

# Environmental and Social Efforts

With awareness of corporate social responsibility from a global perspective, the Komatsu Group is promoting a variety of activities in order to realize a sustainable society.

## Environmental ▲▲

### Environmental Management

To step up our efforts in environmental management on a global, group-wide basis, in 2000 we started the Global Environmental Affairs Meeting by inviting personnel in charge of environmental affairs from subsidiaries both in Japan and overseas to our Tokyo Head Office. In 2005, we held the third meeting which included the area of occupational safety.

To strengthen our regional efforts overseas, we began the Occupational Safety and Environmental Affairs Meeting in Europe in 2005 and held the second meeting in 2006. Also in 2006, the personnel in charge of environmental affairs of Komatsu Ltd. conducted inspection tours of manufacturing subsidiaries in China.



▲ The second European Health, Safety and Environmental Meeting

### Products and Services



▲ PT Komatsu Remanufacturing Asia, the largest Reman facility of the Komatsu Group

We developed construction and mining equipment compliant with Tier 3 emission standards in the United States, Europe and Japan, effective 2006, including WA500-6 and WA600-6 wheel loaders as well as PC128US-8 and 138US-8 tight-tail-swing hydraulic excavators.

To cut down CO<sub>2</sub> emissions of our machines used by customers, we have been working to improve their fuel consumption and productivity.

We have expanded the range of large AC Servo presses, which reduce environmental impact with 40% less energy required, 1.2 times higher productivity, and 20dB less noise, compared with mechanical presses.

We have developed a battery-driven hybrid forklift truck which lessens the impact on the environment with a maximum reduction of 20% energy consumption.

We are promoting our Reman business on a global basis to promote the reuse and recycle of key components of construction and mining equipment.

### Production and Logistics

We have been promoting activities to reduce CO<sub>2</sub> emissions at our plants as part of our efforts to mitigate global warming. For our target of reducing the basic unit volume of CO<sub>2</sub> emissions in value by 25% per production by the end of fiscal 2011 compared with fiscal 1991. We have already achieved a 27.3% reduction in fiscal 2007. We are working on lowering this even further.

We achieved Zero Emissions at all our plants in Japan in fiscal 2006.

We have been promoting activities to curtail the generation of industrial waste. We have set the target of a 15% reduction by basic unit (fiscal 2006 → fiscal 2011).

With respect to environmental risk management, we completed the measure for our underground tanks (removal or doubling the walls) in fiscal 2002. We are going to carry out the same measure for those placed underground for 20 or more years.

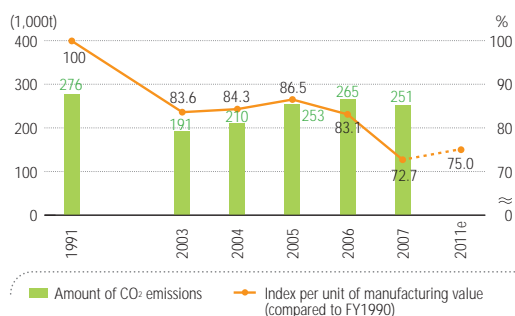
Concerning logistics of heavy items, we are continuing our promotion for a modal shift from trucking to marine transportation and railway.



▲ HM300 articulated dump truck ready for shipment from the Port of Hitachinaka, adjacent to the Ibaraki Plant in Japan

Amount of CO<sub>2</sub> Emissions by Komatsu Manufacturing Facilities and Komatsu Castex Himi Plant

Years ended March 31



Manufacturing value: The total production cost excluding direct material cost, other facilities' components, and procured components.

### Procurement

To develop an environmental management structure, we have established an environmental affairs committee with 58 suppliers, and we are supporting their introduction of the environmental management system.

### Sales and Services



We distributed our guidelines for occupational safety and environmental affairs in 2005. We held seminars and offered instructions concerning those guidelines at 13 sales and rental companies in 2006.

◀ Occupational safety and environmental conservation training at workplace

## Social Activities ▲▲

### Management

We have established The KOMATSU Way Division, disseminating and putting The KOMATSU Way in place.

We revised "Komatsu's Code of Worldwide Business Conduct" in 2006. The seventh edition includes a discussion on reliability of financial control.

We reinforced our business continuation plan for natural disaster and other emergency cases, and carried out drills in 2006.

### Relationships with Stakeholders



We changed the trading unit of shares from 1,000 to 100 on August 1, 2006.

We have improved communication activities with all stakeholders, such as employees, suppliers and shareholders.

Our action plan for supporting employees' childcare was selected for official recognition in April 2007.

All our plants started their process to introduce the occupational safety and health management system (OSHMS), preparing for certification in fiscal 2008.

◀ Meeting with individual shareholders in Sendai (December 17, 2006)

### Social Contribution Activities

We have continued to support the Flower Association of Japan, a non-profit organization dedicated to planting and protecting cherry trees. As part of its 45<sup>th</sup> anniversary celebration, the Association produced the "Dreams and Plans for Cherry Trees" CD-ROM for free distribution in 2006.

Roof-top garden (right) of Komatsu Bldg., open to the public, and the "Dreams and Plans for Cherry Trees" CD



We opened the curriculum "Komatsu Techno College" in collaboration with Komatsu College in Ishikawa, Japan.



Members of the Komatsu Women's Judo Team won the champion medals in four international competitions. They also received national teams from various countries for joint trainings, making contributions to the growth of international judo.

◀ Joint training with the national team of Tunisia at Komatsu Women's Judo Team's dojo

The Komatsu Group made donations and provided commercial vehicles at no cost to the devastated areas of the May 2006 earthquake in Java.

Relief activities for the earthquake-devastated areas in Java, Indonesia ▶



We made donations and provided prefabricated housing units to the devastated areas of the Noto Peninsula earthquake (March 2007) through Ishikawa Prefectural Government. We also sent volunteers from our plants in the vicinity.

We invited staff members of a non-governmental organization of Afghanistan and trained them with the operation and mechanical maintenance of our demining machine for anti-personnel landmines before delivery from Japan.



Komatsu Group companies worldwide have expanded their community activities. Komatsu (China) Ltd. established a social contribution fund to continuously support the establishment of schools.

◀ Completion ceremony for Komatsu School of Hope in Gansu Province

Note: For more information concerning our environmental and social efforts, refer to the *Environmental & Social Report 2007*. (<http://www.komatsu.com/ComapnyInfo/csr/>)