

Occupational
Safety and HealthManagement
Approach**Material Issues and Our Approach**

Kawasaki believes that ensuring the safety, and maintaining and improving the health of our employees are key foundations of the corporate activities, and they will make our enterprise value advanced.

Kawasaki has defined its Philosophy, Declaration, and Basic Policy on Safety, Sanitation and Health, based on which it has defined its Three-Year Plan for Safety and Health Management, and Safety and Health Management Platform (a one-year plan) for occupational safety and health activities including the prevention of work-related accidents and illnesses, as well as health maintenance and improvement, and the development of comfortable workplaces.



Kawasaki Safety and Health Philosophy, Safety and Health Declaration and Basic Policy (in Japanese only)
https://www.khi.co.jp/sustainability/social/employee/pdf/safety_idea.pdf

Focus Activities and Medium-term Targets

The 2019–2021 Three-Year Plan for Safety and Health Management defines the following targets and focus activities:

I. Targets**Top-priority Targets**

1. Zero serious occupational accidents
2. Zero new cases of occupational illness

Safety Management Targets

1. Reduce the frequency of lost-worktime accidents by at least 9%
2. Reduce the total number of occupational accidents by at least 9%

Sanitation Management Targets

1. Reduce days lost to illness or injury resulting in four or more days of lost time by at least 5%
2. Reduce the proportion of workplaces with overall health risk scores of 120 or above as determined by group analyses of stress checks by at least 3 percentage points

Health Management Targets

1. Reduce the proportion of employees 40 years old or above with metabolic syndrome or pre-metabolic syndrome at least 5 percentage points
2. Reduce the proportion of employees under 40 years old with high body fat by at least 5 percentage points
3. Complete the separation of smoking and non-smoking areas in indoor spaces by the end of 2021

Note: All the above targets are for 2021 (the final year of the plan); target changes are as compared with 2018 results.

II. Focus Activities**Safety Management**

1. Continuous improvement in the occupational health and safety management system
2. Thorough enforcement and strengthening of measures to prevent serious occupational accidents and similar accidents
3. Disaster prevention measures at construction sites

Sanitation Management

1. Preventive measures against occupational diseases
2. Mental health measures

Health Management

1. Lifestyle disease countermeasures
2. Second-hand smoke preventive measures
3. Health maintenance and improvement measures

Progress, Results and Challenges**Safety Management**

1. We have built safety and health management systems compliant with OSHMS standards and carry out safety and health initiatives.
2. We regularly review past occupational accidents, work to eliminate risks of danger or harm, and implement education and training to prevent serious occupational accidents and similar accidents.
3. We are working to prevent accidents at construction sites through such measures as establishing an overarching safety management system and implementing education and patrols.

Sanitation Management

1. We are implementing working environment management, work management, health management and chemical substance countermeasures to prevent work-related illnesses.
2. We are implementing mental health measures, including line-of-command care and self-care, coordinating between the divisions to which employees belong, safety and health divisions, and mental health medical specialists, and establishing a follow-up system.

Health Management

1. We are implementing lifestyle disease countermeasures through such means as health education and guidance for affected employees.
2. We are working to completely separate smoking and non-smoking areas in indoor spaces and encouraging smokers to quit.
3. We are advancing collaborative health measures, such as implementing health measures with health insurance unions based on check-up data.

● 2018 Results (Scope: nc)

- Total number of occupational accidents: 48 (-9)
- Frequency of lost-worktime accidents: 0.42 (+0.14)
- Days lost to illness or injury resulting in four or more days of lost time: 28,959 (+1,932)
- Percentage of high-stress workplaces: 5.8% (-0.5 percentage points)
- Percentage of employees with metabolic syndrome (including pre-metabolic syndrome): 27.6% (-1.9 percentage points)

Note: Figures in parenthesis indicate year-on-year change.

● Goals for 2019 (Scope: nc)

- Reduce the total number of occupational accidents (46 or fewer).
- Reduce the frequency of lost-worktime accidents (0.40 or lower).
- Reduce days lost to illness or injury resulting in four or more days of lost time (28,466 or fewer).
- Reduce the percentage of high-stress workplaces (4.8% or lower).
- Reduce the percentage of employees with metabolic syndrome (including pre-metabolic syndrome) (25.9% or lower).

KPI

Company-wide frequency rate of lost-time injuries

● Goal for 2019

9% lower than 2018

● Progress

	(Jan.-Dec.)	2014	2015	2016	2017	2018
Company-wide frequency rate of lost-time injuries		0.39	0.33	0.30	0.29	0.42

KPI

Company-wide rate of sick leave for four days or longer

● Goal for 2019

5% lower than 2018

● Progress

	(Jan.-Dec.)	2014	2015	2016	2017	2018
Company-wide rate of sick leave for four days or longer		5.9	4.9	6.2	5.1	5.6

Structure

Kawasaki defines a set of Safety and Health Management Rules, and establishes safety and health structures both Company-wide and at individual works based on these rules.

We actively implement measures in a planned manner to ensure the safety and health of our employees and staff seconded from partners, improve their health, and create comfortable working environments.

Specifically, our safety and health activities are carried out at different works under the supervision and management of Managers of Safety and Health based on Company-wide measures defined by the General Manager of Safety and Health.

● Responsible Officer

Company-wide: Kouzou Tomiyama, Executive Officer, General Manager of Human Resources Division (General Manager of Safety and Health)

Each works: Managers of Safety and Health

● Responsible Executive Organ and Committee

Corporate consultative body: Corporate Safety Commission

Consultative body with the labor union: Special Committee for Safety and Health, and Safety and Health Council

Consultative body at works: Regional Safety and Health Committee

Policy on Occupational Safety and Health

Basic Policy on Safety and Health

1. Provide a safe and secure working environment

- Identify and reduce risk elements that can lead to labor accidents or health issues before they occur.
- Establish a safety and health management structure and constantly improve its quality of management by implementing the PDCA cycle.
- Promote the realization of comfortable workplaces where communication can freely flow, and are conducive to improving working methods and working environments.

2. Implement health management measures with an emphasis on prevention

- Thoroughly implement working environment management, work management, and health management to prevent work-related illnesses.
- Promote mental healthcare and measures for reducing stress in the workplace to reduce the number of employees with mental health issues.
- Reduce the amount of overtime and holiday work, and provide physical checkups and health-care guidance as a way to prevent health issues caused by overworking.

Basic Policy on Health

1. Activities for maintaining and building health

- Provide a broad range of health initiatives to improve both mental and physical health.
- Support health building activities that individual employees personally engage in.
- Ensure a 100% physical checkup participation rate, and use results from these checkups for disease prevention.
- Keep lifestyle diseases from becoming serious.

2. Realizing a rich life

- Realize a rich life where work, family, and society are in a good balance by shortening work hours, promoting the use of paid leave, and making use of various holiday and rest programs.

● Scope of Policy Application

Officers, employees, and staff seconded from partners under the management of Kawasaki



Safety and Health Declaration and Basic Policy (in Japanese only)

https://www.khi.co.jp/sustainability/social/employee/pdf/safety_idea.pdf

Occupational Safety and Health Management

Occupational Safety and Health Management Systems

Based on our occupational safety and health management systems, we implement systematic safety and health management activities as well as improvements through ongoing PDCA cycles and internal audits at workplaces. By doing so, we seek to create a virtuous cycle of improvement in these systems, prevent occupational accidents and facilitate the creation of a comfortable work environment. In our risk assessment efforts, we constantly strive to enhance our ability to identify and reduce risks. The safety and health management systems at all of our business sites are at the level of Occupational Safety and Health Management System (OSHMS) third-party certification.

Kawasaki's KSKY Campaign and awareness building efforts are key aspects of its occupational accident prevention efforts. The letters comprising this acronym stand for Japanese words that describe the different elements of the campaign: K (*kihon*), creating a disciplined workplace that observes the basic safety rules; S (*shisa koshou*), making sure to identify and call out to confirm breaks and other crucial points in each work operation; and KY (*riken yochi*), working to further improve danger prediction abilities. The purpose of the campaign is to encourage employees to take a more active role in safety measures and thereby create a workplace in which all can openly caution one another about potential issues.

Status of Consultations between Management and Labor on Occupational Safety and Health Issues (Status of the Safety and Health Committee, etc.)

Kawasaki has concluded a labor agreement with the labor union and holds a Safety and Health Council (at least once a year) to discuss the policies of safety and health activities, the focus initiatives, and activity planning; a Special Committee for Safety and Health (at least twice a year) for following up on

and revising the status of actions being implemented; and a Regional Safety and Health Committee (monthly) for deliberating on measures for preventing hazards and health impediments, and discussing the causes and measures for preventing the recurrence of labor accidents at all offices in Japan.

Education and Awareness on Occupational Safety and Health

In addition to education and training required by law, we carry out other necessary safety and health education programs including grade-specific training for different staff grades; operation-specific training given after a change in operational content or for employees engaged in specific duties; and general education, which includes health education and hazard prediction training based on our Safety and Health Education Standards. Moreover, we also use the corporate safety education facility, referred to as the “safety dojo,” to promote safety awareness, impart knowledge, and refine risk sensitivity in order to further develop human resources who are capable of acting safely. To prevent accidents caused by unsafe practices and to build safety awareness, we implement a range of safety and health education programs, including simulated scenarios to help employees experience hazards in the workplace first hand.

● Safety Dojo Participants

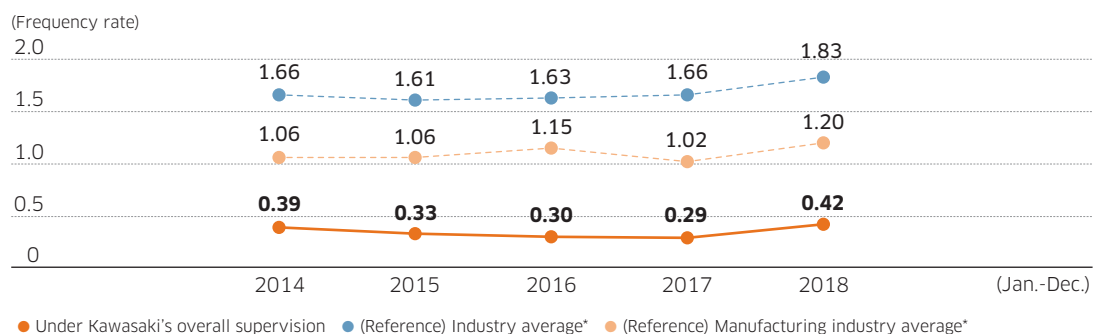
	(FY)	2014	2015	2016	2017	2018
Safety Dojo Participants	Persons	–	663	3,687	2,778	2,668
	Scope	–	nc	nc	nc	cd*

Status of Labor Accidents and Work-related Illnesses

		(Jan.-Dec.)	2014	2015	2016	2017	2018
Number of labor accidents	Number of incidents		64	52	42	57	48
Number of fatalities in the course of duty	Under Kawasaki's overall supervision	Persons	0	0	0	0	0
	Employees	Persons	0	0	0	0	0
	Internal transfer staff*	Persons	0	0	0	0	0
Frequency rate of sick leave (frequency rate)	Employees		5.9	4.9	6.2	5.1	5.6
Frequency rate of lost-time injuries (frequency rate)	Under Kawasaki's overall supervision		0.39	0.33	0.30	0.29	0.42
	Employees		0.28	0.31	0.12	0.3	0.21
	Internal transfer staff*		0.72	0.49	0.85	0.24	1.04
	Scope		nc	nc	nc	nc	nc

* Internal transfer staff under overall supervision of Kawasaki (temporary staff, and contract staff in shipbuilding and construction)

● Frequency Rate of Lost-time Injuries (frequency rate)



Health Management

Our Health Management Activities

Kawasaki sees the health of its employees as one of its key management resources. As such, Kawasaki provides extensive support to help individual employees live a healthy lifestyle in a self-directed manner, and aims to help employees enjoy a healthy and rich lifestyle by promoting healthy activities.

● Implementation of Physical Checkups

Kawasaki implements various physical checkups as required by laws and regulations such as checkups upon beginning employment, regular checkups, checkups for employees engaging in specific operations and those on overseas assignment. Health guidance is provided by industrial physicians for employees who are diagnosed with an ailment via these checkups.

● Mental Health Initiatives

We provide regular line-of-command care education for supervisors and self-care education for general employees. This education teaches correct knowledge about mental health care and ways to handle related issues.

In addition, stress checks are carried out once a year, and employees found to have a high stress level may request an interview with and guidance from a professional.

Furthermore, on May 1, 2019, we began operating an external consultation hotline to which Kawasaki employees can bring concerns related to harassment or mental health.

● Checkups for Employees Working Long Hours

To prevent health problems that can be caused by overworking, employees who have worked overtime for 45 hours or longer over two consecutive months, or 60 hours or longer in a month are given checkups for long-hour workers and must carry out the mandatory self-diagnosis for accumulated fatigue. Interview guidance is provided by industrial physicians to employees suffering from a high degree of accumulated fatigue.

● Preventive Measures Against Occupational Illnesses

To prevent occupational illnesses, Kawasaki is working towards improving working environments based on the results obtained in regular inspections such as working environment assessments, workplace rounds, and inspections of local ventilation equipment, etc.

● Health Education Classes

As part of our Company-wide Total Health Promotion (THP) activities, we support employees in improving their mental and physical health by offering classes aimed at the prevention of lifestyle diseases. These include an Eating Habit Improvement Seminar, an Exercise Seminar and seminars for female employees.

● Health Education Participants (Head Office)

	(FY)	2014	2015	2016	2017	2018
Mental health education	Persons	–	–	–	1,323	1,290
Level-specific education (for new hires, etc.)	Persons	–	–	–	1,051	1,040
Other health educations (education for female employees, etc.)	Persons	–	–	–	622	640

● Actions for Preventing Lifestyle Diseases

	(FY)	2014	2015	2016	2017	2018
Percentage taking designated checkups	%	97.6	96.3	95.6	92.8	96.2
Percentage taking designated health guidance	%	60.2	63.6	65.4	62.7	62.5
	Scope	cd*	cd*	cd*	cd*	cd*

● Health Management KPI

	(FY)	2014	2015	2016	2017	2018
Percentage taking regular physical checkups	%	99.7	99.0	99.3	99.0	99.0
	Scope	nc	nc	nc	nc	nc