

1Materiality

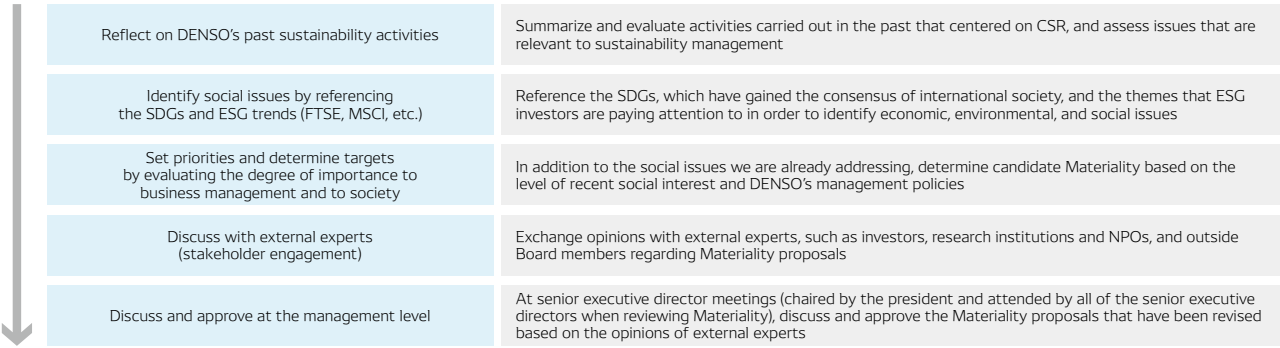
We have determined material issues (Materiality) to be addressed in order to achieve our Long-term Policy for 2030 and are accelerating sustainability management. Among our social forecasts based on our awareness of the projected business environment of 2030 as well as the various social issues that 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.



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	
<div>Green</div>	Prevention of global warming ③	Contribute to an eco-friendly and sustainable society by reducing environmental burden and realizing highly efficient mobility	• CO ₂ emissions from plants (compared with fiscal 2021) (including carbon credit use)	50% reduction	50% reduction	75% reduction	100% reduction	<div><div>3</div>GOOD HEALTH AND WELL-BEING</div> <div><div>6</div>CLEAN WATER AND SANITATION</div> <div><div>7</div>AFFORDABLE AND CLEAN ENERGY</div> <div><div>9</div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div> <div><div>11</div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div><div>12</div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div><div>13</div>CLIMATE ACTION</div> <div><div>17</div>PARTNERSHIPS FOR THE GOALS</div>

③ 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