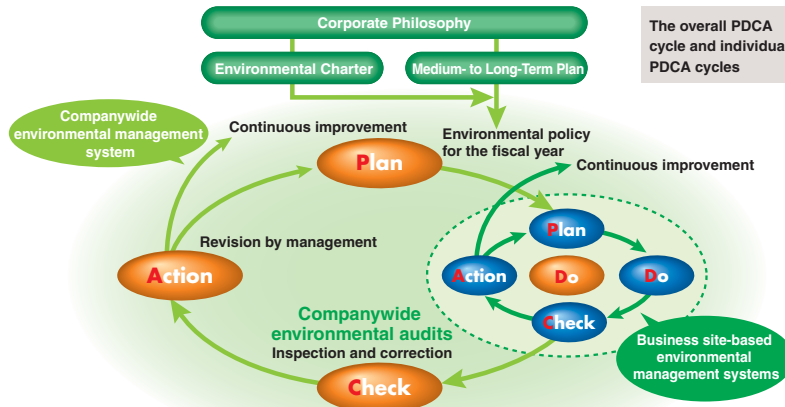


Environmental Management System Overview

Sanden strives to keep the management cycle for the Group's environmental preservation activities (overall PDCA cycle) and the environmental management cycles of each ISO 1400 certified business site (individual PDCA cycles) in sync (chart below).

Sanden has established an environmental policy for the fiscal year based on its Environmental Charter and Medium- to Long-Term Plan, which are rooted in its Corporate Philosophy, and the objectives of this policy are being pursued through business site-based environmental programs. Internally, Companywide environmental audits, which include management reviews by an Environment Officer, are conducted several times a year to ensure that the environmental preservation activities of individual business sites conform to Companywide policies and plans. Audit results are incorporated in the following fiscal year's environmental policy to encourage ongoing improvement.



Raising Employees' Environmental Consciousness and Employee Education

Program	Brief description	
Morning Environment Meeting	We have designated every June as Sanden Environment Month to coincide with the Japanese government's environment month. During this month, morning environment meetings are held at Sanden and its domestic and overseas affiliates. In fiscal 2006, the Sanden Group reinforced activities associated with a campaign started in the prior fiscal year aimed at eliminating waste of all types and encouraging employees to improve the environment through their work activities. <ul style="list-style-type: none"> ● Make environmental consideration a part of your job. Look for and eliminate waste. ● Keep in mind that energy efficiency in production is key to promoting energy conservation and achieving our Environmental Vision, and act accordingly. ● Proactively develop and market Eco-Products. 	
Health, Safety, and Environmental Committee	Activities are guided by our Safety and Health Charter and Environmental Charter. We want employees to feel a greater obligation with regard to workplace health and safety. This includes making workplaces safe, conserving energy, recycling materials, cutting the use of hazardous substances, and many other initiatives. The campaign aims to achieve these goals while eliminating all types of waste.	
Conventions on Health, Safety, and the Environment	Our charters for health, safety, and the environment also extend to these activities at related companies and all suppliers. One key aspect is working together to achieve improvements. To help achieve this goal, we hold a health, safety, and environment conference in June every year that reinforces the awareness of these issues among Group companies and their employees. (Photo 1)	
Provision of Company Information	The Sanden Group posts information on Eco-Products, environmental topics, and environmental laws and regulations on its in-house web site "SWING." Furthermore, the Company magazine <i>Sanden Plaza</i> contains articles on the importance of social responsibility and environmental issues designed to raise environmental consciousness.	
Program	Brief description	Participants
Practical course in environmental design	We want our employees to fully comprehend environmental issues and consider these issues when designing new products. To be certain that our product designs reflect environmental requirements, we provide training in LCA, quality function deployment for environment (QFDE), and other methods for developing environmentally responsible products.	Design development managers
New employee training	Our training programs are designed to give employees an understanding of global environmental problems and how companies need to respond. We also give employees a sound knowledge of Sanden's basic approach to environmental protection and environmental programs.	New employees
Internal environmental auditor training	Training covers general environmental knowledge and knowledge necessary for conducting environmental audits and includes a workshop on conducting audits (photo 2).	Department- and division-level management



Photo 1
Convention on Health, Safety, and the Environment



Photo 2
Internal environmental auditor training