

European Compliance Hotline

A. Introduction

The Komatsu Worldwide Code of Business Conduct (the Code) embodies those basic principles and ways of thinking that should be observed and followed no matter where Komatsu is located in the world.

The Compliance Hotline Policy and Procedures (the Policy) is a supplement to this code by detailing the set-up and working of the European Compliance Hotline (the Hotline). The hotline can be reached through the email address: compliance@komatsu.eu.

Any reporting done under this Policy will be handled compliant with the European Whistleblowing Directive (EU Directive 2019/1937)¹, or any update, amendment or replacement thereof.

B. Objective

Respect of and compliance with the Rules as described in the Code is expected. These rules include applicable laws, regulations, standards, social responsibilities and other established norms of behavior. Once we learn about a violation of the Rules, we are required to immediately take appropriate measures to rectify, report and prevent recurrence of such violation. One method to report such violations is the Compliance Hotline.

The primary objective of the Hotline is to provide an additional means for any person that becomes aware of a (suspected) violation of the Code, fraud or other compliance violations, to confidentially report such activity or conduct.

In addition to the Hotline following reporting methods are possible:

- To the local HR Department/Manager;
- To the direct supervisor;
- To local management;
- Other local reporting method if available, e.g. Confidant ('Vertrouwenspersoon').

Local Management (CEO, CFO or director) is expected to at least report the following immediately to KEISA Management (CEO and CFO) or through the hotline:

1. All fraud cases;
2. All compliance reports related to members of local management or people reporting directly to local management;
3. All compliance cases with a (potentially) material impact on the financials, reputation, business, ... of Komatsu Europe or Worldwide.
4. All breaches of local, European and/or International law.

¹ [EUR-Lex - 32019L1937 - EN - EUR-Lex \(europa.eu\)](#)

C. The Compliance Hotline Committee (Hotline Committee)

1. The Hotline is monitored by the Compliance Hotline Committee. The Committee is responsible for taking the reports and leading the investigations for all calls coming in via the Hotline.
2. The Committee consists of minimally 3 people, assigned by the Board of Directors (BoD). All Committee members will be sufficiently qualified (with appropriate knowledge, and experience) and one or more impartial Committee member will be designated for following-up on the report.
3. Only the Committee members have access to the Compliance hotline email box and documents.
4. If considered appropriate by the Committee, it has the right to take up the report directly with the appropriate level of management without prior approval of KEISA Management, up to and including the KEISA BOD and the KLTD Compliance Committee.

D. Scope

1. The Code applies to all employees, directors and officers of KEISA and its subsidiaries.
2. The hotline is intended for use by
 - Komatsu employees, former employees, prospective and future employees (during the application process);
 - people working for Komatsu with self-employed status;
 - employees of business partners, suppliers, contractors and sub-contractors;
 - shareholders and persons belonging to the administrative, management or supervisory body, including non-executive members, individuals seeking to provide services, volunteers and paid/unpaid trainees.If other people contact the hotline, the complaint will also be further investigated, as appropriate.

E. Reporting via the Hotline

1. All reports to the Hotline will be further investigated, evaluated, appropriately documented and assessed by one or more impartial members of the Hotline Committee. The appropriate course of action will be determined after consultation with management as appropriate.
2. The whistleblower will receive confirmation of the receipt of the complaint within 7 days after filing the report.
3. Feed-back on the investigation status and outcome will be provided within 3 months after confirmation of receipt of the report.
4. The whistleblower can request a physical meeting to discuss the report. The meeting will be set up within a reasonable timeframe after confirmation of the receipt of the report.
5. Management engages itself to fully cooperate with and assist the Committee in any investigation undertaken.
6. All reports are handled seriously, impartially and promptly.
7. Anonymously filed reports will be handled. We do request to leave contact details for further follow-up of the report.
8. The Committee will treat all information received in strict confidence.
The identity of the reporting person and any other information from which the identity of the reporting person may be directly or indirectly deduced will not be disclosed without their explicit consent, except where this is a necessary and proportionate obligation imposed by Union or national law in the context of investigations by national authorities or judicial proceedings, including with a view to safeguarding the rights of defence of the person concerned.
In any case, confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and the applicable legal requirements.

The report, its conclusions and the underlying information may only be disclosed by the Committee to other persons or authorities if disclosure is:

- (i) required by any applicable law or regulation, by court or by regulatory or governmental body;
- (ii) necessary to apply, invoke or enforce the report in court or disciplinary proceedings;
- (iii) necessary to obtain advice from any professional advisor;
- (iv) required as part of the investigation.

In each case disclosure is only done on a need-to-know basis.

8. All personal data processed as part of the compliance report will be treated in line with the applicable European data protection laws, particularly the GDPR² or any update, amendment or replacement thereof and applicable Komatsu policies and procedures.
9. A register is held of all reports made to the hotline. The information in the register is treated in the strictest confidence, in line with point 7 above.

F. Investigation: Purpose and outcome

1. The purpose of an investigation is first and foremost to gather facts that are relevant to the report, so that the Hotline Committee can make a credible determination based on the information available.
2. The Hotline Committee has the discretionary authority not to pursue a report further. This can for instance be the case when:
 1. There is insufficient information for an adequate investigation and there is no possibility of obtaining further information;
 2. It is concluded that the report was made in bad faith.
3. All reports, investigations, actions taken and final outcome are documented and filed appropriately by the Committee.
4. The person filing the report will be informed of the outcome of the investigation. During the investigation the filer is informed of the status as deemed appropriate by the Committee.

G. Decisions

1. Based on the outcome of the investigation, the Hotline Committee will determine the appropriate course of action, which can be but is not limited to:
 1. Declaring the report inadmissible;
 2. Advising on corrective actions to be taken by KEISA management.
2. The final decision on the actions to be taken is done by management. KEISA management can defer the decision to local management, as appropriate.

H. Non-retaliation & other protections

In line with the Komatsu Worldwide Code of Business Conduct management commits itself to never prevent, hinder or retaliate against any person contacting the Hotline in good faith.

Komatsu guarantees that the whistleblower/person reporting the issue shall not be treated unfavorably because he/she consulted with, reported to, or in any other manner contacted the Hotline, unless it is proven that such consultation, reporting or other contact was made in a manner or for purposes against the rules.

² Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR: General Data Protection Regulation).

Komatsu will not tolerate any retaliation against a whistleblower who raises a concern regarding compliance with the Code in good faith or provides information to an inquiry or investigation in good faith. Any retaliation by an individual is a violation of this Code, even when the retaliator believes that the whistleblower acted in bad faith. Any Komatsu Member who believes he/she is retaliated against for taking one of these actions is encouraged to report the matter immediately to the Hotline.

The non-retaliation protection also extends to

- whistleblowers who filed an anonymous report but were later identified;
- any person who assisted the whistleblower in their reporting of a breach or who is connected to the whistleblower and therefore likely to suffer retaliation in a work-related context, including third parties connected to the reporting and legal entities connected to the whistleblower in a work-related context, such as legal entities the whistleblower owns, works for or is otherwise connected to.

In addition to the non-retaliation, the whistleblower can rely on the protections as granted in art. 21 of the European Whistleblowing Directive and under local law. These protections are especially relevant in case of an external report.

I. External whistleblowing reporting

We strongly encourage internal reporting in accordance with this Policy. Internal reporting still allows external reporting afterwards for topics mentioned below. External reporting can be done by filing a report with the competent authority: xxx.

Topics for which external reporting is possible:

- a. breaches that concern the following areas:
 - (i) public procurement;
 - (ii) financial services, products and markets, and prevention of money laundering and terrorist financing;
 - (iii) product safety and compliance;
 - (iv) transport safety;
 - (v) protection of the environment;
 - (vi) radiation protection and nuclear safety;
 - (vii) food and feed safety, animal health and welfare;
 - (viii) public health;
 - (ix) consumer protection;
 - (x) protection of privacy and personal data, and security of network and information systems;
- b. breaches affecting the financial interests of the European Union as referred to in Article 325 TFEU and as further specified in relevant Union measures;
- c. breaches relating to the internal market, as referred to in Article 26(2) TFEU, including breaches of Union competition and State aid rules, as well as breaches relating to the internal market in relation to acts which breach the rules of corporate tax or to arrangements the purpose of which is to obtain a tax advantage that defeats the object or purpose of the applicable corporate tax law.