

Mid-term Management Plan SCOPE 2023 and SDGs

The Sanden Group has incorporated "Contribute to achievement of SDGs through our business activities" as one of its priority measures in the Mid-term Management Plan SCOPE 2023. We believe that the SDGs are indispensable for the Group's mission to meet international requirements and contribute to society. Therefore, we identify priority measures based on the vision advocated in SCOPE 2023, "Open up a new era and become a company that is trusted by all the people so that we will be able to create an enriched society in which environment and comfort are harmonized," to clarify the relationship between SDGs and business activities. Sanden Group will seek to grow with corporate activities aimed at realizing a sustainable society.



Ideal Structure of Mid-term Management Plan

"Open up a new era and become a company that is trusted by all the people so that we will be able to create an enriched society in which environment and comfort are harmonized."

Priority Areas	Background and Reasons	Practical Examples	Relevant SDGs
Provide quality products and enhance level of customer satisfaction	<ul style="list-style-type: none"> Based on our Management Principles, "satisfy our customers' needs with high quality products," the DNA of our corporate culture is to practice the customer-first and quality-first approach handed down since our foundation. Mission to provide comfort to society based on core technology "cooling and heating." 	<ul style="list-style-type: none"> Promote R&D into products that contribute to the environment (p. 7) Continuously reform procurement (p. 11) 	
Protect the global environment	<ul style="list-style-type: none"> After we declared our desire for "The Group to be an eco-friendly company" in 1990, the Group has been promoting environmental management aggressively based on our Management Policies outline as "We try to grow with the core of the environment" established in 1997. 	<ul style="list-style-type: none"> Deploy MFCA (p. 3, p. 8, p. 14) Local environmental conservation activities (5 main areas) (p. 6-9) 	
Ensure occupational safety and health	<ul style="list-style-type: none"> Placing the utmost importance on safety & health, the Group is continuously working on eliminating occupational injuries and improving the working environment while incorporating safety & health into its Corporate Philosophy, based on an awareness that assuring safety and health is a corporate responsibility. 	<ul style="list-style-type: none"> Activities in line with the Safety and Health Charter (p. 13) 	
Recruit and nurture diverse human resources	<ul style="list-style-type: none"> For further growth as a global company, we respect human rights and diversification of all human resources and promote a working environment that can achieve maximum performance. 	<ul style="list-style-type: none"> Respect regional customs and cultures (p. 14) 	
Thoroughly enforce compliance	<ul style="list-style-type: none"> Since compliance with laws and rules must be met as a member of the international community is a basic condition of a global company trusted by society, the Group will thoroughly educate employees to take action with a sense of ethics. 	<ul style="list-style-type: none"> Comply with international rules and regulations (p. 16) GDPR 	

The Sanden Group will continue to grow to realize a sustainable society.

Contribution to Achievement of SDGs Through Our Business Activities

Priority Area: Provide quality products and enhance level of customer satisfaction

Convert Corporate Value into Social Value Through the Creation of Core Technology in "Cooling and Heating"

Promote R&D into Products That Contribute to the Environment

In response to a rapidly changing society, the Sanden Group has been working to expedite research and development into products that contribute to the environment.

Notably, in the automotive industry, the transition to products that make full use of environmental technologies such as plug-in hybrids, electric vehicles (EVs), and fuel cell vehicles are rapidly progressing. As a result of technological development that responds to such social changes, we are marketing heat pump systems, electric coolant heaters, and electric compressors for electric vehicles. With the aim of realizing an enriched society, Sanden will contribute to a reduced environmental impact and the creation of comfortable spaces through broadening the reach of our environmental products.

Relevant SDGs

- [Goal 9] Industry, innovation and infrastructure
- [Goal 12] Responsible consumption and production
- [Goal 13] Climate action

Activities contributing to meeting SDG goals

- Introduced product environmental standards (From 2007)
- Developed market for electric compressor (From 2009)
- Developed market for electric coolant heater for electric vehicles (From 2017)
- Developed heat pump system for electric vehicles (From 2017)



Priority Area: Protect the global environment, recruit and nurture diverse human resources

Reforming Employee Awareness Through a Range of Activities

Disseminating the Sanden Environmental Mindset Through Material Flow Cost Accounting (MFCA)

The Sanden Group conducts ongoing human resource development from various perspectives such as the environment, health and safety, and quality.

More specifically, the Sanden Group has been focusing on nurturing an environmental mindset among the employees by following a management policy based on leveraging "global capabilities" and "quality capabilities" to realize an additional surge in corporate growth centered on core businesses providing environmentally-friendly products. The Sanden Group conducts activities such as the introduction and implementation of companywide MFCA initiatives, including for overseas production sites. These activities include our site-specific environmental activity assessment method, the "Environmental Activity Level Assessment" and our product environmental index and can only contribute to global environmental conservation through the spread of our products globally. These efforts also lead to raising employee awareness of the natural environment. Sanden is promoting study for the Certification Test for Environmental Specialists (Eco test) for all personnel at Japanese production sites and those personnel that pass the exam represent one indicator of employee education.

Fostering a Corporate Culture That Accepts Diversity

For the Sanden Group, which has business bases around the world, the acceptance of diverse cultures across countries is essential. To date, we have held the "Environmental Convention," which aims at promoting exchange between overseas environmental staff, and the "STQM World Convention," which is a quality management convention where small elite groups gather from all over the world. The company newsletter collects topics from each production site and distributes this information both in Japan and overseas.

Relevant SDGs

- [Goal 4] Quality education
- [Goal 5] Gender equality
- [Goal 8] Decent work and economic growth
- [Goal 12] Responsible consumption and production

Activities contributing to meeting SDG goals

- Introduction of MFCA (From 2005) (p. 8)
- Eco test (From 2009) (p. 6)
- Launch of environmental activity level evaluations (From 2008) (p. 6)