

JFTC NEWS

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Efforts to Embrace the Environment

Japan Foreign Trade Council, Inc. (JFTC) has been tackling the earth's environmental issues, taking into account the standpoints of trading firms that are continuously pursuing sustainable growth to develop their activities worldwide. In order to reinforce such efforts, JFTC set up six working groups within its Global Environment Committee as part of its business plans for fiscal 2001. Based upon these new organizations, the council conducted systematic discussions from the viewpoint of trading companies' businessmen for the purpose of properly handling a wide variety of issues ranging from international issues such as global warming to local ones including the disposal of wastes.

JFTC clearly declared in its Credo for Trading Firms — released in July 1999 — that it would work seriously on environmental problems in its Management Philosophy. It has this time decided to strengthen the declaration and make it easier to understand as a criterion to be pursued by the trading industry. The decision has led consequently to the establishment of the Credo for Environment Preserving Actions (see P.4).

The following is some of the specific achievements that JFTC has made.

- 1) In respect to environment-related laws and regulations, which are expected to grow in number, JFTC has drawn up a list of such laws/regulations that can be applied to trading houses and carried out research on how to avoid risks by strictly observing these rules.
- 2) Studying what actions trading firms should take to address environmental issues, JFTC has started specific social contribution activities — such as the provision of environment-concerned lectures at and the dispatching of lecturers to universities and colleges.
- 3) JFTC has investigated the actual state of environment risk management, grasped the current state and actual situation of environment risks that are facing trading companies and made research into the present condition of their environment management systems.
- 4) Based upon studies on what roles trading houses can play within the framework of the Kyoto Mechanism, JFTC has published what measures they are undertaking to comply with it (see P.6). The council has further discussed how important they are to the framework and what roles they can be responsible for in the society.
- 5) Precisely studying the “voluntary action plans of the trading industry” — which are set forth in the voluntary action plans of the Japan Federation of Economic Organizations (Keidanren) — JFTC has reinforced the former plans and conducted follow-up activities.

These accomplishments have been summed up in detail in the report (in Japanese), “Kankyo eno Torikumi (Efforts to Embrace the Environment) — 21 Seiki wo Mukaete (As Entering the 21st century)” (see P.8).

Establishment of the Credo for Environment Preserving Actions

February 14, 2002

Credo for Environment Preserving Actions

Japan Foreign Trade Council, Inc.

1) Basic Philosophy

As illustrated by global warming, environmental problems — ranging from international issues which can affect the existence of human beings to regional ones such as the disposal of wastes — can have impact on every corner of this planet. It is, however, increasingly important to deal properly with every single problem.

We will, as such, make social contributions in a number of ways — specifically by making efforts to achieve sustainable development with the aim of harmonizing the maintenance of the earth's healthy environment and economic growth.

2) Basic Policies

In addition to providing a variety of products and services, we carry out development and investment activities both at home and overseas. We have set forth the following basic policies in the hopes of maintaining the healthy environment of the earth.

a) Basic Stance for Management

We will operate our business in environment-friendly manners and cultivate corporate ethics, understanding and recognizing the severity of environment problems.

b) Compliance with Environment-Related Laws and Regulations

In conducting business activities, we will strictly comply with both domestic and foreign environment-related laws and regulations as well as international rules and customs.

c) Countermeasures against Global Warming

We will make active efforts to reduce the amount of greenhouse effect gases in recognition of global warming as one of the world's most urgent concerns.

d) Contributions to the Formation of a Recycling-Oriented Society

On the basis of understanding that natural resources are limited in supply, we will work hard on measures — such as the reduction of wastes and the encouragement of the reuse and recycling of them — in the hopes of realizing the conversion to a recycling-oriented society.

e) Establishment of Environment Management Systems

Making use of environment management systems in compliance with the ISO14001 certificate, we will — in cooperation with our group companies — set up our own environment management systems to prevent environment problems before they occur and, if they have occurred, deal appropriately with them.

f) Consideration of the Environment in Oversea Business Development

When we make inroads into other countries, we will give full consideration so that our planned activities will encourage the nations involved to both grow their economy and protect the environment as well as to improve their people's welfare.

g) Social Contributions

Fostering relations of trust and fully understanding what roles we should play as good corporate citizens both in Japan and other countries, we will support and promote environment-related social contributions with the maximum employment of our unique business systems.

Efforts Made by Trading Companies in Compliance with the Kyoto Mechanism

1) Joint Implementation (JI)

	Trading Firms	Countries	Projects Accomplished	Effects on Environment
1	Sumitomo Corp.	Russia	Has improved the efficiency of power generation by repairing power plants.	Energy saving
2	Itochu Corp.	Rumania	Has repaired hydraulic power plants.	Energy saving
3	Mitsui & Co., Ltd.	Bulgaria	Has integrated old heat supply facilities and coal-fired thermal power stations as well as improved thermal efficiency and changed fuels by establishing gas-turbine co-generation systems.	Energy saving and carbon dioxide emission reduction
4	Itochu Corp.	Russia	Has changed fuels at power plants.	Energy saving
5	Nissho Iwai Corp.	Ukraine	Has replaced boiler turbines at power stations in the city with gas turbine co-generation systems (the National Economic Development Office (NEDO)-related activity).	Energy saving and carbon dioxide emission reduction
6	Mitsubishi Corp.	Russia	Has introduced a combined cycle technology to power plants (NEDO-related activity).	Carbon dioxide emission reduction
7	Marubeni Corp.	Poland	Has upgraded old coal-fired thermal power stations to gas-turbine co-generation facilities.	Energy saving and greenhouse effect gas emission reduction
8	Sumitomo Corp.	Russia	Has repaired gas pipelines.	Energy saving
9	Sumitomo Corp.	Ukraine	Has repaired gas pipelines.	Energy saving
10	Nissho Iwai Corp.	Russia	Has built waste heat and exhaust gas recovery systems at iron works so that the heat and gas can be reused as steam and energy at the works (NEDO-related activity).	Energy saving
11	Nissho Iwai Corp.	Poland	Has built waste heat and exhaust gas recovery systems at iron works so that the heat and gas can be reused as steam and energy at the works (NEDO-related activity).	Energy saving
12	Sumitomo Corp.	Bulgaria	Has introduced energy-saving systems at iron works.	Energy saving
13	Nichimen Corp.	China	Has repaired cement companies to save energy.	Energy saving
14	Hitachi High-Technologies Corp.	China	Has replaced the refrigerants of refrigerators and air conditioners' compressors with non-chlorofluorocarbon (CFC) agents (NEDO-related activity).	CFC removal
15	Itochu Corp.	Australia	afforestation (23,700 hectares, from 1993)	Carbon dioxide emission reduction and forest resource conservation
16	Mitsui & Co., Ltd.	Australia	afforestation (15,268 hectares, from 1996)	"
17	Kawasho Corp.	Australia	afforestation (7,500 hectares, from 2000)	"
18	Nissho Iwai Corp.	Australia	afforestation (5,600 hectares, from 1997)	"
19	Mitsubishi Corp.	Australia	afforestation (5,300 hectares, from 1996)	"
20	Marubeni Corp.	Australia	afforestation (940 hectares, from 1999)	"
21	Kawasho Corp.	Australia	afforestation (500 hectares, from 2000)	"
22	Tomen Corp.	Australia	afforestation (12 hectares, from 1997)	"
23	Nissho Iwai Corp.	New Zealand	afforestation (9,700 hectares, from 1990)	"
24	Itochu Corp.	New Zealand	afforestation (8,800 hectares, from 1992)	"
25	Marubeni Corp.	New Zealand	afforestation (1,400 hectares, from 1997)	"

2) Clean Development Mechanism (CDM)

	Trading Firms	Countries	Projects Accomplished	Effects on Environment
1	Sumitomo Corp.	Turkmenistan	Has repaired heat and power co-generation plants.	Energy saving
2	Mitsubishi Corp.	Chile	Has replaced coal-fired power generation by building small-scale hydraulic power plants (World Bank (WB)-related activity).	Carbon dioxide emission reduction
3	Mitsubishi Corp.	Uganda	Has replaced small diesel power generators by building small-scale hydraulic power plants (WB-related activity).	Carbon dioxide emission reduction

	Trading Firms	Countries	Projects Accomplished	Effects on Environment
4	Mitsui & Co., Ltd.	China	Has constructed boiler facilities which has employed energy-saving technologies such as optimized operation and fuel control systems at two locations in the city and improved energy efficiency.	Energy saving and carbon dioxide emission reduction
5	Marubeni Corp.	Uzbekistan	Has ceased the operations of heat supplying large boiler facilities at three locations in the city and closed them down as well as installed gas-turbine, combined-cycle co-generation facilities and improved energy efficient as a result.	Heat and electricity supply stabilization, energy saving and carbon dioxide emission reduction
6	Sumitomo Corp.	Thailand	Has built rice husk-fueled biomass power plants.	New energy resource development
7	Mitsubishi Corp.	India	Has recovered methane gas emitted at refuse disposal facilities and utilized it for power generation (WB-related activity).	Methane gas emission reduction
8	Sumitomo Corp.	North & South Americas	energy saving company (ESCO) activities.	Energy saving
9	Sumitomo Corp.	the Mid. East	ESCO activities	Energy saving
10	Nichimen Corp.	Myanmar	Has repaired pipelines for crude oil reception at oil refineries to save energy (NEDO-related activity)	Energy saving
11	Mitsui & Co., Ltd.	Myanmar	Has built crude oil reception systems at oil refineries that have employed single-point mooring buoys and submarine pipelines and replaced transport duties with small shuttle tankers, contributing to saving fuels consumed in such tanker activities.	Energy saving and carbon dioxide emission reduction
12	Nissho Iwai Corp.	Indonesia	Has installed heat exchangers and remodeled heat furnaces at oil refineries (NEDO-related activity).	Energy saving and greenhouse effect gas emission reduction
13	Marubeni Corp.	Iran	Has reinforced energy control-measurement systems at petrochemical companies' facilities, installed waste heat recovering boilers at gas-turbine power plants and set up waste heat boilers at sulfur recovery systems.	Energy saving and carbon dioxide emission reduction
14	Mitsui & Co., Ltd.	Morocco	Has introduced heat recovery systems at fertilizer plants, which has started generating power independently by recovering the heat they previously disposed in the ocean.	Energy saving and carbon dioxide emission reduction
15	Mitsui & Co., Ltd.	Venezuela	Has replaced reformers of gas reformation processes at direct reduced iron plants, which are now able to recycle reducing gases discharged from shaft kilns.	Energy saving and carbon dioxide emission reduction
16	Toyota Tsusho Corp.	China	Has introduced energy-saving technologies to steel makers (NEDO-related activity).	Energy saving
17	Hitachi High-Technologies Corp.	South Korea, Taiwan and Southeast Asian nations	Has sold organic electroluminescence (EL) production systems.	Electricity saving
18	Hitachi High-Technologies Corp.	Developing countries	Has provided fuel cell development business offices with a variety of measurement systems.	New energy resource development
19	Itochu Corp.	Chile	afforestation (28,000 hectares, from 1990)	Carbon dioxide emission reduction and forest resource conservation
20	Sumitomo Corp.	Chile	afforestation (10,570 hectares, from 1991)	"
21	Mitsubishi Corp.	Chile	afforestation (8,800 hectares, from 1990)	"
22	Nissho Iwai Corp.	Brazil	afforestation (30,300 hectares, from 1992)	"
23	Itochu Corp.	Brazil and others	afforestation	"
24	Nissho Iwai Corp.	Vietnam	afforestation (19,900 hectares, from 1993)	"
25	Nissho Iwai Corp.	Papua New Guinea	afforestation (11,000 hectares, from 1976)	"
26	Sumitomo Corp.	Ecuador	afforestation (10,500 hectares, from 2001)	"
27	Sumitomo Corp.	South Africa	afforestation (4,700 hectares, from 1997)	"
28	Itochu Corp.	China	afforestation (1,000 hectares, from 1993)	"
29	Marubeni Corp.	Myanmar	trial afforestation (300 hectares, from 1997)	"

Publication of “Kankyo eno Torikumi (Efforts to Embrace the Environment) — 21 Seiki wo Mukaete (As Entering the 21st century)”

~ Main Contents ~

- Credo for Environment Preserving Actions that trading companies should take
- Environment-related laws and regulations
- How social contributions should be
- Studies on risk management
- Compliance with the Kyoto Management
- Voluntary action plans regarding environment conservation for 2001 for the trade industry



Events

Welcoming Luncheon Party for Prime Minister Constantinos Simitis of Greece

In welcoming Prime Minister Constantinos Simitis of the Hellenic Republic, who was on a visit to Japan as a state guest, Japan Foreign Trade Council (JFTC) — as the main host — held a luncheon party on Tuesday, March 5 at the Hotel New Otani in cooperation with the Japan Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry, the Japan Federation of Employers' Associations and the Japanese Association of Corporate Executives. The get-together was attended by some 50 interested parties from the business world of Japan. Following JFTC chairman Kenji Miyahara, Prime Minister Simitis gave his address.



“In the trilateral framework involving Japan, the U.S. and Europe, the Japan-Europe relations still have room for further reinforcement, and Japan and Greece should, in particular, promote political cooperation at a bilateral level,” said the premier.

“Japan, Greece and other European nations are linked with each other via globalization.”

Welcoming Luncheon Party for President Pervez Musharraf of Pakistan

General Pervez Musharraf, president of the Islamic Republic of Pakistan, visited Japan in March as a national guest. JFTC co-hosted a welcoming luncheon party for the president on Wednesday, March 13 at the Imperial Hotel with the Japan Chamber of Commerce and Industry, the Japan Federation of Economic Organizations (Keidanren), the Japan Federation of Employers’ Associations, the Japanese Association of Corporate Executives and the Japan-Pakistan Business Cooperation Committee. The party witnessed the attendance of 60 interested parties from Japan’s business circles, and JFTC vice-chairman Shiro Yasutake represented the council.

Said Mr. Musharraf: “For Pakistani people, the word ‘Japan’ carries the connotation of ‘high quality.’ This year will turn to be a memorable year since it has been 50 years since Japan and Pakistan established their diplomatic relations. I have this time come to Japan to strengthen their economic and trade relations.”

