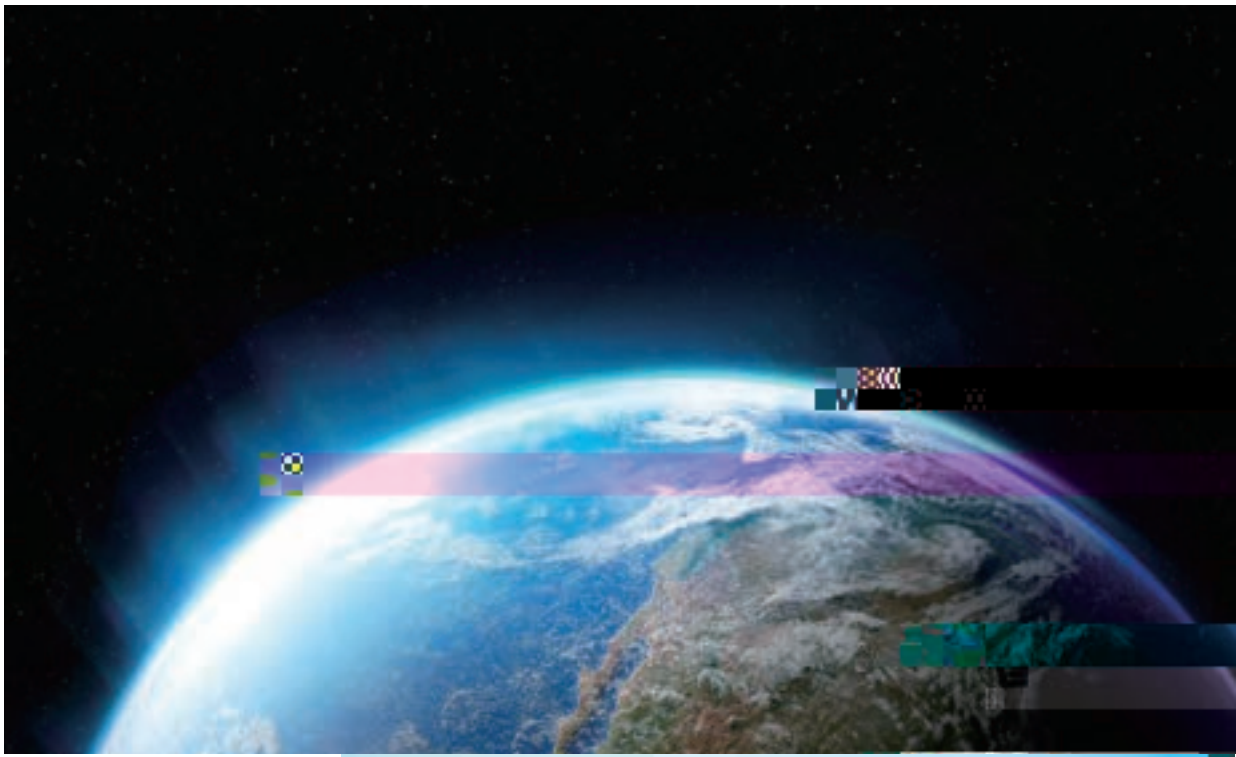

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2XU 6XVWDLQDELOLW\ :HEVLWH LV IRU UHSRUWLQJ .DZDVDNL
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KDV HYROYHG LQ VWHS ZLWK LWV VWDNHKROGHUV LQFOXGL

Kawasaki Group’s Sustainability

Sustainability Management

07 Sustainability Framework

13 Stakeholder Engagement

18 The Kawasaki Group Code of Conduct

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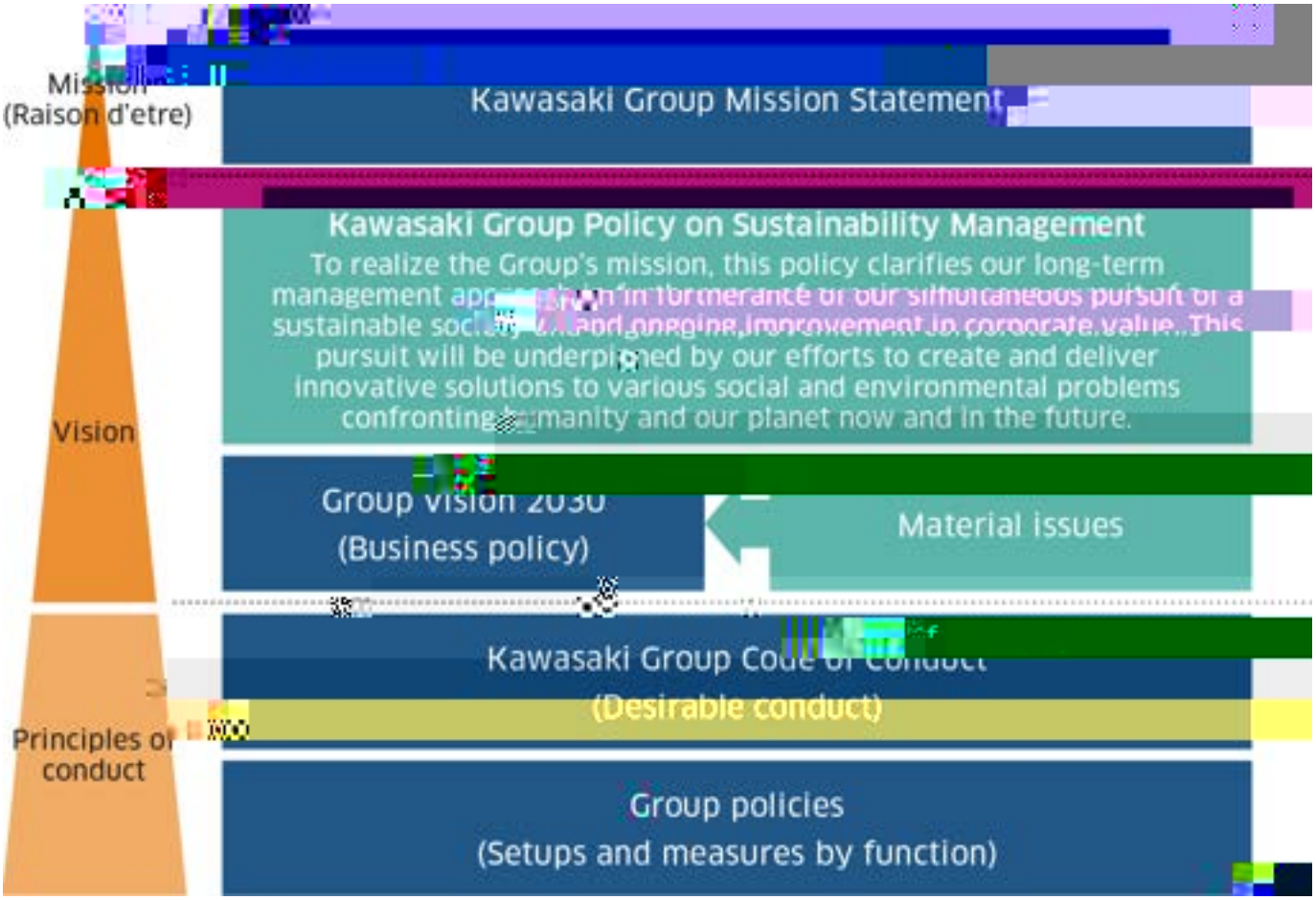

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$á 8SKROG LQWHUQDWLRQDO QRUPV DV ZHOO DV ODZV D
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VWULYH WR UDLVH DZDUHQHVV DPRQJ HPSOR\HHV WR SUHYH
DQG TXLFNO\ UHVSRQG WR DQ\ FRPSODLQWV UHFHLYHG IURP
:H DOVR RUJDQL]H HYHQWV DQG DFWLYLWLHV WKDW KHOS PD
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&RPPXQLFDWLRQ ZLWK WKH *RYHUQPHQW

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,Q DGGLWLRQ ZH FRPPXQLFDWH ZLWK WKH JRYHUQPHQW WK
LQGXVWU\ JRYHUQPHQW DFDGHPLD SURMHFWV YLD RSHQV D9

Kawasaki Group’s Materiality

20 Materiality

28 KPIs for Materiality “The foundation of our business activities” and Follow-up in FY2021

32 Kawasaki’s Approach to the SDGs

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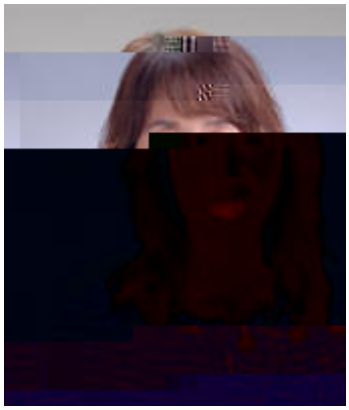

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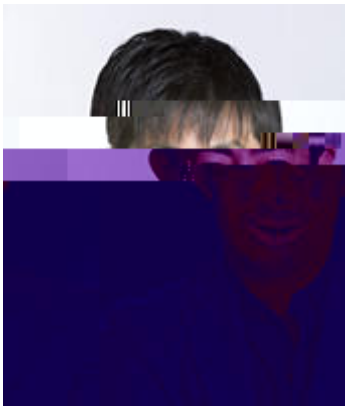

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RI LQLWLDWLYHV IRU HDFK LVVXH LQ FDWHJRULHV DQG DE
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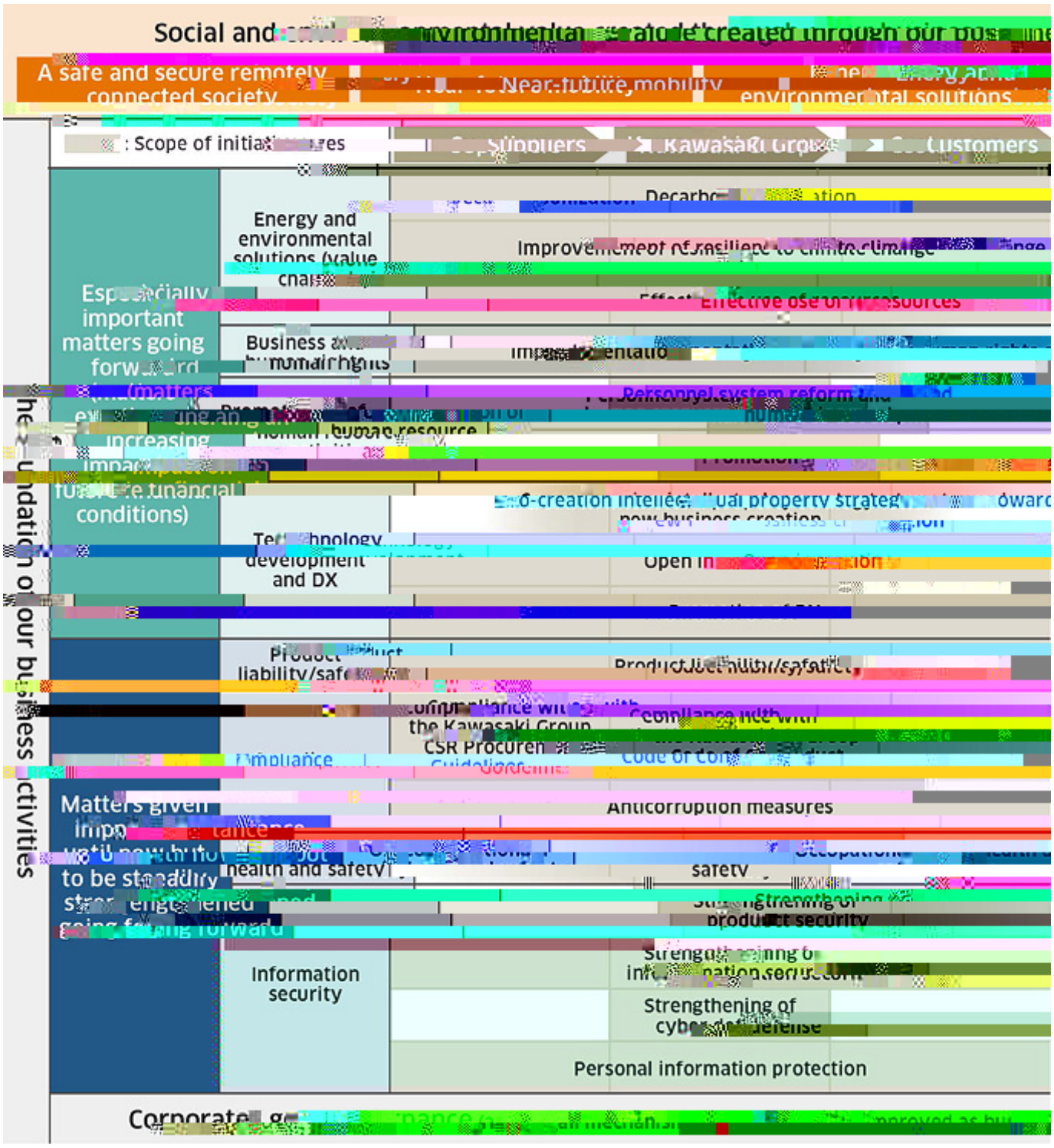

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Governance

35 Corporate Governance
58 Compliance and Anti-corruption Measures
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Audit & Supervisory Committee

The Audit & Supervisory Committee comprises five Directors, including three Outside Directors. To secure effective oversight, the two Internal Directors have been appointed as full-time Audit & Supervisory Committee Members. Furthermore, to ensure the reliability of financial reporting, the Company appoints Audit & Supervisory Committee Members who have considerable knowledge of finance and accounting.

Business Execution Framework

The Ka

Presiding O cer of the Board of Directors

The Chairman of the Board of Directors serves as the presiding officer of the Board of Directors.

- Executives

Corporate Governance Functions (organizations, committees, etc.)

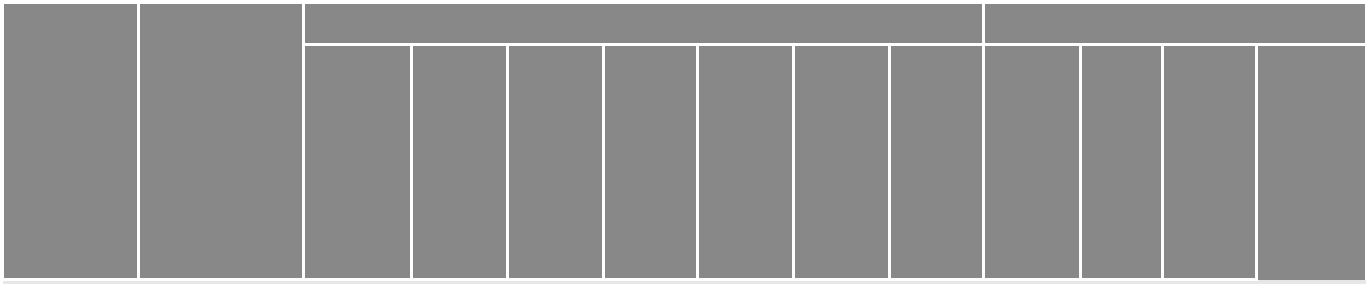
RoleC Rol'ing offocxC	

Role	Instructs about business execution policy based on management policy and management plans determined by the Board of Directors as well as information on important matters decided by the Management Committee. Serves as a venue for communicating necessary and important information regarding business execution and for exchanging opinions.
Composition	Presiding officer: The president Members: All executive officers appointed by the Board of Directors Note: The full-time Audit & Supervisory Committee Members participate in the committee as part of their auditing of business execution.
Meeting frequency	Twice a year (twice in fiscal 2021)

Role	Discusses and decides on measures to promote social, environmental, and Group sustainability. Monitors adherence to su[illegible]vLMp mm vL[illegible]Me Monitotee Members partic"Mv [illegible]MonitoSu 20 [illegible]e
¾	envf envirSu[illegible]MpMqo|

-	
Role	Discusses Company-wide quality control policy and ensures its application. Shares information about quality control among the Head Office, internal companies, and other related companies.
Composition	Presiding officer: The Senior Corporate Executive Officer in charge of technology Members: Representatives from the Corporate Planni

Role



Susumu Tsukui

Mr. Tsukui has never been involved in the management of a company except as an outside officer but has served as President of the Hyogo-ken Bar Association and in other important positions, and he also has abundant experience as an attorney and deep insight into legal affairs. In consideration of these points, the Company elected him as an Outside Director serving as an Audit & Supervisory Committee Member with the expectation that he will perform supervision using his expertise and knowledge.

@@ydHmn’

Directors

Items Surveyed

The survey questions (main items) are as follows, with a 5-point scale and free writing section. To more accurately evaluate the effectiveness of the Board of Directors, the number of questions was increased from four to seven items, and these questions take into account the changes made in the revision of the Corporate Governance Code.

Survey Question Items

Concerning the diversity of core human resources, after organizing perceptions on the current status of the Group and ideas for securing diversity, the results will be discussed by the Board of Directors and incorporated into a concrete action plan, whereby a system to increase its feasibility will be established.

Audits

Internal Audits

The Auditing Department, which is an internal audit division and consists of 15 persons, works to improve the internal control function by, for example, conducting regular audits to confirm that the Kawasaki Group's execution of general business activities is properly conducted in accordance with laws and internal rules.
Concerning the audits of overseas subsidiaries, they will be conducted not on-site but remotely in response to COVID-19.

Audits Conducted by the Audit & Supervisory Committee

The Audit & Supervisory Committee Members carry out the following activities in accordance with the basic audit policy, audit system, and assignment of duties decided by the Audit & Supervisory Committee. In fiscal 2021, the visits to overseas subsidiaries were suspended due to the spread of COVID-19, but as in fiscal 2020, this did not have a major impact on the Company's auditing activities due to the utilization of an online video conferencing system.

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The full-time Audit & Supervisory Committee Members attend important meetings, such as those of the Board of Directors and Management Committee, voicing their opinions as needed. Through the above activities, they work to maintain the auditing environment, gather information within the Company, and build and regularly monitor the operation of

Independent Audits

With regard to independent auditing, we undergo audits of our financial statements by the independent auditor KPMG AZSA LLC. The Audit & Supervisory Committee receives an outline of the audit plan and a report on important audit items from the independent auditor, and the Audit & Supervisory Committee explains its auditing plan to the independent auditor. The Audit & Supervisory Committee periodically receives reports on the results of audits by the independent auditor and, conversely, the independent auditor receives reports on the results of audits by Audit & Supervisory Committee, which strives to keep lines of communication on [illegible] The Audit & of[illegible]

Director Compensation

The compensation system for Directors (excluding Audit & Supervisory Committee Members and Outside Directors) is based on the following basic policy with the aim of achieving the Group Vision 2030, “Trustworthy Solutions for the Future,” established in November 2020.

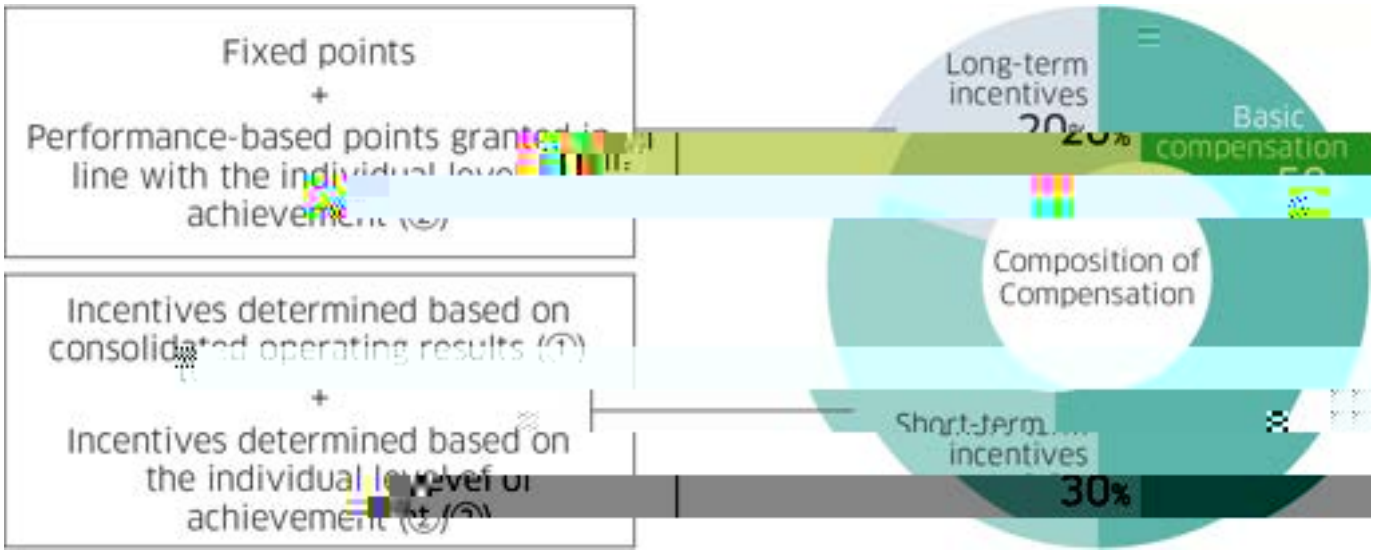
Basic Policy

Placing stronger emphasis on contribution to the Company’s goals, the revised compensation system is designed to reward each recipient based on their responsibilities and accomplishments. To this end, it not only provides short-term incentives but also rewards Directors for their contributions to medium- to long-term improvement in corporate value. In this way, we aim to promote the sharing of value between Directors and stakeholders, including shareholders.

Compensation for Directors (Excluding Audit & Supervisory Committee Members and Outside Directors)

Compensation for Directors consists of basic compensation, short-term incentives, and long-term incentives. Basic compensation and short-term incentives are paid in cash. Long-term incentives are paid in the form of performance-based stock compensation to

Composition of Director Compensation



In the case where the Group's consolidated operating performance in the preceding fiscal year reached target levels and each Director's degree of achievement of targets set for the preceding fiscal year is 100%.

The targets set by Directors are assessed at the end of each fiscal year, and the degree of achievement is reflected in compensation. The assessment of each Director is determined as described below.

- President: All Outside Directors who serve as members of the Compensation Advisory Committee conduct individual, face-to-face interviews with the President and make a determination through deliberations among those Outside Directors.
- Senior Corporate Executive Officer: Outside Directors who serve as members of the Compensation Advisory Committee conduct individual, face-to-face interviews with the Senior Corporate Executive Officer and make a determination through deliberations among those Outside Directors.
- Other Directors: The President conducts interviews of the individual Directors jointly with the Senior Corporate Executive Officer, formulate an assess through deliberations with the Senior Corporate Executive Officer, and refers the matters to the Compensation Advisory Committee for a decision.

Compensation of Audit & Supervisory Committee Members and Outside Directors

To ensure their professional independence, compensation for these individuals consists only of fixed compensation and is not linked with performance.

Methods for Determining Compensation

The total maximum amount of compensation for Directors (excluding Audit & Compensation Committee Members) is set by a resolution passed at the General Meeting of Shareholders. Within this limit, the amount of compensation is determined by the resolution of the Board of Directors based on the deliberations of the Compensation Advisory Committee. The presiding officer and a majority of the members of the Compensation Advisory Committee are Outside Directors.
The Board of Directors may also resolve to entrust the president with the responsibility of determining the amount of compensation for each [illegible] resolution [illegible] of Sident withet decre[illegible]

Fiscal 2021 Compensation

					-		
(&)	5	Millions of yen	385	237	69	9	69
& ( )	2	Millions of yen	71	71	-	-	-
	6	Millions of yen	80	80	-	-	-

Notes: 1. For performance-based compensation portion of monetary compensation, the total amount paid for performance-based compensation under the previous compensation system and short-term incentive compensation under the new system in indicated.

2. For stock compensation, the amount recorded as expenses for the current fiscal year is indicated based on performance-based stock compensation introduced pursuant to a resolution of the 198th Ordinary General Meeting of Shareholders held on June 25, 2021 and differs from the actual amount paid.

3. The total maximum amount of annual compensation for Directors (excluding Audit & Supervisory Committee Members) is set at ¥800 million based on a resolution passed at the 197th Ordinary General Meeting of Shareholders held on June 25, 2020.

4. The total maximum amount of performance-based stock compensation is set at ¥325 million per year, with the annual number of Company shares to be allocated to the recipients being limited to 50,000 shares. At the 198th Ordinary General Meeting of Shareholders held on June 25, 2021, these frameworks were approved separately from the total maximum amount of annual compensation for Directors (excluding Audit & Supervisory Committee Members).

5. The total maximum amount of annual compensation for Audit & Supervisory Committee Members is set at ¥120 million based on a resolution passed at the 197th Ordinary General Meeting of Shareholders held on June 25, 2020.

Compliance and Anti-corruption Measures

Compliance

Approach to Compliance

Strict compliance should be at the foundation of all Kawasaki Group business activities, and all Group officers and employees must engage in business with a proper awareness of compliance. The Group engages in diverse business, and as a result, the compliance required in each business division varies. For this reason, proper conduct is required at all times depending on the circumstances. In order to make proper decisions in a timely manner, it is optimal that each employee is able to take it for granted that he or she will unconsciously engage in proper conduct within his or her area of responsibility, that is, that compliance on a deeper level is achieved. To achieve compliance on a deeper level, the Kawasaki Group will continue to undertake a variety of initiatives in the future. Through these initiatives, each employee will become aware of the fundamentals of compliance, which is not merely following laws, regulations, and rules, but also always acting correctly to gain the trust of society, and we will promote the accumulation and deepening of actions based on a constant awareness of the fundamentals of compliance in order to make the Kawasaki Group a sustainable group that is trusted by society even more and where every employee can work with pride.

Compliance Policy

In July 2017, we established the Kawasaki Group Code of Conduct as a set of ethical standards to guide m
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Scope of Policy Application

Kawasaki Group officers and employees

- The Kawasaki Group Code of Conduct

Structure

The Company-wide Compliance Committee is chaired by the Kawasaki president. The committee meets at least twice a year (two issues and Kawasaki Group compliance

Responsible O cer

Chair of Company-wide Compliance Committee: Yasuhiko Hashimoto, Representative Director, President and Chief Executive Officer

Responsible Executive Organ and/or Committee

To ensure rigorous compliance throughout the Kawasaki Group, we maintain a Company-wide Compliance Committee, comprising the Directors (excluding the Audit & Supervisory Committee Members and Outside Directors), the internal company presidents, the executive officer in charge of compliance, the general managers of the Head Office divisions, and others, with the President serving as presiding officer. The Company-wide Compliance Committee discusses and decides measures to ensure thorough compliance and monitors the achievement of targets and compliance with such policy.
For the sake of auditing business execution and to reflect a broad range of external insights and opinions in the committee's decisions, Directors who serve as Audit &

The President's Statement on Compliance

The president issued the President’s Statement of Compliance as an internal and external expression of the entire Kawasaki Group’s commitment to compliance. The declaration is included in the initial part of the Kawasaki Group Code of Conduct.

- The President's Statement on Compliance

Declaration to Observe Laws and Regulations

Each officer and managerial staff member of the Kawasaki Group, at his or her appointment, is required to prepare and submit to the Company a completely handwritten Declaration to Observe Laws and Regulations to reconfirm the awareness that he or she will never commit a violation and will cause other employees to ensure compliance. This Declaration includes the representation that they understand that they may be subject to a penalty or punishment if they commit a violation.

Compliance Guidebook

The Compliance Guidebook provides information that is necessary and useful for ensuring thorough compliance within the Company in an easy-to-understand way. The guidebook is distributed to officers and employees at Kawasaki Group companies in Japan. The Compliance Guidebook outlines the Group’s compliance system and activities as well as the Compliance Reporting and Consultation System, which serves as the Group’s internal whistle-blower system. The guidebook uses illustrations to present easy-to-understand examples of important compliance-related matters.
The guidebook also contains an index of the corresponding sections of the Kawasaki Group Code of Conduct and serves as a text for increasing compliance awareness. The Compliance Guidebook is used in internal compliance training and educational activities. Since the first edition was issued in 2003, its content has been constantly updated in light of evolving compliance requirements around the world. The current edition is the sixth (issued in April 2021).

Compliance Month

October of each year is designated Compliance Month with the aim of reaffirming and enhancing awareness of compliance, and various compliance-related activities are conducted. In fiscal 2021, the President issued a message and Kawasaki, the Group newsletter, included articles intended to raise compliance awareness as well as an overview of the Compliance Reporting and Consultation System (whistle-blowing system). In addition, announcements were made encouraging utilization of the Compliance Reporting and Consultation System, compliance training was conducted via e-learning, and other activities were conducted.

Implementation of Employee Compliance Awareness Surveys

The Kawasaki Group implements periodic employee awareness surveys to monitor internal compliance violation risks. Beginning in fiscal 2020, questions about compliance awareness have been made part of the employee engagement survey and the survey frequency has been increased each year. We analyze changes and trends in employee awareness based on multiple factors including by company and position and reflect the results in the development of necessary compliance measures and other initiatives.

Compliance Awareness Survey Results

(FY)

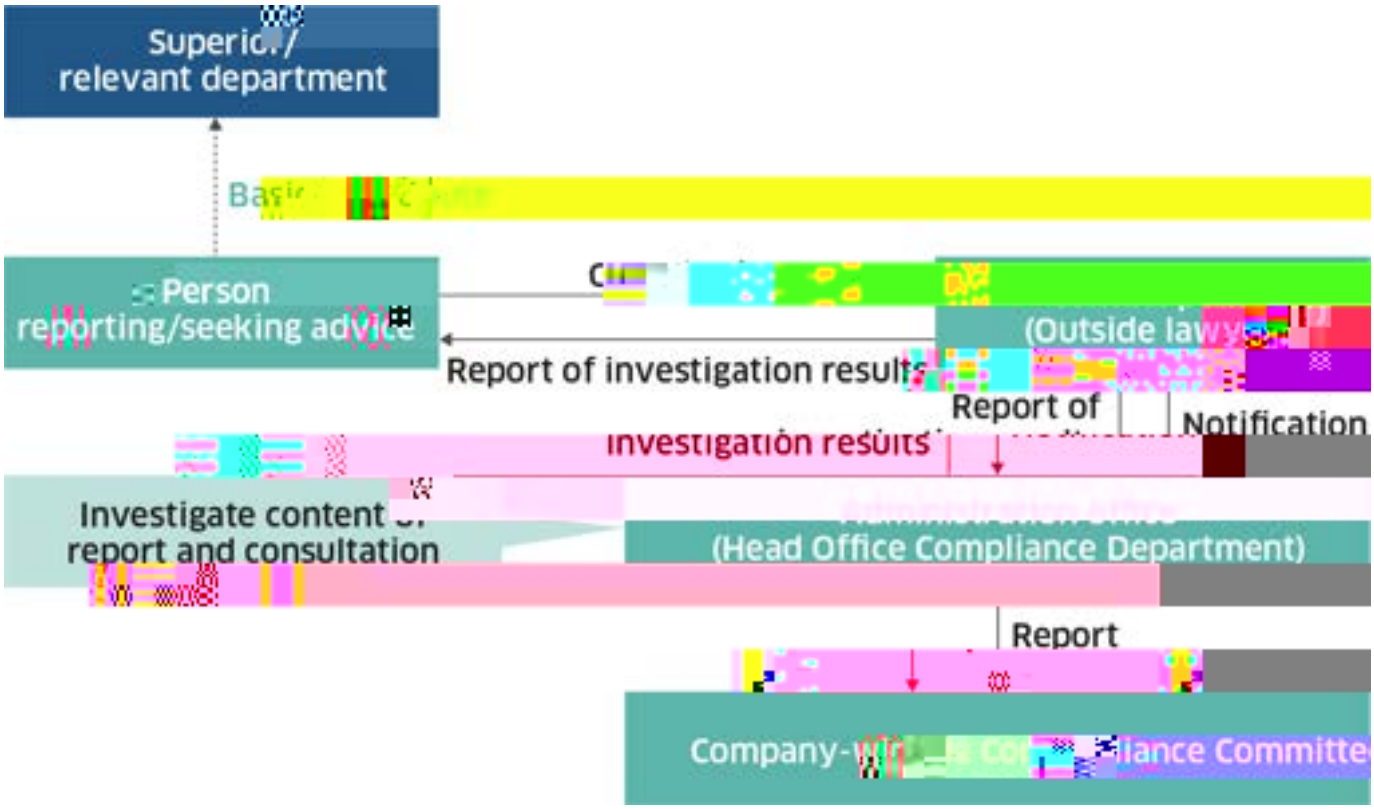
	%	-	93.8	-	80.0	85.0
	%	-	78.6	-	77.0	70.0

1. Scope: The Kawasaki Group (domestic)
2. Scope: Kawasaki Heavy Industries, Ltd. (non-consolidated)
3. Scope: Kawasaki and main domestic subsidiaries

Whistle-Blowing System and Consultation Points

Kawasaki and Domestic Subsidiaries

We have established the Compliance Reporting and Consultation System, with an outside lawyer acting as the contact, so that executives and employees of the Companystem empl



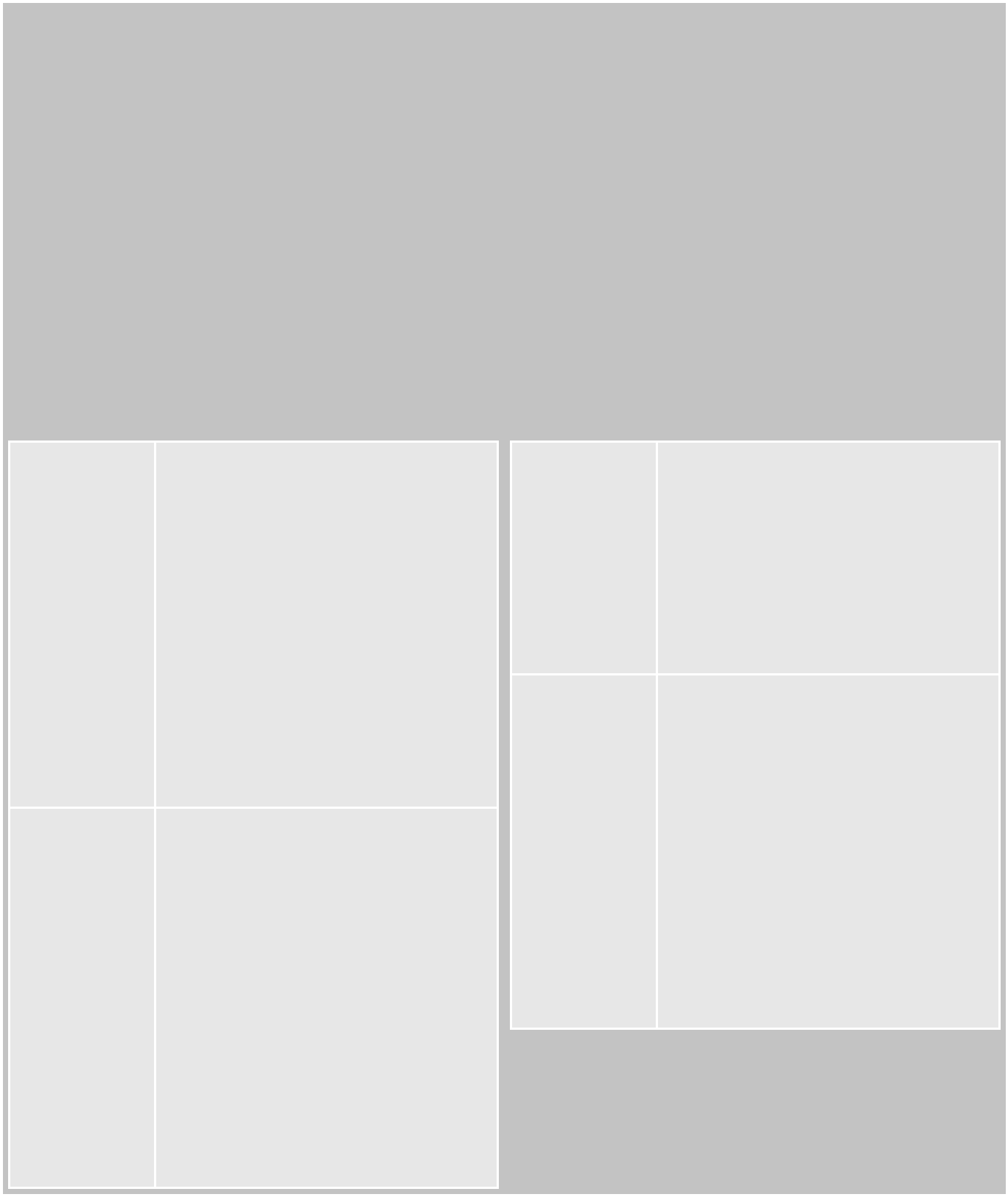
Number of Reports or Consultations (Domestic Kawasaki Group)

(FY)

	Number of cases	27	29	47	39	55
Abuse of authority	Number of cases	7	13	12	15	23
Labor issues	Number of cases	10	5	14	14	19
Financial fraud	Number of cases	1	4	0	1	0
Sexual harassment	Number of cases	3	1	1	1	1
Threats and harassment	Number of cases	1	3	0	0	0
Bribery and corruption	Number of cases	0	0	0	0	0
Others	Number of cases	5	3	20	8	12

* The numbers of cases listed above refer to reports and consultations received, not those identified as actual compliance violations.

Establishment of Internal Reporting System at Overseas Subsidiaries



Compliance with Antimonopoly (Competition) Laws

Approach to Compliance with the Antimonopoly Act

The Kawasaki Group is focusing efforts on compliance with the Antimonopoly Act. Since 2006, the Board of Directors has adopted a resolution to comply with the Antimonopoly Act and strive to maintain and improve the Company's enterprise value in society at the first Board of Directors meeting held immediately following each year's general meeting of shareholders. The Kawasaki Group Code of Conduct also states that the Group will not obstruct free and fair competition and will work to maintain a healthy market.

Scope of Policy Application

Kawasaki Group officers and employees

- The Kawasaki Group Code of Conduct

Employee Training on Compliance with Antimonopoly (Competition) Laws

The Company publishes a variety of guidebooks on the Antimonopoly Act for employees to ensure a broader awareness of situations at the Kawasaki Group that could become problematic and conducts regular training on the Antimonopoly Act. In fiscal 2021, we

Measures to Prevent Money Handling Risks at Small-scale Operating Sites

There is a tendency for compliance risk to be higher at small-scale operating sites, such as sales offices and satellite branches. These organizations may be ill-equipped to perform sufficient checks or may have particular individuals within the organization who have become fixed to a particular position due to difficulties in implementing personnel rotation. The Company has carried out reviews, improved the manuals for checking procedures and enhanced audits in order to reduce risks, particularly as they relate to the handling of money.

Number of Violations, Details of Violations, and Actions Taken

Over the five years in the immediate past, there have been no cases of corporate misconduct that were subject to administrative disciplinary action or sanction.

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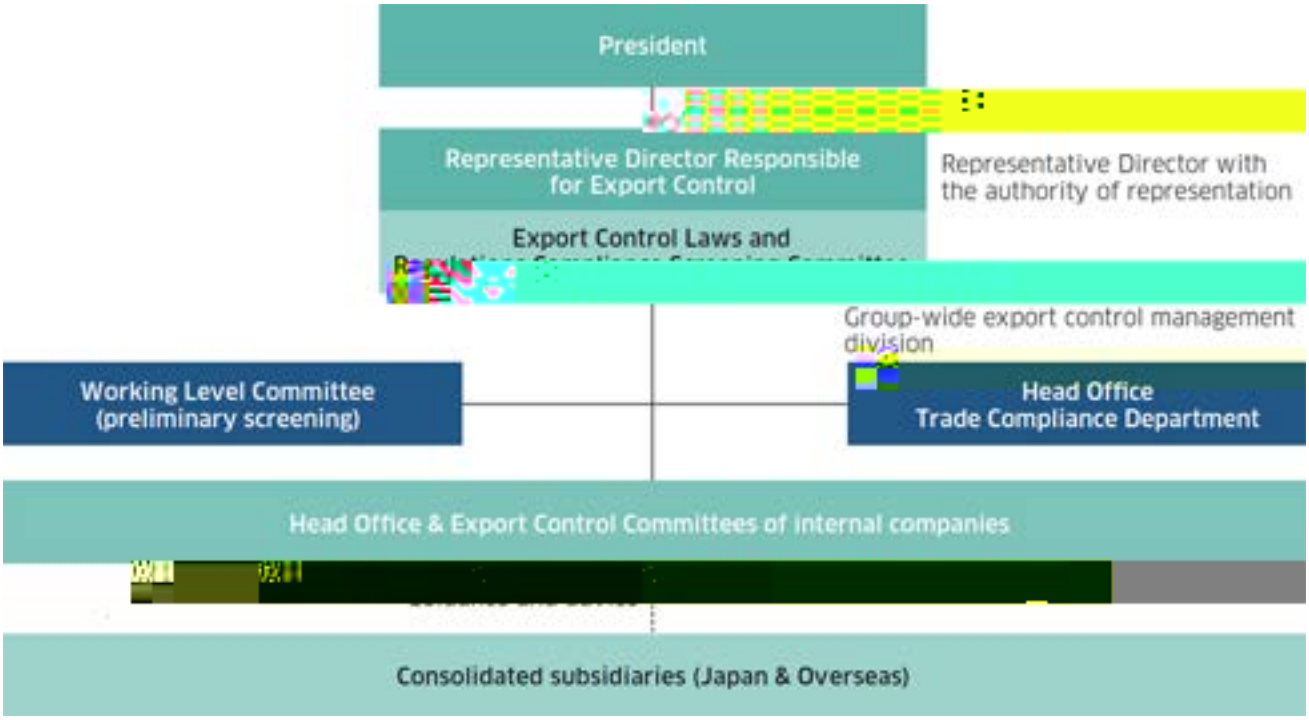
President
Representative Director Responsible for Export Control
Representative Director with the authority of representation
Export Control Laws and
Group-wide export control management division
Working Level Committee (preliminary screening)
Head Office Trade Compliance Department
Head Office & Export Control Committees of internal companies
Consolidated subsidiaries (Japan & Overseas)

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As a Group that operates globally across a wide range of fields, Kawasaki regards the management of serious risks that could impede its business activities as important and conducts integrated risk management.

Kawasaki's overall risk management system entails the integrated execution of business segment-level risk management and Group-wide risk management. Based on the Group's Risk Management Regulations, Kawasaki has established a Corporate Risk Management System and created manuals outlining specific risk management procedures. By comprehensively understanding potential risks based on shared Group standards, we work to avoid and minimize risks and loss caused by risks.
With regard to the risks associated with the execution of individual businesses, the relevant divisions carry out assessments and analyses and sufficiently examine countermeasures in advance in accordance with Kawasaki's Board of Directors Regulations, Management Meeting Regulations, Approval Regulations, and other related rules. The Company practices even more thorough risk management for major projects with significant impact on operations in accordance with such corporate regulations as the Major Project Risk Management Regulations. This includes management at the time of bidding and concluding agreements for such projects as well as regular follow-up by the Head Office, internal companies, and business divisions as needed after a project begins.

The Kawasaki Group has established the Kawasaki Group Policy on Risk Management.

The Kawasaki Group will develop an integrated risk management structure that encompasses its operations around the globe, with the Board of Directors acting as the highest decision-making body. Under this structure, all business units, officers, and employees will pay close attention to various risks in the course of their business operations and strive to identify both business risks that affect individual businesses and important risks that should be addressed from a Group-wide perspective to ensure the implementation of appropriate countermeasures.

In the event of a disaster, accident, or other emergency that could exert a major impact on its business continuity, the Kawasaki Group will promptly set up the Corporate Command Center and strive for the swift restoration of its operations, placing the utmost priority on the lives of customers, community residents, and employees and acting in collaboration with regional communities, customers, and other stakeholders.

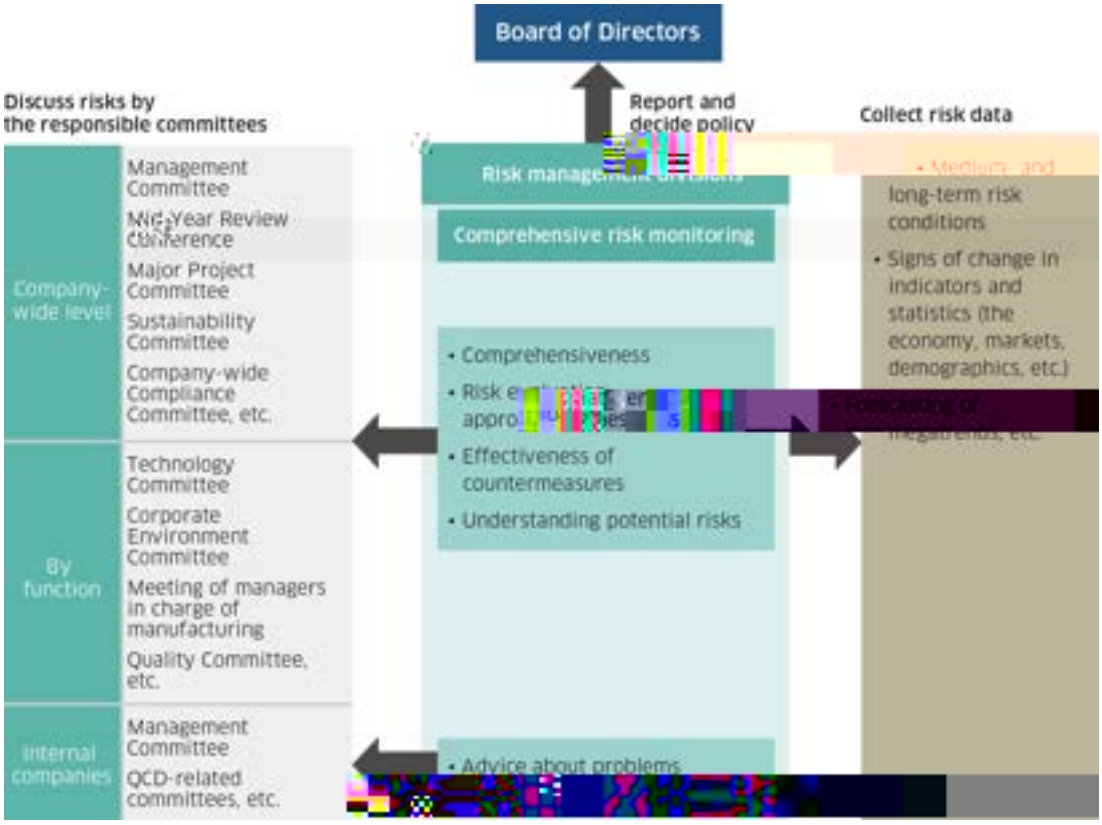
The Kawasaki Group will engage in risk management and crisis management activities, employee training, and emergency drills on a regular basis in order to raise employees' risk awareness and secure higher capabilities in terms of risk assessment and response.

The Kawasaki Group will comply with its corporate regulations on risk management and crisis management as well as relevant laws and regulations enforced in Japan and overseas to fulfill its obligations and responsibilities to stakeholders with regard to risk prevention and immediate crisis response.

Should a shortfall in risk management or crisis management activities be detected or predicted, the Group will promptly correct said shortfall in order to improve the effectiveness of its risk management activities.

- The Kawasaki Group Policy on Risk Management

The Kawasaki Group has established a risk management system to ensure a uniform level of risk management across the Group. Through this system, we identify and respond to major risks with the potential for serious impact on operations and work to enhance risk management as outlined in the Kawasaki Group Management Principles.
In order to appropriately handle diverse risks, Kawasaki designates internal committees and divisions as responsible for specific risk types to establish and operate management methods and systems. In addition, we have established a system for the centralized monitoring of the effectiveness and workability of such management systems, thereby managing risks both individually and comprehensively. Further, twice a year, the director in charge of risk management reports to the Board of Directors the information obtained by the Risk Management Department, an organization that is independent of operating divisions, through risk monitoring and analysis results of global risk trends surrounding the Company. After selecting the important risks that the Company should pay close attention to currently, they are reported to the Management Committee and reflected in the measures of the operating divisions.



Director Responsible for Risk Management (CRO): Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer
Executive Officer Responsible for Risk Management: Takeshi Kaneko, General Manager of Corporate Planning Division and Executive Officer

The Kawasaki Group defines risks as “factors or phenomena that hinder the execution of business operations or the achievement of organizational goals” and works to manage all risks classified as either external risks or internal risks (with the latter further classified as strategic risk or business risk), while giving due consideration to the potential beneficial effects associated with strategic and other risks.
The Company’s risk management process consists of a version of the COSO framework and ISO 31001, customized for the Company’s environment and circumstances.
Risk monitoring activities are reported to the Board of Directors twice a year, and based on the results, feedback is provided to the departments at risk. Further, for items judged to be high risk, we focus on risk monitoring activities called “checking the appropriateness of risk management activities.”

	Government/Regulatory authorities	Laws and regulations		Business strategy	Vision (strategies and policies) Corporate governance, etc.
	Financial institutions/Investors	Raising capital		Business functions	Legal affairs (contracts and lawsuits) Intellectual property, security
		Market expectations		Management and efficiency	Project management Finance and accounting, personnel management, etc.
	Customers/Consumers/ Competitor companies/New entrants	Emergence of competitors, market changes Technological innovation		Technological innovation	Product development, etc.
	Job seekers	Securing human resources		Product defects	Quality management and quality assurance, etc.
	Suppliers	External procurement		Production capacity	Itinerary management etc.
	Business partners	Supply chain and logistics		Governance and compliance	Organizational fraud, harassment, internal control etc.
	Nature/Social culture/Population	Disasters, environmental pollution, SDGs, CSR, climate change, etc.			

	We conduct scenario analyses using the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to identify the impact of climate change risks on our future financial standing. In 2020 we conducted analyses for industrial plants, one of the business units in the Energy Solution & Marine Engineering Company, as a model case, with 2030 set as the target year. Presupposing the 2 scenario, while it is expected that demand for waste incineration plants will remain healthy as no sweeping reductions in the overall volume of waste by 2025 are foreseen, we predict that there will be major changes in energy demand, including a drastic decline in gasoline demand due to the adoption of electric vehicles and a doubling in the demand for low-

In readiness for risks, including large-scale disasters, we maintain a Group-wide horizontally integrated Crisis Management Organization at all times.
The president is the Group's Chief Crisis Management Officer, while the head of each operating site or organizational unit acts as its crisis management officer. Crisis management offices are set up under the crisis management officers to assist them and are charged with the practical work of putting in place and maintaining a first response system for mobilization in the event of an emergency. Meanwhile, the heads of the various Head Office divisions and other staff members whom they designate form a dedicated support team for the crisis management offices.

The disaster management system sets out in advance emergency reporting lines and organizations charged with responding when emergencies occur. Complementary to the emergency reporting lines, we have set up contact networks covering each internal company, business division, and operating site to ensure quick internal reporting and information promulgation.

	Set up in the event of a crisis that requires a Group-wide response; determines measures to be implemented throughout the Group and basic policy on action plans	Office that has not sustained any damage In principle, either the Kobe Head Office or the Tokyo Head Office
	Determines issues that affect the works as a whole; coordinates with internal companies operating in the same works	Works that belong to several internal companies
	Provides internal company support in areas devastated by disaster; determines response to affected suppliers and customers	Appropriate location at each internal company
	Determines measures according to business segment and business office	Office that sustained damage

The Kawasaki Group has introduced an emergency communication system for the entire domestic Group to rapidly confirm the safety of employees when a disaster occurs. Tests are conducted every year to ensure that employees are familiar with the system and know how to use it.

A business continuity plan (BCP) is itself a management strategy. In addition to typical measures related to response immediately after a disaster, such as setting up disaster-prevention supplies and running evacuation drills, a BCP requires consideration of measures to continue business operations with minimal interruption and fulfill the corporate mission.
Based on the basic policy of the Risk Management, the Kawasaki Group has formulated BCPs for major earthquakes, pandemics, and other disasters.

The lessons learned in the Great Hanshin Earthquake, which hit the Kobe area in January 1995, formed the basis of the Group's disaster-prevention measures. In light of the Great East Japan Earthquake of March 2011, the Group significantly revised its BCP for large-scale earthquakes. In response to the COVID-19 pandemic in 2020, we have revised our pandemic response BCP to include, for example, remote working and other new workstyles. Furthermore, we regularly implement drills and use the results to revise BCPs on an ongoing basis.

1. Basic Policy
   Based on basic policy, determine course of action to be taken by the Kawasaki Group in the event of natural disasters.
2. Head Office and Internal Company Priorities
   With the basic policy in mind, designate functions to be maintained at the Head Office, internal companies and business divisions even in the event of disaster. We have identified priorities for the Head Office, internal companies and business divisions in line with our basic policy and have designated certain functions that must be maintained even in the event of disaster with due consideration given to the different business content of each internal company and business divisions and the features inherent in products and services.

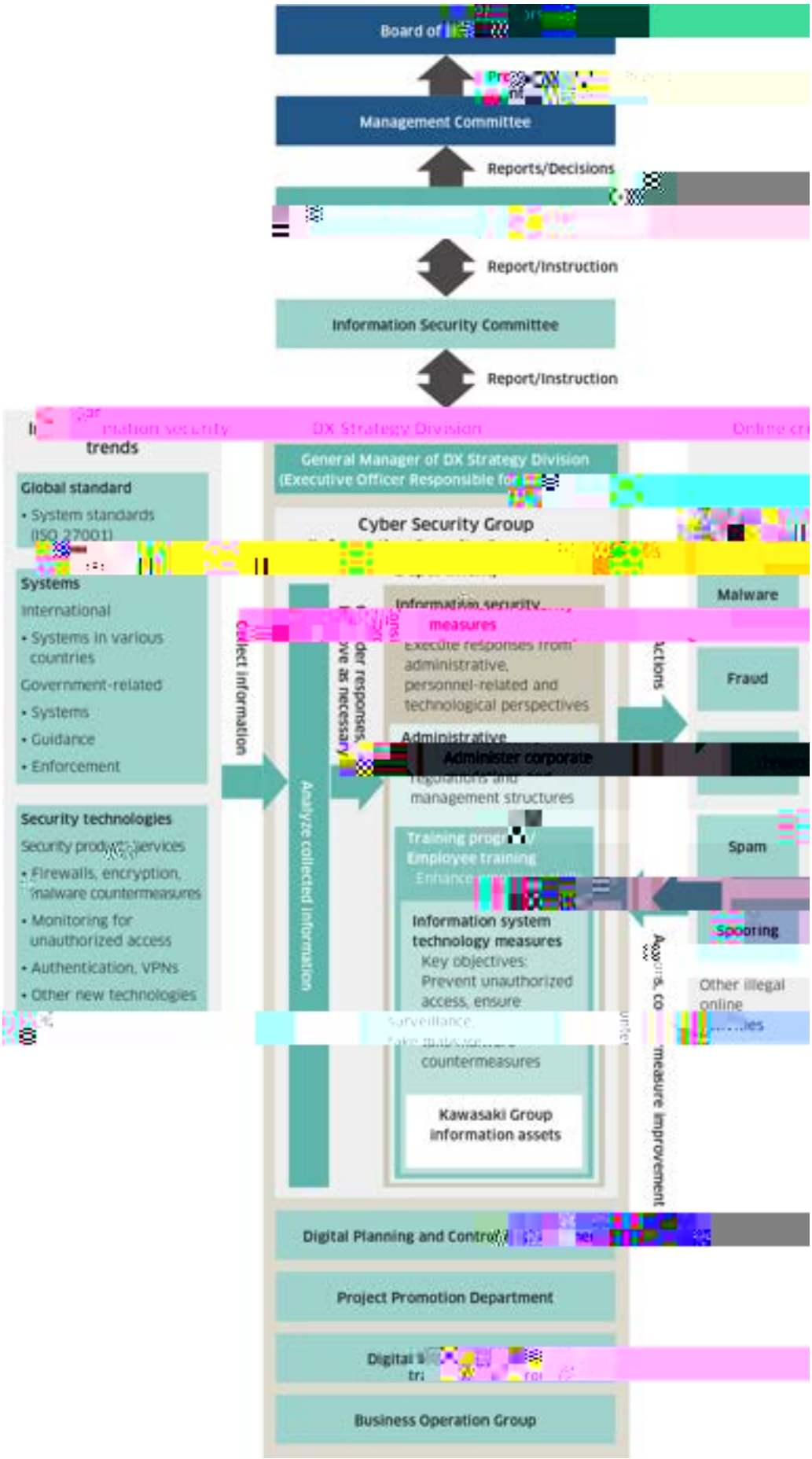
3. Response in Times of Disaster and Preparation during Normal Times
   Consider responses appropriate in the wake of disaster and prepare for the eventuality of such events during normal times.
   Many disaster scenarios indicate the possibility of a massive earthquake centered directly under Tokyo as well as a cascadelike triple megaquake event along the Tokai–Tonankai–Nankai segment of the Pacific Ocean coastline. Bearing these potential events in mind, we considered the responses necessary should such catastrophes occur and activities that could be undertaken during normal times to prepare for such eventualities.
   We formulated a plan that designates specific divisions with specific tasks, and outlined preparations necessary to achieve the desired objectives. Preparations are moving ahead in line with this plan.

4. Drills and Revisions
   Run drills regularly and revise BCP content based on the results.
   We are constantly running BCP drills and revising BCP content based on how the drills were performed.

Information Security

Information Security Policy

Information Security Management System



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Environment

Environmental Management

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124 F 2019

Environmental Report

126 CO_2 F

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153 E

162 E

164 E

6. Going beyond environment-related laws, regulations, conventions, and self-established action plans in related industries, we will implement our own environmental control standards, as appropriate, and strive to improve environmental management.
7. Through environmental training and public relations activities, we will strive to elicit greater awareness of global environmental issues among all employees and will encourage employees to perform a self-improvement review and participate in social contribution activities.
8. We will implement an environmental management system for environmental protection activities, hold regular conferences on environmental protection activities, undertake reviews, and strive to achieve continual improvement in our environmental protection activities.

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The embodiment of the Group's environmental management is based on the three visions of 2050 Waste & Carbon and the Group will contribute to controlling global warming, promoting a recycling-oriented society and protecting biodiversity toward the year 2050.

- Press Release (Aug 09, 2017)

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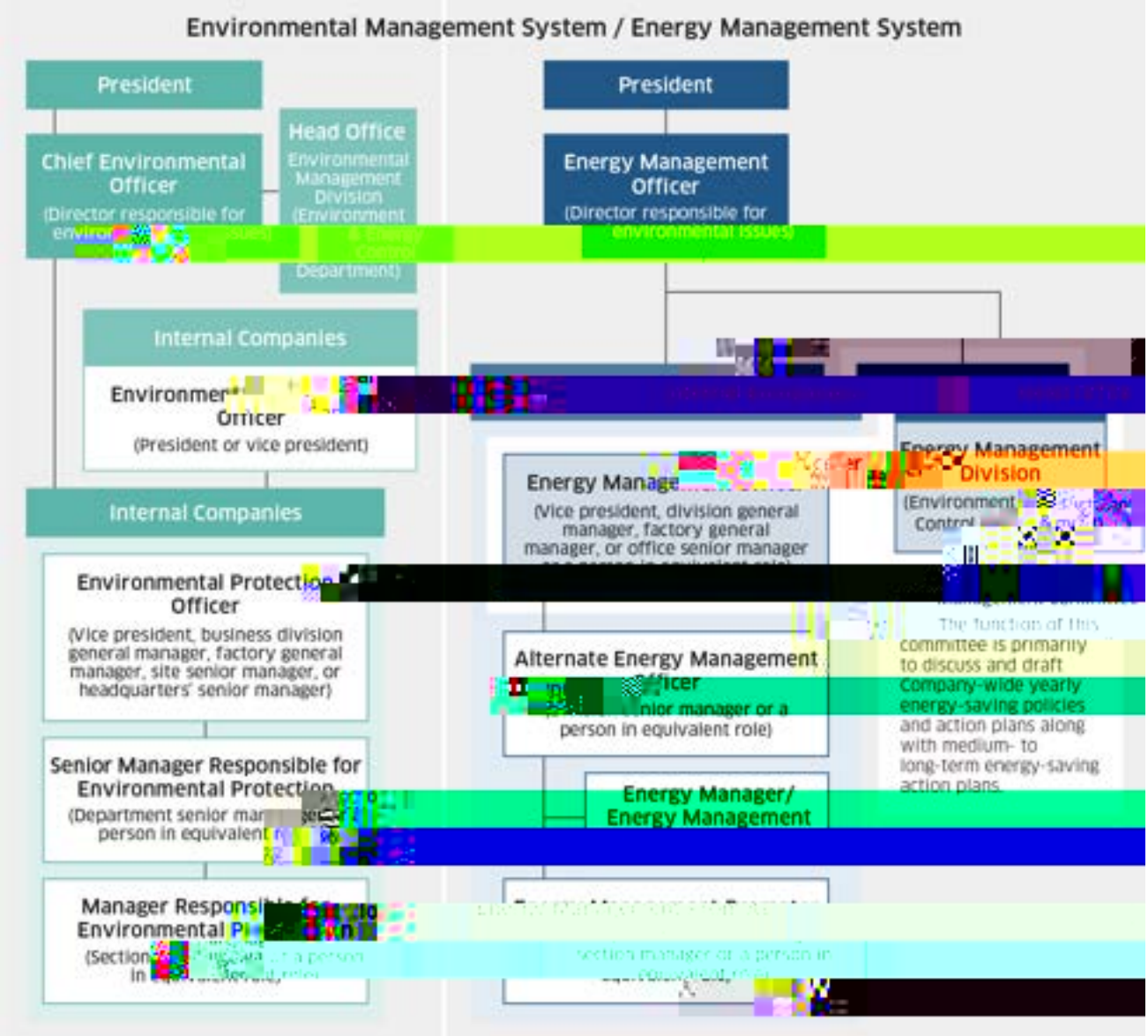
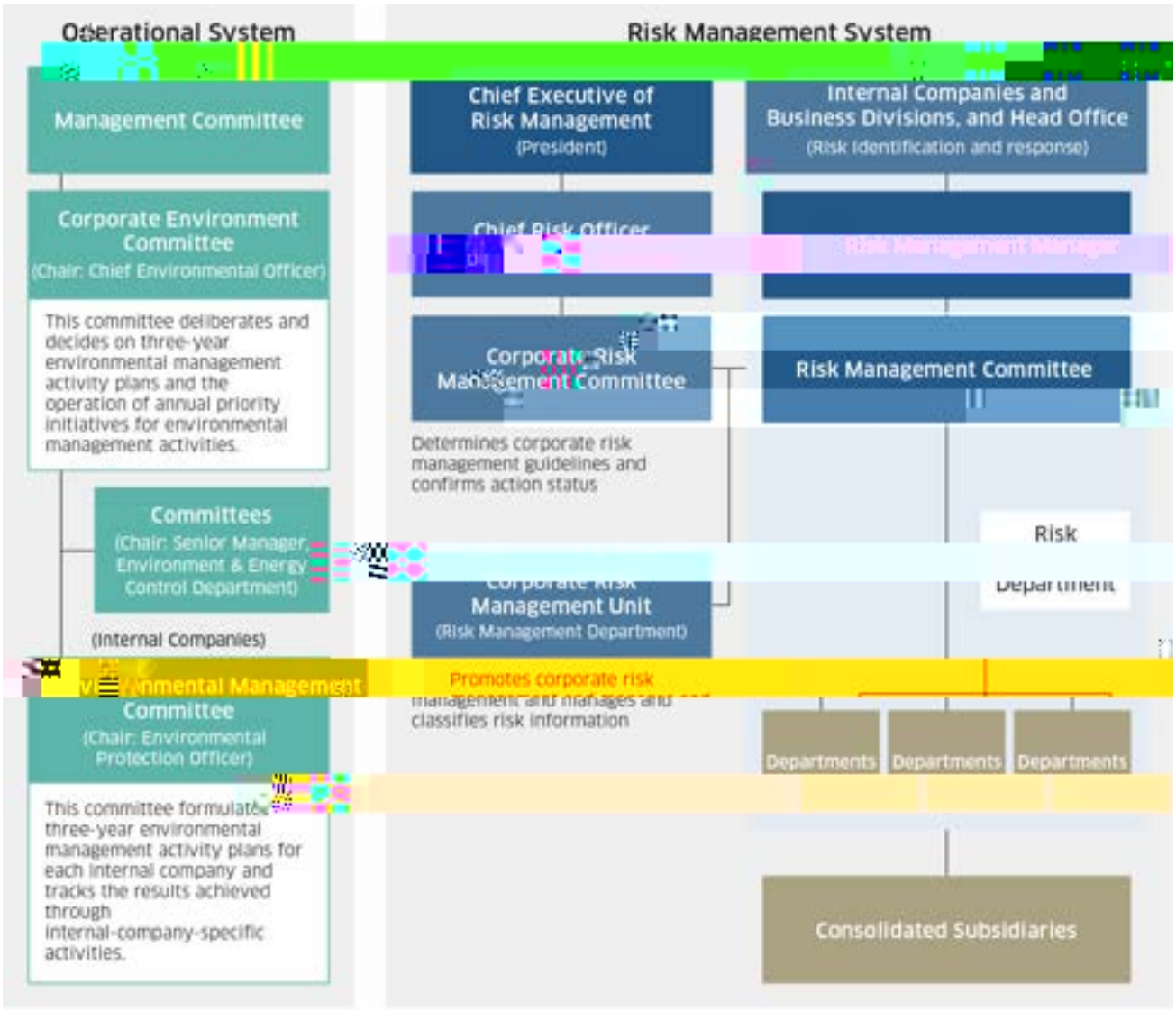
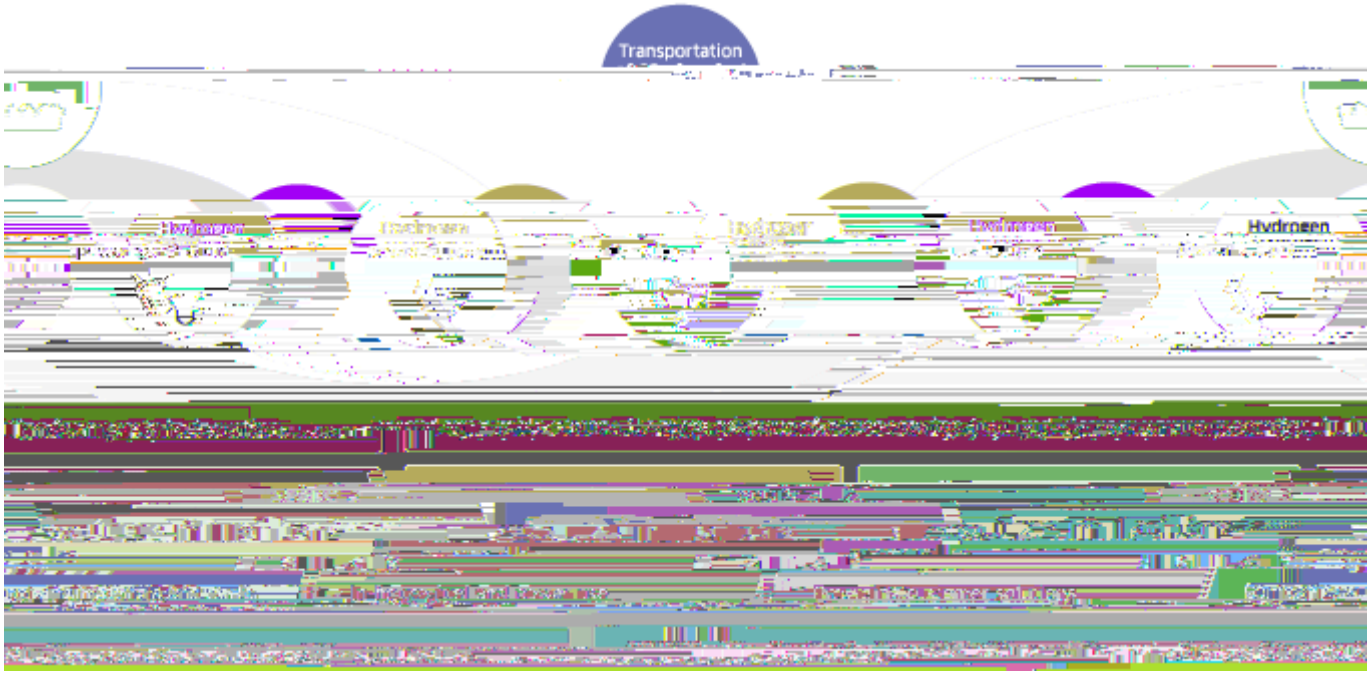



Operational System
Risk Management System
Management Committee
Chief Executive of Risk Management
(President)
Internal Companies and Business Divisions, and Head Office
(Risk Identification and response)
Corporate Environment Committee
(Chair: Chief Environmental Officer)
This committee deliberates and decides on three-year environmental management activity plans and the operation of annual priority initiatives for environmental management activities.
Chief Risk Officer
Corporate Risk Management Committee
Risk Management Committee
Determines corporate risk management guidelines and confirms action status
Committees
(Chair: Senior Manager, Environment & Energy Control Department)
(Internal Companies)
Risk Management Unit
(Risk Management Department)
Risk Department
Promotes corporate risk
Environmental Management Committee
(Chair: Environmental Protection Officer)
Departments
Departments
Departments
This committee formulates three-year environmental management activity plans for each internal company and tracks the results achieved through internal-company-specific activities.
Consolidated Subsidiaries

Carbon neutrality strategies

Kawasaki Group CO emissions and major countermeasures



Carbon neutrality targets

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Scope 1, 2
2030
Net Zero
Japan
Hydrogen power
CO2 emissions
2022
2030

Scope 1, 2

Toward the Realization of Independent Carbon Neutrality by 2030 through Initiatives Focusing On Hydrogen Power Generation

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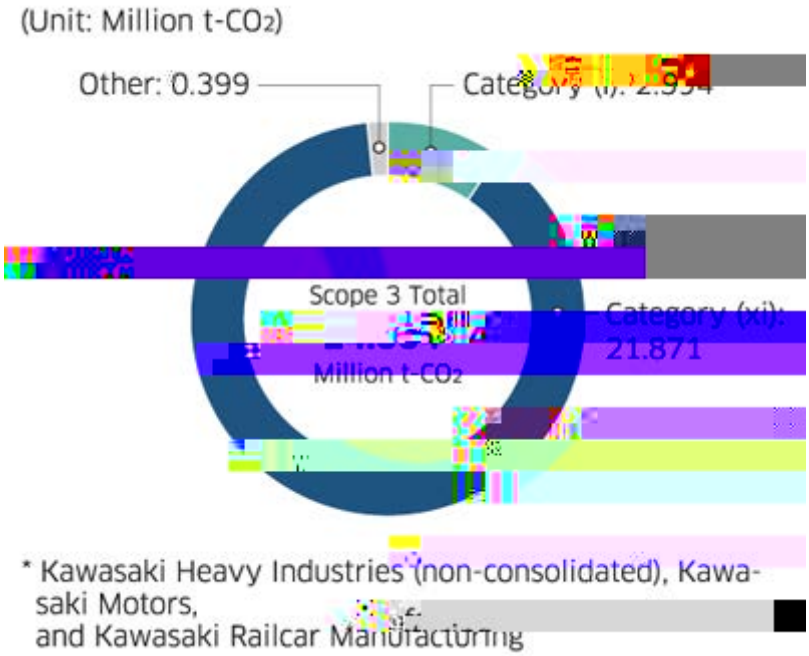
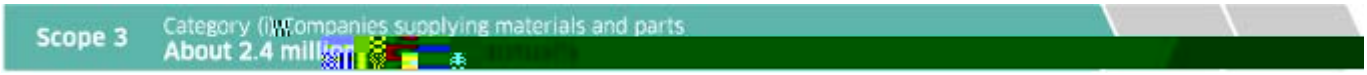
Scope 3 Breakdown by Categories





Support industrial initiatives with hydrogen and CCUS solutions to further accelerate reductions

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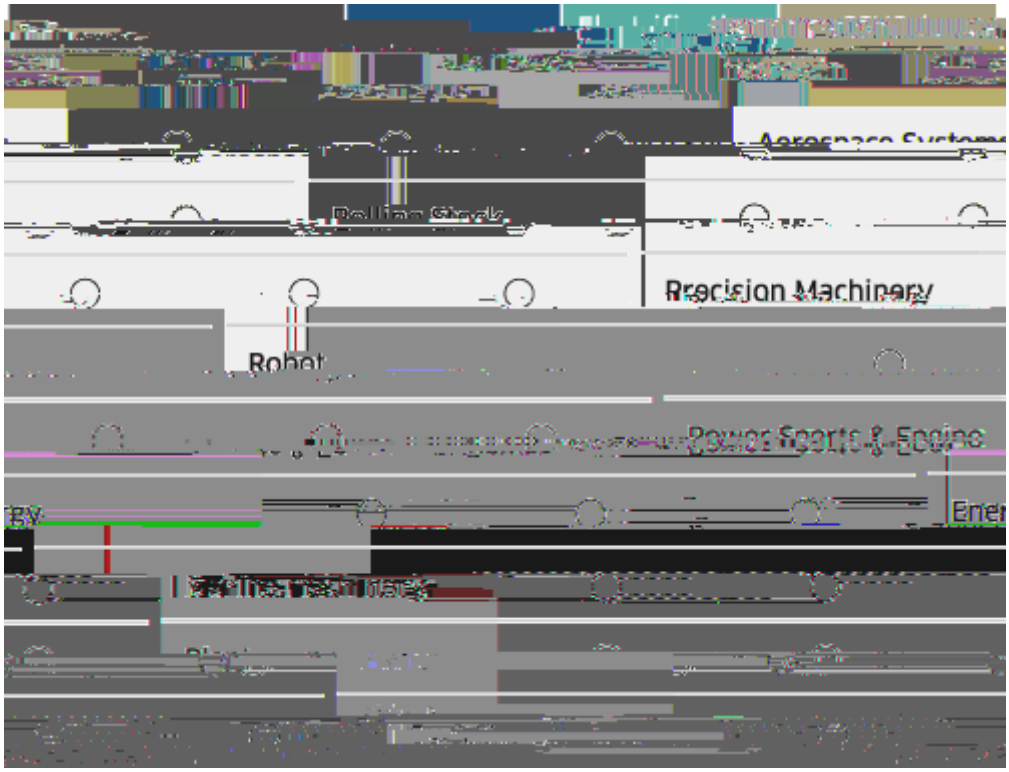
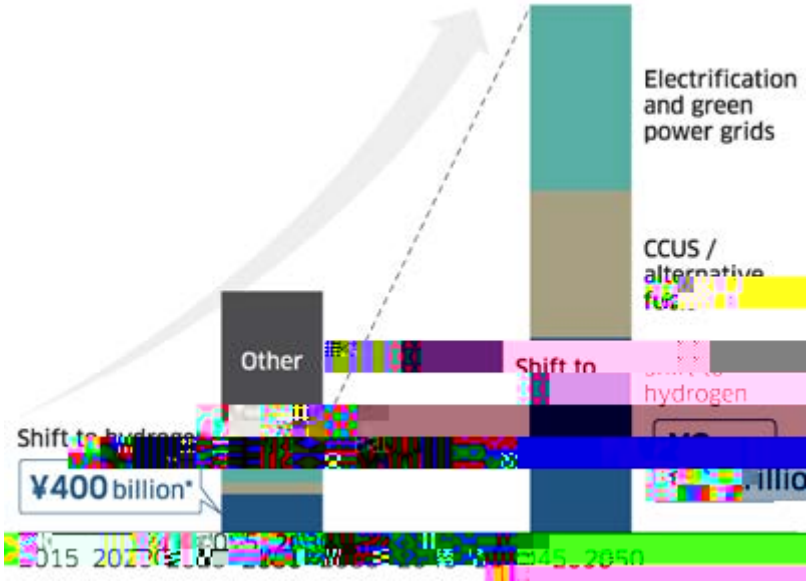
HQHUJ\ XVH
7KH &RPSDQ\ ZLOO GHHSHQ LWV SDUWQHUVKLSV LQFOXGLQJ
SDUWQHUV RIIHULQJ VXSSRUW LRQV&2QG VWULYLQJ IRU HDU
HPLVVLRQV 7KLV ZLOO EH DFKLHYHG E\ PHDQV QRW OLPLWH
*URXS RI VROXWLRQV VXFK DV K\GURJHQ SRZHU K\GURJHQ I
ZHOO DV &&86 EXW DOVR E\ SURYLGLQJ WKHVH VROXWLRQV
PDWHULDOV DQG SDUWV

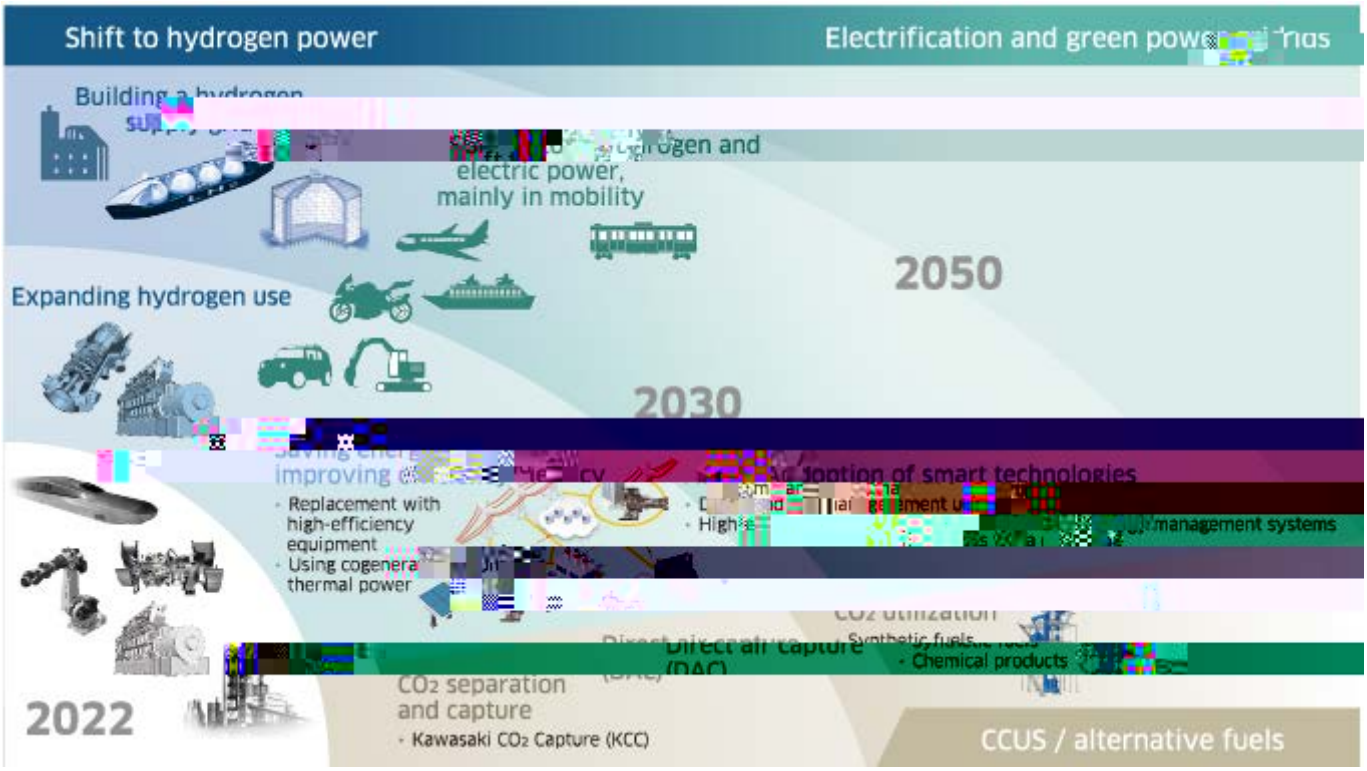
Direction of Transitions by Business



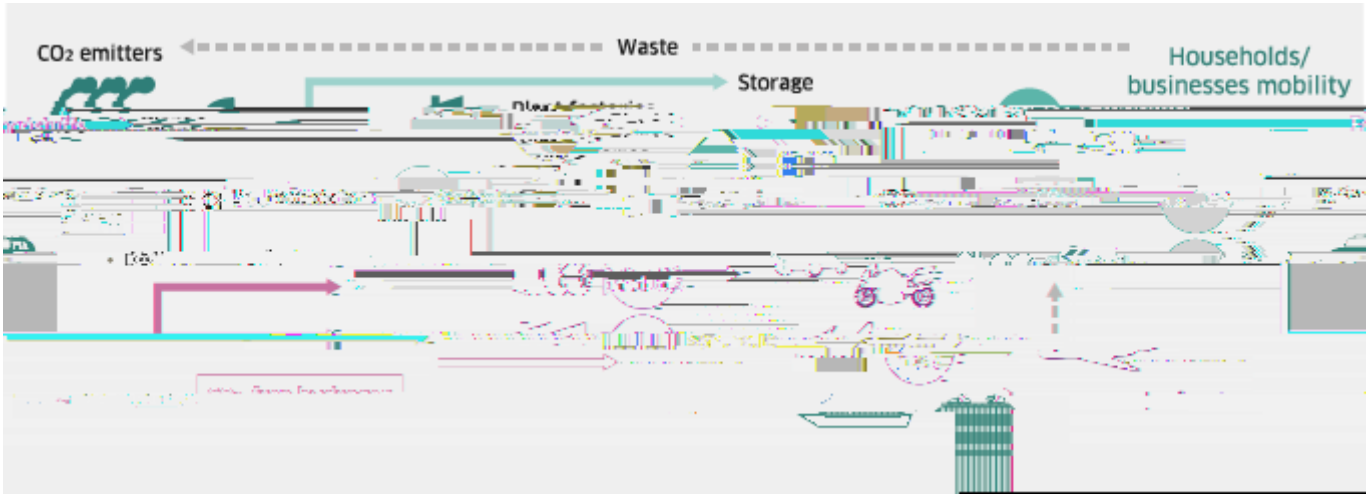
Envisioned Scale of Business by Future Solution



Decarbonization Solutions



A CO_2-recycling Society



,QIRUPDWLRQ 'LVFORVXUH WKH 7&)' 5HFRPPHQGDWLI $QDO\VLV

'LVFORVXUH LQ /LQH ZLWK WKH 5 WKH 7DVN)RUFH RQ &OLPDWH UH 'LVFORVXUHV

8QGHU LWV *URXS 9LVLRQ WKH .DZDVDNL *URXS ZLOO DF UHDOL]DWLRQ RI D VRFLHW\ LQ ZKLFK WKH DYHUDJH J DERYH SUH LQGXVWULDO OHYHOV²WKH JRDO RI WKH 3DULV $ DGYDQFLQJ LWV K\GURJHQ EXVLQHVV &HQWHU &HR DQG LV PRYLQJ IRUZDUG ZLWK PHDVXUHV EDVHG RQ ULVN DQDO\ QDWXUDO GLVDVWHUV LQFOXGLQJ EXVLQHVV FRQWLQXLW\ S HFRPP VFORVXUHV

5LVN 0DQDJHPHQW 0HWKRGV IRU DVVHVVLQJ DQG PDQDJLQJ FOLPI

7KH LGHQWLILFDWLRQ DQG DVVHVVPHQW RI ULVNV UHODWHG WR 6XVWDLQDELOLW\ &RPPLWWHH 5LVNV DUH LGHQWLILHG LQ D

&OLPDWH &KDQJH 6FHQDULR $QD

%XVLQHVV 6HJPHQW	(QHUJ\ 6RIWZDUH (QJLQHHULQJ 6HJPHQW	0DQXIDFWXULQJ 6HJPHQW	6\VWHPV 6HJPHQW	(QJL
.DZDVDNL V PHDVXUHV WR DGGUHVV RSSRUWXQLWLHV DQG ULVNV	+\GURJHQ UHODWHG	• :H KDYH SURPRWHG WKH *UHHQ ,QQRYDWLRQ)XQG V FRPPHUFLDO]DWLRQ GHPRQVWUDWLRQ SURMHFWV WR DFKLHYH JUHDWHU VFDOH DQG DFWLYHO\ SURPRWHG DOOLDQFHV ZLWK UHQHZDEOH FRPSDQLHV WR UHDO]H LQWHUQDWLRQDO VXSSO\ FKDLQ	• .DZDVDNL LV DOVR SURPRWLQJ 5 ' LQ KDYH DGYDQFLQJ VWXGLHV RI WHFKQRORJ\ :H DUH DGGUHVVLQJ VWUXFWXUDO FKDOOHQJHV LQIUDVWUXFWXUH HWF XWLOL]LQJ WKH FRPSDQ\ FKGURJHQ VXSSO\ FKDLQ	• 6WLPXODWH GHPDQ DFURVV WKH GHYHORSPHQW RI F VDQG JHQHUDO SXUS HQHUJ\ XWLOL]LQ WKH\GURJHQ HQJLQHV
&&86	• .DZDVDNL KDV FRPSOHWHG D GHPRQVWUDWLRQ RI D &2 UHFRYHU\ SODQW XQGHU 1('2 DQG 0LQLVWU\ RI WKH HQYLURQPHQW SURMHFWV EDVHG RQ WKH VWUHQJWK RI RXU VXEPDULQH WHFKQRORJ\ DQG DUH DGYDQFLQJ HIIRUWV WR VFDOH XS DQG VWUHQJWKHQ FRVW FRPSHWLWLYHQHVV RI WKH SODQW WRZDUG FRPPHUFLDO]DWLRQ :H DUH LQYHVWLJDWLQJ D ZLGH UDQJH RI SRVVLEOH XWLOL]DWLRQ RI &2 LQFOXGLQJ V\QWKHWLF IXHOV 1HZ (QHUJ\ DQG ,QGXVWULDO 7HFKQRORJ\ 'HYHORSPHQW 2UJDQL]DWLRQ	²
(OHFWULILFDWLRQ	• ([SDQG VDOHV RI Q\EULG HOHFWULF SURSXOVLRQ V\VWHPV	• $GYDQFH GHYHORSPHQW RI WHFKQRORJLHV UHODWHG WR HOHFWULILFDWLRQ	• 'HSOR\ (9 +(9 LQ DV PRGHOV E DQG JUHDWHU PDUNHW (9 +(
$OWHUQDWLYH)XHOV	• ([SDQG VDOHV RI FHUWLILHG YDULHW\ RI ELRPDVV EDVHG IXHOV	• $GYDQFH SUHSDUDWLRQ RI 6$) IXHO FRPSDWLEOH ZLWK GHYHORSPHQW RI 6$) IXHO FRPSDWLEOH HQJLQHV	• 1RQ6WDQGDUG GHYHORS 6$) IXHO FRPSDWLEOH ZLWK
2WKHU				

f 6FHQDULR DV RI LQ WKH $EVHQFH RI 3 9LVLRQ

7KH 7KUHH <HDU (QYLURQ 0DQDJHPHQW $FWLYLWLH)< t

3ROLF\ IRU ,QLWLDWLYHV

%DVHG RQ WKH HQYLURQPHQWDO SROLF\ ODLG RXW LQ WKH *URXS 0LVVLRQ *URXS 9LVLRQ DQG DVVHVVPHQWV RI WKH 7KUHH (QYLURQPHQWDO 0DQDJHPHQW $FWLYLWLHV 3ODQ)< ±URX HVWDEOLVKHG NH\ VWUDWHJLHV WR KHOS PHHW VRFLHW\¶V C FRQVHUYDWLRQ DQG EXVLQHVV JURZWK DQG DFKLHYH WKH . JRDOV RI 3&2(´ ³:DVWH)5((´ DQG ³+DUP)5((´
7R UHDOL]H D GHFDUERQL]HG VRFLHW\ &2)5((ZH KDYH GU LQ DFFRUGDQFH ZLWK -DSDQ¶V HQHUJ\ SROLF\ DQG VR RQ D QHXWUDOLW\ E\
,Q DGGLWLRQ WR UHDOL]H D UHF\FOLQJ RULHQWHG VRFLHW\ ZLWK QDWXUH +DUP)5((ZH ZLOO UDLVH WKH OHYHO RI PD ZRUN WR IXUWKHU UHGXFH HQYLURQPHQWDO ULVN DQG UHV WKH FRQVWUXFWLRQ RI RXU SODQWV
$W WKH VDPH WLPH WR KHOS DFKLHYH WKH 6XVWDLQDEOH 'H ZRUN PDLQO\ WKURXJK WKH HQYLURQPHQWDO DQG HQHUJ\ E D ORQJ WHUP SHUVSHFWLYH

3OHDVH UHIHU WR (QYLURQPHQWDO &KDUWHU´

7KH *URXS 0LVVLRQ RI ³.DZDVDNL ZRUNLQJ DV RQH IRU WKH JRRG RI WKH

3OHDVH UHIHU WR WKH *URXS 9LVLRQ

3OHDVH UHIHU WR WKH 6XPPDU\ RI (QYLURQPHQWDO $FWLYLWLHV LQ)LVFDO DQG 5 (QYLURQPHQWDO 0DQDJHPHQW $FWLYLWLHV 3ODQ)< ±

7KH 7KUHH <HDU (QYLURQPHQWD $FWLYLWLHV 3ODQ NH\ VWUD

&2)5((	7DUJHWV RI WKH (QYLURQPHQWDO 3ODQ 5HGXFH WKH &2 HPLVVLRQV E\ W LQ WKH WKUHH \HDU WRWDO IRU .DZDVDNL +HDY\ ,QGXVWULHV .DZDVDNL 0DQXIDFWXULQJ
5HDOL]DWLRQ RI D GHFDUERQL]HG VRFLHW\	,Q KRXVH &2 HGXFWLRQ D ([SDQGHG LQWURGXFWLRQ RI GHFDUERQL]HG HQH • :H ZLOO PDNH IXOO XVH RI VRODU SRZHU JHQHUDWI SURPRWH WKH SURFXUHPHQW RI]HUR HPLVVLRQ HC EXLOGLQJ RI DQ LQ KRXVH HQHUJ\ PDQDJHPHQW V\\ SRZHU JHQHUDWLRQ LQ WKH IXWXUH • :H ZLOO SODQ IRU WKH GHFDUERQL]DWLRQ RI KHDW E)XUWKHU SURPRWLRQ RI HQHUJ\ VDYLQJ DFWLYLW • :H ZLOO WDFNOH WKLV LVVXH E\ DGGLQJ D QHZ LQ HQHUJ\ VDYLQJ LQYHVWPHQW • :H ZLOO HQGHDYRU WR VDYH HQHUJ\ LQ KHDWLQJ I • :H ZLOO LQWURGXFH D FDUERQ OHY\ DQG HQJDJH L &2 HPLVVLRQV F 5HGXFWLRQ RI IRVVLO HQHUJ\ • :H ZLOO H[FKDQJH LQIRUPDWLRQ RQ SURGXFW GHFI GHYHORSPHQW VWDWXV RI .DZDVDNL &HQWUDOL[HG &2 HPLVVLRQV DQG &2 ([WHUQDO &2 UHGXFWLRQ D 5HGXFWLRQ RI &2 HPLVVLRQV LQ HQWLUH VXSSO\ FKDLQ • :H ZLOO FRPSLOH PHDVXUHV GXULQJ ILVFDO LI &2 HPLVVLRQV SURGXFW GHFDUERQL]DWLRQ VWU 8SVWUHDP VXSSO\ FKDLQ 5HJDUGLQJ UHSUHVHQWDWLYH VXSSOLHUV JHQHUDWL HPLVVLRQV ZH ZLOO FRQVLGHU HQJDJHPHQW UHODW DQG FRPPHQFH VSHFLILF GLVFXVVLRQV 'RZQVWUHDP VXSSO\ FKDLQ :H ZLOO H[SDQG WKH VFRSH RI DSSOLFDWLRQ RI WKH FHUWLILFDWLRQ V\VWHP IRUPHU\ WKH .DZDVDNL EU IRU HQYLURQPHQWDOO\ FRQVFLRXV SURGXFWV WR WH HIIHFW RI UHGXFHG &2 HPLVVLRQV WKURXJK SURGXFW FRQWU
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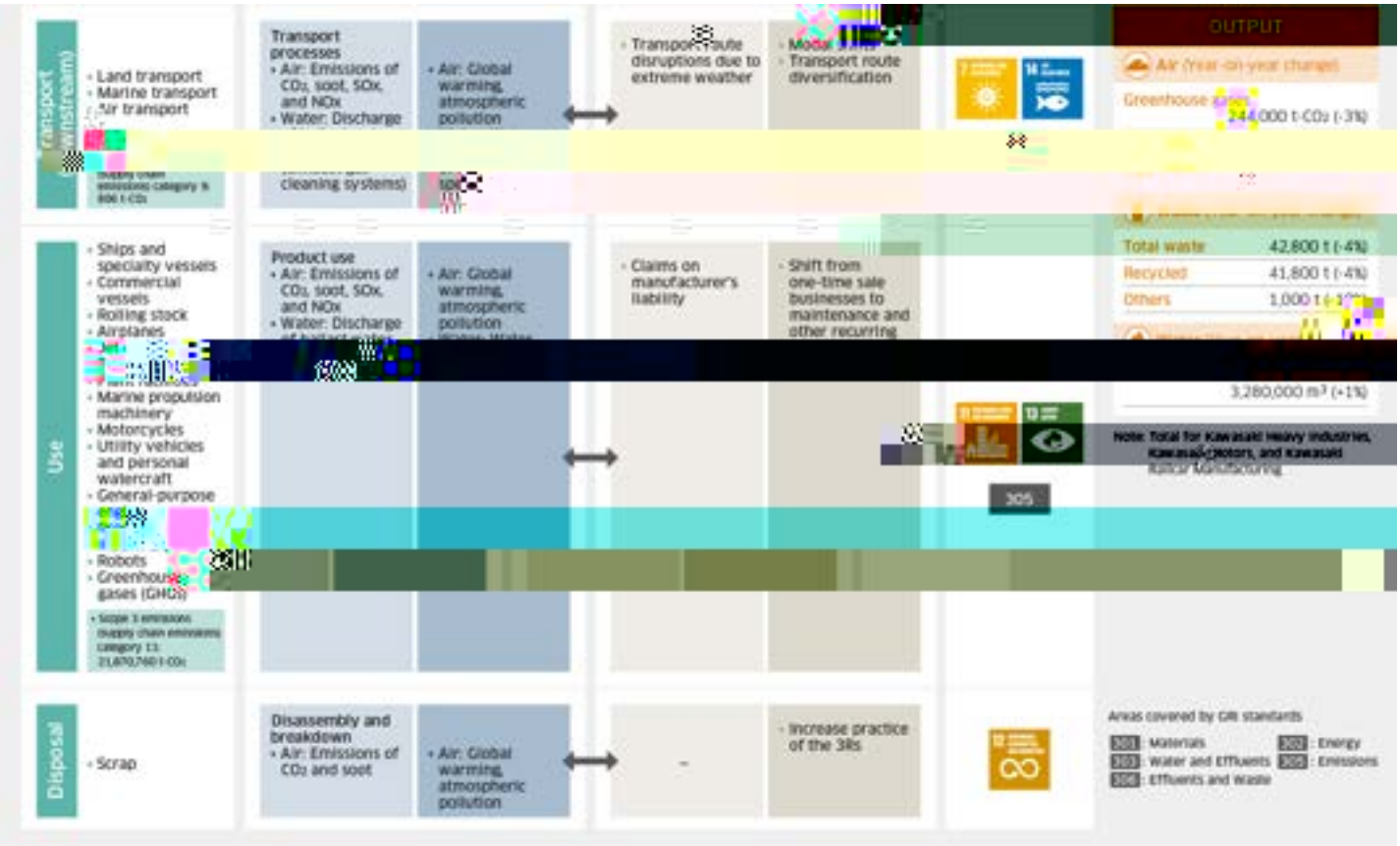
5HDOL]DWLRQ RI D UHF\FOLQJ RULHQWHG VRFLHW\	D &RQILUPDWLRQ RI ZDWHU UHVRXUFH ULVNV • :H ZLOO PLQLPL]H ZDWHU UHVRXUFH ULVNV LQ WKH E &LUFXODU HFRQRP\ • :LWKRXW OLPLWLQJ RXUVHOYHV WR WKH 5V IRU UH UHF\FOH ZH ZLOO EHJLQ VWXG\LQJ D QHZ EXVLQH UDQJLQJ FRQFHSWV VXFK DV VKDULQJ DQG SURGXI DERXW FRPSLOLQJ D URDGPDS
+DUP)5((	7DUJHWV RI WKH (QYLURQPHQWDO 3ODQ 5HGXFH HQYLURQPHQWDO ULVN ZKLOH RSHUDWLQJ ID ELRGLYHUVLW\
5HDOL]DWLRQ RI D VRFLHWDO FRH[LVWLQJ ZLWK QDWXUH	D 0DQDJHPHQW RI FKHPLFDO VXEVWDQFHV • :H ZLOO SURSHUO\ PDQDJH KDUPIXO FKHPLFDO VXE DOWHUQDWLYHV 5HGXFH *URXS ZLGH HQYLURQPHQ E 5HVRXUFH FRQVHUYDWLRQ DFWLYLWLHV • :H ZLOO VHW LQGHSHQGHQW JRDOV UHODWLQJ WR \ EHOWV • :H ZLOO VWXG\ WKH YLVXDO]DWLRQ RI FRQWULEXW QRW KDYH &2 DEVRUSWLRQ FHUWLILFDWLRQ V\VWH

.DZDVDVN%bXVLQHVV 3URFH

.DZDVDNL +HDY\ ,QGXVWULHV .DZDVDNL 0RWRUV DQG .DZDV
DUH DW WKH FRUH RI WKH *URXS UHSRUWHG RQ EXVLQHVV S



7KLUG 3DUW\ 9HULrFDWLRQ RI *U (PLVVLRQV

)RU WKH SXUSRVH RI HQVXULQJ FUHGLELOLW\ WKH .DZDVDNL YHULILFDWLRQ IURP 6*6 -DSDQ ,QF RI LWV JUHHQKRXVH JDV

-)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKRXVH *DV (PLV
-)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKRXVH *DV (PLV
-)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKRXVH *DV (PLV
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-)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKRXVH *DV (PLV
-)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKRXVH *DV (PLV

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&2)5((5HDOL]DWLRQ RI D /RZ F

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)LVFDO 5HVXOWV	:RUNHG RQ WKH ³RSWLPL]DWLRQ RI HQHUJ\ SURFXUHP PHDVXUH DQG ZLWK UHVSHFW WR &2 HPLVVLRQV SHU XQLW WKLV U HPLVVLRQV SHU XQLW RI QHW VDOHV E\ RSWLPL]LQJ WKH GRZ IURP WKH ILVFDO OHYHO LQ ILVFDO
,QLWLDWLYHV LQ)LVF	3URDFWLYH XVH RI RQVLWH SRZHU JHQHUDWLRQ IDFL
	&RPPHQFHG VWXGLHV RQ K\GURJHQ SRZHU JHQHUDWL RQ K\GURJHQDWLRQ RI IXHO LQ JDV HQJLQHV HWF
	8WLOL]DWLRQ RI UHQHZDEOH HQHUJ\ HQHUJ\ VDYLQJ RSWLPL]DWLRQ RI HQHUJ\ SURFXUHPHQW DGGLWLRQ
	(VWDEOLVKHG JXLGHOLQHV WR SURPRWH WKH DGRSW FRQGXFWHG VHYHUDO VWXGLHV RQ WKH LQWURGXFW 'HYHORSHG &RPSDQ\ ZLGH HQHUJ\ VDYLQJ DFWLYLWLI DGRSWLRQ RI HQHUJ\ VDYLQJ HTXLSPHQW &RPPHQFHG SURFXUHPHQW RI HOHFWULFLW\ IURP UHQHZ +\GUR :RUNV DQG +DULPD :RUNV %HJDQ FRQVLGHUDWLRQV RQ DQ LQ KRXVH HQHUJ\ PD DVVXPHV PD[LPXP XVH RI K\GURJHQ SRZHU JHQHUDWL RQVLWH SRZHU JHQHUDWLRQ LQ WKH IXWXUH DQG VI
	([SDQVLRQ RI &2 VLVVLRQ UHGXFLQJ HIIHFWV WKURXJK (FRORJLFDO)URQWLHU V\VWHP DQG SURGXFW EDVH
	(PLVVLRQ UHGXFWLRQ HIIRUWV RQ &2 XVH RI NW SURGXFWV VROG LQ ILVFDO
7KUHH \HDU 2YHUYLHZ	&2 HPLVVLRQV UHGXFHG FRPSDUHG WR WKH SUHYLRX \HDUV IURP WR $V D UHVXOW ZH DFKLHYHG WKH WDUJHW RI VZLWFK SHU RI QHW VDOHV FRPLQJ EHORZ &2 GRZQ IURP OHYHO

:DVWH)5((5HDOL]DWLRQ RI D 5I 6RFLHW\

7DUJHW	/DQGILOO GLVSRVDO UDWH GLUHFW WR ODQGILOO Z JHQHUDWLRQ DW OHVV WKDQ QRQ FRQVROLGDWHG)LVFDO ILJXUHV DUH WKH WRWDO RI .DZDVDNL + 0RWRUV DQG .DZDVDNL 5DLOFDU 0DQXIDFWXULQJ
)LVFDO 5HVXOWV	/DQGILOO GLVSRVDO UDWH WDUJHW DFKLHYHG
,QLWLDWLYHV LQ)LVF	)XUWKHU HQIRUFH ZDVWH VRUWLQJ DQG UHF\FOLQJ
	6KDUHG RQ VLWH FRQILUPDWLRQ LQIRUPDWLRQ RQ ZI)LVFDO WUDQVDFWLRQV LQYROYHG FRQWUDFW SURFHVVLQJ VLWHV FRQILUPHG
	3UHFLVHO\ XQGHUVWDQG ZDWHU XVHV DQG XVDJH YR
	&RQILUPHG ZDWHU UHVRXUFH ULVNV XWLOL]LQJ WKH SXEOLVKHG E\ 8 6 WKLQN WDQN :5, :RUOG 5HVRXUFH GRPHVWLF DQG RYHUVHDV RQ VLWH ULVN DVVHVVPHQ ZDWHU VKRUWDJH GURXJKW IORRGLQJ DQG ZDWHU
7KUHH \HDU 2YHUYLHZ	7KH WDUJHW ZDV DFKLHYHG ZLWK WKH OHVV WKDQ WKUHH \HDUV IURP ±

+DUP)5((5HDOL]DWLRQ RI D 6R ZLWK 1DWXUH

7DUJHW	5HGXFH HQYLURQPHQWDO ULVN ZKLOH RSHUDWLQJ ID ELRGLYHUVLW\
)LVFDO 5HVXOWV	1R SUREOHPV RFFXUUHG
,QLWLDWLYHV LQ)LVF	3URSHUO\ PDQDJH KDUPIXO FKHPLFDO VXEVWDQFHV D DOWHUQDWLYHV 5HGXFH *URXS ZLGH HQYLURQPHQW
	0DLQWDLQHG SURSHU PDQDJHPHQW RI GLFKORURPHW DQG PDMRU 92&V 8VDJH RI GLFKORURPHWKDQH LQFUHDVHG EXW WKDW PDMRU 92&V GHFUHDVHG \HDU RQ \HDU
	,GHQWLI\ WKH W\SHV RI WUHHV RQ IDFWRU\ JURXQGV DSSURSULDWH UHSODFH ZLWK QDWLYH VSHFLHV ZKL ZLGH IRUHVW FRQVHUYDWLRQ DFWLYLWLHV
	&RQWLQXHG SURSHU PDQDJHPHQW RI JUHHQ VSDFHV ,PSOHPHQWHG IRUHVW FRQVHUYDWLRQ DFWLYLWLHV 3UHIHFWXUH 0DFKLGD LQ 7RN\R DQG 1L\RGH WV@RF XS IRU VKRU FR LQJV DR PHDVXUHG DJDLQVW WKH &R IRU JUHHQ VSDFHSODQ DUHD WDUJHG DFKL ä

&2)5((5HDOL]DWLRQ RI QHXWUDO /RZ FDUERQ 6F

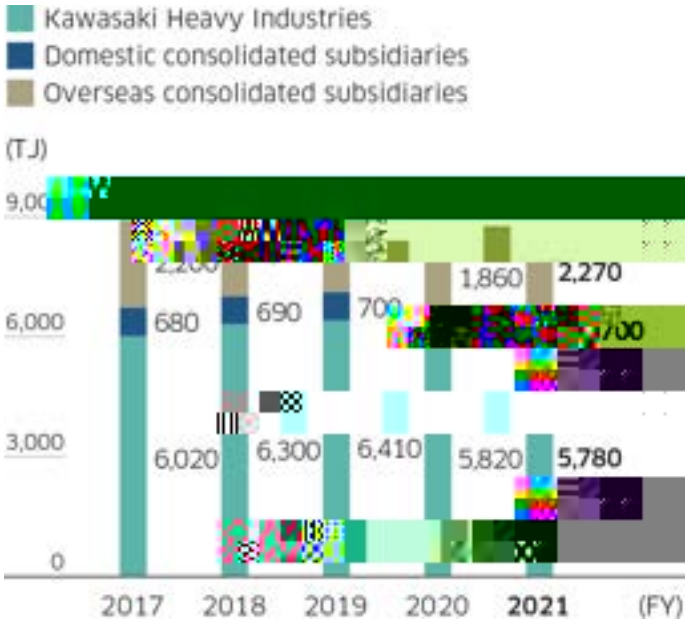
,Q 2FWREHU WKH -DSDQHVH JRYHUQPHQW GHFODUHG LW\ QHXWUDOLW\ E\ WR WKLV HQG UDLVLQJ LWV ILVFDO OVVLRQ IURP WR ERWK FRPSDUHG ZLWK WKH ILVFDO OHYHO RQH H[DPSOH RI GHFLVLRQV PDGH E\ FRXQWULHV DURXQG WK WUHQG WRZDUG DFURVV WKH ERDUG GHFDUERQL]DWLRQ DQG VRFLHW\

,Q UHVSRQVH .DZDVDNL LV VWULYLQJ WR XWLOL]H K\GURJHQ HQHUJ\ UHVRXU–0P0TÀ KL_H R0URP WKQJ W0URWXFWF DUG QDUI

5HGXFLQJ(&2VVLRQV IURP 3URGX $FWLYLWLHV

(VWLPDWLQJ 6XSSO(P&LKDLQ&2

7KH .DZDVDNL *URXS¶V &RQV DQG HQHUJ\ FRQVXPSWLRQ DW DFWLYLWLHV DUH VKRZQ LQ WKH JUDSK EHORZ ZLWK GDWD LQ WKH WDEOHV XQGHU ³)LVFDO ²WKH .DZDVDNL *URXS¶V 5HVXOWV´ DQG ³)LVFDO ²6FRSH &DOFXODWLRQ 5HVXOWV .DZDVDNL 0RWRUV DQG .DZDVDNL 5DLOFDU 0DQXIDFWXULQJ´ UHTXLUHG WR FRYHU LQGLUHFW &2H[SDQGLQJ WRZDUG WK LWV RZQ RSHUDWLRQV EXW DOVR WKRVH RI LWV VXSSO\ FKDI JUHHQKRXVH JDV *+* HIIHFW DFFRPSDQ\LQJ WKH XVH RI .DZ H[WUHPHO\ KLJK :H KDYH EHHQ PDNLQJ SURJUHVV WR GXF SURGXFW EDVHG FRQWULEXWLRQV EXW JRLQJ IRUZDUG ZH DSSURDFK



8QLW 7

.DZDVDNL +HDY\ ,QGXVWULHV					
'RPHVWLF FRQVROLGDWHG VXEVLGLDULHV					
2YHUVHDV FRQVROLGDWHG VXEVLGLDULHV					
	x(WRQVROLGDWHG VXEVLGLDULHV				

)LVFDO Œ

3URDFWLYH XVH RI RQVLWH SRZH

.DZDVDNL XVHV RQVLWH SRZHU JHQHUDWLQJ IDFLOLWLHV WK
HQJLQHV DQG HIILFLHQWO\ XVHV HQHUJ\ DW LWV SHDN WR
UHGXFH &2 LVVLRQV E\ LQWURGXFLQJ KLJK HIILFLHQF\ JDV W
LQFUHDVLQJ WKH XVH RI ZDVWH KHDW

2XU JRDO LV WR UHGXFH &2 LVVLRQV DW DOO GRPHVWLF EXVLQHVV V
DSSUR[LPDWHO\ WRQV DQQXDOO\ WR]HUR E\ WKUR
FHQWHUHG RQ K\GURJHQ SRZHU JHQHUDWLRQ WKHUE\ DFKL

ZH EHJDQ LQYHVWLJDWLQJ 0: RI K\GURJHQ SRZHU JHQ
K\GURJHQDWLRQ RI IXHO LQ JDV HQJLQHV DQG RWKHU PHDV
,Q DGGLWLRQ ZH EHJDQ D YHULILFDWLRQ WHVW IRU D EDWW
:RUNV FRPELQLQJ WKH SODQW¶V GLVWULEXWHG SRZHU JHQH

À0 0}X€Hì °\E€à KH y#C8G À0@ QCEU•0@`0\Q@@ðp€ JRD XUHV pÀ 0
K\UTÀ 0`À`p€ 1'S\ DFKLHE€àV LRQ V\VWHPJ€@€Àw @ @PP GLV0

8WLOL]LQJ 5HQHZDEOH (QHUJ\

7KH .DZDVDNL *URXS LV DGYDQFLQJ WKH XVH RI UHQHZDEOH HPLVVLRQV IURP LWV SODQWV 7R WKLV HQG ZH DUH LQVWD DW RXU SODQWV :H KDYH D WRWDO VRODU SRZHU JHQHUDWL *URXS FRPSDQLHV

,Q ILVFDO WKHVH V\VWHPV JHQHUDWHG 0:K RI ZKLF KRXVH

(TXLYDOHQW WR RI .DZDVDNL¶V WRWDO HQHUJ\ FRQVXPSWLRQ

7KH .DZDVDNLV*URXS 3RZHU *HQHUDWLRQ &DSDFL

1DPH	3RZHU 8VDJH	*HQHUDWLRQ &DSDFLW\ N:
,ZDRND 3KRWRYROWDLF 3RZHU *HQHUDWLRQ 6WDWLRQ	6ROG YLD),7	
1DJR\D :RUNV	8VHG LQ KRXVH	
6HLVKLQ :RUNV	8VHG LQ KRXVH YLD 33$	
6HLVKLQ 3KRWRYROWDLF 3RZHU *HQHUDWLRQ 6WDWLRQ	6ROG YLD),7	
1LVKL .REH :RUNV	8VHG LQ KRXVH	
1LVKL .REH 3KRWRYROWDLF 3RZHU *HQHUDWLRQ 6WDWLRQ	6ROG YLD),7	
$NDVKL :RUNV	8VHG LQ KRXVH	
6DNDLGH :RUNV	8VHG LQ KRXVH	
.DNRJDZD 3KRWRYROWDLF 3RZHU *HQHUDWLRQ		
6DNDLGH :RUNV		
8VHG LQ KRXVH		

3 K R W R

$NDVKL :RUNV

7KH $NDVKL :RUNV KDG D JDV WXUELQH JHQHUDWRU WKDW ZD
DJLQJ DQG RSHUDWLQJ FRVWV 0HWKRGV RI XVH IRU WKLV JD
LQYHVWLJDWHG DQG D GHFLVLRQ ZDV PDGH LQ ILVFDO W
XVLQJ WKH HOHFWULF SRZHU REWDLQHG IURP WKH DGGLWLR
JHQHUDWRU ORZHULQJ RXU GHPDQG IRU SRZHU IURP WKH HC

7KH DPRXQW RI FRPSHQVDWLRQ UHFHLYHG IRU SDUWLFLSDWI
DJJUHJDWRU FRPSDQ\ZKLFK D '5 FRQWUDFW LV HQWHUHG LQV
FRPSDUHG PXOWLSOH DJJUHJDWRU FRPSDQLHV DQG FRQFOXC
DJJUHJDWRU WKDW SURYLGHG WKH JUHDWHVW EHQHILWV
3UHSDUDWLRQ ZRUN ZDV QHFHVVDU\ WR EULQJ WKH LGOH JD
RSHUDWLRQ :H UHYLHZHG PDQXDOV DQG HVWDEOLVKHG DQ L
WKDW WKH JDV WXUELQH JHQHUDWRU FRXOG EH RSHUDWHG Z
WKH SUHSDUDWLRQ ZRUN ZDV FRPSOHWHG

$IWHU FRPSOHWLQJ WKLV ZRUN ZH EHJDQ SDUWLFLSDWLQJ L
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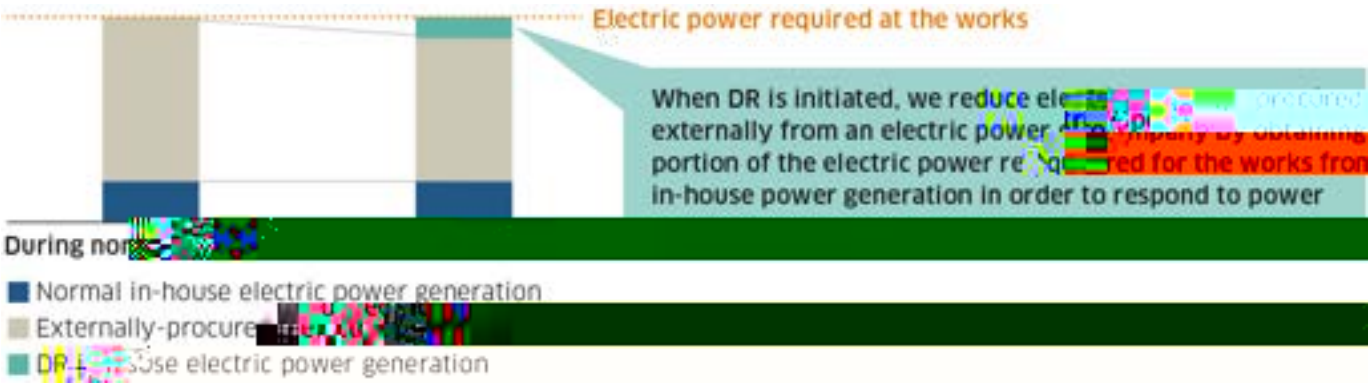

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GXH WR DQ LQFUHDVH LQ GHPDQG %\ LQFUHDVLQJ HOHFWULF
LQ UHVSRQVH WR D UHTXHVW WR SURYLGH HOHFWULF SRZHU
FRQWULEXWHG WR HOLPLQDWLQJ WKH SRZHU VKRUWDJH LQ W
FRPSHQVDWLRQ FRUUHVSRQGLQJ WR WKH UHTXHVWV IRU SRZ

2QVLWH SRZHU JHQHUDWLRQ IDFLOLW\ DW WKH .REH :RUNV

5HGXFLQJ(&2 2VVLRQV WKURXJK 3U &RQWULEXWLRQV

1HDUO\ RI &2 LWWHG GXULQJ WKH OLIH F\FOH RI RXU SUR
SHULRG RI WKHLU XVH DIWHU WKH\ DUH VROG 7KHUHIRUH W
QHXWUDO VRFLHW\ E\ SURYLGLQJ SURGXFWV WKDW RQ
XVH

7R UHGXFH SURGXFWV¶ HPLVVLRQV &2 DGGLWLRQ WR LQFUHI
HIILFLHQF\ ZH DUH DGYDQFLQJ HOHFWULILFDWLRQ DQG PRGI
SURGXFWV LQ RXU SURGXFW OLQHXS DQG H[SDQGLQJ RXU OI

&. 0LOO 1DPHG DIWHU WKH FRPSDQLHV WKDW MRLQWO\ GHYHORSHG LW &
&HPHQW &RUSRUDWLRQ DQG .DZDVDNL
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&DOFXODWLRQ 5XOHV

-

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:DVWH)5((5HDOL]DWLRQ 5HF\FOLQJ RULHQWHG 6R

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,QVWLWXWH
%DVHG RQ WKH UHVXOWV RI WKLV DQDO\VLV ZH KDYH VHW L
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ZH HQYLVLRQ IRU WKLV NH\ VWUDWHJ\ LQWR WKH PLQLPL]DW
PLQLPL]DWLRQ RI ZDWHU UHVRXUFH ULVNV IRU RXU VXSSOLH
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:DWHU 6WUHVV

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RI RXU RYHUVHDV PDQXIDFWXULQJ IDFLOLWLHV DUH ORFDWH
ULVN LV EHFRPLQJ HVSHFLDOO\ KLJK LQ FRXQWULHV VXFK D

*OREDO ZDWHU VWUHVV

+DUP)5((5HDOL]DWLRQ &RH[LVWLQJ ZLWK 1DWXU

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PDWHULDO F\FOHV DQG WKH UHJHQHUDWLRQ RI DLU ZDWHU
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PDQXIDFWXULQJ SURFHVVHV WKDW H[LVW LQ KDUPRQ\ ZLWK
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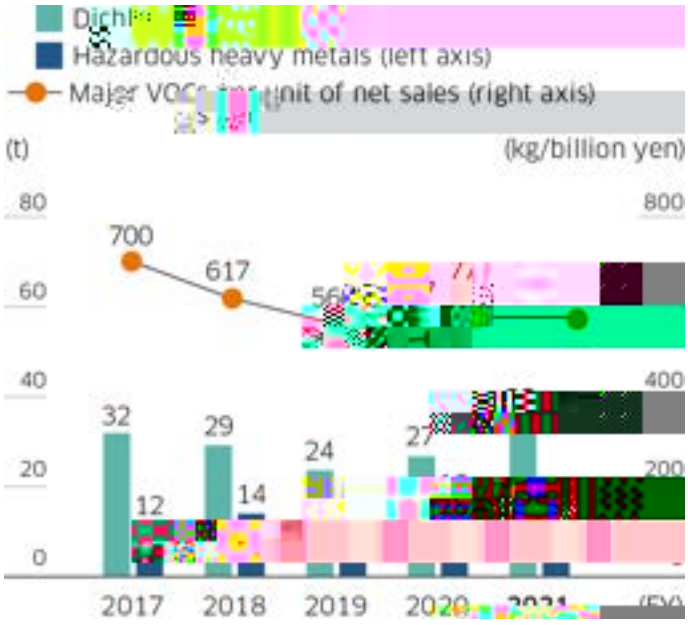

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&29,'

+\RJR 3UHIHFWXUH
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UHVWRUDWLRQ SURMHFW 7KHVH DFWLYLWLHV EHJDQ LQ WKH
H[SDQGHG WR 2QR &LW\ JLYLQJ HPSOR\HHV DQG WKHLU IDPL
LQ IRUHVW FRQVHUYDWLRQ DFWLYLWLHV WULPPLQJ DQG FOH

7RN\R
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HPSOR\HHV DQG WKHLU IDPLOLHV MRLQHG IRUHVW FRQVHUYD
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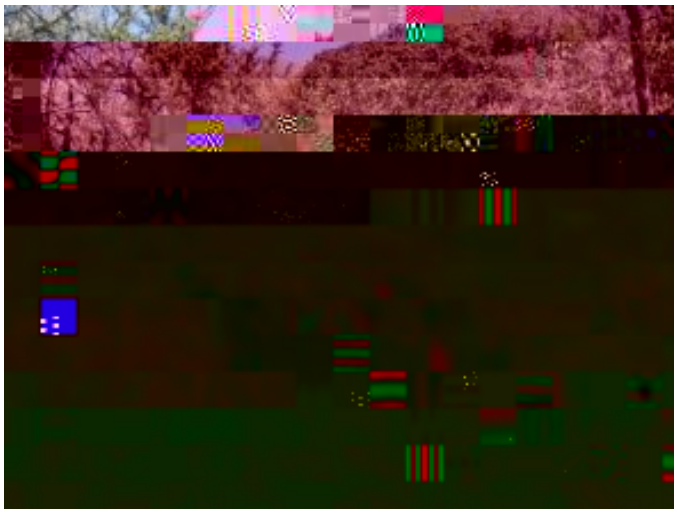

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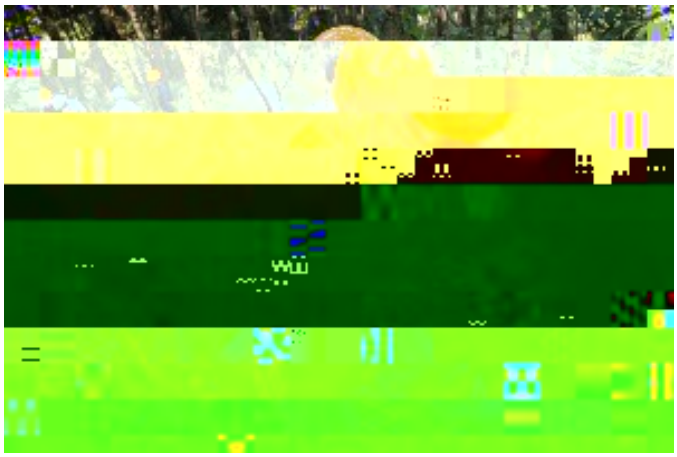

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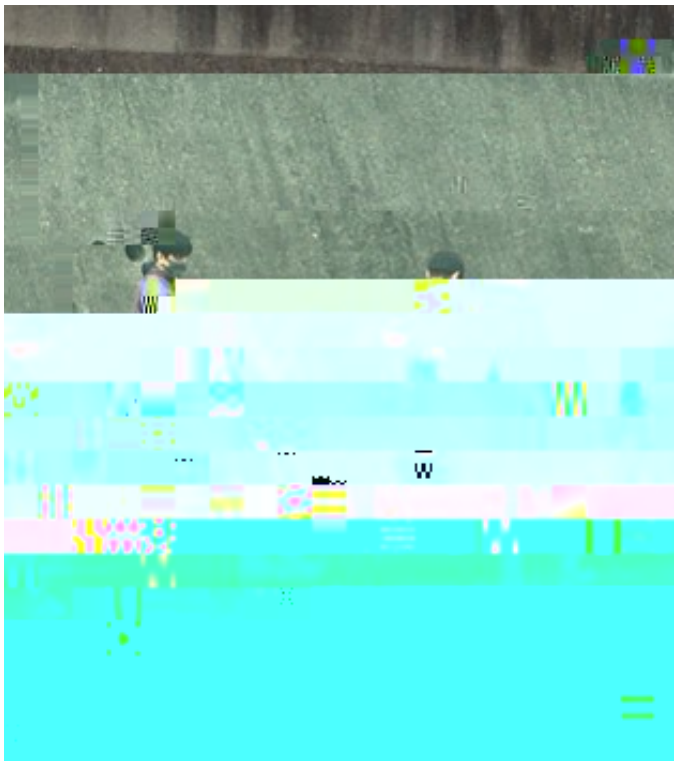

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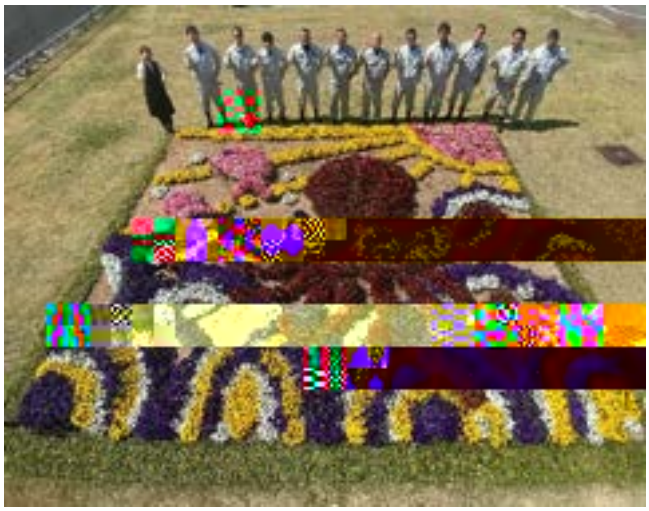

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*LELHU LV)UHQFK IRU JDPH

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,QLWLDWLYHV LQ)RRG 6XVWDLQ RQ WKH &DIHWHULD 0HQX

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06& $ FHUWLILFDWLRQ V\VWHP IRU VXVWDLQDEOH ILVKLQJ DQG ILVKHU\ SURGXFWV

06& $ FHUWLILFDWLRQ V\VWHP IRU VXVWDLQDEOH DTXDFXOWXUH DQG ILVKHU\ SURGXFWV

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(QYLURQPHQWDOO\ &RQVI

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V\VWHP IRUPHUO\ .DZDVDNL EUDQG *UHHQ 3URGXFWV V\VWH
FHUWLI\LQJ HQYLURQPHQWDOO\ IULHQGO\ SURGXFWV DV D P
EXUGHQ RI WKH *URXS V SURGXFWV DQG VHUYLFHV WKURXJK
V\VWHP VXSHULRU SURGXFWV²LQ WHUPV RI ZKHWKHU LW
LPSURYHG HQYLURQPHQWDO SHUIRUPDQFH DQG ZKHWKHU WK
SURFHVVHV GHPRQVWUDWH D UHGXFHG HQYLURQPHQWDO LPS

7KH &HUWLrFDWLRQ 3URFHVV

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DUH JHDUHG WR LPSURYLQJ WKH HQYLURQPHQWDO SHUIRUPD
HQYLURQPHQWDO LPSDFW RI RXU PDQXIDFWXULQJ SURFHVVH
VWDQGSRLQWV &2 UHGXFWLRQ :DVWH)UHH UHGXF\
ZDVWH DQG +DUP)UHH UHGXFWLRQ LQ WKH UHOHDVH RI KD
NHHS UHJLVWUDWLRQ FXUUHQW E\ UHHYDOXDWLQJ UHJLVWHU
HQG RI 6HSWHPEHU WKH *URXS KDG UHJLVWHUHG SUR
UHJLVWUDWLRQV GXULQJ WKH WKUHH \HDUV SULRU LQ
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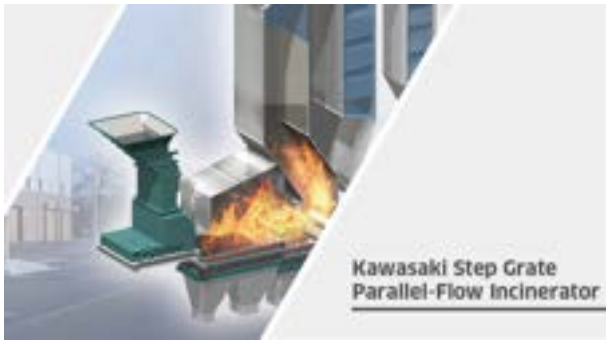
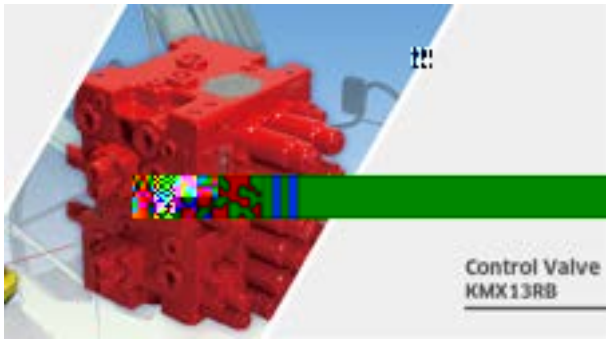
CK Mill


Kawasaki Step Grate
Parallel-Flow Incinerator

Z125/Z125PRO


Control Valve
KMX13RB

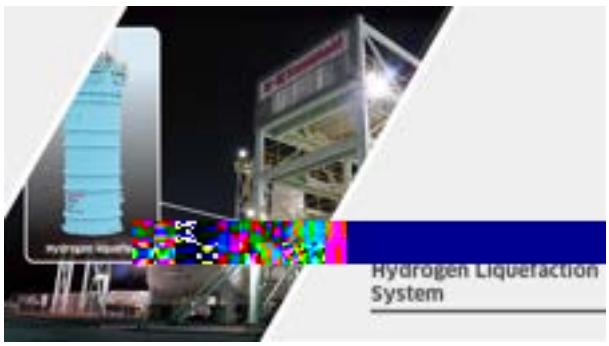
Dual-Arm SCARA Robot:
duAro

Universal Controller

MAG Turbo
(Model:M55)

Kawasaki
KG-18-

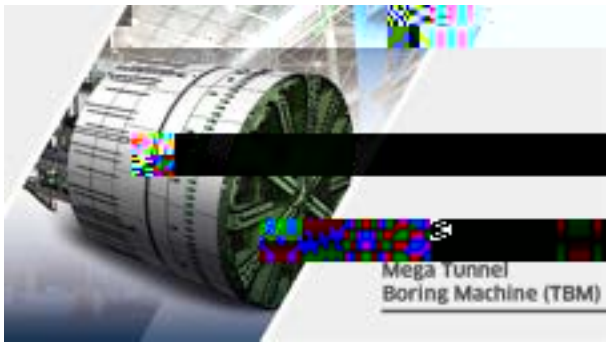
Kawasaki


Hydrogen Liquefaction
System

Ninja 400/N

Versys 650

Gas To Gasoline Plant


Mega Tunnel
Boring Machine (TBM)

ECO SERVO®
Controller
N-ECST

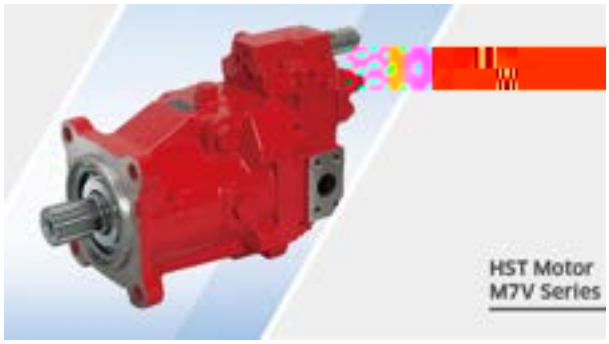
K-COMMIT®
Kawasaki Robot
ANSHIN Lifecycle Support
K-COMMIT®

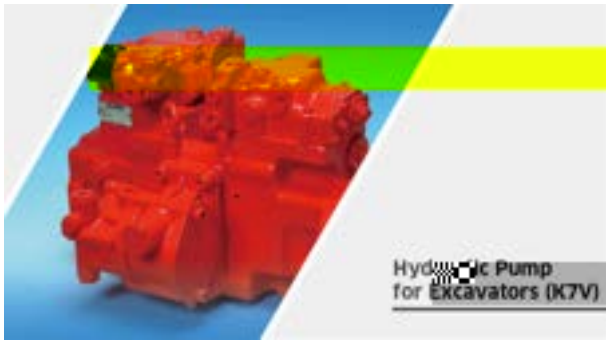
New Thermal
Insulation Panel
for LNG Tank

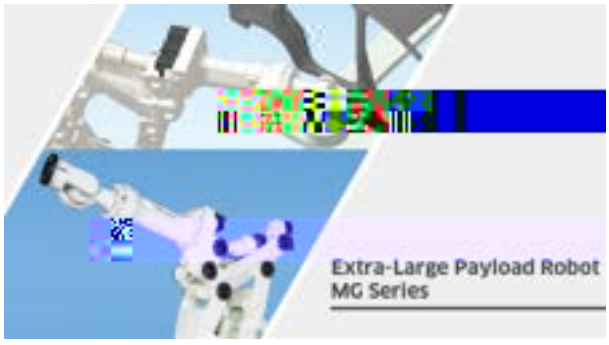
Autonomous
Track Geometry
Measurement System

(for main line operation
and shunting)

Z H2
(2020MY)







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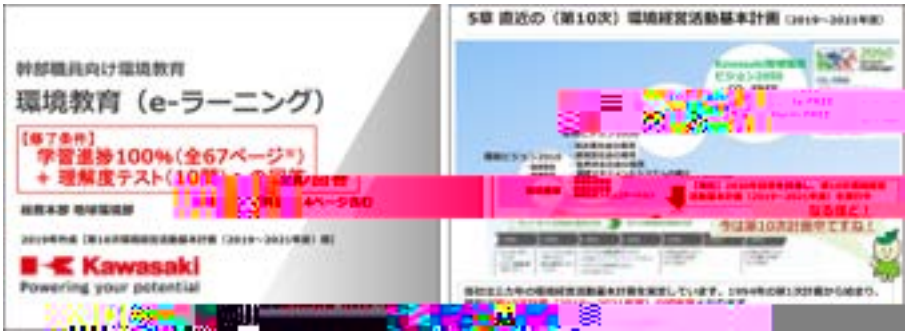

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,Q ILVFDO DV WKHUH ZHUH QR UHYLVLRQV WR UHOHYDQW QHZ ULVN FRXQWHUPHDVXUHV

(/9 'LUHFWLYH (QG RI /LIH 9HKLFOHV 'LUHFWLYH
5R+6 'LUHFWLYH 'LUHFWLYH RQ 5HVWULFWLRQ RI WKH 8VH RI &HUWDLQ +D (OHFWURQLF (TXLSPHQW
5($&+ 5HJXODWLRQ 5HJXODWLRQ RQ 5HJLVWUDWLRQ (YDOXDWLRQ $XWKI

&RPSOLDQFH ZLWK /DZV DQG 5HJ

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0HDQZKLOH ZH UHFHLYHG WZR FRPSODLQWV IURP UHVLGHQW QRLVH IURP RXU PDQXIDFWXULQJ IDFLOLWLHV DV ZHOO DV W

Society

166	Product Liability/Safety
175	Business and Human Rights
184	Working with Suppliers
189	Human Resource Management
200	Human Resource Development
209	Diversity
222	Occupational Safety, Hygiene, and Health
236	Social Contribution Activities

3URGXFW /LDELOLW\ 6DIH

3URGXFW /LDELOLW\

2XU %DVLF 6WDQFH

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OLYHV DQG WKH IXWXUH RI WKH JOREDO HQYLURQPHQW LV R
VXSSO\LQJ SURGXFWV DQG VHUYLFHV ZLWK FXVWRPHU VDWL\
PDQDJHPHQW SULQFLSOHV UHODWLQJ WR EXVLQHVV FRQWLQ
.DZDVDNL *URXS 3ROLF\ RQ 4XDOLW\ 0DQDJHPHQW ZKLFK LV
WKH HQWLUH *URXS VR DV WR FRQWLQXH DFWLYLWLHV HIIHF
RI FXVWRPHU YDOXH

6FRSH RI 3ROLF\ $SSOLFDWLRQ

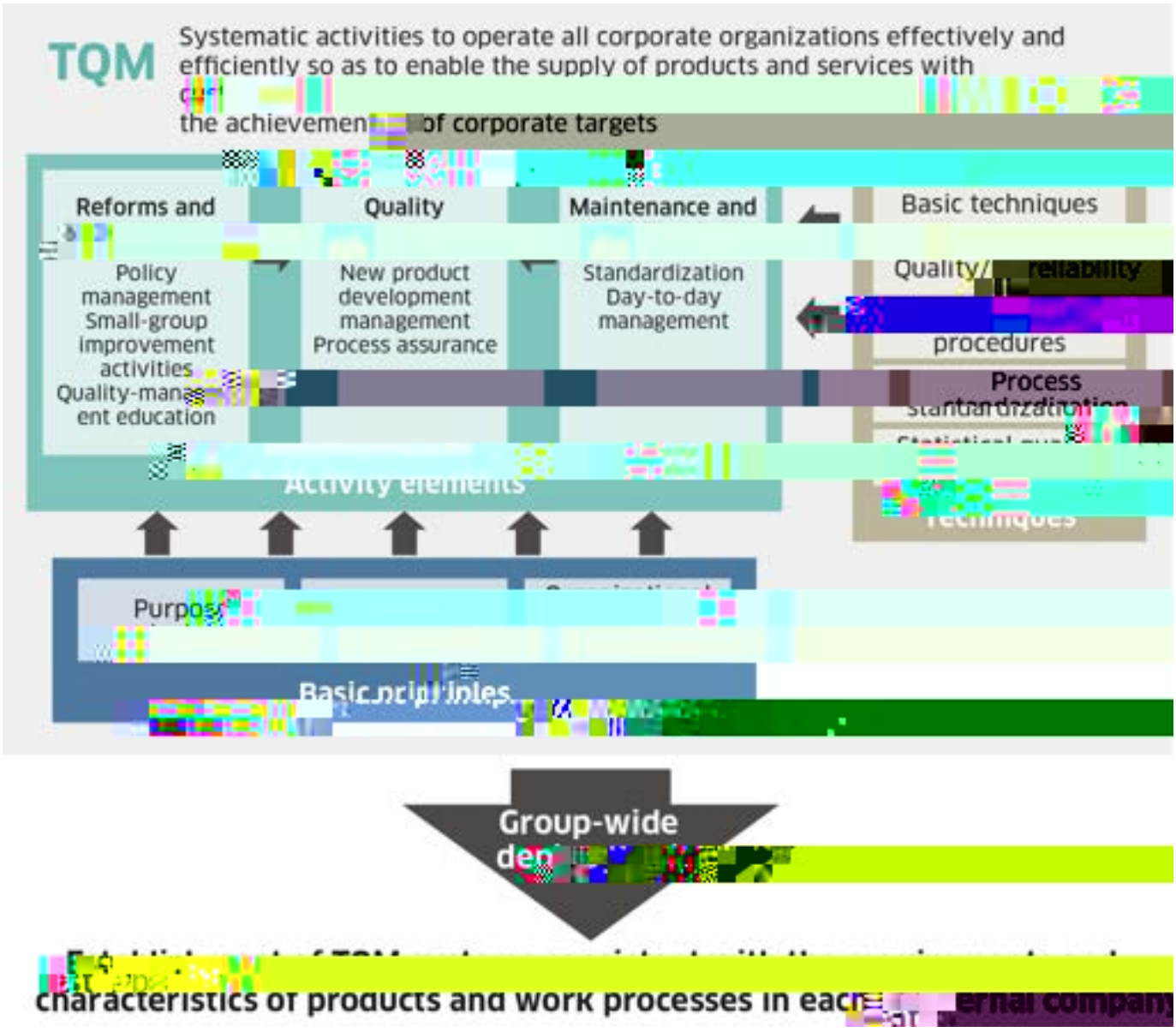
7KH .DZDVDNL *URXS

- 7KH .DZDVDNL *URXS &RGH RI &RQGXFW
- .DZDVDNL *URXS 3ROLF\ RQ 4XDOLW\ 0DQDJHPHQW

6WUXFWXUH

:H KDYH HVWDEOLVKHG WKH 740 'HSDUWPHQW ZLWKLQ WKH &
DUH SURPRWLQJ *URXS ZLGH TXDOLW\ DVVXUDQFH DFWLYLWL
GD\ WR GD\ PDQDJHPHQW DQG TXDOLW\ PDQDJHPHQW HGXFD
GLYLVLRQV UHVSRQVLEOH IRU TXDOLW\ FRQWURO ZLWKLQ LQ
TXDOLW\ DVVXUDQFH DFWLYLWLHV ZLWKLQ WKHVH FRPSDQLH

6XSSRUW IRU WKH EXLOGLQJ RI EHVW VXLWHG 740 V\VWH



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+LURVKL 1DNDWDQL 5HSUHVHQWDWLYH 'LUHFWRU 6HQLRU & RI 740

5HVSRQVLEOH ([HFXWLYH 2UJDQ DQG RU &RPPLWWHH

:H SURPRWH LQLWLDWLYHV E\ UHJXODUO\ IRUPXODWLQJ SROI EXLOGLQJ DQG VWUHQJWKHQLQJ RI WKH *URXS ZLGH 740 VWL)XUWKHUPRUH ZH SURPRWH LQIRUPDWLRQ VKDULQJ EHWZHH FRPSDQLHV DQG TXDOLW\ DVVXUDQFH DFWLYLWLHV WKURXJK 4XDOLW\ &RPPLWWHH KHOG IRXU WLPHV D \HDU

4XDOLW\ DQG 6DIHW\ 0DQDJHPHQW

7KH LQWHUQDO FRPSDQLHV KDYH EHHQ UHDVVHVVLQJ WKHLU
HQVXUH WKDW WKHLU SURGXFW VDIHW\ SURFHVVHV DUH FRP
,62 $V D UHVXOW WKH LPSOHPHQWDWLRQ RI ULVN DVVH

3URPRWLRQ RI 740

- 6XUYH\V XVLQJ WKH 740 PHWKRG
  :H FRQGXFW VXUYH\V RI TXDOLW\ DVVXUDQFH OHYHOV XVLQ
  740 PHWKRG DQG TXDQWLWDWLYH\ DVVHVV DOO LQWHUQ
  FRPPRQ LQGLFDWRUV 7KURXJK WKHVH VXUYH\V ZH GLDJQ
  QHFHVVDU\ LPSURYHPHQWV DQG WKHUHE\ VKDUH RXU UHV
- 4XDOLW\ DVVXUDQFH DFWLYLWLHV DQG 740 SURPRWLRQ DF
  :H SRVLWLRQ 740 DV DQ DSSURDFK WRZDUG VXSSOHPHQWL
  DVVXUDQFH DFWLYLWLHV DW LQWHUQDO FRPSDQLHV 5DWK

,62 &HUWLrFDWLRQ 6WDWXV

.DZDVDNL DFTXLUHV ,62 FHUWLILFDWLRQ DW WKH LQWHU(
OHYHO

- $HURVSDFH 6\VWHPV &RPSDQ\ &HUWLILHG -,6 4 IRU $H
  DQG $HUR (QJLQH %XVLQHVV 'LYLVLRQ
- .DZDVDNL 5DLOFDU 0DQXIDFWXULQJ &R /WG &HUWLILHG
- (QHEHJ„d€0R@X‰WpÀR•QÀ€pŒD”ÉRLPHÀ(QõJJL Q(HQHUQEJ@L&QRHP SDEK &Ø‰ÉWÏL.
  (QJLQHHULQJ 0DULQH 0DFKLQHU\ DQG 6KLS 2IIVKRUH 6W
-

&XVWRPHU 6DWLVIDFWLRQ 6XUYH\V

6LQFH WKH .DZDVDNL *URXS VXSSOLHV D ZLGH UDQJH RI SUR

(íRUWV WR 'HHSHQ 5HODWLRQV ZLWK &XVWRP

(VWDEOLVKHQW RI KRXU +HOS 'HVN

7R SURYLGH HYHQ EHWWHU VHUYLFH WR FXVWRPHUV .DZDVD
HVWDEOLVKHG D +RXU +HOS 'HVN ZKLFK DFFHSWV LQTXLU
SUREOHPV DW QLJKWWLPH RQ ZHHNGD\V DQG GXULQJ WKH GI
GD\V $W WKH KHOS GHVN VHUYLFH SHUVRQQHO GLUHFWO\ C
EDVHG RQ WKHLU DEXQGDQW H[SHULHQFH DQG WHFKQLFDO P
WHFKQLFDO JXLGDQFH DQG WURXEOHVKRRWLQJ VXSSRUW

6XSSRUW IRU WKH %XLOGLQJ RI 6WURQJ 5HODWLRQV ZLW &200,7œ

.DZDVDNL 5RERW 6HUYLFH /WG VWULYHV WR EXLOG UHODWL
LQWURGXFWLRQ RI URERWV 7KURXJK WKH 75(1' 0DQDJH VHU
PDLQWHQDQFH RI URERWV E\ FRQVWDQW RQOLQH PRQLWRUL
HTXLSPHQW
,Q WKLV UHPRWH PDLQWHQDQFH WKH FRPSDQ\ REWDLQV UHI
RSHUDWLRQ RI URERWV LQSXWV LW LQWR D GDWDEDVH DQG
WKHUHE\ DFFXUDWHO\ SUHGLFWLQJ DQ\ PDOIXQFWLRQLQJ ,Q
SURYLGHV YDULRXV VHUYLFHV LQFOXGLQJ VSHHG\ VXSSRUW
WUDQVPLVVLRQ %DVHG RQ WKH FRQFHSW RI .DZDVDNL 5RER
FRPSDQ\ RSWLPL]HV WKH OLIHF\FOH FRVW RI URERWLF HTXLS
PLQG WR WKH FXVWRPHU
)XUWKHUPRUH .DZDVDNL 5RERW 6HUYLFH /WG TXDQWLILHV
WKH EDVLV RI LWV DEXQGDQW LQVSHFWLRQV DQG PDLQWHQD
75(1' PDQDJHPHQW TXDQWLWDWLYH LQVSHFWLRQV WR DFFXU
,Q DGGLWLRQ ZLWK . &211(&7 WKH FRPSDQ\ FUHDWHV GHGLI
WR H[FKDQJH DQG VKDUH LQIRUPDWLRQ ZLWK WKH FXVWRPH
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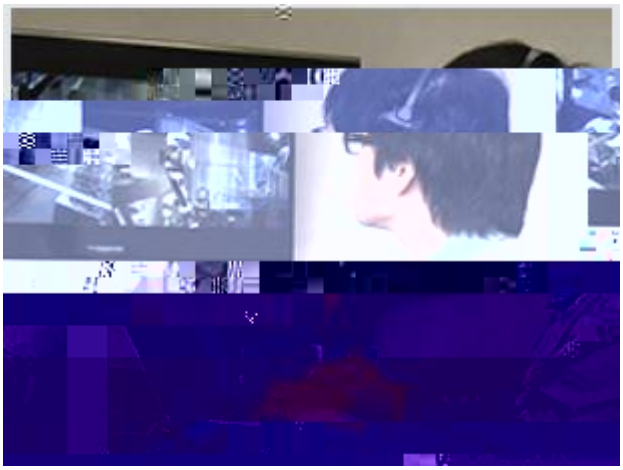
DQG VHQG WHFKQLFDO PDWHULDOV



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6WUXFWXUH

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)RU GHWDLOV RQ UHODWHG VWUXFWXUHV SOHDVH UHIHU WR 6XVWDLQDELOLW\ )UDPHZRUN

- 6XVWDLQDELOLW\ 3URPRWLRQ 6\VWHP

5HVSRQVLEOH 2îFHU

.DWVX\D <DPDPRWR 5HSUHVHQWDWLYH 'LUHFWRU 6HQLRU &K FKDUJH RI VXVWDLQDELOLW\

5HVSRQVLEOH (([[tv0F@ ¥V g Y ÁA) 2 R@0 pH à D WhE&4••Wp5 eP3 P3$“ pe SE4 QO%pV X \

3URKLELWLRQ RI &KLOG /DERU DQG)RUFHG /D

7KH .DZDVDNL *URXS FOHDUO\ VWDWHV LQ LWV &RGH RI &RQ
ODERU RU IRUFHG ODERU ZKLFK DUH JOREDO KXPDQ ULJKWV
.DZDVDNL LV D VLJQDWRU\ WR WKH 8QLWHG 1DWLRQV *OREDO
WKH &RPSDFW¶V SULQFLSOHV LQ WKH IRXU DUHDV RI KXPD
DQWL FRUUXSWLRQ
:LWK UHVSHFW WR WKH JOREDO KXPDQ ULJKWV DQG ODERU L
VLQFH ILVFDO ZH SHULRGLFDOO\ FRQILUP WKDW QR FRPS
LQYROYHG LQ VXFK SUDFWLFHV DQG GHFODUH WKDW QRQH Z
VW\OH RI FRQILUPDWLRQ DQG GHFODUDWLRQ DFNQRZOHGJH
&RPSDFW 1HWZRUN -DSDQ *&1- VHFUHWDULDW LV SUHSDUH
/DERU 3ULQFLSOHV DQG %XVLQHVV *XLGHOLQHV´ DQG VLJQH
FRPSDQLHV LQFOXGLQJ WKRVH RYHUVHDV $V WKH .DZDVDNL
*XLGHOLQHV ZKLFK FRYHU UHVSHFW IRU KXPDQ ULJKWV DQ
D WHDP WR XSKROG WKHVH JXLGHOLQHV

- 7KH .DZDVDNL *URXS &RGH RI &RQGXFW
- 7KH .DZDVDNL *URXS 3ROLF\ RQ +XPDQ 5LJKWV
- 3DUWLFLSDWLRQ LQ ,QWHUQDWLRQDO ,QLWLDWLYHV
- .DZDVDNL *URXS &65 3URFXUHPHQW *XLGHOLQHV
- &RQILUPDWLRQ DQG 'HFODUDWLRQ RI WKH $EROLWLRQ RI)

(PSOR\HH (GXFDWLRQ DERXW %XVLQHVV DQG

7KH .DZDVDNL *URXS KDV FRQGXFWHG H OHDUQLQJ IRU HPSO
ULJKWV VLQFH ILVFDO ,Q WKLV WUDLQLQJ SURJUDP LQ I
LQWHUQDWLRQDO QRUPV UHJDUGLQJ KXPDQ ULJKWV DQG ODE
WUHQGV FODULILFDWLRQ LV DOVR JLYHQ RQ WKH UHVSRQVL
EXVLQHVV DQG KXPDQ ULJKWV DQG RQ WKH .DZDVDNL *URXS¶
SDUWLFLSDQWV ZHUH PDLQO\ HPSOR\HHV LQ FKDUJH RI VXVW
GRPHVWLF *URXS FRPSDQLHV WRWDOLQJ SDUWLFLSDQWV

+DUDVVPHQW 3UHYHQWLRQ

.DZDVDNL KDV HVWDEOLVKHG WKH +DUDVVPHQW 3UHYHQWLRQ FRPIRUWDEOH KDUDVVPHQW IUHH ZRUNLQJ HQYLURQPHQW . WUDLQLQJ WR SURYLGH SURSHU JXLGDQFH DQG LQFUHDVH D, DGGLWLRQ WR WKH &RPSOLDQFH 5HSRUWLQJ DQG &RQVXO XVH ZKHQ WKH\ KDYH H[SHULHQFHG RU ZLWQHVVHG KDUDVVP PDLQWDLQHG FRQVXOWDWLRQ SRLQWV RSHUDWHG E\ WKH +X HPSOR\HHV LQFOXGLQJ WHPSRUDU\ VWDII FDQ XVH $V QHFH HPSOR\HHV VHHNLQJ DGYLFH RU KHOS WKURXJK HLWKHU V\V\ ZKLOH UHPDLQLQJ FRPPLWWHG WR UHVSHFWLQJ WKHLU SULY ,Q DGGLWLRQ IURP ILVFDO ZH KDYH EHJXQ RSHUDWLRQ WKDW HPSOR\HHV RI .DZDVDNL FDQ DFFHVV IRU FRQVXOWDWI KDUDVVPHQW DQG PHQWDO KHDOWK

5LJKW WR 2UJDQL]H DQG 5LJKW WR &ROOHFWI

/DERU 8QLRQ 'DWD QRQ FRQVROLGDWHG

)<

	8QLW				
1XPEHU RI XQLRQ PHPEHUVRQV					
/DERU XQLRQ PDNHXS k					
1XPEHU RI ODERU GLVFXVVLRQV ZLWK WKH XQLRQ					

$VVHVVPHQW 5HVXOWV SULRULW\ KXPDQ ULJKWV ULVNV

$V D UHVXOW RI WKH ULVN DVVHVVPHQWV DQG LPSDFW DVVH QLQH DUHDV LQ SDUWLFXODU SUHVHQW VLJQLILFDQW KXPDQ

•

0HFKDQLVP IRU $GGUHVVLQJ +XPDQ 5LJKWV 5

0HFKDQLVPV IRU $GGUHVVLQJ (PSOR\HH *ULHYDQFHV

8QGHU .DZDVDNL¶V ODERU DJUHHPHQW LI D SUREOHP DULVH ZRUNSODFH .DZDVDNL VHWV XS D JULHYDQFH FRPPLWWHH Z UHVSRQVLEOH IRU SHUVRQQHO DQG WKH SUHVLGHQW RI WKH SHDFHIXOO\ UHVROYH WKH SUREOHP 7KH JULHYDQFH FRPPLV

,GHQWLI\LQJ +XPDQ 5LJKWV 5LVN LQ &RRSHUDWLRQ ZLWK

,Q ILVFDO ZH ZRUNHG ZLWK %XVLQHVV IRU 6RFLDO 5HVS
VWDNHKROGHUV LPSDFWHG E\ WKH *URXS¶V EXVLQHVV DFWL\
KXPDQ ULJKWV ULVN *RLQJ IRUZDUG ZH ZLOO IRUPXODWH D
PHDVXUHV IRU NH\ ULVNV ZLWKLQ WKH *URXS DQG LQ VXSSO\
F\FOH RI LQLWLDWLYHV WR HQVXUH UHVSHFW IRU KXPDQ ULJ
DGGUHVV ULVNV WR WKH KXPDQ ULJKWV RI RXU VWDNHKROGH
)RU GHWDLOV SOHDVH UHIHU WR 'LOLJHQFH

,Q 5HVSRQVH WR WKH 1HZ 1*2 6202 SXEOLVKHG DUH

,Q WKH 1HWKHUODQGV EDVHG 1*2 6202 SXEOLVKHG DUH
'@0Cp€p@DÅ! DÀL–VF¤X€V`\0LÅQ A&€aX@SÀQ ,U'L•UK WHeàDàEXHVH VPVLQ ˜EDL€P H QQWdg(

:RUNLQJ ZLWK 6XSSOLHU\

2XU %DVLF 6WDQFH

6XSSOLHUV DUH RQH RI WKH YDOXDEOH EXVLQHVV SDUWQHU\ DFWLYLWLHV ,W LV HVVHQWLDO WKDW RXU SURFXUHPHQW D VWDQFH WRZDUG WKH FRQFHSW RI VXVWDLQDELOLW\ ZKLFK KXPDQ ULJKWV ODERU RFFXSDWLRQDO VDIHW\ DQG KHDOWK HQG ZH PXVW ZRUN LQ FRRSHUDWLRQ ZLWK QRW RQO\ WKH H DFWLYHO\ SURPRWH VXVWDLQDELOLW\ LQLWLDWLYHV WKURX UHVSRQG WR WKH GHPDQGV RI RXU FXVWRPHUV DQG VRFLHW VXSSO\ FKDLQ UHODWLQJ WR KXPDQ ULJKWV ODERU RFFXSD HQYLURQPHQW DQG VR RQ DQG SURPRWLQJ VXVWDLQDELOLW VXSSOLHUV

7KH .DZDVDNL*URXS3ROLFLHV IRU 0DWHULDO 3URFXUHPHQW D *XLGHOLQHV

7KH .DZDVDNL *URXS¶V 3ROLFLHV IRU 0DWHULDO 3URFXUHPH ZKLFK VHW IRUWK RXU VXVWDLQDELOLW\ SURFXUHPHQW SKLORV

5HODWLRQVKLSV ZLWK %XVLQHVV 3DUWQHUV

7KH .DZDVDNL *URXS ZLOO WDNH D ORQJ WHUP SHUVSHFWLYH

RI WUXVW ZLWK EXVLQHVV SDUWQHUV EDVHG RQ PXWXDO

SRVLWLRQ ZLWK WKH DLP RI PXWXDO HQKDQFHPHQW RI FRPS

&RPSOLDQFH

:H ZLOO REVHUYH UHODWHG VWDWXWHV DQG UHJXODWLRQV

7KH .DZDVDNL*URXS6XSSO\ &KDLQ 0DQDJHPHQW

7KH .DZDVDNL *URXS &65 3URFXUHPHQW *XLGHOLQHV ZKLFK RXWOLQH WKH *URXS¶V DSSURDFK WR VXVWDLQDEOH SURFXU 7KHVH JXLGHOLQHV ZHUH ILUVW LVVXHG LQ DQG UHYLVHG 7KH EDVLF DJUHHPHQW WKDW .DZDVDNL IRUPV ZLWK VXSSOLH WKDW ERWK SDUWLHV VKRXOG UHFRJQL]H WKH LPSRUWDQFH ZLOO YROXQWDULO\ DQG SURDFWLYHO\ HQJDJH LQ EXVLQHVV FRQVLGHUDWLRQ JLYHQ WR WKH VXVWDLQDEOH GHYHORSPHQ ILVFDO ZH UHYLVHG WKH DIRUHPHQWLRQHG EDVLF DJUHH VKRXOG VWULYH WR FRPSO\ ZLWK WKH .DZDVDNL *URXS &65 3 UHVXOW RXU FROODERUDWLRQ ZLWK VXSSOLHUV KDV DGYDQ SURFXUHPHQW DW D QHZ OHYHO

,Q DGGLWLRQ ZH KROG OHFWXUHV DERXW VXVWDLQDEOH SURFXUHPHQW ZRUNLQJ WR UDLVH WKH VXVWDLQDELOLW\ DZDUHQHVV RI HP)XUWKHUPRUH GRPHVWLF DQG RYHUVHDV VXEVLGLDULHV HQ GLVFORVH WKHLU &65 SURFXUHPHQW SROLFLHV RQ WKHLU ZH EXVLQHVVHV 7KURXJK VXFK HIIRUWV ZH SXUVXH VXVWDLQD *URXS ZLGH EDVLV *RLQJ IRUZDUG WKH .DZDVDNL *URXS ZL VXVWDLQDELOLW\ LQLWLDWLYHV WKURXJKRXW WKH VXSSO\ F

6XSSO\ &KDLQ 5LVN $VVHVVPHQW

6LQFH ILVFDO .DZDVDNL KDV FRQGXFWHG VXUYH\V RI GRF DVVHVV WKHLU FRPSOLDQFH ZLWK WKH .DZDVDNL *URXS &65 HYDOXDWH RXU VXSSO\ FKDLQ ULVNV ,Q ILVFDO ZH FRQG VXSSOLHUV WR DVVHVV WKHLU FRPSOLDQFH EDVHG RQ WKHV UHVSRQGHG WR WKH VXUYH\ ,Q DGGLWLRQ VLQFH ILVFDO GRPHVWLF DQG RYHUVHDV VXSSOLHUV DQG LQ ILVFDO ZH VXSSOLHUV LQ -DSDQ DQG UHFHLYHG UHSOLHV IURP FRPS 7KHVH TXHVWLRQ VXUYH\V TXHVWLRQ VXSSOLHUV¶ LQLWLD LQFOXGLQJ &65 UHODWHG FRUSRUDWH JRYHUQDQFH KXPDQ U IDLU FRUSRUDWH SUDFWLFHV DQG TXDOLW\ DQG VDIHW\ *RLQJ IRUZDUG ZH ZLOO LPSOHPHQW PHDVXUHV WR VWUHQJ WKURXJKRXW WKH VXSSO\ FKDLQ EDVHG RQ WKH UHVXOWV RI

&DSDFLW\ %XLOGLQJ DQG ,QFHQWLYHV IRU 6X

7KH .DZDVDNL *URXS SURFXUHV PDWHULDOV DFURVV D ZLGH

3ROLF\ 5HJDUGLQJ 3URFXUHPHQW RI &RQsLFW 0LQHUDOV

$UPHG JURXSV WKDW UHSHDWHGO\ FRPPLW LQKXPDQH DFWV YLROHQFH PD\ GHULYH FDSLWDO IURP WKH IRXU PLQHUDOV R NQRZQ DV ³FRQIOLFW PLQHUDOV´ EHLQJ SURGXFHG LQ WKH DQG LWV QHLJKERULQJ FRXQWULHV $V D UHVXOW WKHUHOLV ZLOO OHDG WR DQ HVFDODWLRQ RI SUREOHPV

7KH .DZDVDNL +HDY\ ,QGXVWULHV *URXS KDV QR LQWHQWLRQ FRQIOLFWV RU LQKXPDQH DFWV WKURXJK WKH SURFXUHPHQW FRQVLGHUDWLRQ RI UHVSHFW IRU KXPDQ ULJKWV *RLQJ IRU WKH LVVXH RI FRQIOLFW PLQHUDOV LQ FORVH OLDLVRQ ZLWK

- .DZDVDNL *URXS &65 3URFXUHPHQW *XLGHOLQHV

+XPDQ 5LJKWV (íRUWV LQ WKH 6XSSO\ &KDLQ

.DZDVDNL KDV FUHDWHG WKH .DZDVDNL *URXS &65 3URFXUHP UHTXLUHPHQWV RI VXSSOLHUV ZLWK WKH DLP WKH VXSSO\ FKDLQ VXFK DV KXPDQ ULJKWV FRQVLGHUDWLR DQG FKLOG ODERU 7KHVH JXLGHOLQHV DUH SXEOLVKHG RQ . VXSSOLHUV ,Q ILVFDO ZH UHYLVHG WKH EDVLF DJUHHPH LQFOXGH FOHDU SURYLVLRQV PDQGDWLQJ WKDWHYLV LL¶ffp ff DERU

LQFOXGH FOHDP P` XLJXL@ À ÀpÀ@pÀ•HT+p°@ DW P

LQFO_SFRB`p

LQFO ÁV pÀ@pÀ•HT+p°@ D “ 00° €B°RY 3UVXPD € À Á ÀpÀ@u Y

I0 f¶Y Ée Å €p`ðõ0•LYHYVDÀ`€õDpL¶`fP` 0À `À Àð€s F'DWP€3 J WW°

+XPDQ 5HVRXUFH 0DQDJH

2XU %DVLF 6WDQFH

3HUVRQQHO UHODWHG 6WUXFWXUHV

&RPSDQ\ ZLGH SROLFLHV RQ KXPDQ UHVRXUFH GHYHORSPHQW SRWHQWLDO LPSDFW RQ FRUSRUDWH PDQDJHPHQW DUH GLVF ZLGH +5 0DQDJHPHQW &RPPLWWHH :LWK WKH SUHVLGHQW DV &RPSDQ\ ZLGH +5 0DQDJHPHQW &RPPLWWHH FRPSULVHV SULP SUHVLGHQWV 7KH FRPPLWWHH GLVFXVVHV DQG UHYLHZV PD FRUSRUDWH PDQDJHUV WKH DSSOLFDWLRQ RI KXPDQ UHVF DVVLJQPHQW RI KXPDQ UHVRXUFHV WR QHZ EXVLQHVV XQLWV DQG VWDWXV RI KXPDQ UHVRXUFH PHDVXUHV LQ RSHUDWLRQ ,Q DGGLWLRQ WKH +HDG 2IILFH +XPDQ 5HVRXUFHV 'LYLVLRQ FRPPLWWHHV LQ ZKLFK GLYLVLRQ PDQDJHUV LQ FKDUJH RI K

0`LTWDWLPD`O FÀpSE`QLÀV FÀ`QVWQHPSLP` À` 0 I™•R‡@pL‡WHÀ

%RG\	3XUSRVH	$WWHQGHHV	0HHWLQJ IUHTXHQF\
0HHWLQJ RI PDQDJHUV LQ FKDUJH RI KXPDQ FDSLWDO GHYHORSPHQW			

. :LQ $FWLYLWLHV .DZDVDNL :RU

7KH .DZDVDNL *URXS ODXQFKHG . :LQ DFWLYLWLHV DQ HIIRU
ILVFDO ZLWK WKH REMHFWLYHV RI ³SURPRWLQJ RI ZRUN
SURGXFWLYLW\ RI DGPLQLVWUDWLYH DQG WHFKQLFDO SHUVR
KRXUV ´ 7KURXJK WKHVH DFWLYLWLHV ZH SXUVXHG WKUHH D
RSHUDWLRQDO WUDQVIRUPDWLRQ RUJDQL]DWLRQDO DQG FR
V\VWHP WUDQVIRUPDWLRQ

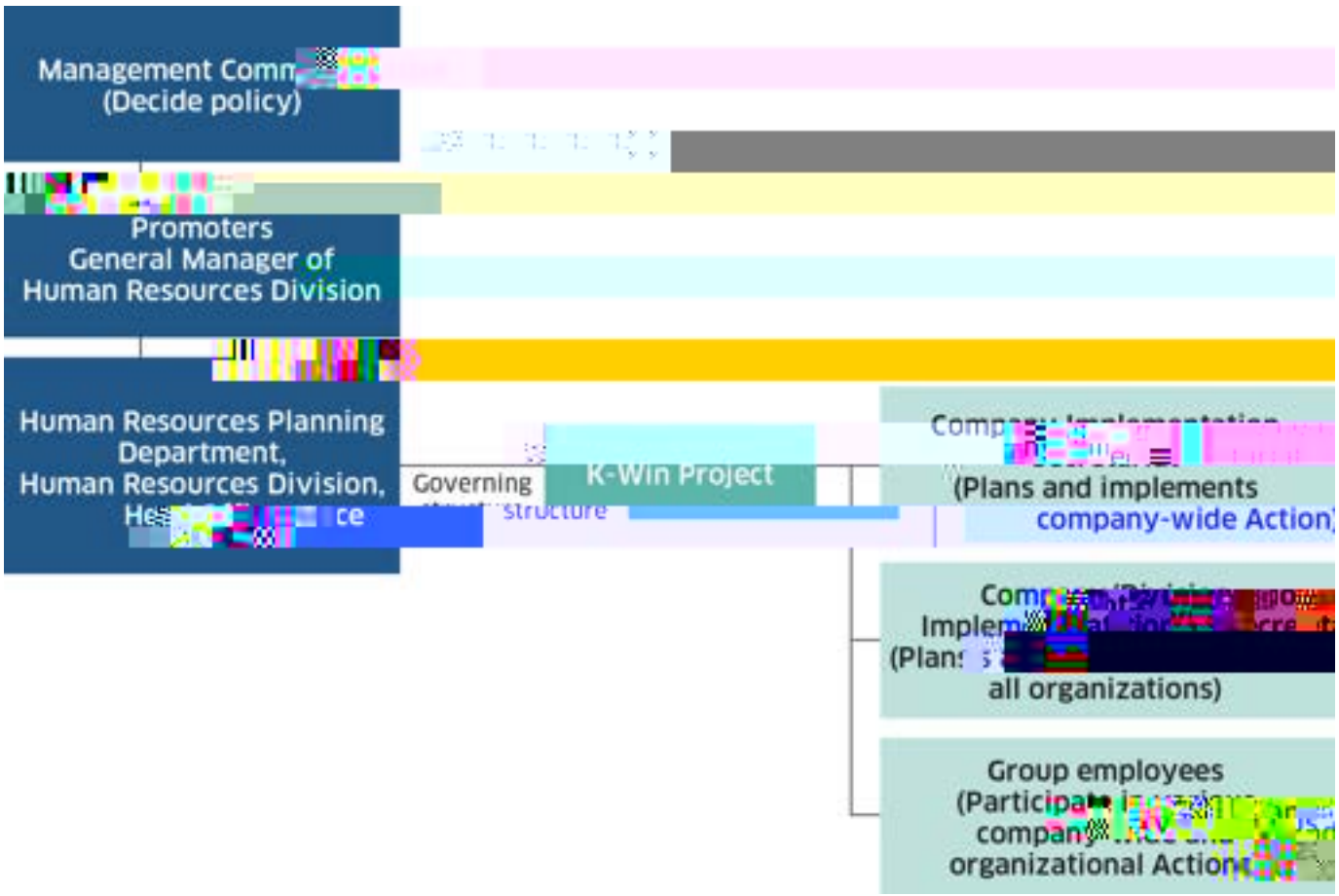
. :LQ DFWLYLWLHV DUH FXUUHQWO\ LQWHJUDWHG ZLWK *URX
H[SDQGHG WR LQFOXGH RYHUDOO FRUSRUDWH LQQRYDWLRQ
HPSOR\HH DZDUHQHVV IRU WKH SXUSRVH RI DFKLHYLQJ WKH
HIIRUWV WR FUHDWH PRUH KLJKO\ PRWLYDWHG HPSOR\HHV Z
DUH EXLOGLQJ RUJDQL]DWLRQV WKDW FUHDWH YLUWXRXV F\

9LVLRQ IRU 2XU (PSOR\HHV DQG 2UJDQL]DWLR

3URPRWH FURVVRYHU DFWLRQ LQWHUQDOO\ DQG H[WHUQ FRPSHWHQFH DQG UHVXOWV EUHDN GRZQ H[LVWLQJ FRQ H[WHUQDO ERXQGDULHV

- 6KLIW WR QHZ ZRUNVW\OHV IRU .DZDVDNL DQG DGYDQFH FF UHPRWH FRPPXQLFDWLRQV DQG ';
- 6KDUH LQIRUPDWLRQ DQG VROYH FURVV RUJDQL]DWLRQDO &RPSDQ\ LQWUDQHW
-)RUP D FURVVRYHU FRPPXQLW\ PDGH XS RI PHPEHUV IURP L FRPSDQ\ DQG H[FKDQJH NQRZOHGJH

. :LQ ,PSOHPHQWDWLRQ 6WUXFWXUH



5HVSRQVLEOH 2îFHU

.DWVX\D <DPDPRWR 5HSUHVHQWDWLYH 'LUHFWRU 6HQLRU &I 0DQDJHU RI +XPDQ 5HVRXUFHV 'LYLVLRQ

5HVSRQVLEOH ([HFXWLYH 2UJDQ DQG RU &RPPLWWHH

. :LQ $FWLYLWLHV ,PSOHPHQWDWLRQ 6HFUHWDULDW

:RUNVW\OH 5HIRUP

7R SURPRWH RUJDQL]DWLRQDO DQG FRUSRUDWH FXOWXUH W
PHVVDJHV IURP WRS PDQDJHPHQW SURYLGHG HGXFDWLRQDO
DQG KHOG RQH RQ RQH PHHWLQJV ,Q V\VWHP WUDQVIRUPDW
SURGXFWLYLW\ DV RQH RI RXU HPSOR\HH UHYLHZ FULWHULD
SHUVRQQHO LQ RUGHU WR UHFRJQL]H HPSOR\HHV ZKR FDUU\
LQ ILVFDO ZH LQWURGXFHG D UHPRWH ZRUNLQJ SURJUDP
HPSOR\HHV ,Q WHUPV RI RSHUDWLRQDO WUDQVIRUPDWLRQ
(IILFLHQF\ ,PSURYHPHQW 6WDUW %RRN DV ZHOO DV XVHIXO L
WUDQVIRUPDWLRQ LQFOXGLQJ WRROV IRU YDULRXV W\SHV R

6HFXULQJ DQG 5HWDLQLQJ +XPD

+LULQJ

$GPLQLVWUDWLYH DQG WHFKQLFDO SRVLWLRQV DUH FKDUDF
RSHUDWLRQV $V VXFK ILQGLQJ WHDP SOD\HUV ZKR FDQ HQJ
WKHLU FROOHDJXHV LV D PDMRU IRFXV LQ KLULQJ :RUN
VLPSO\ ILOOLQJ WKH JDSV OHIW E\ RXWJRLQJ UHWLUHHV ZH
QHFHVVDU\ VNLOOV LQ WKH UHTXLUHG QXPEHUV IURP HD PHGL
)XUWKHUPRUH WR IOH[LEO\ PHHW WKH QHHG IRU PRUH HPSO
ZH DUH DFWLYHO\ UHFUXLWLQJ QRW RQO\ QHZ JUDGXDWHV E
H[SHULHQFH 7R IDFLOLWDWH RYHUVHDV EXVLQHVV H[SDQVLI
RYHUVHDV FROOHJH JUDGXDWHV DQG IRUHLJQ QDWLRQDO VW

-)RU GHWDLOV RQ KLULQJ IRUHLJQ QDWLRQDO VWXGHQWV L
(PSOR\PHQW DQG $FWLYH 3DUWLFLSDWLRQ RI 1RQ-DSDQHV

1XPEHU RI (PSOR\HHV +LUHG .DZDVDNL +HDY\ ,QGXVWULI 0DQXIDFWXULQJ DQG .DZDVDNL 0RWRUV

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(PSOR\HH (YDOXDWLRQV

2XU $SSURDFK WR +XPDQ 5HVRXUFH (YDOXDWLRQ

.DZDVDNL RSHUDWHV D SHUVRQQHO V\VWHP WKDW UHZDUGV LQGLYLGXDO FKDUDFWHULVWLFV DV DJH EXW RQ WKH VL]H R WKH WDUJHWV WKH\ VHW WKHLU DELOLW\ WR FDUU\ RXW WK VSHHG DQG WKH UHVXOWV WKH\ DFKLHYH %\ XVLQJ WKLV V\ JURZWK RI RXU KXPDQ UHVRXUFHV DQG RQJRLQJ FRUSRUDWH WDUJHW PDQDJHPHQW V\VWHP ZKLFK YDOXHV FRPPLWPHQW (PSOR\HHV VHW WDUJHWV IRU WKHPVHOYHV WKDW FRPSULVH

pDÀ p À €ì p 0µ S K § ` 0V R 0 @ P F RÅp @ U H V X O W

		8QLW					
WR		3HUVRQV					
	0DOH	3HUVRQV					
	)HPDOH	3HUVRQV					
WR		3HUVRQV					
	0DOH	3HUVRQV					
	)HPDOH	3HUVRQV					
DQG DERYH		3HUVRQV					
	0DOH	3HUVRQV					
	)HPDOH	3HUVRQV					

$JH RI UHVLJQLQJ HPSOR\HHV LV VKRZQ DV RI $SULO RI HDFK ILVFDO \HD
7KH WXUQRYHU UDWH IRU HPSOR–3 Y Ic° • @HU $6€x ƒ 0 € @\À 0 € 0 ðÇ0 C @HR °

(PSOR\HH 6DWLVIDFWLRQ 6XUYH\ 5HVXOWV

)<

+XPDQ 5HVRXUFH 'HYHORS

2XU %DVLF 6WDQFH

,Q RUGHU IRU XV WR FRQWLQXH RXU EXVLQHVV DQG JURZ LQ FRUSRUDWLRQ DOO RI RXU HPSOR\HHV PXVW HIILFLHQWO\ H

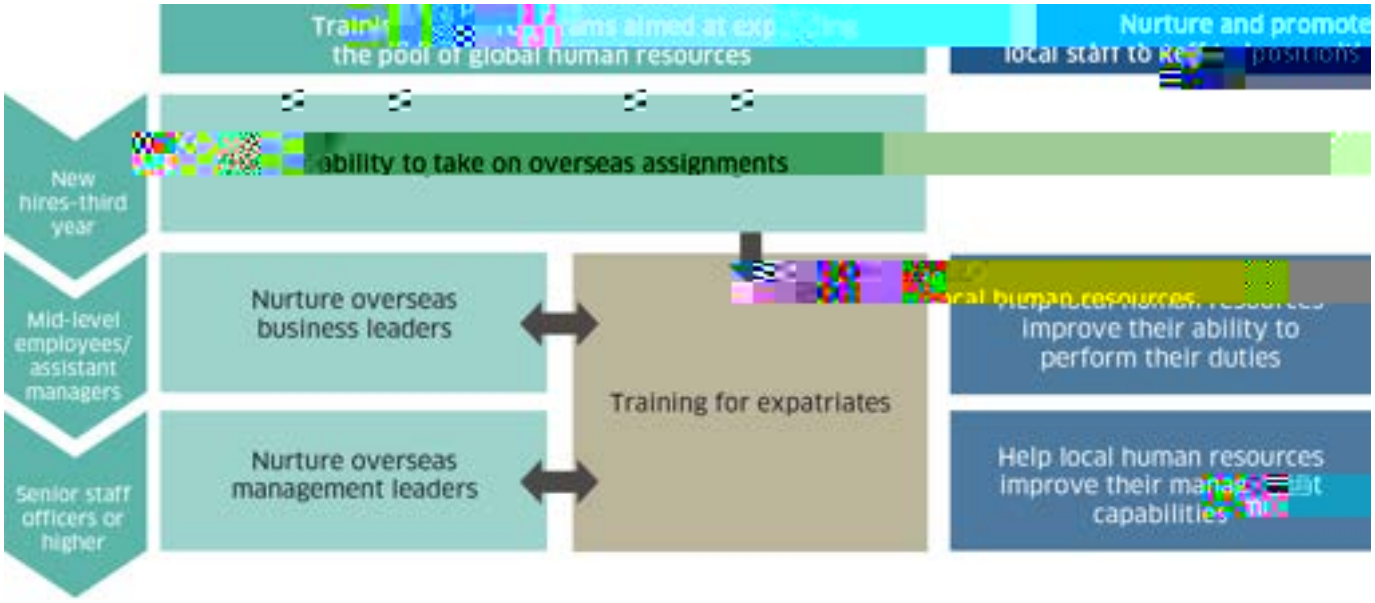
- +XPDQ UHVRXUFHV FDSDEOH RI EHLQJ DFWLYH JOREDOO\
- +XPDQ UHVRXUFHV FDSDEOH RI VROYLQJ WKH FKDOOHQJHV
- +XPDQ UHVRXUFHV FDSDEOH RI VXSSRUWLQJ FKDQJH DQG L
- +XPDQ UHVRXUFHV FDSDEOH RI XSJUDGLQJ WKHLU H[SHUWL
- +XPDQ UHVRXUFHV FDSDEOH RI GLVSOD\LQJ RYHUDOO FRPS
- +XPDQ UHVRXUFHV ZLWK D FRQVWDQW SURILW RULHQWHG S

6WUXFWXUH

:H KDYH LQ SODFH WKH +XPDQ &DSLWDO 'HYHORSPHQW 'HSDU
5HVRXUFHV 'LYLVLRQ $OVR FRPPRQ *URXS ZLGH HGXFDWLRQ
VSHFLILF GHYHORSPHQW IRU MXQLRU HPSOR\HHV WRS PDQD
WR IRVWHU JOREDOO\ FDSDEOH KXPDQ UHVRXUFHV LV SODQ
+XPDQ 5HVRXUFHV 'LYLVLRQ ,Q DGGLWLRQ WKH LQWHUQDO
HGXFDWLRQ DQG WUDLQLQJ UHODWHG WR WKH SDUWLFXODU
UHVSHFWLYH DUHDV RI EXVLQHVV

-)RU GHWDLOV RQ RXU LQWHUQDO FRPPLWWHHV DQG UHOHY
  UHIHU WR

2XU 6WUXFWXUH IRU 1XUWXULQJ *OREDO +XPDQ 5HVRXUF



3HUIRUPDQFH RI 0DMRU *OREDO +5 7UDLQLQJ 3URJUDPV + GRPHVWLF H[FHSWLRQV DSSO\

)<

		8QLW					
*OREDO EXVLQHVV WDOHQW VHPLQDUV	3HUFHQWDJH RI 7RWDO KRXUV+RXUV	3HUVRQV					
					7		+RXU

$PRXQWV ,QYHVWHG LQ +XPDQ 5I 'HYHORSPHQW

(GXFDWLRQ DQG 7UDLQLQJ ([SHQVHV .DZDVDNL +HDY\ ,QG 0DQXIDFWXULQJ DQG .DZDVDNL 0RWRUV

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	8QLW					
(GXFDWLRQ DQG WUDLQLQJ H[SHQVHV SHU HPSOR\HH	)7(					
(GXFDWLRQ DQG WUDLQLQJ KRXUV SHU HPSOR\HH	+RXUV					
7RWDO HGXFDWLRQ DQG WUDLQLQJ KRXUV	+RXUV					

)7( )XOO 7LPH (TXLYDOHQW

52, IURP +XPDQ 5HVRXUFHV FRQVROLGDWHG JOREDO

)<

	8QLW					

6WUXFWXUH

:LWKLQ WKH +HDG 2IILFH +XPDQ 5HVRXUFHV 'LYLVLRQ ZH KD

3URPRWLQJ WKH $FWLYH 3DUWLFLSDWLRQ RI

7KH &RPSDQ\ LV IRFXVHG RQ SURPRWLQJ WKH DFWLYH SDUWI
WDUJHWV IRU WR GRXEOH WKH ILVFDO QXPEHU RI IHP

1XPEHU RI :RPHQ LQ 0DQDJHULDO 3RVLWLRQV ,QGXVWU
5DLOFDU 0DQXIDFWXULQJ DQG .DZDVDNL 0RWRUV

	8QLW					
1XPEHU RI ZRPHQ LQ PDQDJHULDO SRVLWLRQV	3HUVRQV					

$V RI $SULO RI HDFK ILVFDO \HDU
6HFWLRQ KHDG RU DERYH)LJXUHV LQFOXGH VWDII RQ H[WHUQDO SRVWLQ

6XSSRUWLQJ (PSOR\HHV %DODQFLQJ :RUN ZLW &DUH

.DZDVDNL SURYLGHV VXSSRUW LQ D QXPEHU RI ZD\V WR HQDE DFWLYHO\ ZKLOH EDODQFLQJ ZRUN ZLWK FKLOGFDUH DQG QX EH\RQG QDWLRQDO JRYHUQPHQW VWDQGDUGV VXFK DV D V\V XQWLO HPSOR\HHV¶ FKLOGUHQ UHDFK DJH WKUHH D UHGXFH HPSOR\HHV¶ FKLOGUHQ JUDGXDWH IURP HOHPHQWDU\ VFKRR WR WKUHH \HDUV DQG D V\VWHP WKDW OHWV HPSOR\HHV WD QHHGHG IRU FKLOGFDUH RU IDPLO\ QXUVLQJ FDUH ,Q UHFRJ .DZDVDNL ZDV FHUWLILHG DV D FRPSDQ\ VXSSRUWLQJ FKLOG 0DUN

2WKHU LQLWLDWLYHV LQFOXGH WKH 6XSSOHPHQWDU\ :RUN 'D WHPSRUDU\ FKLOGFDUH VHUYLFHV ZLWKLQ WKH &RPSDQ\ IRU WKH\ ZRXOG QRUPDOO\ KDYH RII WKH &KLOGFDUH 5HVFXH 6\

		8QLW					

(PSOR\HH %UHDNGRZQ

1XPEHU RI (PSOR\HHV .DZDVDNL +HDY\ ,QGXVWULHV .DZDQG .DZDVDNL 0RWRUV

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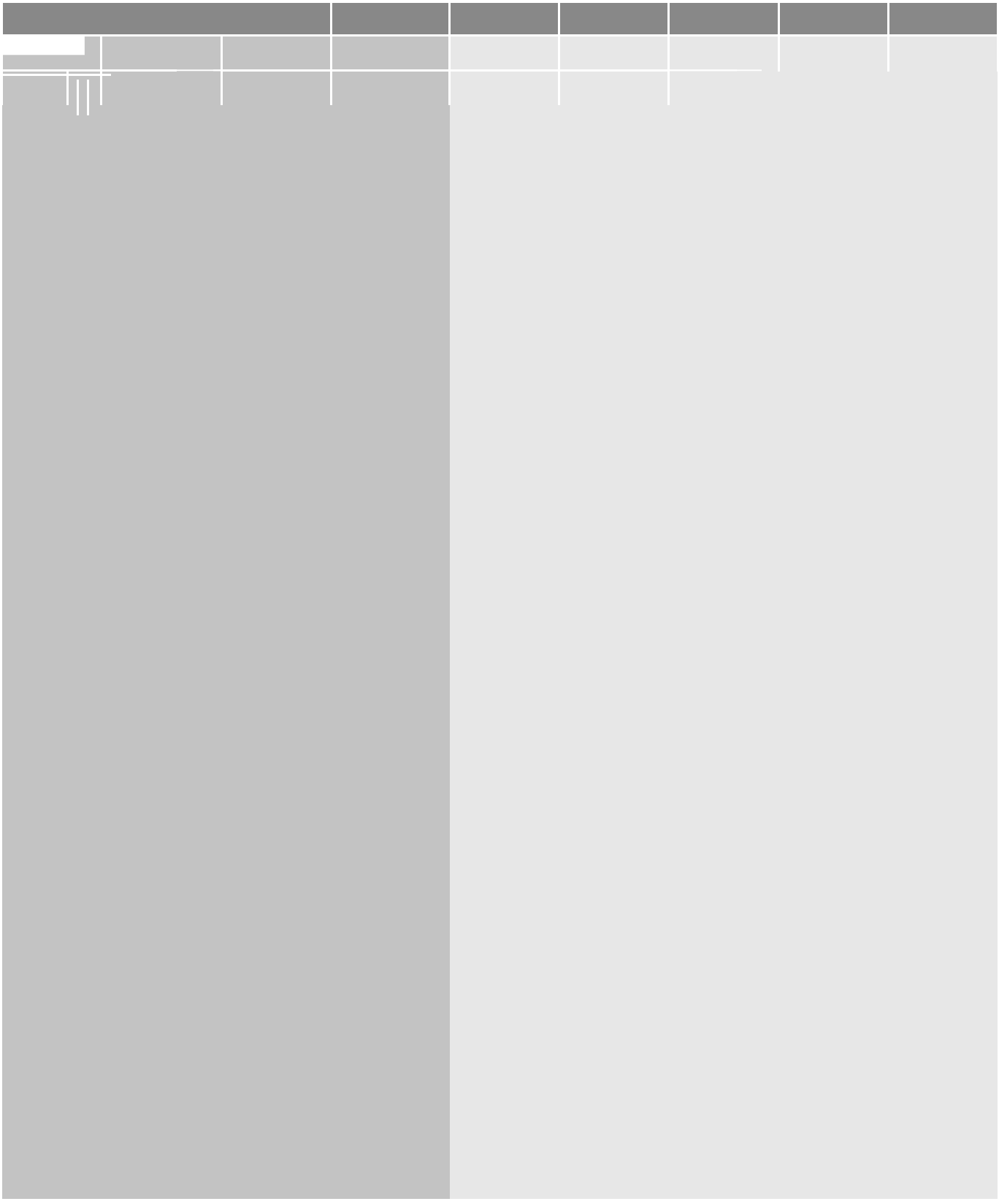

			8QLW					
%\ SRVLWLRQ	'LUHFWRU $XGLW 6XSHUYLVRU\ %RDUG 0HPEHU	0DOH	3HUVRQV					
		)HPDOH	3HUVRQV					
	([HFXWLYH RIILFHU DQG DERYH		3HUVRQV					
		0DOH	3HUVRQV					
		)HPDOH	3HUVRQV					
	6HQLRU PDQDJHU HTXLYDOHQW		3HUVRQV					
		0DOH	3HUVRQV					
		)HPDOH	3HUVRQV					
	0DQDJHU HTXLYDOHQW		3HUVRQV					
		0DOH	3HUVRQV					
		)HPDOH	3HUVRQV					
	$VVLVWDQW PDQDJHU HTXLYDOHQW		3HUVRQV					
		0DOH	3HUVRQV					
		)HPDOH	3HUVRQV					

1XPEHU RI HPSOR\HHV DV RI WKH ILVFDO \HDU HQG LQFOXGHV WHPSRUDU
3HUFHQWDJH ILJXUHV ZLOO QRW QHFHVVDULO\ DGG XS WR DV WKH\ DU
2Q -XQH .DZDVDNL WUDQVLWLRQHG IURP D FRPSDQ\ ZLWK DQ $XGLW
ZLWK DQ $XGLW 6XSHUYLVRU\ &RPPLWWHH
7KH DERYH QXPEHUV RI 'LUHFWRUV IRU ILVFDO DQG HDUOLHU LQFOXG
0HPEHUV
6HQLRU PDQDJHU HTXLYDOHQW LQFOXGHV SRVLWLRQV XS WR DVVRFLDWH

1XPEHU RI (PSOR\HHV FRQVROLGDWHG JOREDO

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		8QLW					
7RWDO HPSOR\HHV		3HUVRQV					
	'RPHVWLF JUR3XHSUVRQV						LFW) !*`)

2FFXSDWLRQDO 6DIHW\ +\JI

0DQDJHPHQW $SSURDFK

2XU %DVLF 6WDQFH

,Q OLQH ZLWK LWV WHQHWV RI PDLQWDLQLQJ UHVSHFW IRU L
.DZDVDNL *URXS LV FRPPLWWHG WR FUHDWLQJ D ZRUNSODFH
SULRULW\ RQ VDIHW\ DQG KHDOWK $FFRUGLQJO\ WKH *URXS
UHJXODWLRQV UHODWHG WR RFFXSDWLRQDO VDIHW\ K\JLHQH
FDUHIXO FRQVLGHUDWLRQ WR PDLQWDLQLQJ VDIH K\JLHQLF
WKRVH ZRUNLQJ DW LWV IDFLOLWLHV 8QGHU WKLV SROLF\ W
FRPIRUWDEOH ZRUNSODFH HQYLURQPHQW LQ ZKLFK HYHU\ ZR
SK\VLFDOO\ KHDOWK\ WR WKLV HQG SURPRWLQJ FORVH FROC
SHRSOH ZRUNLQJ LQ RXU *URXS ODERU XQLRQV DQG KHDOW
DQG RWKHU VWDNHKROGHUV WR PDLQWDLQ DQG LPSURYH RF
ZLWK WKH DLP RI VROLGLI\LQJ D IRXQGDWLRQ VXSSRUWLQJ L
DV RQH IRU WKH JRRG RI WKH SODQHW ´

3ROLF\ RQ D 0DQDJHPHQW $SSURDFK 3ULRULW
+\JLHQH DQG +HDOWK

6DIHW\ 3URYLVLRQ RI D 6DIH DQG 6HFXUH /DERU (QYLURQ

- :H ZLOO VWULYH WR UHGXFH ZRUNSODFH GDQJHUV LQFC
  KDUPIXO VXEVWDQFHV WR SUHYHQW RFFXSDWLRQDO DF
- :H ZLOO GHYHORS D SURSHU RFFXSDWLRQDO VDIHW\ DQC
  FRQVWDQWO\ RSHUDWH D 3'&$ F\FOH WR LPSURYH WKH C
- :H ZLOO SURPRWH WKH FUHDWLRQ RI D ZRUNSODFH FXO\
  FRPPXQLFDWLRQ DQG LV VXSSRUWHG E\ VDIHW\ RULHQW

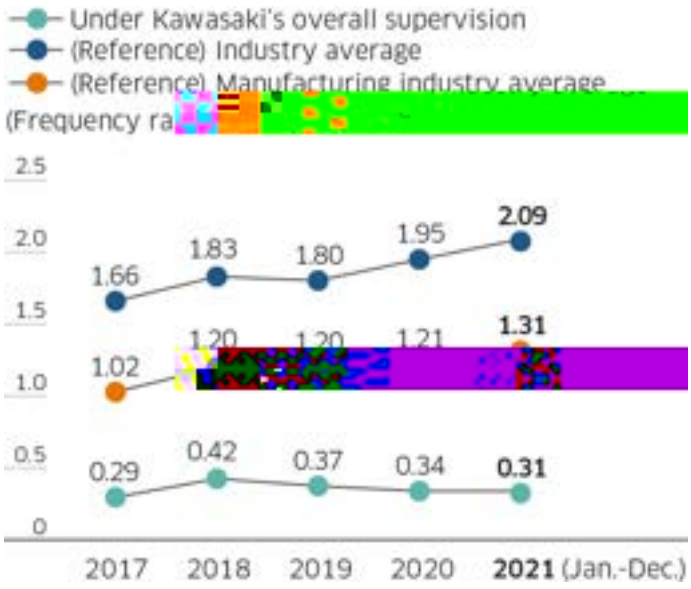
+\JLHQH 3UHYHQWLRQ RI 2FFXSDWLRQDO ,OOQHVV DQG 0H

- :H ZLOO FDUU\ RXW WKH WKRURXJKJRLQJ PDQDJHPHQW F
  SURFHGXUHV DQG ZRUNHU KHDOWK WR SUHYHQW WKH RF
- :H ZLOO LPSOHPHQW PHQWDO KHDOWKFDUH IRU HPSOR\H
  UHODWHG VWUHVV ZLWK WKH DLP RI SUHYHQWLQJ PHQW
- :H ZLOO DOVR SUHYHQW RWKHU KHDOWK SUREOHPV WKU
  RI ODERU KRXUV SURYLVLRQ RI IDFH WR IDFH LQWHUYL
  LPSOHPHQWDWLRQ RI SUHFDXWLRQDU\ PHDVXUHV EDVHG
  LQWHUYLHZ

+HDOWK 3URPRWLRQ RI +HDOWK DQG 5HDOL]DWLRQ RI D)

- :H ZLOO SURDFWLYHO\ LPSOHPHQW KHDOWK RULHQWHG I DVVLVWLQJ LQGLYLGXDO HPSOR\HHV LQ WKHLU DXWRQR ZLWK WKH DLP RI SURPRWLQJ DFURVV WKH ERDUG LQLW SK\VLFDO KHDOWK
- :H ZLOO SURYLGH HPSOR\HHV ZLWK SHULRGLF KHDOWK F H½ÍXÌCÜÊæ•vÉEE Q3D¢ H D Oð rA

5HVSRQVLEOH 2îFHUV


Under Kawasaki's overall supervision
(Reference) Industry average
(Reference) Manufacturing industry average
(Frequency ra
2.5
2.0
1.5
1.0
0.5
0
1.66
1.83
1.80
1.95
2.09
1.02
1.20
1.20
1.21
1.31
0.29
0.42
0.37
0.34
0.31
2017
2018
2019
2020
2021 (Jan.-Dec.)

&KHFNXSV IRU (PSOR\HHV :RUNLQJ /RQJ +RXUV

7R SUHYHQW KHDOWK SUREOHPV WKDW FDQ EH FDXVHG E\ RY
VWDQGDUGV WKDQ WKRVH PDQGDWHG E\ ODZ UHTXLULQJ HP
RU ORQJHU RI RYHUWLPH LQ HDFK RI WZR FRQVHFXWLYH PRQ
PRQWK WR XQGHUJR FKHFNXSV IRU ORQJ KRXU ZRUNHUV DV
IDWLJXH %DVHG RQ WKH UHVXOWV RI WKHVH H[DPLQDWLRQV
RYHUWLPH KRXUV ZRUNHG HPSOR\HHV DUH LQWHUYLHZHG E\
QHFHVVDU\ PHDVXUHV SXW LQ SODFH
)XUWKHUPRUH DV PHDVXUHV WR FRXQWHU ORQJ ZRUNLQJ KR
FRQGXFWLQJ DWWHQGDQFH DQG ODERU DIIDLUV PDQDJHPHQ

0HQWDO +HDOWK 0HDVXUHV

$V D PHQWDO KHDOWK FDUH LQLWLDWLYH ZH KDYH FRPSLOH
0HDVXUHV ,Q UHVSRQVH WR WKH ULVH LQ WKH QXPEHU RI SH
UHFHQW \HDUV ZH UHYLVHG WKHVH JXLGHOLQHV LQ DQG
FHQWHULQJ RQ IRXU W\SHV RI PHQWDO KHDOWK FDUH IURP S
EXVLQHVV VLWH RIIHUV OHYHO VSHFLILF PHQWDO KHDOWK H
SURPRWLRQ DQG VR RQ WR HQVXUH WKDW HPSOR\HHV KDYH
ZKLFK LV LPSRUWDQW LQ WHUPV RI VHOI FDUH (DFK \HDU DS
UHFHLYH WKLV PHQWDO KHDOWK HGXFDWLRQ :H DOVR FRQG
FDUH E\ HPSOR\HHV WKHPVHOYHV DQG SURYLGH LQWHUYLHZ
WKRVH IRXQG WR KDYH KLJK OHYHOV RI VWUHVV $V OLQH RI
DQDO\VLV DW WKH WLPH RI VWUHVV FKHFNV %DVHG RQ WKH
SK\VLFLDQV KROG LQGLYLGXDO ZRUNSODFH LQWHUYLHZV ZLW
KHDOWK ULVNV DQG WUDLQLQJ LV SURYLGHG WR VXSHUYLVR
DV FDUH E\ LQGXVWULDO KHDOWK VWDII DW EXVLQHVV VLWH
TXLFNO\ ZKHQ DQ HPSOR\HH GHYHORSV D PHQWDO KHDOWK L
KXPDQ UHVRXUFH DQG ODERU DIIDLUV GHSDUWPHQW WKH HPS
VXSHUYLVRU SURYLGH FRRUGLQDWHG VXSSRUW ZKHQ WKDW
DV FDUH E\ H[WHUQDO RUJDQL]DWLRQV ZH RIIHU DQ H[WHUQ
HPSOR\HHV FDQ HDVLO\ VHHN DGYLFH UHODWLQJ WR PHQWDO
VWUHQJWKHQ RXU UHVSRQVH E\ PHDQV RI FRQWUDFWV ZLWK

+HDOWK 0DQDJHPHQW RI (PSOR\HHV RQ 2YHUVHDV $VVLJ

.DZDVDNL¶V FRUSRUDWH UHJXODWLRQV OD\ RXW KHDOWK PD
ORQJ WHUP RYHUVHDV EXVLQHVV WUDYHO RU VWDWLRQHG RY
RXW KHDOWK FKHFNXSV EHIRUH GXULQJ DQG DIWHU WKHLU
WKHLU HOLJLELOLW\ IRU RYHUVHDV DVVLJQPHQW LV GHFLGH
DQG LQWHUYLHZV ZLWK LQGXVWULDO SK\VLFLDQV $PLG WKH
UHVRXUFH DQG LQGXVWULDO KHDOWK GHSDUWPHQWV FRRSH
GHVWLQDWLRQV DQG FRQGXFWLQJ KHDOWK PDQDJHPHQW ,Q
HPSOR\HHV RYHUVHDV .DZDVDNL FRYHUV WKH FRVW RI DQG
QHFHVVDU\ IRU WKH VSHFLILF GHVWLQDWLRQV VR DV WR SUH
DVVLJQPHQW IURP FRQWUDFWLQJ VXFK LQIHFWLRXV GLVHDVH
:H DOVR SURYLGH VXSSRUW VR WKDW HPSOR\HHV FDQ VHHN
FRQILGHQFH VKRXOG WKH\ EHFRPH XQZHOO ZKLOH RYHUVHDV

6DQLWDWLRQ 0DQDJHPHQW QRQ FRQVROLGDV

-DQ 'HF

		8QLW					
6LFN OHDYH UDWH FDVH EDVLV							
0HQWDO KHDOWK UHODWHG VLFN OHDYH IUHTXHQF\ FDVH EDVLV							
	0HQWDO KHDOWK LVVXHV 6LWXDWLRQDO $FXWH	&DVHV					
	2WKHU SV\FKRORJLFDO GLVRUGHUV	&DVHV					
$EVHQFH UDWH GD\ EDVLV	0HDVXUH GXH WR PHQWDO KHDOWK LVVXHV						
	2YHUDOO VLFN OHDYH						

&DOFXODWHG DV WKH WRWDO QXPEHU RI FDVHV RI VLFN OHDYH SHU \HDU
î
,Q SHU DQ DPHQGPHQW WR FRUSRUDWH UHJXODWLRQV WKH SHULRG \
EHLQJ SODFHG RQ OHDYH ZDV VKRUWHQHG E\ WKUHH PRQWKV FDXVLQJ W
7KH DEVHQFH UDWH QXPÁ$!ðQxVSR"DDWDEVHQW EHD@P

6HFRQG KDQG 6PRNH 3UHYHQWLYH 0HDVXUHV

,Q UHVSRQVH WR WKH $SULO DPHQGPHQW WRDVWKHLOW
LPSOHPHQWLQJ PHDVXUHV WR SUHYHQW VHFRQG KDQG VPRNH
HOLPLQDWLQJ LQGRRU VPRNLQJ DUHDV DQG VHWWLQJ XS GH
JRYHUQPHQW¶V JXLGHOLQHV IRU SUHYHQWLQJ VHFRQG KDQG
,Q DGGLWLRQ WR VXSSRUW HPSOR\HHV ZKR VPRNH DQG ZDQ
SURJUDP WR VXEVLGL]H WKHLU HIIRUWV WR GR VR 7KH VPR
FRQVROLGDWHG KDV EHHQ IDOOLQJ LQ LW VWRRG DW
ILUVW \HDU WKDW ZH FROOHFWHG GDWD 7RJHWKHU ZLWK VH
ZH ZLOO FRQWLQXH ZRUNLQJ WR UHGXFH WKH HPSOR\HH VPR

+HDOWK 0DLQWHQDQFH DQG ,PSURYHPHQW 0HDVXUHV

,Q WKH .DZDVDNL *URXS PHDVXUHV WR LPSURYH WKH KHDOWK
SODQQHG LQ WKH &ROODERUDWLYH +HDOWK &RPPLWWHHV ZK
FRPSDQ\ KHDOWK LQVXUDQFH XQLRQ DQG ODERU XQLRQ (D
FRPSDQ\ FRPSLHV D KHDOWK UHSRUW EDVHG RQ HPSOR\HH
E\ WKH KHDOWK LQVXUDQFH XQLRQ DQG FRPSDQ\ VR WKDW W
PHDVXUHV DQG REWDLQ EHWWHU UHVXOWV 5HJDUGLQJ LVVX
KHDOWK UHSRUWV ZH GHFLGH WKH WKHPH IRU HDFK \HDU DC
ZLGH EDVLV

,Q ILVFDO WKH .DZDVDNL +HDOWK &KDOOHQJH DQ H[LVWI
GDWD EHLQJ XVHG WR SODFH WKH VSRWOLJKW RQ IRRG H[HU
EHFRPH LGHQWLILHG DV SDUWLFXODU LVVXHV LQ WKH *URXS

,Q DGGLWLRQ LQ ILVFDO LQ FRQMXQFWLRQ ZLWK WKH KU
VFKHGXOHG WR WDFNOH WKH LVVXH RI J\QHFRORJLFDO FDQF
DOWKRXJK PDQ\ \RXQJ SHRSOH VXIIHU VXFK FDQFHU WKH VF

+HDOWK (GXFDWLRQ &ODVVHV

$V SDUW RI RXU FRPSDQ\ZLGH 7RWDO +HDOWK 3URPRWLRQ DI
LVVXHV IDFHG E\ EXVLQHVV VLWHV IURP WKHLU KHDOWK UHS
KROG GLHWDU\ LPSURYHPHQW VHPLQDUV H[HUFLVH VHPLQDU
SUHYHQWLRQ RI OLIHVW\OH UHODWHG GLVHDVHV WRJHWKHU
KROG VHPLQDUV IRU IHPDOH HPSOR\HHV DQG DQWLVPRNLQJ

6RFLDO &RQWULEXWLRQ $

0DQDJHPHQW $SSURDFK

2XU %DVLF 6WDQFH

$V D FRPSDQ\ WKDW HQJDJHV LQ D EURDG UDQJH RI EXVLQHV
WKH .DZDVDNL *URXS EHOLHYHV WKDW DV D PHPEHU RI FRPP
IRU PDNLQJ DFWLYH FRQWULEXWLRQV WR WKH FRPPXQLWLHV
$GGLWLRQDOO\ LQ WKH FRQWH[W RI WKH 6'*V DGRSWHG E\ W
FRUSRUDWLRQV DUH KLJK ZLWK UHVSHFW WR UHDOL]LQJ VXV
%DVHG RQ WKH .DZDVDNL *URXS 6RFLDO &RQWULEXWLRQ $FW
SXVKLQJ IRUZDUG ZLWK RXU VRFLDO FRQWULEXWLRQ DFWLYL
WHFKQRORJLHV DQG FDSLWDO DQG DUH KLJKO\ V\QHUJLVWL

7KH .DZDVDNL *URXS 6RFLDO &RQWULEXWLRQ

7KH .DZDVDNL *URXS LPSOHPHQWV VRFLDO FRQWULEXWLRQ D
WKH *URXS 0LVVLRQ ³.DZDVDNL ZRUNLQJ DV RQH IRU WKH J
DGYDQWDJH RI RXU VWUHQJWKV DQG WKH FDSDELOLWLHV RI
NH\ DUHDV RI RXU VRFLDO FRQWULEXWLRQ DFWLYLWLHV DUH

7KH .DZDVDNL *URXS DV D FRUSRUDWH FLWL]HQ FRQVWU
FRPPXQLWLHV DQG FRQWULEXWHV WR WKHLU GHYHORSPHQ

7KH .DZDVDNL *URXS VXSSRUWV WKH QH[W JHQHUDWLRQ ZI

7KH .DZDVDNL *URXS SUHVHUYHV WKH HQYLURQPHQW DQG

$SSOLFDEOH 6'*V 7DUJHWV			.DZDVDNL¶V $SSURDFK .3,V
		%\ HQVXUH WKDW DOO JLUOV DQG ER\V FRPSOHWH IUHH HTXLWDEOH DQG TXDOLW\ SULPDU\ DQG VHFRQGDU\ HGXFDWLRQ OHDGLQJ WR UHOHYDQW DQG HIIHFWLYH OHDUQLQJ RXWFRPHV	+DQGFUDIW DQG H[SHULPHQW HOHPHQWDU\ DQG MXQLRU KL VWXGHQWV 2SHUDWLRQ RI .DZDVDNL *RR .RUOG 2SHUDWLRQ RI .DZDVDNL 5RE 3DUWLFLSDWLRQ LQ HGXFDWL SURJUDPV .3, 7KH QXPEHU RI SDUWLFLS KDQGFUDIW DQG H[SHULPHQW RQOLQH HGXFDWLRQDO HYHQ
		%\ SURPRWH WKH LPSOHPHQWDWLRQ RI VXVWDLQDEOH PDQDJHPHQW RI DOO W\SHV RI £)t} %\ B-HR ÀHV @ IRU DOO VHWWOHG DUHDV 2S € DGHTXDWH QXPEHU RI SHUPDQHQW FODVVURRP LQFUHDVH DIIRUHVWDWLRQ DQG UHIRUHVWDWLRQ JORERDOO\2SHUDWLRQ"QJ PIRUHVWDW	

.H\ $UHDV LQ 2XU 6RFLDO &RQWL

&RQWULEXWLRQ WR /RFDO &RPPXQLWLHV

:H FDUU\ RXW DFWLYLWLHV IRU VXSSRUWLQJ VSRUWV DQG FR
UHJLRQV ZKHUH ZH KDYH RIILFHV RU ZRUNV ,Q 2NLQDZD PD
SDUW LQ FRUDO UHHI UHJHQHUDWLRQ DFWLYLWLHV DV YROX
2XU DLP WKURXJK WKHVH DFWLYLWLHV LV WR FRQWULEXWH
ORFDO FRPPXQLWLHV DORQJ ZLWK LPSURYLQJ RXU SUHVHQF

- &RQWULEXWLRQ WR ORFDO FRPPXQLWLHV

6XSSRUW IRU WKH 1H[W *HQHUDWLRQ

$V D FRPSDQ\ WKDW VSHFLDOL]HV LQ WHFKQRORJLFDO GHYH
DSSOLFDWLRQ HPSOR\HHV RI WKH .DZDVDNL *URXS GHYHORS
KROG KDQGLFUDIW DQG H[SHULPHQW FRXUVHV IRU HOHPHQW
ZHOO DV RQOLQH FODVVHV

%\ FDUU\LQJ RXW WKHVH VFLHQFH HGXFDWLRQ SURJUDPV RQ
EXLOGLQJ FKLOGUHQ¶V LQWHUHVW LQ VFLHQFH 0RUHRYHU \
FRPPXQLFDWLRQ DELOLWLHV DQG PRWLYDWLRQ ZKLOH LPSUI

- 6XSSRUW IRU WKH 1H[W *HQHUDWLRQ
- .DZDVDNL *RRG 7LPHV :RUOG
- .DZDVDNL 5RERVWDJH

5HDOL]DWLRQ RI D 6RFLHW\ &RH[LVWLQJ ZL

6WULYLQJ WR FUHDWH D VRFLHW\ WKDW FRH[LVWV ZLWK QDW
IRUHVW FRQVHUYDWLRQ DFWLYLWLHV LQ WKH WKUHH SUHIHF
DOVR KHOSV WR EXLOG HQYLURQPHQWDO DZDUHQHVV DPRQJ
H[FKDQJH ZLWK RXU FRPPXQLWLHV

7KHVH DFWLYLWLHV IDFLOLWDWH KLJKHU HQYLURQPHQWDO D
LPSURYH RXU UHSXWDWLRQ DV DQ HQYLURQPHQWDOO\ VHQVL
DEVRUEHG WKURXJK WKHVH IRUHVWDWLRQ DFWLYLWLHV LV D

-)RUHVW &RQVHUYDWLRQ $FWLYLWLHV

6RFLDO &RQWULEXWLRQ $FWLYL\

6RFLDO &RQWULEXWLRQ $FWLYLWLHV E\ 7\SH WRWDOV IF)RXQGDWLRQ LQ WKH 8QLWHG 6WDWHV

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	8QLW				
'RQDWLRQV DQG SKLODQWKURS\					
,QYHVWPHQWV RQJRLQJ SDUWQHUVKLSV ZLWK 1*2V HWF					
$GYHUWLVLQJ DQG PDUNHWLQJ VXSSRUW IXQGLQJ FDPSDLJQV HWF					
7RWDO					

1RWH %HFDXVH WKH DERYH ILJXUHV DUH URXQGHG WR WKH VHFRQG GHFLP XS WR H[DFWO\

6RFLDO &RQWULEXWLRQ $FWLYLWLHV ([SHQGLWXUH WRW 7LPHV)RXQGDWLRQ LQ WKH 8QLWHG 6WDWHV

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		8QLW					
7RWDO		0LOOLRQV	R	0	0	0	7

&RQWULEXWLRQ WR ORFD

7KH .DZDVDNL *URXS DV D FRUSRUDWH FLWL]HQ FRQVWUXFV FRPPXQLWLHV DQG FRQWULEXWHV WR WKHLU FRQWLQXDWLRQ

7KH HíRUWV IRU GHYHORSPHQW FRPPXQLWLHV

3DUWLFLSDWLRQ LQ 7HDP 7\XUD 6DQJR DW 2N

6LQFH ZH KDYH SDUWLFLSDWHG LQ WKH DFWLYLWLHV RI DW ³GHYHORSLQJ WKH VSLULW RI DSSUHFLDWLRQ IRU WKH EH UHJHQHUDWLRQ RI FRUDO UHHI HFRV\VWHPV WKURXJK WKH S VRQ 2NLQDZD 3UHIHFWXUH 0DQ\ RI RXU HPSOR\HHV KDYH DO RSHQ SODQWLQJ DFWLYLWLHV 7KHVH 7HDP 7\XUD 6DQJR DFW DW WKH 7KLUG $QQXDO *RRG /LIH $ZDUG VSRQVRUHG E\ WKH 'HFHPEHU

3DUWLFLSDQWV LQ WKH SODQWLQJ

7U\LQJ WR SODQW ZKLOH GLYLQJ

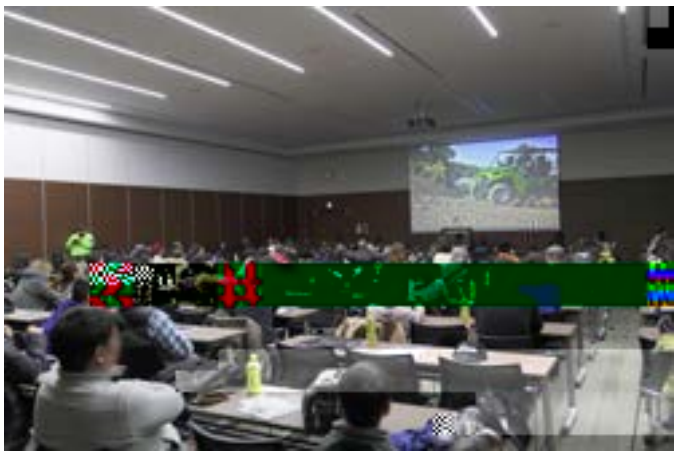
5HFHLYHG WKH *UDQG 3UL]H DW WKH $ZDUG

6FKRODUVKLS SURJUDP LQ WKH 8QLWHG 6WDW

:LWK WKH LQWHQWLRQ RI KHOSLQJ GHVHUYLQJ DZDFDQN VWXGH
0DQXIDFWXULQJ &RUS 8 6 $ .00 KDV HVWDEOLVKHG D FORV
0LVVRXUL 6WDWH 8QLYHUVLW\ ,Q WKH .DZDVDNL 3RZHUL
HVWDEOLVKHG SURYLGLQJ XS WR D \HDU WR RIIVHW V\
,Q WKH .DZDVDNL .LGV SURJUDP ZDV HVWDEOLVKHG WR I
.00 HPSOR\HHV ZKR DWWHQG 1RUWKZHVW 0LVVRXUL 6WDWH 8
3RWHQWLDO 6FKRODUVKLS ZDV ODXQFKHG EHVWRZLQJ WF

,QWHUDFWLRQ 2SSRUWXQLWLHV &RPPXQLW\ DW $NDVKL :RUNV

6LQFH ZH KDYH KHOG UHJLRQDO H[FKDQJH PHHWLQJV DQ
DQG MXQLRU KLJK VFKRROV QHDU WKH $NDVKL :RUNV DQG WH
EHFRPHV YHU\ SRSXODU HYHQW DV PRUH WKDQ SHRSOH SI
LQFOXGH DQ LQWURGXFWLRQ WR .DZDVDNL +HDY\ ,QGXVWULH
PDGH DW WKH $NDVKL :RUNV D EXV WRXU RI WKH IDFLOLW\
WKH FDIHWHULD 7KHVH DFWLYLWLHV DOORZ YLVLWRUV WR J
RSHUDWLRQV



:LQQHU RI WKH n (GXFDWLRQ
*UDQG 3UL[|

.DZDVDNL *RRG 7LPHV :RUOG

,Q 0D\ ZH RSHQHG .DZDVDNL *RRG 7LPHV :RUOG RXU FRL
RI WKLV PXVHXP LV WR DOORZ DV PDQ\ SHRSOH DV SRVVLEOH
WHFKQRORJ\ DQG WKH LPSRUWDQFH RI FUDIWVPDQVKLS :H D
WR GHHSHQ FRPPXQLFDWLRQ ZLWK PHPEHUV RI WKH FRPPXQI
RYHU \HDUV DQG DFFXUDWHO\ VKRZLQJ FKDQJHV WKURXJK
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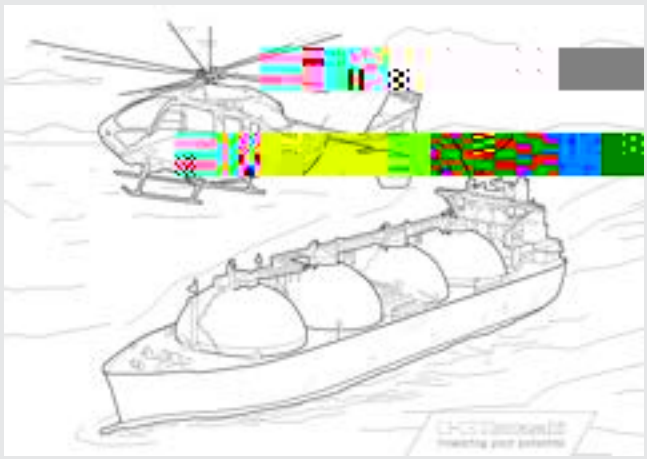
GHYHORSPHQW RI VRFLHW\ ZLWK RXU OHDGLQJ HGJH WHFKQF



.DZDVDNL 5RERVWDJH

,Q ZH RSHQHG WKH URERW VKRZURRP .DZDVDNL 5RERVWI YLVLWRUV FDQ ZDWFK WRXFK DQG H[SHULHQFH WKH .DZDVDI WHFKQRORJLHV DQG NQRZOHGJHV

6HWWLQJ D PDLQ FRQFHSW RI KXPDQ URERW FRH[LVWHQFH D FRQWLQXHV WR GLVSOD\ WKH ODWHVW URERWV

ESG-related information

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259 | ISO Certi cation Status
263 | Evaluation by Society
269 | Participation in International Initiatives
272 | GRI Standards Index

	,WHP	8QLW						
,1387	1RQ FRQVROLGDWHG EDVLV LQFOXGLQJ .5&							
	7RWDO HQHUJ\ KHDW FRQYHUVLRQ 7							

(QYLURQPHQWDO 'DWD E\ %XVLQHVV 6LWH

)LVFDO

6RFLHW\

)LVFDO <HDUV HQGHG

	,WHP						
3HUVRQQHO 'LYHUVLW\	&RQVROLGDWHG EDVLV						
	7RWDO QXPEHU RI HPSOR\HHV						
	7RWDO QXPEHU RI HPSOR\HHV RI JURXS FRPSDQLHV LQ -DSDQ						

	,WHP						
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,62 &HUWLrFDWLRQ 6WDW

&HUWLrFDWLRQ 6WDWXV RI 4XDOLW\ 0DQDJHP FRQVROLGDWHG EDVLV DLQQG F0X&GLQJ .5&

%XVLQHVV VHJPHQW		'DWH RI $FTXLVLWLRQ	5HIHUHQFH	&HUWLILFDW %RGLHV
$HURVSDFH 6\VWHPV &RPSDQ\	$HURVSDFH %XVLQHVV 'LYLVLRQ	6HS	-,6 4	%6.
	$HUR (QJLQH %XVLQHVV 'LYLVLRQ	HF	-,6 4	%6.
.DZDVDNL 5DLOFDU1Q				

(QYLURQPHQWDO 0DQDJHPHQW 6\VWHPVR2YHU &RPSDQLHV S

2YHUVLJKW RUJDQL]DWLRQ&RPSDQ\		/RFDWLRQ	(06 OHYHO	'DWH RI $FTXLVLWLR
(QHUJ\ 6RXWLRQ 0DULQH (QJLQHHULQJ &RPSDQ\ 0DULQH 0DFKLQHU\ %XVLQHVV 'LYLVLRQ	:XKDQ .DZDVDNL 0DULQH 0DFKLQHU\ &R /WG	&KLQD 35&		-XQ
3UHFLVLRQ 0DFKLQHU\ 5RERW &RPSDQ\ 0DFKLQHU\ %XVLQHVV 'LYLVLRQ	.DZDVDNL 3UHFLVLRQ 0DFKLQHU\ 6X]KRX /WG	&KLQD 35&		-DQ
	.DZDVDNL 3UHFLVLRQ 0DFKLQHU\ 8. /WG	8.		1RY
	DZDVDNL &KXQKXL 3UHFLVLRQ 0DFKLQHU\ =KHMLDQJ /WG	&KLQD 35&		1RY
	:LSUR .DZDVDNL 3UHFLVLRQ 0DFKLQHU\ 3ULYDWH OLPLWHG	QGLD		'HF
	)OXWHN /WG	6RXWK .RUHD		1RY
.DZDVDNL 5DLOFDU 0DQXIDFWXULQJ &R /WG	DZDVDNL 5DLO &DU ,QF 8 6 $			-XO
.DZDVDNL 0RWRUV /WG	37 .DZDVDNL 0RWRU ,QGRQHVLD	,QGRQHVLD		-DQ
	.DZDVDNL &RPSRQDQWV GD $PD]RQLD /WGD	%UD]LO		-XQ
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	DZDVDNL 0RWRUV 3KLOV &RUSRUDWLRQ	3KLOLSSLQHV		-DQ
	.DZDVDNL 0RWRUV 0DQXIDFWXULQJ &RUS 8 6 $	8 6 $		1RY
	.DZDVDNL 0RWRUV (QWHUSULVH 7KDLODQG &R /WG	7KDLODQG		'HF

/HYHO ,62 UHJLVWUDWLRQ /HYHO 6LPSOLILHG (06 FHUWLILFDWLRQ /HYHC

(YDOXDWLRQ E\ 6RFLHW\

.DZDVDNL YLJRURXVO\ HPEUDFHV DFWLYLWLHV IRU VXVWDLQI
ZLGHO\ UHFRJQL]HG DQG ZH KDYH EHHQ HYDOXDWHG E\ YDU
EHORZ $V RI 'HFHPEHU

(6* ,QGLFHV

'RZ -RQHV 6XVWDLQDELOLW\ $VLD 3DFLrF ,QGI

-RLQWO\ FRPSLOHG E\ 6 3 'RZ -RQHV ,QGLFHV DQG 5REHFR6$(
ZKLFK DVVHVVHV DQG VHOHFWV OHDGLQJ VXVWDLQDELOLW\ (
HQYLURQPHQWDO DQG VRFLDO FULWHULD DQG VHUYHV DV F
LQYHVWRUV ZKR WDNH WKH FRUSRUDWH VRFLDO UHVSRQVLEI
LQWR FRQVLGHUDWLRQ
7KH '-6, $VLD 3DFLILF KDV VSHFLILFDOO\ GHVLJQHG IRU FRPS
PDUNHWV

)76(*RRG ,QGH[6HULHV

&UHDWHG E\ WKH JOREDO LQGH[SURYLGHU)76(5XVVHOO WK
,QWHUQDWLRQDO /LPLWHG DQG)UDQN 5XVVHOO &RPSDQ\ W
GHVLJQHG WR PHDVXUH WKH SHUIRUPDQFH RI FRPSDQLHV GH
6RFLDO DQG *RYHUQDQFH (6* SUDFWLFHV 7KH)76(*RRG LQ
YDULHW\ RI PDUNHW SDUWLFLSDQWV WR FUHDWH DQG DVVHV
RWKHU SURGXFWV

)76(%ORVVRP -DSDQ ,QGH[

7KH)76(%ORVVRP -DSDQ ,QGH[LV GHVLJQHG WR PHDVXUH W
FRPSDQLHV WKDW GHPRQVWUDWH VWURQJ (QYLURQPHQWDO
SUDFWLFHV 7KH LQGH[LV FRQVWUXFWHG VR WKDW LQGXVWU
HTXLW\ PDUNHW DQG XVHV WKH JOREDOO\ HVWDEOLVKHG)76
DUH GUDZQ IURP H[LVWLQJ LQWHUQDWLRQDO VWDQGDUGV LQ
'HYHORSPHQW *RDOV

)76(%ORVVRP -DSDQ 6HFWRU 5HODWLYH ,QGH

7KH)76(%ORVVRP -DSDQ 6HFWRU 5HODWLYH ,QGH[GHYHORS
5XVVHOO LV GHVLJQHG WR PHDVXUH WKH SHUIRUPDQFH RI -
UHODWLYHO\ VWURQJ (QYLURQPHQWDO 6RFLDO *RYHUQDQFH
7KH LQGH[LV GHVLJQHG VR WKDW VHFWRU ZHLJKWV DUH
DGGLWLRQ WKLV LQGH[VXSSRUWV WKH WUDQVLWLRQ WR D
FRPSDQLHV ZLWK SDUWLFXODUO\ KLJK *+* HPLVVLRQV DW
DFKLHYHG D UHGXFWLRQ LQ *+* HPLVVLRQV EDVHG RQ WKH 7
)76(%ORVVRP -DSDQ 6HFWRU 5HODWLYH ,QGH[LV XVHG E\ -D
,QYHVWPHQW)XQG *3,) DV D EHQFKPDUN IRU SDVVLYH (6* L

06&, -DSDQ (PSRZHULQJ :RPHQ :,1 6HOHFW ,(

7KH 06&, -DSDQ (PSRZHULQJ :RPHQ :,1 6HOHFW ,QGH[ZKLFI
HQYLURQPHQWDO VRFLDO DQG JRYHUQDQFH (6* LQGH[HV D
RI FRPSDQLHV WKDW DUH OHDGLQJ ZLWKLQ WKHLU *,&6Š VHF
PDLQWDLQLQJ JHQGHU GLYHUVLW\ ZKLOH DOVR PHHWLQJ FH

7+(,1&/86,21 2) .DZDVDNL +HDY\ ,QGXVWULHV /WG ,1 $1< 06&, ,1'(; $1' 7+(
75$'(0$5.6 6(59,&(0$5.6 25 ,1'(; 1$0(6 +(5(,1 '2 127 &2167,787($ 63216256+,3
(1'256(0(17 25 352027,21 2) .DZDVDNL +HDY\ ,QGXVWULHV /WG %< 06&, 25 $1
06&, ,1'(;(6 $5(7+((;&/86,9(3523(57< 2) 06&, 06&, $1' 7+(06&, ,1'(; 1$0(6 $1'
75$'(0$5.6 25 6(59,&(0$5.6 2) 06&, 25 ,76 $)),/,$7(6

6 3 -3; &DUERQ (îFLHQW ,QGH[

7KH 6 3 -3; &DUERQ (IILFLHQW LV GHVLJQHG WR PHDVXUH WK
WKH 7RN\R 6WRFN 3ULFH ,QGH[723,; WKH ³XQGHUO\LQJ LQ
XQGHUZHLJKWLQJ WKRVH FRPSDQLHV WKDW KDYH ORZHU RU
XQLW RI UHYHQXH

6RPSR 6XVWDLQDELOLW\ ,QGH[

7KH 6RPSR 6XVWDLQDELOLW\ ,QGH[LV DQ LQYHVWPHQW LQGH
UHODWHG FRUSRUDWH UHVHDUFK FRQGXFWHG E\ 62032 5LVN
DQG JRYHUQDQFH * UHODWHG FRUSRUDWH UHVHDUFK FRQG
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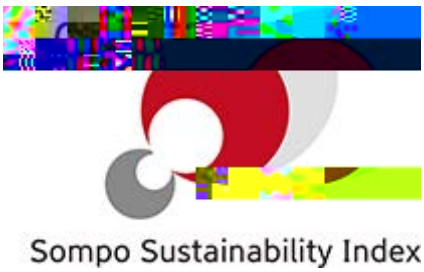

(&3, :RUOG (6* (TXLW\ ,QGH[
(&3, *OREDO 'HYHORSHG (6* %HVW LQ &ODVV ,

7KH $FW RQ 3URPRWLQJ 3DUWLFLSDWLRQ DQG WKH :RUNSODFH

,Q 0D\ .DZDVDNL UHFHLYHG ³(UXERVKL *UDGH ´ FHUWLI FRPSDQ\ IRU SURPRWLQJ ZRPHQ¶V SDUWLFLSDWLRQ LQ WKH EDVHG RQ WKH $FW RQ 3URPRWLRQ RI :RPHQ¶V 3DUWLFLSDW :RUNSODFH ZKLFK ZHQW LQWR IXOO HIIHFW RQ $SULO VXEPLW JHQHUDO HPSOR\HU DFWLRQ SODQV XQGHU WKH $FW PHHW FHUWDLQ VWDQGDUGV DQG SURYLGH H[FHOOHQW FRQG DFWLYH LQ WKH ZRUNSODFH DUH HOLJLEOH IRU FHUWLILFDW :HOIDUH XQGHU WKH (UXERVKL V\VWHP .DZDVDNL LV WKH ILU DFTXLUH FHUWLILFDWLRQ

7KH $FW RQ $GYDQFHPHQW RI 0HDVXUHV WR 6 *HQHUDWLRQ &KLOGUHQ

:H KDYH D QXPEHU RI V\VWHPV WR VXSSRUW UDLVLQJ WKH QH RUGHU WR HQDEOH RXU HPSOR\HHV WR FRQWLQXH ZRUNLQJ I FKLOGFDUH DQG QXUVLQJ FDUH 7KH +\RJR /DERXU %XUHDX F VXSSRUWLQJ FKLOGFDUH DQG DZDUGHG XV WKH ³.XUXPLQ 0D FHUWLILFDWLRQ ORJR SUHVHQWHG E\ WKH 0LQLVWU\ RI +HDO WKDW KDYH DFKLHYHG WDUJHWV VWDWHG LQ WKH EXVLQHVV FRPSDQ\ LQ DFFRUGDQFH ZLWK WKH $FW RQ $GYDQFHPHQW R 1H[W *HQHUDWLRQ &KLOGUHQ DQG KDYH PHW FHUWDLQ FULW FRPSDQLHV DUH FKLOGFDUH VXSSRUWLYH HPSOR\HUV

,Q .DZDVDNL .DZDVDNL 5DLOFDU 0DQXIDFWXULQJ &R /W
UHFHLYHG WKH WRS UDWLQJ RI ³JROG´ RQ ³35,'(,QGH[´ D SH
-DSDQHVH YROXQWDU\ RUJDQL]DWLRQ ³ZRUN ZLWK 3ULGH´ Z
UHODWHG WR VH[XDO PLQRULW\ VXFK DV /*%7 ,Q 3ULGH ,QGH
ZRUNSODFH ZKHUH /*%7 LQGLYLGXDOV DUH DEOH WR ZRUN DI
IURP YLHZSRLQWV 3ROLF\ 5HSUHVHQWDWLRQ ,QVSLUDWLF
(PSRZHUPHQW

3DUWLFLSDWLRQ LQ ,QWH

8QLWHG 1DWLRQV *OREDO &RPSD

.DZDVDNL VLJQHG WKH 8QLWHG 1DWLRQV *OREDO &RPSDFW

R7KH 7HQ 3ULQFLSOHV RI WKH 8QLWHGS1DWLRQV *OREDO &RF

+XPDQ 5LJKWV	3ULQFLSOH	%XVLQHVVHV VKRXOG VXSSRUW DQG RI LQWHUQDWLRQDOO\ SURFODLPHG
	3ULQFLSOH	PDNH VXUH WKDW WKH\ DUH QRW FRF DEXVHV
/DERXU	3ULQFLSOH	%XVLQHVVHV VKRXOG XSKROG WKH I DQG WKH HIIHFWLYH UHFRJQLWLRQ R EDUJDLQLQJ
	3ULQFLSOH	WKH HOLPLQDWLRQ RI DOO IRUPV RI ODERXU
	3ULQFLSOH	WKH HIIHFWLYH DEROLWLRQ RI FKLO
	3ULQFLSOH	WKH HOLPLQDWLRQ RI GLVFULPLQDW HPSOR\PHQW DQG RFFXSDWLRQ
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	3ULQFLSOH	XQGHUWDNH LQLWLDWLYHV WR SURP HQYLURQPHQWDO UHVSRQVLELOLW\
	3ULQFLSOH	HQFRXUDJH WKH GHYHORSPHQW DQG HQYLURQPHQWDOO\ IULHQGO\ WHFKQ
$QWL &RUUXSWLRQ	3ULQFLSOH	%XVLQHVVHV VKRXOG ZRUN DJDLQVW IRUPV LQFOXGLQJ H[WRUWLRQ DQG

- 8QLWHG 1DWLRQV *OREDO &RPSDFW
- .DZDVDNL V &R3 RQ WKH 8 *& :HEVLWH

7&)' 7DVN)RUFH RQ &OLPDWH UI 'LVFORVXUHV

.DZDVDNL VLJQHG WKH VWDWHPHQW RI VXSSRUW IRU WKH 7&

*HQHUDO 'LVFORVXUHV	5HIHUHQFH
5HPXQHUDWLRQ SROLFLHV	&RUSRUDWH *RYHUQDQFH
3URFHVV IRU GHWHUPLQLQJ UHPXQHUDWLRQ	&RUSRUDWH *RYHUQDQFH
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$QQXDO WRWDO FRPSHQVDWLRQ UDWLR	
3HUFHQWDJH LQFUHDVH LQ DQQXDO WRWDO FRPSHQVDWLRQ UDWLR	
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/LVW RI VWDNHKROGHU JURXSV	6WDNHKROGHU (QJDJHPHQW
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$SSURDFK WR VWDNHKROGHU HQJDJHPHQW	6WDNHKROGHU (QJDJHPHQW
.H\ WRSLFV DQG FRQFHUQV UDLVHG	6WDNHKROGHU (QJDJHPHQW 0DWHULDOLW\
5HSRUWLQJ 3UDFWLFH	
(QWLWLHV LQFOXGHG LQ WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV	&RQVROLGDWHG 6XEVLGLDULHV DQG .DZDVDNL 5HSRUW (GLWRULDO 3ROLF\ (QYLURQPHQWDO 0DQDJHPHQW 3URPRWLRQ 6
'HILQLQJ UHSRUW FRQWHQW DQG WRSLF ERXQGDULHV	.DZDVDNL 5HSRUW (GLWRULDO 3ROLF\
/LVW RI PDWHULDO WRSLFV	0DWHULDOLW\
5HVWDWHPHQWV RI LQIRUPDWLRQ	
&KDQJHV LQ UHSRUWLQJ	
5HSRUWLQJ SHULRG	.DZDVDNL 5HSRUW (GLWRULDO 3ROLF\ $SSURDFK WR ,QIRUPDWLRQ 'LVFORVXUH
'DWH RI PRVW UHFHQW UHSRUW	.DZDVDNL 5HSRUW (GLWRULDO 3ROLF\
5HSRUWLQJ F\FOH	.DZDVDNL 5HSRUW (GLWRULDO 3ROLF\ $SSURDFK WR ,QIRUPDWLRQ 'LVFORVXUH
&RQWDFW SRLQW IRU TXHVWLRQV UHJDUGLQJ WKH UHSRUW	&RUSRUDWH *RYHUQDQFH
&ODLPV RI UHSRUWLQJ LQ DFFRUGDQFH ZLWK WKH *5, 6WDQGDUGV	
*5, FRQWHQW LQGH[	*5, 6WDQGDUGV ,QGH[
([WHUQDO DVVXUDQFH	)< 7KLUG 3DUW\ 9HULILFDWLRQ RI *UHHQKI
0DQDJHPHQW $SSURDFK	5HIHUHQFH
([SODQDWLRQ RI WKH PDWHULDO WRSLFV DQG %RXQGDU\	&RUSRUDWH *RYHUQDQFH
7KH PDQDJHPHQW DSSURDFK DQG LWV FRPSRQHQWV	0DWHULDOLW\ 6XVWDLQDELOLW\ )UDPHZRUN &RUSRUDWH *RYHUQDQFH &RPSOLDQFH DQG $QWL FRUUXSWLRQ 0HDVXU 5LVN 0DQDJHPHQW 5HVHDUFK DQG 'HYHORSPHQW :RUNLQJ ZLWK 6XSSOLHUV 3URGXFW /LDELOLW\ 6DIHW\ +XPDQ 5HVRXUFH 0DQDJHPHQW 'LYHUVLW\ +XPDQ 5HVRXUFH 'HYHORSPHQW 2FFXSDWLRQDO 6DIHW\ +\JLHQH DQG +HDOW %XVLQHVV DQG +XPDQ 5LJKWV 6RFLDO &RQWULEXWLRQ $FWLYLWLHV (QYLURQPHQWDO 0DQDJHPHQW 3URPRWLRQ 6
(YDOXDWLRQ RI WKH PDQDJHPHQW DSSURDFK	&RUSRUDWH *RYHUQDQFH 6WDNHKROGHU (QJDJHPHQW

7RSLF VSHFLr

(QYLURQPHQWDO		5HIHUHQFH
	(QHUJ\ FRQVXPSWLRQ RXWVLGH RI WKH RUJDQL]DWLRQ	
	(QHUJ\ LQWHQVLW\	
	5HGXFWLRQ RI HQHUJ\ FRQVXPSWLRQ	(6* 'DWD (QYLURQPHQW
	5HGXFWLRQV LQ HQHUJ\ UHTXLUHPHQWV &2)5((5HDOL]DWLRQ RI D &DUERQ QHXWUDO SURGXFWV DQG VHUYLFHV	
:DWHU DQG (IIOXHQWV		
	,QWHUDFWLRQV ZLWK ZDWHU DV D VKDUHG UHVRXUFH	
	0DQDJHPHQW RI ZDWHU GLVFKDUJH UHODWHG LPSDFWV	
	:DWHU ZLWKGUDZDO	(6* 'DWD (QYLURQPHQW
	:DWHU GLVFKDUJH	(6* 'DWD (QYLURQPHQW
	:DWHU FRQVXPSWLRQ	(6* 'DWD (QYLURQPHQW
%LRGLYHUVLW\		
	2SHUDWLRQDO VLWHV RZQHG OHDVHG PDQDJHG LQ RU DGMDFHQW WR SURWHFWHG DUHDV DQG DUHDV RI KLJK ELRGLYHUVLW\ YDOXH RXWVLGH SURWHFWHG DUHDV	
	6LJQLILFDQW LPSDFWV RI DFWLYLWLHV SURGXFWV DQG VHUYLFHV RQ ELRGLYHUVLW\	
	+DELWDWV SURWHFWHG RU UHVWRUHG	+D RU P) 5((5HDOL]DWLRQ RI D 6RFLHW\ &RH[L\
	,8&1 5HG /LVW VSHFLHV DQG QDWLRQDO FRQVHUYDWLRQ OLVW VSHFLHV ZLWK KDELWDWV LQ DUHDV DIIHFWHG E\ RSHUDWLRQV	
(PLVVLRQV		
	'LUHFW 6FRSH *+* HPLVVLRQ& 2)5((5HDOL]DWLRQ RI D &DUERQ QHXWUDO	
		\WLPpÀP€`p0°`` 0€P@À0 ° 0€&À`)À5((` 5

6RFLDO	5HIHUHQFH
(PSOR\PHQW	
Yp%0Óð °0ÆR þQW	

6RFLDO	5HIHUHQFH
)RUFHG RU &RPSXOVRU\ /DERU	
2SHUDWLRQV DQG VXSSOLHUV DRWUWLLQQLZLWKQWXSSOLHUV IRU LQFLGHQWV RI IRUFHG RU PRPSXOVRU\ QDERUDQG 5LJKWV	
6HFXULW\ 3UDFWLFHV	
6HFXULW\ SHUVRQQHO WUDLQHG LQ KXPDQ ULJKWV SROLFLHV RU SURFHGXUHV	
5LJKWV RI ,QGLJHQRXV 3HRSOHV	
,QFLGHQWV RI YLRODWLRQV LQYROYLQJ ULJKWV RI LQGLJHQRXV SHRSOHV	
+XPDQ 5LJKWV $VVHVVPHQW	
2SHUDWLRQV WKDW KDYH EHHQ%XVLQHVV DQGK+XPDQ 5LJKWV ULJKWV UHYLHZV RU LPSDFW DVVHVVPHQWV	
(PSOR\HH WUDLQLQJ RQ KXPDQ ULJKWV SROLFLHV RU SURFHGXUHV	
6LJQLILFDQW LQYHVWPHQW DJUHHPHQWV DQG FRQWUDFWV WKDW LQFOXGH KXPDQ ULJKWV FODXVHV	