

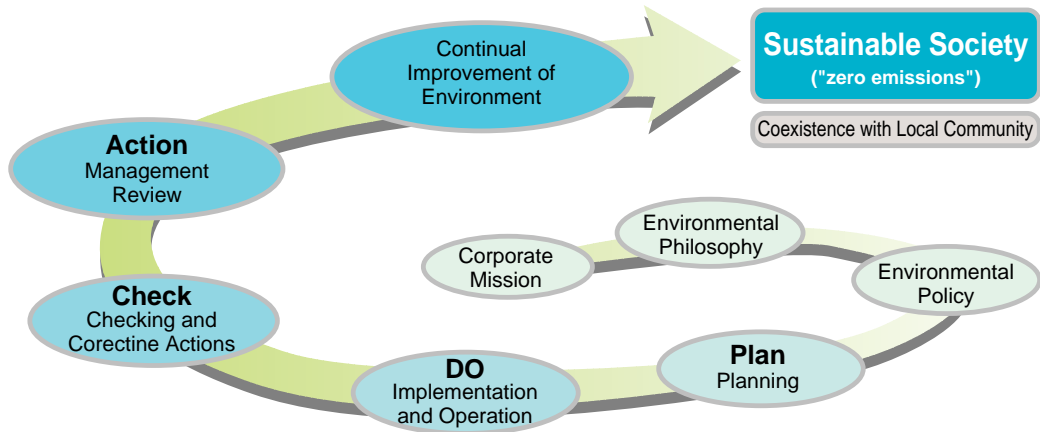
1 Management System

The environmental management system of the Yokogawa Group was drawn up and is operated in compliance with the requirements laid down in ISO14001. The Yokogawa Group effected its Environmental Philosophy and Environmental Policy as part of corporate policy.

1. Environmental Management System Configuration

To achieve a sustainable society in partnership with local communities, the environmental management system is

based on a Plan-Do-Check-Action cycle for continual improvement of the environment.



2. Organization

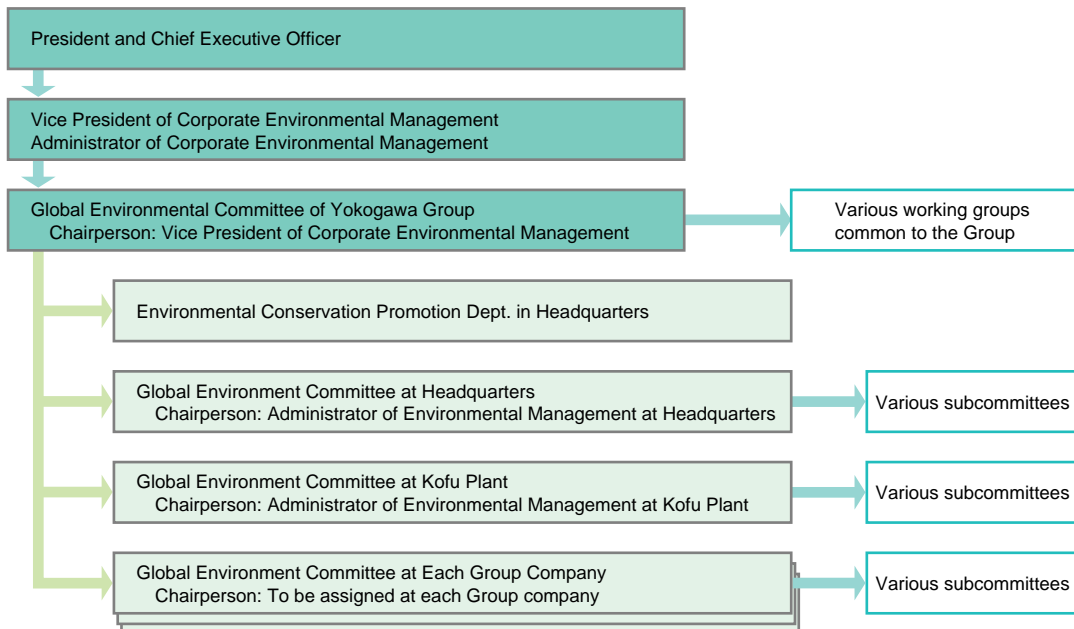
The environmental management organization of the Yokogawa Group consists of organizations at individual sites under the control of the vice president of environmental management. Environmental protection activities are carried out by all employees at each site.

- (1) The vice president of environmental management reports directly to the president, oversees environmental protection activities on behalf of the president, and appoints an administrator who is responsible for corporate environmental management.
- (2) The vice president of environmental management and the appointed administrator are responsible for planning,

adjusting, and administering the system from a global perspective to ensure the environmental management system is implemented effectively.

- (3) The vice president of environmental management at each site and the person responsible for environmental management at each site set up an organization there to improve the environmental performance of the site as well as to manage potential environmental risks and prevent harm to company resources or the outside environment. An environmental policy is drawn up in line with that of the Group but taking local factors into consideration, and the environmental protection activities are then carried out according to the policy.

Environmental Management Organization



3. Status of Accreditation for ISO14001 Certification

As of the end of March 2001, sites that have received ISO14001 certification (see page 29) account for approximately 60% of the total number of employees of the overall Yokogawa Group.

4. Training

(1) Group Overall

To encourage each employee to take responsibility for environmental protection activities, the Yokogawa Group continuously provides systematic and hierarchical environmental training.

Through the training course for in-house auditors, which has been periodically held since 1996, 80 Group employees were newly licensed as internal auditors in fiscal 2000, totaling 545 licensed employees in sites in Japan. These in-house courses are taught by instructors who are certified by the Japanese Auditors Board (JAB) as official environmental management system auditors.

(2) At Headquarters and Kofu Plant

The Headquarters and Kofu plant encourage employees as well as subcontractors and suppliers to make environmental activities part of daily life in the workplace and at home.

- a. Home ISO Promotion Activity, "Eco Plus One"

A home ISO promotion campaign called "Eco Plus One" motivates people to take that first step toward environmental protection, whether in the home or local community. In fiscal year 2000, more than 3,000 people participated.
- b. Environment Pass

An Environmental Pass is issued to visitors –whether servicemen, delivery staff or those on business– to the Headquarters or Kofu Plant, to make them aware of Yokogawa's global environmental protection activities and to ask them to cooperate in environmental protection activities within the premises.

5. Audits

Since obtaining ISO14001 certification (an international standard for environmental management systems), we have been carrying out internal audits (first-party audits), periodic audits (third-party audits), and environmental business operations audits (second-party audits) in accordance with ISO14001, through which operations at all levels including management are reviewed periodically.

(1) Internal Audits

An internal environmental audit performs assessments in three categories: the environmental management system, legal compliance, and performance. The table in the lower right shows assessment items in each category.

As for the training for internal auditors, in addition to the "Training for In-house Auditors" and "Fundamentals for Senior Auditors" courses that have been run since the outset, two new courses were created to achieve a more consistent, higher level among internal auditors within the Yokogawa Group. These are the "Internal Auditors' Workshop" that teaches how to conduct an audit and develop questions, and the "Intensive Course for Senior Auditors" that teaches concrete workarounds for problems typically encountered in an audit.

(2) Periodic Audits

Even after ISO14001 certification, an authorized organization for ISO14001 accreditation as a third-party inspection body conducts a survey at least once every year, and every three years assesses whether the certification should be renewed. In fiscal 2000, Headquarters, the Kofu plant, and Yokogawa Fine Technology Corporation were subjected to this third-year audit and passed with flying colors.

(3) Business Operations Audits

The environmental business operations audit assesses documents and the site itself for a total of 287 check items in four categories, the same three categories as in an internal audit, and the additional "environmental strategy." In fiscal 2000, an environmental business operations audit was carried out for Yokogawa Flowtech Co., Ltd. as a trial.

Environment Pass (passport size)



Assessment Items of Environmental Audits

Environmental Business Operations Audit	Internal Audits	Environmental management system	Checks the statuses of organization, target-result management, training, operations control, and corrective actions, to assess whether the system is implemented effectively.
		Legal compliance	Checks the statuses of operation and monitoring of substances against legally regulated values (qualifications, reports, and measured data), to assess whether legal regulations or other requirements are followed.
		Performance	Checks the statuses of the results against targets, data of legally regulated values, etc. to assess whether voluntarily rules are being followed.
	Environmental strategy	Checks the contribution to a sustainable society, reduction of pollutants, supply of environmentally friendly products, supply of solutions, contributions to local communities, transparency of information to the public, etc. to assess whether the environmental strategy is effectively enforced.	