



## MODERN SLAVERY STATEMENT 2024

### Introduction

This Modern Slavery Statement (Statement) is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the Act) and it describes the supply chain and business operations of Komatsu America Corp. and applicable entities in accordance with the Act, which collectively are referred to as the "Komatsu Group", "We", "Our" or "Us" within this Statement.

This Statement sets out the steps which the Komatsu Group has undertaken during the 2024 financial year (FY24) to prevent and reduce the risk of any forced labor or child labor (collectively, Modern Slavery) within the Komatsu Group's supply chain and business operations. The Komatsu Group's financial year is 1 April to 31 March.

### Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

The Komatsu Group has a commitment to engage only those suppliers that uphold the same principles as the Komatsu Group, and where necessary, implement corrective measures.

The Komatsu Group has created a strategic framework within its supply chain and business operations to reduce its exposure to Modern Slavery risks through implementation of risk assessments, due diligence processes, updating its suite of supply chain agreements, training of key stakeholders and the introduction of remediation processes with its suppliers when and if they are found to be engaging in Modern Slavery practices.

Periodically key stakeholders within the Komatsu Group actively engaged and consulted with each of the entities in the Komatsu Group and took the following actions to prevent and reduce the risk of Modern Slavery in our business and supply chains:

- Reviewed and updated Komatsu's Worldwide Code of Business Conduct (Code of Conduct) which includes Komatsu Group's policies against Modern Slavery
- Held Compliance Committee meetings to review the risks in the business overall
- Followed Komatsu Ltd.'s CSR Procurement Guideline which includes policy against Modern Slavery
- Conducted internal/external assessments of risks of Modern Slavery in the organization's activities and supply chains

### Organization

#### Structure and Activities

The Komatsu Group is comprised of the following entities:

- Komatsu America Corp. (KAC) is a subsidiary of Komatsu Ltd. KAC is incorporated under the laws of Georgia, USA and has a head office located in Illinois, USA. KAC is a disclosing entity under California's *Transparency in Supply Chains Act*.
- Joy Global (Canada) Ltd. (Joy) is a subsidiary of KAC.
- Komatsu International (Canada) Inc. (KICI) is a subsidiary of KAC.
- Quadco Inc. is a subsidiary of KAC.
- Hensley Industries, Inc. (Hensley) is a subsidiary of KAC.

Collectively, the Komatsu Group's workforce consists of more than 10,000 employees within Canada and the United States.

The ultimate parent company of the Komatsu Group is Komatsu Ltd., a corporation incorporated pursuant to the laws of Japan and whose head office is in Tokyo, Japan. Komatsu Ltd. is a global manufacturer and distributor of earthmoving, mining, construction and utility equipment.

The Komatsu Group supplies Komatsu, P&H, Joy, Montabert, Quadco, and Hensley branded construction, mining, and forestry equipment and services. This equipment is manufactured, sold and distributed by the Komatsu Group in and outside of Canada. The Komatsu Group imports into Canada the materials and parts needed in its business operations that are produced outside Canada.

### Supply Chains

The Komatsu Group's supply chain is predominantly made up of original equipment manufacturer (OEM) supplies sourced overseas from related entities of Komatsu Ltd. However, the Komatsu Group also sources other types of goods and services ranging from labour hire, stationery, uniforms, cleaners, engineering specialists, personal protective equipment and alternative parts or local options for its equipment, from local suppliers. In FY24, the Komatsu Group worked with over 2000 product suppliers located in 40 countries.

## Policies and Due Diligence Processes

### Due Diligence

As a part of the Komatsu Group's framework, potential new suppliers have been required to participate in a due diligence process which includes a prequalification questionnaire (Questionnaire) that contains questions which seek to detect a supplier's risk of Modern Slavery within their own operations. The responses to the Questionnaire allowed the Komatsu Group to identify potential areas, suppliers or industries that present the greatest risk of Modern Slavery in its supply chain.

### Supply Chain Agreements

The Komatsu Group's supply agreements and standard purchasing terms and conditions documents contain specific provisions relating to Modern Slavery and the obligations of those suppliers if they are to be engaged by the Komatsu Group. It continues to be the expectation that each non-OEM

supplier to the Komatsu Group also includes a similar provision in its own suite of supply chain agreements.

### Policies and Governance

The Komatsu Group's corporate governance framework seeks to address the complex risks associated with Modern Slavery within a suite of policies, procedures and internal guidelines which are available to all employees of the Komatsu Group. These include the Komatsu Group's Whistleblower Reporting Policy, Human Rights Policy, Global Personnel Policy, and the Code of Conduct (collectively, the Policies) which all employees must follow. The Policies state that the Komatsu Group shall not tolerate Modern Slavery. Where any deviation to the Policies is found to be in existence or a report is made under the Whistleblower Reporting Policy, a proper investigation is required, and remedial action must be undertaken.

## Risks of Modern Slavery Practices

Key stakeholders within the Komatsu Group conducted a preliminary assessment of all direct suppliers (other than OEM's) based on market, geography, the products supplied and their parent companies. The main focus was on those industries within the Komatsu Group's supply chain which prima facie, presented the greatest Modern Slavery risk. From this preliminary assessment, several major suppliers were selected as key high-risk suppliers.

These preliminary assessments have presented us with no immediate concerns as the Komatsu Group is not sourcing a large or diverse amount of goods and/or services from Modern Slavery "at risk" industries or markets. However, to detect Modern Slavery in the Komatsu Group's supply chain operations, due diligence processes have been implemented.

## Remediation Measures

As Komatsu Group has not identified any Modern Slavery in its business or supply chain, it has not had to take any measures to remediate any Modern Slavery or to remediate any loss of income to the vulnerable families that results from any measure taken to eliminate the use of Modern Slavery in Komatsu Group's activities or supply chains.

## Training

Komatsu Group requires each employee to take training course on the Code of Conduct upon hire and when the Code of Conduct is revised to a newer edition. Additionally, each employee attests his/her compliance with the Code of Conduct by signing a statement of compliance periodically. The Code of Conduct includes policies regarding Modern Slavery and the training provides opportunities for employees to revisit and be reminded of Komatsu Group's commitment to the highest ethical standards.

Also in FY2024, every employee in Komatsu Group was required to take Business and Human Rights Basic Training. This training is tailored to reinforce employees' understanding of why it is important for each employee to play a key role in preventing human rights violations in their business

activities. The training covered basic principles, such as UN's Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights, and explained how various company Policies and company's human right due diligence are framed to prevent human rights violation. Training focused on forced labour and child labour, providing guidance with actual examples.

During the due diligence process on new vendors, key stakeholders within the Komatsu Group's procurement, legal and compliance departments were advised on the suppliers and industries within its supply and business operations which presented the greatest potential risk of Modern Slavery practices. Key stakeholders were trained to identify and address any concerns regarding Modern Slavery practices when assessing a supplier's actions and behavior.

Komatsu Group provides compliance hotline to which whistleblowers can report breaches of the Policies or general concerns, including information about possible Modern Slavery practices such as human rights violations and infringements of labour standards.

## Measuring Effectiveness

The Komatsu Group continues to undertake extensive work to minimize the risks of Modern Slavery in its supply chain through the various due diligence measures outlined in this Statement. Human rights change is an incremental process, and the Komatsu Group has continued to adopt processes to monitor compliance and detect Modern Slavery within its supply chain and business operations.

In order to measure effectiveness, key stakeholders within the business meet periodically to address any concerns raised by suppliers, customers, employees or members of the public in relation to the Komatsu Group's approach to Modern Slavery, as well as assessing the current due diligence process and whether enough information was collected from its suppliers to enable the Komatsu Group to assess the risk of Modern Slavery within its supply chain and/or business operations.

No instances of Modern Slavery have been reported or alleged in FY24.

## Approval and Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act)*, and in particular section 11 thereof, I, in the capacity of CEO of Komatsu America Corp. , attest that I have reviewed the information contained in the report for Komatsu America Corp. and applicable entities. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above.



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Kozo Okuda  
CEO, Komatsu America Corp.  
May 22, 2025

I have the authority to bind Komatsu America Corp.