

I - 4 Environmental Audit

With the aim of achieving the goals listed below, the JAL Group introduced the Environmental Audit System in FY2002.

Purpose of Audit

- Promotion of activities to comply with environmental laws as well as group policies and regulations
- Establishment of preventive measures in normal situations and preparedness for smooth responses in emergency situations
- Dissemination of information on environmental laws and raising of awareness of environmental activities within the group

The audit is carried out by the Business Activities Reappraisal Department of Japan Airlines Corporation with the cooperation of the Environmental Affairs Department. The contents of the audit are as follows.

Contents of Audit

- Compliance check: appropriate understanding of and compliance with related laws and regulations
- System check: assignment of persons in charge, self-checks, drills and training
- Performance check: proper management of environmental goals, and promotion of environmentally-friendly purchases

In the first half of FY2003, since illegal dumping of industrial wastes was becoming increasingly recognized as a social problem, a special audit of waste disposal was carried out in 29 departments of 12 JAL Group companies in the Kanto area. In order to grasp the actual situation, the audit examined compliance (appropriate disposal in compliance with the law) and systems (establishment of a management system). Flaws were found in some departments regarding agreements with waste disposal agencies, management of waste control tags and the waste management system. As a result, instructions were issued for their correction and improvement. Measures were also taken to enhance environmental awareness among employees.

In the second half of FY2003, a follow-up audit was implemented in five departments of four companies for which immediate correction had been prescribed, to check how improvements had been made. The audit found that the improvements either had been made or were in progress. Furthermore, an audit was conducted of the three waste administration agencies. Consideration included such items as the accountability system, contracts, waste control tags, and other data, to determine how waste administration is actually being implemented. The audit found that, apart from a minor item that needed improvement, work was generally being implemented satisfactorily.

Major Applicable Environment-Related Laws and Status of Compliance

	Name of Law	Status of Compliance
1	Waste Management and Public Cleansing Law	All offices commission licensed contractors that employ appropriate disposition of industrial wastes. Offices emitting large quantities of waste disposal submit reports.
2	Law Concerning the Recovery and Destruction of Fluorocarbons	CFCs are delivered to registered recovery contractors.
3	Law Concerning Special Measures against Polychlorinated Biphenyl Wastes	PCB wastes are properly stored in offices at six locations in Japan, and reports are submitted about the storage conditions.
4	Law Concerning Reporting, etc., of Release to the Environment of Specific Chemical Substances and Promoting Improvements in their Management (PRTR Law)	The Haneda and Narita area offices measure the released and transferred volumes of the regulated substances and submit reports thereon.
5	Law Regarding the Rationalization of Energy Use	Four offices in the Kanto area are designated as plants that implement energy conservation measures and where energy control personnel are appointed and reports are submitted regularly on the subject.
6	Law Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter from Automobiles in Specific Areas	Plans have been made to reduce emissions from automobiles registered in Tokyo and Chiba prefectures and reports are submitted regularly about the progress made.
7	Sewerage Law	The wastewater treatment facilities in the Haneda and Narita districts measure water quality and keep records.
8	Law for Promotion of Sorted Collection and Recycling of Containers and Packaging	Have paid commission fee to recycle polyethylene bags of in-flight sales goods
9	Soil Contamination Countermeasures Law	A preliminary soil contamination investigation was conducted on-site at Haneda Airport, where a line maintenance building is scheduled to be demolished, to check for confirm below-standard contamination. The finding was submitted in a report.

In the past five years, there has been no accident, serious breach of law, or application of penalties.