

Labor:	We will endeavor to create a workplace that provides motivation and satisfaction and one in which employees are treated fairly and appropriately.
Safety and health:	We will create a safe, pleasant working environment where employees can perform their jobs in good health and in a positive state of mind.

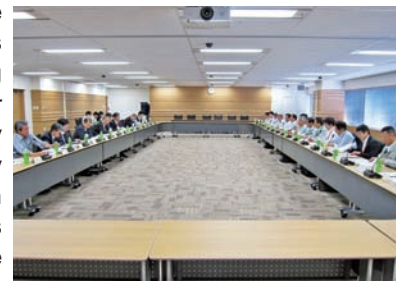
Realizing an Energetic Workplace Atmosphere

Communication between Management and Employees

To create a vibrant workplace environment, the thoughts of top management as well as corporate policies, management information and other key issues must reach all employees as quickly as possible. To ensure that information is accurately transmitted from management to employees, our intranet and internal bulletins expedite delivery of information and ensure that messages from top management are quickly received by all. We have a variety of opportunities for discussion with labor, where executives can explain policies and management information directly to employee representatives.

Communication is, however, a two-way street, and it is equally essential that employees make issues of importance to them, including requests, known to management. Here, too, labor-management meetings allow labor unions to convey employees' needs and opinions to the people who make

human resource-related decisions. In addition, we conduct employee satisfaction surveys every other year and use the results in the preparation of new policies and programs. The survey undertaken in February and March 2011 garnered an increase in positive responses on nearly all questions, a welcome development substantiated by such comments as "Proud to be a member of the KHI family" and "My work is rewarding". But upbeat responses to questions on employee welfare and positive comments, such as "Comfortable working environment for women," were relatively few. We will carefully evaluate this situation and promote various measures to ameliorate perceived concerns.



Central Management Consultation Committee

Respect for Human Rights

Respect for Human Rights and Policy on Discrimination

The underlying philosophy on which the Kawasaki Heavy Industries Corporate Ethics Rules are built is "respect human rights and prevent discrimination." Committed to this, we promise to "create a pleasant working environment and maintain an atmosphere conducive to such an environment by respecting personality differences and the human rights of all people and refraining from unacceptable behavior, particularly any form of discrimination, sexual harassment and power harassment, that is, ill-treatment of junior staff.

Prohibiting Sexual Harassment and Power Harassment

Seeking to create a comfortable working environment in which employees can perform their jobs free from harassment, KHI offers training to guide everyone onto the path of appropriate behavior and to enlighten everyone on the morale-crushing consequences of harassment.

On the issue of sexual harassment, we have established counseling offices at all work sites. We also maintain an e-mail address just for harassment-related comments to facilitate communication. In addition, we have prepared a manual for counselors which outlines procedures that ensure the privacy of people seeking advice and a proper response to their concerns.

To raise awareness of human rights issues, we utilize training for new employees and sessions for existing employees in various corporate positions as opportunities to highlight the importance of respect for human rights.

Creating a Safe, Comfortable Workplace

Basic Premise on Employee Safety and Health

Protecting the safety and health of employees is of paramount importance. KHI seeks to create a workplace culture that prioritizes safety and health and a safe, comfortable working environment where employees can perform their jobs in good health and in a positive state of mind.

Safety and Health Management Systems

In our Safety and Health Management Rules, we assume this corporate obligation: "We will establish safety and health management systems and institute measures necessary to prevent occupational accidents and conditions that impair health, sustain and perhaps improve the health of employees, and foster a pleasant working environment."

Specifically, the general safety and health manager at each site is assigned safety and health management supervisory duties, in accordance with basic policy outlined by the Chief Safety and Health Management Officer, to facilitate safety and health management.

Efforts to Prevent Occupational Accidents

(1) Steadfast Implementation and Promotion of Occupational Health and Safety Management Systems

By continually using and improving our occupational health and safety management systems, we reinforce system standards and ensure meticulous health and safety management, which in turn stops occupational accidents before they can occur and lays the foundation of a comfortable workplace environment. A current priority is to enhance risk assessment capabilities and systematically eliminate any latent risks to ensure inherently safe conditions for employees.

(2) Maintaining the KSKY Campaign

Since 2002, the KSKY campaign has been an important component of our safety policy. KSKY is coined from the first letters of Japanese words: the K from *kihon*, meaning "basic rules"; the S from *shisakosho*, "pointing and calling"; and the KY from *kiken yochi*, "predicting danger". The purpose of this campaign is to instill greater awareness of safety measures and the need for every employee to willingly participate in procedures that keep a workplace safe and to create a workplace secured by "mutual cautioning", which is, essentially, employees watching out for the safety of others as well as themselves. Through KSKY, employees establish a disciplined workplace that observes safety rules and checks, make the point-and-call practice a routine step when pausing work on a factory floor, for example, and become more sensitive to danger, not only visible hazards but latent hazards as well.

(3) Learning to Detect Dangerous Situations

To raise safety awareness and prevent occupational accidents that are caused by unsafe practices, we run mock accidents that allow employees to identify possible dangers in the workplace. As an added precautionary measure, we are installing more devices and facilities to make the practical experience more effective.

Health Advice and Efforts in Mental Healthcare

(1) Health Classes

As one of our corporate THP (Total Health Promotion) efforts, we offer health classes to help employees lead healthier lives. These classes cover general topics, such as dental hygiene and quitting smoking, as well as specialized topics, such as better diets for young adults and approaches for lowering high blood sugar, which are geared to both new employees and existing employees who show signs of having lifestyle diseases based on the results of legally required health checks.

(2) Stress Checks

We ask that employees have their daily stress levels checked during regular health checks, and industrial physicians interview employees with high stress levels and provide them with personalized advice. We have also implemented measures to manage stress effectively in the workplace using work stress diagnoses. In addition, we conduct group classes for managers and supervisors and offer information about "line-care"—manager's role to improve the working environment and assist staff who wish to discuss mental health issues—and self-care, or personal health maintenance, as well as other topics through e-learning.



Health class

(3) Fatigue Accumulation Self-diagnostic Checks

We require people who work long hours to undergo fatigue accumulation self-diagnostic checks. Industrial physicians interview employees with high levels of accumulated fatigue and provide them with personalized advice.