers and implementing measures that lead to the development of both sides.

Partnership-building declaration

DENSO TEN recognizes its role and responsibility in the auto parts industry under its corporate philosophy of “working with ‘sincerity’ and contributing to customers and society. We declare that we will build and focus on new partnerships by taking the initiative to collaborate and coexist with suppliers in the supply chain and businesses that create value for sustainable industrial development.

Priority activities

1. Coexistence and co-prosperity throughout the supply chain and new collaboration beyond scale and affiliations
2. Compliance with “promotion standards”
 - ① Pricing method ② Cost burden such as mold management ③ Payment terms such as bills
 - ④ Intellectual property and know-how ⑤ Workload burden due to reforms in work styles, etc.

Practical activities for free, fair, and open transactions in the procurement department

DENSO Group is promoting awareness-raising activities by distributing the “Employee Action Guidelines,” which clearly states the concept and code of conduct, to all employees involved in procurement so that the procurement department itself can also share the concept of “free, fair, and open transactions.

DENSO Group also distributes the “Buyer's Business Manner” to all employees involved in procurement and encourages suppliers to utilize the internal reporting system. The “Declaration of Compliance,” which clarifies the items to be observed in transactions, is distributed and shared with suppliers and internal procurement departments to ensure thorough compliance.

Compliance with free, fair and open transactions

DENSO Group has been making group-wide efforts to ensure proper transactions and compliance with laws and regulations, and has been communicating closely with each supplier to discuss cost fluctuations and to identify any problems that may arise. In the midst of rising prices, we are working to promote a positive cycle in the industry and economy as a whole by appropriately passing on higher wages in the supply chain, in addition to unavoidable cost increases such as raw material and energy costs. Through further communication, we will continue to clearly discuss cost fluctuations and problems, and implement initiatives to ensure legal compliance in order to achieve sustainable development based on mutual trust with our suppliers.

Promote sustainability in the supply chain

We request that all suppliers agree to the intent of the “DENSO Group Sustainability Policy,” sign a “Basic Transaction Agreement” that includes “adherence to social responsibilities such as compliance, respect for human rights, environmental conservation, and workplace safety,” and promote sustainability by assigning a contact person at the supplier and clarifying the policy regarding sustainability..

We also ask our suppliers to promote our sustainability policy by educating, surveying, and inspecting them at various occasions. We inform our major suppliers about our sustainability-related policies, such as strengthening risk tolerance and sustainable business expansion, along with DENSO TEN's business policies, at the “DENSO TEN Supplier Appreciation Meeting.

Concrete measures

Promote sustainability based on the “DENSO Group Supplier Sustainability Guidelines”

DENSO TEN shares the “DENSO Group Supplier Sustainability Guidelines” with all suppliers in order to efficiently promote sustainability together with suppliers, based on requests from industry associations and customers in Japan and other countries. Based on these guidelines, we ask suppliers to periodically conduct self-checks using the “Self-Assessment Sheet” to obtain their agreement to promote activities in line with the intent of these guidelines.

In addition, suppliers are asked to develop similar initiatives with their own suppliers (secondary and subsequent suppliers of DENSO Group) to implement the initiatives in their supply chains.

Green procurement

"DENSO Group Green Procurement Guideline" has been established to continuously reduce environmentally hazardous substances based on 'DENSO Group Eco Vision 2025'. We request our suppliers to do the following based on this.

1. Establish an environmental management system
2. Control and reduce environmentally hazardous substances
3. Reduce CO2 emissions and packaging materials related to logistics
4. Efforts to improve the environment

Promotion of carbon neutrality in the supply chain

The global temperature rise since the Industrial Revolution is supported by data. Curbing rising temperatures is an important issue for DENSO Group. We need to promote activities jointly with our suppliers to solve this issue. We share with our suppliers our mid-term goal of reducing CO2 emissions by 25% (=2.5%/year) from the FY2020 level by FY2030 and our long-term goal of achieving carbon neutrality by FY2050, and ask them to promote our activities.

We understand our suppliers' CO2 emissions and the issues they face, and provide support measures tailored to their needs. Specifically, we support activities from multiple angles, such as lending energy measurement equipment, switching to low-CO2 materials, and sharing procurement methods for renewable energy, by horizontally expanding the energy-saving know-how of DENSO Group, aiming for carbon neutrality in the entire supply chain.

In addition, we hold "carbon neutral briefing sessions" and "carbon neutral factory tours" and other communication opportunities as appropriate to confirm suppliers' intentions and conditions and promote coordinated activities.

Anti-Bribery Initiatives

Under the basic anti-bribery policy and expert committee, DENSO Group has developed anti-bribery rules and educated its employees to prevent briber.

All suppliers involved in the business of DENSO Group are also requested not to engage in bribery in relation to politics and government, and not to give or receive entertainment, gifts, or money to third parties for the purpose of obtaining or maintaining improper benefits for DENSO Group.

Initiatives for responsible procurement of resources and raw materials

With the globalization of business, supply chains are becoming increasingly global and diversified. At the same time, there are situations in the world where workers' rights are not taken into consideration, such as forced labor, child labor, and labor under poor conditions.

As one such example, DENSO Group recognizes the issue of minerals (3TG, cobalt, mica, etc.) mined under labor conditions in areas with a high risk of conflict and human rights abuses as an important issue in our supply chain.

Specifically, DENSO Group has formulated a "Conflict Minerals Response Policy" and revised the "DENSO Group Supplier Sustainability Guidelines. Based on these guidelines", we request our suppliers to procure resources and raw materials responsibly. In addition, once a year, we conduct a mineral survey (for conflict minerals called 3TG and cobalt and mica) with the cooperation of all relevant suppliers.

Since the target minerals are expanding in line with changes in the market, such as electrification, we will periodically review the risk targets and consider how to respond to them as DENSO Group.

We will continue to work with suppliers to avoid the use of minerals of concern throughout the supply chain.

Organizational Governance

We value MAKOTO (Sincerity) and fulfill our social responsibility

Under the leadership of top management, we will establish systems to fulfill our social responsibilities and foster an organizational culture befitting a company that is trusted by the international and local communities.



Aiming to Become a Company Trusted by Society and the Community

We have established the "Group Corporate Action Guidelines," which indicate the ideal behavior of our employees, and have formulated and are operating the "Group Corporate Action Declaration (Sustainability Policy)," which declares our responsibility to our stakeholders and what we should be as a corporate group.



Behavior Declaration (Sustainability Policy)

Corporate Governance

The company has a general meeting of shareholders, a board of directors, corporate auditors, and accounting auditors as its corporate bodies. We have also adopted an executive system that streamlines the management team to speed up decision-making and flexibly and optimally allocates talented human resources to increase the speed of business execution.

The Board of Directors is to concentrate on the management supervisory function from the standpoint of shareholders and the group as a whole, to streamline the Board of Directors, to promote active discussion and speed up decision-making at the Board of Directors meetings, and to appoint management officers who are responsible for solving company-wide management issues and executing operations.

In addition to these officers, the Board of Directors also appoints executive officers to serve as the top management and leaders of important projects and to exercise executive responsibility and authority in their areas of responsibility.

Compliance

In addition to clarifying laws and regulations related to business activities, we have established internal rules, educational programs, and monitoring systems to promote compliance throughout the Group.

Initiatives in FY2023

We established an initiative centered on "Compliance Month" to promote thorough compliance awareness, where each workplace looks back on its work and recognizes compliance issues, leading to autonomous improvements at the work site.

Through periodic and comprehensive company-wide inspections, compliance awareness is refreshed, and discussions between supervisors and subordinates have been effective in creating a more open workplace.

In FY2024, we plan to publicize the development of appropriate supplier relationships in line with the implementation of the Freelance Protection Law.

Internal Reporting System

We have set up a compliance line for employees of domestic Group companies to receive whistleblowing and consultation, and it is open to suppliers. The reports and consultations we receive help us identify and resolve problems at an early stage.

Risk Management

To enhance corporate value, we are working to prevent and minimize damage from various risks, including compliance violations.

- The Risk Compliance Committee takes the lead in promoting risk control activities, including the identification and assessment of potential risks, consideration of preventive measures, and confirmation of the status of implementation, together with the responsible departments for each risk.
- As part of employee awareness-raising activities, we educate employees on the importance of prevention activities and on how to act and what to do when risks occur, through training at the time of hiring and by job level.

Business Continuity Management

Along with the Business Continuity Plan, a disaster prevention plan is in place, mainly for the Kobe head office area, in preparation for a massive Nankai Trough earthquake. In addition, we are working to strengthen our business continuity management by establishing a recovery support system, including a central disaster task force to determine policies and measures in the event of a disaster.

Information Security and Personal Information Protection

In response to the growing risk of information leaks and other incidents, we are working to strengthen information security through internal audits and training for all employees. In order to minimize damage in the event of a security accident, we have established a reporting and response system to investigate the cause of the accident and to resolve, recover, and prevent recurrence.

We are also deeply aware of our social responsibility as a company to properly handle information that can identify specific individuals (personal information), and we protect personal information in situations such as management, acquisition, use, disclosure to third parties, and provision of personal information.

TOPICS

- **Measures against increasingly sophisticated cyber-attacks on companies**

Preparations were made for the integration of communication systems and other systems with DENSO Group to strengthen security measures as DENSO Group, and measures were also implemented to enhance security not only in the office area but also at the production site.

We will continue to strengthen security through DENSO Group security measures on a global basis in FY2024, as well as educate, enlighten, and train employees and others, including management, to foster security awareness.

Community Involvement and Development

Toward a more prosperous society and community

Based on the awareness that "We are members of society" we will contribute to the creation of a more prosperous society and community through our corporate activities.



In order to contribute to "making the city more attractive" through "youth development," we promote activities in the four areas of safety, environment, sound, and support for sports for people with disabilities.

Overview of DENSO TEN's community contribution activities



[Safety]



Japan



Japan

Held bicycle traffic safety classes for elementary school students in cooperation with the police department



Philippines



Thailand

Donated bicycle helmets to elementary schools as part of a traffic safety program

【Environment】



Japan

Supported the Hyogo Canal Festival and exhibited panels to learn about the Hyogo Fisheries Cooperative Association and the canal environment



Philippines

Solar panels donated to elementary school without electricity



Philippines

Releasing baby sea turtles



Spain



Philippines



Philippines



Thailand



China



Mexico

Tree-planting activities in each country and office



United States



United States



United States



Thailand



China



China

Cleanup of parks, beaches, etc. in each country and office

【Sound】



Annual donation of musical instruments to welfare facilities that provide music therapy

Japan



Co-sponsored KOBE JAZZCENTENNIAL, an event celebrating the 100th anniversary of the birth of Kobe jazz

Japan

【Sports support for the disabled】



Sitting volleyball classes were held for junior high school students in the city

Japan



Employee volunteers help organize sitting volleyball games

Japan

【Other community contribution activities①】



Campaign to raise funds in Japan and abroad for the early recovery of the areas affected by the Noto Peninsula earthquake

Japan



Japan



Support for flood victims

Thailand



Cooperation with junior high schools for disaster prevention experiential learning

Japan



Scholarship awards for students studying electronics and communications technology

China



Exchange games with neighborhood children with intellectual disabilities on "Children's Day"

China

【Other community contribution activities②】



Japan



United States



United States



Philippines



Mexico



Thailand

Donation and contribution activities of school supplies and foodstuffs in each country and office

TOPICS

● Traffic safety classes in cooperation with local police

In cooperation with the Hyogo Police Department, DENSO TEN held bicycle traffic safety classes for elementary schools near the head office to raise traffic safety awareness among elementary school students who are beginning to ride bicycles.

We used illustrations and quizzes to describe the rules of bicycling and the differences in viewing angles between children and adults in preparing the educational materials. In addition, based on advice from the Parent Association and teachers, we included “places where accidents are likely to occur around elementary schools” as a near-miss map and distributed it to elementary school students.

The traffic safety class demonstration reproduced an intersection with poor visibility and provided an opportunity for children to actually ride bicycles to experience it for themselves.

“The children were interested and actively listened to what we said because of the near-miss maps of familiar places. We would definitely like to do it again next year,” said one teacher who participated in the event.

We will continue to engage in local traffic safety activities to achieve an accident-free society.



Original educational materials



Near-miss maps of familiar places are included



Practical experience

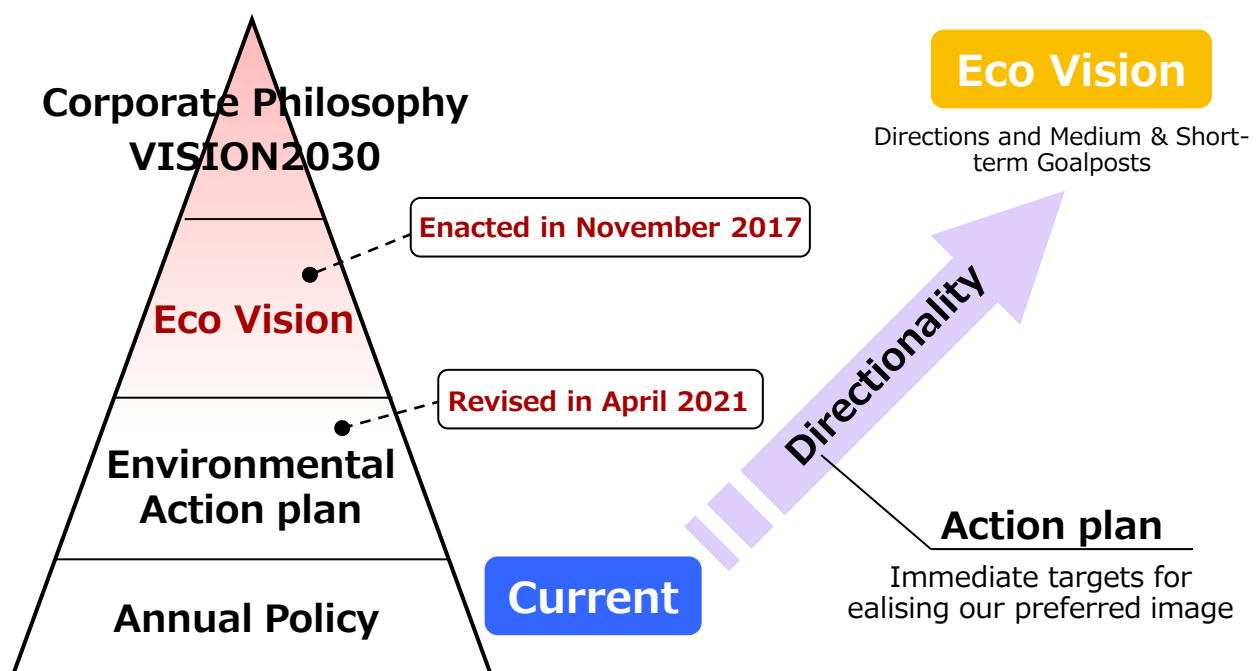
Environmental Initiatives (Details)

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-factory (production)

We are promoting initiatives rooted in our core business at all of our sites to realize environmentally friendly production sites and offices.

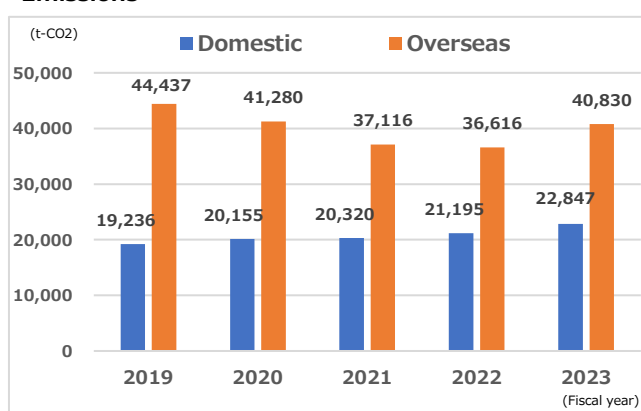
Global warming countermeasures

With the aim of achieving carbon neutrality, we are continuously working to reduce CO2 emissions by introducing energy-saving equipment, saving electricity and other energy-saving activities, and improving the efficiency of production and operations.

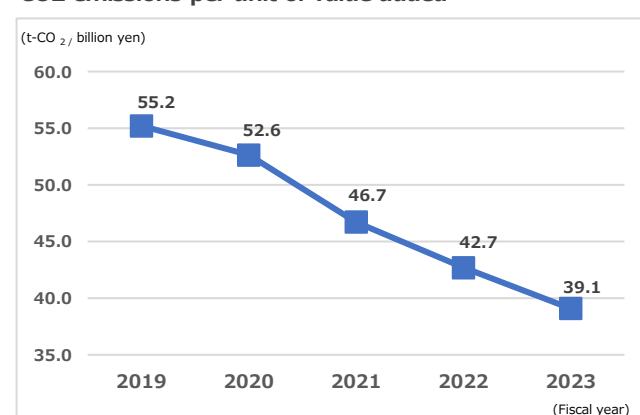
Results of Activities in FY 2023

Global emissions per unit of production was ▲39% the target of ▲39% in FY 2012

• Emissions



• CO2 emissions per unit of value added



Measures against emissions

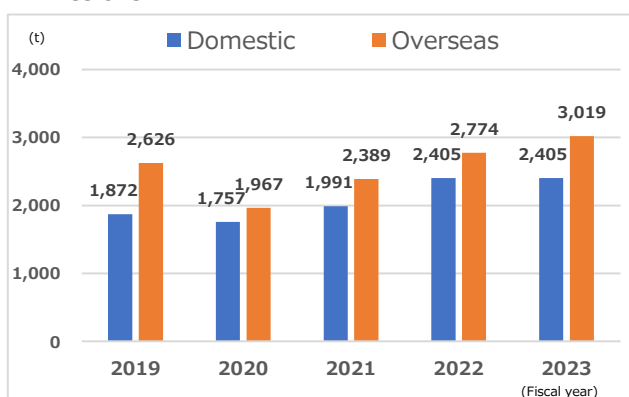
With an eye on a resource-recycling society, we are working to reduce industrial waste and achieve zero emissions* based on the 3Rs (Reduce, Reuse, Recycle).

*Definition of "zero emissions" in the DENSO TEN Group: Reduce to zero the amount of waste that is not effectively used, such as incinerated or disposed of in landfills, through the 3Rs of reducing, reusing, and recycling emissions from our sites.

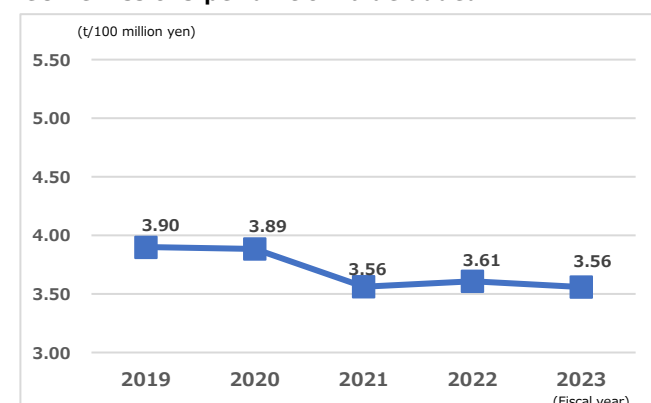
Results of Activities in FY 2023

Global emissions per unit of production was ▲26% the target of ▲17% in FY 2012

• Emissions



• CO2 emissions per unit of value added



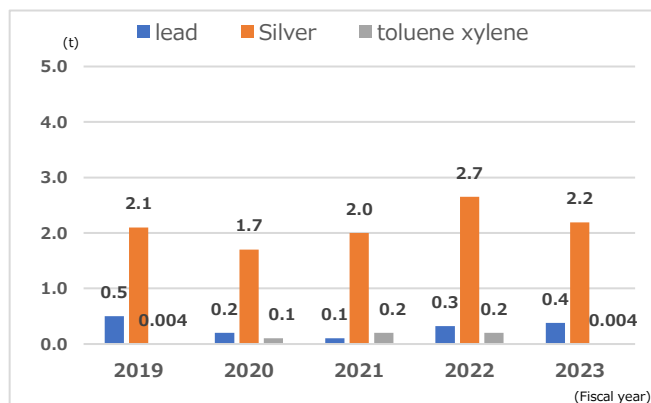
Measures against hazardous substances

We conduct chemical substance assessments of all chemical products used at our sites in Japan and abroad, identify chemical products with high environmental risk, and work to reduce their use.

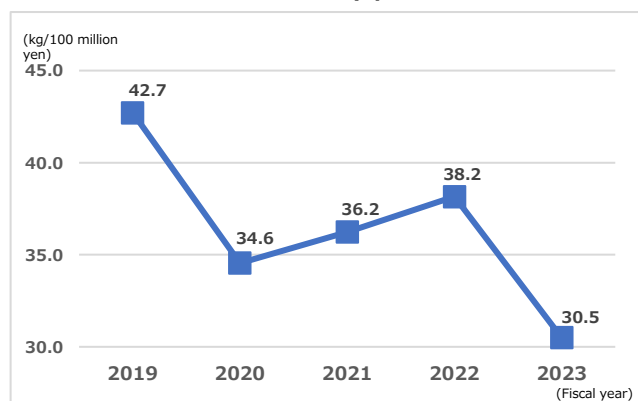
Results of Activities in FY 2023

- Global chemical substance (PRTR, VOC) per unit of production was ▲64% compared to the target of ▲59% in FY2012

•PRTR substances use



• Chemical substance intensity per unit of value added



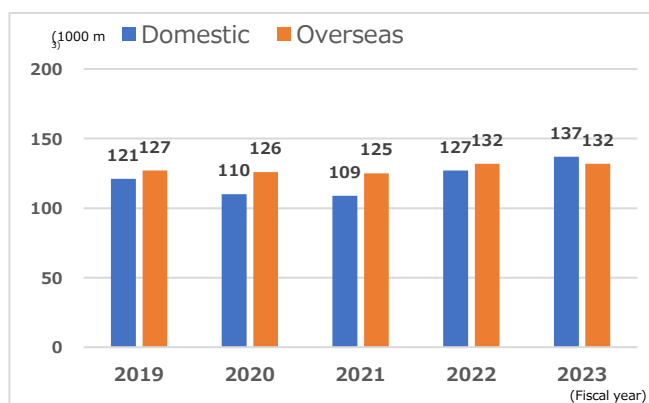
Measures for water resources

Recognizing that water is a limited resource, we are striving to reduce the amount of domestic water (water used for hand washing, toilets, employee cafeterias, etc.) used in our production facilities and offices.

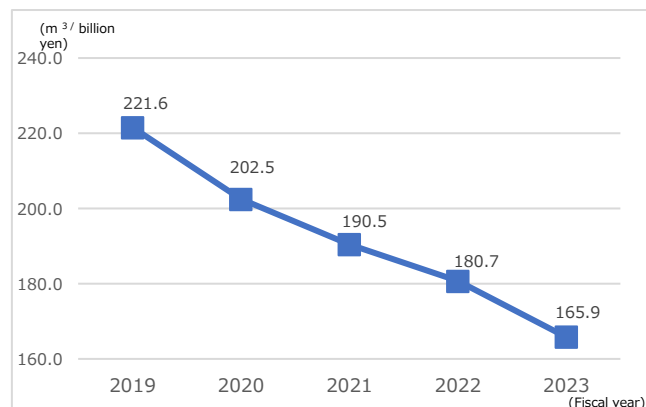
Results of Activities in FY 2023

- Global water resource consumption per unit of production was ▲51% compared to the target of ▲47% in FY2012

•Water resource consumption



•Water intensity per unit of value added



Eco-factories (logistics)

We are working to reduce CO2 emissions based on the recognition that we need to act not only on our own but also throughout our supply chain to prevent global warming.

Measures against global warming through improved logistics

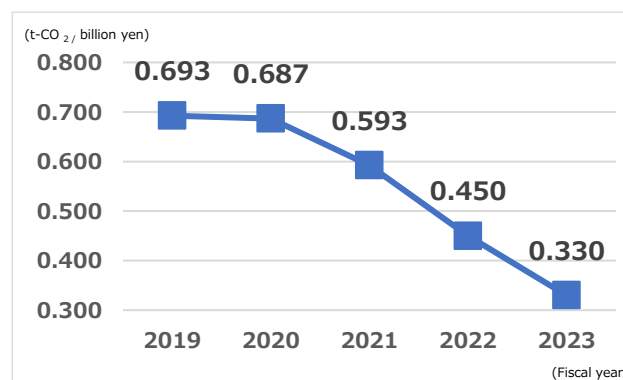
In order to contribute to the prevention of global warming, we are working to improve transportation routes, cargo shapes, and cargo loading with the aim of reducing CO2 emissions in transportation.

Results of Activities in FY 2023

The cargo bed of a regular service operating between Kobe and Toyota was made two-story by installing a trestle to improve loading efficiency, resulting in a 49.9% reduction in CO2 emissions per unit of sales compared to FY2012.



· Transportation CO2 emissions per sales in logistics improvement



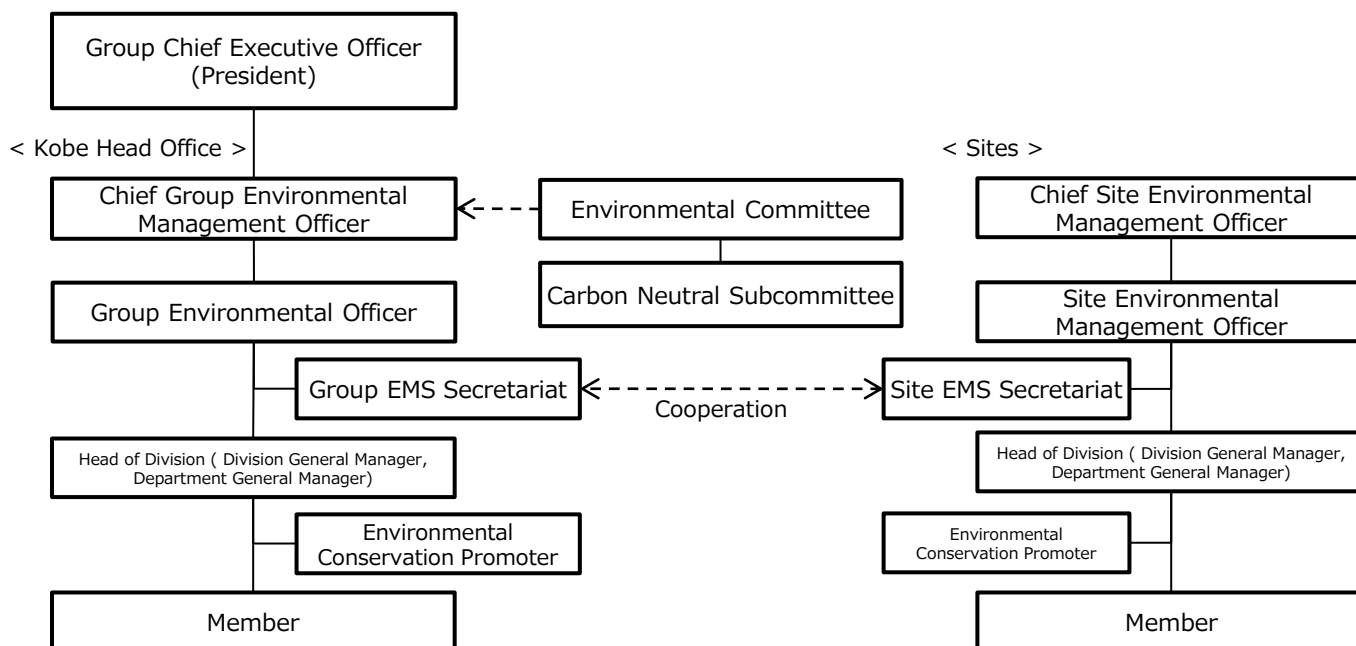
*Figures are calculated based on transportation CO2 emissions generated in Japan and non-consolidated sales.

Management System

With a strong awareness of the need to protect the environment on a global scale, we are working together as a group to promote environmental management by strengthening our organization and systems and continually improving our environmental management system.

Promotion System

We have established a management system at the Kobe Head Office to maintain and improve the Group's environmental conservation activities, and are promoting them. We have also obtained ISO 14001 global integrated certification and are promoting environmental activities at all Group sites. The Environmental Committee has been established as an advisory body for the Group's environmental management, and deliberates and decides on environmental management issues. In consideration of environmental changes in society, a carbon neutral subcommittee has been established as a subordinate organization of the Environmental Committee to promote carbon neutrality throughout the company.



ISO 14001 Certification Status

In 1997, we completed certification at all domestic production sites, followed by certification at all overseas production sites in 2006, and in 2009, we were one of the first in Japan to receive global integrated certification.

On February 19, 2017, we acquired the first global integrated certification in the car electronics industry under ISO14001:2015, a revised standard of the ISO14001 environmental management system, for our headquarters and 58 offices of 25 companies in Japan and overseas.

Environmental education

In order to raise the environmental awareness of each employee and continue environmental activities with the participation of all, we provide education and awareness programs such as "education by job level," "general education," and "special education."

We conduct comprehension tests after the completion of training for environmental conservation promoters and internal auditors in order to maintain their level of competence. In addition, the Group also conducts common training for all employees at sites outside of Japan.

Furthermore, in order to ensure compliance with environmental laws and regulations for products that are becoming more expansive and complex, we conduct "significant operator training" for specific operators.

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

All production sites have established voluntary control values that are stricter than legal limits for water quality, air quality, noise, and vibration, and monitor them regularly. No violations of the law occurred in FY2023.

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 | Power | 89,732 Mwh |
| | Power(purchase of renewable energy) | 19,147 Mwh |
| | City gas | 404,000 m ³ |
| | LP gas | 1,132 t |
| | Natural gas | 14,000 m ³ |
| | Kerosene | 5 KL |
| | Light oil | 17 KL |
| | Gasoline | 3 KL |
| | In-house power generation (generator) | -2,953 Mwh |
| | Paper purchased | 24 t |
| Forest Resources | | |
| Water Resources | Tap water | 147,944 m ³ |
| | industrial water | 88,429 m ³ |
| | Groundwater | 16,820 m ³ |
| Parts/Raw materials/Packaging materials/Others | Packing with board and paper containers | 3 t |
| | Plastic container packing | 1t |

OUTPUT

| | | |
|---------------------|---|--------------------------|
| CO ₂ | CO ₂ output | 63,678 t-CO ₂ |
| Emissions | Total | 5,809 t |
| | Amount recycled | 5,611 t |
| | Valuables | 3,374 t |
| | Recycling rate | 97 % |
| Chemical Substances | Substances subject to PRTR (Japan) only | |
| | Amount released | 1 t |
| | Amount transferred | 0.2 t |
| | IPA released | 46 t |
| Water | Wastewater discharge | 136,067 m ³ |

Corporate Profile/Location List

■ Corporate Profile

| | |
|-----------------------|---|
| Name | DENSO TEN Limited |
| Location | Head Office 1-2-28 Gosho-dori 1-chome, Hyogo-ku, Kobe 652-8510 TEL 078-671-5081 |
| Representative | Takashi Yonemoto, President and Representative Director |
| Established | October 25, 1972 |
| Capital | 5.3 billion yen |
| Shareholder | DENSO CORPORATION Toyota Motor Corporation Fujitsu Limited |

■ List of offices

Domestic bases

DENSO TEN Limited DENSO TEN TECHNOSEPTA Limited DENSO TEN STAFF Limited

Overseas bases

Asia/Oceania

Philippines DENSO TEN PHILIPPINES CORPORATION
DENSO TEN SOLUTIONS PHILIPPINES, CORPORATION

Thailand DENSO TEN (THAILAND) Limited

India DENSO TEN UNO MINDA INDIA PRIVATE LIMITED
UNO 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

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

Publishing Division : Corporate Planning Division, Corporate Strategy Group

Please send your comments and opinions on sustainability to the contact form below.
[Contact Form](#)

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Forecasts, projections and plans regarding the future
This report contains not only the past and present facts of Denso Ten Group, but also forecasts, projections, and plans for the future. These forecasts, projections and plans are based on assumptions and judgments made in light of information available at the time of writing and are subject to uncertainties.
Accordingly, there is a possibility that the results of future business activities or future events may differ from the forecasts, projections, and plans described in this booklet, but DENSO TEN GROUP assumes no responsibility for such events. We ask our readers to be aware of the above.