Komatsu UK Ltd

Slavery and Human Trafficking Statement for the Financial Year 2023

Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 ("the Act"), and sets out the steps undertaken by Komatsu UK Limited ("KUK") during the previous financial year to ensure that slavery and human trafficking ("human rights abuse") is not operating within its own business nor 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 2023 financial year runs from 1st April 2023 to 31st March 2024.

Our Supply Chains

KUK operates with a global supplier base, comprising around 75 companies, providing parts, services and equipment. The supply chains can be extensive and sometimes involve a number of levels between raw materials entering the manufacturing process, through to delivery of the finished component to KUK.

KUK management are committed to acting ethically and with integrity in all business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in KUK's supply chains. The Company has a commitment to engage only those suppliers that uphold these principles. In cases where it is apparent a supplier has failed to take steps to cease or prevent human rights abuse, KUK reserves the right to immediately terminate the business relationship.

Activities to enhance compliance with the Act commenced in 2016 and have continued thereafter. Some of the key activities which have been undertaken are:

- A risk assessment of our supply chain based on PESTLE analysis, products supplied and ownership, is carried out on an annual basis;
- An ongoing programme of site visits and supplier audits to monitor compliance. To date no issues have been identified;
- Written confirmation has been received from all suppliers and on site contractors affirming their compliance with the act. Where they have in place their own Modern Slavery Statement, a copy has been received;
- All members of the purchasing team have completed training on Modern Slavery in Procurement via an e-learning platform;
- Further internal training on Modern Slavery and Human rights has also been provided for the relevant staff. This was delivered by a member of the purchasing team who has undertaken qualifications accredited by the Chartered Institute of Purchasing and Supply.

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 nor alleged in financial year 2023.

Further Steps

In the 2024 financial year, focus on suppliers in relation to the legislation will continue. In particular the following steps will be undertaken:

- KUK will continue to conduct annual risk assessments of the supply chain, including any new partners and service providers;
- KUK will continue to encourage all suppliers to increase supply chain transparency. Regular site visits and open eye audits of Tier 1 suppliers will continue in order to monitor compliance with KUK expectations and legal requirements.
- The Supplier Handbook, which is provided to all direct suppliers, will be updated in 2024 to further emphasise KUK's expectations of suppliers in relation to modern slavery and human trafficking;
- Refresher training for relevant employees in relation to Modern Slavery and Human Rights.

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 2024.



Paul Blanchard
Managing Director
KOMATSU UK LIMITED

25th July 2024