

CSR Issues and Actions

—Action Plans on Entries Pertaining to the Entire Company

In fiscal 2011, we executed a self-assessment of the 85 CSR entries mentioned on page 5 and disclosed the results, including a selection of the most important entries and associated status in CSR Report 2010. Action plans, some with short-term objectives and some with medium- to long-term objectives, were formulated for all entries, and efforts continue throughout the Company to promote suitable responses to unresolved concerns. On this page and the next, we present self-assessment results and action plans for certain entries, mainly those tapped by head office departments for a company-wide approach.

Note: The entries in the table were either given a low score in the fiscal 2011 self-assessment or deemed important and thus warranting greater attention in the future (including those for which a response was initiated in fiscal 2012).

	Field	Specific Entry and Definition (Ideal)	Current Assessment (Progress from Last Time)	Go to Page:
Overall	CSR Overall	Significance of CSR to the KHI Group as well as the position, fields and themes associated with CSR made known throughout the Group and all employees aware of the content.*	★↔★★★	P6
		Mechanism in place to take in stakeholders' comments and critiques and reflect such opinions in its corporate activities and business pursuits.	★	P5
Management	Compliance	Conduct compliance and ethics training and evaluate its effectiveness.*	★★★★	P20
		Ensure that overseas operations are in full compliance of local laws.	★★	P20
	Risk Management	Evaluate effectiveness of corporate risk management program.	★★↔★★★★	P21
		Identify major risks at subsidiaries based on corporate risk management program.	★★	P21
	Crisis Management	Maintain overall crisis management system and a framework for its operation.*	★★	P22
		Maintain business continuity plans that specify the principal business activities in each business segment that are preferentially selected for continuation or priority restoration in the event of a disaster, and implement regular assessment and review of the business continuity plans.	★★	P22
	Information Security	Information is backed up and restoration plans are in place for information systems. Plans are regularly assessed and reviewed.	★★★★	P22
	Information Disclosure	Disclose basic policy on information disclosure.*	★↔★★★★★	P23
		Actively promote communication with shareholders and investors.	★★	P23
	Business Partners	Disclose basic policies on material procurement.	★★↔★★★★★	P24
Ask business partners to observe CSR management policies and work with them to achieve this goal.		★★↔★★★★★	P24	
Employees	Safety and Health	Appropriately operate and continuously improve occupational safety and health management system.*	★★★★	P28
		Take initiatives over and above the legal requirements for safety, health and mental health and implement additional measures in the future.*	★★★★★	P28
	Human Resources Development	Maintain long- and short-term policies and goals for employee development based on business strategies, and implement appropriate measures.*	★★★★★	P25
		Maintain long- and short-term policies and goals for employee development based on careers sustained until mandatory retirement, and implement appropriate measures.	★★★★★	P26
	Human Rights	Maintain policies and goals on the promotion of women to managerial positions and the hiring of people with physical disabilities, and implement appropriate steps to reach stated goals.	★★	P26
		Take initiatives to fairly evaluate talents and performance and reflect these factors in the treatment of employees, and implement additional measures in the future.*	★★★★★	
	Labor	Take initiatives over and above legal requirements to support work and child-rearing.*	★★★★★	P26
		Maintain dialogue and build trust with labor unions and employee representatives.*	★★★★★	P27
Environment	Global Environment	Collect environmental information of entire KHI Group, including overseas subsidiaries.	★★	P33
		Disclose domestic and overseas emission reduction targets for the Group.	★★	P33
		Assess amount of energy used in business activities and make this information, along with reduction targets, available to the public.	★★	
Social Contribution	Local Communities and Japanese Society	Maintain basic policies on social contribution activities and make this information available to the public.*	★★	P35
		Encourage social contribution initiatives planned and sponsored on our own.*	★★★★	P36

* Also disclosed in CSR Report 2010

★ Will address ★★ Have addressed somewhat ★★★ Have addressed fairly well ★★★★ Have addressed sufficiently but would like to improve Objectives

Objectives (Short term objectives are shown in the table.)

Produce the tools needed to encourage understanding of CSR in all business segments.
Hold discussion sessions, primarily with stakeholders, on a trial basis.
Strive to improve compliance awareness through compliance activities undertaken by the entire company as well as by each internal company. Provide seminars as part of job training programs for various job levels to instill a deeper understanding of compliance issues and practices.
Utilize recent questionnaire results on current status of compliance efforts in the preparation of future measures to ensure compliance.
Regularly monitor company-wide major risks and the implementation status of responses, and also review major risks at regular intervals through the corporate risk management programs.
Encourage principal domestic subsidiaries to embrace corporate risk management programs and promote the establishment of a group-wide corporate risk management system and emphasize control of risks.
Member list of crisis management organization is constantly updated. Members of crisis management organization acquire awareness of the responsibilities they would shoulder in a crisis situation through the implementation of disaster drills.
All business segments and operating sites prepare business continuity plans matched to respective prevailing factors and promote preparations during ordinary times with an emphasis on activities given preference over other activities.
Have backed up key information system programs and data in remote locations.
Announced our Disclosure Policy in April 2011.
Hold information meetings for institutional investors and analysts each quarter to present performance data, and upload a summary of significant questions and answers from the results announcement to website.
Announced Basic Policies for Material Procurement and Code of Conduct for Dealings with Business Partners in April 2011.
Consider CSR management policies for business partners, highlighting compliance and information security, using the aforementioned Basic Policies for Material Procurement as the template.
Establish occupational safety and health management systems at all operating sites, strive to operate and continuously improve these systems, and promote system-enhancing, non-disparity safety and health management practices.
(1) Implement measures, such as danger detection training, 5S*, shared vigilance and various safety check rounds. (2) Implement measures, including initiatives to support good mental health, address lifestyle diseases, prevent job-related illnesses and improve working environments.
Offer employee training in accordance with the following objectives for developing the skills of human resources. (1) Reinforce the management and business execution capabilities of employees; (2) improve on-site capabilities; (3) cultivate global expertise.
Look into the development of career planning seminars appropriate to each level of the corporate ladder and implement suitable programs.
(1) Present senior female employees as role models for young female staff and help supervisors develop their female staff. (2) Actively recruit people with disabilities and achieve a hiring ratio that exceeds the legal requirement.
Clarify the personnel evaluation system to employees and continuously provide training for individuals who make evaluations.
Improve associated systems and also create workplace environments receptive to these systems.
(1) Hold meetings with labor unions and employee representatives. (2) Undertake employee awareness surveys.
Collect environmental information of all domestic consolidated subsidiaries and principal overseas subsidiaries.
Look into the techniques in setting the scope of emission reduction targets for entire KHI Group (including overseas).
Assess the amount of energy consumed of all domestic consolidated subsidiaries and principal overseas subsidiaries. Disclose KHI's reduction targets.
Establish even more concrete basic policy on regional coexistence and next-generation development.
Plan new programs, such as a child-oriented manufacturing and engineering classroom, that make even better use of Kawasaki Good Times World, our corporate museum.

* The 5S approach is an operation-improvement methodology based on five Japanese words starting with "s"—*seiri, seiton, seiso, seiketsu, shitsuke*—through which a company can bring order and organization into the workplace.