

Third-Party Opinion

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Expertise in ISO/TC207/WG8

Specializing in accounting, Hirotsugu Kitada has conducted research on the spread and penetration of environmental management accounting, and is now participating as an advisor to the SDGs Study Group sponsored by the Japan MFCA Forum. His main works include *Emergent Responsible Management* (Nihon Keizai Shimbun Publishing).



The Sanden Group clearly states its contribution to the SDGs through its business in its Mid-term Management Plan SCOPE 2023, and is promoting collaboration between business activities and sustainability. By setting five key initiatives and linking them to highly relevant SDGs, the relationship between CSR initiatives and social issues can be grasped more comprehensively. Since the SDGs are set as targets to be attained by 2030, we can expect them to contribute to sustainability and promote value creation through our business over a longer term. In addition, the CSR Report outlines the relationships between representative initiatives, so the position of each initiative is clear, and the report is easy to understand. These are consistent with “environment” and “people,” which are listed as key initiatives, for which wholistic and balanced activities are being developed.

The fact that Sanden have been working on Material Flow Cost Accounting (MFCA) over many years is a feature worthy of note in the Sanden environmental initiatives. Along with the circular economy policy being promoted in Europe, a renewed interest in resource use is increasing worldwide. In addition, Sanden conducts its highly regarded MFCA training for overseas participants, mainly from Bangladesh, through the “Training Seminar for Resource and Energy Saving, and Sustainable Corporate Management.” Since the publication of the international standard as ISO 14051, interest in MFCA has increased in many countries, including developing countries. MFCA dissemination activities that go

beyond the internal Group development can be said to provide a high-level contribution to the international community.

In the priority area of “people,” Sanden has established an easy-to-work environment for employees. The Group manages progress on diversity initiatives with clear goals. An extensive career support system has also been established to ensure work-life balance, and a system is in place to support a diverse range of work styles for employees. The Sanden Group is highly regarded in society with White 500 certification as an organization with outstanding health and productivity management.

Regarding the “Fourth Mid-Term Basic Policy on the Environment” that started in fiscal 2018, initiatives are progressing as planned this year. As for goals in relation to social activity, Sanden is developing solid initiatives for customers, employees, shareholders and investors, local communities, and business partners. Going forward, the challenge is to link the relationship with the SDGs set out in the Mid-term Management Plan with the targets in the Mid-term Plan for each fiscal year. The Sanden Group is actively engaged in developing activities related to the environment and people, which Sanden has positioned as key initiatives. I expect that even more meaningful results will be produced by organizing points for each initiative for those areas where further contributions can be made through the activities of the Sanden Group and finding ways to link these with established SDGs.

Comment on the Third-Party Opinion Regarding Sanden’s 2019 CSR Report

From CSR Report 2019, we requested a third-party opinion from Mr. Hirotsugu Kitada, Associate Professor of Hosei University, whose research extends to sustainability management. I would like to express my gratitude for the company’s efforts, as well as providing valuable suggestions and future proposals. The Sanden Group’s initiatives on its materiality “environment” and “people” are highly regarded, and going forward, action on these materiality is gaining momentum. In addition, Sanden declared that its New Mid-term Management Plan, SCOPE 2023, will incorporate SDGs into management as a CSR initiative that must be achieved. This is one of the key initiatives for enhancing corporate added value for the Company in its aim to grow in the Automotive Systems Business.

As is suggested by this proposal, Sanden aims to ensure it is a company trusted by all stakeholders by promoting strategic CSR activities through expediting links between social issues and business activities.



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