



Komatsu UK Ltd

Slavery and Human Trafficking Statement for the Financial Year 2020

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 provides KUK with parts, services and equipment from a direct supply chain of around 75 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, Komatsu reserves the right to terminate our business relationship without any notice period.

Activities to enhance our compliance with the Act commenced in 2016 and have continued. Throughout 2020, the Covid Pandemic has restricted workplace visits and audits of our suppliers. However, we remain committed to ensuring all suppliers and service providers continue to operate ethically and in line with the Act. As such, the following actions have been completed:

- A risk assessment of our supply chain based on PESTLE analysis, products supplied and ownership, has been carried out on an annual basis, the outcome of which was deemed to be satisfactory.
- We have received written confirmation from all of our suppliers affirming their compliance with the Act.
- All members of the Purchasing Team have completed training on Modern Slavery in Procurement through an e-learning platform.
- Further internal training in Modern Slavery and Human rights has also been provided for the relevant staff. The training has been carried out by a member of the

Purchasing team who has undertaken qualifications accredited by the Chartered Institute of Purchasing and Supply.

- All on-site contractors have submitted statements to confirm that they operate in compliance with the Modern Slavery Act, and where they have in place their own Modern Slavery Statement, a copy has been provided.

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). All employees must follow the Code, and undertaking training in the Code is mandatory. 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.

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 2020.

Further Steps

In the 2021 financial year, focus on suppliers in relation to the legislation will continue. In particular the following steps will be undertaken:

- We will continue to conduct annual risk assessments of our supply chain including any new partners and service providers.
- Site visits and open eye audits of Tier 1 suppliers will resume to monitor compliance with KUK expectations and legal requirements.
- The Supplier Handbook, which is provided to all direct suppliers, will be updated in 2021 to include reference to Modern slavery and human trafficking, and explain our expectations from suppliers.
- Further training, covering Modern Slavery and Human Rights, will be provided for relevant employees.

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 2021.

Paul Blanchard
Managing Director
KOMATSU UK LIMITED

12th July 2021