

Promoting Environmental Management

Chief Environmental Officer's Message To Realize a Sustainable Society



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Sound and sustainable solutions to social issues, such as preventing global warming, reducing environmental impact, and protecting biodiversity are needed in order to realize a sustainable society. With the aim of resolving these issues, Kawasaki established its Environmental Charter in 1999, stipulating the sense of values to be shared across the Kawasaki Group, the underlying principles of environmental management activities, and guidelines for daily conduct that all members of the organization are required to follow.

The Kawasaki Group formulates its long-term environmental vision to provide guideposts for planning concrete measures. The Environmental Vision 2020, which was formulated in 2010, is now within sight of its target year. We have therefore formulated the Kawasaki Global Environmental Vision 2050, which defines our super-long-term identity, based on monitoring of worldwide trends. Aiming for zero emissions in three key categories under our goals of "CO₂ FREE," "Waste FREE," and "Harm FREE," we will steadily achieve the

specific targets of our Environmental Management Activities Plan.

Kawasaki Environmental Report 2017 highlights the results of our environmental management activities undertaken in fiscal 2017, the first year of our three-year Ninth Environmental Management Activities Plan, which was formulated based on the Environmental Vision 2020.

In fiscal 2017, we succeeded in reducing our resource and energy costs by 7%, which surpassed our target of 5%. The key contributing factors were ongoing energy-saving measures through the introduction of our energy visualization system at manufacturing sites, elimination of waste and irregularities in energy use while raising facility efficiency, and a proactive response to the liberalization of electricity. Meanwhile, although we were not able to achieve our target of a 3% reduction in CO₂ emissions (per unit of sales), this was mainly due to the impact of launching new facilities, and we expect to be able to meet our target in fiscal 2018 and beyond. Furthermore, the Kawasaki-brand Green Product program for assessing and registering products with exceptional environmental performance is now in its fourth year, and has acquired greater recognition throughout Kawasaki. A total of 41 products registered as of 2017 are contributing to reducing environmental impact around the world.

The Kawasaki Group will contribute to protecting and enhancing the global environment, both through its business activities and its products, and will work in cooperation with all involved parties to create a sustainable future society. I hope that the information contained in this report will provide readers with a deeper understanding of the environment-oriented management practices undertaken within the Kawasaki Group.

Environmental Charter (established 1999, revised 2010)

Environmental Philosophy

The Kawasaki Group pursues business activities globally in key industries related to land, sea, and air, guided by the desire to contribute to the development of society through *monozukuri* manufacturing. In this effort, as a group, we emphasize the "realization of a low-carbon society," "realization of a recycling-oriented society," and "realization of a society coexisting with nature" to help solve global environmental issues, and we strive to help build a sustainable society through environmentally harmonious business activities and environmentally conscious Kawasaki-brand products and services.

Conduct Guidelines

- 1 Global environmental problems are serious issues shared by people around the world and, making it a management priority to ensure that business activities are conducted in harmony with the environment, we will strive willingly and vigorously toward this goal.
- 2 We will endeavor to conserve resources, save energy, recycle, and reduce industrial waste in production stages, and we will promote efforts to limit the impact of our operations on the environment.
- 3 We will carefully consider environmental impact during product planning, R&D and design stages to limit as much as possible any environmental impact caused during procurement, production, distribution, utilization and disposal stages of the products we make and market.
- 4 We will strive to minimize the impact our business activities have on ecosystems and engage proactively in efforts to protect these ecosystems.
- 5 In seeking solutions to global environmental issues, we will develop and provide new technologies and new products that effectively contribute to environmental protection and reduced consumption of energy and natural resources.
- 6 Going beyond environment-related laws, regulations and conventions and self-established action plans in related industries, we will implement our own environmental control standards, as appropriate, and strive to improve environmental management levels.
- 7 Through environmental training and public relations activities, we will strive to elicit greater awareness of global environmental issues among all employees and will encourage employees to perform a self-improvement review and participate in social contribution activities.
- 8 We will implement an environmental management system for environmental protection activities, hold regular conferences on environmental protection activities, undertake reviews, and strive to achieve continual improvement in our environmental protection activities.

Environmental Management Platform

Kawasaki appoints a chief environmental officer (director responsible for environmental management), who coordinates corporate environmental management activities and assumes full responsibility and authority for environment-oriented issues, and maintains a corporate environmental management structure. (Fig. 1: Environmental Management Organization)

To ensure continuous improvement in environmental management activities, the Corporate Environment Committee, which is chaired by the chief environmental officer, discusses specific approaches and implementation methods, and has the final say on which

activities are pursued.

Similarly, in accordance with the Energy Saving Law, an energy management structure has been established under the direction of an energy management officer. (Fig. 2: Energy Management Organization)

The Corporate Energy Management Committee holds regular meetings and vigorously promotes energy-saving activities in line with business scale.

Kawasaki has been working to build and maintain an effective environmental management structure since 1994. Looking to the future, we will consistently refine our approaches to realize improvements.

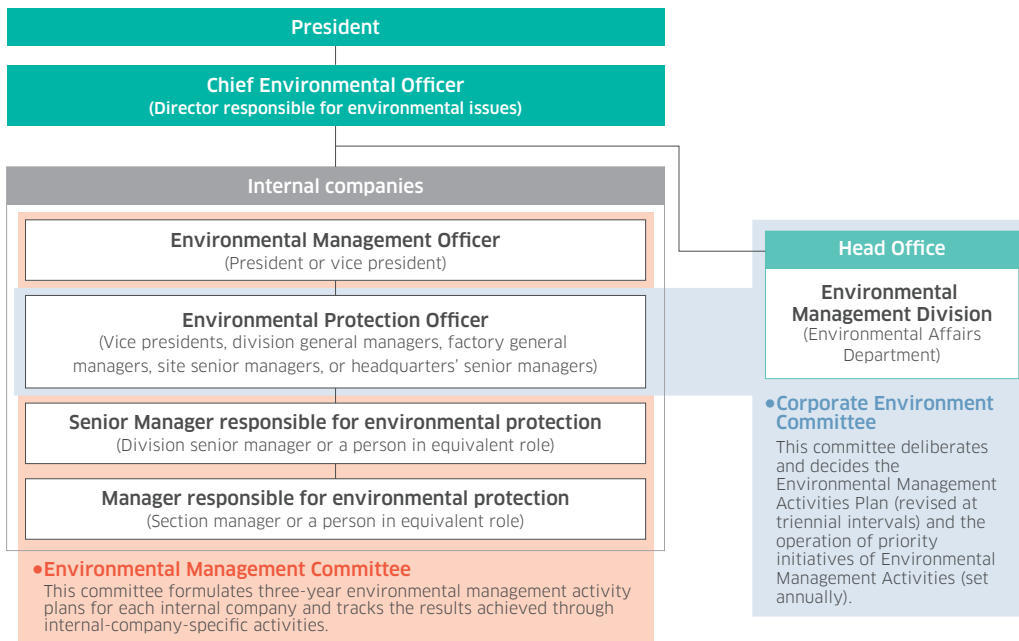


Figure 1: Environmental Management Organization

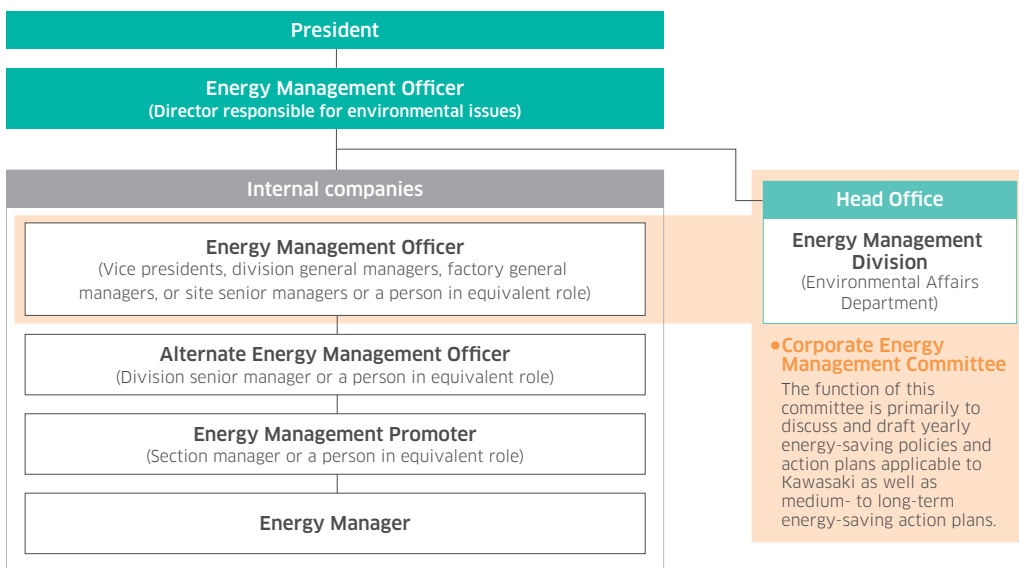


Figure 2: Energy Management Organization

Formulating the Kawasaki Global Environmental Vision 2050

In light of the Paris Agreement enacted to restrict global warming and the Sustainable Development Goals (SDGs) adopted by the United Nations, the Kawasaki Group has announced that it will collaborate toward the realization of a sustainable society in the future, and formulated the “Kawasaki Global Environmental Vision 2050.”

The embodiment of the Group’s environmental management is based on the three visions of “CO₂ FREE,” “Waste FREE,” and “Harm FREE,” and the Group will contribute to controlling global warming, promoting a recycling-oriented society and protecting biodiversity toward the year 2050.



2050 Kawasaki Challenge!

**Activity Mark: Designed with the three challenges, imagining a “letter to the future.”*

CO₂ FREE

- Aim for zero CO₂ emissions in business activities
- Provide products and services that greatly curb CO₂ emissions

Waste FREE

- Aim for zero waste emissions in business activities
- Thoroughly enforce conservation and recycling of water resources

Harm FREE

- Aim for zero harmful chemical substances emissions in business activities
- Develop business with respect for biodiversity



Initiatives for Environmental Management

As an initiative for environmental management, Kawasaki formulated the First Environment Management Activities Plan in 1994, and the entire Company started work on environmental conservation activities. Later, in 1999, we established the “Environmental Charter” to demonstrate our commitment to the environment both inside and outside the Company, and as a long-term vision, formulated the “Environmental Vision 2010” in 2003 and the “Environmental Vision 2020” in 2010. We implement specific environment management activities plans based on the above and are steadily carrying them out.

With the realization of “Environmental Vision 2020” in sight, we have formulated the new “Kawasaki Global Environmental Vision 2050” with the aim of making a significant contribution to the global environment through products and services, in addition to zero environmental impact from business activities. Through steady environmental management activities constantly aiming for a vision that anticipates the times, we will make progress toward realizing the Group Mission “Kawasaki, working as one for the good of the planet.”

