

# The Kawasaki Group **Code of Conduct**

Second Edition

## Statement by the President



The business activities of Kawasaki Group (the “Group”) are inextricably tied to our communities and have meaningful impact upon the larger society. In order to ensure that the Group forms a positive symbiotic relationship with the larger society, as the Group continues to grow, it is vital for us to not only focus on making economic profit but also foster trust by meeting the demands of all of our stakeholders including our employees, customers, suppliers, shareholders, and communities in which we do business. It is the Group’s mission to provide products and services that contribute to the larger society. But that is not all. We also have a social responsibility to engage in fair business practices as well as to prevent corruption, to care for the environment, to promote human rights, and to ensure the highest standards of conduct in all of our business activities. As we carry out these responsibilities, we must work to fulfill the Group’s mission: Kawasaki, working for the good of the planet.

The Group’s business extends across national borders and a wide range of industries around the world, and our workforce consists of people from various countries and cultural backgrounds. In order for the Group to exemplify the highest standards of business conduct as a global corporation, it is vital for each and every one of our officers and employees to comply with the laws of the countries and regions in which we operate, as well as with international standards, rules of conduct, and codes of ethics. Moreover, it is crucial that we act with a sincere appreciation and respect for the diversity of each and every person’s character, culture, and customs.

As president, I declare that the Kawasaki Group Code of Conduct (the “Code”) shall serve to help all officers and employees in each country and region to come together in unity, with a deep awareness that the Code will serve as the foundation for ensuring the highest standards of conduct in all of our business activities and that we shall adhere to the Code in making decisions and taking action, even in difficult circumstances.

I ask that all members of the Group refer to the Code in the conduct of their daily business on behalf of the Group. In particular, supervisors must set an example for their subordinates and endeavor to provide the necessary guidance and support. Furthermore, in addition to the Code, all members of the Group must adhere to all applicable laws, regulations, and rules. The continued strength and growth of the Group depend on this commitment.

Working together, we will make the Group a business that enjoys deeper trust from our communities and for which we work with pride.

April 2019

President and Chief Executive Officer

*Toshihiko Kanehama*

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Basic Structure of the Code of Conduct

**1-1 Fair Business Practices**

**Group standards**  
We will not obstruct free and fair competition, and we will work to maintain a healthy market.

**Item background, international standards, explanations of relevant laws, regulations, etc.**  
Legitimate, free, and fair competition in domestic and international business is essential for the market to function correctly. For this reason, countries around the world have established their respective competition laws. Generally, competition laws are designed to prohibit conduct that reduces competition and harms consumers. We may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers in violation of applicable laws. We must also be careful not to engage in bid-rigging with respect to public tenders.

**Situations that can occur as the result of violating laws or standards**  
Some countries apply their competition law extrajurisdictionally, which means that they may have competition laws in instances of anti-competitive conduct in other countries that have laws outside their borders.

**Actions to be taken by individuals**  
Violation of competition laws may include administrative, and criminal penalties for the Group and individual officers and employees, including significant fines, lawsuit damages, suspension of a part or the entirety of a business, or imprisonment of the individual officers and employees involved. Furthermore, violation of competition laws may result in reputational damage to our reputation.

**Actions to Be Taken by Individuals**  
We will not engage in the following actions:  
 Bid Rigging: Participating in an arrangement of the commercial order and bid amount during public tenders.  
 Market Allocation: Dividing and allocating markets or territories in violation of applicable laws.  
 Price Fixing: Agreeing upon prices with competitors or intentionally exchange commercially sensitive information in violation of applicable laws.  
 Boycotting: Boycotting suppliers or customers in violation of applicable laws.  
 Dumping: Continually selling at unreasonably low prices without a rational distribution, thereby harming competitors.  
 Do not interact with our competitors without a good reason, with our social occasions. If you do contact or otherwise interact with a competitor, keep a complete written record of any such contact or interactions for that purpose and nature of such contact or interactions remain clear. Under no circumstances should you share confidential or otherwise commercially sensitive information with competitors.

**Page indicator**  
For further guidance, see the Compliance Department.

# Relation between the Kawasaki Group Mission Statement and the Code of Conduct

In 2007, the Group established the Kawasaki Group Mission Statement to orient the group as a whole. It incorporates the Group's social mission for the 21st century, commonly shared values to increase Kawasaki brand value, core principles to guide business activities, and actions regularly expected of each individual employee.

The Kawasaki Group Code of Conduct is the ethical standards the officers and employees of the entire group should rely on in their act and is positioned as the infrastructure supporting realization of the Group Mission.

## Kawasaki Group Mission Statement

### Group Mission

**Kawasaki, working as one for the good of the planet**

We are the Kawasaki Group, a global technology leader with diverse integrated strengths. We create new value—for a better environment and a brighter future for generations to come.



### Kawasaki Value

- We respond to our customers' requirements
- We constantly achieve new heights in technology
- We pursue originality and innovation

### The Kawasaki Group Management Principles

#### 1. Trust

As an integrated technology leader, the Kawasaki Group is committed to providing high-performance products and services of superior safety and quality. By doing so, we will win the trust of our customers and the community.

#### 2. Harmonious coexistence

The importance of corporate social responsibility (CSR) permeates all aspects of our business. This stance reflects the Kawasaki Group's corporate ideal of harmonious coexistence with the environment, society as a whole, local communities and individuals.

#### 3. People

The Kawasaki Group's corporate culture is built on integrity, vitality, organizational strength and mutual respect for people through all levels of the Group. We nurture a global team for a global era.

#### 4. Strategy

Enhance corporate value based on the guiding principles of "selective focusing of resources," "emphasis on quality over quantity," and "risk management."

### The Kawasaki Group Action Guidelines

1. Always look at the bigger picture. Think and act from a long-term, global perspective.
2. Meet difficult challenges head-on. Aim high and never be afraid to try something new.
3. Be driven by your aspirations and goals. Work toward success by always dedicating yourself to your tasks.
4. Earn the trust of the community through high ethical standards and the example you set for others.
5. Keep striving for self-improvement. Act on your own initiative as a confident professional.
6. Be a part of Team Kawasaki. Share your pride and sense of fulfillment in a job well done.

## The Kawasaki Group Code of Conduct

Infrastructure supporting realization of the Group Mission

## Applicability of the Code:

The Kawasaki Group Code of Conduct (the “Code”) applies to all officers, employees, temporary contract employees, and agents (the “officers and employees”) of the Kawasaki Heavy Industries Group (the “Group”), a corporate group consisting of Kawasaki Heavy Industries and its subsidiaries.

Furthermore, non-controlled affiliates, suppliers, independent contractors, and distributors of the Group are also requested to adhere to the Code where applicable.

## Relationship with the Laws of Each Country:

The officers and employees must comply with all applicable laws and regulations of the countries and regions in which we do business. If the relevant the Code sets a higher standard than local or international laws, then the Code shall take precedence. In the event of a conflict between the Code and local or international laws and standards, please consult with your supervisor, the relevant departments, the Compliance Department, or the CSR Department, Kawasaki Heavy Industries, Ltd.

Examples of international laws and standards include: The OECD Guidelines for Multinational Enterprises, ISO 9000, ISO 14001, ISO 26000, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

## Actions to Take When You Discover a Violation:

If you discover any violation of the Code, promptly report it to your supervisor and the relevant departments. If, for any reason, it is not practical, or if it is difficult, to report to your supervisor or the relevant departments, report to the Compliance Department. The Group takes measures to keep confidential the identities of the officers and employees who submit their reports. When submitting concerns, you are asked to provide as much detailed information as possible. Providing detailed, rather than general, information will assist us in effectively investigating complaints. Even if the report turns out to be a mistake and no violation is found, the individual who reported it will not be held responsible as long as the individual reported it in good faith. All conversations, calls, and reports made under this policy in good faith will be taken seriously. Any allegations that are knowingly false or without a reasonable belief in the truth and accuracy of such information will be viewed as a serious disciplinary offense.

## Prohibition on Retaliation:

Neither the Group nor any of the officers or employees may discharge, demote, suspend, threaten, harass, discriminate, or otherwise retaliate or take adverse action against any officers or employees in the terms and conditions of employment based upon any lawful actions of such officer or employee who in good faith reports, expresses concerns about, or provides information regarding any conduct that the officer or employee reasonably believes constitutes or may constitute a violation of the Code. If you experience or witness this type of retaliatory conduct, promptly report it to your supervisor, the relevant departments, or the Compliance Department. Retaliation and involvement in retaliation shall be subject to disciplinary action.

## Investigations and Duty to Cooperate:

You must promptly notify the relevant departments of any government investigation or inquiries from government agencies concerning the Group. If you are aware of an internal or government investigation, you may not destroy any record, books of account, or other documents relating to the Group unless advised in writing by the relevant departments.

You have a duty to cooperate with any the Group internal inquiry or government investigation, and you must not obstruct the collection of information, data, or records relating to the Group. You must not lie to internal or government investigators or make misleading statements in any investigation. You also must not attempt to cause any officer or employee to fail to provide accurate information to any internal or government investigators.

## Rules of Thumb:

If, in the course of your work, you are unsure whether certain actions are appropriate, or you encounter a situation that is not specified in the Code, ask yourself the following questions. If you are still in doubt, consult your supervisor, the relevant departments, the Compliance Department, or any other designated channel for reporting compliance-related concerns:

- Does the judgment or action violate laws or social norms?
- Even if it does not violate laws or social norms, does it violate or undermine the objectives of the Code or other policies and rules of the Group?
- If the relevant confidentiality obligations allow, would you be able to speak with pride about your judgment and actions to your superiors, colleagues, or family members?
- Will our customers, suppliers, or communities suffer any disadvantages as a result of the decision or conduct in question?

Also, remain on alert if you hear any of the following, as they often signal possible violations of the Code:

- It's okay, nobody is watching.
- Everyone is doing it.
- It's normal to do it this way here.
- It's not important how we get it done, as long as we get it done.

## Revision:

The Code may be revised only by a resolution of the board of directors of Kawasaki Heavy Industries, Ltd.

## Contact:

In the event of a conflict between the Code and local or international laws and standards, contact the following e-mail address:



Code of Conduct

# 1

## Acceptable Business Conduct

In this section, we discuss what we must be careful about, and what actions we should take, from the standpoint of social rules which the company must adhere to.

Our business operates within the constraints of various regulations, rules, and laws, which are in place for a reason: they are established precisely because something can potentially go wrong in these areas.

Violation of these regulations, rules, and laws carries serious consequences, which may result in loss of trust by our customers and society, and even small violations can easily destroy our reputation and the trust that we have built.

We should adhere to the spirit and letter of the applicable legal and social rules of each member of the Group as well as each country in which we operate, and ensure the highest standards of conduct in everything we do.

## 1 - 1

# Fair Business Practices

We will not obstruct free and fair competition, and we will work to maintain a healthy market.

Legitimate, free, and fair competition in domestic and international business is essential for the market to function correctly. For this reason, countries around the world have established their respective competition laws.

Generally, competition laws are designed to prohibit conduct that reduces competition and harms consumers. You may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers in violation of applicable laws.

We must also be careful not to engage in bid-rigging with respect to public tenders.

\*Some countries apply their competition laws extraterritorially, which means that they apply their competition laws to incidents of anti-competitive conduct or unfair competition that take place outside their borders.

Violation of competition laws may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees, including significant fines, lawsuit damages, suspension of a part or the entirety of a business, or imprisonment of the individual officers and employees involved. Furthermore, violation of competition laws may result in immeasurable damage to our reputation.

## Actions to Be Taken by Individuals

We will not engage in the following actions:

**Bid-rigging:** Participating in pre-arrangement of the successful bidder and bid amount during public tenders;

**Price cartel:** Agreeing upon prices with competitors or improperly exchange commercially sensitive information in violation of applicable laws;

**Market allocation:** Dividing and allocating markets or territories in violation of applicable laws;

**Boycotting:** Boycotting suppliers or customers in violation of applicable laws;

**Resale price maintenance:** Requiring distributors, sub-distributors, retailers, or any other resellers to sell our group products at specific prices when legally prohibited from doing so; or

**Dumping:** Continually selling at unreasonably low prices without a rational justification, thereby harming competition.

Do not interact with our competitors without a good reason, even on social occasions. If you do contact or otherwise interact with a competitor, keep a complete written record of any such contact or interactions so that the purpose and nature of such contact or interactions remain clear. Under no circumstances should you share confidential or otherwise commercially sensitive information with competitors.

Contact your supervisor, the relevant departments, or the Compliance Department for further guidance.

## 1-2

# Anti-Bribery and Anti-Corruption Compliance

We do not engage in bribery or other forms of corruption and do not provide any inappropriate entertainment or gifts.



The Group is committed to strict compliance with the letter and spirit of Japan's anti-corruption laws, the United States Foreign Corrupt Practices Act ("FCPA") and other applicable anti-corruption legislation enacted in various jurisdictions around the globe (collectively, "Anti-Corruption Laws"). Anti-Corruption Laws generally prohibit making payments, promises, or offers of anything of value to government officials or employees (at any level), political candidates, or political party officials to obtain or retain business or to secure an improper advantage. Anti-Corruption Laws also generally prohibit bribery in the commercial

setting, i.e., providing anything of value to improperly influence anyone, whether they are a government official or a private business partner.

The jurisdictional reach of Anti-Corruption Laws can be broad, and the Group requires full compliance with all Anti-Corruption Laws and this Policy by all directors, officers, employees, consultants, and other representatives of the Group, as well as any third parties acting on the Group's behalf, regardless of citizenship or work location. Violations of such laws can carry severe civil, administrative, and criminal penalties for all involved.

## Entertainment and Gifts

Excessive or inappropriate gifts or entertainment affects transparency of our operations and distorts incentives in business transactions. Entertainment and gifts in business activities must have a lawful and legitimate business purposes. Common sense and moderation are vital. Many countries have strict laws concerning entertainment and gifts, and we must adhere to any of those laws stipulating specific monetary limits.

Conduct implicating anti-corruption laws includes the provision of "anything of value" to any individual, whether directly to the individuals or indirectly channeled through their family, friends, business partners, or any other third party. "Anything of value" is broadly defined and includes non-cash items such as gifts, entertainment, event

tickets, lodging, golf outings, favors, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, job offers (even to the recipient's relatives or friends), a donation to a charitable institution or political contribution, transportation, and the payment or reimbursement of debts. Even small payments or benefits are prohibited if they are intended as bribes. The relevant conduct here includes not only the actual giving and receiving of gifts or entertainment but also offers, promises, authorization to provide, and attempts at providing anything of value. Even if the monetary value is small, the provision or acceptance of gifts or entertainment with the purpose of obtaining an unfair business advantage can be inappropriate or illegal.

## 1 – 2 Anti-Bribery and Anti-Corruption Compliance

### Entertainment and Gifts to Public Officials

“Public officials” refers to 1) any officer or employee of a government or any department, agency, or instrumentality thereof; 2) any officers or employees of a public international organization; or 3) any person acting in an official capacity for or on behalf of 1) and 2). This includes not only members and employees of national or local governments and legislatures but also members and employees of state-owned and state-controlled entities. Provision of entertainment and gifts to domestic or foreign public officials, even in small amounts, is considered bribery under the laws of many countries and may be subject to severe civil, administrative,

and criminal penalties.

In addition, in some situations, public officials may request “facilitation payments,” which are payments made to public officials to expedite or to secure the performance of routine governmental action. Facilitation payments are prohibited under the laws of most countries. Accordingly, any improper payments, no matter how small the amount, are strictly prohibited under this policy.

To be clear, the Group does not allow bribery of any type—whether to persons of private entities (e.g., commercial bribery) or to public officials.

Gifts and entertainment provided to public officials may implicate the laws of not only the country and region in which they took place, but also laws of third countries such as the United States Foreign Corrupt Practices Act.

### Actions to Be Taken by Individuals

- ▀ Adhere to the rules and regulations of each the Group company and department regarding anti-bribery and anti-corruption, as well as entertainment and gifts.
- ▀ When providing or receiving entertainment and gifts, confirm the following:
  - The entertainment and gifts will not inappropriately affect decision-making regarding transactions, are not made with corrupt intent, and are legal in your country and the country of the recipient;
  - The entertainment and gifts serve a legitimate business purpose, and the value and nature of the entertainment and gifts are appropriate to the business relationship and local custom;
  - The entertainment and gifts do not violate the standards of conduct of the recipient’s organization or any contractual agreement;
  - Prior approval from appropriate personnel has already been obtained and the entertainment and gifts are otherwise permitted by the Group’s policies; and
  - All records of the entertainment and gifts are properly kept, including records of the date, amount, and contents.
- ▀ If you become aware of inappropriate entertainment and gifts, promptly report them to your supervisor, the relevant departments, or the Compliance Department.
- ▀ Do not provide payments, entertainment, or gifts to public officials, even upon their request. If you receive a request for facilitation payment, make a record of such request, report it immediately to your supervisor or the relevant departments, and seek further instructions.

## 1-3

# Political Activity and Lobbying

We do not engage in unauthorized use or provision of company money or goods for political activities.  
We do not engage in illegal lobbying.



## Political Activities

Before agreeing to engage in political activities within the company premises or providing company assets, including space or labor for political activities, the responsible department should carefully weigh the matter and take appropriate action, including obtaining any necessary company approvals.

We must deal with national and local legislatures and governments as well as their employees, agents, or representatives in accordance with all applicable laws of the countries in which we operate, including all applicable laws governing political donations. Many countries have strict laws regarding donations to public officials and their staff. In some countries and contexts, political donations may be considered a type of bribery.

Nothing in the Code, however, is intended to infringe upon your ability to make lawful contributions of your own time or funds to political parties or candidates of your choice or to otherwise prohibit you from making a legitimate and legally authorized political contribution. However, you will not be compensated or reimbursed by the Group for any personal contributions.

## Lobbying

Lobbying refers to interacting with the legislature or the government, including not only legislators and government officials but also their employees, agents, or representatives, regarding legislative or regulatory issues that may affect the Group. When engaged in lobbying, we must comply with all applicable laws and act ethically.

Many countries and localities have strict laws concerning political donations and lobbying activities. Violation of these laws may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees (including fines, suspension of qualifications or licenses, being barred from engaging in the business, etc.), as well as immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals

- Holding political activities within the company premises or providing company assets, such as space or labor for political activities (whether such activities relate to the company's business or are personal), requires prior approval from relevant departments.
- Political contributions will be made only in accordance with applicable laws. They will be properly disclosed and handled transparently to avoid even the appearance of impropriety.
- When lobbying on behalf of the Group, be sure to carry out proper registration in each country as needed and obtain prior approval from relevant local government departments or agencies. Interactions with legislators and government officials, as well as other employees, agents, or representatives of the legislature or the government, should be conducted in an open, honest, candid, and transparent manner in accordance with all applicable laws to avoid even the appearance of impropriety.

## 1-4

# Non-Involvement with Criminal Organizations

We will not engage in any transactions or otherwise have any involvement with any criminal organizations, such as gangs or mafia, or any organizations that are connected to them.

“Criminal organizations” refers to groups or individuals, such as gangs or mafia, who use violence, force, or fraudulent means to pursue economic benefit (also sometimes called “anti-social forces”).

The Group has a zero-tolerance policy against any involvement or association with criminal organizations. The Group does not tolerate any relationship with these organizations or individuals connected with these organizations. We will handle demands from criminal organizations by working closely with the relevant law-enforcement authorities, including the police.

Involvement with criminal organizations, or even passively acceding to their requests, may advance the interests of these organizations at the expense of society. If that happens, the Group may face severe consequences including loss of contracts, exclusion from bidding, and significant civil, administrative, and criminal penalties for the Group and individual officers and employees. We may also lose the trust of our customers and investors.

## Actions to Be Taken by Individuals:

- Stand firm against criminal organizations, and do not maintain any relationship with them.
- Do not yield to threats or intimidation. Do not provide funds or any other accommodation to criminal organizations, regardless of the pretext or form of their requests.
- If you are contacted by a criminal organization, do not try to handle the situation alone. In addition to contacting the relevant departments, inform relevant law enforcement agencies and seek further guidance.

## 1-5

# Conflicts of Interest

We will not seek profit for ourselves or third parties at the expense of company interests.

“Conflicts of interest” refers to cases in which the company’s interests and the individual’s interests are at odds. A conflict of interest arises when your personal interests interfere with your ability to act in the best interests of the company. And it can also arise because of the business activities of your close relations. For example, you may have a potential conflict of interest if a close relative has a significant relationship with, or has a significant financial interest in, any supplier, customer, or competitor.

In the event that such a situation arises, you must prioritize the company’s interests and must not use your position at the company for the gain of yourself or any third

parties. Also, you must not take actions that hinder the objectivity of your judgment or the impartiality of company operations.

The Group officers and employees should put the Group’s business at the forefront of their efforts. You must not adversely affect company operations by running a side business or participating in the activities of other businesses without the company’s permission.

Company assets\*1 may only be used to conduct company business. They may not be taken or used for personal gain and must be handled with care. Necessary measures must also be taken to prevent the loss of or damage to company assets.

\*1: Company assets consist of both tangible and intangible assets. Tangible assets include things like land, buildings, machinery, equipment, inventory, and cash. Intangible assets include things like patents, trademarks, copyrights, and software.

Conflicts of interest may interfere with the performance of your duties and damage the credibility of the Group. Private use of company assets and the resulting damages to company assets bring losses to the company’s business. Engaging in business conduct with a potential conflict of interest without the consent and approval of the company may result in criminal penalties for breach of trust and embezzlement in addition to any disciplinary action. Such activities may also damage the trust of our customers and investors.

## Actions to Be Taken by Individuals:

- Pay close attention to the following types of conduct, which often raise concerns about conflicts of interest. If you observe such conduct or believe that there is a potential conflict of interest with respect to yourself or others, promptly report your concerns to your supervisor, the relevant departments, or the Compliance Department, and seek further instructions.

Where the officers and employees, their close relatives and friends, or corporations operated by them conducting business with the Group;

Using information or business opportunities gained in the course of business of the company for the benefit of individual officers or employees, business partners, competitors, or third parties;

The officers and employees using their positions within the Group to exert improper influence on hiring decisions;

The officer or employee being asked to serve as a board member or officer in another organization outside the Group without approval or instructions from the Group; and/or

The officer or employee being employed outside the Group or attempting to start a new business.

- Be cautious when handling company assets.

Do not seek personal gain through unauthorized marketing, transfer, or sale of company assets. In the unlikely event that you need to use such assets for personal purposes, be sure to gain approval from your supervisor and the relevant departments beforehand.

Do not obtain company assets through fraudulent means. The Group will not tolerate conduct such as submitting fraudulent expense reimbursement requests or fictitious transactions.

## 1-6

# Import and Export Control

We will abide by applicable laws and regulations concerning import and export controls.

As a global business, the Group provides products and services throughout the world. We also import products, technology, and raw materials from various countries and regions. Import and export activities must comply with applicable laws including any economic sanctions applicable to the countries and regions involved.

Export control laws, economic sanctions, and international agreements are put in place to maintain international peace and security not only by restricting the purchase and sales of certain weapons, but also by imposing constraints on goods that can be repurposed for military use.

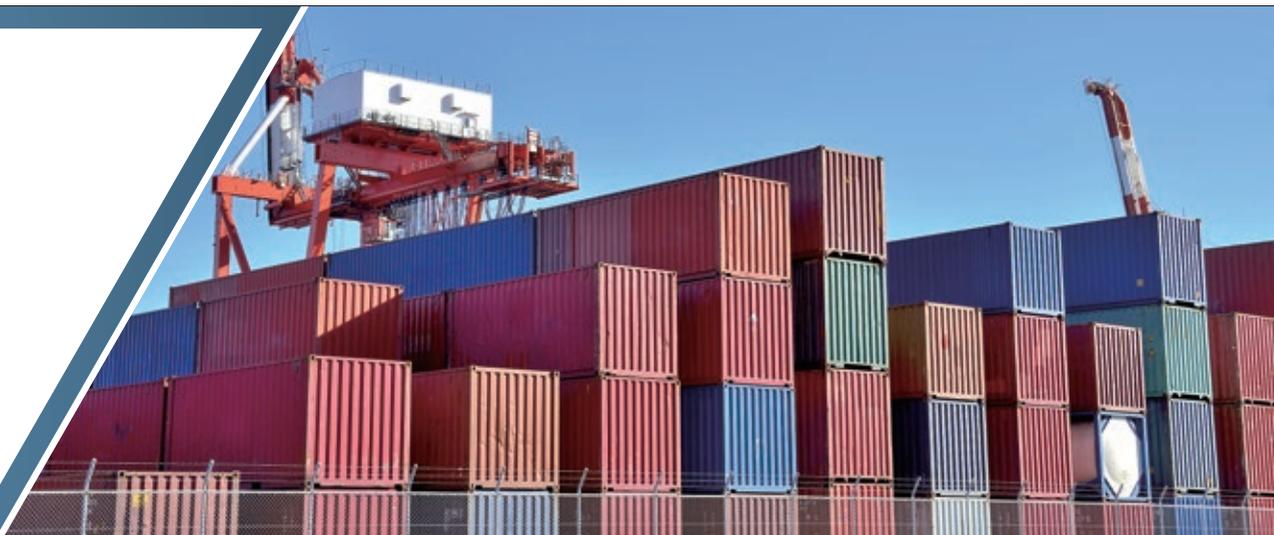
Import and export control laws regulate not only products, but also services, technology, and useful

information. And depending on country or region, it may be illegal to disclose technical information to foreign citizens—even those who are staying temporarily—without completing proper procedures, even if they work in the same organization.

Even when not directly involved in foreign trade, participation in overseas exhibitions, business trips to overseas locations, transmission of materials or data to overseas locations electronically, and provision of other media or equipment to overseas locations can be subject to export control laws.

There are also laws applicable to imports, such as requirements relating to customs declarations, tariffs, and other authorities approvals.

Violation of laws and regulations relating to import or export control may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees. These penalties include, for example, fines and import/export bans or restrictions, which may cause significant or fatal damage to the Group's business if the Group is denied access to raw materials, products, services, technology, information, or markets.



## Actions to Be Taken by Individuals:

- ▶ When exporting products or providing services, technology, or information to foreign individuals or entities (including representative offices and group companies), always conduct the necessary transaction review based on Japan's Foreign Exchange and Foreign Trade Control Law, any applicable foreign law (such as U.S. laws and administrative regulations), international treaties or agreements, as well as other regulations and procedures applicable to each country or region involved.
- ▶ When importing or exporting products or services, confirm that all tax obligations have been met and that import or export declarations have been properly submitted to customs authorities.
- ▶ When importing or exporting products or services, confirm whether approval is required from an authority or not and that approval has been obtained if required.
- ▶ Conduct a thorough investigation of all relevant import or export control laws and consult the import and export management department when importing or exporting weapons or products and services that are regulated as having a high potential to be diverted for military use. Also consult the import and export management department when conducting transactions with countries, regions, or organizations subject to economic sanctions. Consult relevant government agencies and follow their instructions.

## 1-7

# Prevention of Money Laundering

We will pay attention to processes in our business activities so as not to allow or facilitate money laundering.

Money laundering refers to the process of taking funds that companies or individuals have obtained from illegal activities, such as drug trafficking, corruption, tax evasion, or financial fraud, and disguising the origins of such funds by channeling such funds through various transactions so that these funds take on the appearance of having been acquired legally.

Money laundering often provides funding for criminal organizations, such as terrorist and gangs. We must be careful not to allow or facilitate money laundering, which may consequently aid criminal organizations. We must be extremely careful because supporting crimes or terrorism by allowing or facilitating money laundering, even if unintentional, poses grave risks to the Group.

Money laundering is a serious financial crime. Involvement in or facilitation of money laundering, even if unintentional, may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees.

## Actions to Be Taken by Individuals:

- Be careful if the following indicators are present as even companies with whom we have been continuously doing business and whom we have usually trusted may engage in money laundering activities.

When the payment method is by cash or is unusual in light of industry practice or the usual course of dealing or is without proper records;

When a payment is made in a currency that differs from the currency of the invoice or contract, or is requested to be made in or routed through a country that is not related to the transaction;

When a payment is made by or to someone other than the parties to the contract or the designated payor or payee;

When reimbursement for an overpayment is requested to be made in cash;

If unknown or unnecessary intermediaries are involved in the transaction; or

If the transaction involves high-risk countries and trading partners.

- If you observe suspicious activities or receive suspicious requests from inside or outside the Group that raise money laundering concerns, report your concerns to your supervisor, the relevant departments such as the Finance Department, or the Compliance Department.

## 1-8

# Accurate and Complete Financial Reporting

We conduct accurate and truthful accounting in accordance with relevant laws, regulations, and professional standards. We will create complete and accurate financial reports and provide them to internal and external stakeholders in a timely and appropriate manner.

Complete and accurate financial data is critical for the Group's business decision-making. In addition, in order to provide accurate financial reports to stakeholders, such as investors and shareholders, every officer and employee must carry out proper procedures under relevant company rules to ensure generation and maintenance of accurate and complete financial records.

To ensure accurate and complete reporting, it is important to report truthful information without any manipulation or embellishment, even if the information may appear unfavorable or inconvenient. Falsification of data not only interferes with proper internal decision-making,

but may also lead to reporting and publishing false or incorrect information that may result in violations of law (such as securities law), and damage society's trust in the Group.

The Group will conduct accurate and truthful accounting in accordance with relevant laws, regulations, and professional standards. We will create complete and accurate financial reports and provide them to appropriate internal and external stakeholders in a timely manner. In particular, external stakeholders also include relevant tax authorities. Proper accounting and accurate and complete financial reporting ensure that the Group fulfills its tax obligations appropriately.

Fraudulent accounting procedures or misreporting of taxes may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees, as well as immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals:

- ▶ Promptly and accurately record all transactions, including sales and expenditures.
- ▶ Do not falsify or embellish records or conceal truthful information that may appear unfavorable or inconvenient.
- ▶ Accurately record expenses on parts, costs, and labor in proper accounts in accordance with the relevant rules.
- ▶ Do not manipulate data or records to achieve performance targets, such as recording costs or revenues in incorrect accounting periods.
- ▶ If you are instructed to engage in any dishonest or suspicious conduct, consult your supervisor (or a higher supervisor if your superior is the one instructing such conduct), the relevant departments such as the Accounting Department, or the Compliance Department.
- ▶ Cooperate promptly and fully with any external audit or tax inspection by preserving and supplying all necessary information in the event of such an audit or inspection.

## 1-9

# Prohibition on Insider Trading

We do not trade securities on undisclosed material information to obtain benefits for ourselves or third parties.

Buying or selling securities (e.g., stock) of Kawasaki Heavy Industries or other companies inside or outside the Group based on knowledge of non-public material information may constitute insider trading, which is prohibited by law. In addition, sharing undisclosed material information with third parties or making recommendations to third parties with respect to the purchase or

sale of securities based on such information may also violate laws prohibiting insider trading. "Material information" includes information that influences a company's stock price as well as information about a subsidiary of a listed company that significantly affects the corporate group's operations.

## Examples of material information

Issuance of stock / Takeover bids (TOB) / Mergers / Fictitious sales in large sums  
Business alliances / Falsification of data relating to product quality control  
Damages caused by disasters / Syndicated loans for large sums  
Administrative dispositions / Substantial revisions of financial or dividend forecasts

Officers and employees who violate laws and regulations on insider trading will face severe civil, administrative, and criminal penalties. Insider trading may also bring immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals:

- Do not use undisclosed material information about the Group, our customers, or our suppliers for personal gain, including the trading of securities.
- Use proper information management practices and follow company rules and procedures for handling undisclosed material information.
- To avoid even the appearance of insider trading, do not trade on a company's securities or make recommendations to third parties, including family or friends, on trading the company's securities if you possess undisclosed material information about that company, even if your recommendations are not based on such information.
- Be careful to avoid all other activities that may have the appearance of insider trading and comply with the established procedures for trading securities of Kawasaki Heavy Industries.

## 1 - 10

# Information Security

We will properly manage, use, and store sensitive information.

Among the information accessed by the Group in the course of everyday business, there are many sensitive items that would jeopardize the Group's operational and legal standing if leaked. These include confidential information concerning prices, research and development, products, production, human resources, finance, and know-how. Such information is also critical to ensuring the success of our business and requires careful handling.

Both electronic data and hard-copy documents containing confidential information require the same careful handling. Please pay close attention to distribution, management, and storage of such data and documents, whether in electronic or hard-copy form. Pay particular attention to the use of

computers or other electronic devices, such as smartphones or tablets, during the course of business. In addition to management of electronic media on computers and CD-ROMs, the data on electronic devices should be periodically backed up and safeguarded against disasters such as earthquakes, blackouts, and lightning strikes.

Furthermore, relevant personnel must take sufficient care to prevent theft or unauthorized access to sensitive data from the outside. In addition to routine measures to prevent information leaks, loss, or theft of electronic media, relevant personnel must take immediate action to remedy or alleviate any damages or losses if such events do occur.

Our customers and the Group may be severely affected by any theft, loss, or leakage of confidential information, which may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees, as well as immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals:

- Use great caution in managing and using confidential information of the Group.
- When handling hard-copy documents, take appropriate measures to manage them properly, such as allocating serial numbers, collecting materials after use, and controlling access to such documents by storing them in securely locked locations.
- Take care to prevent computers or electronic media from theft or unauthorized access including using strong passwords and encryption tools. In the event that theft or unauthorized access or other loss occurs, immediately report it to your supervisor and the relevant departments and seek further instructions.
- Do not open emails or attachments from unfamiliar senders before obtaining confirmation from your supervisor and the relevant departments.
- When using the Internet, be careful not to access malicious websites or applications, which may open a path for unauthorized access from outside.
- Be aware that comments on social media regarding the Group or made in the capacity as an officer or employee of the Group may lead to improper disclosure of corporate information.
- Do not disclose or leak confidential information either during or after your employment with the Group without following proper internal procedures.
- Moreover, do not use confidential information obtained during previous employment in your work for the Group.

## 1 - 11

# Protection of Personal Information

We will use personal information appropriately in accordance with the prescribed purposes of use and will take proper care to prevent loss or leakage.

Personal information is defined by the laws of various countries to include information concerning individuals or information that may identify existing individuals. Specifically, examples of personal information include the following:

- Name;
- Date of birth;
- Social Security number or ID card number;
- Email address; and
- Video, audio, or images that can identify specific individuals.

Note that even information that is on its own not sufficient to identify an individual can still be considered personal information if such information, when combined with other

information, can lead to identification of an individual. Sharing or providing personal information without proper procedure and authorizations, even within the Group or to the Group's subcontractors, is forbidden, unless done with the individual's consent or by following procedures stipulated by law.

Many countries and regions have strict laws about collection, handling, and use of personal information and may regulate the transfer of personal information outside of their territories. When handling personal information in the course of your work, it is necessary to pay attention to the laws and regulations of all relevant countries including the country in which you are located.

Failure to protect or improperly handling personal information may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees, as well as immeasurable reputational harm to the Group.



## Actions to Be Taken by Individuals:

- Respect the privacy of all individuals and handle personal information with care.
- When acquiring, managing, using, providing, or destroying personal information in the course of business, do so carefully in accordance with the following points:

Acquire, manage, use, or transmit personal information only for legitimate business purposes and according to applicable law. Destroy such information immediately once it is no longer necessary, subject to any retention requirements imposed by applicable law, company policies, or any specific instructions such as a litigation hold;

Use anonymous information in place of personal information whenever practical and appropriate;

Access to personal information should be strictly controlled on a "need-to-know" basis and should be limited to those who require it for a legitimate business purpose;

Take care not to misplace or destroy personal information accidentally; and

Immediately take appropriate actions if you notice loss, theft, or improper use of personal information.

## 1 - 12

# Respect for Intellectual Property Rights

We protect the fruits of the company's intellectual efforts with intellectual property rights and actively put such intellectual property to use.

We respect the intellectual property rights of others.



Intellectual property refers to rights in the intangible products of human creativity that are protected by relevant laws and regulations, including patents, utility models, designs, trademarks, copyrighted works, know-how and trade secrets. As a rule, intellectual property created in connection with an individual employee's work for the company belongs to the company. Intellectual property is an essential asset for businesses. Intellectual Property must be actively utilized while being protected from unauthorized use or disclosure. At the same time, we must also respect the intellectual property rights of others and avoid using their intellectual property rights without permission.

Unauthorized or unlicensed use of third-party intellectual property rights may cause significant impediment to the Group's business because owners of intellectual property rights may seek injunctive relief against the Group's use of their intellectual property, which may have already been widely implemented on the Group's products or businesses by the time such problems arise. Both the individual officers and employees and the Group may face significant civil, administrative, and criminal penalties for infringement of intellectual property.

## Actions to Be Taken by Individuals:

- ▀ Promptly notify personnel or departments in charge of intellectual property when new intellectual property is created or other intellectual property issues arise.
- ▀ When introducing new products or services into the market, investigate the intellectual property rights of others in consultation with your supervisor and the relevant departments, and make sure not to use them without permission. If you become aware of intellectual property rights of others that might be relevant to new products or services, you should promptly consult with your supervisor and the relevant departments in charge of intellectual property, including the Legal Department.
- ▀ If you discover or suspect that our intellectual property rights have been infringed, or that we are infringing the intellectual property rights of a third party, promptly report it to your supervisor and the relevant departments including the departments in charge of intellectual property.
- ▀ Be sure to obtain approval from the personnel or departments in charge of intellectual property before you publish anything that may contain any intellectual property. You must also refrain from unauthorized disclosure, transfer, or sale of the Group's intellectual property to a third party.
- ▀ Take care to ensure that you do not infringe copyrights when making copies of software or other electronic or printed media (such as newspapers and magazines) and when using, modifying, or distributing copyrighted materials from the Internet.

An aerial photograph of a city, likely Tokyo, viewed from a high vantage point. The foreground is filled with lush green trees. The middle ground shows a dense urban landscape with numerous buildings of varying heights. In the background, a large body of water is visible under a clear blue sky. A white geometric shape, resembling a stylized '2' or a large number, is overlaid on the top left portion of the image, containing the text for this page.

Code of Conduct

# 2

## Dealing with Stakeholders

In this section, we discuss our responsibilities and ethical duties with regard to the relevant stakeholders and the community, although they may not necessarily be codified into laws or rules.

As members of the Group, we interact with various stakeholders via our products and services as well as our business processes and other corporate activities. By expanding our business globally, we are connected to stakeholders around the world. In line with the Group's mission concerning the environment and the future of our world, we are connected to these stakeholders across time and space.

Consideration for stakeholders and earning their trust is a cornerstone to our corporate activities. Conducting ourselves ethically with respect to all stakeholders is the foundation of the Group's business.

## 2-1

# Quality and Safety of Products and Services

We provide high-performance, high-quality, safe products and services.

Customers expect the Group to provide products and services that are not only safe but also meet high quality and performance standards. We must work hard to live up to their expectations. Moreover, providing safe products and services that satisfy laws and internal standards is also our basic responsibility.

We must keep safety in mind at every stage in the contracting process, in product development, design, and manufacturing, as well as in the services provided after product delivery. When creating instruction manuals or other explanatory materials, consider the inclusion of appropriate warnings to prevent incorrect use, in addition to instructions explaining safe and correct use.

Product performance and safety not only come from the obligations set forth in relevant contracts or specifications, but also from laws and regulations. Violation of these items may cause failures of products or services that result in physical or property damage to customers or others. Consequently, both individual officers and employees and the Group may face significant civil, administrative, and criminal penalties, as well as immeasurable reputational harm.



## Actions to Be Taken by Individuals:

- ▀ Do our very best to provide customers with products and services of the highest quality.
- ▀ Always listen carefully to comments and requests from customers, as well as the larger society, related to our products and services.
- ▀ Dutifully implement prescribed steps and necessary measures to ensure the safety and quality of products and services, and comply with the relevant laws and regulations.
- ▀ Never make any exaggerations or misrepresentations about quality, performance, or safety, e.g., by fabricating product inspection records or falsifying results of performance tests.
- ▀ If failure of products or services causes physical or property damage to customers, or if you have uncovered such risks, notify the relevant departments immediately and make it a top priority to resolve the problem. Based on directions from the relevant departments, investigate the causes and take corrective actions to prevent recurrence.

## 2-2

# Compliance with Engineering Ethics

We will develop technology with a high level of integrity.



The Group must continuously strengthen the trust of society by contributing to sustainable growth through the Group's advanced technological capabilities. We must meet our social responsibilities by providing products and services that customers can trust. And, in accordance with the Group's mission, we must always develop our products with an eye toward contributing to the prosperity of the world as well as the future of the global environment.

We will observe the laws, norms, and ethics of society and always adhere to the highest ethical standards when developing new technologies. We must never breach the trust of society. As engineers, we should avoid taking any actions that are against engineering ethics. If you detect any risks of defects or violations of engineering ethics in our products or services, you should promptly report your concern to your supervisor or the relevant departments.

## Actions to Be Taken by Individuals:

- ▀ Leverage your expert knowledge, skills, and experience, and that of your colleagues, to contribute to the well-being, happiness, and safety of the members of our society and protection of the environment.
- ▀ Always work to improve your expertise and skills so that we can provide safe and high-quality products and services and generate technological innovations.
- ▀ Provide support and mentorship to your colleagues and subordinates.
- ▀ Make honest and independent judgments based on scientific facts and act accordingly while maintaining an awareness of changes in laws, conventions, and social expectations. Never falsify data on product performance or safety.
- ▀ Promote the use of the newest technologies and continue to make technological improvements with your expert knowledge and experience.

## 2-3

# Respect for Human Rights in Our Business Activities

We respect the human rights of all people in our business activities.

As stated in the Universal Declaration of Human Rights, human rights are “the inherent dignity and the equal and inalienable rights of all members of the human family.”

In order to respect the human rights of each and every person, we must afford everyone equal dignity and respect, regardless of race, skin color, gender, age, nationality, social origin, ancestry, sexual orientation,<sup>\*1</sup> gender identity,<sup>\*2</sup> marital status, religion, political belief, disability, health condition, or any other legally protected characteristics.

\*1: Sexual orientation includes concepts such as homosexuality, bisexuality, and heterosexuality and mainly concerns the sex of the partners to whom one is attracted, including those who are not sexually attracted to others (asexual).

\*2: Gender identity: A concept dealing with what one considers to be the person's own sex. This does not necessarily align with the person's physical sex and is not limited to only male and female.

We also respect human rights connected with labor and employment and will not tolerate the following violations of human rights, including:

- **Forced labor** : This refers to labor based on intimidation, including forced labor through confinement, debtor, or other types of slavery. Forced labor is a violation of rights to human dignity and the right to be free from exploitation, violence, and abuse; and
- **Child labor** : This refers to labor that involves children below the minimum age stipulated by international treaties and national legislation. Child labor deprives children's right to education and their right to be free from exploitation, violence, and abuse.

If acts or omissions by the Group are considered by the public to display a disregard for human rights, even if these acts or omissions do not technically violate any laws or regulations, they could lead to extensive damage to the Group, such as boycotts of our products, claims for damages, or exclusions from markets.

## Actions to Be Taken by Individuals

- Treat all people you meet in the course of business—not only the Group officers and employees, but also suppliers, customers, local residents, and job candidates—with fairness and respect.
- Respect the human rights and individual autonomy of each person.
- Do not engage in heavy-handed or improperly aggressive behavior, malicious acts, or harassment. Refrain from discriminatory or inappropriate remarks or conduct.
- Maintain a safe and comfortable working environment and refrain from conduct that could make others uncomfortable, such as sexist or sexual remarks or other acts of harassment.
- Refrain from speech or conduct based on stereotypes, such as constantly subjecting female employees to menial tasks or forcing male employees to work overtime outside of their prescribed job description.
- Ask yourself whether the decisions and actions you take in the course of your work may affect the rights of third parties.
- If you see or notice harassment or discrimination, promptly report this to your supervisor, the relevant departments, or the Compliance Department.

## 2-4

# Eliminating Unethical Use of Products and Technology

We do not provide products and technologies for unethical purposes of use.

There is now an increased expectation worldwide for corporations to take ethical responsibility when providing products and services. Unethical use may occur when products and technologies provided by a business are used for unethical purposes beyond those originally intended, such as in organized or individual crimes, human rights violations, or manufacturing of goods used for those purposes. Such

unethical uses adversely affect our stakeholders and society at large in various direct and indirect ways. To the extent possible, businesses should take reasonable steps to prevent their products and services from being used for unintended purposes by, for example, making appropriate inquiries to ascertain the recipient's intended use of the products and services when circumstances allow.

## Actions to Be Taken by Individuals

- ▀ Be aware of the characteristics and nature of the Group's products and technologies as well as the ethical responsibilities associated with them.
- ▀ When providing products and technology overseas, adhere to legal requirements of the relevant countries and carefully check whether any export control measures are applicable to the products or technologies and whether provision of the products or technologies to the customer and intended use by the customer are permissible. If necessary, consult government agencies to determine whether the transaction should proceed.
- ▀ Comply with relevant national and international laws concerning export control when providing products and technologies overseas.
- ▀ When engaging new customers, conduct background checks on the customers to ascertain information, including their nationality, the nature of their activities, their shareholders, and the intended use of the relevant products and services.



## 2-5

# Donations and Support

We will carry out responsible donations and support as a corporate citizen and member of society.



Making donations and providing support for charitable activities are important social responsibilities for a company operating as a good corporate citizen. Each company in the Group will implement appropriate initiatives to provide appropriate donations and support aimed at fulfilling the Group's corporate social responsibility, based on the current issues and needs of each country or region.

As stated elsewhere in the Code, we will not make political donations to obtain unfair advantage or for unjust purposes, and we will not pay bribes. We must carefully examine requests for donations and support so as not to provide support for fraudulent or harmful activities disguised as legitimate, charitable causes.

\*Donation: To provide money or other things of value to public and charitable organizations without receiving a direct and tangible benefit in return.  
Support: To endorse the business objectives of or to cooperate with another business.  
Bribe: To improperly provide money or other things of value in order to obtain an unfair advantage in return.

Bribes disguised as donations or support may result in severe civil, administrative, and criminal penalties under the tax law, criminal law, and other laws of each country and immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals:

- Confirm that the form and purpose of the contribution and support are proper and legitimate and that they advance the goal of fulfilling the Group's corporate social responsibility.
- Never use donations and support for unfair or unjust purposes.
- Pay close attention to the implementation of donation and support programs to prevent misconduct. If you have any concerns, consult your supervisor, the relevant departments, or the Compliance Department.

## 2-6

# Disclosure of Company Information

We will disclose corporate information in a timely and appropriate manner to enhance society's trust and understanding toward the Group.



Corporate information includes not only financial data and reports, but also other information related to the business operations of the Group, including products, technology, and compliance. Identifying and disclosing relevant and appropriate corporate information to the public in a timely and appropriate manner is necessary to maintain transparency in our business operations, to fulfill our corporate responsibilities, and to foster trust in the Group among the public.

Upon approval from management, and in accordance with company rules and procedures, the responsible department should disclose corporate information to the public through officially approved means, such as press releases and the corporate websites.

Besides making legally required information disclosures in accordance with relevant laws and regulations, there may be circumstances in which information should be disclosed voluntarily, even in the absence of legally compelled disclosure.

Furthermore, proper disclosure of corporate information sometimes requires disclosure of information that may appear unfavorable to the Group.

Information disclosure to the public should be timely, truthful, and accurate. It should present a complete and objective picture of the issue at stake and should not try to conceal facts critical to the purpose of the disclosure, even if such facts may appear unfavorable. The Group will eventually benefit from being honest and trustworthy in making proper disclosures that demonstrate its corporate accountability.

\*The department responsible for disclosing corporate information should do so through official channels and procedures. Officers and employees who are not part of the department or team responsible for disclosing corporate information shall securely manage undisclosed information and seek appropriate approval, if the officer or employee believes any information should be disclosed. The officer or employee should not disclose it based solely on personal judgment. The provisions of this Section 2-6 are subject to the duty to maintain the confidentiality of business information required under Section 1-10.

## 2-7

# Respect for Diversity in Human Resources

We value each of our employees and support efforts to use their talents and abilities in full.

We respect diversity and strive to build a workplace in which all employees can live up to their full potential.

The Group considers its employees to be its most important asset. The Group endeavors to create a workplace environment in which employees are treated fairly and equally so that employees may capitalize on their talents and abilities to the fullest extent possible. We also respect the diversity of our work force, and embrace the different values, skills, and experiences that each person brings to the Group.

We believe that the Group maintains its vibrancy and creativity—hence its competitive advantage—by embracing the diversity of our employees and enabling them to live up to their full potential.

Therefore, we aim to create a work environment that respects individual differences and in which all employees can make their respective contributions, regardless of race, skin color, gender, age, nationality, social origin, ancestry, sexual orientation, gender identity, marital status, religion, political belief, disability, health condition, or any other legally protected characteristics. We will build a workplace that respects a diversity of work styles, supporting all employees in balancing their professional and personal lives.

Discrimination in employment opportunities, treatment, training, evaluations, and promotions based on race, skin color, gender, age, nationality, social origin, ancestry, sexual orientation, gender identity, marital status, religion, political belief, disability, health condition, or any other legally protected characteristic, are inconsistent with the Group's values and impair the Group's ability to secure the best talent. Excessively long working hours are detrimental to the physical and emotional health of employees and will eventually harm the business of the Group. Violation of anti-discrimination and labor laws may result in significant civil, administrative, and criminal penalties for the Group and individual officers and employees, as well as immeasurable reputational harm to the Group.

## Actions to Be Taken by Individuals:

- Learn about the diverse abilities, values, and ideas that your colleagues have.
- Discover new knowledge and create new technologies through open and candid discussions to which team members with different perspectives can all contribute.
- Make your best efforts toward self-improvement so that you can reach your full potential and bring your unique contribution to the Group's business.
- Recruitment, selection, training, and promotion of employees will be carried out in a fair and equitable manner based on skills, abilities, experience, and performance and in accordance with applicable laws.
- Understand the needs of your colleagues who have disabilities and create a working environment that facilitates team efforts with those colleagues.
- Continuously improve the quality of both your work and personal life and take advantage of the various work arrangements provided by the Group with self-discipline and responsibility. Improve efficiency and productivity and endeavor to produce tangible results.



DIVERSITY  
Diversity Symbol

## 2-8

# Employee Safety and Health

We recognize that the safety and health of our employees is a top priority and make every effort to create a safe and healthy workplace environment.

Companies are obliged to protect the health and safety of their employees. Employees should also take all measures necessary and adhere to all applicable procedures and standards to prevent work-related accidents. Respect for the life and health of human beings is one of the first core principles of the Group. We prioritize safety and health in our work environment.

We create and maintain a safe and comfortable workplace for the mental and physical well-being of all of our employees, on which the vitality of the Group's human resources depends.

Violations of laws, regulations, and company policies may cause injury or illness of employees. This not only hurts the employee, but also hurts the Group and, in turn, may result in the loss of productivity or civil, administrative, or even criminal penalties for the Group as well as individual officers or employees at fault.

## Actions to Be Taken by Individuals:

- ▀ Comply with laws, company policies, and regulations related to occupational health and safety.
- ▀ Employees should always pay attention to their own health and that of their co-workers. If you have a health problem or discover that a colleague may have one, do not hesitate to address it immediately. However, you must do so while respecting your colleague's privacy. Contact your supervisor or the relevant departments if you have any concerns in this regard.
- ▀ Stay vigilant and make the health and safety of yourself, other employees, and any other persons in our workplaces (such as visitors) a top priority.
- ▀ Participate in required training. Do not engage in work activities requiring special training or qualifications unless and until you have completed all relevant training and obtained all relevant qualifications.
- ▀ Do not engage in work activities when your normal ability to perform on the job is compromised due to sickness, alcohol, drugs, etc.
- ▀ If you discover an unsafe or harmful situation at work, promptly stop it if possible and report it to your supervisor or the relevant departments. If you notice a problem relating to safety and health, or fear that a problem might arise, promptly report it to your supervisor or the relevant departments.
- ▀ Complete prescribed medical examinations and any further examinations necessary to protect your health. Stay conscious of health issues and work to strengthen your mind and body.
- ▀ Maintain good communication and harmonious relationships with the people around you.

## 2-9

# Working with Suppliers

We engage in fair procurement activities. We cooperate with our suppliers to fulfill our social responsibilities.

Suppliers are indispensable partners who make it possible for the Group to conduct its business. The Group aims to develop and grow together with its suppliers. To this end, we must respect our suppliers and work with them to fulfill our social responsibilities.

We must ensure fair competition and unbiased assessments in giving suppliers business opportunities.

Carrying out procurement activities in accordance with the Group's policies as well as our social responsibilities, including considerations with respect to compliance, human rights, labor, occupational health and safety, and the environment is vital to the Group's business. To fulfill those responsibilities, we need to engage with every part of the supply chain and work together, not

just within the Group, but also with our suppliers who are also our business partners. Also, it is necessary that we as a business do not make purchases that could provide support for unethical or harmful activities. For example, we must avoid supporting armed conflicts or human rights abuses by procuring or using conflict minerals either directly or through our suppliers.\*

\*Conflict minerals commonly denotes four minerals (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo and its neighboring countries. These conflict minerals are a source of funding for armed insurgents who have repeatedly committed human rights abuses, such as massacres, looting, and sexual violence. For this reason, various countries including the United States and the European Union have implemented or agreed in principle to implement restrictions on the trade of such conflict minerals.

Neglecting to cooperate to fulfill our social responsibilities may damage the trust of our customers and investors in the Group.

## Actions to Be Taken by Individuals:

- ▀ Assess suppliers fairly and provide them with business opportunities accordingly.
- ▀ Do not treat suppliers unfairly or engage in any conduct that would be considered to be an abuse of bargaining position.
- ▀ When selecting suppliers, take into account not only factors like quality, price, and delivery dates, but also fulfillment of social responsibilities, such as compliance with laws and regulations, respect for human rights and safety, and protection of the environment.
- ▀ Disclose Kawasaki Group CSR Procurement Guidelines to suppliers and request their cooperation in the fulfillment of social responsibilities. Continuously monitor the behavior of suppliers and take actions to address any deviations or shortfalls in fulfillment of social responsibilities.

## 2-10

# Caring for the Environment

We provide eco-friendly products and services and contribute to sustainable development.



The modern lifestyle based on material abundance has led to issues such as overconsumption of limited natural resources and damage to ecosystems, including widespread deforestation as the result of large-scale development activities, bringing significant changes to the natural environment. This process has also released greenhouse gases, such as carbon dioxide, which have become the primary driver of global warming, prompting serious concerns about the future of the global environment. Irreversible deterioration of the natural environment will persist if no efforts are made to stop these changes.

This impending crisis demands coordinated efforts to achieve sustainable development on a global scale. The Group endeavors to reduce negative environmental impacts through

design and manufacturing that consider the entire life cycle of products from procurement of materials through production, distribution, use, and disposal.

Through our products and services, we contribute to preserving the global environment for future generations while helping to maintain and improve the standard of living for the current generation.

Violation of environmental protection laws and regulations may result in serious damage to the environment. Both the Group and individual officers and employees could face severe civil, administrative, and criminal penalties. The Group's business may be suspended and may suffer great damage to its reputation.

## Actions to Be Taken by Individuals:

- Conserve energy and resources.
- Strictly follow relevant environmental protection laws, regulations, and standards.
- Take environmental factors into consideration at every step of developing and offering products and services.
- Use the 3 R's (Reduce, Reuse, and Recycle) to minimize waste and handle it appropriately.
- Develop a connection with the natural environment and work to preserve the ecosystem.
- Actively participate in environmental protection activities both inside and outside of the company.



**Kawasaki Heavy Industries, Ltd.**

<https://global.kawasaki.com/en/>