

# Sanden is Moving Forward with Environmental Preservation Activities toward Goals in All Fields – Development, Production, and Management—and in All Categories

Sanden's environmental preservation activities are based on its Five Environmental Action Guidelines, which were prepared from the Company's Environmental Charter and Environmental Vision, which are, in turn, based on Sanden's Corporate Philosophy. Specific activities include solving environmental problems that arise at various business sites and taking steps to prevent of environmental problems.

## Major Accomplishments of Environmental Programs in Fiscal 2007

We divide the environmental activities we carry out into four broad categories: eco-products, eco-factories, eco-management, and eco-communication. The principal results of these environmental activities are summarized below.

Category	Environmental Target (Reductions refer to reductions from the previous fiscal year level)	Results of Activities	評価
Eco-Product (Product Development)	Increase the share of products that are eco-products to 90%	• Increased the eco-product share to 65%	×
	Create innovative technologies and reduce environmental impact associated with product use.	• Developed heat exchanger for use with replacement refrigerant (CO <sub>2</sub> ) systems • Developed diverse EcoCute products • Developed electric-powered compressor for use with CO <sub>2</sub> and new refrigerants	○
	Make products lighter and increase recycling rates	• Improved performance regarding labeling of air conditioner unit materials and fastening methods	○
	Promote products' environmental appeal and increase the share of product sales from eco-products to 45%	• Increased the eco-product sales ratio to 33%	×
	Create environmental businesses appropriate for a recycling-oriented society	• Proposed shop/restaurant management business appropriate for a recycling-oriented society	○
Eco-Factories (Manufacturing activities)	Reduce volume of energy used per unit of production by 10% (from level in previous year)	• Energy use per production unit increased 2%	×
	Reduce waste per unit of production by 5% (from level in previous year)	• Waste per production unit increased 6.8% • Expanded use of MFCA method (at one division and one domestic Group company)	×
	Maintain recycling rate of 99% or higher (zero emission) performance	• Maintained recycling rate of 99% or higher (zero emission) performance	○
	Reduce water use volume (compared to reference year (2005))	• Reduced water use volume 2%	○
	Reduce the volume of harmful emissions from manufacturing processes (automobile equipment)	• Took thorough measures to recover experimental-use fluorocarbons (average of 60%) • Introduced replacements for dichloromethane (plan to totally eliminate dichloromethane by 2009)	○
	Promote green distribution methods that reduce environmental impact at the transportation stage	• Energy use per distribution unit was reduced 4.6% • Implemented measures to use cooperative transportation systems and shift to new transportation models	○
Eco-Management	Promote "eliminating every possible loss"	• Held the morning environmental meetings and the safety health and environment conference • Conducted activities to improve awareness through patrols in the workplace	○
	Promote consolidation and enhancement of environmental management systems at each business site in Japan	• Took steps to integrate distribution systems centered on those of the Akagi plant with those of other Group companies in Japan	×
	Expand green procurement activities and reduce use of harmful chemicals in line with EU and other regulations	• Continued conducting supplier surveys, implementing guidance, and using replacement materials • Initiated the REACH response program	○
	Organize a world environmental conference and share environmental information globally	• Held the 2 <sup>nd</sup> Global Environment Promotion Conference, in Saint-Malo, France	○
Eco-Communication	Publish a CSR report	• The Japanese-language version CSR was published in October, while the English-language version CSR was published in November	○
	Act as an excellent corporate citizen by proactively undertaking environmental preservation activities in local communities	• Undertook Naramata Dam tree planting activities (organized by CCC) • Undertook Ashiodozan region tree planting activities (organized by Ashio Green Growing Association) • Participated in the Gunma Prefecture unified beautification campaign	○
	Proactively contribute to local communities by participating social contribution activities	• Participated in the Akagi Nature School Establishment Preparation Committee • Participated in the Local Partnership Council on global warming prevention	○

## Environment-Related Accidents/Complaints

In fiscal 2007, Sanden did not have any environment-related accidents or complaints.

The Sanden Group moved ahead with such environmental risk reduction measures as those to prevent such environmental accidents as those involving oil and chemicals. The Group first identified substances, facilities, and equipment with the potential for polluting the air, water, or soil if there is a mistake relat-

ed to transportation, administration, or usage. Then countermeasures were implemented, including provisions for thorough daily administration or the introduction of monitoring equipment. In preparation for the small possibility of an actual accident, the Group prepared emergency response manuals and prepared sandbags and oil mats, as well as implementing accident response drills. These are the ways that the Group strove to ensure that it does not cause environmental pollu-

tion.

In fiscal 2007, there were two complaints from residents in local communities about Group companies in Japan. These complaints and the responses are shown in the chart below. Both of the problems have been completely resolved.

In addition, a U.S.-based Group company, VENDOMERICA INC., continued to implement remediation measures regarding ground and groundwater pollution at the site of a former plant.

## Complaints Received by Group Companies in Japan and Responses

Company	Main issue	Main corrective measures
Sanwa Altech Co., Ltd.	Complaint about sound generated at melting furnace exhaust vent	Foreign objects were removed from the vent; employees were given thorough training on how to operate the furnace; a silencer unit was installed as a permanent solution
Sanwa Co., Ltd.	Complaint about low-frequency sound generated by a facility (Kiryu Plant)	Rubber anti-vibration pads were attached to the frame of the relevant facility, and the entire facility was covered with sound-reduction material. These countermeasures were confirmed and approved by local residents.