A recent example of a corporate commitment to human rights is shown in an annual report from Komatsu, a Japanese multinational engineering company. Komatsu established its Human Rights Policy in September 2019, thereby declaring its commitment to promoting respect for human rights in line with internationally accepted standards. Through human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights, it will implement measures for preventing or mitigating negative impacts on human rights. In addition, frameworks will be put in place 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.

### Human Rights Policy

1. **Respect for Human Rights**
   - The KOMATSU Way describes the values that all officers and employees in the Komatsu Group, including those at top management level, should inherit in a lasting way. To implement the KOMATSU Way, it is necessary that we act responsibly in accordance with the expectations of society. Komatsu believes 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, Komatsu promotes activities that respect human rights such as the prevention of child labor and forced labor and the elimination of excessive working hours, the prevention of discrimination and harassment, the right to freedom of association, the right to collective bargaining, minimum wage, health & safety, etc., 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 norms exist 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.

2. **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.

3. **Local Communities**
   - Companies cannot continue to exist without maintaining good harmony with the local community. Komatsu wishes 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.

4. **Human Rights Issues (Assessment and Due Diligence)**
   - In our effort to apply the major principles for protecting human rights, we conduct human rights risk assessments for our existing and new construction/mining equipment and forestry machinery businesses worldwide 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.

5. **Guidance for employees, distributors and suppliers**
   - In order to ensure the effectiveness of this policy, we will conduct appropriate training and activities to raise awareness in employees throughout the Group. We will also expect and encourage our distributors and suppliers to comply with this policy in their own operations.

6. **Remedy**
   - We have established and maintained a Global Compliance Hotline at its headquarters to take reports relating to non-compliance, including regarding human rights issues and make this Hotline number known to all Komatsu Group Members. Any employee who believes a conflict arises between this policy and the laws, customs or practices of the place where he or she works, 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 Members, anyone other than Komatsu Group Members 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://home.komatsu/en/inquiry/ or call at +81-3-5561-4711.

### Human Rights Training and Awareness-raising

Recognizing it is important for all employees to correctly understand and adhere to the Human Rights Policy, Komatsu will conduct ongoing activities to raise awareness along with human rights training such as human rights e-learning program to be instituted in FY2019.

In addition, we publish the monthly Compliance Newsletter to further contribute to awareness-raising in employees. This newsletter contains articles explaining important legal regulations, highlighting the lessons to be learned from episodes at other companies, and describing comprehensive principles in business today with regards to human rights, prevention of harassment, traffic rules, etc.

### Future Human Rights Initiatives

Komatsu has established the CSR Committee on Human Rights, which comprises the President and CEO as well as the heads of relevant divisions and departments (Construction Equipment Marketing Division, Mining Business Division, Production Division, Procurement Division, Human Resources Department, and legal affairs, risk management, compliance and CSR promotion divisions). This committee will serve as a forum for in-depth understanding of human rights issues.

Going forward, the CSR Committee on Human Rights will endeavor to identify priority issues and lay out clear policies for addressing individual issues. In addition, concrete implementation plans will be established for implementing to these issues in actual business practices.