

Independent Verification on the Social & Environmental Report 2005

Reference View

BVQI has verified environmental data collection activity at the headquarters and the sites.

BVQI has concluded as follows:

1. Good Points

- The data collection and aggregation system is well organized as a whole. Data is collected in a spreadsheet so that miscalculation is unlikely to occur.
- The data of CO₂ emissions in the area of logistics is credible, as it is calculated from each vehicle's travel distance and fuel consumption rate.
- The automatic issue system of manifest at the Kariya Plant is a good system of waste management that is capable of minimizing input errors.

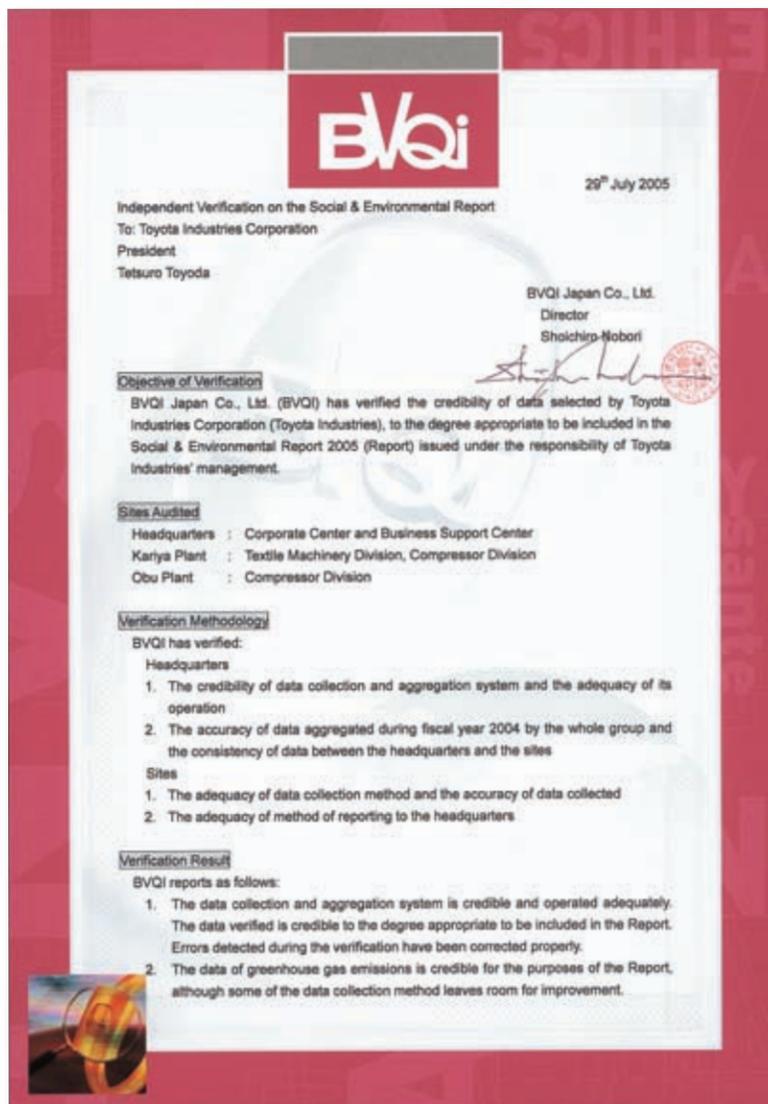
2. Future Issues

1) Collection and Aggregation System for the Environmental Impact Information

- A system to enable internal review should be structured, because some of the sub-systems are practically administered by individuals and thus difficult to conduct internal review.
- Some errors were identified due to manual input and insufficient understanding of input rules. It is preferable to establish systems to prevent input and aggregation errors. Examples are: cross-checking to confirm the aggregated data from different perspective, comparing actual data with that of the previous fiscal year, an alarm system to inform large data variance, and a system to check the calculation formula.
- Some large variances were left un-scrutinized. It is preferable to define the range of variance, how to identify root cause, and how to keep the record.
- Although the overall training level is high, it is preferable to provide educational training for persons in charge of data input and aggregation due to the fact that lack of competence has been identified in some departments.

2) Greenhouse Gas (GHG) Emissions

- It is preferable to calculate HFCs and PFCs using not the purchased but consumed amount, because their global warming potential is thousand times higher than that of CO₂.



- With the enforcement of the Kyoto Protocol, it is preferable to use the aggregation method for calculating the GHG emissions according to the international common standard in order to release reliable and transparent data to the public.
- The GHG emissions are appropriately monitored. However, it is preferable to take measures to further improve the reliability of data such as raising awareness of persons in charge and evaluating the uncertainty of measurement devices used for site data collection.