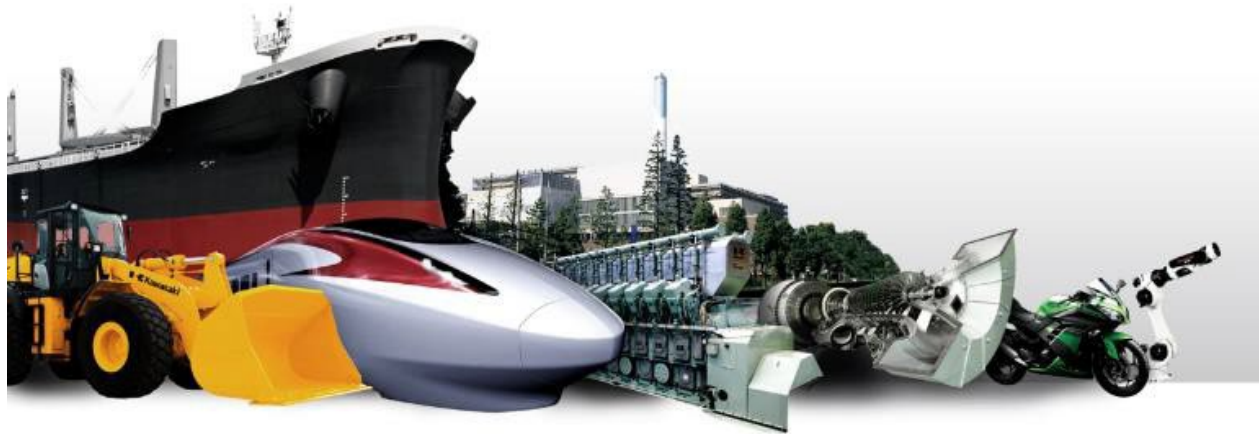


# Slavery & Human Trafficking Statement

## 2024/2025



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Changing forward



Kawasaki Precision Machinery (UK) Limited  
UK Registered Company Number : 02833215  
For the Fiscal Year ending 31 December 2024



**The Walk Free Global Slavery Index 2023 estimates that Modern Slavery affects almost 50 million people globally. Over 12 million are children. Women and girls account for 54%. 27.6 million are in forced labour and 22 million were forced marriages.**

The uniting characteristic of all forms of modern slavery is that it involves one person depriving another of their freedom:

- to leave one job for another
- to leave one workplace for another or
- to control their own body

There are a variety of terms used to describe modern slavery, however for the purpose of this statement KPM UK have chosen to use the following:

**Human trafficking**  
**Forced labour**  
**Slavery**

The Modern Slavery Act received Royal Assent on the 26<sup>th</sup> March 2015 and consolidated slavery and trafficking offences and introduced tough penalties and sentencing rules. Under the UK's [Modern Slavery Act 2015](#), KPMUK is required to publish a Slavery & Human Trafficking Statement for each financial year, describing the steps we have taken to address the risk of slavery or human trafficking occurring in our own operations or supply chains.

Kawasaki Precision Machinery (UK) Ltd (hereafter referred to as KPM(UK)) published its first Slavery and Human Trafficking statement for Financial Year ending December 2016 , and since then we have continued to build our understanding, increase our knowledge and work to develop our approach to manage the risk within our sphere of influence. We have a better understanding of the evolving global issue of Modern Slavery and we know our customers share our concern.

This year's statement relates to actions and activities during the financial year 1 January 2024 to 31 December 2024. KPM (UK) remains committed to maintaining and improving systems and processes to avoid complicity in human rights violations related to our own operations, our supply chain, and our products.

We realise that slavery and human trafficking can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking, and workplace abuse.

KPM (UK) recognises that it has a responsibility to take a robust approach to human rights violations and is absolutely committed to preventing such violations in its corporate activities and to ensuring that its evolving global supply chains are free from slavery and human trafficking.

This statement has been signed on behalf of the Board of Directors of KAWASAKI PRECISION MACHINERY (UK) LIMITED:

Name: Lee Crocker

Position: Managing Director and Chair of Board of Directors

Date: 8<sup>th</sup> April 2025

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Our Business

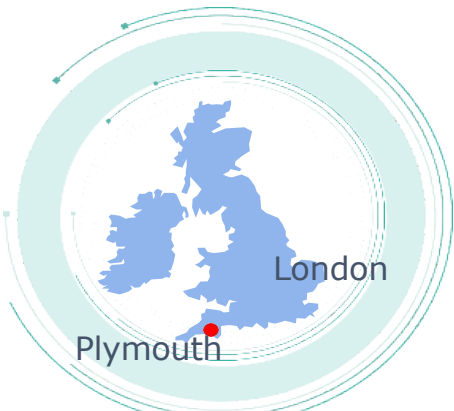
The Kawasaki brand is synonymous with quality and innovation, leading the way in hydraulic components and systems design.

We manufacture and supply equipment for a huge range of applications in the industrial, agricultural, construction and marine markets.

Our Structure

The Precision Machinery division of Kawasaki Heavy Industries has been at the forefront of hydraulic technology and development for over 50 years and our products are found around the world on land and at sea.

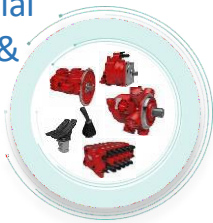
Established in 1968, the Precision Machinery Division has manufacturing facilities in Japan, China, Korea, India and the UK. KPM (UK) has been developing expertise in hydraulic machinery for over 30 years.



Located in Plymouth, South West England, KPM (UK) is the centre for Sales, Engineering, Manufacturing and Customer Support for Customers in Europe, USA, Asia, Middle East and Africa.

Our customer base is pre-dominantly Original Equipment Manufacturers in the marine, construction and agriculture industries and we are supported by a global sales distribution and support network. Around 90% of our customer and distribution base is located in the UK, Europe, Japan, North America and Asia.

UK Manufacturer of hydraulic axial piston pumps & motors and radial piston motors



FY2023 Revenue £51.5M

In 2023 staff working for KPM (UK) was 265



Operating in the UK

Supplying materials across the Globe



84 Direct Product Suppliers



## Our Supply Chain

KPM (UK) sources goods and services directly from a global network of approximately 60 direct product suppliers across 12 countries and 504 indirect suppliers from 12 countries. Of the total 566 approved suppliers, around 96% of KPMUK's supply base is located in the UK and Europe and we also utilise our Japanese parent company and our sister companies in India and China to supply factored and subassembly parts to meet our production requirements.

Our supply chain is made up of both manufacturers and distributors pre-dominantly supplying raw material, pre- assembled product as well as component parts. We believe that our exposure to the risks of modern slavery is low within our own business and within our supply chain. However, this assessment will be kept under review and if circumstances change we will have no hesitation in instituting additional actions. The manifestations of Modern Slavery are complex and hidden and in order to prioritise our activities, our risk assessment included the mapping of our supply chains and operations, desk-based research, supplier surveys and supplier engagement.

KPM (UK) actively manages its relationships with suppliers. There are clear contractual arrangements in place with our direct suppliers who are required to comply with our Standard Terms and Conditions for the Purchase of Goods and Services. These Terms and Conditions are under periodic review to ensure they remain relevant with current legislation. Communication of the standards expected of our suppliers is through a variety of mechanisms including direct buyer interaction, regular business reviews and via email notices to suppliers.



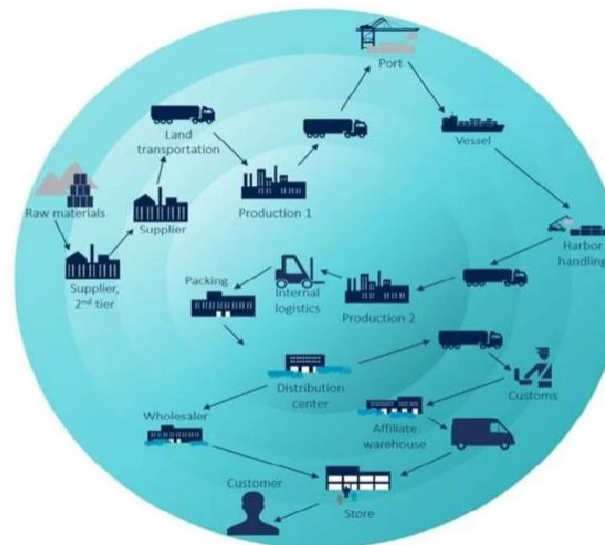
## Assessment of Risk of Slavery and Human Trafficking in our Supply Chain

The initial exercise KPM (UK) completed in 2016/17 to assess slavery and human trafficking risks in our supply chain was based on an evaluation of the countries where our suppliers are located. This evaluation was based on the types of products and services supplied and the volume of spend.

The data was evaluated against recognised external sources on perceived slavery risk within sectors and geographic areas to assess whether suppliers potentially represented a higher slavery risk.

We continued to enhance our due diligence over the intervening years. From our risk assessment work to date, which considers the type of commodity or service being provided, as well as the country in which the suppliers are based, we have identified that the vast majority of our supply chain represents a very low level risk of slavery or human trafficking. We remain diligent regarding our supply chains based in those regions assessed by external sources to be high risk. However, we continue to monitor our risk, including on site supplier audits and continue to flow down our Supplier Code of Conduct throughout the whole of our supply chain.

We don't limit this activity to direct product supply. We also have a number of suppliers working on our site providing outsourced services such as cleaning, and waste and facilities management. The nature of these services means there may be increased inherent risk of slavery and human trafficking.



The companies that provide these services are subject to our Standard Terms and Conditions and we continue to seek additional assurances from these companies that they have effective

procedures to protect their workers from human rights violation risks. Our suppliers either sign up to our Supplier Code of Conduct or provide evidence of their own compliant Corporate Code of Conduct.

### ***Responding to the Modern Slavery Act - Our Approach***

KPMUK's risk register is reviewed quarterly by the Senior Leadership Team and any issues identified and managed appropriately. As an international company, we are committed to conduct our dealings with the utmost integrity, with customers, suppliers, employees and the communities in which we, and they, are based.

Although we believe that our exposure to the risks of modern slavery is low, we are not complacent. We understand that, if we are to be successful, we must ensure that we interact with employees, customers, suppliers and others effectively and respectfully.

## Employee charter

KPM (UK)'s Employee Charter underpins our strategic vision and makes clear to employees the behaviours expected of them. We strive to maintain the highest standards of employee conduct and ethical behaviour whether operating abroad or in the UK and in managing our supply chain.

The fundamental principles by which we are guided are our 5 Values of **Plan, Learn, Empower, Respect** and **Commit**. Not only do we have high expectations of our employees, but these are extended to our suppliers, who are expected to subscribe to and adopt similar standards.

Following the introduction of the Modern Slavery Act 2015, we created our Supplier Code of Conduct which we continue to roll out to suppliers, to share our expectations of these principles.



Here are some of the key focus areas:

- Health & safety in production areas and any living quarters.
- The right to legal wages and benefits.
- Appropriate working hours and overtime pay.
- Prevention of child labour or forced labour.
- Fair and ethical treatment, including non-discrimination.
- Respect for the environment.

In order to consolidate this ethical position, KPM (UK) requires suppliers to adopt our

Supplier Code of Conduct or to provide evidence of their own compliant Corporate Code.

If we ever became aware of slavery or human trafficking concerns within our supply chain, we would seek to work with the relevant supplier to improve conditions for their workforce.

However, we would reserve the right to terminate our relationship with any supplier if:

- They fail to make required improvements within a reasonable timeframe, or
- Their actions or inaction violates the Code or
- They do not cooperate with our auditors.

To date, KPM (UK) is not aware of any Reports of slavery or human trafficking in our supply chain.

Plan

Learn

Empower

Respect

Commit

## Supplier Audits



When working with our KPM (UK) supply chain we use industry recognised standards to audit suppliers and verify compliance as part of our due diligence process. We audit new suppliers as part of onboarding and continue to audit existing direct product suppliers periodically to monitor continued compliance and improvement.

Our supplier audit programme includes processes to verify that our suppliers do indeed adopt similar standards of ethical behaviour.

All our Strategic Suppliers commit to comply with all applicable regulations on ethics and human rights and conduct business to the highest standards of honesty and integrity.

All of our Strategic Suppliers have signed up to our Code of Conduct or provide evidence of their own compliant Corporate Code.

## Our Policies and Procedures

KPM (UK) recognises that it is not enough simply to state our commitment to an ethical approach. The business is required to have clear, proportionate procedures designed to ensure that the business done on its behalf is conducted ethically and honestly. Our Company Handbook, which is accessible and sign-posted to every employee on their appointment to KPM (UK) provides reference and guidance to our employees.

Before participating in any business interactions, KPM (UK) requires an appropriate level of due diligence on that counterparty to be carried out. Due diligence is undertaken when considering taking on new direct and indirect product and services suppliers, as well as regular reviews and audits with our existing supply base.

Under our Standard Terms and Conditions we have the right to conduct audits of suppliers and/or to ask suppliers to submit to third party assessment.

As part of the Kawasaki Heavy Industries Group, a multi-industry global business, we are also required to ensure consistency in our expectations of our supply chains through alignment of our own policies to that of our KHI Group Ethics and Sustainability Policy.

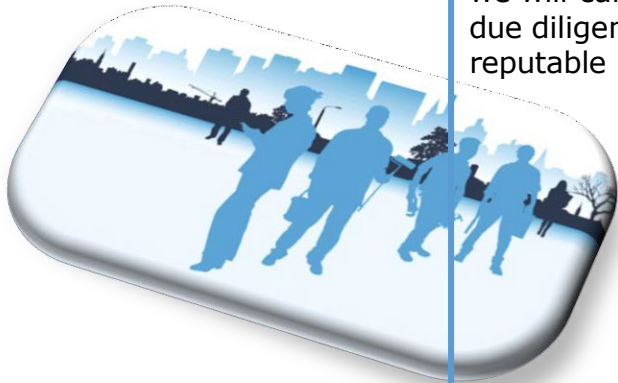


## Recruitment and selection policy

KPM (UK) is committed to fair, compliant and legal employment practices that reflect best business practice.

This policy aims to support the Company in recruiting the best and most talented individuals to fill its vacancies in a timely and efficient manner.

It sets out the process and rationale for recruitment and selection at KPM (UK), illustrating how resourcing is managed fairly and consistently.



## Recruitment of Temporary Staff Policy

KPM (UK) uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency before accepting workers from them.

Temporary workers are selected on the basis of their skills, qualifications, experience, potential and motivation, regardless of gender, race, ethnic origin, sexuality, religion, marital status, age or disability.

The use of temporary staff is minimal, and we have no plans to extend it. If this changes we will carry out all necessary due diligence and use reputable recruiters.

## Dignity at work policy

KPM (UK) is committed to provide a work environment where all employees are treated fairly, equally and decently.

We believe that everyone has the right to be treated with dignity and respect.

Harassment or bullying can cause fear, stress, anxiety and it can, therefore, affect job satisfaction and individual morale.

We regard any form of harassment or bullying as totally unacceptable and take any issues of this nature seriously.

Everyone is expected to behave appropriately at work and to treat others with dignity and respect.

If an employee witnesses conduct which contravenes the Dignity at Work policy it is their responsibility to report this to their manager.

## Worker's representation

KPM (UK) recognises and respects each employee's right to freedom of association and actively engages with employees through our Joint Employee Committee.



## Whistleblowing policy

KPM (UK) encourages its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chain, of KPM (UK).

This could include circumstances related to the risk of slavery or human trafficking.

The whistleblowing policy is intended to make it easy for workers to make disclosures, without fear of retaliation, and employees are encouraged to see that protecting KPM(UK)'s integrity is their responsibility.

Any disclosure is referred to KPM (UK) HR Department and passed to a senior executive at KPM (UK) for investigation.

Disclosures are confidential and no one is adversely treated for making a report.



## Awareness and evolving our approach

### Training & Awareness

Employees identified as being directly involved with the inbound or outbound supply chain, or the procurement of labour, and who may in the course of their duties be exposed to ethical issues receive awareness training about Modern Slavery & Human Trafficking.

The areas identified include Senior Leadership, Human Resources, Sales and Procurement.

Awareness training is by an e-learning module with an end-point assessment that employees are required to complete and pass.

It includes:

- How to assess the risk of slavery and human trafficking in relation to various aspects of the business, including the resources and support available.
- How to identify signs of slavery or human trafficking.
- What steps to take if slavery or human trafficking is suspected
- How to escalate potential slavery or human trafficking issues.

### Evolving our Approach

Alongside awareness training, we review our purchasing practices, which may influence supply chain conditions.

Our aims are:

To ensure our purchasing practices are designed to prevent:

- procurement at unrealistically low prices
- the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage
- the provision of products by an unrealistic deadline.
- To understand the messages, business incentives or guidance that can be given to suppliers, other business partners or contractors to implement anti-slavery policies
- To outline steps KPM (UK) should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from our supply chains.



**We will continue to review our processes, procedures, investigations and compliance systems to support ethical procurement and best business practices.**

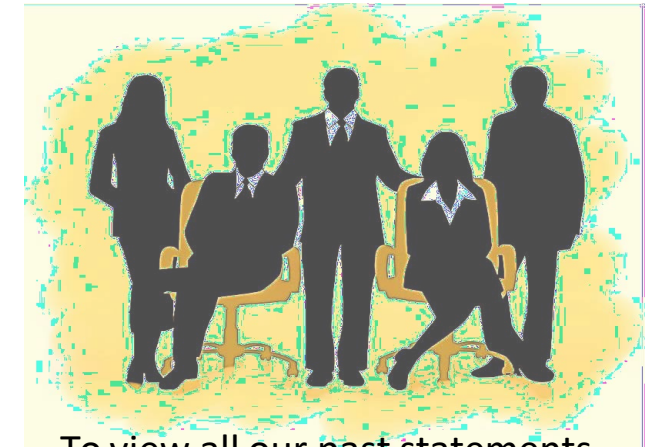




In our 2023/4 statement we committed to ongoing review of our supply chain and to implement our Code of Conduct.

Action2023	Outcome 2024	Next Steps 2025/6
Ongoing monitoring of our supply chain. Investigated generation of specific Strategic Supplier Assessment to reach beyond Tier 1 supply chain.	Supplier Audit to include an overview of supply chain management beyond Tier 1 supply chain.	Audit questionnaire and related supplier monitoring covers supply chain management beyond Tier 1 suppliers.
Ongoing deployment of Code of Conduct to new suppliers. Established regular review process to ensure compliance in line with supplier quality audits and all future RFQs.	Code of Conduct refined and updated. Modern Slavery requirements included in our purchasing Standard Terms and Conditions.	Code of Conduct updated, and regular review of supplier compliance is in place.
Engaged a Supplier Development Engineer to support and implement key development activities with strategic suppliers and to lead supplier audits.	Supplier Development Engineer fully engaged in supplier audit and programme development, including ethical and sustainable compliance.	Supplier Development Engineer continuing roll out of supplier audit and programme development, including ethical and sustainable compliance.
Update and refresh Employee Awareness training for relevant employees identified within KPM (UK) engaged in supply chain activities.	Employee Awareness training completed for relevant employees identified within KPM (UK) engaged in supply chain activities.	Employee Awareness training programme in place and captures new employees.

We continue to work on our actions and to report transparently on the whole breadth of our activity, to ensure that we address any issues we find relating to Modern Slavery within our business dealings and that these remain a priority within our Company.



To view all our past statements please use the following link:

[KAWASAKI PRECISION MACHINERY \(UK\) LIMITED Modern Slavery Act Statements](https://www.kpmg.co.uk/limited-modern-slavery-act-statements)  
| [tiscreport.org](https://www.tiscreport.org)

カワる、  
サキへ。  
Changing forward

Kawasaki, working as one for the good of the planet  
“Global Kawasaki”