

# We will pursue “manufacturing that makes the Earth smile.”

## 4

Ideal

Global environment >>>> We aim to realize a low-carbon society, a sound material-cycle society, and a society coexisting with nature.

## Promotion of Environmental Management

Manufacturing that makes the Earth smile



### Establishment of 2020 Environmental Vision (What Kawasaki Should Be in the Year 2020)

Under our Group Mission “Kawasaki, working as one for the good of the planet,” the KHI Group has established “Kawasaki Business Vision 2020” as well as the “2020 Environmental Vision,” which seeks to optimize our relationship to the environment in 2020 in terms of integrating environmental and business considerations.

Following the Environmental Philosophy of our Environmental Charter, the 2020 Environmental Vision seeks to achieve three things: a low-carbon society, a sound material-cycle society and a society that coexists with nature. As a foundation for these, a fourth item, “Establishment of Environmental Management Systems,” is set as basic policy with the goal of helping to build a sustainable society.

To achieve that vision, we have set out an Environmental Management Activities Plan every three years. We have set targets for the three years beginning in 2010 as our seventh Environmental Management Activities Plan period.

**<<2020 Environmental Vision>>**

**Three Points of Entry onto the Path Toward Realization of a Sustainable Society**

- Realization of a low-carbon society**  
Contribute to the prevention of global warming by means of our products and manufacturing that use energy without waste.
- Realization of a sound material-cycle society**  
We engage in manufacturing that uses resources without waste in order to recycle and fully utilize limited resources.
- Realization of a society coexisting with nature**  
Through manufacturing that is in harmony with the global environment, we are contributing to minimization of environmental impact and conservation of the ecosystem.

**Building a Foundation for Environmental Management**

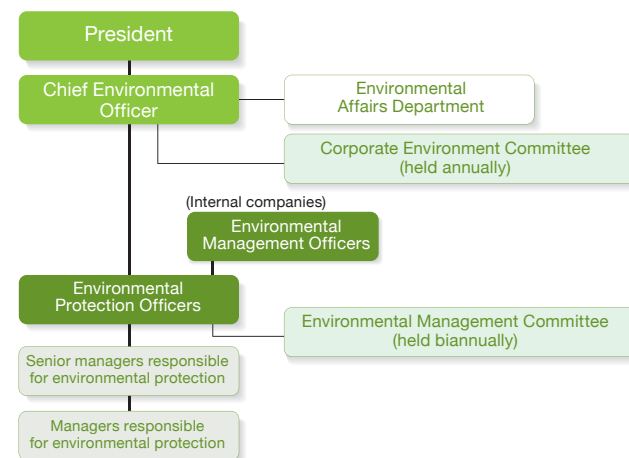
**Establishment of environmental management systems**  
Building a foundation for environmental management that will realize the 2020 Environmental Vision

### Flow of Environmental Management



### Environmental Management Organization

The KHI Group appoints a Chief Environmental Officer (the director for environmental issues) and deliberates and makes decisions on a variety of important matters in its Corporate Environment Committee, which the Chief Environmental Officer chairs. We additionally appoint Environmental Management Officers, Environmental Protection Officers, senior managers responsible for environmental protection and managers responsible for environmental protection for the organization of each internal company to allow each division to voluntarily carry out the Environmental Management Activities Plan decided on, and we establish an organizational system under which members can work together to advance environmental activities.



## Achieving the 2020 Environmental Vision

We have set the seventh Environmental Management Activities Plan (FY2010-2012), which starts off our 2020 Environmental Vision, and Priority Initiatives for FY2010, and are working toward realizing our vision.

### Environmental Management Activities Plan

The Seventh Environmental Management Activities Plan (FY2010-2012)	Priority Initiatives for FY2010
<p><b>Realization of a low-carbon society</b> Contribute to the prevention of global warming by means of our products and manufacturing that use energy without waste.</p> <p>Global warming prevention measures</p> <ol style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from our own production activities                     <ul style="list-style-type: none"> <li>Make CO<sub>2</sub> more tangible to promote energy-saving activities Group-wide</li> <li>Create a verification system</li> <li>Take Group-wide CO<sub>2</sub> reduction measures (energy-saving capital investment)</li> <li>Promote energy savings from logistics as a specified consignor</li> </ul> </li> <li>Acquire emissions credits with KHI Group products and technologies                     <ul style="list-style-type: none"> <li>Create a system to acquire emissions credits with KHI Group products and technologies in Japan and abroad (e.g., CDM)</li> </ul> </li> <li>Purchase emissions credits from trading market                     <ul style="list-style-type: none"> <li>Take measures in case we do not meet CO<sub>2</sub> reduction targets</li> </ul> </li> <li>Acquire emissions credits by endowment or donation                     <ul style="list-style-type: none"> <li><b>Group-wide target</b> By FY2012, reduce our average amount of CO<sub>2</sub> basic unit (=CO<sub>2</sub> emissions per net sales) for FY2008–2012 by 10% compared to FY2007</li> </ul> </li> </ol>	<p>Global warming prevention measures</p> <ol style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from our own production activities                     <ul style="list-style-type: none"> <li>Make CO<sub>2</sub> emissions tangible and verifiable (inc. responding to Revised Energy Saving Law)</li> <li>Take Group-wide CO<sub>2</sub> reduction measures (energy-saving capital investment)</li> <li>Strengthen voluntary reduction initiatives of each department and follow through with plans</li> </ul> </li> <li>Acquire emissions credits with KHI Group products and technologies                     <ul style="list-style-type: none"> <li>Give indirect support for activities of each department for reducing CO<sub>2</sub> with UN CDM program, etc.</li> </ul> </li> <li>Purchase emissions credits from trading market                     <ul style="list-style-type: none"> <li>Examine cost burden of purchasing portion of reduction targets not achieved</li> </ul> </li> <li>Acquire emissions credits by endowment or donation                     <ul style="list-style-type: none"> <li>Study forest conservation activities, use of green electric power, etc.</li> </ul> </li> </ol>
<p><b>Realization of a sound material-cycle society</b> We engage in manufacturing that uses resources without waste in order to recycle and fully utilize limited resources.</p> <p>Activities to reduce total waste emissions</p> <ol style="list-style-type: none"> <li>Promote resource savings and 3R (reduce, reuse, recycle)</li> <li>Zero emissions activities, increasing recycling rate                     <ul style="list-style-type: none"> <li><b>Group-wide target</b> By FY2012, reduce waste basic unit (=waste emissions per net sales) by 12% compared to FY2002, maintain zero emissions</li> </ul> </li> </ol> <p>Decide on proper treatment plan for PCB wastes and follow through</p>	<p>Activities to reduce total waste emissions</p> <ol style="list-style-type: none"> <li>Activities to reduce three substances with greatest waste emissions (metal scrap, waste oil, wood scrap)</li> <li>Promote resource savings, 3R</li> <li>Maintain and enhance zero emissions</li> <li>Promote implementation of electronic manifests</li> </ol> <p>Decide on proper treatment plan for PCB wastes and follow through</p> <ol style="list-style-type: none"> <li>Follow through on JESCO commissioned processing</li> <li>Follow through on processing trends and number of processed units of equipment containing low-density PCBs</li> <li>Promote proper treatment of PCB-contaminated soil</li> </ol>
<p><b>Realization of a society coexisting with nature</b> Through manufacturing that is in harmony with the global environment, we are contributing to minimization of environmental impact and conservation of the ecosystem.</p> <p>Activities to reduce chemical substances</p> <ul style="list-style-type: none"> <li>Set reduction targets and promote activities (both design and production initiatives)                     <ul style="list-style-type: none"> <li><b>Group-wide target</b> Set controlled chemical substances reduction target for FY2010-2012 compared to average for FY2003-2005</li> </ul> </li> </ul> <p>Environmental contributions through products and technologies</p> <ol style="list-style-type: none"> <li>Activities to reduce environmental impacts over product life cycle                     <ul style="list-style-type: none"> <li>Prepare foundation for performing product life cycle assessment</li> </ul> </li> <li>Make products greener, promote environmental consciousness in products</li> </ol> <p>Reduce impact on and conserve biodiversity</p> <ul style="list-style-type: none"> <li>Decide on biodiversity action guidelines and promote conservation</li> </ul>	<p>Activities to reduce chemical substances</p> <ol style="list-style-type: none"> <li>Perform critical point follow-through in departments stepping up reduction measures in seventh plan                     <ul style="list-style-type: none"> <li>Learn and organize usage status, clarify issues and set targets</li> </ul> </li> </ol> <p>Environmental contributions through products and technologies</p> <ol style="list-style-type: none"> <li>Activities to reduce environmental impacts over product life cycle                     <ul style="list-style-type: none"> <li>Select model products and examine evaluation techniques</li> <li>Report environmental contributions from products and technologies</li> </ul> </li> <li>Make products greener                     <ul style="list-style-type: none"> <li>Respond thoroughly to laws and regulations (RoHS Directive, REACH Regulations, etc.)</li> <li>Promote green procurement (set a green purchasing rate and take measures to achieve it)</li> </ul> </li> </ol> <p>Activities to protect biodiversity</p> <ol style="list-style-type: none"> <li>Promote initiatives within works</li> </ol>
<p><b>Establishment of environmental management systems</b> Building a foundation for environmental management that will realize the 2020 Environmental Vision</p> <p>Build an EMS at KHI Group</p> <ul style="list-style-type: none"> <li><b>Group-wide target</b> Finish building EMS at consolidated subsidiaries in Japan and abroad that are key production bases by FY2012</li> </ul> <p>Thoroughly comply with environmental laws and regulations</p> <ul style="list-style-type: none"> <li>Prevent recurrence of environmental accidents, etc.</li> </ul> <p>Practice environmental communication</p> <ul style="list-style-type: none"> <li>Promote environmental dialog with all stakeholders</li> </ul>	<p>Build an EMS at KHI Group</p> <ol style="list-style-type: none"> <li>Decide on and promote plan for building EMS at consolidated subsidiaries in Japan and abroad</li> <li>Collect major environmental data for entire Group (energy, waste, chemical substances, etc.)</li> </ol> <p>Thoroughly comply with environmental laws and regulations</p> <ol style="list-style-type: none"> <li>Activities of Environmental Law and Regulation Compliance Status Review Committee</li> <li>Follow up on environmental law revisions, etc., and expand Group-wide Practice environmental communication</li> </ol> <p>Practice environmental communication</p> <ol style="list-style-type: none"> <li>Awareness-raising activities for KHI Group employees (environmental education)</li> <li>Disclose environmental data within and beyond Group (issue environmental news, CSR report, etc.)</li> <li>Company forest restoration program</li> </ol>