

Opinions from Stakeholders and DENSO Responses

DENSO has worked to improve corporate social responsibility (CSR) activities in response to various comments and proposals expressed via third parties' comments and stakeholder dialogs as well as communication through CSR reporting and the Company website. Principal items are listed below. In addition, comments and proposals presented during stakeholder dialogs are described in detail on DENSO's website (in Japanese).

★ From third party opinion ◎ From the CSR Report 2007 questionnaire ■ From the global dialog and stakeholder dialogs

Area	Opinions and proposals	DENSO response and related activities	Related pages	
CSR in general	Structure	★ I'd like to see greater CSR permeation throughout the supply chain (including temporary employees and contract workers and in developing countries). Additionally, it's desirable to strengthen multilingual support.	In fiscal 2008, we strengthened our capabilities in partnership with suppliers as part of our preparations for implementing CSR procurement. Regarding multilingual support, we are aware of this issue as a future priority, and we will examine possible improvements in this area.	45-46
	Communication	★ DENSO should add more information to the website, including numerous CSR case studies and issues, and use the website to solicit comments from visitors. ■ Good practices should be made more visible and actively disseminated outside the Company to the surrounding community and other companies.	In fiscal 2008, in addition to holding dialogs domestically and overseas, we enhanced our information disclosure practices, for example, by adding more content to the <i>CSR Report</i> . In the future, we will continue to examine improvements, including to our website.	9-10 15-16 69-70
		■ I'd like to see improvements indicating an awareness of individuals with visual and hearing disabilities as readers of DENSO reports.	Our website is compliant with software that reads content out loud to make our website accessible to individuals who have visual disabilities or difficulty in reading. Regarding printed materials, we are aware of the need to improve the visibility of graphs as an issue and are examining methods for doing so.	—
Environment	Prevention of global warming	■ DENSO should contribute to the widespread use of green energy by utilizing a green power certificate system.	In the past, we conducted trials on the use of "green" electricity to power environmental events. We will continue to examine how this program could be expanded while considering overall costs and benefits, as well as other factors.	13-14
Corporate citizenship	Structure	■ DENSO should make the transition from a team that considers company issues to a team that considers social issues that transcend departmental boundaries.	We are involved in planning and orchestrating activities designed to resolve social issues, and members of a club for employee volunteers play a central role in those efforts.	47-48
	External collaboration	■ DENSO should examine the possibility of dispatching employees to serve in non-profit organizations (NPOs) working to resolve social issues.	From fiscal 2009 we are planning to dispatch nine employees to NPOs as an internship. We continue to examine a plan for expanding these efforts.	—
	Local contributions	■ DENSO should hold <i>monozukuri</i> (manufacturing) classes not only for Japanese residents of local communities but also various foreign children.	We are preparing a trial plan that will have children from a Brazilian school participate starting in fiscal 2009, and we will continue to examine this effort.	—
Respecting associates	Encouraging diversity	■ DENSO should foster the promotion of women to management positions more quickly and in a way that reflects their needs during the various stages of their life.	We are putting measures into effect for encouraging female participation in clerical positions and career planning training for females on a main career track starting in fiscal 2009.	40
	Mental health	★ DENSO should take steps to manage total work hours, increase use of paid leave programs and make it easier for employees to take leave time.	We are working together to limit excessive work hours and strengthen mental health. We believe that creating workplaces conducive to good communication is the most important component of these efforts, and we introduced a series of support measures to improve workplace communication in fiscal 2008.	43
	Safety and health	★ DENSO should analyze the cause of the increase in work-related accidents and reassess risks.	We have worked to improve occupational safety by analyzing risk factors and, in fiscal 2008, conducted a series of dialog-based activities to ensure all employees practice safety checks.	42
Others	Risk management	◎ I would like to see DENSO present examples of how the Group is addressing the risk of corporate terrorism, serious accidents and disasters.	We consider risk assessment countermeasures to be among our most important initiative areas, and in fiscal 2008 we conducted a survey of current conditions in preparation for developing a business continuity plan (BCP). Our goal is to complete the plan in fiscal 2009.	29
	Information security	◎ There is inadequate information about specific measures, responses and prevention concerning crisis management.	We designated February as Security Management Month starting in fiscal 2008, and we have worked to strengthen information security. We continue to pursue thoroughgoing prevention efforts.	30

Third Party Opinion on DENSO CSR Report 2008



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At the beginning of my third party opinion last year, with regard to the entire Group's initiatives in fiscal 2007, I commented: "DENSO has drawn up and practiced a group-wide corporate social responsibility (CSR) promotion plan that quantitatively set a wide range of targets encompassing the social aspect... DENSO has also established a PDCA (Plan, Do, Check, Action) 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." Those initiatives were further developed in fiscal 2008 and are yielding new results.

Compared with other companies, the most notable characteristic of DENSO initiatives lies in the fact that they include the development of a roadmap with clear targets to be achieved by 2010 in each of nine priority and fundamental areas in order to implement the DENSO Group Declaration of Corporate Behavior in good faith, and they are being steadily implemented by means of the PDCA cycle. DENSO does not merely establish pro forma CSR promotion structures and assess results. In fact, DENSO is preeminent internationally for the way it incorporates results into daily management at workplaces and clearly assesses progress and issues. I give extremely high marks to the Company's addition in fiscal 2008 of compliance and CO₂ reductions to managers' monthly management goals, and its continuing practice of holding DENSO CSR Forums on a wide range of CSR topics and requiring attendance by all executives and senior management, including the president.

Behind these initiatives is an organizational culture that encourages a bottom-up approach to initiatives and follows through on decisions. I give high marks to initiatives to reduce environmental loads in all workplaces, from development to production, for example, the promotion of Perfect Energy Factories where progress in improving resource consumption and efforts to promote reduction are visualized by means of a direct-billing system that assesses consumption of resources such as power and compressed air in one-hour units for individual pieces of equipment; the acquisition of clean development mechanism (CDM) approval from the government of Japan and the United Nations thanks to support of energy saving at a DENSO factory in Malaysia; and the development of heat pump type air conditioners that utilize used cooking oil as a fuel.

DENSO Corporation also actively pursues external alliances. I give high marks to the Company's development of diagnosis tools for CSR activities such as safety, health and environmental initiatives in order to encourage suppliers' initiatives by extensively using those tools following trials by the DENSO HISHO-KAI; its opening of infant daycare centers in partnership with four Toyota Group companies; its pursuit of the Green Highways program, Japan's first tree-planting project along expressways, in conjunction with Central Nippon Expressway Company Limited; and the participation of thousands of executives and employees in the DECOPON Eco-Point System, a unique program planned and operated in conjunction with non-profit organizations (NPOs).

One area where I would like to see improvement is acceleration of the development of a foundation for fostering diverse management personnel. To accomplish this goal, DENSO should further encourage the interaction of candidates for senior management among overseas Group companies. Also, it should proceed with multilingual notifications and public relations information which the global headquarters and regional headquarters disseminate. The availability of materials for more employees worldwide to understand DENSO's initiatives, philosophies and values in their native tongue can be expected to encourage not only human resource development but also more wide-ranging dialog with stakeholders.

*These comments were written with reference to the contents of this report and hearings with DENSO employees responsible for the environment, procurement, human resources, safety and health, and corporate citizenship.

Responding to third party opinion

We requested Mr. Hideto Kawakita, CEO of the International Institute for Human, Organization, and the Earth (IIHOE), to provide a third party opinion for *CSR Report 2008*. In order to steadily refine our CSR activities, we believe that it is extremely important to listen to the views of stakeholders and review our activities on an ongoing basis. Based on this belief, we have been asking Mr. Kawakita to provide a third party opinion since the *Environmental and Social Report* was published in 2003. This year's report marks the sixth consecutive year he has been of service.

In fiscal 2008, we visualized the PDCA cycle for each of our activities and undertook initiatives rooted in the conduct of individual employees based on the DENSO Group Declaration of Corporate Behavior. Many issues and challenges remain, and we believe that disclosing information and holding dialogs from a global perspective as suggested, as well as sharing the DENSO Group's values are key priorities. We take these comments and suggestions seriously, and we are committed to working to achieve ongoing improvement and enhancement of our activities.

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