

# Summary and Evaluation of Basic Plan and Key Measures

## Summary of 3rd (FY2000-FY2002) Environmental Protection Activities Plan (EPAP) and FY2002 Environmental Protection Activities Key Measures

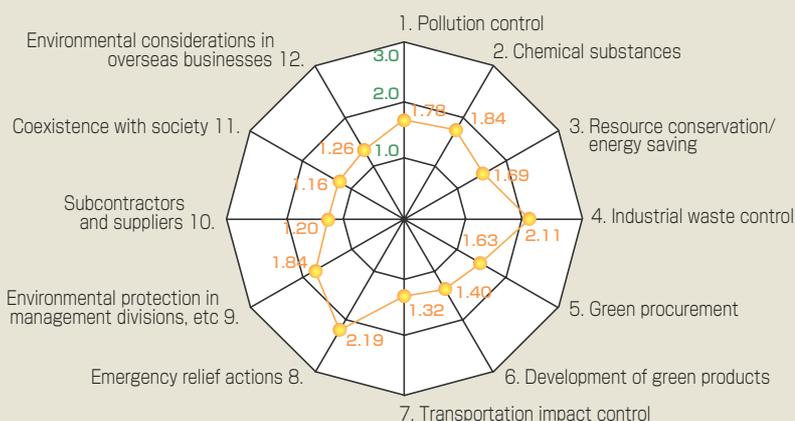
At the closing of the final year of our 3rd EPAP, we have investigated the achievements of the three-year EPAP and key measures of FY2002 in preparation for designing our 4th Environmental Management Activities Plan (EMAP) that begins in FY2003.

※Evaluation criteria: ○...Target was almost fully achieved. △...Target was not achieved despite positive efforts. ×...More efforts are needed.

Item	3rd EPAP (Target)	Achievements of Activities	Evaluation Result	FY2002 Environmental Protection Activities Key Measures	Achievements of Activities	Evaluation Result
Environmental Management	<b>Environmental protection activities</b> · Development of an Environmental Management System (EMS) in non-works offices and technical institutes	· Acquisition of ISO 14001 certification in all business divisions · Maintenance of EMS in the Tokyo Head Office, the Kobe Head Office, technical institutes, etc.	○	· Establishment of EMS in the office activities · Promotion and establishment of EMS in consolidated subsidiaries	· EMS has been established. · Nagoya Office acquired Eco-office recognition from Nagoya City. · ISO 14001 seminars were given to consolidated subsidiaries.	○
Production Activities	<b>Prevention of pollution</b> · Compliance with environmental laws and regulations, and prompt conformity with stricter laws and regulations	· One administrative provision, five administrative warnings and six resident complaints · Conformity with the PRTR Law, the PCB Control Law, and Dioxin Pollution Control Law	△	· No administrative penalty, administrative provision or administrative warning · Conformity with new environmental laws and regulations achieved early	· No administrative penalty, one administrative provision, three administrative warnings · Two resident complaints · Establishment of conformity with the PRTR Law and the PCB Control Law	△
Environmental Impact in Production	<b>Energy saving</b> · Determination of greenhouse gas emissions · Development of the Greenhouse Gas Reduction Plan	· Determination of greenhouse gas emissions other than CO <sub>2</sub> emissions · Setup of corporate-wide numerical targets for the Greenhouse Gas Reduction Plan	△	· Creation of action plan for the Greenhouse Gas Reduction Plan · Study of third party evaluation methods for greenhouse gas emissions	· Setup of corporate-wide numerical targets · Third party evaluation methods are still under study in Japan, and will be considered as necessary.	△
Reduction of Environmental Impact	<b>Resource conservation and recycling</b> · Reduction of waste and promotion of recycling · Promotion of a zero waste disposal works	· Amount of waste was decreased from 71,920 t to 66,960 t (decrease of 6.9%) · Recycling rate was increased from 64.7% to 84.6%. · Zero waste disposal was achieved in four works.	○	· Kobe Head Office achieved zero waste disposal in FY2002, and Kobe (Machinery Division), Hyogo and Akashi Works will attain zero waste disposal in December 2003.	· Hyogo Works achieved zero waste disposal in November 2002 (1 year ahead of schedule) and Kobe Head Office by the end of FY2002.	○
Environmentally Conscious Product Manufacturing	<b>LCA technique</b> · Establishment of initial inspection technique for conventional products · Study for introduction of LCA technique	· Provision of product assessment regulations for environmental friendliness of products · Introduction of LCA technique, and trial was run for a specific model machine.	○	· Provision of product assessment regulations, and promotion of implementation of product assessments · Review of applicability of LCA	· Promoted the assessment regulations at 10 out of 13 works. · Reported LCA application cases at the Japan Waste Management Experts.	○
Environmentally Conscious Product Manufacturing	<b>Green procurement</b> · Promotion of selection and procurement of goods, parts and materials that have less environmental impacts	· In 1999, corporate-wide policy was set up. Green purchasing of stationery has been promoted (step 1). · Green procurement for products is to be performed (step 2).	○ △	· Implementation of green procurement of products and production policy to applicable items	· Green purchasing has been expanded (step 1). · Questionnaires about green procurement to subcontractors were given. · Introduction of lead-free paint was implemented (step 2).	○ △
Activity Evaluation	<b>Environmental performance evaluation</b> · Execution and promotion of environmental performance evaluation	· Trial use of the Evaluation Guide from the Japan Machinery Federation · Development of Kawasaki's Evaluation Guide	○	· Make and execution of Kawasaki's Environmental Activities Evaluation Guide · Collection of environmental data according to the Guidelines from the Ministry of the Environment	· Issued the Kawasaki's Environmental Activities Evaluation Guide and evaluated FY2002 activities. · Collected environmental data according to the Guidelines.	○
Information Disclosure	<b>Environmental Report (ER)</b> · Preparation for development and issuance of site-specific ER	· Disclosure of site-specific environmental data in corporate-wide ER, in place of site-specific ER	○	· Enrichment of environmental data disclosed according to the Guidelines of the Ministry · Issuance of site-specific ER	· Description of environmental data in ER according to the Guidelines · Site-specific ER is superseded by inclusion of site-specific environmental data in corporate-wide ER.	○
Environmental Accounting	<b>Environmental accounting (EA)</b> · Introduction of EA system that evaluates expenses invested in environmental protection activities	· Development of Kawasaki's EA Guidelines based on the Guidebook from the Ministry of the Environment, and execution of calculations for EA	○	· Introduction of Kawasaki's EA Guidelines, and execution for FY2001 on a trial basis · Report the FY2002 data on this ER 2003.	· Calculated FY2001 data on a trial basis. · Calculated corporate-wide data for FY2002 according to Kawasaki's EA Guidelines.	○

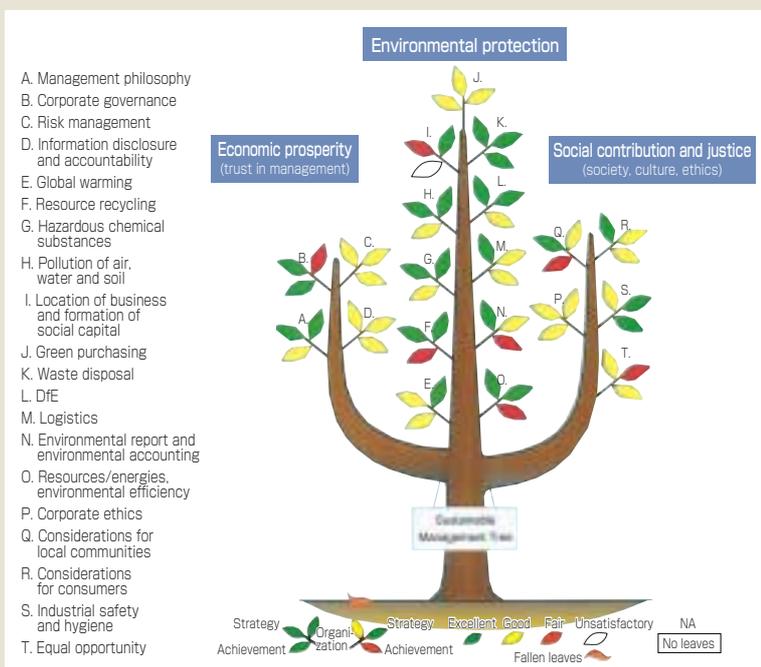
## Voluntary Evaluation of Kawasaki's Environmental Level

- Each division performed a self-evaluation using Kawasaki's Environmental Activities Evaluation Guide, which comprises a check sheet containing 12 indexes and 37 questions. The results were calculated to corporate-wide averages.
- The results are shown in the form of a radar chart given below, where a full mark for each index is 3.0. The marks for the ratings "Development of green products", "Transportation impact control", "Subcontractors and suppliers", "Coexistence with society", and "Environmental considerations in overseas businesses", show that more efforts are needed in these areas.



## Evaluation of Kawasaki's Environmental Management Level by the Rating Institute

- In order to get an evaluation by a third party, we received an environmental management level rating in FY2002 by Rating Institute for Sustainable Management.
- Environmental management level rating is a method to evaluate the environmental efforts of a corporation by means of 20 indexes and 60 questions that are arranged on three branches of a tree— "Economic prosperity", "Environmental protection" and "Social contribution and justice".
- After the questions were answered, a discussion session was held by the evaluating members, and based on the results, the tree diagram below was drawn. The diagram contains many yellow and red leaves, which indicates that more improvement is needed.



### Targets to Be Fulfilled

• Promote EMS to consolidated subsidiaries of Kawasaki Heavy Industries as a group.

• Have no occurrences of administrative penalty or complaints from local communities.  
• Comply with laws and regulations and improve voluntary control standards that meet the needs of society.

• Develop and implement action plans to achieve target values for reducing greenhouse gases.

• Realize zero waste disposal in all works by the end of FY2004.

• Expand application of Design for Environment (DfE) by product assessment, LCA, etc.

• Green procurement for products and production needs to seek systematic practices.

• Continue implementation of Environmental Activities Evaluation Guide, which is one of self-evaluation methods.  
• Establish numerical indexes for analyzing environmental performance.

• More comprehensive site information in ER  
• Inclusion of environmental data of consolidated subsidiaries in ER

• Study various EA techniques that serve internal management.  
• Achieve more quantitative accounting for effective investment.