

Special Features of 2002 Environment Action Report

1. Special Feature

Kyushu Electric takes on the duty of informing society of the environmental impact deriving from its economic business activities, as well as measures for its mitigation. This sense of duty drives our environmental activities. In light of this, the results of our environmental activities are compiled annually into the Environment Action Report.

For a broader understanding

This report is intended for customers, the general public, corporate environmental activity experts, companies involved in our business activities, and those who live near Kyushu Electric facilities. For this reason, the part of the report with general, concise information in reference to environmental activities is compiled in the Main Section, and a separate portion for “Related Information (pp.32-67)” is prepared to provide more information on items frequently requested by readers, and details on articles from the Main Section.

Enriched content on sustainable development and other items

Elements on sustainable development (according to the GRI* proposal) include the economy, environment and society. Its economical aspect is described in costs and benefits of environmental activities in the environmental accounting system (pp.8-9), and business status and management targets (pp.32-33). Meanwhile, topics on society are: status of conformity with environmental regulations, and emergency measures (p.7); supporting employees’ social contributions, and safety and health (p.27); and environmental organizations that Kyushu Electric is affiliated with or supports (p.72).

New items have been added about which Kyushu Electric particularly hopes to spread information, such as the progress in the Kyushu Electric Power Group’s environmental management (pp.46-51) and policies and plans of optimal combination of power sources (p.58).

*GRI: The Global Reporting Initiative is an organization of the United Nations Environment Program, accountant associations of various countries, and NGOs to establish and diffuse guidelines, which serve as an international standard for sustainable development reports by companies.

Improvement of report reliability

To ensure objective reliability of the report, it was subjected to a review by a third-party institute* (pp.90-91) for the first time. The review checked the following: the soundness of information collecting and processing methods; data and basic materials listed; suitability of contents by verification and comparison of internal documents and other disclosed information on environmental activities; inclusion of articles on significant environmental aspects; and confirmation of the content on Kyushu Electric’s conformity with laws.

*The review was conducted by Tohatsu Environmental Research Institute Ltd., which was once the environmental division of Deloitte Touche Tohmatsu.

2. Contents

Part 1: Main Section

Part 1 describes overall environmental activities from three aspects: I. Promotion of Environmental Management; II. Addressing Environmental Activities; and III. Opinions from Outside the Company.

. Promotion of Environmental Management (pp.4-9)

The explanation includes the environmental management framework which is the foundation for activities and PDCA cycle in regard to environmental activities, as well as environmental activity costs and benefits.

1. Environmental Management Framework (pp.4-7)

The items described are policies and promotional schemes for Kyushu Electric’s environmental management, status of the activities of the committees inside and outside the company, status of conformity with environmental regulations, preparedness for emergency situations, and the fiscal 2002 Environment Action Plan.

2. Environmental Accounting (pp.8-9)

The results of total costs and benefits for fiscal 2001 are listed in regard to environmental accounting.

. Addressing Environmental Activities (pp.10-27)

The change in records against environmental targets is shown, and specific environmental activity status is described under four themes: Measures for Global Environment Issues, Establishing a Recycling-based Society, Maintaining Harmony with the Local Environment, and Working with Society.

1. Records and Targets for Environmental Load (p.10)

The content includes target values for fiscal 2006, records from the past three years, and other items that are worth mentioning in comparison with the previous fiscal year regarding main environmental activities.

2. Measures for Global Environmental Issues (pp.11-15)

Items explained are the promotion of nuclear power as a measure for greenhouse gas reduction, in-house installation of wind and photovoltaic power generation facilities to promote new energy, reduction of transmission and distribution loss as a measure for energy conservation and use of the Kyoto Mechanism.

3. Establishing a Recycling-based Society – Challenges towards “Zero-waste” (pp.16-18)

The content outlines challenges for zero-waste and promotion of green procurement.

4. Maintaining Harmony with the Local Environment (pp.19-22)

The description includes activities such as environmental impact assessment and prevention of air, water and noise pollution, as well as management of both chemical substances and dioxins for the purpose of environmental preservation.

5. Working with Society (pp.23-27)

Various environment-related communication methods are listed, such as study tour implementation in communities, forestation activities under the Kyushu Homeland Forestation Program, tree-planting during Environmental Month and other volunteer activities.

. Opinions from Outside the Company (pp.28-31)

Opinions from outside the company are introduced as a result of a questionnaire from the previous report, principal opinions of the Kyushu Electric Power Environmental Advisory Council, and main opinions from customer surveys. Items which reflect these opinions are also included.

Part 2. Related Information (pp.32-67)

Information related to the Main Section is given in three categories: I. Environmental Management; II. Environmental Activities; and III. Local Community.

Third-Party Review of the Environment Action Report (pp.70-71)

The results of the third-party review and third-party opinions are reported.