

## A Third-party Comment on DENSO CSR Report 2007



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Founded in 1994 "for Democratic and Balanced Development for All the Lives on the Earth," IIHOE has been served as a management consultant for non-profit organizations and social entrepreneurs, while supporting CSR engagement of major Japanese corporations.

<http://blog.canpan.info/iihoe/>  
(Only in Japanese)

This comment was written with reference to the contents of this report and the hearings with the DENSO associates responsible for the environment and procurement.

### Points recognized as at the world's highest level

•Based on the "DENSO Group Declaration of Corporate Behavior," the Company has drew up and practiced a group-wide CSR promotion plan that quantitatively set a wide range of target encompassing the social aspect. Such targets include the reduction of environmental impact, the increase of its human diversity, and the support of its customers. The Company has also established a PDCA (management cycle) to manage the progress of the plan, thereby clarifying new issues. All of these are at the level of a global model for other companies.

### Highly recognized points

- The Company continuously holds the "DENSO CSR Forums," with compulsory attendance of managers including the president, as the opportunities to understand in depth a range of aspects in CSR. As such, the Company improves the literacy in CSR corporate-wide (p. 42). Also, since fiscal 2007, the Company has added "Compliance" and "CO<sub>2</sub> Reduction" to monthly management targets for managers.
- Applying the "direct charge," the Company comprehends the hourly usage of electricity and compressed air by equipment (not by work line on a monthly basis). In this way, the Company makes the progress in the usage amount and the reduction efforts "visible," thereby globally spreading out the "Energy-Saving Standards" which comprises 115 points for improvement. Thus, the Company enhances its efforts to build the "Perfect Energy Factories (PEF)" (p. 14-15, p. 60-61).
- The Company encourages the efforts on compliance and risk management worldwide. In Japan, the Company implements a countermeasure drill for business resumption that involves about 40,000 associates. The Company also encourages its associates to register for the in-house safety confirmation system.
- The company steps forward to prepare supportive measures to improve the balance between work and life. Such instances include the enhancement of the systems for leaves and shorter work hours and the joint establishment of infant daycare centers with four other companies in Toyota group (p. 30, p. 32).
- The Company furnished and started spreading out so-called the "Spreading-out tool for Suppliers" to encourage its suppliers to practice CSR (p. 35).
- The Company encourages its associates and their families to participate in corporate citizenship programs for society or community by developing and operating a unique Eco-Money named "DECOPON" in coordination with NPOs (p. 37-40).
- The Company continues and expands the opportunities for dialogs with stakeholders and is going to steadily realize the opinions and suggestions presented in the dialogs (p. 42).

### Points that require more work

- As to the increase in occupational accidents, the Company should analyze the causes and reconfirm associated risks. At the same time, the Company should accelerate the efforts for raising the awareness of human rights and safety with a scope including the whole supply chain, in order that all the people who deal with raw materials, parts, and products of the Company can work continuously under an appropriate labor conditions and a hygienic environment. In particular, the Company should examine in depth on the state of temporary or contract workers and developing countries, to strengthen the support for them.
- The Company should accelerate the development of diverse human resources capable of corresponding to the globalization of its corporate management. Also, the Company should not solely depend the human resources development on each department. Rather, in the same manner for handing down and on *monozukuri* skills, the Company should increase the corporate human resources.
- As an international cooperation on environmental aspect, especially in developing countries, the Company should proceed the preparation to support the recovery and disposal of substances with a high global warming potential.

### As presented the third-party comment

This fiscal year, too, DENSO consulted Hideto Kawakita, the CEO of IIHOE (the International Institute for Human, Organization, and the Earth), a third-party comment.

This fiscal year, the Company established issues and targets for the nine areas of the activities of CSR (for specific contents, please refer to page 10), based on the "DENSO Group Declaration of Corporate Behavior," whereby the Company promoted respective activities corporate-wide. The Company also strived to improve and respond to the items pointed out in the last fiscal year. As a result, the Company sincerely received positive feedback with regard to its all-over efforts in the activities of CSR (see page 67 for details). The Company considers that the efforts for rooting the activities of CSR into every single associate must be important in the future. Therefore, DENSO is determined to heighten more the activities of CSR which is consistent with the corporate behavior that considers the problems and issues faced by each global region.

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