

Evaluations of Outside Parties



■ In June 2016, Mr. Masayoshi Ushikubo, Chairman of Sanden Holdings, received a cultural merit award from the Italian Republic. This award is presented by the Italian Ministry of the Interior to persons and companies in recognition of their substantial contributions to Italy. The award was presented to SandenVendo Europe S.p.A. and Sanden International (Europe) Ltd. SandenVendo Italy in recognition of the high assessment of their corporate performance and contributions to economic development in Italy.



■ In September 2015, Sanden received a gold award in the manufacturing division and a silver award for its human resource related activities from The Automotive Component Manufacturers Association of India.



■ In October 2015, Sanden's Eco Unit Division received a prize for excellence in the "eco Certification Awards" sponsored by the Tokyo Chamber of Commerce.



■ In February 2016, Sanden received that Supplier Award 2016 from AB Volvo. Sanden was highly evaluated for its global partnership in the compressor business and contributions to improvement in costs.



■ In June 2016, Times Square circle of Sanden's Akagi Plant received a gold medal in the Ninth All Japan QC Circle Conference (for small group improvement activities). The award was given in the clerical, sales, and service category (including medical treatment and welfare).

Comment of a Sanden Outside Director

Sanden Management Is Focused around Environmental Activities

Hideo Hohgi, Outside Director

(Formerly University Professor of Business Administration at Waseda University)



I became involved in the management of Sanden about a year ago.

About a year earlier, I was fortunate to have an opportunity to visit the Sanden Forest with 15 members of my seminar group at Waseda University.

During the visit, I was extremely impressed by the harmony that Sanden Forest has achieved between the enhancement of natural environment and business activities. This experience motivated me greatly to accept Sanden's offer to be its board member. What is most impressive about the Sanden Forest Akagi Plant is that the plant as a whole goes beyond achieving symbiosis with the natural environment. Sanden restored the original plant and animal life, but further more, it has made them even richer. In the production process, industrial wastes are completely eliminated by recycling almost all wood and other materials generated. In addition, environmentally friendly and superior vending machines are manufactured, where Sanden's "5S" principles are put into practice fully.

What really impresses visitors firstly is that Sanden dared to assign the well-known naturalist C.W. Nicol to develop the entire design concept and materialized it even in details. Amazingly, a high level of harmony has been achieved between the environment and

manufacturing throughout the area. Secondly, the magnificently regenerated habitats have been opened to primary and middle-school students and environmental lovers for outdoor studies. Thirdly, even after several decades following the opening of the forest, it has been well maintained, and rare insects and other life-forms have returned to the area.

Moreover, more than 15,000 visitors a year come to the forest. This results in a deeper understanding of Sanden's Corporate Philosophy, and, as time goes by, this will attract valuable stakeholders, including promising employees, shareholders and customers.

Today, many companies have become aware of CSR (corporate social responsibility), but some of these companies seem to be passively involved in CSR activities to improve their corporate image. Sanden, on the other hand, realized early on the importance of "creating superior environmental value" throughout the corporate activities, as product development, production and distribution. We might say that the implementation of CSR activities should be its natural outcome.

In 2011, the well-known Harvard Business School professor Michael Porter advocated going beyond CSR and introduced the new concept of "creating shared value (CSV)" as an overall guiding principle for corporate activities. Prior to Porter's advocacy of CSV, Sanden initiated it and vigorously enhances CSV management day by day.