

Third-Party Opinion

Sanden is a company focused on solving social issues. As the Sanden Group nears the 75th anniversary of the company's founding, their report's focus on sustainable development goals (SDGs) and ESG-based investment raises hope for new developments moving forward. Against a backdrop of population growth and the development of emerging economies, the establishment of a stable food supply system, as well as a focus of environmental and social issues is imperative to the survival of many around the world. The Company is optimizing its business portfolio and is accordingly seeing a reorganization of its strengths. One example of this is the next-generation air-conditioning system from Automotive Systems Business, which contributes not only to passenger comfort, but complies with the environmental requirements of automobile, construction equipment, and agricultural equipment manufacturers. Moreover, as the company moves toward achievement of the targets in its Fourth Mid-Term Basic Policy on the environment, it has remained focused on reducing its environmental impact and developing cold-chain technologies in Commercial Stores Systems Business, which can not only contribute to reduced food loss but advances technological and product development to help resolve some of the social issues brought up in the SDGs. The Sanden Forest also shows how positive engagement can contribute to species increases, and through this example the company shows how business can contribute to continued coexistence.

Turning to its approach to employees, Sanden is providing workplaces in which employees can work safely and with peace of mind, thus showing the company's commitment to mental health. Sanden has also been certified as a company providing outstanding health and productivity management. The Company's promotion of global human resources and its commitment to diversity has also been producing favorable results. In addition to focusing on the number of female managers and the number of disabled workers, strategies aimed at improving the content of work and the ability of all workers to perform to their best is producing the kind of results that can't be expressed by numbers alone.

The sustained development of the Sanden Group requires competitive strength in parts and materials. As a company developing its business on a global scale, in order for its to promote initiatives with partner companies through G-CF Conferences as well as advance co-creation across its entire supply chain through technical support, it needs to be aware of the potential impact and sustainability of natural and human resources, as well as the stability of raw materials procurement. In other words, the shifting of environmental management to include human rights alongside the preservation of nature, which includes the goal of leaving a robust natural environment for the next generation, points to a bright future from an ESG investment perspective.

In light of current social issues, the Sanden Group is focused of supporting regional communities by realizing a grand design of sustainable production and consumption based on ethical considerations that could involve overseas locations as well. At the same time, the company is showing in a way that only Sanden could how society and business can move forward together for the next generation.



Manami Yamaguchi,

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

Ms. Yamaguchi began her career in a research institute and then founded FEM Co., Ltd., in 2003. In addition to providing training, as well as label research and international certification related to biodiversity, CSR, the environment, and the establishment of environmentally friendly standards for supply chains and the sustainable procurement of resources, FEM provides support in a wide range of certifications with a focus on international standards that are environmentally and socially friendly. Ms. Yamaguchi serves as vice president at Japan Ethical Initiative, is a representative director at Japan Sustainable Label Association, and assists in the activities of a variety of other organizations.

Comment on the Third-Party Opinion Regarding Sanden's 2018 CSR Report

I would like to extend our gratitude to Ms. Manami Yamaguchi, representative director of FEM Co., Ltd., for her third-party outlook on the Sanden CSR Report for each of the past three years. We very much look forward to working with her again.

The Sanden Group in 2017 announced its Corporate Mid-Term Plan, which ends in fiscal 2020. We have provided for our readers the four key initiatives in this plan on page one of this report. We remain committed to providing to the world environmental technologies, an area of strength for the Company, and will continue use our strengths in this area to contribute to society.

Sanden celebrated the 75th anniversary of the company's founding in 2018 and in consideration of the social issues we now face is focused on ESG investment and SDGs, with a particular emphasis on supply chain management as outlined in the third-party opinion. We will continue to strive together with society toward sustainable development, maintaining our pursuit of a grand design in CSR management based on backcasting from our outlook for the future ten and twenty years from now.



Shinji Maruyama,

Corporate officer, General Manager of Administration and Human Resource Division