

Special Feature

CSR Activities of Sanden Holdings and Priority Issues Creating Corporate Value from “Environment” and Aiming for Sustainable Growth

The Sanden Group has established the principle that its “Sanden’s CSR Programs essentially put its Corporate Philosophy* into practice.” As interest in CSR among customers and our other stakeholders has risen overall in Japan and overseas, Sanden believes that it is necessary to create frameworks that can be implemented easily and formulate the content of specific action plans to further its CSR activities. Accordingly, in fiscal 2014, Sanden established its CSR Promotion Committee. This committee is moving forward with the selection of the CSR activities that are necessary for the Group as a whole, and, while linking these to the Group’s Corporate Philosophy, which forms the basis for Group activities, is working to identify priority CSR issues. This feature section reports on the Group’s environment-related activities, which form the core of Sanden’s approach to and management policies regarding priority CSR issues.

*For information on Sanden’s Corporate Philosophy, please refer to page 1 of this publication.



Approach to the Identification of Priority Issues

In recent years, inquiries from customers in Japan and overseas and questionnaires regarding Sanden’s CSR activities that we receive have increased in number. We have also received requests for direct inspection of our plants, and the number of assessment items (questions) has also risen. These developments indicate the growing interest among our customers in our CSR activities.

For example, in the United States, we have responded to inquiries in connection with “conflict mineral restrictions” (usage of minerals from specified regions), and the number of questions regarding the environmental impact of our activities along our supply chains and questions about human rights issues have been increasing. Also, interest is rising in CSR activities in overall supply chains, not limited to Sanden’s operations alone.

The Sanden Group conducts its activities in accordance with its established principle that “Its CSR activities are equivalent to putting its Corporate Philosophy into practice.” To further evolve

our CSR activities, conduct them sustainably, and generate results, in fiscal 2014, we established the CSR Promotion Committee, which comprises members in overall charge of each headquarter function and business domain, with the aims of “creating frameworks and systems where activities can be implemented easily” and “specific plans to further these CSR



activities.” In conducting these activities, we made reference to the opinion of a third-party assessor, who wrote “It will be necessary to structure frameworks and systems to implement CSR on a Companywide basis.”

In structuring these frameworks, we decided to reflect the requests of our stakeholders through initiatives to identify priority CSR issues taking account of the approaches that are currently required of global corporations contained in international CSR standards and guidelines.

Identifying Priority CSR Issues

Our basic approach to creating value centered on the “environment” based on our Management Policies and “people,” which is derived from our principle that “a Company is as Good as the People it Keeps,” is to draw linkages between CSR items that must be addressed and our Corporate Philosophy.

In the next step, with the CSR Promotion Committee as the focus of activities, we will identify the priority (material) issues. On the basis of above mentioned linkages, we will then conduct “an analysis of the importance of these issues for management of the Company” and “an analysis of the importance of these issues from the perspective of society.” This will clarify the CSR issues that the Company should address on a priority basis. (Please refer to “Steps in Selecting Priority CSR Issues” shown on the right.)

In fiscal 2014, we began the first half of the process of identifying priority issues. In fiscal 2015, as we confer with third parties outside the Company, we will move forward to identify and select the priority CSR issues.



Dialogue with students of graduate school of Waseda University

Discussing CSR items in CSR Promotion Committee



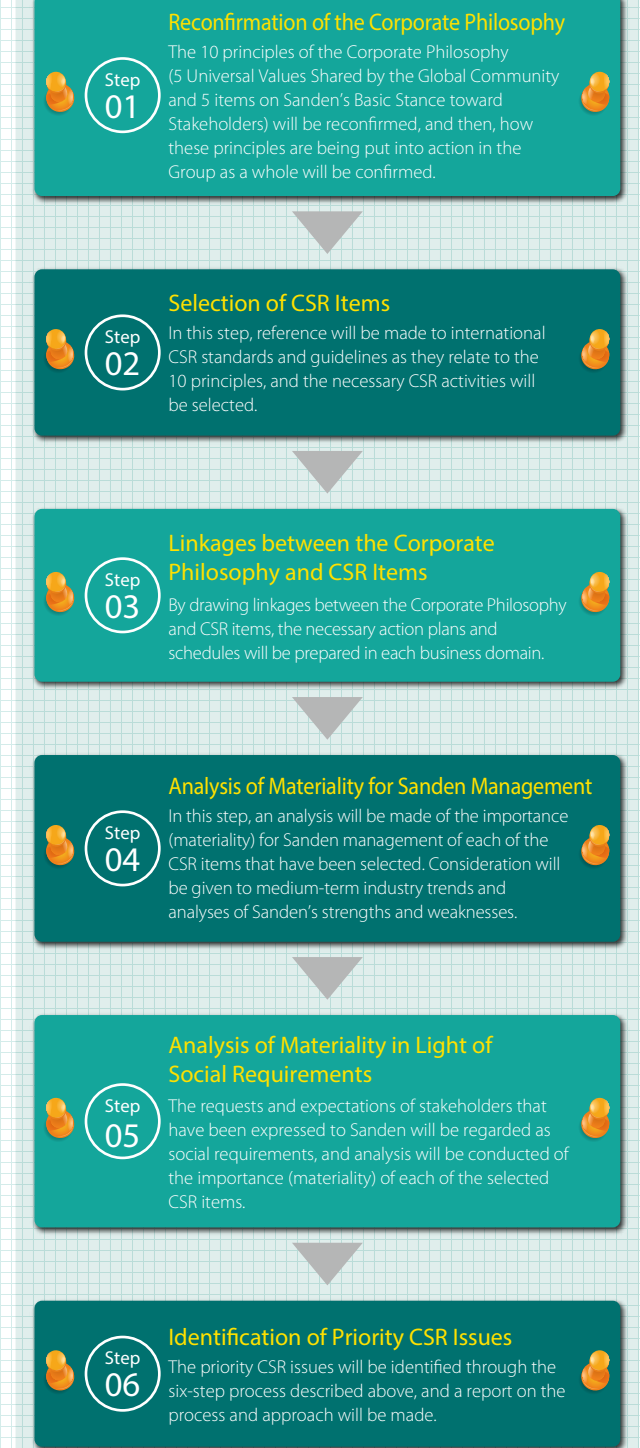
We will use the results of this process to achieve sustained activities by employees.

Satoshi Fukuoka General Manager of Corporate Communications & CSR Dept. Administration Division

To promote CSR activities on a Companywide basis that are appropriate for Sanden, we formed the CSR Promotion Committee in April 2014, and then launched Corporate Communications & CSR Dept.. Each time the committee meets, we deepen our understanding and thinking through discussions, and I feel the understanding and interest among employees are increasing. As we listen to the views of our many stakeholders and, through CSR activities that put our Corporate Philosophy into practice, we are moving closer to being significantly better able to respond to the trust and expectations of society.



Steps toward Identification of Priority CSR Issues



Reconfirmation of the Corporate Philosophy

The 10 principles of the Corporate Philosophy (5 Universal Values Shared by the Global Community and 5 items on Sanden’s Basic Stance toward Stakeholders) will be reconfirmed, and then, how these principles are being put into action in the Group as a whole will be confirmed.

Step 01

Selection of CSR Items

In this step, reference will be made to international CSR standards and guidelines as they relate to the 10 principles, and the necessary CSR activities will be selected.

Step 02

Linkages between the Corporate Philosophy and CSR Items

By drawing linkages between the Corporate Philosophy and CSR items, the necessary action plans and schedules will be prepared in each business domain.

Step 03

Analysis of Materiality for Sanden Management

In this step, an analysis will be made of the importance (materiality) for Sanden management of each of the CSR items that have been selected. Consideration will be given to medium-term industry trends and analyses of Sanden’s strengths and weaknesses.

Step 04

Analysis of Materiality in Light of Social Requirements

The requests and expectations of stakeholders that have been expressed to Sanden will be regarded as social requirements, and analysis will be conducted of the importance (materiality) of each of the selected CSR items.

Step 05

Identification of Priority CSR Issues

The priority CSR issues will be identified through the six-step process described above, and a report on the process and approach will be made.

Step 06