

# Environmental Policy and Environmental Management

The global environment supports our everyday life.

Taking advantage of information technology to contribute to a reduction of environmental burden by our customers, we strive to strengthen the environmental awareness of our employees and every other individual through our main business.

## Our Stance and Issues Related to the Environment

The use of information technology reduces the movement of people and things and increases work efficiency and productivity, thus enabling the reduction of environmental burden in society as a whole. Through the improvement of our customers' work efficiency, proposals on power-saving equipment and other approaches, we intend to contribute to a better global environment in our daily business activities.

On the other hand, even in the information service industry, which is said to cause little environmental burden compared to manufacturing, we cannot avoid affecting the environment if we maintain and continue our business. In the CTC Group, particularly data centers that support the systems of our customers consume large quantities of electric power.

Under the Environmental Policy, which follows the new Philosophy, the CTC Group will develop an environmental management system in an effort to reduce environmental burden. In the future, we will expand environmental management to the entire group.

## Environmental Management System

Our environmental management system comprises a Subcommittee for the Environment and Social Contribution as a sub-organization of the CSR and Compliance Committee, which is an advisory institution to the President (Management Committee) as well as environmental managers (unit managers) and eco-leaders selected from each unit.

The Subcommittee for the Environment and Social Contribution holds a meeting once every quarter. Important issues are deliberated in the CSR and Compliance Committee. The members of the Subcommittee include one member (department manager or higher) of each business group and one member of each applicable group company as well as several members from other sections as regarded necessary.

The internal audits are conducted by auditors who have completed a training course for internal environmental auditors by an external institution.

### Environmental Policy

#### Philosophy

Always paying heed to the "Corporate Philosophy" of the CTC Group, we at ITOCHU Techno-Solutions (CTC) will strive for the harmony of our business activities with the global environment, and we will work for the efficient use of resources and the prevention of environmental pollution to fulfill our social responsibility as a good corporate citizen.

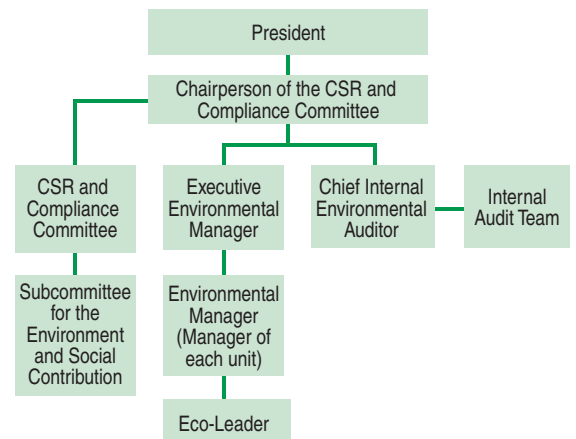
#### Basic Policy

To contribute to the realization of an advanced information society, CTC continuously and systematically implement activities to improve the environment through its general daily business activities, accurately grasping its customers' needs and providing its customers with optimal solutions taking advantage of the world's most advanced information technology. And to ensure this implementation, we strive for the continuous improvement of our environmental management system and establish the following as our Basic Policy on Environmental Conservation.

- 1) **Promotion of dealings considering our customers' environmental issues**  
We actively promote dealings with consideration for our customers' environmental issues, such as the reduction of environmental burden or the improvement of environmental efficiency through the use of information technology.
- 2) **Promotion of environmental improvement activities**  
In an effort to conserve the environment, we strive to reduce environmental burden and prevent pollution by actively promoting energy conservation, resource conservation, waste reduction, procurement with a priority on eco-friendly articles and other environmental improvement activities. And this is stipulated in the CTC Group's Codes of Conduct and Ethics.
- 3) **Compliance with environment-related laws, regulations**  
We comply with environment-related laws and regulations and other points we agreed upon.
- 4) **Improvement of environmental awareness**  
This Environmental Policy will be publicly announced outside of the company. We thoroughly familiarize all members of our organization with this policy, striving to improve the environmental awareness of each individual.

April 1, 2007

### Environmental Management System



# Efforts to Reduce Environmental Burden

This section describes our efforts to reduce environmental burden through our office activities, through our data centers, which consume most electric power, and through our main business in sales activities. In the future, we will continue to strive for the reduction of environmental burden through acquiring ISO14001 certification for the entire group and other activities.

## Efforts to Reduce Environmental Burden in ISO14001-Certified Offices

### ■ Reduction of power consumption

Some of our offices have a server room and thus use a significant quantity of electric power. Our target for fiscal 2006 was a reduction of 2% per person compared to the results of fiscal 2005. In our offices, we promoted reducing power consumption through the promotion of careful management such as always turning off the lights after leaving a meeting room or after leaving the office or turning off the power of thin clients\*. As a result, we achieved our target with 4.9% reduction in fiscal 2006 compared to fiscal 2005.

\* Thin client: A system and terminal giving only the necessary minimum of functions to the computer used by the employee and centrally managing application software and files at the server side

### ■ Reduction of the consumption of copying paper

One factor causing environmental burden in an office is the consumption of paper. In fiscal 2006, our target was to reduce the consumption of copying paper by 2% per person compared to fiscal 2005. While paying attention to information security, we promoted reducing the usage of copying paper by viewing documents in electronic form, duplex

printing and printing multiple pages on one sheet. As a result, we achieved our target with 4.3% reduction in fiscal 2006 compared to fiscal 2005.

### ■ Improvement of the recycling ratio and reduction of waste emissions

To increase the recycling ratio, we thoroughly separate waste into mixed paper, combustible waste, noncombustible waste, magazines/newspaper and other types. We achieved our target of recycling ratio in fiscal 2006 (75% or more) with the result of 79.1%.

Our target for the reduction of waste emissions was 2% per person compared to fiscal 2005. However, the acquisition of ISMS certification and a reorganization of our documents and books due to office relocations resulted in 12.2% increase. We will continue to work on improvements as a focus issue.

### ■ Promotion of green purchasing

In fiscal 2006, our target ratio for green purchasing, which means purchasing preferably eco-friendly products (eco-products), was 95% or more. We have centralized the ordering in our offices to one section and persist on always selecting eco-products when purchasing office supplies, furniture and equipment, except for cases where the price is significantly higher of where no green product exists. As a result, our green purchasing ratio reached 97.5% and we achieved our target.

## Targets and Achievements in Our Offices

	Target for Fiscal 2006*1	Results for Fiscal 2006*1	Target for Fiscal 2007*2
Electric Power Usage	2% reduction per person (compared to the previous year)	4.9% reduction	4% reduction per person (compared to fiscal 2005)
Copying Paper Usage	2% reduction per person (compared to the previous year)	4.3% reduction	4% reduction per person (compared to fiscal 2005)
Waste Emission	2% reduction per person (compared to the previous year)	12.2% increase	2% reduction per person (compared to fiscal 2006)
Recycling Ratio	75% or more	79.1%	77.5% or more
Green Purchasing Ratio	95% or more	97.5%	95% or more

\*1 Scope; ISO14001-certified offices (Kasumigaseki head office, Kasai Distribution Center, Osaka Branch, Nagoya Branch and Toyota Sales Office)

\*2 Since the scope for the targets of fiscal 2007 also includes non ISO14001-certified offices, we set slightly lower targets than the results of fiscal 2006

# Efforts to Reduce Environmental Burden

## ■ Environmental education

To promote the reduction of environmental burden, we believe that it is important to strengthen the awareness of each individual employee. We educate our employees through training and e-learning. To accelerate the forming of environmental awareness with our employees, we also appoint eco-leaders in each unit to play a central role in internal environmental improvement activities.



Environmental training for employees

## Efforts for the Reduction of Environmental Burden in Data Centers

### ■ Independent acquisition of environmental management certification

Our data centers store information of our customers. Since they provide a stable environment such as power supply for 24 hours a day and 365 days a year, they require large quantities of electric power. Therefore our data centers in Yokohama and Kobe acquired ISO14001 certification separately from the offices and are working for the reduction of environmental burden by shifting to co-generation using their own power generator or through purchases of green electricity from Yokohama city.

### ■ Future issues

In our data centers, the air conditioning equipment for the maintenance of the computer equipment consumes large quantities of electric power. To ensure a more efficient use of electric power, we are step-by-step renewing our air conditioning equipment to the latest models, which are highly efficient and use new refrigerants. And through charging our NAS battery\* system at night and using the stored electricity during the day, we reduce our power consumption during the day in an

effort to ease the load of power plants.

We will continue working on mid- and long-term improvement while adopting the latest technologies.

\* NAS battery: A battery for power storage using Na (sodium) and S (sulfur). Features a high energy density, is space saving and has a long life.

## Efforts for Environmental Improvement through Our Main Business

### ■ Environmental management program

In the environmental management programs held up by the units of the CTC Group, the target for about half of the units is the reduction of environmental burden through the main business. These section targets are dropped down into specific sales activities such as proposals on power-saving products, and the environmental manager, the general managers of the divisions and the executive environmental manager check the progress status and the results

### ■ Examples for efforts in sales activities

Some of our sales divisions rolled out their sales activities under the target of “making proposals on power-saving equipment to our customers”. Specifically, they engaged in sales promotions for new server products which consume about 50% less electric power than existing products. These sales promotions raised the environmental awareness of our sales employees and helped them to gain a deeper understanding of the environmental aspects of products. As a result, sales showed a significant growth compared to the previous year, enabling us to contribute to the reduction of our customers’ environmental burden.



Environmental management system ISO14001 certification mark