

Collaboration with Business Partners/Human Rights

Collaboration with Business Partners

Basic Policies for Material Procurement

The Kawasaki Group conducts procurement activities based on the following Basic Policies for Material Procurement.

Fair and Impartial Procurement We will provide broad and impartial opportunities for our business partners, and will make selections with integrity and good faith after conducting comprehensive and fair evaluations of quality, price, delivery schedule, technological development capabilities, and other such factors.

Relationships with Business Partners We seek to realize optimal quality, cost, and delivery schedule together with stable procurement by taking a long-term perspective to build relationships of trust with business partners with the aim of mutual enhancement of competitiveness and prosperity.

Compliance We will observe related statutes and regulations as well as social norms. We will place information gained through procurement under appropriate controls, and will take thoroughgoing measures to protect confidential information and prevent leaks.

Consideration for Human Rights, Labor and Occupational Safety and Health We will advance procurement activities that have consideration for human rights, the work environment and occupational safety and health.

Harmony with the Global Environment Through Green Procurement We will advance procurement that has consideration for the global environment with respect to the materials used in products.

In addition, the Basic Policies for Material Procurement as well as the Code of Conduct for Dealing with Business Partners and the Policy Regarding Procurement of Conflict Minerals, which are in line with the objectives of the Basic Policies, are disclosed on our website. The site informs

business partners of our basic stance toward material procurement.

Basic Stance toward CSR Procurement

While conducting the Group's business activities, it is essential to conduct procurement activities in line with our stance toward CSR that includes consideration for human rights, labor issues, occupational safety and health, and the global environment, in addition to compliance.

Accordingly, we have to gain the cooperation of our business partners, in addition to the Group, and actively promote CSR activities throughout the supply chain.

CSR Procurement Initiatives

We have released the CSR Procurement Guidelines (originally published in 2012 and revised in 2018) on the website, where we describe our basic stance toward CSR procurement and our requests to our business partners. Additionally, we conducted a questionnaire-based survey with domestic business partners in fiscal 2017. About 1,400 business partners responded.

From fiscal 2019, we are going to have opportunities to explain our stance on CSR directly to our business partners and ask them to strengthen CSR efforts.

In addition, we pursue CSR procurement on a global and Group-wide basis by disclosing our policies, which conform to each business, through the websites of the Group's domestic and overseas companies.

The Group will continuously promote CSR efforts throughout its entire supply chain with our business partners.

Human Rights Initiatives

Respect for Human Rights and Policy on Prohibition of Discrimination

The Kawasaki Group is committed to respecting the human rights of all people, as stated in the Kawasaki Heavy Industries Group Business Conduct Guideline. We request our employees not to be complicit in not only any infringement of human rights in which companies are directly involved, but also those in which the Group is indirectly involved.

Initiatives for Human Rights and Labor

We have confirmed that no company under the Group umbrella is involved in child labor or forced labor. We have declared that none of the Group

companies will ever employ such practices, with the signatures of the presidents of all Group companies, including those overseas, in the Declaration of the Abolition of Forced Labor and Child Labor. All Group companies, including those overseas, also prepared CSR Procurement Guidelines, which cover respect for human rights, and request business partners to have respect for human rights as well.

Recognizing that human rights constitute the Group's materiality (material issues), we plan to exercise due diligence in line with the United Nations Guiding Principles on Business and Human Rights from fiscal 2019 to further pursue human-rights initiatives.