

We have determined material issues (Materiality) to be addressed in order to achieve our Long-term Policy for 2030 and are accelerating sustainability management. Among our social forecasts based on our awareness of the projected business environment of 2030 as well as the various social issues that are present today, including those highlighted in the SDGs, we have adopted the three themes of "green," "peace of mind," and "corporate foundation" as areas that have a high level of importance for realizing a sustainable society and areas in which we can make particularly significant contributions. By achieving these KPIs for each field through our business activities, we will strive to realize our Long-term Policy for 2030 and resolve social issues going forward.

Materiality

In fiscal 2019, DENSO selected important issues from among the various issues society faces within the three areas of "green," "peace of mind," and "inspiring" declared under DENSO's Long-term Policy for 2030. In recent years, the concept of double materiality has come into focus, where not just the financial impact that issues have on corporations is considered but also the impact that corporations have on society (stakeholders). DENSO is currently updating its material issues (Materiality) to align with this concept of double materiality. Management intends to integrate these identified material issues into the next Mid-term Policy and tackle them Companywide.

Process for Determining Materiality

In fiscal 2019, DENSO identified its material issues (Materiality) by evaluating the importance of issues to society as well as their importance to business management, by referring to opinions and advice from third parties, and by implementing an approval process at the senior management level. In light of changes in social conditions, in our strategies, and in other internal and external factors, we will check for changes in the importance of our Materiality as appropriate.

Reflect on DENSO's past sustainability activities	Summarize and eval relevant to sustaina
Identify social issues by referencing the SDGs and ESG trends (FTSE, MSCI, etc.)	Reference the SDGs investors are paying
Set priorities and determine targets by evaluating the degree of importance to business management and to society	In addition to the so level of recent socia
Discuss with external experts (stakeholder engagement)	Exchange opinions v Board members reg
Discuss and approve at the management level	At senior executive directors when revie based on the opinio

Materiality KPIs

We establish KPIs for each of the selected material issues (Materiality), incorporate them into Company targets, and follow up on and discuss their status at the Management Deliberation Meeting and the Board of Directors' meeting. Furthermore, the level of achievement for some KPIs is evaluated as a calculation index for executive compensation. P103-104

In order to advance initiatives across the entire DENSO Group, starting in fiscal 2025, DENSO expanded the scope to include women in management positions, Health Score, employee engagement, and human rights.

Materiality		Vision	KPIs	Fiscal 2024		Fiscal 2025	Fiscal 2026	Related SDGs			
				Targets	Results	Targets	Targets				
Green	Prevention of global warming O Prevention of air pollution /	Contribute to an eco-friendly and sustainable society by reducing environmental burden and realizing highly efficient mobility • Reduce our CO ₂ emissions from our factories to zero • Contribute to the electrification of automobiles and reduce our CO ₂ emissions to the greatest extent possible • Contribute to realizing a carbon-neutral society through technologies that use hydrogen as a clean energy • Reduce environmentally harmful substances, emissions, and waste to help permanently preserve the global environment	CO ₂ emissions from plants (compared with fiscal 2021) (including carbon credit use) Popularization of products in the electrification domain Electrification domain revenue	(compared with fiscal 2021)	50% reduction	50% reduction	75% reduction	100% reduction	З монтании _∧∧ № 6 жилании _∧∧ № 5 жилании 7 одности 9 жилании _∧∧ №		
	Reduction of environmental burden \bigcirc										
	Effective utilization of resources \bigcirc			¥840.0 billion	¥902.0 billion	¥988.0 billion	¥1.2 trillion				
	Conservation of water resources										
Peace of Mind	Reduction of traffic accidents O	 Popularize safe products in order to eliminate fatalities due to traffic accidents Address the need for ensuring a safe air environment and provide comfortable spaces Support working people by offering technologies that help resolve the issues associated with a declining workforce Provide high-quality safety products that satisfy and gain the trust of customers 	• Popularization of safety products ADAS domain revenue					O DESCRIPTION O DESCRIPTION 11 SUMMERICIES			
	Provision of flexible and comfortable movement ^O				¥435.0 billion	¥469.0 billion	¥490.0 billion	¥520.0 billion			
	Provision of safe and secure products $\ensuremath{\mathbb{O}}$			ADAS domain revenue					12 Increating Revenues Revenue		
	Response to decrease in birthrate and aging population $\ensuremath{\mathbb{O}}$										
Corporate Foundation	Compliance	Ensure that each employee acts in a fair, honest, and ethical manner while complying with laws and regulations in each country and region Provide safe and reliable products to customers, protect information assets, and prepare for cybersecurity risks that the "connected society" faces		Serious violations of laws	None	None	None	None			
	Information security \bigcirc			Serious incidents	None	None	None	None			
	Diversity and inclusion	 Promote the development of people, organizations, and the working environment to encourage our employees to maximize their abilities and work with enthusiasm and peace of mind Respect the rights of all our stakeholders, including our employees and people throughout our supply chain, in our business activities Pursue business activities that take into account environmental issues, human rights issues, and compliance together with our suppliers 		 Number of non-Japanese employees promoted to leadership roles at overseas bases^{*1} 	21 employees	23 employees (31%)	32%	35%			
			Women in management positions By region beginning in fiscal 2025	160 in business fields and 146 in technical fields	153 in business fields and 152 in technical fields	Example: Japan: 2.3%; Asia: 29%	Example: Japan: 2.4%; Asia: 30%	3 minutesite 4 minutesite 5 minutesite 8 minutesite 1 10 minutesite 12 minutesite 16 minutesite 10 minutesite 10 minutesite 10 minutesite 10 minutesite 17 minutesite 10 minutesite 10 minutesite 10 minutesite			
	Safe and healthy working environment		• Employee Lifestyle Score*2 Changed to Health Score*3 in fiscal 2025	77 points (non-consolidated)	74.7 points (non-consolidated)	45% (non-consolidated, domestic Group)	46% (non-consolidated, domestic Group)				
			 Safety points*4 (Lower is better.) Change to number of serious accidents in fiscal 2025 	Non-consolidated: 45.0 points Domestic Group: 31.5 points Overseas Group: 44.5 points	Non-consolidated: 41.5 points Domestic Group: 24.0 points Overseas Group: 44.0 points	None	None				
	Workstyle reform / Job satisfaction enhancement			Percentage of affirmative responses with respect to engagement By region beginning in fiscal 2025	74% (non-consolidated)	75% (non-consolidated)	2% improvement (Asia, China: 1% improvement)	78% (non-consolidated) Note: Targets set for each region during fiscal 2025			
	Protection of human rights / Sustainable procurement			• Human rights training By region beginning in fiscal 2025	Percentage of employees who received training: 100% (Japan)	Percentage of employees who received training: 100% (Japan)	Japan: 100% of employees received training Asia: Introduced training for new employees	Japan: 100% of employees received training Asia: Trained managers and new employees			
	Corporate governance	DENSO will support the above targets for Materiality and progress to a more effective governance system as necessary based on factors such as social trends, changes to the external environment, and DENSO's corporate culture.									

 $\ensuremath{\bigcirc}$ Targets that can be achieved using our products and services

*1 Changed from number of employees to percentage of employees in fiscal 2025 out of consideration of possibility of changes in number of bases due to consolidation, etc. *2 Employee Lifestyle Score: Original health management indicator that provides a score for the healthy behavior of each individual employee using data obtained from health exams *3 Health Score: Percentage of employees who score 6 or better on BMI and seven health behaviors *4 Safety points: Scoring depending on scale and type of accident

aluate activities carried out in the past that centered on CSR, and assess issues that are ability management

s, which have gained the consensus of international society, and the themes that ESG g attention to in order to identify economic, environmental, and social issues

social issues we are already addressing, determine candidate Materiality based on the ial interest and DENSO's management policies

with external experts, such as investors, research institutions and NPOs, and outside garding Materiality proposals

e director meetings (chaired by the president and attended by all of the senior executive iewing Materiality), discuss and approve the Materiality proposals that have been revised ions of external experts