Third-Party Opinion



Ms. Yamaguchi began her career in a research institute and then founded FEM Co., Ltd., in 2003. In addition to providing training, FEM conducts research and assessments related to the environment, CSR, biodiversity, and international certifications. In addition, at Control Union Japan, an international certification body, Ms. Yamaguchi is involved in a wide range of certification activities, focusing on international standards for sustainability that gives proper regard to the environment and society. Ms. Yamaguchi also serves as a director of the Japan Ethical Initiative, in addition to other positions at various organizations.

Manami Yamaguchi,

Environmental specialist and representative director of FEM Co., Ltd.

As times change, the value of corporations to society and the nature of their business also evolve. The Sanden Group has been engaged in sweeping structural reforms since August 2016 in pursuit of meaningful work. While taking action to improve and reform operations, the Group is taking bold steps again this year to achieve two-pronged growth in new markets as well as new technologies and products.

The Sanden Group has established the principle that "Sanden's CSR activities fundamentally put its Corporate Philosophy into practice." Its Automotive Systems Business and the Commercial Store Systems Business support individual lifestyles and broader society; more environmental technology is needed in these fields. Sanden was the first company in the world to build out a mass-production system for compressors that utilize natural CO2 refrigerant for automotive air conditioning and begin delivering the compressors to the market in earnest. By providing the world with the technologies it needs, including a comprehensive temperature and humidity management system for the entire food distribution chain and by addressing growing cold-chain needs with e-mesh moderno, Sanden helps prevent environmental and social issues from arising.

Combining "energy-saving technologies" with its core technologies for "cooling and heating," the Group contributes to the environment through "products." Sanden endeavors to understand the environmental impact of its manufacturing activities by taking into account changes in environmental data, including at its overseas bases. While there is some room for improvement in terms of ${\rm CO_2}$ emissions and other metrics, the Group is seeing results from its efforts to reduce waste emissions and water usage. I expect the Group to enhance its globally linked activities by creating energy and introducing new initiatives.

Moreover, Sanden continues to improve work conditions and train employees while focusing on the customer in all its activities,

taking care of its people by advancing diversity and work-life balance, while promoting women to management positions and leadership roles as well as hiring more people with disabilities. While restructuring, I believe the Sanden Group could make new discoveries and accelerate initiatives by documenting the actions being taken by its diverse employees around the world, guided by the "principle that a company is as good as the people it keeps," while entrenching a corporate culture that facilitates work.

With ESG investment and sustainable development goals (SDGs) popular topics lately, companies are expected to disclose more visual information that is useful for making investment decisions. In this context, the relationships of trust that Sanden has built through the Global Create Future (G-CF) Conference should strengthen its foundation for responsible procurement and business activities while avoiding environmental and social risk throughout the supply chain. The Sanden Group reports on its website and in printed reports information about its CSR business practices, including at the Sanden Forest/Akagi Plant, and contributions to local communities in Japan and foreign countries. In order to further improve the transparency and objectivity of management, as well as enhance relations with shareholders and other stakeholders, I believe the Sanden Group could work harder to spread awareness of its procurement policies and decision criteria, which should lead to a better relationship with society through its business activities.

The Sanden Group promotes activities aimed at "harmonious coexistence of industry and the environment" to contribute to the realization of a sustainable society. Amid constant change, Sanden aims to build bridges to a better future for society while preserving the natural environment. I hope the Sanden Group pioneers a new era of stewardship by spreading its world-class environmental technologies around the world.

Comment on the Third-Party Opinion Regarding Sanden's 2017 CSR Report

I would like to extend our gratitude to Ms. Manami Yamaguchi, representative director of FEM Co., Ltd., for her valuable opinions about the CSR activities of the Sanden Group, as well as her positive evaluation of the Sanden Group's initiatives in its established priorities of the environment and people.

In fiscal 2017, we launched a Corporate Mid-Term Plan grounded in management policies to achieve the next stages on growth based on the "environment", utilizing our global strengths and quality capabilities.

With regard to the environment, the Group has positioned as a key priority the concentration of management resources to growing environment-related fields, centered on new technologies, products, and markets, based on the Corporate Mid-Term Plan. The Group is well positioned to contribute more to the realization of a sustainable society.

Regarding people, as a corporation with a presence in 23 countries and regions overseas, Sanden aims to spread its philosophy around the world while advancing reforms to work styles with the ultimate aim of creating a work environment that draws out the best of each and every employee.



Ryuhei Ushikubo Senior Director, General Manager of Administration and Human Resource Division

In 2018, the Sanden Group will celebrate the 75th anniversary of its founding. With an eye on becoming a 100-year company, Sanden will endeavor to improve information disclosure and remain a company trusted by society.