



**Komatsu's Worldwide Code of Business Conduct**

**12th Edition**

## Message From CEO

Komatsu's purpose is "Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together". We achieve this by pursuing quality and reliability and to maximize the total sum of trust from all stakeholders, including society, which is our management principle.

While Komatsu is expected to achieve its own sound and sustainable growth as a global corporation, a growing number of stakeholders also expect Komatsu to give due consideration to the environmental and social impacts of its business activities, products and services, and to make positive contributions to the sustainable development of society. Since Komatsu believes that meeting these expectations is our social responsibility as a good corporate citizen, we established our Sustainability policy to clearly express our stance. We seek to make contributions to the sustainable development of society through our core business activities, and facilitate sustainable growth for Komatsu. Part 1 of "Komatsu's Worldwide Code of Business Conduct" (the "Code") provides principles and standards for responsible business conduct that Komatsu follows to fulfill its social responsibilities.

For Komatsu to continue to earn the trust of society, each and every employee of Komatsu is required to act in good faith, ethically and in compliance with laws, regulations and other rules generally recognized and respected by society (the "Rules"). Part 2 of the Code contains select universally applicable rules which set the code of conduct that must be followed by all employees of Komatsu, including myself.

As mentioned earlier, the Code does not cover all the Rules to be observed. Details or particular applications of the Rules may also vary depending on the country or region. When dealing with specific problems, each and every employee, including the management of each division and company, must work together to resolve the problems, following the principles and standards set forth in the Code and in line with the rules of the actual workplace (Gemba), the real thing (Gembutsu), and the real situation (Genjitsu).

All employees of Komatsu are also expected to make decisions in accordance with the priority order of "Safety (and Health), Law (Compliance), Quality, Delivery, and Cost", and to give the highest priority to Safety, Health and Compliance over all other principles. In addition, the "Five Principles of Compliance" demonstrate basic actions in order to comply with the Rules, and in particular, strictly prohibit covering up or disregarding any wrongdoings or mistakes in violation of the Rules.

All employees of Komatsu should understand the meaning and purpose of social responsibility and compliance described above, act in accordance with Komatsu's Worldwide Code of Business Conduct, and strive to grow further as a company with increasing societal trust.

April 1, 2024



Hiroyuki Ogawa

President and CEO, Komatsu Ltd.

## Sustainability policy

This policy was established to clearly express our earnest stance of responding to climate change and other social issues. It is an essential component of our purpose statement: "Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together."

### **Sustainability policy [Established: April 2022]**

Since Komatsu's founding, we have always pursued "Quality and Reliability", and have made efforts to build strong relationships of trust with our stakeholders based on our "Management Principle" of maximizing the total sum of trust from all stakeholders, including society. Our pursuit of coexistence has been handed down through generations, and our basic stance is to contribute to society through business activities. Our purpose is "Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together". We will continue to address issues that are important to both a sustainable society and our business, grow as a corporate group that can flexibly respond to changes in society and the external environment, further enhance our corporate governance, and contribute to society with our stakeholders.

#### **- What we do to empower a sustainable future where people, businesses, and our planet thrive together -**

##### **◆With people**

- We provide an environment where diverse and global employees can work safely and healthily as one team, with respect for each individual, and with satisfaction and pride.
- We nurture employees who can take on challenges in various jobsites and regions, create new value together with customers, and contribute to the realization of a sustainable society.
- As Komatsu Group, we shall respect human rights related to all of our business activities.

##### **◆With business**

- We contribute to society through our business activities by providing our customers with safe and highly productive products, services and solutions that realize sustainable infrastructure development, resource development and a recycling-oriented society.
- We build relationships with our business partners and local communities that enable mutual trust, fairness, co-existence and co-prosperity.
- We comply with the rules of society, including laws and regulations, and strive to respond sincerely to the requests and expectations of all stakeholders, including society.

### ◆With the planet

- Through all of our business activities, we strive to reduce our environmental impact and preserve the global environment through the use of advanced technologies.
- We strive to increase both global environmental conservation and business growth through manufacturing and technological innovation.
- We pursue collaboration and value creation with our stakeholders towards a sustainable planet and future.

## Five Principles of Compliance

“Five Principles of Compliance” (the “Five Principles”) represent the basic actions of compliance that all Komatsu employees must observe. Komatsu employees must always keep the Five Principles in mind and perform their respective daily jobs accordingly.

### Five Principles of Compliance

<b>Trust</b>		1. To fulfill the trust of society, we must always follow the “Rules.”
<b>Check</b>		2. Check or ask if you are uncertain about the “Rules.” Lack of awareness of the “Rules” is not an excuse for not following them.
<b>Report</b>		3. Never cover up or disregard any wrongdoings or mistakes that violate the “Rules.” Report any issue immediately to the appropriate person(s) or department(s).
<b>Correct</b>		4. Promptly correct any wrongdoings or mistakes and take effective measures to prevent recurrence.
<b>Non-retaliation</b>		5. Never obstruct anyone from reporting or using the Compliance Hotline (whistleblowing); never retaliate against the reporter/whistleblower for reporting a concern in good faith. <i>(Komatsu is committed to ensuring that no unfavorable action will be taken by any Komatsu Group entity against any person for providing such reporting or whistleblowing.)</i>

Every Komatsu employee must follow the above principles and the priorities of SLQDC (Safety, Law, Quality, Delivery, Cost) to earn and maintain trust with each other and society. We should also visit the actual workplace (Gemba), examine the real thing (Gembutsu), and understand the real situation (Genjitsu) to find solutions, and anticipate issues and proactively address compliance and ethics concerns.

Following are explanations of each of the Five Principles:

### **1. To fulfill the trust of society, we must always follow the “Rules”.**

The company and its employees are expected to act faithfully and ethically in compliance with the law and the rules generally recognized and respected in society. Failure to comply with the Rules (\*) will result in a loss of the trust of society.

Instructions from superiors or requests from customers do not constitute any kind of excuse for a violation of the Rules.

(\*) "Komatsu's Code of Conduct" defines the laws, regulations, standards, and social norms that companies and their employees are expected to comply with as "rules of the business community" or "the Rules."

## **2. Check or ask if you are uncertain about the "Rules." Lack of awareness of the "Rules" is not an excuse for not following them.**

There are many Rules that companies and employees must observe. Lack of awareness of the Rules is not an excuse for not following them. To not know the Rules is unacceptable. Accordingly, each employee must strive to be familiar with the Rules related to his/ her work, including any updates.

Especially with laws, regulations, and standards which may have serious adverse impacts if violated, it is imperative to check with internal and/or external experts to properly understand the contents (including any updates) so that such Rules are duly observed.

## **3. Never cover up or disregard any wrongdoings or mistakes that violate the "Rules. " Report any issue immediately to the appropriate person(s) or department(s).**

In many corporate scandals that attract public criticism and are of social concern, it is the "covering up or disregarding" an issue or the lack of corporate governance that is considered problematic, which results in further damage to the reputation of the corporation.

It does require courage to report bad news such as wrongdoings or mistakes. However, the dishonest practice of covering up or disregarding these issues will not fix the problem, which will be discovered sooner or later. Never cover up or disregard any wrongdoings or mistakes.

## **4. Promptly correct any wrongdoings or mistakes and take effective measures to prevent recurrence.**

When wrongdoings or mistakes are found, it is important to correct them promptly, prevent further violations and mitigate adverse impacts. Measures to prevent a recurrence must not be ad hoc; rather, you should go back to the source of the problem and introduce effective and permanent measures that address the root cause.

For example, if you find a fire in a company warehouse, you should immediately notify the fire department. You would first focus on putting out the fire. Then, once the fire is extinguished, identify the cause of the fire by conducting thorough on-site investigations and eliminate all possible root causes to prevent recurrence.

If you simply post a "Beware of Fire" sign on the wall of the warehouse and another fire of similar nature were to break out under such circumstances, it would result in more severe condemnation by society and the company will lose the trust of society.

**5. Never obstruct anyone from reporting or using the Compliance Hotline (whistleblowing); never retaliate against the reporter/whistleblower for reporting a concern in good faith.**

In order for a company to earn and maintain the trust of society, the company must promptly identify and remedy any deficiencies it may have. In addition to a supervisor reporting system and auditing system, a whistleblowing system constitutes part of such "self-purification function".

To ensure that the above systems work in an effective manner, you should never prevent any person who would bring useful information to the company from reporting to the Compliance Hotline. The corporate self-purification function will never be firmly established when people believe "honesty does not pay." You should likewise refrain from seeking out the identity of the whistleblower because that would put undue pressure on potential whistleblowers.

Komatsu has made a clear commitment that it will never take any unfavorable action against any person because of his/her whistleblowing.

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First edition published on January 1, 1998  
 Second edition published on January 1, 1999  
 Third edition published on June 1, 2000  
 Fourth edition published on October 1, 2001  
 Fifth edition published on February 1, 2003  
 Sixth edition published on December 1, 2004  
 Seventh edition published on January 15, 2007  
 Seventh edition second printing on October 1, 2008  
 Eighth edition published on April 1, 2011  
 Ninth edition published on April 1, 2014  
 Tenth edition published on October 1, 2017  
 Eleventh edition published on April 1, 2021  
 Twelfth edition published on April 1, 2024

**Definitions**

Code	This “Komatsu’s Worldwide Code of Business Conduct”
Family	Members of family such as spouse, partner, parent, child, sibling, grandparent, grandchild and other close relatives
Komatsu, we, our, or us	Komatsu Ltd. and its direct and indirect group companies
Komatsu employees, you or your	All who work for Komatsu, from top management to each and every employee, including contract employee, temporary employee, and others
Law Department	Law or Legal Department in charge of handling legal matters generally or other applicable departments in charge of matters related to specific legal areas (labor laws, environmental laws, etc.)
Rules	Laws and regulations applicable to Komatsu’s business activities, and those rules that are generally recognized and respected in society

# Part I Guidance for Business Conduct

Part I "Guidance for Business Conduct" sets forth guidance for responsible business conduct, with keen awareness of the economic, social and environmental impact Komatsu may have in promoting sustainable society through its business activities, products and services. All organizations and employees of Komatsu should understand Komatsu business activities are based upon this guidance.

## **1. Stakeholder Relations**

Cf. [Part II-1-\(2\)](#), [Part II-10](#)

When we talk about "stakeholders", we refer collectively to all parties that are affected by our business activities. Stakeholders include customers, shareholders, investors, distributors, business partners in the supply chain (Supply Partners), local communities and employees. Since Komatsu and its stakeholders are working together as mutually indispensable partners to pursue sustainable growth of Komatsu and to resolve social issues through business activities, together, we shall endeavor to establish and maintain long-lasting and healthy relationships of mutual trust.

### **(1) Customers**

Customers are the most important stakeholders for Komatsu. We shall always consider customers' issues from their point of view, provide our customers with relevant information according to their needs, seriously listen to their input, and provide them with suitable solutions by striving to deliver products, services and systems that are designed with safety in mind, environmentally-conscious, innovative and of superior quality.

### **(2) Shareholders and Investors**

Rather than pursuing short-term profits, Komatsu will meet the expectations of its shareholders and investors by aiming for continuous growth through stable management, and fulfilling its corporate social responsibility.

### **(3) Distributors and Supply Partners**

Distributors and Supply Partners are important business partners of Komatsu. We seek long-lasting stable relationships based on transparency, fairness, and mutual trust.

Distributors providing Komatsu products and services to customers are required to conduct business responsibly in accordance with this Code so as not to undermine trust in the Komatsu brand.

Komatsu encourages our Supply Partners to promote responsible procurement activities throughout the supply chain in line with Komatsu CSR Procurement Guidelines based on this Code.

We shall appoint our distributors and Supply Partners on the basis of financial soundness and other objective business criteria, as well as from the viewpoint of compliance with the Rules.

**(4) Local Communities**

Cf. Part II-4

Komatsu shall maintain close communication with our local communities and actively seek harmonious balance of interests, with a view to becoming a valued corporate citizen.

To attain this goal, we will contribute to society through our core business operations, and in addition, will actively and continuously engage in various global corporate social responsibility (CSR) activities.

The following are the aims and basic principles that apply to our activities for social contribution:

Aims:	To clarify the responsibilities of Komatsu and our employees as members of the local community and guide their activities for social contribution accordingly.
Principles:	Activities for social contribution should: <ul style="list-style-type: none"> <li>• have continuity;</li> <li>• contribute to the advancement of public welfare;</li> <li>• be chosen voluntarily (not forced);</li> <li>• be appropriate for the employee base; and</li> <li>• not be designed to advertise our products or services.</li> </ul>

We acknowledge that it is each employee’s decision to participate in volunteer activities, and value and support such participation by introducing various systems and programs.

**2. Business Operations with Integrity and Fairness**

**(1) Fair and Free Competition**

Cf. Part II-1-(1), Part II-3

Komatsu recognizes the importance of fair and free competition in the market and shall comply with laws and regulations concerning antitrust, fair competition, and fair trade. In particular, a system shall be put in place to ensure strict compliance with the following matters:

- a. Do not engage in collusive bidding, or production, price fixing, or market manipulation, etc. or other acts that restrict free competition.
- b. Do not obtain or use trade secrets of third parties illegitimately.
- c. Do not infringe on intellectual property rights of third parties or use intellectual property of others without permission.
- d. Treat business partners in procurement, sales, distribution, and other value chains fairly and conduct business in good faith. Do not use our advantages to force unfair deals or impose restrictions or give directions as to prices in violation of laws and regulations of each country or region.

- e. Do not improperly represent the quality, performance, specifications, etc. of products and services to avoid misrepresentation.

## **(2) Anti-Bribery: Relationship with Governmental Agencies and Officials**

Cf. [Part II-4](#)

Komatsu shall observe all relevant international codes, laws and regulations of each country related to anti-bribery, and maintain sound and transparent relationships with government agencies and officials of each country. Komatsu shall also require its business partners, distributors, agents, and other intermediaries to act accordingly.

## **(3) Proper Export Control**

Cf. [Part II-5](#)

Komatsu shall implement export controls for maintenance of international peace and security. As such, Komatsu shall observe all applicable export control laws and regulations as well as relevant Komatsu policy and internal rules to ensure that, in relation to any transaction, the products or technology of our respective companies will not end up being used for the development, manufacture, use, and/or storage of weapons of mass destruction and conventional arms, support of terrorism or other activities of threat to world peace.

## **(4) Firm Approach Against Anti-Social Groups**

Komatsu will reject any relationships with groups or individuals pursuing economic interests by means of violence, intimidation, or deceptive methods, or any other organized crime groups, and take a resolute stand against any and all demands from them.

In addition, Komatsu shall comply with all applicable laws and regulations relating to money laundering and shall not be involved in any way.

## **(5) Protection and Management of Information**

Cf. [Part II-6](#), [Part II-8](#), [Part II-13-\(3\)](#)

Properly manage information provided by outside individuals, business partners as well as our internal and proprietary company information by preventing unauthorized disclosure, falsification, loss, or destruction and by implementing measures to prevent system failures.

### **a. Cybersecurity**

Take appropriate measures against cyber attacks, hacking, and other cyber risks.

### **b. Personal Information**

Acquire, manage, use, provide, and dispose of personal information appropriately in accordance with applicable laws and regulations.

### **c. Data Falsification**

Do not falsify data on safety, performance, quality, test results or any other information, or file false reports.

## **(6) Customary Practices**

Komatsu recognizes that customary practices in business may vary from one country or region to another. Although we respect such customary practices in the country or region in which we operate, we shall give priority to fairness and compliance with the Rules and refrain from following the custom whenever we believe there is conflict. If there is conflict between customary practices and applicable laws and regulations, we must always follow the applicable laws and regulations.

## **3. Respect for Human Rights**

Komatsu shall support and respect the protection of internationally proclaimed human rights and make sure that we are not complicit in human rights abuses in order to address ESG issues.

Komatsu has established its Human Rights Policy thereby declaring its commitment to promoting respect for human rights in line with internationally accepted standards. Under this policy, we will thoroughly promote activities that respect human rights.

### **Human Rights Policy [Revised: September 2023]**

#### **(1) Scope of application**

This policy applies to all business activities and all employees of the Group worldwide.

Furthermore, our business partners including suppliers and distributors are also expected and encouraged to comply with the policy in their own operations.

#### **(2) Respect for human rights**

Our purpose is “Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses and our planet thrive together.” The sustainability policy based on this purpose advocates the realization of a sustainable society and growth of business, and clearly declares that as Komatsu Group, we shall respect human rights related to all of our business activities.

We believe that it is essential to ensure that respect for human rights is firmly embedded within our company and therefore applies the human rights policy to Komatsu’s worldwide operations to conduct its business. This policy is formulated based on international human rights principles encompassed by the Universal Declaration of Human Rights. In addition to promoting business activities in line with this philosophy, we promote activities that respect human rights in accordance with the “United Nations (UN) Guiding Principles on Business and Human Rights” and the “ILO Core Labour Standards”. Komatsu Group will comply with the laws and regulations of all countries where it conducts its business activities. Where established international human rights norm exists as well as national laws, we will follow the higher standard; where they are in conflict and will seek ways to respect internationally recognized human rights to the greatest extent possible.

- **Health safety**

We will, first of all, strive to “ensure a safe and comfortable work environment” and “maintain and promote employees’ health”, aiming to create a bright and vibrant work environment ensuring mental and physical health.

- **Prohibition of discrimination and harassment**

We shall respect diversity and treat and appraise each and every employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of race, ethnicity, color, sex, sexual orientation, gender identity, age, religion, national ancestry, disability, marital status or other legally protected status. We shall vigorously promote equal opportunities for employment. We shall not tolerate inappropriate behavior and speech which prevents employees from working effectively and comfortably, or any type of harassment including harassment towards subordinate personnel, sexual harassment, or harassment related to pregnancy, childbirth, parenting, or nursing care, in and outside of workplace.

- **Prohibition of child labor**

We shall not tolerate all forms of child labor. Furthermore, we will not assign young workers to late-night or overtime work, or to tasks that threaten their health or safety.

- **Prohibition of forced labor**

We shall not tolerate all forms of forced labor including bonded labor and human trafficking.

- **Freedom of association and right to collective bargaining**

We respect the rights of workers concerning activities related to freedom of association and collective bargaining in accordance with the laws and regulations applicable to the countries and regions where it conducts business activities. Even in cases where freedom of association and the right to collective bargaining are restricted by the laws and regulations of each country or region, we will faithfully accommodate, whenever applicable, dialogue and discussion with employees or their representatives.

- **Working hours and wages**

We comply with all the laws and regulations on working hours and wages applicable to the countries and regions where it conducts business activities and pays wages above the level at which employees can fulfill a minimum level of living. Furthermore, we set working conditions including wage levels that are competitive in each region.

### **(3) Stakeholder engagement**

When we talk about “stakeholders”, we refer collectively to all parties that are affected by our business activities. Stakeholders include customers, shareholders, investors, distributors, suppliers, local communities and employees. We will consult with independent external knowledge on human rights issues and respect dialogue and discussions with internal and external stakeholders to understand human rights related issues. We will regularly and publicly communicate our activities on human rights based on this policy through our reports and/or Group website.

### **(4) Local communities**

Companies cannot continue to exist without maintaining good harmony with the local community. We wish to be the most transparent company which actively seeks harmonious balance of interests with the local communities through close communication and contributes to the local communities as a valued corporate citizen.

### **(5) Human rights due diligence**

We conduct human rights risk assessments for our existing and new construction/mining equipment and forestry machinery businesses worldwide based on international norms such as the “UN Guiding Principles on Business and Human Rights” with the help of external experts. In addition to risk assessments, we will conduct CSR procurement assessments for suppliers and promote CSR procurement through improvement activities based on the results of the assessments. We will also perform risk assessments downstream in the value chain with the aim of proceeding with dialogue with all relevant stakeholders including distributors, and building an approach directed at responsible sales.

### **(6) Guidance for employees**

In order to ensure the effectiveness of this policy, we will conduct appropriate training and activities to raise awareness in employees throughout the Group.

### **(7) Remedy**

We have established and maintained a Global Compliance Hotline at our headquarters to take reports relating to non-compliance, including regarding human rights issues and make this Hotline number known to all Komatsu Group employees. Any employee who believes a conflict arises between this policy and the laws, customs, or practices of the place where they work, or who has questions about this policy or would like to confidentially report a potential violation of this policy, should raise those questions and concerns with the Hotline anonymously. In addition to the Hotline for Komatsu Group employees, anyone other than Komatsu Group employees who become aware of any circumstance or action that violates or appears to violate this policy or applicable law with respect to human rights, can file a report anonymously. They can contact us at <https://www.komatsu.jp/en/inquiry/> or call at +81-3-6849-9701.

## 4. Employment

Employees are the driving force of our business operations and indispensable assets to Komatsu.

We shall maintain close communication with employees and endeavor to provide a safe, healthy and comfortable working environment. We shall provide employees with appropriate education and training so that they can proactively enhance their respective skills and abilities. We shall also endeavor to provide them with development opportunities to fully utilize their respective abilities, enhance their careers and feel satisfaction and pride in being Komatsu employees.

### (1) Human Resources Management Policy

Cf. [Part II-7](#), [Part II-8](#)

Human resources management differs based on historical and cultural backgrounds. We should respect and take these differences into consideration.

Komatsu companies shall establish systems of human resources management that are suitable for their respective regions and in accordance with the following basic principles:

#### Global Personnel Policy [Revised: April 2021]

- a. We shall respect each employee’s human rights, personality, individuality and legally-protected privacy;
- b. We shall respect diversity and treat and appraise each and every employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of race, ethnicity, color, sex, sexual orientation, gender identity, age, religion, national ancestry, disability, marital status or other legally protected status. We shall vigorously promote equal opportunities for employment;
- c. We shall give due consideration to work-life balance and physical/mental health, and endeavor to provide the employees with workplaces where they can effectively accomplish their tasks with satisfaction and pride;
- d. We will not tolerate inappropriate behavior and speech which prevents employees from working effectively and comfortably. In particular, all Komatsu employees must not do any type of harassment including harassment of subordinate personnel, sexual harassment, or harassment related to pregnancy, childbirth, parenting, or nursing care, in and outside of workplace;
- e. In designing and implementing Komatsu policies on employment conditions (such as wages, fringe benefits, performance appraisal, promotions), we shall assure that such policies are, and are understood to be, fairly and clearly implemented. Such policies shall be accurately communicated to employees and, to the extent practicable, made open and accessible;
- f. We shall comply with all applicable laws and regulations governing employees’ rights and faithfully accommodate, whenever applicable, conversations or discussions with employees or their representatives;



- g. We shall not tolerate child labor or forced labor; and
- h. We shall offer terms and conditions of employment that are sufficiently competitive in their respective regions.

"Any action violating human rights (harassment of subordinate personnel, sexual harassment or other harassment related to pregnancy, childbirth, parenting or nursing care)" is specified as grounds for disciplinary action.

Komatsu shall duly observe the basic principles above and, upon discovery of a situation or action in deviation from the above, shall immediately conduct a proper investigation and implement remedial measures as necessary.

## **(2) Occupational Safety and Health Policy**

Cf. Part II-9

Management and employees of Komatsu companies will collaboratively promote safety and health management activities to realize a safe and secure work environment in accordance with the following policies.

### **Occupational Safety and Health Policies [Established: April 2011]**

- a. Observe the laws and regulations concerning occupational safety and health as well as internal rules, key items common to the Komatsu Group about occupational safety and health, and particularly items agreed as a result of labor-management consultations in each workplace.
- b. Set up targets for activities based on occupational safety and health policies, review their progress, and endeavor to continuously improve and enhance occupational safety and health activities.
- c. Carry out occupational safety and health activities in management-and-labor partnership on a full participation basis and keep good communication with stakeholders with regard to occupational safety and health.
- d. Identify and evaluate the risk for occupational safety and health of a workplace and take appropriate actions accordingly.
- e. Actively promote employees' healthcare management and support the maintenance and promotion of employees' health.
- f. Actively promote education, training and qualification acquisition necessary for employees' occupational safety and health activities, and endeavor to develop human resources for safely carrying out their responsibilities in the workplace.
- g. Subject to appropriate protection of personal information, publicly offer the knowledge and information about occupational safety and health activities obtained through the business activities in order to secure safety and health in society.

Komatsu shall pay due attention to threats that might be posed by terrorism, conflicts, riots, natural disasters, pandemics of serious infectious disease and other events beyond our control. Komatsu shall continuously endeavor to enhance security measures to minimize human losses even if such uncontrollable events occur.

## 5. Environmental Protection

Cf. [Part II-11](#)

Komatsu products, while contributing to the achievement of more prosperous and convenient living standards, also put burdens on the environment through their production, use and disposal. In this regard, we shall endeavor to reduce or counterbalance such burdens on the environment.

Under the “Komatsu Earth and Environment Policy”, Komatsu regards environmental protection as a high priority and proactively takes relevant measures.

### **Komatsu Earth and Environment Policy [Revised: June 2022]**

#### ***Corporate Principles***

##### **(1) Contributions to Realization of Sustainable Society**

Humankind must not only promote the further development of a prosperous and comfortable society but also pass down our planet earth and its indispensable environment to future generations in a sound and healthy condition.

We at the Komatsu Group define environmental conservation efforts as one of the highest priority management tasks, and endeavor to contribute to the sustainable growth of society by integrating advanced technologies into environmental conservation efforts in all our business activities. We also aim to achieve carbon neutrality with net zero CO2 emissions by 2050, and contribute to sustainable development through efforts to reduce CO2 emissions from products and in our manufacturing, and to establish a recycling-oriented society.

##### **(2) Simultaneous Realization of Environmental and Economic Performance**

As a group of companies working to improve our manufacturing for the satisfaction of our customers, we at the Komatsu Group are committed to improving both our environmental performance and economic efficiency. To this end, we are constantly engaged in technology innovation to provide economical products, services and solutions through improving fuel efficiency at our customers’ workplaces and strengthening their cyclical businesses, while striving to minimize the environmental impacts related to the entire lifecycle of products from production to disposal.

### **(3) Observance of Corporate Social Responsibility**

We at the Komatsu Group promote environmental conservation by not only complying with the applicable laws and regulations of our host communities, regions and countries but also by establishing our own voluntary standards addressing global and local environmental concerns. Each company of the Group also strives to fulfill our collective corporate social responsibility and create value toward a sustainable planet and future through participating in environmental conservation activities in each region, disclosing environment-related information to society, and maintaining close communications with our stakeholders.

#### ***Guidelines for Corporate Activity***

### **(1) Initiatives for the Earth and Environment**

We at the Komatsu Group contribute to sustainable development and climate change mitigation and adaptation through the following initiatives.

#### **1) Response to Climate Change**

We will reduce the amount of energy used and greenhouse gas emissions generated across the entire lifecycle of our business. We do not limit ourselves to cutting emissions from our bases and from the use of our products. Rather, we broaden the target to include customer workplaces in their entirety.

#### **2) Establishment of a Recycling-oriented Society**

Through our business processes, we work to minimize the use of natural resources such as materials and water, promote their reuse, or recycle them as much as possible. At the same time, we ensure the comprehensive reduction of waste in all business areas. We also contribute to the establishment of a recycling-oriented society by strengthening our forestry machinery business, which supports a sustainable forest management cycle of planting, cultivating and harvesting, as well as our remanufacturing (Reman) operations, which involve the refurbishment and reuse of components.

#### **3) Conservation of Air, Water and Other Natural Systems as well as Management of Chemical Substances**

We comply with not only local laws and regulations but also with our own established standards concerning the conservation of water quality and the prevention of air pollution, noise and vibrations.

As much as possible, we also ensure the comprehensive management of chemical substances used in our business activities, while continuously working to reduce the use of potentially harmful chemical substances or replace them with alternatives for the discontinuation of their use.

#### **4) Response to Biodiversity**

We recognize biodiversity as an important environmental issue, evaluate, understand and analyze impacts on it in all our business areas, and work on our tasks according to the criteria of highest impact and/or most effective actions.

## **(2) Framework of Global, Group-wide Environmental Management System**

Komatsu and major companies of the Komatsu Group will establish an Environmental Management System, and will work to maintain and improve environmental activities. Other group companies and suppliers will also work to establish environmental management systems that help to maintain and improve environmental activities.

Each company or business unit of the Komatsu Group will set its own mid- and long-term targets in accordance with the mid- and long-term targets set based on the Komatsu mid-term management plan, and will develop and implement specific activity plans. Top management will regularly review targets, activity plans and status, and work on continuous improvement.

## **(3) Environmental Education and Communication**

We at the Komatsu Group believe that it is important to enhance the environmental awareness of each employee. To this end, we will actively promote environmental awareness and education programs among all employees.

We will gather environment-related information from each company or business unit of the Komatsu Group, and strive to disclose information concerning all business activities. We will also facilitate proactive dialogues with all our stakeholders, such as customers, employees, local communities and suppliers, thereby further improving the content of our environmental communication.

Komatsu shall promote activities for environmental protection throughout its operations in accordance with the above policy.

## **6. Disclosure of Information**

### **(1) Disclosure of Information**

Cf. [Part II-12](#)

Komatsu shall disclose information on Komatsu's business operations timely, appropriately and fairly to our shareholders, investors and other stakeholders to the extent permissible under the relevant laws, regulations and contracts with third parties, and subject to appropriate protection of trade secrets and other confidential information. We will respond to inquiries from our stakeholders in a timely and impartial fashion taking into consideration the principle of impartiality. We will also proactively disclose relevant business information to employees when appropriate, no matter where they are geographically located.

At the same time, to prevent damage to Komatsu's reputation through inappropriate disclosure or by employee misuse of social media, Komatsu shall establish and circulate relevant written policies regarding public communications and the proper use of social media.

## **(2) Appropriate Financial Reporting**

Cf. [Part II-14](#)

Komatsu companies shall establish and maintain effective internal control systems to ensure the reliability of their respective financial reports. Komatsu companies shall also ensure that their books and records are properly kept, and their reports are timely made from the financial, accounting and tax points of view, in full compliance with all applicable laws, regulations, accepted accounting principles and internal rules. Tax payment obligations must be properly fulfilled in each country and region in accordance with tax-related laws and regulations.

The Representative and the CFO or their equivalents of each Komatsu company must certify annually to the president and the CFO of Komatsu Ltd. that the financial reports of their respective Komatsu company are appropriate in light of applicable laws, regulations and accounting principles. If any significant deficiency is found in their financial reports, they must report it to Komatsu Ltd.

## **(3) Prevention of Insider Trading**

Cf. [Part II-15](#)

Komatsu shall establish a system to ensure prevention of insider trading or any transactions that may cause suspicion of insider trading on the basis of any non-public information, whether concerning Komatsu, our customers, business partners or otherwise.

# **7. Internal Control Systems and Compliance Framework**

## **(1) Internal Control Systems**

Cf. [Part II-13](#)

In order to ensure appropriate corporate governance, Komatsu shall establish and maintain, in accordance with corporate laws and other relevant laws and regulations, an intra-group control system including (i) improvement and maintenance of transparency, soundness and efficiency of management, (ii) group-wide compliance with the Rules, and (iii) appropriate risk management.

## **(2) Compliance Framework**

### **a. Compliance Committee**

The Compliance Committee was established at the Komatsu Head Office to discuss and resolve compliance-related issues. The Chairman of the Compliance Committee shall be the president of Komatsu and the Compliance Department shall be established as the secretariat.

The Compliance Committee has the following roles:

- 1) Determination of fundamental Komatsu's policies on compliance with the Rules;
- 2) Establishment and improvement of Komatsu's compliance structures;
- 3) Communication and dissemination of established Komatsu policies to each Komatsu company and its employees;
- 4) Supervision of Komatsu's compliance activities including Compliance Hotline; and

5) Handling of those specific matters in connection with violation of the Rules and implementation of preventive measures against those matters.

**b. Compliance Officer**

Komatsu Ltd. shall appoint one of its board members or executive officers to the position of Compliance Officer, and make it clear to all Komatsu employees and to the public that the Compliance Officer is responsible for Komatsu's compliance with the Rules.

**c. Development of Compliance Hotline**

Komatsu Ltd. shall establish and maintain a Compliance Hotline at its headquarters and publicize this Hotline number to all Komatsu employees. This Hotline shall handle whistleblowing of alleged or suspected violation of the Rules, initiate investigations, and develop action plans for rectification, as necessary.

Komatsu guarantees that no employee of Komatsu shall be treated unfavorably because he/she consulted with, reported to, or in any other manner contacted the Compliance Hotline, unless it is proven that such consultation, reporting or other contact was made for purposes against the Rules.

**d. Company Level Actions**

Top management of Komatsu companies shall establish appropriate policies and structures to promote a culture of compliance within their respective organizations, including announcing specific responsibilities of those officers and managers in charge. Komatsu companies shall also keep in close contact with Komatsu Ltd. when designing and operating their compliance policies and structures so that all items described in this section are implemented in substance, and all relevant written rules are published internally and made known to employees.

In implementing the Compliance Hotline, Komatsu companies and Komatsu Ltd. shall collaborate to establish an effective network of contact-points that will enable all Komatsu employees throughout the world to use the Compliance Hotline in their native language. The Compliance Hotline will be staffed with experienced personnel and the written policy and process of claims handling shall be made available in advance.

Komatsu companies shall endeavor to establish regional supplemental Codes, incorporating Rules that are specific to their respective countries of operation or business models; provided that the establishment or revision of such derivative Codes shall not take effect until after the Compliance Department of Komatsu Ltd. has fully reviewed and approved their contents.

## Part II Rules to be Observed by Employees

This Part II contains the specific and concrete descriptions of actions that all Komatsu employees must do or must not do to comply with the Rules. As such, you should read this Part II thoroughly and perform your respective daily jobs accordingly.

### **1. Ethical and Proper Business Conduct**

All Komatsu employees are expected to observe the Rules and conduct business in a lawful, ethical, and proper manner.

Unethical or improper behavior jeopardizes employee morale and productivity, and opens the door to more serious consequences, such as loss of business, erosion of the client base or market share, potential lawsuits, monetary penalties, and criminal convictions.

In particular, the following topics present ethical concerns:

#### **(1) Fraud (Behavior detrimental to company assets and value, and Behavior for improperly pursuing company profits/interests)**

Cf. [Part I-2-\(1\)](#)

All assets of Komatsu, including its funds, facilities, fixtures, equipment, office supplies, inventory, intellectual property, and information, shall be used solely for Komatsu business. Komatsu employees shall not engage in conduct that is detrimental to the Company's assets, such as loss, unauthorized disclosure, theft, unauthorized use, misappropriation, or misplacement.

Furthermore, even if it is believed that it will benefit the company's interest, fraudulent activities that unfairly pursue the company's interests by using inappropriate means such as falsifying data and materials shall be strictly prohibited.

The term Fraud includes, but is not limited to, theft, embezzlement, misappropriation and other irregularities including such things as:

- forgery or alteration of negotiable instruments such as company checks and drafts;
- any conversion to personal use of cash, securities, supplies or any other company asset;
- any unauthorized handling or reporting of company transactions; and
- any falsification, or improper alteration, manipulation or destruction of company records, financial statements or data about products and services for business, personal or other reasons, including any actions made to impede, obstruct or influence any proceeding or investigation of any governmental agency or internal audit or in contemplation of any such proceeding or investigation.

The above list is not all-inclusive but is intended to be representative of fraudulent situations.

Komatsu employees shall not participate in methods or schemes to obtain personal or business advantage or reward, including those which depart from fundamental standards of honesty and good faith.

Q. My colleague is paying the bill for the private souvenirs he bought on his business trip at the company's expense, isn't that a problem?  
A. Charging the company for personal expenses is cheating.

## **(2) Bribes and Kickbacks (vis-à-vis customers, suppliers, distributors, etc.)**

Cf. Part I-1-(1), (3)

Komatsu employees and their families shall never offer or accept, directly or indirectly, anything of value (such as a bribe or kickback) to or from a customer, a supplier (including supply partners; the same shall apply hereinafter) or others to influence or reward an action. A business courtesy, such as a gift, contribution or entertainment, should never be offered or accepted if it might create the appearance of an impropriety or is otherwise prohibited by law.

(Regarding Komatsu's policy on bribes to government officials, please refer to Part II, Section 4 of this Code.)

Q. Would it be okay to receive money and goods from the vendor in return for selecting as a supplier?  
A. This is not acceptable and violates fair trade Rules.

## **2. Conflicts of Interest**

Komatsu employees shall not engage in any business that competes with Komatsu or benefits themselves or any third party at the expense of Komatsu's interests. Although conflicts may arise in many different situations, try to avoid situations which have even the appearance of a conflict of interest.

The following are examples of possible conflict. Conflict of interest must be avoided unless such is fully disclosed and approved in advance through consultation with the Law Department or by an authorized officer pursuant to Komatsu's written policies:

- direct or indirect ownership or beneficial interest in a competitor, distributor, supplier, customer, or contractor (except when ownership is less than one percent (1%) of publicly traded securities);
- performing consulting services, entering employment relationship, or serving on board of director, directly or indirectly, with any customer, distributor, supplier or competitor;
- any business activity which competes with any of Komatsu's businesses;
- being in the position of supervising, reviewing or having any influence over the job evaluation, pay, or benefits of any family employed by Komatsu;
- processing or supervising payments (i.e., payroll, employee benefits) directly or indirectly to your family employed by Komatsu; and



- using Komatsu assets (funds, facilities, property, electronic devices, systems, software, know-how or personnel) for other business or personal endeavors.

Conflicts of interest are not always clear-cut. Any time a conflict appears, or you are concerned that a conflict exists or might develop, you must discuss the matter with your supervisor, the Law Department or the Human Resources Department.

Q. I would like to outsource the work to the company that my uncle is the representative of, Would that be a problem?

A. This could be a conflict of interest and must be reported to the company.

### 3. Antitrust Compliance and Fair Competition

Cf. [Part I-2-\(1\)](#)

All Komatsu employees must comply with antitrust and competition laws throughout the world.

Among other things, communication with competitors, both direct and indirect, is governed by antitrust laws, and failure to comply could result in severe criminal penalties, including imprisonment, and heavy fines for both Komatsu and for the employee or employees who violate them. Komatsu employees may not participate in any activity which would result in a violation. These laws are complex and if there is any doubt in connection with any activity that may constitute a problem under the antitrust laws, the Law Department of your company must be consulted for further advice before proceeding. Komatsu employees should also review and comply with each Komatsu company policy regarding antitrust compliance.

Please specifically note the following:

#### a. Relations with Competitors

Any agreement, coordination or arrangement with a competitor concerning price, terms of sale, production or allocation of territory or customers is strictly illegal and can result in criminal prosecution.

#### b. Relations with Distributors or Customers

Requiring a distributor or customer to resell a product at a particular price is known as “resale price maintenance” or “vertical price fixing” and is prohibited.

Also, since distributors may be competitors of one another, care must be exercised at all advisory council meetings to ensure that Komatsu is not a party to, or facilitator of, any agreements between distributors with respect to territorial restrictions, dealer price restrictions, or similar matters. If such proposals are brought into conversation in an advisory council meeting, employees must immediately and conspicuously leave the meeting. Then, consult with the applicable Law Department and document that you left.

Q. Would it be okay to chat with a sales representative of a competitor about the selling price of the product?

A. There is a risk that this could be considered price fixing.

## 4. Anti-Bribery: Relationship with Governmental Agencies and Officials

Cf. [Part I-1-\(4\)](#), [Part I-2-\(2\)](#)

Under no circumstances shall any Komatsu employee make or offer a payment, gift, or other thing of value to a local or foreign government official, political candidate or private party to obtain an unfair business advantage. A government official includes an officer, director, and employee of government-owned mines, utilities, or entities.

Komatsu employees must comply with the anti-bribery and anti-corruption laws of each country applicable to Komatsu, which may be different than your home country including U.S Foreign Corrupt Practice Act (FCPA), UK Bribery Act, and the Unfair Competition Prevention Act of Japan. Komatsu, as a legal entity, its subsidiaries, as well as the officers, employees, and agents, can be subjected to criminal liability for offering, providing, or receiving money or anything of value, directly or indirectly, to a government official or private party to obtain favors.

Komatsu employees must screen and obtain approval before appointing any agent or representative concerning the sales of Komatsu's products or services. Komatsu employees should not make any payment or unreasonable commissions to the distributors, sales agents, consultants, or representatives; if known or reasonably suspected, any part of such payment will be used as a bribe.

Under any circumstances employees should not make any donations that might constitute corruption or bribery. It is necessary to thoroughly check whether the donation is of high public interest in accordance with the "5 Basic Principles for Social Contribution" and to confirm whether the donation is being used for the correct purpose.

Employees should consult the Law Department before engaging in any activities they suspect may violate or interfere with these Rules.

Q. Can I entertain employees of government-affiliated companies who come for a factory tour with meals, sightseeing, etc.?

A. This could be considered bribery of public officials, so it should not be done.

## 5. Export Control

Cf. [Part I-2-\(3\)](#)

It is the policy of Komatsu to comply with applicable trade laws throughout the world, especially all applicable export control laws and regulations as well as relevant Komatsu policy and internal rules that the products or technology of Komatsu will not be used for the development, manufacture, use, and/or storage of weapons of mass destruction and conventional arms, support of terrorism or other activities that are a threat to world peace. For this reason, reasonable due diligence and screening of new customers and new business partners are critical. It is also necessary to constantly monitor that transactions with existing customers are not in violation of export control Rules.

Komatsu employees shall fully understand the policy above and take necessary steps to become familiar with Komatsu's business partners and customers and implement safeguards to comply with international trade Rules.

Q. Even if it is a new customer, if it is a world-famous company, there is no problem, so can we skip the customer screening process and export it?  
A. In any case, a customer review for export control is required.

## 6. Trade Secrets and Proprietary Information

Cf. [Part I-2-\(5\)](#)

Komatsu employees shall not disclose Komatsu's trade secrets and proprietary and confidential information and those of any third party entrusted to Komatsu. Proprietary and confidential information includes any Komatsu information which is not generally known to the public. Examples often include financial data, sales figures, new product information, manufacturing methods, customer and supplier lists, pricing information, information concerning corporate acquisitions or divestitures, capital investment plans, supplier prices, engineering data and drawings and certain employee information.

Komatsu employees should also be alert to inadvertent disclosures which may arise in social conversations or in communications with the employees of customers and suppliers. Komatsu employees must also maintain as secret and confidential the trade secrets and proprietary and confidential information of customers, suppliers and others.

In case that a Komatsu employee is required to disclose or provide Komatsu's trade secret or proprietary and confidential information by Rules or order from court or government organization, the Komatsu employee shall first consult with the applicable Law Department prior to making any such disclosure.

And all Komatsu employees must respect the intellectual property rights of others. You must not photocopy, distribute, modify or download any materials which are protected by a copyright, without the approval of the copyright holder. When developing, manufacturing or selling new products, you must check whether or not the new products will infringe upon the intellectual property of others.

As intellectual property rights are complicated, make sure to consult with the Law or Intellectual Property Department.

Q. Can I tell my friends about an unpublished new technology that the company is developing?  
A. The information might be confidential and must not be disclosed without the company's permission.

## 7. Non-Discrimination/Harassment

Cf. [Part I-4-\(1\)](#)

Komatsu employees shall not discriminate or commit harassment in any form, at any level and to any person such as Komatsu employees, employees of other companies, or job applicants on the basis of nationality, race, ethnicity, color, sex, sexual orientation, gender identity, age, religion, national ancestry, disability, marital status or any legally protected status.

Q. I would like to exclude older individuals from the list of candidates for the new project. Is that OK?  
A. This could be considered age discrimination.

## 8. Employee Privacy

Cf. [Part I-2-\(5\)](#), [Part I-4-\(1\)](#)

All Komatsu employees must respect the privacy of other employees and are responsible for ensuring compliance with all applicable local data protection regulations. No Komatsu employee shall make any disclosure or use of personal information of other employees that he/she acquires through his/her work without first obtaining permission from the employee, unless it is required by Rules or court order.

- Q. Can I tell the workplace about the illness of my subordinate who is on leave?  
A. Employees' personal information must not be disclosed without their permission.

## 9. Safety and Health

Cf. [Part I-4-\(2\)](#)

Safety and health are a top priority in of all work activities.

Komatsu employees shall promptly report to the operating manager any potential hazard to safety or health of the employees.

All Komatsu employees shall act in accordance with the "Occupational Safety and Health Policy".

- Q. The sensor of the safety device on the processing machine is too sensitive. Can I disable the safety device to improve work efficiency?  
A. To prevent industrial accidents, you cannot disable the safety device at your own discretion.

## 10. Safety and Reliability of Products and Services

Cf. [Part I-1-\(1\)](#)

Komatsu employees shall strive to:

- provide products and services that comply with international standards and the legal requirements particular of applicable countries;
- provide products and services that are safe and reliable, do not cause harm to the customer;
- provide products and services that minimize any resulting injury if an accident occurs; and
- value feedbacks from the customers, seek out any potential defects, and, in the case of a defect arising in a product or service, provide prompt response measures and information to stakeholders; and
- create and support a corporate climate which promotes product safety by standardizing or improving the safety management system and safety techniques.

- Q. I was able to resolve the part crack claim immediately on site, so I haven't reported it to my boss. Should it be reported and investigated?  
A. It should be reported and investigated as it may be a safety hazard.

## 11. Environment

Cf. Part I-5

Each Komatsu employee shall strive to ensure that Komatsu conducts its business activities in an environmentally responsible manner by:

- complying with all applicable environmental laws and regulations in all of the countries in which Komatsu operates;
- undertaking continuous improvement of operations to enhance pollution prevention (air quality and water quality), minimize waste production, increase recycling, efficiently use non-renewable resources, reduce greenhouse gas emissions and conserve biodiversity;
- integrating environmental considerations in the planning and execution of all work activities and corporate processes, including strategic planning;
- conducting environmental audits to evaluate conformance with this policy and applicable environmental laws and regulations; and
- using production processes that minimize environmental impacts.

Q. Recently, when it rains heavily, water has been overflowing from the factory septic tank, can I leave it as it is?

A. This could be an environmental hazard, so you must report it to the appropriate department immediately.

## 12. Disclosure

Cf. Part I-6-(1)

It is the policy of Komatsu to disclose any material information about Komatsu, including financial data, only in a designated manner.

Any Komatsu employee must immediately report to the Law Department for review if he/she unintentionally disclosed Komatsu's material non-public information or became aware of disclosure of such information by others.

All contact with the media should be made in accordance with Komatsu's Disclosure/Communication policy. Komatsu employees should not answer questions from anyone outside Komatsu asking for material non-public information. Information is "material" if in light of the total mix of information available about Komatsu a reasonable investor would consider the information significant.

Do not post any Komatsu's non-public information on personal social media. Also, Komatsu employees shall not make any social media post that discredits Komatsu by giving impression that such posting represents Komatsu's statements.

Any questions regarding public disclosure or social media posting should be directed to the general manager of public relations or the general affairs department of each Komatsu company, and to the Corporate Communications Department of Komatsu Ltd. in case it is material information.

Q. In order to correct the wrong information of the companies stated in social media, may I directly write the correct information?

A. There is a risk of information leakage, you must report and consult with the relevant department first.

## 13. Internal Control Systems

Cf. [Part I-7-\(1\)](#)

### (1) System of Internal Control

Each Komatsu employee has a responsibility to comply with and maintain the internal controls related to his/her particular job duties and to report defects of internal controls or misconduct relating to internal controls that come to his/her attention.

### (2) Internal/External Auditor Cooperation

No Komatsu employee shall fraudulently influence, coerce, manipulate, or mislead any internal/external auditor. All Komatsu employees must cooperate in any audit or investigation.

### (3) Records Retention

Cf. [Part I-2-\(5\)](#)

Komatsu employees shall retain or destroy records (including electronic data) in accordance with Komatsu company's records retention policy and applicable laws and regulations. Documents concerning matters which are the subject of litigation or government investigation shall be retained and not destroyed until approval is received from the Law Department, even though such documents can be destroyed under Komatsu company's records retention policy. If there are any questions about whether records may be destroyed, please contact the Law Department. You can destroy appropriately the records that are confirmed not necessary to be retained, considering the risk of information leakage.

Q: I think we can just ignore the old rules that don't fit the actual situation, is that okay?

A: The rules need to be reviewed, you must consult with the relevant departments.

## 14. Financial Controls and Records

Cf. [Part I-6-\(2\)](#)

Komatsu is responsible for properly recording, preserving and reporting financial information to investors, government agencies, stockholders and others, and for maintaining accurate, reasonably detailed records which fairly reflect Komatsu's transactions and disposition of assets.

Komatsu employees shall not falsify, mislead, misrepresent, or omit information in financial records such as vouchers, bills, invoices, financial data, expense reports, bills of lading, submissions to government agencies, performance records and agreements with agents, consultants or other third parties.

Q. The construction work has not been completed, but I would like to expense it using this fiscal year's budget, so can I ask to issue an invoice in advance?

A. You are not allowed to expense items before the work has been performed.

## 15. Prohibition of Insider Trading

Cf. Part I-6-(3)

Komatsu employees are prohibited from trading in the securities of any company on the basis of “material non-public information”. Material non-public information is any non-public information concerning a company, including its business, prospects, securities, or markets, which a reasonable investor would consider to be significant to an investment decision. Examples include actual or estimated financial results; obtaining or losing significant contracts; possible mergers, acquisitions or divestitures; and major changes in business strategies. Laws applicable to Komatsu worldwide prohibit the intentional disclosure of material non-public information unless Komatsu discloses the information publicly.

If you have access to material non-public information, whether it pertains to Komatsu or to another company, do not buy or sell Komatsu securities or those of the other company until the information has been officially disclosed to the public in accordance with applicable law.

Q. I got pre-announcement information that the company's performance is likely to improve, can I buy the stock?

A. You must not buy until that information is officially published.

## Miscellaneous


### A. Penalties

Violation of the Rules, concealment of violations, as well as alteration, falsification, forgery or misrepresentation of facts related to any violations may result in appropriate sanctions and disciplinary actions. This may include termination of employment. In some cases, Komatsu may report violations of this Code to appropriate law enforcement authorities where a violation of this Code may also be a violation of the law.

### B. Compliance Hotline

Komatsu Ltd. maintains a Global Compliance Hotline to handle alleged or suspected rule violations where employees or stakeholders can report concerns. In addition, many Komatsu companies maintain a regional compliance hotline, where concerns can be reported in the local language.

#### Contacting the Regional or Global Compliance Hotline

Regional Hotline	Global Compliance Hotline (Japan)
<p>Refer to the URL or two-dimensional code below, the Five Principles of Compliance poster, or intranets.</p> <p><a href="https://www.komatsu.jp/en/compliance-hotline">https://www.komatsu.jp/en/compliance-hotline</a></p> 	<p>E-mail: <a href="mailto:comp_hot@global.komatsu">comp_hot@global.komatsu</a></p>

Please note that reports directed to the Global Compliance Hotline will be forwarded, when appropriate, to the corresponding regional personnel for investigation and application of the relevant Rules. Komatsu Ltd. Compliance Department will monitor how the report is handled by the regional personnel, with the goal of assuring standard processes across the globe.

All hotlines will try to maintain the confidentiality of any disclosures, but legal requirements and the best interests of Komatsu may sometimes prevent this. Komatsu will also not tolerate any retaliation against a whistleblower who raises a compliance concern in good faith or to someone who supports an inquiry or investigation. Any retaliation is a violation of the Code. Komatsu employees, who believe they have been retaliated against, are encouraged to report the matter immediately to one of the aforementioned hotlines.



## **C. Statement of Compliance**

All Komatsu employees shall submit statements to the representatives of their respective companies, that they will comply with this Code in their respective job capacities and behave in compliance with the “Five Principles of Compliance.” The form will be specified and provided separately.

Top management of Komatsu companies shall, upon fully understanding this Code, sign and pledge to the president of Komatsu Ltd. or the representatives of regional headquarters as defined by Komatsu Ltd. that they will conduct business operations in accordance with the Code in a separately prescribed form.

## **D. Revision**

This Code shall be reviewed periodically, and shall be revised if so approved by the Compliance Committee of Komatsu Ltd. Copies of the new Code will be distributed, either physically or electronically, to all Komatsu employees at the time of each revision.

## **E. Conflict**

No provision of this Code is intended to conflict with any agreement between Komatsu and any labor union. If the terms of this Code conflict with any such agreement, the agreement between Komatsu and the labor union will prevail. Additionally, no provision of this Code is intended to change any work rule that applies to members of labor unions at any of our facilities.