



Kubota Australia Pty Ltd

## **Modern Slavery Statement 2024**

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Kubota Australia Pty Limited, ACN 005 300 621 (Kubota Australia) is pleased to present our fifth Modern Slavery Statement, as required in Section 13 of the Australian Modern Slavery Act 2018. We remain committed to identifying and reducing the risk of modern slavery in our operations and supply chains. We take this responsibility seriously and continue to take practical steps to prevent it and respond to any issues that may arise. This reflects our broader commitment to ethical business, respect for human rights, and responsible practices.

This statement outlines the actions taken by Kubota Australia and its controlled entities (together referred to as the “KAU”) to combat modern slavery during the calendar year ending on 31 December 2024. It also details our future strategies for promoting ethical practices and mitigating the risks of modern slavery within our organisation and beyond.

## About Kubota Australia

For nearly 50 years, Kubota Australia has been a leading supplier of agriculture, construction, and power equipment. Our products are known for their high performance, durability, and reliability. We're committed to protecting the environment and offer equipment with powerful performance and reduced emissions. With over 140 dealers across Australia, our franchised dealer network distributes and services all Kubota equipment. We provide efficient and reliable service support, backed by immediate access to our substantial spare parts inventory nationwide.

KAU is part of the global Kubota Group of Companies and a subsidiary of Kubota Corporation (KBT)

KBT was founded in 1890 in Osaka, Japan, with a vision to create quality products that benefit customers, communities, and the environment. Kubota seeks to be an “Essentials Innovator for Supporting Life,” committed to prosperous society and cycle of nature. By providing solutions in the fields of food, water, and the environment, the company is working to address a variety of issues in regions worldwide.

## Brand Statement

For Earth, For Life

The Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth.

## Mission

Food, water, and the environment are indispensable for human beings. The Kubota Group continues to support the future of the earth and humanity by contributing products that help the abundant and stable production of food, help supply and restore reliable water, and help create a comfortable living environment through its superior products, technologies, and services.

## Vision

To be a company that can make the greatest contribution to society by earning the trust of the greatest number of customers.

# Kubota Australia's Structure, Operations, and Supply chains

## Structure

Kubota Australia is an Australian company with a registered office at 25-29 Permas Way Truganina Vic 3029. Under the trading name of Kubota Australia Finance (KAF), we offer competitive finance options for both consumers and business operators.

Kubota Australia is a wholly owned subsidiary of Kubota Corporation (KBT). It is listed on the first section of the Tokyo Stock Exchange. KBT is one of the world's leading manufacturers of compact engines and produces agricultural, construction, and power equipment distributed to over 120 countries.

In New Zealand, our operations are conducted through Kubota New Zealand Limited, another wholly owned subsidiary of Kubota Australia. We also provide equipment finance solutions to businesses in New Zealand under the trading name Kubota New Zealand Finance (KNZF).

## Operations

The major function of KAU is the marketing and distribution of Kubota-engineered products as well as Kubota-supplied products in Australia and New Zealand. KAU's product range includes agriculture, construction, and power equipment. Additionally, KAU offers retail finance options for these equipment types to both Australian Businesses & Consumers as well as New Zealand Businesses. KAU carries out its function with the help of franchised dealers across Australia and New Zealand. We currently have more than 150 franchised dealerships across both countries.

To support KAU operations, we have a team of 225 employees in Australia and New Zealand. Each team member is adequately compensated and employed in compliance with the regulations of their respective localities.

## Supply Chain/Network

KAU maintains a diverse network of suppliers from around the world. Our supply chains encompass manufacturers of automotive products, machinery parts, and various other services that contribute to supporting our operations. In order to meet the demand for Kubota-supplied equipment in Australia and New Zealand, we annually procure goods and services worth more than \$600 million from our suppliers.

We engage in a range of transactions with international related parties. During the past year, we have continued conducting material dealings that involved purchasing goods from both related and unrelated parties of KAU situated in various countries, including Australia, New Zealand, Norway, the Netherlands, Indonesia, Japan, South Korea, Thailand, the United States of America, Germany, France, and Italy. As of the year ending on December 31, 2024, KAU had a supply chain comprising approximately 2000 plus suppliers/service providers. Last year, we traded with over 700 suppliers, of which around 50 were international suppliers.

KAU places significant importance on collaborating with suppliers that uphold Kubota values and adhere to principles relating to modern slavery and human rights. We provide our supplier code of conduct to every supplier we engage with during the onboarding process, outlining our expectations concerning their activities and adherence to ethical standards.

## Kubota Australia's Risks of Modern Slavery Practices

KAU recognises the potential modern slavery risks associated with its business operations and supply chains, domestically within Australia and New Zealand, as well as internationally.

Operationally, due to KAU localised operational structure and the fact that all employees are engaged under common law contracts, modern slavery risks are perceived to be low. KAU management oversee all recruitment, with assistance from the People and Culture department. Additionally, our dependency on labour-hire employees engaged through agencies is minimal. When labour-hire is necessary, KAU exclusively collaborates with reputable agencies located in Australia. We ensure that all our workforce members are employed under either Australian or New Zealand workplace contract, following standardised background checks and screening procedures.

All team members are adequately compensated and employed in compliance with the regulations of their respective localities. Our operational safety and wellbeing include various wellbeing programs, flexible work hours, recognition initiatives and open environment for expressing concerns.

Regarding our supply chain risk, we have been building upon our efforts over the past four years. We are strengthening our understanding of modern slavery risks within our supply chain through the engagement of a consultancy and a specialised service provider. As a standard procedure, we have continued to categorise new vendors, considering factors such as their industry type, geographic location, and their commitment to the Modern Slavery Act. We ensure our Modern Slavery Clause is incorporated into all contracts with our suppliers.

We strictly require all new vendors to complete an onboarding questionnaire on modern slavery to gain insight into their organisational structure and risk exposure. Furthermore, we have continued conducting risk assessments of our existing vendors to evaluate their current circumstances and identify any potential impacts on our anti-slavery commitment. These assessments help us to address and mitigate risks effectively, ensuring our supply chain remains aligned with our ethical standards and regulatory requirements. From this year we have started using a service provider/consultant with specialised expertise in modern slavery to assist in categorising our vendors based on industry, geographical and their operational risk. We consider this a significant enhancement to our ongoing efforts to deepen our understanding of modern slavery risks within our operations and supply network.

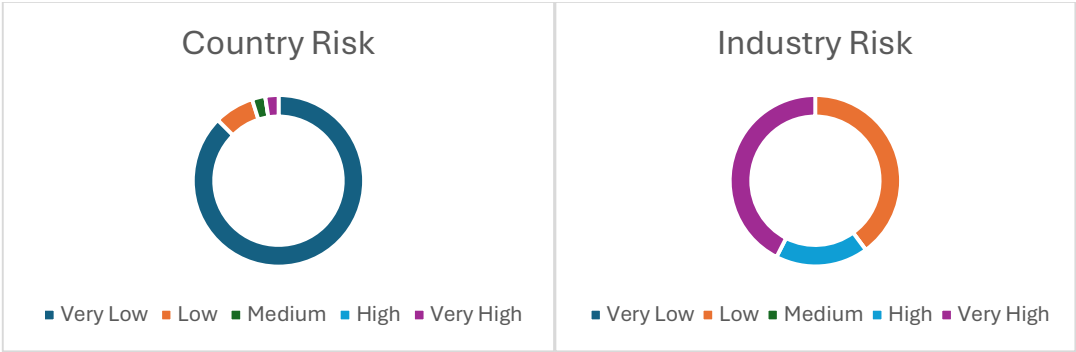
Based on our assessment and understanding gathered in 2024, we have identified certain risks:

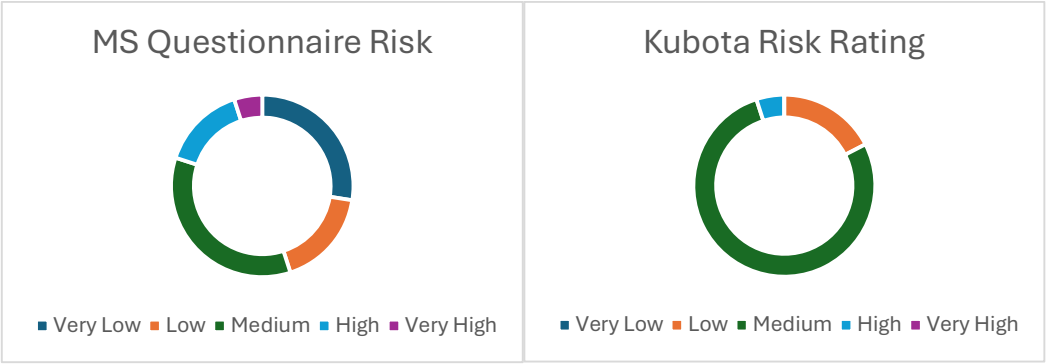
- As in previous years, we believe that high risk can be prevalent in companies primarily providing labour-oriented manufacturing and support services to businesses, such as cleaning services. Although KAU's spending in labour-oriented support service sector may be relatively low compared to other vendors, we acknowledge and surveyed these sectors as we understand they tend to attract a significant number of low-skilled immigrants, necessitating our understanding of the modern slavery threat within this context.
- We also recognise the risk associated with layers of supply chain used by our first-tier suppliers. We strive to determine if our suppliers understand Modern slavery laws and have policies for their own supply chain. Our finding revealed that 50% of our newly onboarded suppliers in 2024 do not have proper policies in place. The majority were small businesses or professional service providers, generally considered low risk based on their country of operation and industry risk they possess. Nevertheless, we continue to take these factors into account as part of our overall risk assessment.
- Suppliers operating in high-risk geographical areas, where modern slavery practices are more prevalent, require closer scrutiny and monitoring. This ensures that suppliers adhere to ethical standards and that any potential risks related to human rights violations, such as forced labour or trafficking, are identified and addressed proactively.

## Kubota Australia’s Approach to Tackle Modern Slavery Practices

KAU is fully committed to eradicating modern slavery from all aspects of its operations, supply chains, and business practices. As outlined in this statement, KAU continued its efforts in 2024 to enhance its understanding of potential modern slavery risk within its operations and supply chains. During the year, KAU worked towards ensuring compliance with the Modern Slavery Act by using its internal methodologies to assess the modern-slavery risk levels of onboarded and existing vendors. We also engaged with a few service providers who offer expertise and tools for modern slavery assessment and finally, as previously noted, we have a new service provider to assist us in the comprehensive evaluation of modern slavery risks within our operations and supply chain network.

KAU has a mandatory requirement to assess modern slavery risks when onboarding new suppliers and service providers, achieving a 100% completion rate for all suppliers onboarded during the year.





In 2024, we conducted Modern Slavery Risk Assessments for selected existing suppliers across various departments, achieving a 40% completion rate for our questionnaire.



Transparency is a key principle in our business, and we strive to tackle modern slavery through our operations and supply chains while fulfilling our disclosure obligations under the Modern Slavery Act 2018. Adherence to our Modern Slavery policy is mandatory for all executives and employees and is part of the employment induction and training process. It is essential for employees to familiarise themselves with our modern slavery policy and procedures to identify and prevent instances of modern slavery and conduct business in a manner that prevents its occurrence.

While we acknowledge our legal obligation to outline the measures we have implemented to prevent modern slavery, we also recognise that we do not have direct control over the actions of individuals and organisations within our supply chains. To reinforce our commitment in eliminating modern slavery, we consistently implement the following measures:

- In 2024, we continued to prioritise the identification and management of modern slavery risks through self-assessments across our operations and supply chain. In 2023, we engaged KPMG to conduct a Modern Slavery Benchmarking service. The resulting report was valuable in highlighting both our areas of maturity and those where further development is needed. Guided by the report's recommendations, we focused on improving our processes, enhancing systems, strengthening our operational grievance mechanisms, and engaging with external stakeholders. As part of this effort, we developed a process to leverage real-time data for identifying risks and upgraded our grievance mechanism to better enable stakeholders to raise concerns, complaints, or grievances related to potential incidents of modern slavery.
- Continued to Conduct risk assessments to identify the areas of our business and vendors that are most susceptible to modern slavery. This includes administering a Modern Slavery questionnaire for new vendors during onboarding and an annual survey for existing vendors. We have started engaging a third-party service provider to support our efforts in mitigating and minimising risks within our supply chain, utilising their platform to enhance transparency and gain a comprehensive understanding of our supply chain and its operations in coming years.
- We continued to include a standard Modern Slavery clause in service or supply agreement with vendors, requiring them to warrant that there is no violation of Modern Slavery Act obligations. Vendors are also required to provide relevant information about their supply chains and operations to assess their modern slavery risk. In 2024, Kubota Group published a Supplier Code of Conduct that identifies modern slavery risk as a mandatory consideration when engaging suppliers. Beyond Australia, this Code has been implemented across the Kubota Group's global operation. We have reviewed and updated our Supplier Code of Conduct to include a global hotline, in addition to our existing local hotline, to make it easier for stakeholders to report concerns. This Code remains an integral part of our supplier management procedures, helping to ensure accountability and alignment with our ethical standards.
- We identify and monitor potential risk areas within our supply chain to ensure compliance with our Modern Slavery Policy. We have a dedicated Compliance department responsible for ensuring adherence to the policy within the organisation.
- We protect whistleblowers who report concerns about suspected modern slavery within the company or our suppliers. Our whistleblowing policy provides guidance on how concerns can be communicated, and individuals who come forward are fully protected. Contact persons within the organisation are available to receive reports of potential breaches, including information related to human rights violations and labour standards infringements. We have implemented a global whistle blowing mechanism with two dedicated global hotlines for our stakeholders to confidentially report any concerns.



As stated in our 2023 statement, we have fulfilled all our actions as per our 2024 anti-slavery commitment plan.

## Commitment and Further Steps

In 2025, we plan to take the following steps to ensure continued progress:

- Continue conducting annual risk assessments of our supply chain, including any new partners and service providers, to identify potential areas of concern related to modern slavery. We are now using an Australian-based technology solution, designed to help organisations identify, assess, and mitigate modern slavery risks within their supply chains.
- Continue to carry out annual surveys of our suppliers to proactively monitor their compliance with KAU expectations and legal requirements, keeping a vigilant eye on any signs of non-compliance. We aim to increase the participation rate in existing supplier modern slavery assessments by leveraging new tools available through our partnership with the third-party service provider, who are experts in this field.
- Provide training and workshop to KAU members to enhance their understanding of modern slavery and human rights, enabling them to identify and respond effectively to any related concerns.
- Our Modern Slavery assessment platform service provider has partnered with various organisations to enhance its platform's effectiveness, through this we Join forces with industry leaders and organisations in our sector, including monthly meetings with ESG experts and peers, sharing emerging trends, and tackling evolving challenges together.
- We are committed to raising awareness and promoting ethical standards regarding modern slavery across our organisation. To support this, we are developing a dedicated Compliance Intranet to serve as a central hub for information, guidance, and resources on modern slavery. This enables our internal stakeholders have all relevant information in one place, with easy access to guidance and resources that support our efforts to mitigate modern slavery.
- In addition, we will prominently display whistleblower contact details on workplace notice boards to ensure all employees and stakeholders are aware of how to report concerns. This visible display will serve as a constant reminder of the accessible channels for reporting any potential misconduct or violations, reinforcing our commitment to transparency and accountability.

## Assessing and Reporting on the Effectiveness of Actions taken by Kubota Australia

KAU is dedicated to continuously improving its frameworks and processes to effectively review the actions taken to assess and address modern slavery risks within our operations and supply chains. Assessing the effectiveness of our actions is a vital component of our commitment to continuous improvement. We employ various methods to evaluate our approach, including:

- Monitoring key indicators such as the number of modern slavery-related reports received through our whistleblower mechanisms and the completion of modern slavery questionnaires by our suppliers. No instances of modern slavery have been reported or alleged in 2024.
- We consistently track relevant data and collect information from vendors to measure progress towards our goals. This may include conducting surveys, gathering feedback from stakeholders, and analysing relevant metrics. As committed in 2023 statement (reported in 2024) we partnered with a specialist service provider to support the collection and assessment of information about our vendors.
- Reviewing complaints raised under the dispute resolution process.
- We provide easily accessible internal platforms for raising concerns anonymously, such as whistleblower contact information and a dedicated line to lodge a complaint.

During the reporting period, we did not receive any reports or complaints related to modern slavery. Additionally, KAU completed and submitted a number of reports to law enforcement bodies, and none of these reports was concerned with modern slavery risks.

KAU is continuously reviewing how to effectively monitor modern slavery risks further as part of our 2025 compliance program.


KAU is committed to addressing the issue of modern slavery in our operations and supply chain. We recognise that this is an ongoing process, and we will continue to take steps to ensure that we are not contributing to or benefiting from modern slavery in any way. We will also continue to engage with our suppliers and stakeholders to ensure that they share our commitment to this important issue.

# Consulting with Entities that Kubota Australia Own and Control

This Modern Slavery Statement covers all controlled entities of KAU and was developed in consultation with each of the reporting entities covered by the statement. Each controlled entity relies on KAU for the resources they require for their operations. KAU provides and procure all goods, services, and personnel requirements. All controlled entities by Kubota Australia work under Kubota Australia management. One or more directors from each reporting entity and controlled entity reviewed a draft of this statement.

KAU will continue to monitor and report on the effectiveness of this Modern Slavery Statement to the Board of Directors of KAU.

The Kubota Australia’s Modern Slavery Statement 2024 was approved by its Board of Directors.

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Yuji Tabira, Managing Director  
Kubota Australia Pty Ltd

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