We asked Michiaki Abe, a professor at Kyushu University, to evaluate this report in order to ensure its objectivity.

Third-Party opinion brief –



Kyushu University Faculty of Law Professor Michiaki Abe

The CSR Promotion Commitee was established and officer in charge of CSR was appointed. In addition to the Environment Action Report issued so far, the CSR report, covering every area of CSR, was published this year. These actions are highly valued and regarded as a strenuous effort to fulfill social responsibility and to seek sustainable social development. It is also greatly significant that the company decided to continue publication of the Environment Action Report as a tool to disclose detailed information about its environmental activities. My analysis of the details of this CSR report is as follows.

Total impression of the report

This report shows that the company understands CSR concepts and themes thoroughly and CSR is not a special thing, but is rather what every company should carry out in its main business activities. Generally, viewpoints on the economy, environment and society are addressed in balanced manner and the six main pillars of this report are also easy to understand. As is after the case with CSR reports, while this report devotes many pages to environmental and social matters, it tends to depend on financial reports when it comes to economic matters. I think the next challenge for the company is to demonstrate and publicize social contributions from the viewpoint of economics. In addition, I recommend that the company puts more emphasis on its "economical relation by the stakeholder" (Page 67) in the data section of this report because it provides unique and interesting data, showing several kinds of expenditure to each stakeholder in vivid graphs.

Compliance and disclosure of negative information

This report deals with much information about compliance, an important element of CSR. It says that the company has an in-house reporting system which helps employees to report to external lawyers when they find something illegal within the company. I recommend the company reveal in the report how the system actually works. Moreover, the information leakage accident and measures for recurrence prevention are mentioned in the report. Disclosure of such negative information gets high marks because it is a cornerstone of compliance.

Implementation of CSR and communication with stakeholders

Not just setting goals of CSR, but actually carrying out CSR in daily business performance is a very important challenge for companies. It is estimable that the report introduces an action plan of this fiscal year, as well as results of each item in a CSR activity plan from the previous fiscal year. The company is preferable to conduct such questionnaires and surveys about CSR activities as carried out in the environmental report, and to set up a system where the company utilizes results for future CSR activities and publicizes them in its report. That system will enable the company to carry out CSR activities more effectively, and to communicate with stakeholders more beneficially through the report.

Like many CSR reports that introduce dialogue with workers or stakeholders, this report contains conversation and communication with an employee who used a support system for child and nursing care, one of the costars of a concert, and an employee who is engaged in volunteer activities. As this is favorably regarded as stakeholder participation, I hope the company more enthusiastically makes them public.

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Development of CSR through collaboration by group companies

CSR doesn't bear fruit without efforts to carry out CSR activities by a business group. This CSR report tells that business groups work together in the fields of basic principle, management style, charter of conduct, compliance management and other areas, and shows some affiliated company's efforts in CSR. On the other hand, the Environmental Action Report introduces CSR activities by group businesses on a larger scale. As this is the first time to publish CSR report, it is natural that introduction is what it is. But it is expected that more information about activities by group companies will be dealt with in the CSR report next year. Urgent safety steps are needed for subcontractors and partner companies because they are likely to become victims of the most serious accidents. Accordingly, I think it would be better if the company increases descriptions about support and instruction in occupational safety and health for them.

Publication of your CSR report has just begun. I hope the company continues to make efforts and take the initiative in performing CSR activities based on solid principles and concrete measures to create a fruitful and easy-to-understand CSR report.

About third-party opinion brief

We sincerely want to promote communication with stakeholders, reflect their opinions and demands on our management and business performance, and enhance efforts on CSR through this report.

This can be achieved if we increase trust among those who read this report by ensuring objectivity.

We asked Michiaki Abe, a professor at Kyushu University who studies legal affairs in companies and CSR, to evaluate the report from the viewpoint of an outsider. His objective analysis gave us suggestions and specific proposals and opinions.

We want to disclose implementation of the in-house reporting system in the report to the fullest extent possible.

We also strive to make the report contain more information and refined descriptions about economic responsibilities, communication with stakeholders, examples of efforts conducted by group companies, safety support and advice for contractors.

Moreover, as establishing a communication system via this report represents the purpose of its publication, we expand it to group companies, and we want to incorporate it into a 2006 CSR Action Plan. Concerning points which are highly praised, we try to continue to engage in and reinforce them.

Based on feedback received so far, we will enhance our efforts in CSR activities and reflect them in the next report. And we continue to ask for your valuable opinions.

Mitsuaki Sato Representative Director & Executive Vice President Officer in charge of CSR Kyushu Electric Power Co, Incorporated

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