

CSR Framework-Building and Themes

For the KHI Group, CSR activities are seen as a cumulative effort to realize the Group Mission—"Kawasaki, working as one for the good of the planet"—at ever higher levels.

We know that contributing to the future of society and the global environment will raise the value of the Kawasaki brand, and we promote activities in the five themes described below to realize this objective.

Five Themes

- 1 We will use our integrated technological expertise to create values that point the way to the future. Value Creation
- 2 We will always act with integrity and good faith to merit society's trust. Management
- 3 We will all create a workplace where everyone wants to continue working. Employees
- 4 We will pursue "manufacturing that makes the Earth smile." Environment
- 5 We will expand the circle of contribution that links to society and the future. Social Contribution

Theme	Categories	Action goals	MTBP 2013 Goals/Approaches*
Overall	CSR overall	Realize the Group Mission (KHI's duty to society) at a higher level.	Clarify the KHI Group's social responsibility, make employees fully aware that CSR is a Group-wide obligation, and cement a structure to promote relevant practices.
			Listen to stakeholders' opinions and reflect these comments in corporate activities and business operations.
			Respect the Global Compact, UN Millennium Development Goals, and ISO 26000 and other international CSR-related standards.
Value creation	Product development	Draw on comprehensive Group capabilities and apply sophisticated technologies to the development of high-performance, high-quality products.	Strive to contribute to a sustainable society through business activities and products.
	Product responsibility	Provide products and services that are reliable and safe from the customer's perspective.	Create products that customers can trust and seek to further improve quality and product safety.
	Customer satisfaction	Provide products and services that meet customer needs and leave a very positive impression.	Track customer satisfaction and strive to boost the level higher.
Management	Corporate governance	Pursue sound, transparent management, enable each business segment to operate independently, and demonstrate the combined strengths of the Group.	Target further improvement in corporate governance.
	Compliance	Build an organization that is open and self-regulating to underpin a corporate culture with credibility.	Familiarize all employees with KHI's code of corporate ethics and code of conduct.
	Information security	Institute reliable information security measures and maintain the safety and security of information.	Target further improvement in all existing measures to protect information.
	Information disclosure, IR activities	Provide timely, accurate corporate information and further enrich the content of disclosure.	Target further improvement in shareholder and investor communication practices.
	Business partners	Coexist with business partners and maintain fair partnerships while promoting collaboration in CSR activities.	Promote cooperation in CSR management with business partners.
Employees	Safety and health	Create a safe, pleasant working environment where employees can perform their jobs in good health and in a positive state of mind.	Ensure appropriate use and continuous improvement of occupational safety and health management system with due consideration to employee safety and health.
	Human resource development	Consistently cultivate the skills of employees, refine acquired talents, and raise the value of personnel assets to the highest level.	Apply measures to maximize the personal value of employees.
	Human rights Labor	Respect the diversity of employees and strive to create a workplace that embraces wide-ranging values and abilities and utilizes them to the full. Endeavor to create a workplace that provides motivation and satisfaction and one in which employees are treated fairly and appropriately.	Implement initiatives to enhance employees' awareness of human rights issues. Look to utilize the long-term benefits of equal opportunity and diversity. Strengthen initiatives to create a pleasant work environment for employees.
Environment	Global environment	Strive to realize a low-carbon society, a recycling-oriented society, and a society that coexists with nature.	Steadily reduce annual CO ₂ emissions and energy consumption.
			Reduce amount of waste and promote reuse and recycling.
			Steadily reduce environmentally hazardous substances.
Social contribution	(Overall)		Clearly define Group-wide social contribution vision, basic policy and key areas, and implement activities.
	Local communities and Japanese society	Coexist and cooperate with local communities and help nurture new generations that will develop future "dream" technologies.	Encourage self-planned and self-sponsored social contribution initiatives.
	International community	Respect the myriad cultures of countries around the world and contribute to their vibrancy by cultivating technology and human resources in these countries.	

* The column heading "Target profile," which appeared in Kawasaki Report 2013, has been replaced with "MTBP 2013 Goals/Approaches" in the 2014 report.

CSR Activity Issues and Medium-term Targets for MTBP 2013

We collect and collate comments from customers along with results from surveys by nonprofits and other organizations as well as ISO 26000 core issues, and extract from this information specific CSR issues within each theme that we should address from a Group-wide perspective. For Medium-term Business Plan 2013 (MTBP 2013), which runs from fiscal 2014 through fiscal 2016, we took a fresh look at CSR issues, factoring in newly received customer comments and evaluation items in the overseas SRI (socially responsible investment) index to determine targets and the necessary measures that would unfold during MTBP 2013.

Previously, during the Medium-term Business Plan 2010, we set our sights on establishing an activity structure and a PDCA cycle, mainly covering the parent company. For MTBP 2013, we will widen the scope to facilitate action on issues as a global group—including points overseas—and to better cover our supply chain. In addition, we are reinforcing efforts in the area of human rights and labor-management, including steps, such as our Dialogue with Experts, to encourage employees throughout the Group to better understand current issues. (Please see pages 93–94 for details.)

Status of Activities in Fiscal 2014

Medium-term goals and strategies in each of our five CSR activity themes and the individual categories within these themes were reviewed, with an eye toward getting to where we want to be in the long term. Divisions laid out action plans designed to reach stated overall targets, and implementation efforts were tracked. In the table below, we provide a status update, as of March 2014, with efforts assessed a grade out of four stars.

Each division at the Head Office has its assigned CSR issues to deal with. In addition, we have pinpointed topics specific to internal companies for an independent emphasis.

There will, however, be two issues under MTBP 2013 shared at a global Group level.

1. Human rights and labor-management topics: Ensure that no location uses child labor or forced labor, and obtain a declaration at each Group company stating that no such forms of labor will ever be used.
2. Business partner (supply chain)-related topics: Encourage all Group companies to have their own CSR procurement guidelines and ask suppliers to support such guidelines.

Concrete Actions to Achieve MTBP 2013 Targets	Self-Assessment of MTBP 2013 Targets (March 2014)
<ul style="list-style-type: none"> Update CSR activities, communicate status to Group, coordinate relevant aspects with corporate management (CSR Department) Consider integration of corporate planning operations and CSR planning operations (Corporate Planning Department, CSR Department) Promote greater awareness of CSR through meetings at each location (Marketing Division) Run CSR-related educational programs (Personnel & Labor Administration Division) Conduct stratified training program and expand to wholly owned subsidiaries (Plant & Infrastructure Company) Promote CSR topics through company news and establish internal company rules (Motorcycle & Engine Company) Promote greater awareness among all employees through stratified training program (Precision Machinery Company, Precision Machinery Division) Promote greater awareness among all employees through stratified training program (Robot Division) Reinforce legal support structure at overseas locations (Legal Department) 	★★★★☆
<ul style="list-style-type: none"> Continue and expand dialogue, and integrate the SRI index into CSR activities (CSR Department) Enhance labor-management negotiations and direct dialogue between managers and employees (Personnel & Labor Administration Division) 	★★★★☆
<ul style="list-style-type: none"> Identify trends in all international standard practices and prepare responses (CSR Department) Promote action on human rights issues throughout the Group at the global level (CSR Department, Personnel & Labor Administration Division, Planning & Control Department) 	★★★☆☆
<ul style="list-style-type: none"> Create value for customers (Marketing Division) Develop models with the underlying concepts of "Fun to Ride," "Ease of Riding" and "Friendly to the Environment" (Motorcycle & Engine Company) 	★★★★☆
<ul style="list-style-type: none"> Strive to quantify targets set for quality control and continuously improve on results, and reflect and apply reduction criteria for product safety risk in internal company rules (Ship & Offshore Structure Company) Visualize the content of activities to boost product quality and enhance safety features (Gas Turbine Division) 	★★★★★
<ul style="list-style-type: none"> Introduce a survey to gauge customer opinions (Marketing Division) Expand opportunities to exchange technology with customers, and promote strategies based on results of customer satisfaction surveys (Precision Machinery Company, Precision Machinery Division) 	★★★★☆
<ul style="list-style-type: none"> Consider steps to strengthen governance and internal controls (welcome outside directors and increase number) (Corporate Planning Department) 	★★★★★
<ul style="list-style-type: none"> Ensure widespread adherence to corporate ethics guidelines at each Group company (CSR Department) Establish rules to prevent bribery of public servants in foreign countries and promote acceptance of such rules throughout the Group (CSR Department) Maintain education and awareness programs that highlight importance of respect for the law (General Administration Department) Promote greater awareness through meetings at each company (Marketing Division) Maintain activities, such as classes and training programs, to promote greater awareness of compliance practices (Machinery Division) 	★★★★☆
<ul style="list-style-type: none"> Improve security level to mitigate risk associated with leaks of confidential information (Information Planning Department) Maintain and further reinforce measures to safeguard personal information (CSR Department) Execute full-scale rollout of IT audit (Auditing Department) 	★★★★☆
<ul style="list-style-type: none"> Hold regular factory tours for individual shareholders (General Administration Department) Review methods and content of disclosure, and enhance IR events (Finance Department) Reinforce responses through IR connection (Public Relations Department) 	★★★★★
<ul style="list-style-type: none"> Establish CSR procurement guidelines at all Group companies (Planning & Control Department, CSR Department) ⇒ Shared global Group effort 	★★★★☆
<ul style="list-style-type: none"> Reinforce measures to prevent serious accidents or equally disastrous circumstances (Personnel & Labor Administration Division) Promote safety-awareness education (Personnel & Labor Administration Division) Reinforce safety and health organization control (Personnel & Labor Administration Division) Enhance mental health policy (Personnel & Labor Administration Division) Continue to audit occupational safety and health management system through DNV (certification body) and constantly conduct risk assessment activities (Ship & Offshore Structure Company) 	★★★★☆
<ul style="list-style-type: none"> Increase learning opportunities to cultivate skills of global human resources and put in place relevant systems and conditions to support training (Personnel & Labor Administration Division) Enhance management training and stratified training programs (Personnel & Labor Administration Division) Cultivate entrepreneurial and engineering talent, and enhance frontline manufacturing capabilities (Personnel & Labor Administration Division) Roll out human resource development programs throughout the Group (Personnel & Labor Administration Division) Cultivate skills of engineers, provide support for manufacturing activities at production sites, and enhance manufacturing capabilities (Plant & Infrastructure Company) 	★★★★☆
<ul style="list-style-type: none"> Ensure there is no use of child labor or forced labor at any Group company, including locations overseas (Personnel & Labor Administration Division, CSR Department) 	★★★☆☆
<ul style="list-style-type: none"> Implement approaches, such as 4U (for you) Network, geared toward all female employees (Personnel & Labor Administration Division) Continue to recruit foreign nationals, introduce measures such as an employment promotion network for overseas nationals (Personnel & Labor Administration Division) Keep employment ratio of people with disabilities stable and promote active roles (establishment and operation of special purpose subsidiary) (Personnel & Labor Administration Division) 	★★★★☆
<ul style="list-style-type: none"> Reinforce support for employees with childcare and elder care responsibilities (Personnel & Labor Administration Division) Repair and rebuild noticeably rundown dormitories and company housing to make the structures safer for occupants (Personnel & Labor Administration Division) 	★★★★☆
<ul style="list-style-type: none"> Use and promote an energy visualization system (Environmental Affairs Department) Work to identify Group's CO₂ level on a global basis and then work to decrease emissions (Motorcycle & Engine Company) Reduce waste, promote reuse and recycling, and promote PCB treatment (Environmental Affairs Department) Reduce basic unit of waste output (Gas Turbine Division) 	★★★★★
<ul style="list-style-type: none"> Reduce chemical substances (Environmental Affairs Department) Reduce water consumption (Environmental Affairs Department) 	★★★★★
<ul style="list-style-type: none"> Clarify vision, basic policy, key areas, and role of individual organizations (CSR Department, General Administration Department) Consider social contribution activities delivering tangible results and make them known (General Administration Department) 	★★★☆☆
<ul style="list-style-type: none"> Build internal systems, strengthen activities, identify the expectations placed on KHI by society and reflect these views in future activities (CSR Department) Continue to give tours of Kawasaki Good Times World to elementary and junior high school students as part of their social studies programs (Public Relations Department) Continue to run clean-up campaigns near factory sites, promote work experience opportunities, and conduct educational activities such as the Make Your Own Helicopter! workshop to support development of the next generation (Aerospace Company) Continue participation in Kawasaki Kyodo no Mori, a forest regeneration project undertaken jointly with the town of Niyodogawa, in Kochi Prefecture, and maintain support for exchange students (Plant & Infrastructure Company) 	★★★★☆

Evaluation subject: In principle, non-consolidated

Self-assessment grades marking achievement of medium-term goals:

★: Will take action going forward ★★: Some action taken ★★★: Robust action taken ★★★★: Sufficient action taken but further improvement targeted