

Kawasaki Group Policy on Sustainability Management

1. Fundamental Concepts

Guided by the philosophy of founder Shozo Kawasaki, “contributing to the nation—to society—through expertise,” for more than 120 years the Kawasaki Group has been constantly taking on leading-edge technological challenges to contribute to social development through the provision of innovative products.

Today, we promote the development of solutions and new frameworks toward the future under the Group Mission, “Kawasaki, working as one for the good of the planet,” which was built on the above philosophy. Our initiatives to this end range from transitioning to hydrogen energy to advocating for novel workstyles supported by robotic technologies.

To realize the Group Mission, this policy hereby clarifies our long-term management approach in furtherance of our simultaneous pursuit of a sustainable society and ongoing improvement in corporate value. This pursuit will be underpinned by our efforts to create and deliver innovative solutions to various social and environmental problems confronting humanity and our planet over the future.

In line with this policy, we will identify material issues based on the real-time assessment of the socio-economic environment and formulate management plans backed by well-grounded growth scenarios. Moreover, we will strengthen corporate governance and engage all our stakeholders in dialogue and collaboration to create new economic, social and environmental value.

2. Policy on Sustainability Management

(1) Taking on the Challenge of Resolving Social Issues

We will take on the challenge of delivering innovative solutions to issues society faces in environmental, energy and resource fields, as well as to other problems arising from ongoing societal changes on various fronts, with the aim of contributing to the well-being of people around the world and the good of the planet over the future. To this end, we will take full advantage of our technological capabilities, which we have developed over many years, while consolidating diverse insights within and outside the Kawasaki Group. At the same time, we will continuously upgrade and transform the Kawasaki Group itself so that we remain capable of delivering new value as needed by stakeholders. Specifically, we will:

- (i) Develop and implement carbon-neutral energy technologies to support international efforts to curb climate change.
- (ii) Deliver solutions that upgrade industries and daily living in various forms to help create a safe and secure society in which everyone can enjoy abundant life.
- (iii) Establish a business model that effectively utilizes resources and thereby contribute to the realization of a circular society.

(2) Responsible Corporate Conduct

We will remain acutely aware of the social and environmental impact of our business operations and strive to enhance the sustainability of the entire value chain by

implementing countermeasures in areas where our operations might pose a negative impact. Specifically, we will:

- (i) Strive to achieve net zero CO₂ emissions and, to this end, proactively work to reduce any forms of environmental burden attributable to our business activities.
- (ii) Uphold international norms as well as laws and regulations enforced in countries in which we operate as part of responsible corporate conduct.
- (iii) Respect the human rights of all people who come into contact with our business while taking a serious approach to addressing human rights issues.

(3) Strengthening Business Foundations

We will enhance corporate governance while striving to improve employee engagement and maintain meaningful dialogue and collaboration with our stakeholders, with the aim of solidifying our business foundations, which will, in turn, support ongoing improvement in corporate value. Specifically, we will:

- (i) Strengthen corporate governance as the basis for sustainability management.
- (ii) Enhance employee engagement and organizational resilience by fostering a corporate culture that encourages those who take on challenges as well as taking proactive measures to promote diversity.
- (iii) Develop solid and trusting relationships with stakeholders via timely and appropriate information disclosure and constructive dialogue and collaboration, in addition to reflecting their expectations in our management decisions.