

1 Philosophy of Environmental Management

The Yokogawa Group issued Basic Environmental Management Rules that were approved at a Board of Directors' meeting of Yokogawa Electric Corporation. These regulations apply to the operations of all firms of the global Yokogawa Group.

Basic Environmental Management Rules for Yokogawa Group

1. Environmental Philosophy of the Yokogawa Group

Based on Yokogawa's corporate policy of "As a company, our goal is to contribute to society through broad-ranging activities in the areas of measurement, control, and information. Individually, we aim to combine good citizenship with the courage to innovate," the Yokogawa Group recognizes that protecting the earth's environment for future generations is crucially important for all mankind. We therefore aim to contribute to industrial development while maintaining harmony with the environment.

2. Environmental Policy of the Yokogawa Group

The Yokogawa Group shall consider protection of the global environment to be a key management target and shall establish an environmental management system to continuously improve its environmental performance. Therefore, all firms in the Group shall:

- (1) Strive to carry out resource recycling-based operations.
By conducting its business without omission, the Yokogawa Group strives to utilize energy and resources efficiently, to prevent environmental pollution, to reduce waste, and to promote reuse and recycling of resources with the aim of achieving zero emissions.
- (2) Contribute to global environmental protection.
The Yokogawa Group creates and/or provides environmentally friendly products, namely, "green" products, and supplies society with solutions and services that contribute to global environmental protection.
- (3) Act autonomously with consideration of the environment.
All employees of the Yokogawa Group shall:
 - Understand the Environmental Philosophy (Article 1), Code of Conduct for Environmental Protection (Article 3), and Environmental Policy (this article) of the Yokogawa Group;
 - Improve their environmental awareness and implement environmental protection activities under their own initiative; and
 - Positively support and participate in corporate and civil activities related to environmental protection.

3. Code of Conduct for Environmental Protection by the Yokogawa Group

The Yokogawa Group shall consider protection of the global environment in all aspects of its business activities. Therefore, all firms in the Group shall:

- (1) Reduce all kinds of their environmental impacts and strive to promote recycling in their business operations;
- (2) Actively assist customers in their global environment protection activities; and
- (3) Actively participate in and cooperate with global environment protection activities wherever they are conducted.

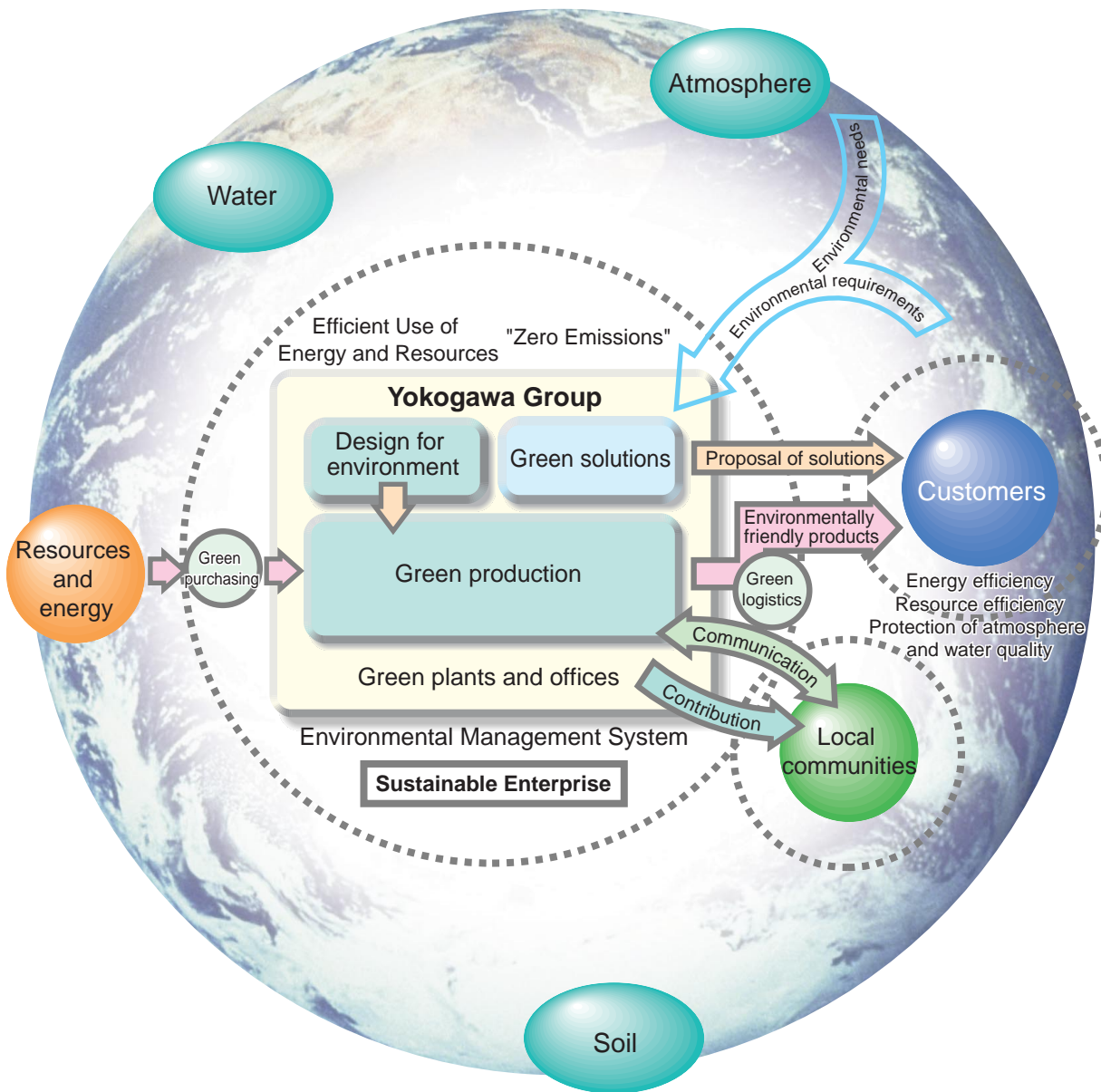
4. Environmental Management Organization

- (1) Yokogawa Electric Corporation's vice president of environmental management reports directly to the president and chief executive officer of Yokogawa Electric Corporation, and oversees and administers the activities of all firms of the Group related to environmental protection.
- (2) Yokogawa Electric Corporation's department responsible for management and support for the Group instructs the Group firms to carry out the basic rules stipulated herein.
- (3) The president and chief executive officer of each firm of the Group is responsible for implementing environmental protection activities.

5. Implementation of Environmental Protection Activities

- (1) All firms of the Yokogawa Group shall abide by the Environmental Policy (Article 2) and implement concrete environmental protection activities.
- (2) Departments having headquarter functions shall improve the instructions and support for Yokogawa Electric Corporation's individual divisions and Group firms in order to spread environmental protection activities.

Concept of Global Environmental Protection Activities



The figure above represents the concept of global environmental protection activities of the Yokogawa Group, expressing the Group's attitude towards protection of the entire earth's environment including the customers and local communities and ultimately, the atmosphere, water, and soil.

