

A Third-Party Comment from an Environmental and Social Expert

In DENSO Environmental and Social Report 2005, member companies explain their efforts toward carrying out their social responsibilities, such as environmental protection and contributing to society. They survey all of their group companies in detail from a global perspective. I appreciate their positive stance and extensive approach in reporting the societal activities of their group companies.

Points to be valued

- The company positively discloses information about how they are dealing with confronting tasks such as those seen in compliance education, as well as their achievements. In addition, the company reports on activities of their overseas group companies in detail, in addition to activities at their headquarters and domestic group companies.
- The company is preparing for proceeding with their CSR project. The project was not developed by a top-down system but rather at the shop floor level, at which the employees devised the original CSR after many discussions and examinations.
- The company newly established a base of technology and skill education in Thailand for educating people who will take active roles worldwide.
- The company is continuously promoting barrier-free environments by using sign-language interpreters in their workplaces and holding workshops on sign-language, as well as aggressively employing the physically-challenged who take active parts in the workplace, as one of their management policies.
- The company established the DENSO Group 'Heartful Day' as an opportunity for all of their group companies to promote the social participation of their employees.
- The company developed in succession: a bus cooling system with a one-sided swash plate type compressor, the ejector cycle refrigerator, and piezo injector for diesel engines, all of which are technologies that would considerably contribute to the prevention of global warming. In addition, they continue working on reducing environmental impacts in their production processes by aggressively launching energy cogeneration and by designing an energy-conserving alternative to compressed air. These technologies were also extended to their overseas group companies.

Further efforts are desired on the following points

- Continuing as in the past two years, I expect the executives of your company and departments in charge to strive to reduce more CO₂ emissions as soon as the drastic increases in production are formed into operating plans, in order to achieve the goal of "larger amounts of reduced CO₂ emissions than the increases in production" which occur constantly. You should better be fully aware now that this same situation has been pointed out for the third consecutive year. Your efforts regarding this matter must be more visible, and to this end, two things must be done in your report. First, you must specify the plants and the production processes which are the main causes of the increases in emissions of CO₂. Second, you must describe the actual situation in detail concerning your efforts to solve this problem.
- Continue developing and launching 'environmental best practices,' products with environmental efficiencies that may become the symbol representing each product group. At the same time, give presentations describing their effectiveness in reducing environmental impacts (which is based on life-cycle assessments) to the market through retail channels and the media.
- You must strive to enhance safety and awareness of human rights in concert with all of your supply chains so that every employee who handles raw materials, parts, and products, including employees in raw-material extraction sites and maintenance shops, can continue under proper working conditions and in a hygienic environment. To that end, you are expected not only to request your client companies to work more actively on this matter, but also to give them more support as well as establishing an EMS (environmental management system).
- You must give environmental support especially to developing countries, as a part of international cooperation, such as assisting them in recalling and disposing of materials with high global-warming potential.
- You must increase the number of both female and non-Japanese executives in your group companies, by strengthening your systems of nurturing human resources of overseas local employees and women. You should also provide them with more opportunities for promotion and advancement. You must focus on finding and eliminating the disincentives that exist for women to join management.



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Response from DENSO, regarding the above Evaluation

As we did last year, we requested an evaluation of this report from an outside organization.

In four areas, it has been recommended that we strive for improvement. As outlined on page 70, we will endeavor to respond to each of these issues and do our best to improve.

This year also, Mr. Kawakita kindly took the trouble to interview personnel in our company departments responsible for promoting CSR, DENSO EcoVision 2015, reducing CO₂ emissions, employment and career successes of women and the physically challenged, and overseas activities for nurturing human resources.

We take these suggestions and recommendations very seriously, and will endeavor to reflect them in our future activities.