

Identifying Issues Accurately and Formulating/Implementing Companywide Policies

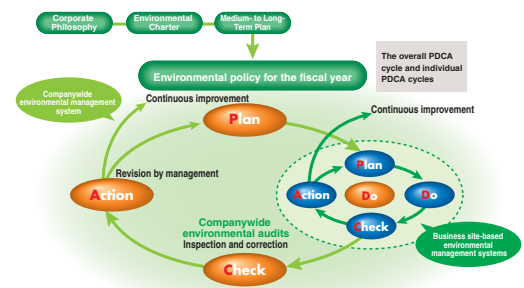
All Company Personnel Help to Promote Environmental Preservation Activities.

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).

By combining responses to environmental issues at the Sanden Group level with issues at each business site and location, Sanden empowers all of its personnel to participate in the promotion of environmental preservation activities.

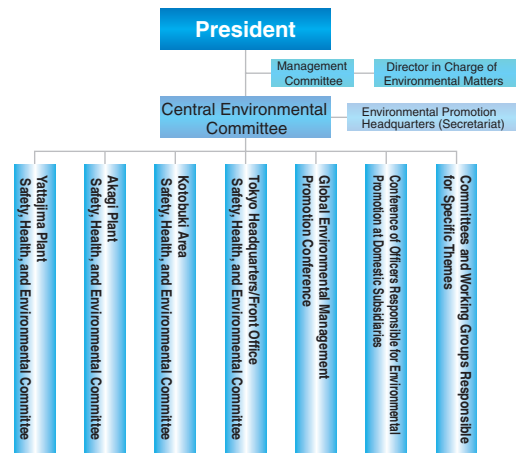
Environmental Management System

Sanden has prepared Environmental Guidelines from its Environmental Charter and Environmental Vision, both of which are based on Sanden's Corporate Philosophy. These guidelines set medium-term objectives to be met by 2010 for each Group company in Japan and overseas, and measures are being implemented as part of environmental programs to attain these objectives at each business site. These environmental preservation activities at each business site are verified several times each year by the Companywide Environmental Audit (Internal Environmental Audit) to check to be sure that they are in accord with Companywide policies and plans. Then, the director in charge of environmental matters conducts a management review, reflects this in the Environmental Guidelines, and continues to make reforms in these activities.



System for Promoting Group Environmental Activities

Environmental preservation is regarded as an important management issue within the Sanden Group. The Central Environmental Committee takes a leadership role in verifying that Companywide policies are formulated and implemented in detail while also checking on the progress toward implementation. When Companywide environmental issues or emergency issues arise, committees and working groups are organized to deal with specific issues.



Outline of the System for Promoting Group Environmental Activities

Program	Brief description	
Morning Environment Meeting	We have designated every June as Sanden Environment Month to coincide with the Japanese government's environment month. The objective of the morning environmental meetings is to share information regarding the detailed implementation of Companywide policies as well as important issues and activities at Sanden's business sites. In fiscal 2006, we set the theme of "Let's all eliminate waste of all types completely through environmental improvements in our own work!" and measures were implemented to raise the environmental consciousness of all employees. <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 managerial personnel and their employees.	
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 Sanden Plaza contains articles on the importance of social responsibility and environmental issues designed to raise environmental consciousness.	
Program	Brief description	Participants
Internal environmental auditor training	Training covers general environmental knowledge and knowledge necessary for conducting environmental audits and includes a workshop on conducting audits.	Personnel in charge of the environment at business sites
Departmental manager training	These study sessions are held to share the latest information related to the environment and the issues that have arisen at various business sites. The sessions are led by department managers who transmit information to the workplace.	Department- and division-level management
Special Environmental Training	These training sessions are held to instruct the persons in charge and enable them to respond to environmental issues. In fiscal 2006, sessions were held on the implementation of material flow cost accounting (MFCA) for three divisions and four Group subsidiaries.	Leader class personnel in the workplace