



Komatsu UK Ltd

Slavery and Human Trafficking Statement for the Financial Year 2015

Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (“the Act”), and sets out the steps which Komatsu UK Limited (KUK) has undertaken during the previous financial year to ensure that slavery and human trafficking (“human rights abuse”) is not operating within either its own business or its supply chains, and the further steps which are to be taken going forward.

Organisation's Structure

KUK is part of the global Komatsu Group, whose head office is in Tokyo, Japan. KUK manufactures medium-sized hydraulic excavators, sold mainly to the European market. The Company’s financial year runs from 1st April to 31st March.

Our Supply Chains

We operate with a global supply base that provide KUK with parts, services and equipment from a direct supply chain of around 100 companies. Our Supply chains can be extensive and can often involve a number of levels between raw materials entering the manufacturing process, through to delivery and use of the finished component by KUK.

We are committed to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

KUK strives to ensure that it does not contribute towards human rights abuse through its supply chains. The Company has a commitment to engage only those suppliers that uphold the same principles as KUK, and where necessary, implement corrective measures. Where a supplier should fail to take steps to cease or prevent human rights abuse, KUK will reconsider its business relationship with those suppliers.

We have conducted a preliminary assessment of all direct suppliers based on geography, the products supplied and their parent companies. This has presented us with no immediate concerns but further steps will be taken to enhance compliance with the Act. (Please see the section “Further Steps”).

The KOMATSU Way and Komatsu’s Worldwide Code of Conduct

Komatsu defines its corporate value as *“the sum total of the trust given to us by all our stakeholders and society”*. The KOMATSU Way is the Company’s *“Mindset, belief, values, and code of conduct in writing that the Komatsu group employees should follow”* and explains what is required from employees in order that the Company can achieve its corporate value. The KOMATSU Way requires compliance with the laws and rules of the business community, and to expand upon this, Komatsu has in place a Worldwide Code of Business Conduct (the Code) which all employees must follow. In relation to Employment, the Code states that Komatsu Group companies shall not tolerate child

labour or forced labour. Where any deviation to the Code is found to be in existence, a proper investigation is required, and remedial action must be taken.

All KUK employees have received training in The KOMATSU Way in the financial year 2015. Additionally, in 2015, all employees of KUK received a copy of the latest version of the Code (9th Edition), and also received training, which was provided by Management, to explain to employees their responsibilities under the Code. There are contact persons in the organisation to whom whistle-blowers can report breaches of the Code, including information about possible human rights violations and infringements of labour standards. No instances of child labour or forced labour have been reported or alleged in 2015.

Further Steps

In the 2016 financial year, there will be an increased focus on suppliers in relation to this legislation. Initially all suppliers to KUK will be requested to provide written confirmation affirming their compliance and commitment to no slavery or human trafficking within their own organisations and the supply chains which support them. The Supplier Handbook, which is provided to all direct suppliers, will be updated in 2016 to include reference to modern slavery and human trafficking, and our expectations from suppliers

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains, we will provide training to relevant employees in 2016. These employees will, as part of our supplier visit programme, conduct open eye audits of Tier 1 supplier factories to monitor compliance with KUK expectations and legal requirements.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Komatsu UK Limited's slavery and human trafficking statement for the financial year ending 31st March 2016.



Peter Howe
MANAGING DIRECTOR, KOMATSU UK LIMITED

28th November 2016