

Global Logistics Meeting

The enactment of the revision to the Law concerning the Rational Use of Energy of Japan in FY2006 made Komatsu to promote more and more implementing measures to reduce CO₂ emissions associated with its logistics operation that had been implemented by desterilizing returns and joint transpotation with competitors. Starting in FY2011, these activities will be expanded to a global scale. In preparation for this expansion, a Global Logistics Meeting was convened in FY2010 to assess the status of CO₂ emissions and make improvements in logistics processes. Work started with assessing the CO₂ emissions of ten major overseas production facilities in the U.S.A., U.K., Germany, Brazil, China, Indonesia, and Thailand. Transport-related CO₂ emissions were calculated using the improved ton-kilometer method, resulting in detailed transport data comparable to that available in Japan. This was used to visualize the status and to make improvements.



Global logistics meeting
(at the Komatsu Head Office)

Environmental Education and Training

In Komatsu Group's basic education system, the parent company and individual divisions share the responsibility for education. The parent company develops educational materials and provides educational services on relevant academic issues for use by Komatsu Group companies. Individual divisions, on the other hand, provide instruction on more hands-on matters, including unique features particular to the individual divisions. Education and training is tailored to different occupational content, and includes lectures on the environment.

The FY2010 curriculum for environmental education was essentially the same as for FY2009. Special emphasis was placed on learning about environmental laws and regulations in relation to environmental risk management. Komatsu created its own textbook for teaching environmental laws and regulations, and dispatched a lecturer from inside the Company to teach the course at each business unit. To date, more than 200 employees have taken the lecture. In FY2011, the Company embarked on an awareness campaign for employees, to drive home the importance of conserving biodiversity.

Komatsu encourages employees to obtain an appropriate environment-related certificate that is recognized by public institutions.

Environmental Inspection at the Komatsu Subsidiary in India

Komatsu has established environmental protection guidelines, which are based on the Komatsu Earth Environment Charter, to improve the level of environmental conservation and reduce environmental risks in developing countries. After visiting subsidiaries in China in 2007, and Thailand and Indonesia in 2009, in this fiscal year Komatsu representatives visited two subsidiaries in India to inspect environment-related facilities and exchange views on environmental matters. The inspections also included the local waste disposal companies that the subsidiaries use. The representatives found that each of the business units was

practicing energy savings, carrying out air and water quality measurements and waste separation, and had increased the ratio of green space on their plant premises. Moreover, there were no indications of serious environmental risks.



Measurement for exhaust gas emissions
from the electrical generator
(in Komatsu India Pvt. Ltd.)

Komatsu plans to continue environmental inspections in developing countries into the future, to raise the level of environmental protection for the Komatsu Group as a whole.

Environmental Audit of Chinese Subsidiaries

Komatsu performs internal audits using the audit departments of regional headquarters (RHQs). In FY2010, three Chinese subsidiaries underwent environmental audits by Chinese auditors, with support from the Komatsu Head Office. The Head Office prepared check sheets, which were used to examine ISO14001 activities and observance of environmental regulations. The audits were performed under the guidance of an environmental expert from the Head Office to help reduce environmental risks and improve the level of the local auditors. Environmental audits at RHQs in countries other than China are planned in the future.

Supporting Environmental Activities at Komatsu Group Sales Agencies and Rental Companies

Komatsu supports environmental activities at group sales agencies and rental companies through education and guidance on ways to enhance their environmental management.

The Environmental Guidelines, distributed in April 2005, comprise points and standards that should be observed in relation to environmental issues that are of direct relevance to operations at sales agencies and rental companies. These include waste treatment, waste oil treatment, oil and grease management, and treatment of wastewater from vehicle washing. Komatsu assists sales agencies and rental companies in meeting the provisions of the Environmental Guidelines.

The Company also assists in the review of the environmental aspects of operations, conditions, and equipment at the relevant business sites of the agencies and companies, gives on-site guidance, and proposes remedial actions that are tailored to each site. This is done through joint visits to each of the sites by persons in charge of environmental management at Komatsu and at the sales agencies and rental companies. (In FY2010, 107 sites received this assistance.) As a result, awareness of the environment has risen at the agencies and companies and various improvements are underway.

Supporting Suppliers in Introducing Environmental Management Systems

To reinforce environmental management at our suppliers, Komatsu required the Komatsu "Midori-kai" group, which accounts for about 80% of the value of procurements, to have all its group companies acquire EMS certification. By FY2008, all 126 business associates in Japan had acquired EMS certification.

Of new member companies, 28 companies acquired certification between FY2009 and FY2010.