

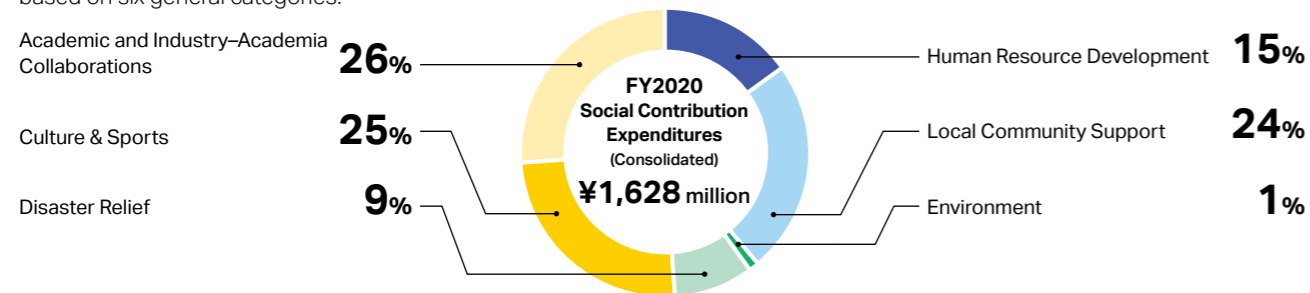
Growing with Society—Social Contribution Activities

Komatsu recognizes that social contributions to the communities in which it conducts its business activities are an important corporate responsibility. Komatsu defines the social contribution activities as activities related to its three CSR themes that are not

directly aimed at generating earnings. Based on this definition, we seek to contribute to society in a manner that leverages the strengths of our core business.

Social Contribution Activities in FY2020

The following chart shows expenditures for social contribution activities by the Komatsu Group, aggregated based on six general categories.



Type of Social Contribution Expenditure

Cash contributions	Employee dispatchment and time contributions	Expense related to providing own facilities for public use	Expense related to events for the community	Total
¥582 million	¥142 million	¥172 million	¥732 million	¥1,628 million

Commencement of Agricultural Support Project Following Demining Project

Since 2008, Komatsu has been engaging in collaborative efforts with the authorized nonprofit organization Japan Mine Action Service (JMAS) to support the demining of anti-personnel landmines in Cambodia and other areas threatened by these weapons and to help rehabilitate former mine field sites through the construction of roads, bridges, elementary schools and other facilities. These activities were expanded in 2016 to support the removal of unexploded ordnance in Laos. In this country, we are supplying Komatsu equipment, free of charge, along with technical guidance to assist in the machine-based removal of unexploded ordnance from cluster bombs. The next step in these activities came in 2020, when we commenced an agricultural support project in Cambodia through which bulldozers, hydraulic excavators, and

other equipment are being deployed to provide agricultural support. Komatsu's ICT-intensive bulldozers use ICT technologies to automatically control blades, making them highly effective at leveling farmland (creating a flat surface with no uneven areas). In FY2020, such equipment was used to level approximately 13 hectares of farmland, earning much praise from farmers for the contributions to increased rice harvests. We intend to expand the scope of this farmland support going forward.

Please refer to the following video for more information on the Demining and Reconstruction Project.

Please refer to the following video for more information on the Demining and Reconstruction Project.
<https://www.youtube.com/watch?v=OTHFyzCQAmo>



Business and Human Rights

1. Human Rights Policies

Komatsu established its Human Rights Policy in September 2019, thereby declaring its commitment to conducting its business in a manner that is compliant with internationally accepted standards pertaining to respect for human rights throughout its global organization. Based on this policy, processes have been established to prevent or mitigate negative impacts on human rights and to allow for corrective measures to be instituted should it be found that the Company was directly or indirectly involved in activities that had a negative impact on human rights.

The Human Rights Policy was incorporated into the Komatsu Code of Worldwide Business Conduct as part of the 2021 revision to disseminate this policy to Group employees around the world.

2. Human Rights Due Diligence

The following human rights due diligence process is implemented on an ongoing basis in order to identify human rights issues in our business activities and to formulate specific plans for addressing these issues.

(1) Human Rights Risk and Impact Assessments

Risk assessments are conducted to identify and assess human rights risks with the potential impact on our business activities. The following assessments have been performed thus far.

2014	With the assistance of external specialist Business for Social Responsibility (BSR), assessments were conducted to evaluate human rights risks pertaining to the construction equipment, mining equipment, and forestry machinery businesses being developed on a global scale.
2017	The aid of BSR was once again enlisted for our second human rights assessment, which was carried out while referencing the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.
2020	With support from external specialist CSR Europe, a systematic human rights risk assessment of our global operations was conducted covering downstream areas of our construction equipment, mining equipment, and forestry machinery businesses (equipment and replacement part sales). Given the characteristics of Komatsu's businesses, relevant issues such as pertaining to discrimination based on ethnicity, race, or national origin; compulsory labor; freedom of association; and fair work conditions were assessed, and potential risks and priorities were identified by business and by region.

(2) Screening

In its global operations, Komatsu has implemented a screening system for checking and restricting transactions with counterparties designated on sanction lists and in other documents. In addition, the Company complies with trade embargoes and other provisions of international regulations. Going forward, we will investigate the possibility of expanding the scope of this screening to include responsible sales approaches and policies.

(3) Application to Employees and Distributors

Komatsu administers e-learning programs to employees to ensure that they are aware of its human rights policies and to raise awareness of its measures for preventing and mitigating negative impacts on human rights. After introducing these programs targeting all employees in Japan and the United States in July 2020, we have been expanding the scope of application with the aim of providing education on a global basis.

The Company does not maintain capital tie-ups with most of the distributors that supply its products and services around the world. However, we do coordinate with these business partners. Specifically, a requirement to pledge to respect human rights in business activities has been included in distributor contracts, and we discuss with distributors the possibility of them conducting voluntary due diligence checks and establishing human rights policies based on the characteristics of their respective regions and businesses.

(4) Deployment Across Supply Chain

Komatsu is promoting awareness regarding its CSR procurement guidelines among suppliers for the purpose of ensuring that they respect human rights. Furthermore, in FY2020 we began issuing self-assessment questionnaires with regard to CSR activities to tier-1 suppliers in Japan and overseas in order to further spread awareness of CSR across our supply chain. The target of the FY2020 questionnaire was the 156 Midori-kai member companies that are major suppliers of Komatsu in Japan. To date, responses have been received from 77 companies.

Please refer to the following website for more information.
<https://komatsu.disclosure.site/en/themes/185>

Topics

Human Rights Initiatives in Myanmar

Myanmar has been judged as a region presenting significant potential risks. Accordingly, since 2019 we have been calling upon external specialist organizations to aid us in practicing due diligence in this region while engaging in discussions for identifying threats and formulating response measures. Based on the results of such discussions, it was decided that we would not sell mining equipment units to jade mines in Myanmar from 2019 onward. In addition, we have halted operations at mining equipment repair subsidiaries in this country, and the process of liquidating these subsidiaries is underway. Going forward, we will continue to coordinate with dealerships and external experts in Myanmar to formulate effective measures for ensuring respect for human rights in our business.

Growing with Society—Social Contribution Activities



Employee-Driven Social Contribution Project One World One Komatsu

Komatsu defines CSR as activities to respond to social needs through its core business and works to achieve sustainable growth together with society by addressing environmental, social, and governance (ESG) issues. The Komatsu Group launched the One World One Komatsu employee-driven social contribution project as the first global initiative in which all Komatsu Group employees around the world can take part in conjunction with its 100th anniversary.

Based on themes pertaining to the environment and sustainability, which are shared global issues that are highly related to our business, the One World One Komatsu project

Four Themes of One World One Komatsu

CO ₂ emissions reduction	Water preservation	Renewable energy	Waste reduction

encourages employees to take close-at-home action in their daily lives, such as cutting back on water use and turning off lights in unoccupied rooms.

Moreover, to promote further action, we have developed an exclusive platform that can consolidate the efforts of employees across the Group. This new platform can be easily accessed by logging in via a computer or smartphone. Furthermore, the platform transcends national and language barriers to connect Komatsu Group employees around the world, to nurture a sense of unity as they work for a common goal, and to promote activities designed for a sustainable planet.

Employee Impact

Total actions completed	100,158
Participating teams	344
(As of August 5, 2021)	



One World One Komatsu Program Uniting Employees in Worldwide Sustainability Effort

First launched as a pilot program in August 2020, the Company's first global CSR initiative, One World One Komatsu, grew rapidly in its first year. Through the One World online platform, Komatsu employees are encouraged to take sustainable actions that, when done collectively, transform into a global movement to support environmental responsibility.

Despite the fact that it was launched during a global pandemic, One World brought employees together, virtually, within the platform. The program's environmentally-focused challenges encourage Komatsu team members to focus on different sustainability priorities over the course of the year to earn points for completing related activities. Employees can share photos and comments about what they learned, encourage one another by commenting on each other's activity and share inspiration for the future through One World's idea boards.

While expanding One World program access to all areas of the Company in 2021, Komatsu's global CSR team leveraged the platform to achieve two other firsts for the Company: Komatsu's first global day of volunteer action for Earth Day and the launch of its first worldwide sustainability competition for employees.

On April 22, 2021, Komatsu employees around the world took part in the Company's 24-hours of Earth Day challenge, completing environmental actions those shown to the right:

Working individually or in small groups, as required by ongoing COVID-19 restrictions at that time, employees recorded their efforts in the One World platform, and submitted photos and videos to be used for global watch parties that highlighted submissions from around the world.



Caley Clinton
Senior Manager, PR CSR and Content
Komatsu Mining Corp. and Komatsu America Corp.

Completed environmental actions of Earth Day challenge

- 1 Planting more than 14,000 trees and native species
- 2 Picking up more than 3,500 bags of trash
- 3 Volunteering more than 15,000 hours collectively

To view videos from Komatsu's global Earth Day celebration : <https://www.youtube.com/watch?v=rrf7QzwtYzQ&list=PLI09JNAS3JIEgHkUWebDvJICWaJaQqm3L>



The results of the global day of action were tallied up and reported out in time for the United Nation's World Environment Day in June, at which point an internal contest for employees was launched. The One World One Komatsu sustainability contest offers employees the opportunity to compete in up to 10 categories for a chance to attend an awards ceremony planned for March 2022 in Japan. Categories include some dedicated to competitions within the One World platform, while others encourage employees to think creatively about sustainability or recognize a colleague for environmental responsibility.

Watch a video of an overview of the Company's CSR initiatives : <https://www.youtube.com/watch?v=ul99s-eO4p4&list=PLI09JNAS3JIGOCKNiCo8St7zLm6DUrcLC&index=6>

