

The Four "Green" Initiatives Sanden Group Undertook in Fiscal 2015

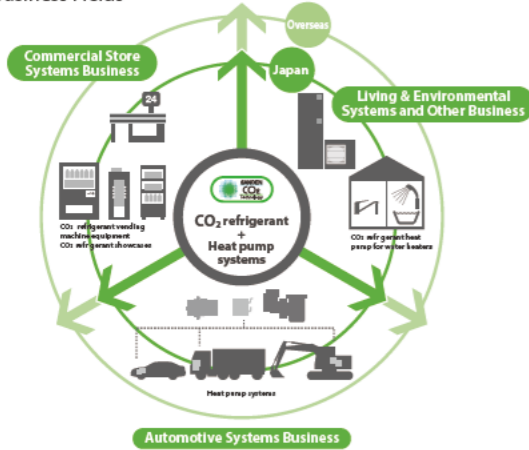
In the Sanden Group's "Medium-Term Basic Policy on the Environment," which was prepared in fiscal 2014, Sanden is implementing four Green Strategies: Green Technologies, Green Management, Green Processes, and Green Communication, as it takes initiatives in its environmental activities (R&D and social contribution).

Green Technology

With the objective of creating more-comfortable environments for people while preserving the environment at the same time, the Sanden Group has emphasized the development of natural refrigerant technologies and heat pump technologies. Through these activities, the Group advanced its R&D focusing on cooling and heating.

In its Commercial Store System Business and Living & Environmental System Business, in fiscal 2015, the Sanden Group actively introduced high-efficiency, energy-conserving products and systems equipped with compressors that use CO₂ as a refrigerant because it has a low global warming coefficient and does not destroy the earth's ozone layer. In the Automotive Systems Business also, Sanden is working with automobile manufacturers around the world to reduce the burden cars place on the natural environment through the application of cutting-edge technologies that incorporate Sanden's advanced heat pump technology.

■ Use of Sanden Technologies Is Spreading Globally in a Wide Range of Business Fields



■ Environmental Education Activities in Various Locations



Environmental education for new employees Environmental education class (France) At morning assembly (Philippines) Environmental education class (Italy)

Green Management

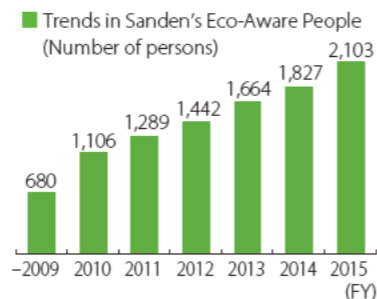
In line with its management policy of "To create corporate value by the environment," the Sanden Group believes that education and training of personnel are essential for continuing to upgrade environmental management. Let us introduce some of the environmental education activities undertaken by the Group to nurture an environmental "mind" and consciousness among its personnel.

The basis of environmental management is the implementation of the ISO 14001 environmental management system. In fiscal 2015, revisions in ISO 14001 were announced, and, at that time, Sanden implemented educational activities for its internal environmental specialist personnel, with the participation of about 200 employees.

In addition, since fiscal 2009, employees have been encouraged to take examinations in Certification Test for Environmental Specialists [Eco test], managed by The Tokyo Chamber of Commerce and Industry. In fiscal 2015, at the time of the certification tests in July and December, Sanden held eco-test seminars, and about 100 employees participated in these meetings. More than 250 persons qualified in this series of two seminars, and, on a cumulative basis,

2,103 people have qualified as "Eco People."

In overseas affiliated companies, Sanden is continuing related education as well as a wide range of environmental educational activities.



Study meeting for the revised ISO 14001



Eco-verification seminar

Green Process

The Sanden Group has formulated its "Medium-Term Basic Policy on the Environment," which covers the period through fiscal 2018 and is currently working, as a manufacturing company, to reduce the burden on the natural environment, including lowering the usage of energy. In fiscal 2015, along with activities to enhance environmental performance through meeting regional environmental preservation goals on a per unit of sales basis, to strengthen its contribution to environmental preservation, Sanden has also set the goal of not allowing the total volume of various kinds of burdens on the environment to exceed those of the previous year and has passed a turning point to implement activities to restrain the total volume of these burdens going forward.

To attain these objectives, Sanden has specified China as the region for greatest focus and has begun to expand its support systems and strengthen its related environmental activities. As a result, Sanden has made progress in making clearer the numbers

related to the environmental burden that were not quantified and followed previously. Because of this factor and the rapid rise in sales in this region, during fiscal 2015, certain indicators of the environmental burden were higher than planned on an overall global basis, making it difficult to attain the burden reduction targets.

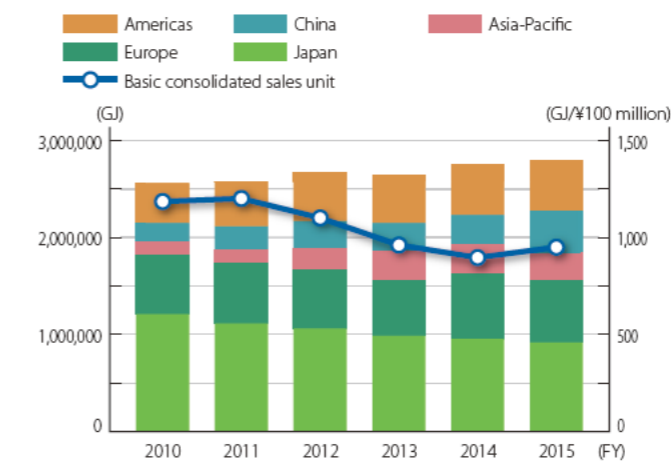
To provide for improving the speed and accuracy of data collection and compilation in China and other areas, in fiscal 2016, the Sanden Group has introduced a new environmental information monitoring system and is endeavoring to apply this thoroughly on a global basis to reduce the burden of its activities on the environment.



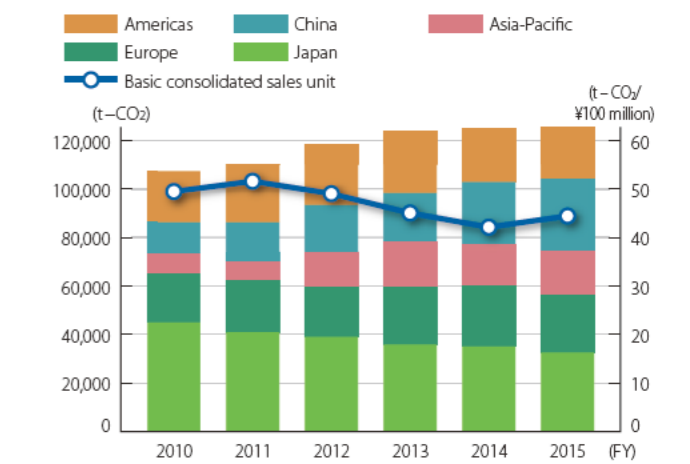
Environmental instruction in China

Information on the Sanden Group's Environmental Performance in Fiscal 2015

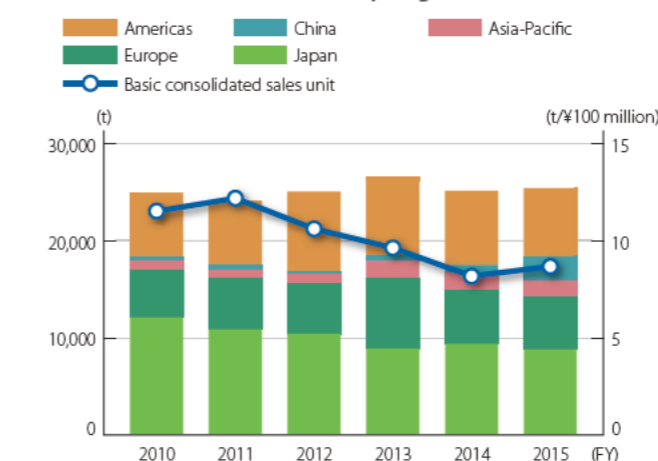
Trends in Energy Usage by Region



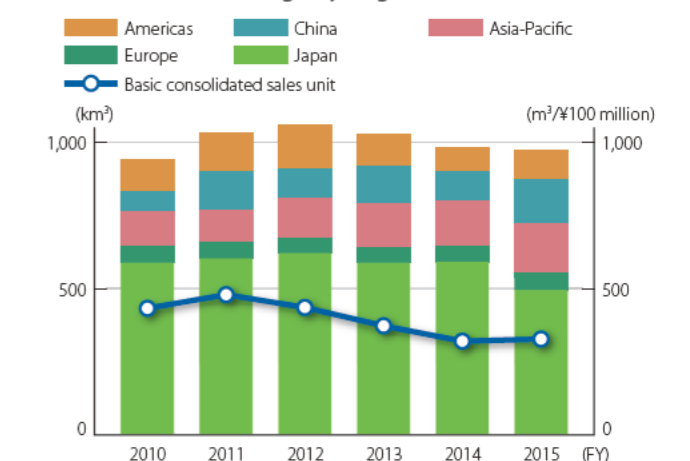
CO₂ Emissions by Region



Trends in Waste Emissions by Region



Trends in Water Usage by Region



Examples of Sanden's Activities in Fiscal 2015 under Its Green Strategies

Green Communication

With the aim of strengthening Sanden's environmental brand, member companies of the Sanden Group are implementing a wide range of environmental initiatives around the world.

- Sanden presented an exhibit at the Eco Products 2015 expo, which was held in December 2015 at the Big Sight exhibition hall in Tokyo. The 2015 exhibit focused on the themes of "CO₂ Refrigerant Technology" and "Heat Pump Technology" and made an appeal for the effectiveness and superiority of these Sanden technologies.



- At the request of the Biodiversity Convention Secretariat, Sanden is a participant in the Green Wave 2015, which is advocated by Japan's Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. On the occasion of International Day for Biological Biodiversity (May 22) which has been established by the United Nations, Sanden Group companies at business locations in Japan and overseas, planted trees during May and June.



- At business locations around the world, Sanden conducts "Environmental Originality" activities, which involve registering and reporting on original environment-related initiatives.



- Sanden Manufacturing Europe S.A.S. (in France) has begun to process the garbage left over by its employee cafeterias and other activities into fertilizer.



- At Sanden Forest Akagi Plant, a number of events were held and were attended by a total of more than 15,000 visitors.

Construction of a forest deck



Mushroom festival at Sanden Forest Akagi Plant



Elimination of invasive alien species

Open-air classroom

Web Search
<http://www.sanden.co.jp/csr/Disp.cgi?mode=detail&id=17>

Targets and Performance The following table summarizes the environmental goals set for fiscal 2018 under Sanden's Medium-Term Basic Policy on the Environment and activities to attain these objectives.

*Level of attainment: A: goal(s) attained; B: generally attained; and C: insufficient

Basic Strategy	Medium-Term Targets for FY2018	FY2015 Targets	Results of Activities in FY2015	Evaluation*
Green Technology	All mass-produced products meet product environment indicators (Goals are set by product)	<ul style="list-style-type: none"> ● Attain product environmental indicators of 0.9 or less in priority products ● Obtain Eco-Leaf environmental label for vending machines ● Reduce environmental burden in use of products through application of innovative technology 	<ul style="list-style-type: none"> ● All distribution/living environment business locations attained indicators of 0.9 or less ● Certain new products of Automotive Systems Business didn't attain indicators of 0.9 or less ● Newly registered 29 types of heat pump machinery ● Expanded lineup of cooling equipment using CO₂ as a refrigerants ● Began production of next-generation electric-powered compressors for automobile use ● Reduced idling CO₂ emissions through development and sales of HVAC units for trucks 	<p>B</p> <p>A</p> <p>A</p>
		<ul style="list-style-type: none"> ● Reduce CO₂ emissions per unit of sales by 6% in comparison with fiscal 2013 ● Total emissions not to exceed actual for fiscal 2014 	<p><Consolidated></p> <ul style="list-style-type: none"> ● Reduced total CO₂ emissions per unit of sales by 2% (compared with fiscal 2013) ● Total CO₂ emissions rose 1% (compared with fiscal 2014) <p>Note: Because of the increase in total emissions in China and the Asia region, targets for emissions per unit of sales could not be met.</p> <p><In Japan></p> <ul style="list-style-type: none"> ● Reduced CO₂ emissions per unit of sales by 6% (compared with fiscal 2013) ● Total emissions of CO₂ were reduced 6% (compared with fiscal 2014) 	C
Green Process	Reduction in environmental burden <ul style="list-style-type: none"> ● 15% or more in energy usage ● 15% or more in waste emissions ● 5% or more in water usage ● 5% or more in emissions of harmful chemical substances (All figures are on a per unit of sales basis and are comparisons with fiscal 2013.) 	<ul style="list-style-type: none"> ● Reduce emissions of waste per unit of sales by 6% in comparison with fiscal 2013 ● Total emissions not to exceed actual for fiscal 2014 	<p><Consolidated></p> <ul style="list-style-type: none"> ● Reduced waste emissions per unit of sales by 8% (compared with fiscal 2013) ● Total waste emissions increased 4% (compared with fiscal 2014) <p>Note: Total emissions increased over the previous year, in part because of higher capture ratio in China.</p> <p><In Japan></p> <ul style="list-style-type: none"> ● Waste emissions per unit of sales increased by 2% (compared with fiscal 2013) ● Total waste emissions decrease 6% (compared with fiscal 2014) 	B
		<ul style="list-style-type: none"> ● Maintain recycling ratio of 99% or more (zero emissions) 	<p><Japan business locations and domestic Group companies></p> <ul style="list-style-type: none"> ● Maintained recycling ratio of 99% or more (eight sites) 	A
		<ul style="list-style-type: none"> ● Reduce water usage per unit of sales by 2% in comparison with fiscal 2013 ● Total emissions not to exceed actual for fiscal 2014 	<p><Consolidated></p> <ul style="list-style-type: none"> ● Reduced water usage per unit of sales by 12% (compared with fiscal 2013) ● Total water usage decreased 1% (compared with fiscal 2014) <p><In Japan></p> <ul style="list-style-type: none"> ● Reduced water usage per unit of sales by 13% (compared with fiscal 2013) ● Total water usage decreased 16% (compared with fiscal 2014) 	A
		<ul style="list-style-type: none"> ● Reduce emissions of harmful chemical substances per unit of sales by 5% in comparison with fiscal 2014 	<p><Japan business locations></p> <ul style="list-style-type: none"> ● Reduced emissions of harmful chemical substances by 7% (substances subject to PRTR registration) 	A
Green Management	Level of attainment of environment activities at all sites: A or higher	<ul style="list-style-type: none"> ● Strengthen implementation of environmental policy and environmental management system 	<ul style="list-style-type: none"> ● Strengthened global communication activities through attending environmental conferences and holding morning meetings globally ● Convened the Central Environmental Committee and Environmental Strategy Meeting ● Strengthened environmental improvement support systems in China ● Implemented guidance for overseas business locations ● Implemented internal environmental audits at domestic locations ● Convened meeting(s) of persons in charge of promoting environmental activities at domestic Group companies ● Held meetings for promoting environmental activities at business locations ● Held meetings of chemical substance management committees by business location 	A
		<ul style="list-style-type: none"> ● Heighten awareness through implementation of environmental education 	<ul style="list-style-type: none"> ● Promotion of attaining eco-certifications (276 qualified) ● Implemented ISO 14001 training for internal auditing staff ● Conducted environmental education mainly for managerial-level personnel in Americas, Europe, and China 	A
		<ul style="list-style-type: none"> ● Feedback assessments of environmental activity levels to business locations 	<ul style="list-style-type: none"> ● Implemented feedback on assessments of domestic and overseas business locations and took initiatives to make improvements 	A
Green Communication	External evaluation: A level	<ul style="list-style-type: none"> ● Exhibit products/systems at environmental exhibits 	<ul style="list-style-type: none"> ● Presented exhibit at Eco Product 2015 exhibition. Made appeals for Sanden environmental technologies 	A
		<ul style="list-style-type: none"> ● Move higher in the Nikkei rankings for environmental management 	<ul style="list-style-type: none"> ● Moved up to 37th in Nikkei rankings for environmental management (compared with 64th in previous fiscal year) 	A