

Purchasing and Distribution

Green Purchasing

As part of our basic policies outlined in DENSO EcoVision 2005, we have vowed to “develop, design, and produce with regard for the environment in every way.” To realize this vision, the cooperation of our merchandise suppliers, who are also our partners, is indispensable. To reduce the total environmental burden that our products put on the environment, we will promote green purchasing, making every effort to purchase materials—including sub materials—and components that place a minimal burden on the environment from suppliers who are themselves environmentally aware.

As described in DENSO EcoVision 2005, we have begun to push ahead with Groupwide green purchasing as an integral part of our approach to environmental protection. Group companies share the same basic policies and the

measures designed to execute them. The DENSO Group is working hard to make green purchasing a reality.

The Formulation of Green Purchasing Guidelines

We have three principles with regard to green purchasing, which are set out in the diagram below. They are to demand environmental compliance from suppliers, to monitor environmentally hazardous substances and reduce our use of them, and to make our purchase of everyday goods as green as possible. DENSO deals regularly with some 650 different suppliers and purchases approximately 600,000 different parts and 10,000 types of materials. When we embarked in earnest on a program of green purchasing, we drew together the information necessary to secure the understanding and cooperation of our suppliers into our Green Purchasing

Guidelines, which we then disseminated to all our suppliers with the request that they implement the policies outlined.

The Three Principles

- (1) To urge our suppliers to be environmentally aware, we aim to have all our suppliers set in place environmental management systems by the end of fiscal 2003, based on our request that they take the necessary steps to acquire ISO 14001 certification.
- (2) To monitor environmentally hazardous substances and reduce their use in response to the wishes of our customers, we have for some time been providing them with relevant information about product specifications and their constituent materials, including information about chemicals. To do so requires a great deal of research labor on our part. By creating a database on the components and materials that we purchase, we intend to be able to respond quickly to any customer requests in this area and thereby reduce the quantity of environmentally hazardous substances used along the supply chain.
- (3) To make our purchase of everyday goods as green as possible, we are enhancing our Companywide approach to this issue by taking such measures as prioritizing the purchasing of products that have been designed and made with consideration for the environment, in particular those which have been accredited with an environmental certification, such as Japan’s Eco Mark.

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