

# Environmental Communication

Beginning with FY2002, our environmental accounting also covers the effects of our environmental protection efforts in accordance with the Environmental Accounting Guidebook issued by the Ministry of the Environment. In order to help improve the environment in local communities, our works have committed themselves to volunteer activities. As an annual environmental report for the entire Kawasaki Group, Environmental Report 2003 contains a wide range of information including environmental data by production base.

## Environmental Accounting

Our environmental accounting up to FY2001 covered only the costs of Environmental Facility Investments and Environmental Protection Costs. Beginning with the Environmental Report 2003, not only Environmental Protection Costs, but also Material Balance Effects and Money Effects are included as Environmental Protection Effects in accordance with the Environmental

Accounting Guidebook of the Ministry of the Environment.

By being able to understand visually Environmental Protection Costs, Material Balance Effects and Money Effects, we can analyze the cost effectiveness of environmental protection, make relevant management decisions, and support efficient and effective investment in environmental protection.

- Coverage: Works and offices in Japan of Kawasaki Heavy Industries, Kawasaki Shipbuilding and Kawasaki Precision Machinery
- Period: April 1, 2002 to March 31, 2003

### [Environmental Protection Costs]

Unit:¥1,000

Classification		Typical activities	Investment	Expense ※
(1) Environmental protection cost required to reduce environmental impact generated in the business area through production and service activities (business field cost)			831,816	2,733,524
Breakdown	① Pollution prevention cost	· Compliance with laws and regulations · Pollution prevention equipment, and its operation and maintenance	539,389	920,464
	② Global environmental protection cost	· Energy saving activities · Energy saving equipment, and its operation and maintenance · Co-generation facility, and its operation and maintenance	94,165	646,110
	③ Resource circulation cost	· Reduction and proper disposal of wastes · Sorting and recycling of wastes · Zero waste disposal efforts, and associated equipment	198,262	1,166,950
(2) Cost required to reduce environmental impact generated upstream or downstream by production and service activities (upstream/downstream cost)		· Implementation of green purchasing · Product assessment · Environmentally conscious product improvement	255,350	2,693,260
(3) Environmental protection cost of management activities (management activity cost)		· Implementation of environmental education and training · Development and execution of EMS · Collection and monitoring of environmental data	0	469,170
(4) Environmental protection cost of R&D activities (R&D activity cost)		· Research & development of products that are easy on and protective of the environment	27,790	3,208,820
(5) Environmental protection cost of social activities (social activity cost)		· Cleanup of nearby environment · Tree planting at works · Participation in environmental group activities · Issuance of environmental reports	17,886	202,298
(6) Cost for restoring environmental damages (environmental damage cost)		· Decontamination of contaminated ground water · Pollution load levies	91,192	40,252
Total			1,224,034	9,347,324

※Includes depreciation expenses.

Unit:¥1,000

Item	Sum
Total investment during the applicable period	24,538,209
Total research & development expense during the applicable period	14,370,765

### [Environmental Protection Effects (Material Balance Effects)]

Environmental impact index		Total amount	Increase or decrease		Comment
Greenhouse gas emissions	t-CO <sub>2</sub>	272,432	8,178	Decreased	See page 19
Energy consumption	TJ	5,839	151	Increased	See page 19
Water consumption	1,000 m <sup>3</sup>	6,993	121	Increased	See page 19
Waste discharge amount	t	66,960	1,132	Decreased	See page 20
Waste recycling rate	%	84.6	2.4	Improved	See page 20
SOx emissions	kg	22,588	15,496	Decreased	See page 24
NOx emissions	kg	160,571	17,725	Decreased	See page 24
Dust emissions	kg	4,692	521	Decreased	See page 24

### [Economic Effects (Money Effects) Resulting from Environmental Protection Activities]

Unit:¥1,000

Description of effects	Sum
Income obtained from recycling	234,932
Cost reduction from energy saving	256,421
Reduction in waste disposal expenses	2,641
Reduction in material costs resulting from enhanced resources	138,313
Total	632,307

## Volunteer Activities & Contributions to Local Communities

The conduct guidelines in our Environmental Charter encourage activities that contribute to society. Accordingly, Kawasaki workers at all business locations actively take part in cleanup and weeding activities of nearby streets, rivers and parks, as well as do repair work on welfare centers, and support environmental NPO activities.



Cleanup of station plaza (Gifu Works)



Cleanup of neighborhood streets (Akashi Works)



Maintenance of Yashiro-no-mori Park in Hyogo Prefecture



Street cleanup (Hyogo Works)



Beach cleanup (Kobe Works)



Road cleanup (Sakaide Works)

### Contributions to Society in the USA

In the USA, Kawasaki Foundation is taking part in fund-raising and volunteer activities in a diversity of areas including education, science, the fine arts, medicine and welfare.

Apart from the social contribution activities of Kawasaki's affiliates based in the USA, a foundation was created in 1992 to support Kawasaki's contributions to society throughout the USA.



Offered relief donations to 9.11 victims and their families



Letters of appreciation for contributions by the Kawasaki Foundation

### Contributions to International Society and Local Communities

We have been welcoming trainees from developing nations under a program organized by the Japan International Cooperation Agency (JICA) to promote technical skills transfer to developing nations.

In addition, we accept study tours to our production facilities from nearby schools and open our sports facilities including sports grounds to nearby residents to contribute to local communities.



Trainees from developing nations (Akashi Works)



Escorted tour (Gifu Works)

## Information Disclosure

We publish Environmental News four times a year to promote environmental consciousness of Kawasaki employees. We also issue quarterly in-house magazine Kawasaki that contains a serial story "Eco-mind" for helping the families of employees deepen their understanding of environmental issues.

So that people outside Kawasaki having various viewpoints can understand our stance in environmental management and various environmental activities, we disclose environment-related information in our Environmental Report and on our web pages. Moreover, we reflect the opinions from readers in our environmental management activities.



Environmental News



Kawasaki in-house magazine



Environmental Report