

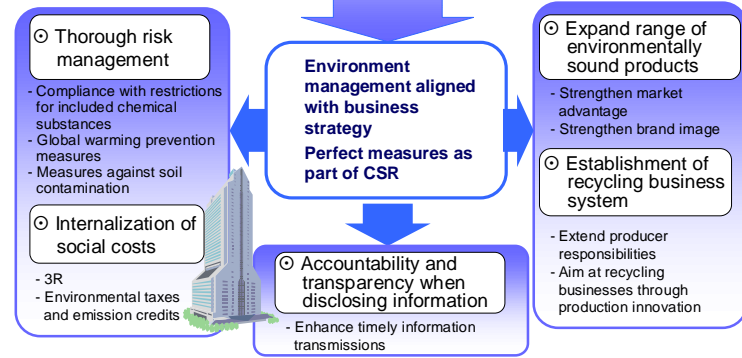
The present and future of the Environmental Reporting

June 26, 2007
 NEC
 Env. Management. Div.
 UGO, Ryosuke

Business Environmental Movement

Increasingly worse global environmental problems

Environmentally hazardous substances (chemical substances) Global warming (climate change) Resource depletion/waste disposal



Why the Environmental Reporting ?



Green Procurement Law

(enacted in April 2001)

●Outline:

- 1) National Government promotes to procure ESPs and disclose the its results
- 2) Local Government makes efforts to procure ESPs
- 3) Producers provide useful information for customers' purchasing ESPs
- 4) Scope : 101 products, 14 product categories

National and Local Governments shall consider "environmental aspect" in selecting products.

●Impact to NEC:

- 1) Environmental Sound Design is needed.
- 2) Providing Useful Information is a Must.

NEC's products subject to the law:
 317 products, 10 products categories

Examples) PCs, Servers, FDs, FAX, Printers, multi-purpose machines, fluorescent light tubes, lighting equipments, paper for office machines

Env. Mng. is one of IR matters

Environmental activities

Actively disclosing

To maintain **Transparency & Reliability**

Environmental report
Disclosure through the internet
Publicity, CI-Promotion
Risk management

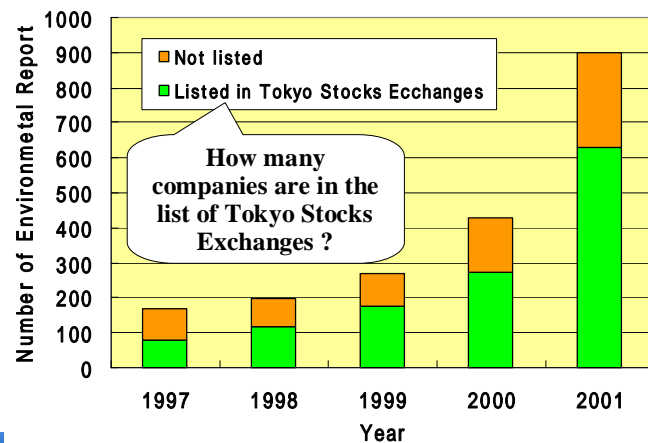
Evaluation for companies

Activated Social evaluating for companies

~ Typical social rating for NEC of 2002 ~

	Assessor	NEC's Rank	Rank (2001)
Env. Mng. Level	Nikkei Newspaper	3 / 703	10 (2001)
Env. Branding rank	"	5 / 703	4 (2001)
Env. Branding survey	Nikkei BP		
	·Consumers	32 / 559	12 (2001)
	·Business-men	16 / 559	18 (2001)
Env. Rating	Tohatsu Evaluation and Certification Organization	A	
Sustainability Index	Switzerland: Sam research	58 %	Industry average 38%
Social investment research	UK: Morley fund mng.	C3*	
Corporate responsibility	Germany Oekom research	C+ 3 / 8	

Increase trend in last few years



The points of the lecture

1. The **definition** of the Environmental Report
2. **Goals** of the Environmental Reporting
3. **Stakeholders** for Reporting
4. **Boundaries** for Reporting
5. **Requirements** for Reporting
(Contents of the Environmental Report)

What is the Environmental Report ?

“Environmental Report”

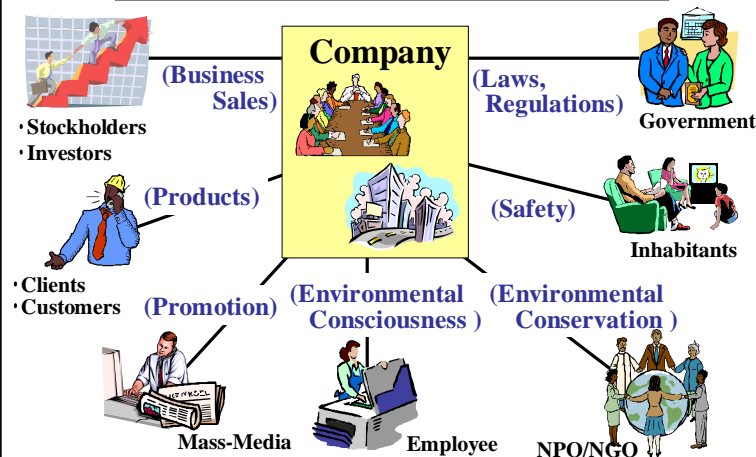
The Tool
for the Environmental Communication,
which is systematically including

- the policy of company,
 - activities items,
 - performances,
 - the future targets, etc.
- Requirements
for reporting**

Goals of Env. Reporting

- (1) **For Corporate Social Responsibility**
 - Realizing Corporate Accountability
- (2) **To accelerate Environmental Management**
 - Progress of Environmental consciousness inside
 - Increase of Environmental competitiveness
 - Green procurements, - Development of Eco-products
 - Decrease of Environmental impacts or risks
- (3) **Activating Environmental communication**
 - Promotion of Environmental activities
 - Social evaluating
- (4) **Contribution for construction of sustainable Society**
 - Collaborations between organizations
 - company – company, company - NPO/NGO, company – government, etc.

What are Stakeholders ?



Boundaries for Reporting

- (1) **Spatial coverage**
 - Local – Domestic – Global
 - Headquarter – Factories – Offices
 - Main company - Subsidiaries
- (2) **Time-related coverage**
 - Every 2-yearly
 - Yearly - fiscal year or business year
 - Half-yearly
 - Quarterly, etc.
- (3) **Business coverage**
 - Manufacturing – Products/Services - Sales
 - Supply chain

Contents for Environmental Reporting

- (1) Basic Information : **BI**
- (2) Management Performance Indicators : **MPI**
- (3) Operational Performance Indicators : **OPI**
- (4) Eco-Efficiency Indicators : **EEI**
- (5) Social Performance Indicators : **SPI**

(1) Basic Information : **BI**

- BI-1: CEO's statement
- BI-2: Foundation of reporting
 - BI-2-1: Reporting organization, time period, areas
 - BI-2-2: Boundaries of the Reporting organization
- BI-3: Summary of the business
- BI-4: Summary of the Environmental Reporting
 - BI-4-1: The list of Main indicators**
 - BI-4-2: Summary of objectives, plans of environmental activities and achievements in environmental efforts
- BI-5: Material Balance of Business activities
(Input, Internal recycle, Output)

(2) Management Performance Indicators : **MPI**

- Indicators for Environmental Management (**red characters** are new items.)
- MP-1: Summary of Environmental Management
 - MP-1-1: Environmental policies regarding environmental activities
 - MP-1-2: State of environmental management system
 - MP-2: State of compliance with environmental regulations
 - MP-3: Summary of environmental accounting information
 - MP-4: State of investment and finance regarding environmental activities**
 - MP-5: State of supply chain management for environmental conservation
 - MP-6: State of green procurement and measures to promote it
 - MP-7: State of research and development of technologies for environmental conservation and environment-conscious products/services
 - MP-8: State of environmental burden caused by transportation
 - MP-9: State of Bio-diversity protection and sustainable use of bio-resources**
 - MP-10: State of the disclosure of environmental information and environmental communication
 - MP-11: State of social contribution related to environment
 - MP-12: State of products and services that contribute to reduction of environmental burden

(3) Operational Performance Indicators : **OPI**

State of Activities for Reduction of Environmental Burden

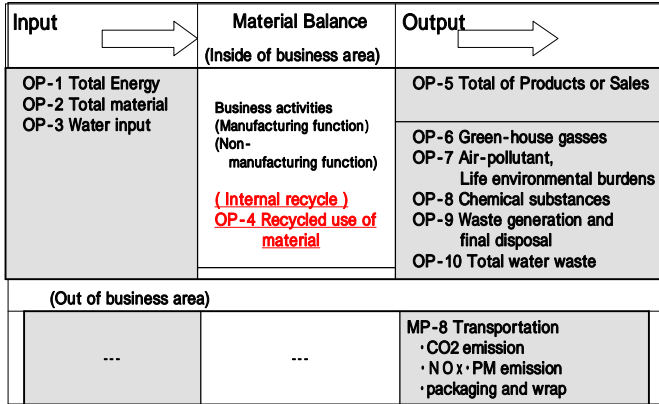
- (Input)
- OP-1: Total amount of energy input and measures to reduce it
 - OP-2: Total amount of material input and measures to reduce it
 - OP-3: Amount of water input and measures to reduce it

(Internal recycle) OP-4: Amount of recycling materials, etc.

(Output)

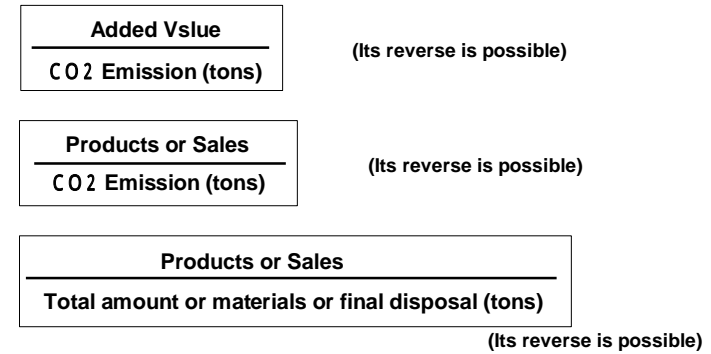
- (Products/Services) OP-5: Total amount of products or sales
- (Emissions) OP-6: Amount of greenhouse gasses emission and measures to reduce it
- OP-7: Amount of emission regarding air-pollutant, life and measures to reduce it
- OP-8: Amount of chemical substances emission and transportation and measures to reduce it
- OP-9: Total amount of waste generation and final disposal and measures to reduce it
- OP-10: Total amount of water disposal and measures to reduce it

System of OPI



(4) Eco-Efficiency Indicators : EEI

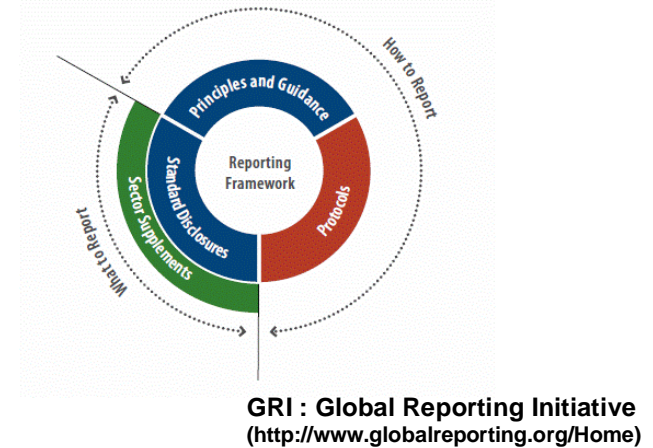
Balance between environmental activities and business management

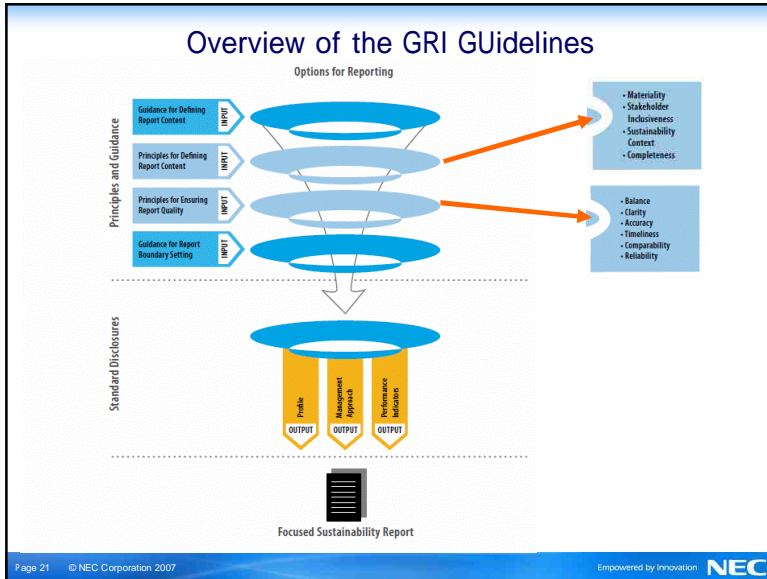


(5) Social Performance Indicators : SPI

- a. Information concerning occupational safety and health
- b. Information concerning employment,
- c. Information concerning human rights
- d. Information concerning respect and protection to regional culture, related with the environment
- e. Information concerning corporate ethics, governance, compliance and fair-trade
- f. Information concerning the protection of personal information
- g. Information concerning extensive consumer protection and products safety,
- h. Economical information concerning social aspects
- i. Other information on social aspects

The GRI Reporting Framework





Reporting Principles for Defining Content

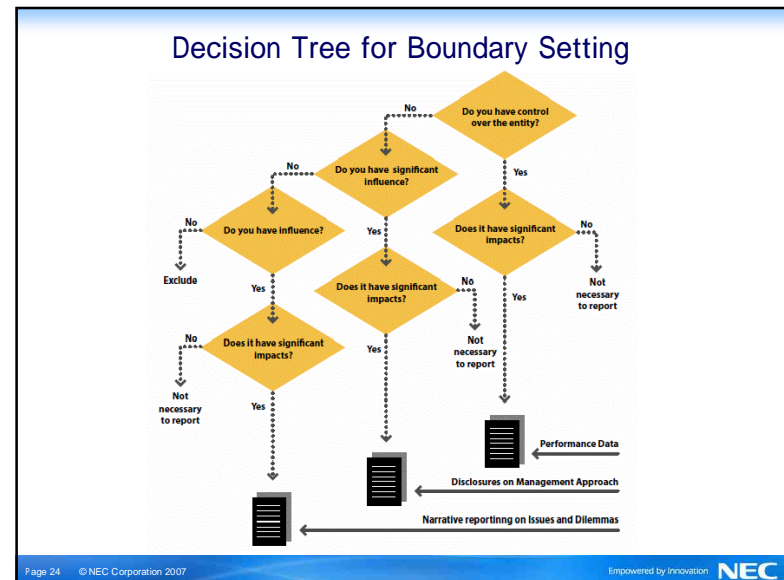
- Materiality**
Definition: The information in a report should cover topics and Indicators that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.
- Stakeholder Inclusiveness**
Definition: The reporting organization should identify its stakeholders and explain in the report how it has responded to their reasonable expectations and interests.
- Sustainability Context**
Definition: The report should present the organization's performance in the wider context of sustainability.
- Completeness**
Definition: Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period.

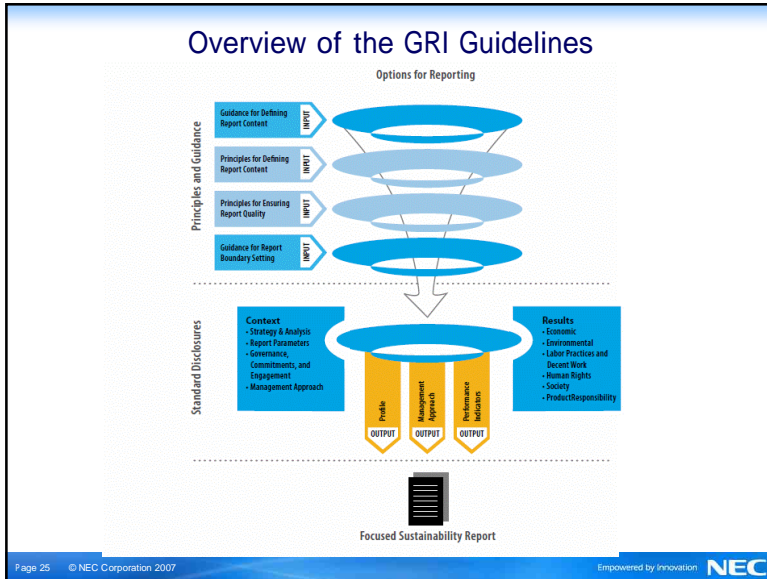
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Reporting Principles for Defining Content

- Balance**
Definition: The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.
- Comparability**
Definition: Issues and information should be selected, compiled, and reported consistently. Reported information should be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and could support analysis relative to other organizations.
- Accuracy**
Definition: The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance.
- Timeliness**
Definition: Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.
- Clarity**
Definition: Information should be made available in a manner that is understandable and accessible to stakeholders using the report.
- Reliability**
Definition: Information and processes used in the preparation of a report should be gathered, recorded, compiled, analyzed, and disclosed in a way that could be subject to examination and that establishes the quality and materiality of the information.

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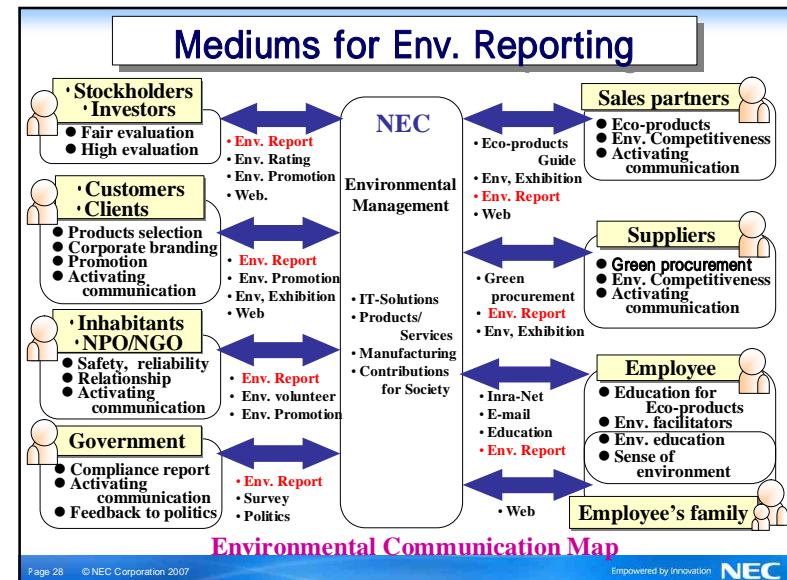
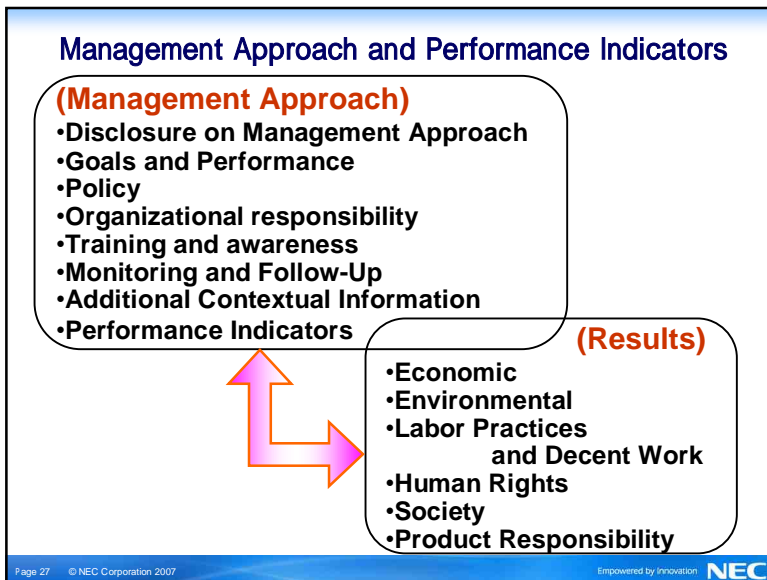




Profile

- 1. Strategy and Analysis**
 - 1.1 Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.
 - 1.2 Description of key impacts, risks, and opportunities.
- 2. Organizational Profile**
- 3. Report Parameters**
Report Profile, Report Scope and Boundary, GRI Content Index, Assurance
- 4. Governance, Commitments, and Engagement Governance**
Governance, Commitments to External Initiatives

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Env. Reporting on the Web - site

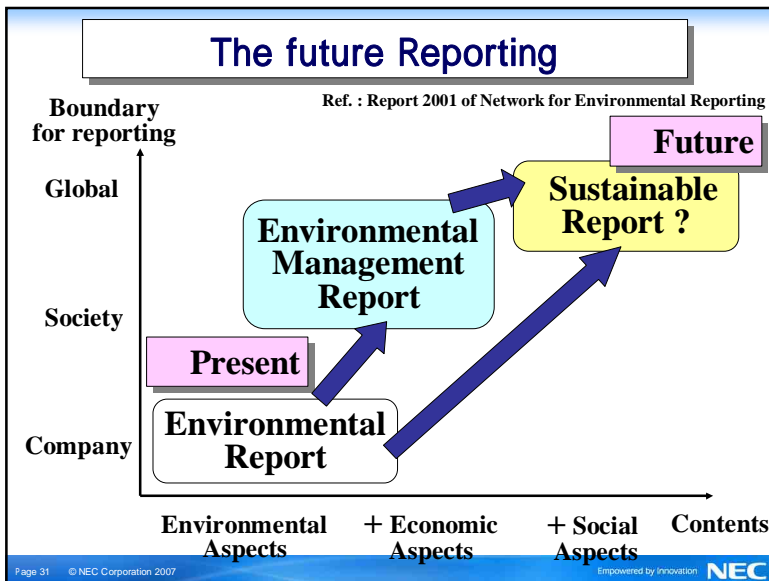
Providing timely and fresh information

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Requirements for Sustainable Reporting

	Category	Aspects
Eco-nomic	Direct Economic Impacts	<ul style="list-style-type: none"> Customers, Suppliers, Employee Providers of capital, Public sector
	Environmental Impacts	<ul style="list-style-type: none"> Materials, Water, Biodiversity Emissions, effluents and waste Suppliers, Products and services, Transport Compliance, Overall
Social	Labor Practices and Decent Work	<ul style="list-style-type: none"> Employment, Labor/Management relations Health and safety, Diversity and opportunity
	Human rights	<ul style="list-style-type: none"> Strategy and management, Non-discrimination Freedom of association and collective bargaining Child labor, Forced and compulsory labor Disciplinary practices, Security practices Indigenous rights
	Society	<ul style="list-style-type: none"> Community, Bribery and corruption Political contributions, Competition and pricing
	Product Responsibility	<ul style="list-style-type: none"> Customer health and safety, Products and services Advertising, Respect for privacy

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Let's think about (2)

- Environmental Reporting for myself -

June 26, 2007
 NEC
 Env. Mng. Division
 Ryosuke UGO

Short Practice Environment & I .Name : .Date :
 .Address :

.Your policy on the Environment					
.Time period	April 1, 2002 ~ Mar. 31, 2003	.Target area	Your home and Laboratory	.Action range	Ordinary lifestyle
.Yearly Expense		.Energy .Water .Food		.Paper recycle .Used goods sales	
Environmental aspects	Targets (Action items)	Activities	Performance (Action results)	Evidence (Transparency)	
Global warming (electricity, gas, etc.)					
Waste management (Recycling, reuse, etc.)					
Water management (bath, laundry, cleaning)					
Social contribution and volunteer					
Study of research on Environment (credit for this lecture)					
(Topics: appeal point of you environmental activities)					

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(Ecology through IT)

★ We are helping customers and society as a whole contribute to environmental conservation through our IT businesses.

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The themes for the next discussion

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The next discussion - Debating -

Let's consider the following issue ?

Themes for the debate;

(1) Use of bio-resources (Bio-mass),

(2) Necessity of the environmental activities for the private company

Step1: Select your option: theme (1) or (2)

Step2: Check your opinion : Approval , Opposite

Step3: How are you conducting the logics for your opinion ?

Please try to follow the processes as the bellow.

The clarification of the reason for your opinion

Collection information or data supporting your opinion

taking account for the following key-words:

- technology, -cost, -environmental resources or loadings,
- management resources (people, capital, resources), etc.

Also, Collection information or data supporting your opposite opinion

Speculating on the opposite side logics

Establishment of your conclusion

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The next discussion - Debating -

How do you think about the balance between Environment and your business !?
I'll do support or opposite ((1) carbon tax, (2) Recycling products) !

Because ...