



Kubota Australia Pty Ltd

Modern Slavery Statement 2021

Contents

1. About Kubota Australia	3
2. Structure, business, and Supply chains	4
3. Risks of Modern Slavery Practices	6
4. Approach to tackle Modern Slavery practices	8
5. Assessing and Reporting on effectiveness	10
6. Consulting with entities owned and controlled	11

This statement, pursuant to the Australian Modern Slavery Act 2018 (“the Act”) (Cth), sets out the actions taken by Kubota Australia Pty Limited ACN 005 300 621 and its controlled entities (together referred to as “Kubota Australia”, “KAU”) to address modern slavery in our business and supply chain over the Calendar year ended 31 December 2021. This statement also includes the planned actions to mitigate the modern slavery risk in future.

About Kubota Australia

KAU is Australia's leading supplier of agriculture, construction, and power equipment, operating in Australia for over 40 years. It is part of the global Kubota Group of companies (KBT).

Since its foundation in 1890, KBT has delivered a variety of products that contribute to people's lives and society, including iron water pipes for the development of modern waterworks, and agricultural machinery to increase food production and save labour. KBT believes that its mission is to comprehensively solve the problems of food, water and the environment through its superior products, technologies, and services, thereby continuing to support the future of the earth and humanity.

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

KAU is a company incorporated in Australia and our registered office is located at 25-29 Permas Way Truganina VIC 3029

KAU is a subsidiary of Kubota Corporation, headquartered in Japan. Under the trading name of Kubota Australia Finance (KAF), KAU offers equipment finance. Kubota New Zealand Limited (KNZ) is domiciled in New Zealand. It is a wholly owned subsidiary of Kubota Australia. Under the trading name of Kubota New Zealand Finance (KNZF), KNZ offers equipment finance

Operations

KAU conducts a diversified range of business activity which include agriculture, construction, and power equipment. KAF offers designated services to its corporate and retail customers by providing finance for new, demo and used Kubota machinery and equipment, including tractors, excavators, mowers, utility machinery/equipment, generators, and Krone equipment. KAF also offers finance for used equipment and machinery of competitor brands which are sold by Kubota Australia's authorized dealers. KNZ, conducts a diversified range of business activity which include agriculture, construction, and power equipment in New Zealand. KNF offers designated services to its corporate customers by providing finance for new, demo and used Kubota machinery and equipment.

As of 31st December 2021, KAU employed 161 team members in Australia and 8 team members based in New Zealand. All team members are paid in accordance with local Australian and New Zealand requirements

Supply Chain

KAU engages in various dealings with international related parties. Material dealings during the year included, purchasing goods from related and unrelated parties of KAU located in Australia, New Zealand, Norway, Netherlands, Indonesia, Japan, South Korea, Thailand, United States of America, Germany, France, and Italy. For the year ending 31 December 2021 KAU had a supply chain made up of approximately 2,100 suppliers.

KAU seeks to engage with suppliers that act consistently with Kubota values in relation to modern slavery and human rights. Our supplier code of conduct which is provided to every supplier we intend to do business with, outlines our expectations on supplier activity

Kubota Australia's Risks of Modern Slavery Practices

Supply Chain

In 2021 KAU conducted our initial modern slavery risk assessment of its Tier 1 supply chain. We engaged a specialist consulting firm who conducted a risk assessment on our current supply chain using risk assessment software along with their specialist industry knowledge. In assessing the risk, following factors were considered:

Geographic location of the Supplier

Annual value of the purchase with each supplier

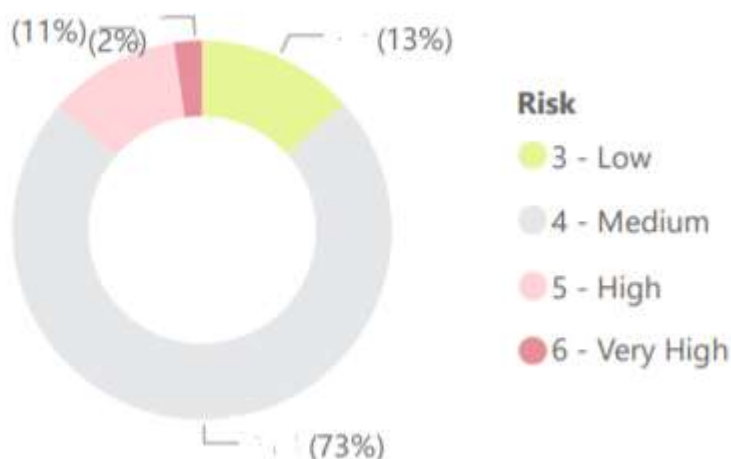
Type of products or services procured

This risk assessment highlighted KAU's highest Modern slavery risk within Tier 1 suppliers is with offshore suppliers. This assessment has allowed us to prioritize due diligence process according to the risk of modern slavery for suppliers. The risk assessment also identified following industry categories in our direct supply chain, where modern slavery risks are high:

Agricultural & Farm Machinery

Industrial Machinery

This graph shows the breakdown of KAU's suppliers considering the industry risk, location and total spend



Operations

All employees of KAU (permanent and maximum term) reside and work in Australia and New Zealand as citizens or residents with a very small proportion of expatriates holding work visas. All employees are engaged via a legally reviewed Employment Agreement.

Work at times is performed by Australian employees, via infrequent short-term travel, in respect to KNZ operations only.

KAU do not currently, nor have we during 2021 employed any casual employees.

KAU generally do not utilize employment agencies. All agencies utilized must be contracted via a Services Agreement which includes a requirement to be registered under any relevant Labour Hire laws and provide evidence of such to KAU.

All employees and workers placed by agencies are subject to probity processes based on the inherent requirements of their position, identity check, legal right to work check and criminal records history check at a minimum. All are assessed against the inherent requirements of the position they will fulfill based on a Position Description in line with process dictated by our Recruitment and Selection Policy.

KAU considers that our systems and controls are satisfactory to manage potential risks of Modern Slavery occurring through our employment practices.

Kubota Australia's approach to tackle Modern Slavery practices

KAU has taken steps to strengthen its governance and controls to assess and respond to risk of Modern slavery in its operations and Supply Chain relationships. KAU has conducted a comprehensive review around current sourcing, selecting, contracting and on boarding of suppliers to further build awareness to Modern Slavery Risk identification.

In line with our intentions discussed in the initial MS statement of KAU in 2021, these include

1. KAU has developed specific policies to mitigate Modern Slavery risks in its operations and supply chains. These policies have been reviewed and approved by Senior management and are made available to KAU employees, contractors, and business partners

These policies are:

Modern Slavery Policy

Supplier Code of Conduct Policy

Whistleblower Policy

2. When onboarding new suppliers, applying a Modern Slavery risk assessment criterion, and adopting a risk-based approach. KAU's compliance team manage the operational aspects of identifying Modern Slavery risks when engaging with new suppliers. Our process considers the potential risks of engaging with a supplier and include both a compliance review and a review of the Suppliers Modern Slavery policies and statements where they are available.
3. Existing first tier suppliers are evaluated on a periodic basis to ascertain the levels of Modern Slavery risks. The assessment considers factors such as low skill labour by suppliers, goods manufactured in high-risk countries and services provided by suppliers using non-transparent contracting arrangements. KAU's compliance team manage the operational aspects of identifying Modern Slavery risks when extending relationship with existing suppliers.

4. All KAU and KNZ team members have been provisioned e-learning training to raise awareness of Modern Slavery. This includes Modern Slavery risks, practices, and requirements under the Modern Slavery Act. Training is provisioned upon commencement with the business and annually to all employees. From 2022 training completions are reported periodically to assist Managers to ensure compliance, although each Manager has full visibility at all times of employee training records, and this must be discussed quarterly as part of our Performance Management policy.

All team members must notify our Compliance team immediately if they become aware of a potential act or an increased risk of Modern Slavery within business operations, supply chain or commercial partnerships.

Assessing and Reporting on effectiveness of actions taken by Kubota Australia

KAU has already commenced and intends to continue further developing frameworks and processes to appropriately review the effectiveness of KAU's actions to assess and address modern slavery risks in KAU's operations and supply chains.

KAU currently monitor compliance with our organizational policies and procedures through:

Internal audit and risk assurance reviews.

Review of complaints raised under dispute resolution process

Review of concerns raised through whistleblower program

Centralized review of new supply contracts

Annual review of existing supply contracts

During the reporting period:

There were no reports or complaints received by KAU in relation to Modern Slavery

KAU completed and submitted number of reports to Law enforcement bodies and none of the matters were concerned on Modern Slavery risks.

KAU continuously review how we can effectively monitor modern slavery risks further under our 2021-2022 compliance program.

Consulting with entities that Kubota Australia own and Control

This Modern Slavery Statement covers all controlled entities of KAU. Each controlled entity relies on KAU for the resources they require for their operations. KAU provides and procure all goods, services, and personnel requirements. Therefore, all controlled entities work under the management of KAU.

This statement is made after due consultations with key stakeholders in KAU and its controlled entities, including the relevant Business Unit Leaders and their team members. Stakeholders have been provided with the opportunity in our business forums to share their insight on the processes implemented to manage Modern Slavery risks during the reporting year. 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 2021 was approved by its Board of Directors on...21.....JANUARY.....2022

.....Tetsu Kojima

Tetsu Kojima

Managing Director

Kubota Australia Pty Ltd