

# Compliance

## Basic Stance

We believe that key actions to earn the trust and understanding of society pertain to the DENSO Group's observance of all applicable national and regional laws and all employees' fair and faithful conduct that embodies the highest ethical standards.

Based on this recognition, in 2006 we adopted the Code of Conduct for DENSO Group Associates, which clearly indicates the standards of conduct for each and every employee. In training and at workplace conferences, we utilize the Code for raising employees' awareness of compliance, which includes all domestic Group companies. Overseas Group companies use a regional version of the Code of Conduct for DENSO Group Associates, formulated by their regional headquarters in accordance with national and regional laws and customs.

## Promotion Structure

In 1997, DENSO created a Business Ethics and Compliance Committee chaired by a member of the Board to provide oversight in that area (currently the Risk Management Meeting). We have also installed committee structures, such as the Compliance Committee, and compliance promotion officers, such as compliance leaders, at the regional headquarters of each region of our collective global base. In doing so, we are building global systems that promote compliance, while at the same time promoting the development of organizational structures that take differing regional characteristics into consideration, introducing and operating reporting systems, and pursuing enlightenment activities.

## Specific Initiatives

### Educational and Enlightenment Activities

DENSO implements various educational and enlightenment activities for employees on an ongoing basis with the aim of enhancing their overall awareness of compliance matters.

In Japan, we carry out educational and enlightenment activities related to compliance, including position-based training, various e-learning programs, and the "Business Ethics Month" (every October). We also roll out similar activities for employees in each region of operations, centered on our regional headquarters.

### Inspection and Improvement of Activities

DENSO conducts inspections to ascertain whether its compliance activities have sufficiently taken hold and to look for any potential compliance issues. If an issue is discovered, reports are made to senior management when necessary, and steps are taken to prevent a recurrence of the issue.

For example, DENSO CORPORATION holds a sustainability survey every year in order to gain an understanding on the extent to which compliance-related measures have taken hold and on potential compliance risks.

## Response to Antitrust Laws

In February 2010, the U.S.-based subsidiary DENSO International America was investigated by the U.S. Department of Justice. Since then, we have established the Antitrust Laws Compliance Committee, chaired by the representative member of the Board. Under the guidance and supervision of this committee, we have endeavored to reinstitute strict compliance with the Antitrust Laws across the entire DENSO Group. These efforts have included ensuring strict adherence to laws and regulations, strengthening education about relevant rules, and conducting more precise audits regarding legal compliance.

## Response to Anti-Bribery Laws

DENSO formulated the Global Anti-Bribery Policy to serve as its basic approach to preventing bribery. At the same time, the Company established the Compliance and Anti-Bribery Committee, which is chaired by a relevant Company member of the Board. This committee takes the lead and provides supervision on the formulation of bribery prevention rules and the promotion of employee awareness and education measures through e-learning. We also have Sustainability Guidelines for Suppliers in place to prevent bribery between suppliers and third parties. In these ways, we are working to thoroughly prevent bribery throughout the supply chain.

## Response to Tax Compliance

DENSO believes that paying its fair share of taxes is a part of being socially responsible. The Member of the Board and CFO has been designated as the person in charge of tax governance. The Company has built, maintains, and improves a tax compliance structure, and engages in tax planning while addressing tax-related risks when they materialize. DENSO has established the Global Tax Policy. Under this policy, we actively engage in activities for tax compliance on a Groupwide basis, such as providing training for employees and abiding by rules for cross-border transactions.

## Fiscal 2022 Taxes by Region

(¥ billion)

Region	Tax amount
Japan	13.3
North America	3.9
Europe	2.3
Asia/Oceania	39.2
Other regions	2.8
Total	61.6

Please see the "Sustainability Information" section of our corporate website for more information.  
Compliance:  
<https://www.denso.com/global/en/about-us/sustainability/governance/compliance/>



Please see our corporate website for information on tax compliance.  
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