

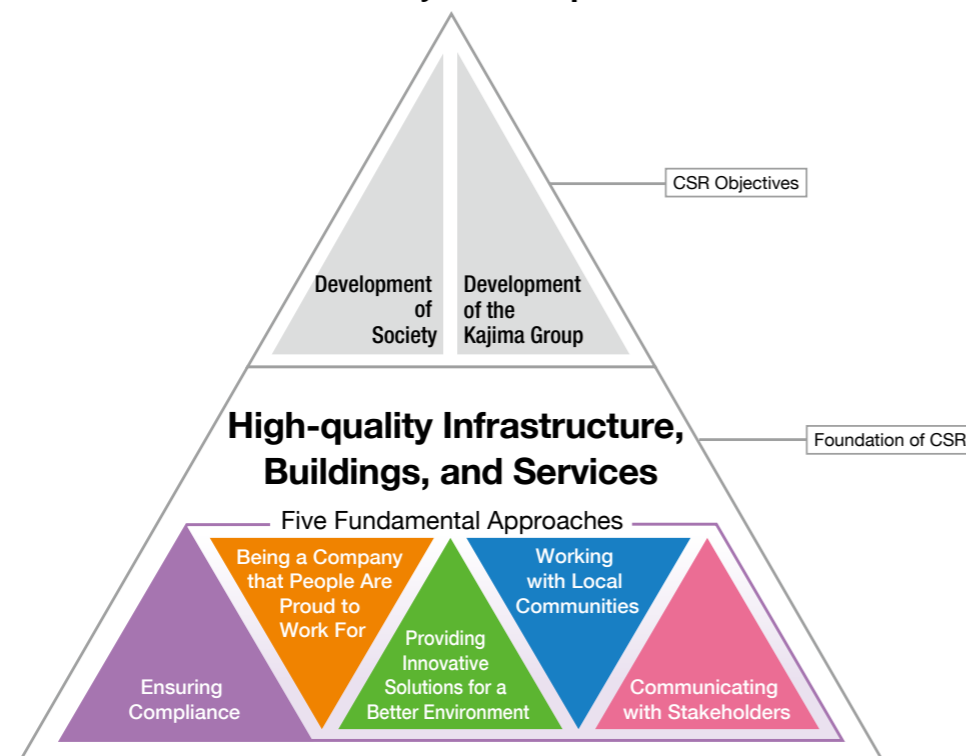
# CSR at Kajima Group

The Kajima Group has adopted the corporate slogan, “Building for the Next 100 Years.” The buildings and other structures Kajima builds will be used by generations to come. That is why Kajima sees its mission as a long-term endeavor—building the next century to create added value for society as a whole. Taking the long view, Kajima earnestly seeks to fulfill its responsibilities and exercise painstaking care, not only throughout the construction process, but also in the ensuing building maintenance and operation.

## Basic CSR Approach of the Kajima Group

Kajima’s Corporate Philosophy is to “contribute to society through the development of the Company’s business operations.” The Company’s CSR framework was adopted on the basis of this philosophy, and it guides the CSR activities of the entire Kajima Group. The Company’s responsibility is to maintain its main business of reliably providing high-quality infrastructure, buildings, and services that meet the needs of customers. The aim is to help create a society that is ever more safe, secure and comfortable. Quality, safety, and the environment are key considerations in this process, and these are addressed by Kajima’s quality assurance, safety and health, and environmental policies.

### CSR Framework at the Kajima Group



## Quality Assurance, Safety and Health, and Environmental Policies

### Basic Policy

Quality assurance, safety and health, and environmental management are fundamental to production and corporate survival. By establishing and continuously improving management systems to comply with relevant laws, ordinances, and other societal requirements, Kajima works to produce efficiently while earning the trust of clients and society.

### Quality Assurance Policy

Kajima provides products and services that satisfy clients, from marketing to follow-up services, allowing them to place orders with a sense of reassurance and trust.

- 1 We ensure product quality by heeding and addressing client requirements and responding while thoroughly implementing the plan-do-check-act cycle.
- 2 We enhance research and development and plan ways to improve quality and increase operational efficiency.

### Safety and Health Policy

Safety is the barometer of a company’s capabilities and ethics. We therefore collaborate with subcontractors with strong management to eliminate construction-related accidents and injuries so we can maintain public trust in the construction industry while pursuing sustainable corporate progress.

- 1 We work to prevent accidents and incidents stemming from human error by focusing on the workplace, equipment, and site conditions and by using point-call-and-response practices as routine workplace procedures.

- 2 We strive to create safe and comfortable working environments by facilitating close communication between Kajima and partner companies and by ensuring close coordination between people, machinery, and equipment.

### Environmental Policy

Kajima “Building for the Next 100 Years,” pursues a unique long-term environmental vision, doing its part in the broader social efforts to preserve the environment and ensure economic sustainability.

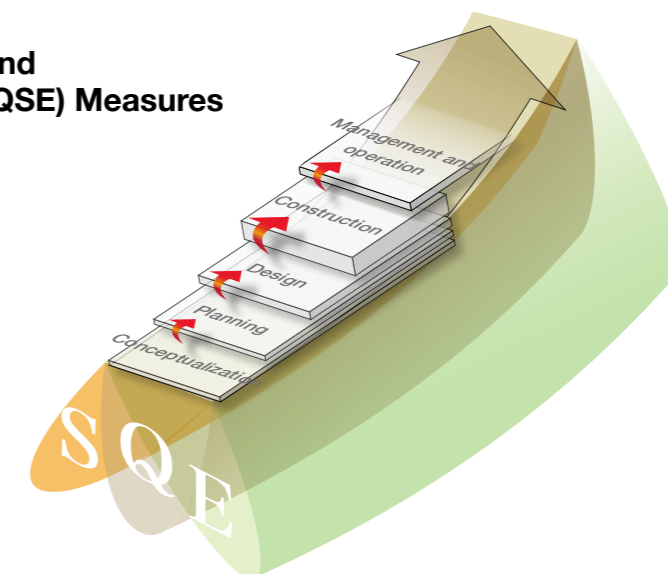
- 1 We work to reduce the environmental impact of our business and take into consideration the entire lifecycle of the structures we construct. We thereby seek to help build societies which use materials responsibly, have a low carbon footprint, and harmonize with nature.
- 2 As a standard for achieving these goals, Kajima:
  - Creates innovative technologies that help safeguard the environmental and use resources sustainably
  - Engages in construction management processes to prevent environmental damage caused by hazardous materials used in construction projects
  - Cooperates with the public, including by proactively disclosing information

## Integrated Management System for Quality Assurance, Safety and Health, and Environment

In April 2003, Kajima integrated several separate policies on quality, safety and health, and the environment. Then, the Company introduced management systems based on the new common policy to its construction business, both in civil engineering and building construction. Since quality, safety,

and the environment are all interconnected, improving one area yields synergies in the others. Kajima incorporates these three perspectives into construction plans and daily operations at each site.

### Quality, Safety and Environmental (QSE) Measures



# Quality

## Building with the Heart and Soul of a Craftsman

Kajima has a long track record of delivering reliable quality. Kajima quality has earned the trust and appreciation of property owners and clients, in turn creating opportunities for new projects. In recent years, however, the Company has been strongly criticized for a number of quality issues. In response, Kajima has re-examined its methods, and launched an all-out effort to ensure total dedication to quality assurance, the foundation of clients' trust. The slogan for this effort is, "Building with the Heart and Soul of a Craftsman."

### Management Systems

Kajima performs quality management in accordance with the ISO 9001 certification obtained by both its civil engineering and building construction businesses. The certification covers quality management at relevant Head Office departments, the Kajima Technical Research Institute, the Architectural Design Division, and branch offices. Group companies outside Japan have also obtained certification when appropriate. The two businesses have both prepared manuals and implementation guidelines under the quality management system.

In each of its civil engineering projects, Kajima makes it a priority to ensure the quality of concrete and eliminate quality issues in piles. Manuals have been prepared to ensure these issues get priority management. While expanding training programs for improving technical capabilities, Kajima is also focusing on research and technology development to further promote quality assurance.

In the building construction business, Kajima operates according to the Guidelines for Managing and Supervising

Construction Work. The aim is to develop dynamic quality management activities and keep improving their effectiveness, while focusing on items that need to be recorded at construction sites as well as inspection methods as part of quality management by the builder. There is a very diverse range of specialized jobs in building construction. Since multiple jobs are being performed at the same time, Kajima executes thorough process management for each job, including the installation of rebar, piles, concrete and waterproofing.

### Effective Systems

In order to ensure quality, it is essential that the awareness of each employee is consistent with that of the Head Office, branch office, and construction site organizations, as well as each committee.

From the time a property owner gives the go-ahead until the start of construction, and during the construction process, the earlier that construction planning can be carried out from the macro to micro levels, the better results can be achieved for quality, cost, delivery time, safety, and the environment (QSDSE). As part of construction planning, specialists in procurement as well as mechanical and electrical engineering provide their input at consultations such as construction preparation committee meetings. The planning framework allows Kajima to utilize the expertise it has gained through numerous projects over the years.

Verification is also provided at the testing facilities of the Kajima Technical Research Institute, using simulations based on the particular conditions at the site concerned. This technical support for its construction sites is part of the comprehensive strength Kajima offers.



The Academia, Singapore General Hospital, for which Kajima was recognized in 2015 by the Singapore's Building and Construction Authority Awards for Construction Excellence, in the Institutional Building Category.

Isawa Dam, for which Kajima received the Technology Award 2014 from the Japan Society of Dam Engineers, along with recognition of the Regulating Reservoir Project for the Kyogoku Hydroelectric Power Station.

Kyoto Yaoichi Honkan, for which Kajima was honored at the 55th BCS Awards by the Japan Building Contractors Society.



# Safety

## Think Safety! Make Today Accident Free!

Kajima has a responsibility to ensure onsite safety and health management for everyone at its construction sites. As the prime contractor, Kajima must perform planning and risk management so that the employees and workers of subcontractor companies present on each Kajima site are able to work efficiently in a safe environment.

At construction sites in Japan in fiscal 2014, Kajima experienced 102 accidents resulting in four or more lost workdays, including 2 fatal accidents. The frequency rate of industrial injuries resulting in four or more lost workdays was 0.93, and the rate for injuries resulting in one to three lost workdays was 1.99. The severity rate of industrial injuries was 0.16. Redoubling its efforts under the slogan, "Think Safety! Make Today Accident Free!" Kajima is working hard to ensure that everyone on site puts safety first.

### Changes in Safety Results

	2010	2011	2012	2013	2014
Accident frequency rate (at least 4 days off work)	0.66	0.82	0.76	0.77	0.93
Accident frequency rate (at least 1 day off work)	—	—	1.73	1.67	1.99
Accident severity rate	0.02	0.58	0.40	0.10	0.16
No. of accidents	64	89	85	80	102
No. of fatalities	0	8	5	1	2
Cumulative working hours (millions of hours)	97.07	108.19	112.16	104.51	109.32

Frequency rate: The number of fatalities and injuries at worksites per one million cumulative working hours  
Severity rate: The severity of illnesses and injuries represented by the number of workdays lost over one thousand cumulative working hours



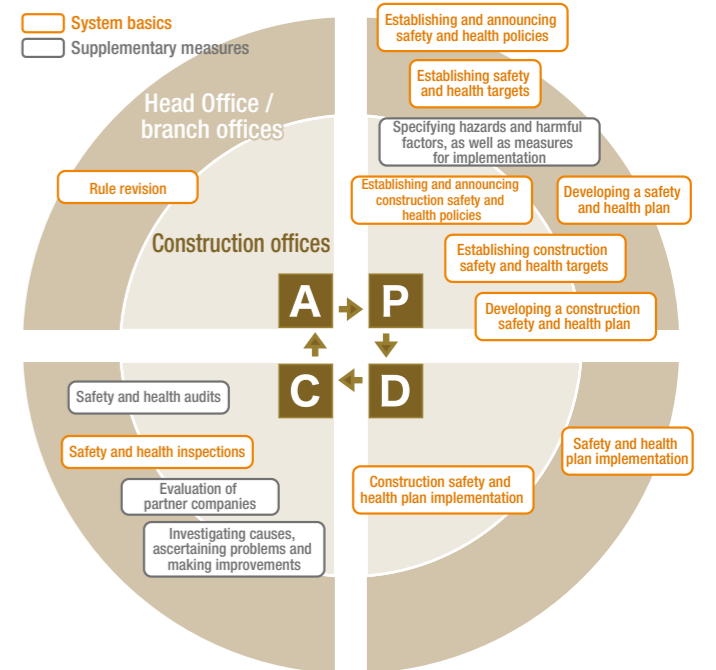
Kajima is recognized with three excellence and two encouragement awards from the Minister for Health, Labour and Welfare for excellent workplaces, organizations and persons with a very high level of occupational safety and health performance.

### Management System

Kajima performs safety and health management in accordance with the Construction Occupational Health and Safety Management System (COHSMS) established by the Japan Construction Occupational Safety and Health Association.

Kajima reviews its safety and health policies as needed based on the current situation and the previous year's results. It then develops company-wide safety and health targets and plans for the coming fiscal year. This plan-do-check-act (PDCA) cycle is used to identify priority measures for implementation at each construction office, at supporting branch offices and Head Office, and at partner companies. With this foundation, each Kajima construction site sets safety and health policies, targets and plans, which are implemented with partner companies during construction. Moreover, regular safety patrols are carried out at construction sites in order to constantly improve the safety and health level.

### PDCA Cycle Chart for Ensuring Compliance

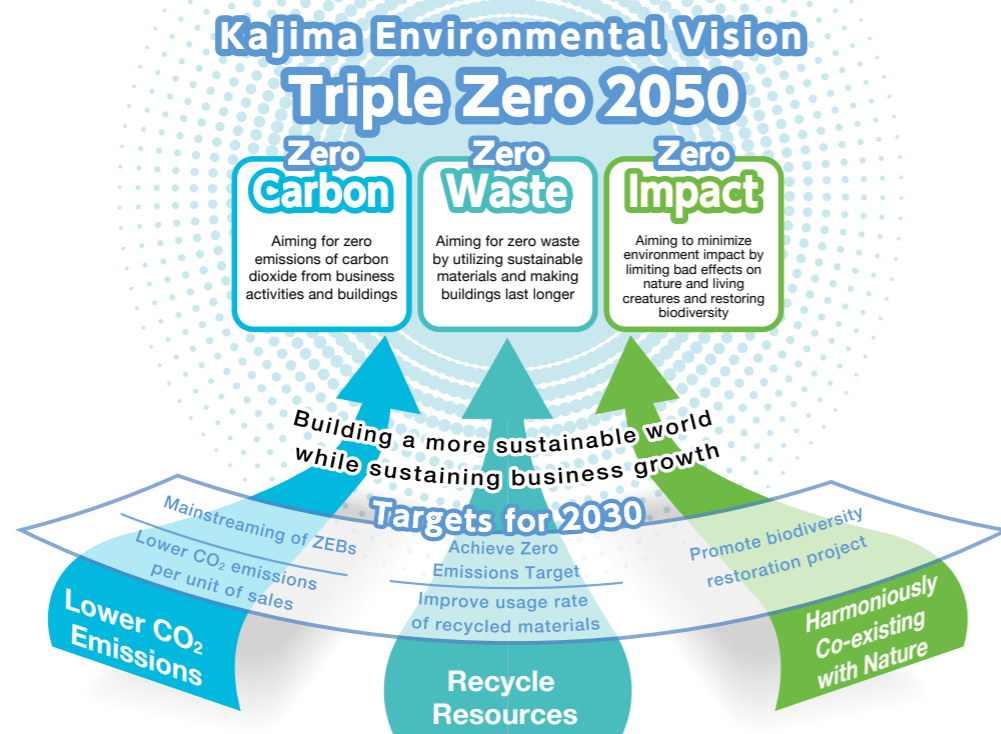


President Yoshikazu Oshimi makes a safety patrol.

# Environment

The construction industry has a substantial impact on the future by creating social infrastructure. As the company that is "Building for the Next 100 Years," Kajima is reducing the environmental impact of its business activities. At the same time, it is creating social infrastructure that harmonizes with the natural environment as a leader in building a more sustainable world.

The Kajima Environmental Vision, "Triple Zero 2050," plots out the Company's approach to sustainability through 2050. The Kajima Group is pursuing this vision with its sights set on extending the reach of its environmentally friendly business activities upstream and downstream in the supply chain.



	Social goals	Triple Zero 2050	Targets for 2030	Common Foundation Initiative Areas
Building a More Sustainable World	<b>Lower CO<sub>2</sub> Emissions</b> Balancing greenhouse gas emissions from human activities with the Earth's capacity for CO <sub>2</sub> absorption	<b>Zero Carbon</b> Aiming for zero emissions of CO <sub>2</sub> and other greenhouse gases, not only from the Company's business activities, but also from the buildings it constructs	<b>Design Operations</b> Realize zero-energy buildings (ZEBs) by 2020, standardize ZEB techniques by 2025, and promote the mainstreaming of these buildings by 2030. <b>Construction Operations</b> Lower CO <sub>2</sub> emissions per unit of sales to 35% <sup>1</sup> of 1990 level	<ul style="list-style-type: none"> <li>Management of hazardous substances</li> <li>Ensure preventative measures (especially for soil contamination and asbestos) and proper management of chemical substances</li> <li>Perform research and technology development</li> <li>Actively distribute information in and outside the Company</li> </ul>
	<b>Recycle Resources</b> Pursuing zero emissions by employing state-of-the-art infrastructure maintained and operated using sustainable resources	<b>Zero Waste</b> Aiming to eliminate waste from construction operations by ensuring zero landfill disposal of waste during construction, utilizing sustainable materials, and making buildings last longer	<ul style="list-style-type: none"> <li>Completely eliminate final landfill waste disposed from construction operations</li> <li>Achieve a usage rate of recycled materials of at least 60% for principal construction materials.<sup>2</sup></li> </ul>	
	<b>Harmoniously Co-existing with Nature</b> Valuing the continuous benefits of ecosystem services by minimizing the impact of human activities on the environment and living creatures	<b>Zero Impact</b> Aiming to minimize the overall environmental impact of construction operations by limiting their effect on nature and living creatures while promoting the restoration of biodiversity and new ways to make use of its benefits	<ul style="list-style-type: none"> <li>Promote biodiversity restoration projects</li> <li>Build up effective projects and make them hubs for biodiversity-related networking</li> </ul>	

1. Equivalent to a 65% reduction of total emissions.  
 2. Principal construction materials are steel, cement, concrete, crushed stone, and asphalt.

## Building a More Sustainable World while Sustaining Business Growth

The Kajima Environmental Vision, "Triple Zero 2050," was established in 2013. It aims for both environmental and business sustainability, focusing on three essential activities: reducing carbon emissions, recycling resources, and harmoniously co-existing with nature. This means targeting zero carbon emissions, waste, and environmental impact from operations. The vision seeks not only to minimize risk for the Company by reducing its environmental impact, but also to create new business opportunities as the Company proposes new environmental technologies to clients and the broader society. It identifies the core activities needed and includes interim quantitative targets for 2030 for each design and construction stage.

While pursuing Triple Zero 2050, Kajima will pursue in-depth cooperation with society. The Company's "common foundation initiative areas" include management of hazardous substances, research and technology development, and dissemination of information in and outside the Company.

### ■ Reducing Society's Carbon Footprint

Kajima aims to reduce CO<sub>2</sub> emissions in each stage of construction on site by reducing fuel consumption and eliminating wasted materials and work. The Company's *Genba de Eco* ("On-Site Eco") intranet site enables site managers to select from a menu of CO<sub>2</sub> emissions reduction measures by construction project size to formulate an emissions reduction plan.

Recognizing that most CO<sub>2</sub> emissions come from the stage of building use, Kajima creates outstanding environmental and energy-saving designs for the buildings it constructs.

The Company is developing technologies and conducting demonstrations using its facilities to promote ZEBs.

### ■ Promoting Resource Recycling

Kajima utilizes recycling programs that allow manufacturers recognized by Japan's Minister of the Environment to collect their own used products, such as building material waste and scrap, and to recycle or properly dispose of them. For example, sheetrock scraps are collected and separated into paper and gypsum powder at the manufacturer's plant. The paper can be recycled into cardboard and the powder can be used to make new sheetrock. This type of horizontal recycling makes the substances in waste useful again as new products, and is a key initiative in resource recycling.

Kajima has also been contributing to resource recycling by developing new materials. This includes CO<sub>2</sub>-SUICOM<sup>®</sup>, an environmentally friendly concrete that brings CO<sub>2</sub> emissions to zero or less during manufacturing, and KKC Environmentally Friendly Concrete for CFT Structures, which reduces CO<sub>2</sub> emissions by 40% compared to regular concrete.

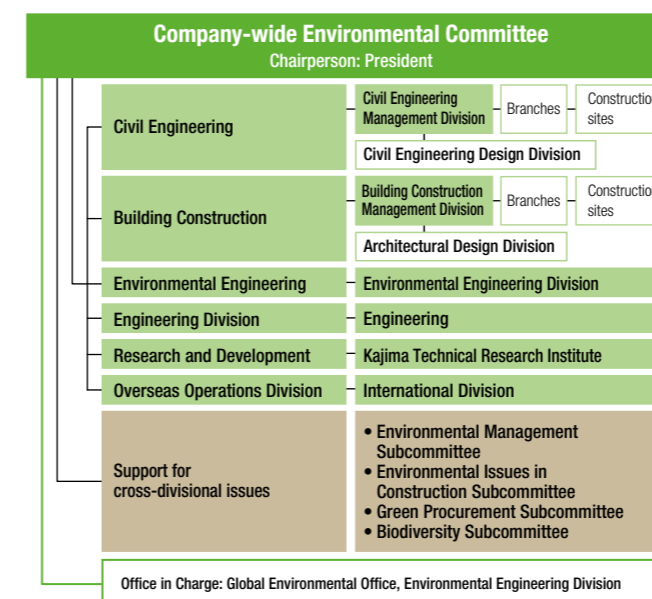
### ■ Helping Society Co-exist Harmoniously with Nature

At construction sites, Kajima is working to minimize its impact on the surrounding environment in terms of noise and vibration. It also takes great care from the project planning stage to preserve biodiversity and protect rare species.

Through its business activities, Kajima strives to provide green infrastructure by pursuing land use and facility development that makes the most of the power of nature. Kajima Biophilic Cities, a leading initiative in this area, are designed to foster healthy urban ecosystems.

## Environmental Management System

### Environmental Management System (EMS) Structure



Kajima's environmental management system is ISO 14001-compliant. As shown in the chart, the Company-wide Environmental Committee oversees the implementation of the system across six businesses, with support by four subcommittees for cross-divisional issues. The system is also implemented in 15 group companies in Japan, mainly construction-related companies, and study meetings are held to reinforce the environmental vision.

## FY 2014 Overview and Next Steps

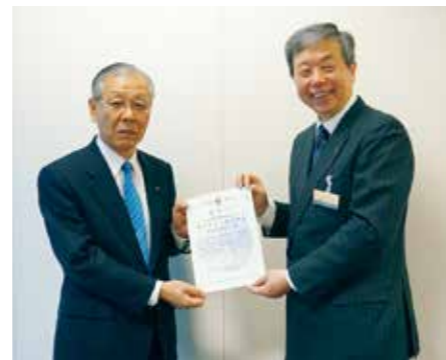
In fiscal 2014, the final year of the medium-term environmental plan, progress was mostly steady. However, with only a 14% reduction in CO<sub>2</sub> emissions during construction, the plan target of reaching an 18% reduction from fiscal 1990 was not achieved. This was primarily due to Japan's currently high CO<sub>2</sub> emissions coefficient per kilowatt hour of electricity. Calculated using the coefficient from before the 2011 disaster, the reduction in construction emissions would have been 19.2%, meeting the target. Also, the CO<sub>2</sub> emissions reduction rate during building operation was only 32% for the plan period, falling just short of the new benchmark under Japan's revised Act on the Rational Use of Energy.

Management of hazardous substances has been identified by Kajima as one of its "common foundation initiative areas." In recent years, however, the Company has had a few issues with inadvertent release of asbestos dust. In response, in fiscal 2014 Kajima completed a major revision of its environmental management manual and preliminary survey manual, including hazardous substance management measures. The new manuals are being put into use in fiscal 2015.

In fiscal 2014, the First Environmental Dream Competition was held within the Kajima Group. Employees were invited to send in their ideas about how to realize the Environmental Vision, "Triple Zero 2050." This encouraged employees to think about Kajima's future environmental contributions and to embrace the vision.

In the new medium-term environmental plan (fiscal 2015 to 2017), Kajima added "reduction of construction sludge and promotion of its effective use" in the resource recycling area. Other than this, the new plan picks up where the prior one left off. During the term of the new plan, the Company is introducing new initiatives in each area, including environmental training programs for younger and mid-level employees in fiscal 2015, in order to better equip them to prevent environmental accidents.

The Kajima Group's medium-term business plan includes the goals of expanding involvement in the upstream supply chain and creating environmental projects. Recognizing the foundational significance of the environment for its business, Kajima will continue to strengthen these initiatives in coming years.



Kajima was honored with the distinguished service award from the World Wildlife Fund (WWF) Japan. Then-Executive Vice President Hiroshi Kaneko (left) receives the award certificate from WWF Japan Secretary General Takashi Tsutsui (right).

### Medium-Term Environmental Plans: Performance for FY2012–2014 and New Targets for FY2015–2017

	Medium-Term Environmental Plan (FY2012–2014)	Results	Evaluation	New Medium-Term Environmental Plan (FY2015–2017)	Points for Improvement
Lower CO <sub>2</sub> Emissions	Design: Reduce CO <sub>2</sub> emissions during building use by 32% compared to the benchmark under the Act on the Rational Use of Energy	Reduced 32% (FY2014) Reduced 37% (FY2012–2014)	△	Design: Reduce CO <sub>2</sub> emissions during building use by 35% compared to the benchmark under the Act on the Rational Use of Energy	Strengthening measures to reach the higher benchmark
	Construction: Reduce CO <sub>2</sub> emissions per unit during construction by 18% compared to the fiscal 1990 level	14.0% (At pre-disaster CO <sub>2</sub> emissions coefficient per kilowatt hour of electricity from early 2011: 19.2%)	△	Construction: Reduce CO <sub>2</sub> emissions per unit from construction by 17% compared to the fiscal 1990 level (using the higher post-disaster emissions coefficient per kilowatt hour of electricity)	Utilizing the list of emission reduction options
Recycle Resources	Zero emission: Final disposal rate of less than 3%	Final disposal rate: 3.4%	△	Recycling: - Final disposal rate of less than 3% - Reduction of construction sludge and promotion of its effective use	Maintaining activity level Adding new items such as risk countermeasures
	Promote green procurement at design stage: Out of 17 standard construction materials/supplies, propose at least 4 to clients in each design	Proposal achievement rate: 85% (average: 4.9 proposed)	○	Promote green procurement at design stage: Out of 17 standard construction materials/supplies, propose at least 4 to clients in each design	Improving materials/supplies for proposal
Harmoniously Co-existing with Nature	Implement outstanding biodiversity projects: 5 or more projects per year	4 projects	△	Implement outstanding biodiversity projects: 6 or more projects per year	Better utilizing biodiversity projects in proposals
	Implement activities for communication, education and public awareness	Yaesu Honey Bee Project, Ikimachi online newsletter, etc.	○	Implement activities for communication, education and public awareness	
Common Foundation Initiative Areas	Implement research and technology development for environmental conservation and sustainable resource use: Deploy 6 or more of these new technologies during 3 years of plan	Development: 14 projects New technologies deployed: 4 cases (FY2014) 19 cases (FY2012–2014)	○	Implement research and technology development for environmental conservation and sustainable resource use: Deploy 6 or more of these technologies during 3 years of plan	
	Manage hazardous substances: Implement preventative measures (especially for soil contamination and asbestos)	2 incidents involving improper demolition of asbestos-containing building materials (building construction)	×	Manage hazardous substances: Implement preventative measures (especially for soil contamination and asbestos)	
	Implement management of chemical substances	Performed risk assessment based on an environmental checklist (design/construction)	○	Implement management of chemical substances	

Evaluation: ○ Achieved, △ Nearly achieved, × Not achieved

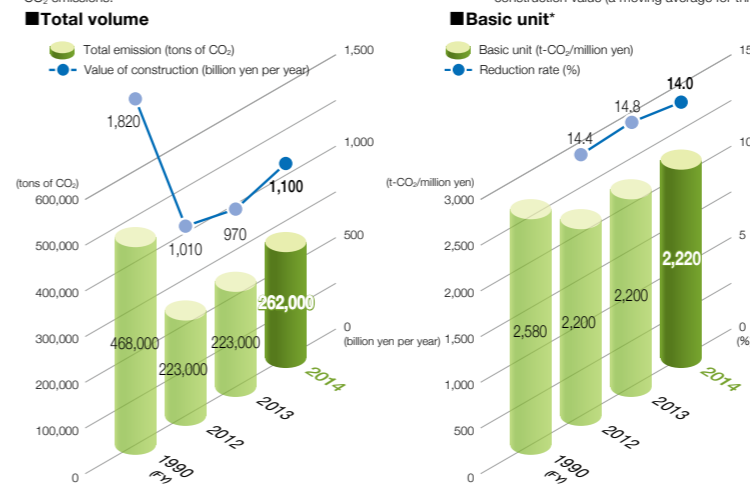
### Material Flow

	INPUT	
Project sites	Diesel oil	74,943 kl
	Kerosene	3,740 kl
	Electricity	112,710,000 kWh
	<b>Construction materials</b>	<b>2,293,000 t</b>
	<b>Water</b>	<b>1,640,000 m<sup>3</sup></b>
Office	<b>Electricity</b>	<b>25,630,000 kWh</b>
	Heavy Oil	30 kl
	Kerosene	15 kl
	Gas	190,000 m <sup>3</sup>
	Water	150,000 m <sup>3</sup>

OUTPUT	
CO <sub>2</sub> emissions (construction)	262,000 t
Construction surplus soil	1,365,000 m <sup>3</sup>
<b>Hazardous materials</b>	
Materials containing asbestos	13,946.3 t
CFCs and halon received	6.8 t
Fluorescent tubes	47.3 t
<b>Construction waste</b>	<b>1,975,000 t</b>
<b>Final disposal volume</b>	<b>139,000 t</b>
<b>CO<sub>2</sub> emissions</b>	
	<b>16,000 t</b>
<b>Volume of waste</b>	
	<b>1.0 t</b>

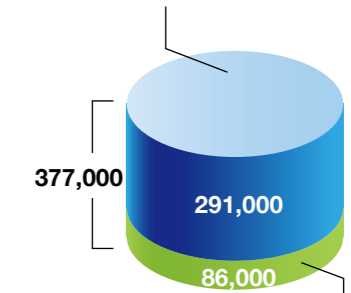
### Changes in CO<sub>2</sub> emissions attributable to construction

In relation to electricity, we adopted the power generation end CO<sub>2</sub> intensity since FY2014. Because of this, we modified the past data of CO<sub>2</sub> emissions.



### Indirect reduction (tons of CO<sub>2</sub>)

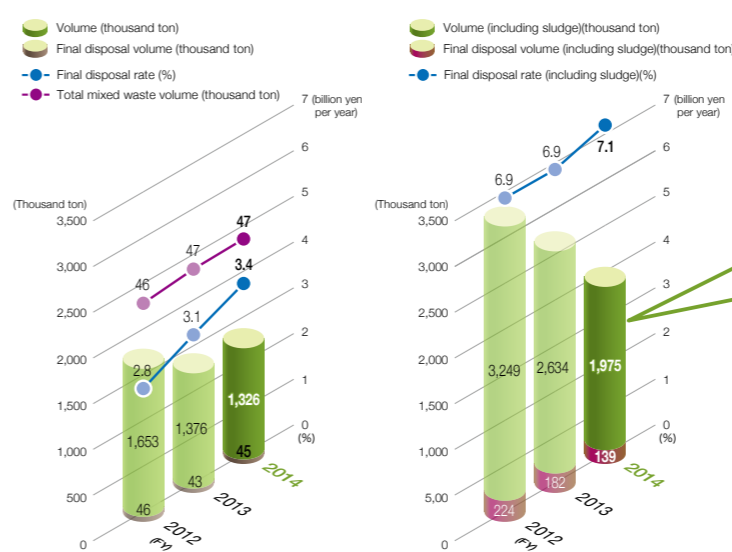
CO<sub>2</sub> emissions reduction attributable to energy-saving design of buildings\*



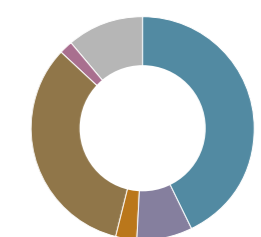
CO<sub>2</sub> emissions reduction attributable to green procurement (blast furnace cement/concrete)

\* It is a cumulative value since fiscal 2003, when Kajima started publicizing this value, as CO<sub>2</sub> emissions attributable to the use of buildings continue to fall every year.

### Volume of construction waste and final disposal volume



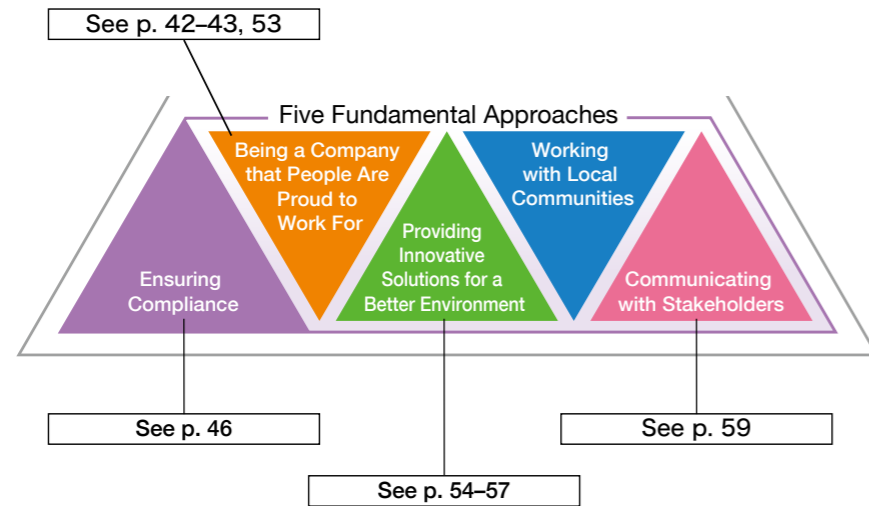
### Emissions by waste category



## Five Fundamental Approaches to Social Responsibility

By prioritizing quality, safety and the environment, Kajima is working to deliver high-quality infrastructure, buildings and services. As part of its business activities, the Company is promoting five important approaches to CSR: ensuring

compliance, being a company that people are proud to work for, providing innovative solutions for a better environment, working with local communities, and communicating with stakeholders.



## Kajima's Stakeholders

Construction companies like Kajima have a broad range of stakeholders—shareholders, investors, clients, land developers, employees, design firms, subcontractors and other companies working at sites, government authorities,

media organizations, industry associations, local communities, and the general public, including the many future users of completed buildings. With such a broad array of interested parties, the construction industry has many missions to fulfill.



## Supporting Academic Research, Culture, and Arts

As a good corporate citizen, Kajima actively supports academic, cultural, and artistic activities. The Company has five non-profit foundations, through which it has promoted academic research and culture for many years.

### The Kajima Foundation

The Kajima Foundation, established in 1976, became a public interest incorporated foundation in October 2011. It assists research projects to promote academic and cultural development in Japan, focusing on the theme of improving the lives of Japanese citizens by developing healthy urban and residential environments and effectively using land and resources. In fiscal 2014, the Foundation provided a total of ¥50 million in grant and other aid to 41 different projects.

### The Kajima Foundation for the Arts

The Kajima Foundation for the Arts, established in 1982, provides support for research in the arts, related publications, international exchange, and projects to foster the dissemination of art, all with the goal of promoting the arts and helping to enrich Japanese culture. In fiscal 2014, ¥42.12 million was allocated to 70 research projects.

### Kajima Institute of International Peace

Established in 1966, the Kajima Institute of International Peace promotes international peace and strives to contribute to Japan's security. It studies and provides funding for research on international peace and security, economic matters, and issues concerning Japan's foreign relations, and then publishes the research findings.

### Atsumi International Scholarship Foundation

Established in 1994, the Atsumi International Foundation provides student scholarships and develops international exchange programs. Since its inception, the scholarship fund has provided assistance to 241 individuals (including 12 in fiscal 2014) from 42 different countries and regions worldwide. As part of its international exchange work, in August 2014 the Foundation brought together 380 researchers at the Second Asian Future Conference in Bali, Indonesia.

### Kajima Ikueikai Foundation

Established in 1956 to provide scholarships and financial assistance to university students in Japan, including students from abroad. In fiscal 2014, it awarded scholarships worth over ¥22.2 million in total to 50 students, including 5 foreign students.

## TOPICS

### Kajima Sculpture Competition Held Every Two Years

The Kajima Sculpture Competition is held every two years, with the sponsorship of the Kajima Foundation for the Arts and the Kajima Foundation. Under the theme of Sculpture, Architecture & Space, this competition for indoor sculpture is being judged by art critic Tadayasu Sakai, sculptors Kiichi Sumikawa and Kan Yasuda, architects Fumihiko Maki and Yoshio Taniguchi, as well as Shoichi Kajima, Director and Senior Advisor, Kajima Corporation. The competition has become a gateway to success for young sculptors, and always attracts a large number of applicants from in and outside Japan. The 2015–2016 competition marks the 14th in the contest's history.



A winning sculpture is displayed in the atrium of the Kajima KI Building.