

Seeking to Establish Environmental Management for Sustainability and Enhance Corporate Value

The first 3-year Environmental Protection Activities Plan (EPAP) began in FY1994. FY2002 was the final year of the 3rd EPAP (FY2000-FY2002), and FY2003 marks the start of another. At this point, we have developed our Medium- and Long-Term Environmental Vision that illustrates in the future Kawasaki wants to contribute actively to the realization of a sustainable society. The Medium- and Long-Term Environmental Vision describes what Kawasaki should be in the year 2010 considering five facets—Environmental Philosophy, Environmental Management, Environmentally Conscious Products, Environmentally Conscious Production, and Environmental Communication. The expression used previously, "Environmental Protection Activities" has been superseded by the expression "Environmental Management Activities for Sustainability" in the new Vision. Thus, we are vigorously going to promote environmental management for sustainability that puts a priority on the environment.

In the 4th (FY2003-FY2005) Environmental Management Activities Plan (EMAP), we have set up specific numerical targets whenever possible and we will take all possible measures to satisfy these targets.

What Kawasaki Should Be in the Year 2010

Environmental Philosophy

- Actions by all Kawasaki Group employees are taken with concern for the environment, not only at work, but also in their local communities and homes, in accord with our Environmental Philosophy, which declares our commitments to the realization of a sustainable society.

Environmental Management

- Implementation of an Environmental Management System (EMS) and action are taken based on this EMS by all Kawasaki Group employees.
- Incorporation of environmental considerations into the business management of each internal company enhances their environmental management levels.
- An environmental management information system is created.

Environmentally Conscious Products

- Design for Environment (DfE) is used for all products to enhance their environmental efficiency.
- Products are offered that help protect the environment, thus contributing to the environment, society and businesses.

Environmentally Conscious Production

- Administrative penalties and administrative provisions are avoided, and voluntary control standards based on the needs of society are established to improve our environmental management level.
- Every production activity is free of irrationality and waste to enhance the efficient utilization of resources and energies.
- Total greenhouse gas emissions amount in FY2010 is reduced by 6% relative to the FY1990 level.
- Total waste production in FY2010 is reduced by 10% relative to the FY2000 level.
- Maintenance of zero waste disposal (recycling rate 100%) is realized in all works.
- The use of harmful chemical substances is reduced.

Environmental Communication

- Kawasaki Environmental Reports that comply with the needs of society are published.
- Communication with stakeholders is promoted.
- The entire corporation and all employees are committed to environmental improvement in local communities.

Development into 3-year Environmental Management Activities Plan

Continuous Improvement of Corporate Value

Establishment of Environmental Management for Sustainability

Environmental Charter

Environmental Philosophy

As a company in key industries related to land, sea and air, Kawasaki is deploying its business activities globally in pursuit of reducing environmental impact and creating a sustainable society. This makes us to commit ourselves to contribute to the sustainable development of society through our environmentally conscious business activities, technologies and products that preserve the global environment.

Conduct Guidelines

1. Recognizing that global environmental protection is a common and serious issue for humankind, Kawasaki will positively volunteer to engage itself in harmonizing with the environment globally. We shall regard this as one of the most important strategies when we deploy our business activities.
2. During its production stages, Kawasaki will endeavor to conserve resources, to save energy, to recycle resources and to reduce industrial waste and will promote the reduction of environmental impacts.
3. In the new product planning (i.e. research and development) and designing stages, Kawasaki will render careful attention throughout the procurement, production, distribution, utilization and material disposal stages in order to minimize the environmental impacts.
4. In seeking solutions to global environmental issues, Kawasaki will do its best to develop and provide new technologies and new products that contribute to environmental protection, energy saving and resource conservation.
5. Notwithstanding its compliance with environmentally related institutional laws, regulations and agreements and voluntary action plans of each industry concerned, Kawasaki will voluntarily institute its own environmental control standards as an appropriate and necessary action in order to strive to improve environmental control levels.
6. Through environmental training and public awareness activities, Kawasaki will strive to enlighten all its employees on global environmental issues and will support individual views, lifestyles and will encourage their participation in the social activities and services.
7. Kawasaki will implement an environmental management system to promote environmental preservation and conservation, and hold regular conferences to review management systems and maintain continual improvement.

Message from the Chief Environmental Officer



Shiroh Ikeda

Chief Environmental Officer
Senior Executive Officer

We Want to Be a Corporation with Higher Social Value by Establishing Environmental Management for Sustainability.

The three years of activities of the 3rd EPAP, which began in FY2000, ended in FY2002. During this period, all of our works acquired ISO 14001 certification, our office divisions established Environmental Management System (EMS), thus a corporate-wide EMS has been established. Through efforts for energy saving and resource conservation, four works achieved zero waste disposal, thus we are steadily approaching our target of zero waste disposal for all Kawasaki works.

In our 4th Environmental Management Activities Plan (EMAP), which will last 3 years beginning in FY2003, we have clearly defined our Medium- and Long-Term Environmental Vision that describes what Kawasaki should be in the year 2010, and designed an action plan for realizing this vision. Because environmental protection activities became a common practice in Kawasaki through our efforts up to the 3rd EPAP, the emphasis in the 4th EMAP is placed on environmental management rather than environmental protection. We are more clearly stating that an environmentally conscious attitude is a vital component in business management. The most important thing in this EMAP is that "Actions by all Kawasaki Group employees are taken with

concern for the environment, not only at work, but also in their local communities and homes" as stipulated in the environmental philosophy given in this EMAP. In other words, business management and environmental protection must be unified into one concept.

Moreover, the 4th EMAP sets up goals with a quantifiable values. To be able to fulfill the targets, an environmental management officer is assigned to each internal company to promote environmental management activities.

We intend to establish a system to improve the environmental management level of our internal companies in which the environmental management officer of each company determines a marker for evaluating the environmental efficiency of a product or production activity that is suitable to the business structure of the division.

Recently, environmental regulations have become stricter as new environment-related laws have been enacted. As a matter of course, most corporations strictly abide by these laws and regulations. However, merely complying with laws and regulations will not be sufficient. Each corporation must introduce measures to cope with every conceivable risk that might possibly occur in the future. Our EMS not only clearly states the requirements that each works must satisfy, but also encourages strengthening and enhancement of voluntary risk management.

Every Kawasaki employee involved in manufacturing should, at every stage of production, think about implementing an arrangement friendly to the earth, which would thus contribute to both the corporation and society. Each works should also contribute to society through its unique know-how and expertise, for example by sponsoring an environmental education session in a local community or maintaining communication with those concerned about a company-related issue.

We will continue to disclose information through Environmental Reports and on our web pages so that our attitudes and stance on environmental management activities are made widely known to the public.