

# Environmental Activities at Overseas Affiliates

As part of efforts to develop global excellent companies, we are carrying out Groupwide environmental activities rooted in the Sanden Environmental Charter. Already, 18 of our key overseas affiliates have earned ISO 14001 certification and are making environmental improvements. In addition, a newly established company is working toward certification. Sanden publishes a global environmental report that provides an overview of its overseas affiliates' environmental activities. Highlights of these initiatives are presented below.



## Sanden International (U.S.A.) Inc. (SIA)

Located in Texas, SIA is our North American production site for automotive compressors. In December 2002, SIA earned ISO 14001 certification. In fiscal 2005, this affiliate worked to achieve the following key environmental targets: reducing electricity consumption 5%, cutting the volume of oils used in equipment 5%, reducing die cast effluent 10%, and reducing the use of hazardous chemicals in production.

Despite these efforts, energy and oil use rose along with an increase in production volume. SIA did succeed, however, in completely eliminating the use of the hazardous substance dichloromethane and remains committed to reducing the use of hazardous substances in coating processes and the laboratory. In addition, the affiliate has created a Sanden Alternative & Viable Energy (SAVE) team to lead coordinated initiatives to conserve energy.

SIA is working to amass all the small environmental improvements made by individual employees to achieve major progress worthy of the environmental awards that it has received from automobile manufacturers.



Location: Wylie, Texas, U.S.A.

Business Operations: Manufacture and sale of automotive equipment in North America

## Sanden Manufacturing Europe S.A.S. (SME)

In 1995, we established SME in Tinteniac, France, as our European production site for automotive compressors. Designed to operate in harmony with the environment with minimal impact on the surrounding area, this affiliate earned ISO 14001 certification in 1999 and is engaging in ongoing environmental preservation activities.

In fiscal 2005, SME's environmental efforts focused on reducing the volume of industrial wastewater discharged, preventing environmental accidents, reducing waste, cutting energy consumption, developing environment-friendly products, and promoting green procurement. This affiliate reduced landfill waste to 1% of total waste generated through the material recycling of 67.5% of total waste and the thermal recycling of 31.5% of total waste. In addition, SME enlisted the cooperation of suppliers to successfully eliminate the use of hazardous substances in products (substances restricted by the EU's ELV directive) and completely switched from the use of HCFCs to HFCs in the laboratory.

In fiscal 2005, there were no incidents of water, air, or soil pollution at SME, thanks to its robust environmental risk management. Furthermore, this affiliate complied with all legal environmental standards.



Location: Tinteniac, France

Business Operations: Manufacture and sale of automotive equipment in Europe

## Sanden International (Singapore) Pte., Ltd. (SIS)

SIS was established in 1974 as our Southeast Asian sales base. In April 2000, SIS earned ISO 14001 certification and is taking an active role in helping preserve the environment as our main business base in Asia.

In fiscal 2005, SIS worked to reduce water use by 40%, completely eliminate the use of CFC-based refrigerants, and cut waste disposal costs-achieving all of these goals. The company reduced waste disposal costs by approximately 35% and completely eliminated the use of CFC-based refrigerants while reducing the volume of alternative refrigerants used. In addition, SIS took steps to raise employee awareness of the importance of environmental activities, which it regards as vital, including posting environmental information on its in-house website, establishing "environment month," holding environmental exhibits and lectures, and conducting emergency drills. Moreover, this affiliate once again held an annual bazaar organized by staff and donated the proceeds to an environmental group, sold environmental cards, and engaged in afforestation activities in collaboration with an educational institution.



Location: Industrial Park, Singapore

Business Operations: Manufacture and sale of automotive equipment in Asia and the Middle East