

CSR Management and Human Rights

Basic Policy on CSR

We believe the Kawasaki Group's highest CSR priority is realizing the Group Mission, "Kawasaki, working as one for the good of the planet." Accordingly, we actively identify global social issues and aim to solve them by providing products and services driven by innovation and the pursuit of synergies within the Group. In addition, to earn and maintain the trust of society, we have made it the Kawasaki Group's basic policy on CSR activities to promote constructive dialogue with

stakeholders and reinforce initiatives in such areas as ensuring fair business practices, preventing corruption, and promoting consideration of the environment and human rights.

Based on this policy, we have identified material issues that define the scope of our CSR activities, informing Group-wide CSR management. We will continue CSR-related efforts based on stakeholder expectations and demands and thereby reinforce our foundation for value creation.

CSR Activity Targets and Performance

In fiscal 2017, management defined CSR-related material issues for the Kawasaki Group to address and reviewed the CSR activity framework, positioning material issues related to the creation of social value through business as top priorities to be achieved over the long term and all other material issues as CSR issues that underpin the management foundation. Under the new framework, we have clarified the

divisions and individuals responsible for as well as our ideals and key performance indicators for key items related to the creation of social value through business and environmental, societal, and governance (ESG) issues. We monitor accomplishments related to these key items every year. We implement a plan-do-check-act (PDCA) cycle while working to enhance our CSR activities.



For more information about Kawasaki's CSR activity targets and performance, please refer to Kawasaki's website.
<https://global.kawasaki.com/en/corp/sustainability/overview/outline.html>

Stakeholder Engagement

The Kawasaki Group actively acknowledges the expectations and requests of stakeholders and aims to create social value by meeting those expectations and requests through its business activities while working to raise enterprise value. Through stakeholder dialogue, we strive to enhance information disclosure, deepen communication and thus strengthen bonds of mutual trust.

Example Initiative

Kawasaki seeks to increase its enterprise value over the medium- to long-term by proactively engaging in dialogue with shareholders and investors to explain its business strategy and management policy while utilizing the insights gained from such dialogue in management. To this end, when shareholders or investors request a dialogue, the appropriate individuals, including directors and members of top management, meet with them. In addition, we conduct quarterly results briefings, business information sessions, plant tours and other informatory events on an ongoing basis.

In addition, the opinions, and beliefs of shareholders and investors gleaned from dialogues are reported to the Board of Directors as appropriate and necessary.



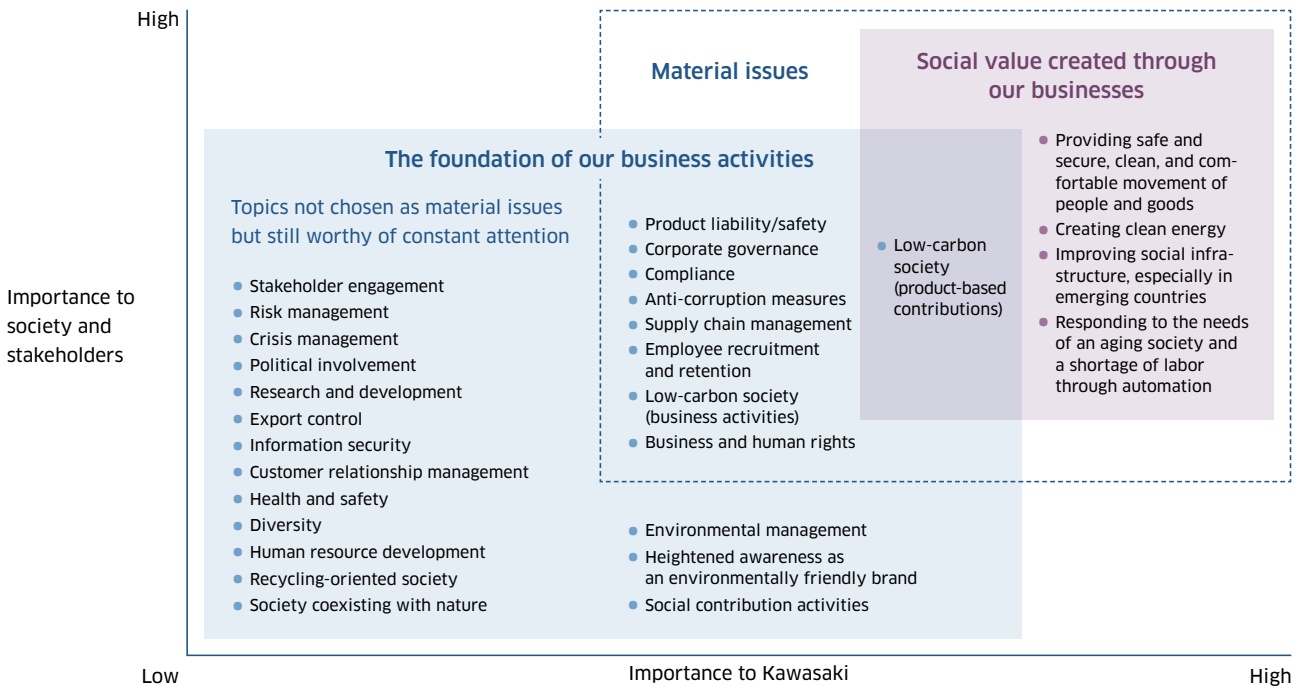
For more information about stakeholder engagement, please refer to Kawasaki's website.
<https://global.kawasaki.com/en/corp/sustainability/overview/stakeholder.html>

Identifying Material Issues

In light of increasingly diverse stakeholder expectations and demands and changes in the business environment, the Kawasaki Group has reexamined and organized the impacts that its corporate activities have on society in order to identify material issues.

We are handling the material issues identified based on the management approach defined under the GRI standards and have established KPIs that we use to regularly monitor progress.

Materiality Matrix of Items Identified



For more information about Kawasaki's process of identifying material issues, please refer to Kawasaki's website. <https://global.kawasaki.com/en/corp/sustainability/materiality.html>

Business and Human Rights Initiatives

As value chains expand on a global scale, ensuring respect for the human rights of employees, suppliers, and all the other people involved in our businesses has become a more important focus that, in turn, increases the necessity of understanding and dealing with the human rights risks in Group-wide business activities.

The Kawasaki Group has enshrined respect for human rights in its business activities in the Kawasaki Group Code of Conduct. In June 2019, we adopted the Kawasaki Group Human Rights Policy by resolution of the Board of Directors. This policy states that, in line with the United Nations Guiding

Principles on Business and Human Rights, the Group will fulfill its responsibilities related to respecting the human rights of the stakeholders impacted by the Group's business activities.

To identify human rights risks in its business activities, in fiscal 2018, the Group implemented human rights risk assessments and impact assessments of its main businesses in cooperation with the U.S.-based nonprofit Business for Social Responsibility (BSR).

Going forward, we will formulate and implement measures to mitigate the significant risks identified through these assessments.



For more information about business and human rights initiatives, please refer to Kawasaki's website. https://global.kawasaki.com/en/corp/sustainability/employee/human_rights.html