

Summary of Environmental Activities in Fiscal 2016

Fiscal 2016 Targets and Evaluation of Results

Eighth Environmental Management Activities Plan (FY2014–FY2016)	
Realization of a low-carbon society	<p>Key strategy CO₂ and energy cost reduction</p> <p>1. Use the energy visualization system</p> <p>Approach Reduce CO₂ emissions and energy consumption through improvement activities using an energy visualization system</p> <p>Target By fiscal 2016, reduce annual CO₂ emissions and energy consumption by at least 5%</p>
	<p>2. Reduce CO₂ emissions through product-based contributions</p> <p>Approach Calculate reduced CO₂ amount separately for energy-related products, transportation-related products, industrial machinery, and other products</p> <p>Target Achieve cumulative CO₂ emissions reduction equal to or more than the initial plan values for each business segment through product-based contributions</p>
Realization of a recycling-oriented society	<p>Key strategy Promotion of the 3Rs</p> <p>1. Promoting reduction in waste generation, greater reuse and more recycling</p> <p>Approach Steadily implement measures to reduce total amount of waste generated Promote high-level treatment, and shift away from thermal recycling to material recycling and reuse</p> <p>Target Reduce total amount of waste per unit of sales, and maintain zero emission status at all business sites</p>
	<p>2. Promoting PCB treatment</p> <p>Approach Draft appropriate treatment plans, and follow through with stated measures</p> <p>Target Sustain commitment to treatment of high-concentration PCB waste in cooperation with JESCO* Apply optimum method to treat low-concentration PCB waste *Japan Environmental Storage & Safety Corporation</p>
Realization of a society coexisting with nature	<p>Key strategy Reduction of environmental load</p> <p>1. Reducing chemical substances</p> <p>Approach Switch to either alternative materials that do not contain hazardous substances or materials with low-content concentrations Reduce emissions into the atmosphere, and prevent movement beyond the borders of business sites through such efforts as collection and treatment of chemical substances</p> <p>Target Set major VOC reduction target below the average achieved through the Seventh Plan per unit of sales Seek to reduce heavy metals to zero, in principle, by fiscal 2021</p>
	<p>Key strategy Promotion of resource conservation</p> <p>1. Forest conservation activities</p> <p>Approach Continue to pursue forest conservation activities</p> <p>Target Conduct forest conservation activities at least twice a year</p>
	<p>2. Conserving water</p> <p>Approach Promote water conservation programs</p> <p>Target Reduce water consumption and amount of wastewater</p>
	<p>Key strategy Enhancement of the Kawasaki Group environmental management system</p> <p>1. Reinforcing environmental management capabilities of Kawasaki and subsidiaries in Japan</p> <p>Approach Communicate environmental data to stakeholders</p> <p>Target Set reasonable reduction targets, and provide appropriate feedback</p>
Establishment of environmental management systems	<p>2. Strengthening overseas subsidiaries' environmental management capabilities</p> <p>Approach Pinpoint environmental data, and evaluate environmental performance (impact on environment and effectiveness of measures to limit such impact)</p> <p>Target Identify legal requirements and other criteria, and support efforts to mitigate environmental risk</p>
	<p>Key strategy Kawasaki Green Product Promotion Activity</p> <p>1. Establishing compliancy evaluation system to assess environmental performance of Kawasaki-brand Green Products</p> <p>Approach Establish system for self-declared environmental claims regarding products</p> <p>Target Establish system conforming to ISO 14021</p>

Fiscal 2016 Targets	Fiscal 2016 Results	Page Number
<p>CO₂ and energy cost reduction</p> <p>1. Use the energy visualization system By fiscal 2016, have equipment and system in place to reduce annual CO₂ emissions and energy consumption by at least 5%</p> <p>2. Reduce CO₂ emissions through product-based contributions Achieve cumulative values equal to or more than the initial plan values for each business segment, and disclose the reduction of CO₂ emissions to public</p> <p>▽ Clarify the effect of investment in energy-saving facilities Push the internal rate of return above 8% on investments to achieve energy savings</p>	<p>CO₂ and energy cost reduction</p> <p>1. Use the energy visualization system Continuing on from fiscal 2015, still introducing system facilities at all business sites. Rolled out improvement activities by focusing on study groups, courses and sharing of data on examples of improvement, and cut annual CO₂ emissions by 4.4% and energy costs by 6.6% (including improvement not directly linked to CO₂ reduction achieved primarily through measures to curb electricity demand)</p> <p>2. Reduce CO₂ emissions through product-based contributions Although falling below the initial target, a decrease of 750,000t-CO₂ exceeded level of emissions from business activities. Reduction results disclosed to public through website and reports</p>	<p>▶ P.11</p>
<p>Promotion of the 3Rs</p> <p>1. Promoting reduction in waste generation, greater reuse and more recycling Maintain zero emission status, and reduce total waste emissions per unit of sales. Boost recycling rate above the fiscal 2015 level</p> <p>2. Promoting PCB treatment Process low-concentration PCB waste appropriately through low-cost methods</p>	<p>Promotion of the 3Rs</p> <p>1. Promoting reduction in waste generation, greater reuse and more recycling Total waste on a unit basis decreased 10% over the fiscal 2015 level, and the final disposal ratio was below 1%, maintaining zero emission status. Recycling rate reached 97%, falling below level recorded in fiscal 2015</p> <p>2. Promoting PCB treatment Of high-concentration PCB waste, 154 transformers and other units, and 3,858 stabilizers were processed. Of low-concentration PCB waste, 142 transformers and other units were processed using the best treatment method</p>	<p>▶ P.14</p>
<p>Reduction of environmental load</p> <p>1. Reduce chemical substances Major VOCs per unit of sales to be at or below the average of results achieved in the Seventh Plan. Seek to reduce heavy metals to zero, in principle, by fiscal 2021</p>	<p>Reduction of environmental load</p> <p>1. Reduce chemical substances Achieved target of 79 for major VOCs per unit of sales. Dichloromethane emissions decreased 17%, and the amount of heavy metals handled dropped 40%</p>	<p>▶ P.15</p>
<p>Promotion of resource conservation</p> <p>1. Continue with forest conservation activity Carry out forest conservation activity at least twice a year</p> <p>2. Conserving water Reduce consumption per unit of sales to the level below the amount in fiscal 2014</p>	<p>Promotion of resource conservation</p> <p>1. Continue with forest conservation activity Activities were undertaken a total of four times in Hyogo Prefecture and Kochi Prefecture</p> <p>2. Conserving water The amount of water used was down 2% per unit of sales from fiscal 2015</p>	<p>▶ P.15</p>
<p>Enhancement of the Kawasaki Group environmental management system</p> <p>1. Reinforce the environmental management capabilities of Kawasaki and consolidated subsidiaries in Japan Set reduction targets, and provide appropriate feedback</p> <p>2. Reinforce the environmental management capabilities of overseas subsidiaries Identify issues through more accurate understanding of environmental data, and support methods to deal with such issues</p> <p>▽ Human resources training Compile lists of human resources, pinpoint issues, and take appropriate measures</p>	<p>Enhancement of the Kawasaki Group environmental management system</p> <p>1. Reinforce the environmental management capabilities of subsidiaries in Japan Considered reduction targets for the Group as a whole, but process did not lead to establishment of any targets</p> <p>2. Reinforce the environmental management capabilities of overseas subsidiaries Received third-party verification of greenhouse gas data. Visited three locations in the United States to promote environmental management practices under the Group banner</p>	<p>▶ P.18</p>
<p>Heightened awareness as an environmentally friendly brand</p> <p>1. Leverage Kawasaki Green Product Promotion Activity Introduce to the public products that have passed conformity assessment</p> <p>2. Enhance image through external evaluations and rankings Work to raise Kawasaki's environmental ratings</p>	<p>Heightened awareness as an environmentally friendly brand</p> <p>1. Leverage Kawasaki Green Product Promotion Activity Registered 11 products as Kawasaki-brand Green Products following conformity assessment</p> <p>2. Enhance image through external evaluations and rankings Responded to questionnaires of various external evaluation organizations, including DJSI, CDP and Toyo Keizai. Received third-party verification from SGS Japan Inc. on greenhouse gas emissions in fiscal 2016</p>	<p>▶ P.23</p>

Material Balance of Business Activities for Fiscal 2016 (Overall Picture of the Environmental Impact)

Kawasaki has drawn up a summary of the impact of our business activities on the environment during fiscal 2016. Net sales rose 5.7% year on year, compared with fiscal 2015 (¥1,098.0 billion), while CO₂ emissions were held to a 2.2% increase. This reflects successful energy-saving activities. However, SO_x and NO_x emissions were up, influenced by tests on internal combustion engines under development.

