

Komatsu UK Ltd – Gender Pay Gap Reporting

This year for the first time, UK Companies with over 250 employees, are required to report on their gender pay. The analysis is based on data as at 5 April 2017.

The legislation provides clear guidance on what is to be included in the calculations.

In accordance with the Gender Pay Reporting definitions, in Komatsu UK Ltd, these are as follows:

Category	What is included
Pay	Normal basic gross pay Shift Allowance Car Allowance payments made to Managers (and above)
Bonus	Bonus payments made to Managers (and above) Quality Circle Awards Long Service Awards Performance and Development Review Cash Awards

The Gender Pay Gap shows the differences in the average pay between men and women. This is different to equal pay. Equal pay requires that men and women who carry out the same or similar jobs or work of equal value, are paid the same.

At Komatsu UK we are confident that men and women are paid on equal terms for performing the same job across the business. Where men and women are in the same role, women are earning the same as their male colleagues.

At Komatsu UK we want to attract and retain the best people regardless of their background, race, ethnicity or gender and all have an equal opportunity to achieve their potential.

Gender Pay Gap Reporting

Difference between men and women

	Mean	Median
Pay Gap	2%	-2.2%
Bonus Gap	45%	0%

(The mean is the average of a list of number and the median is the middle value of all of the numbers listed in numerical order).

The table above shows our overall mean and median gender pay gap based on hourly rates of pay and the mean and median difference between bonuses paid to men and women at Komatsu UK in the year up to 5 April 2017.

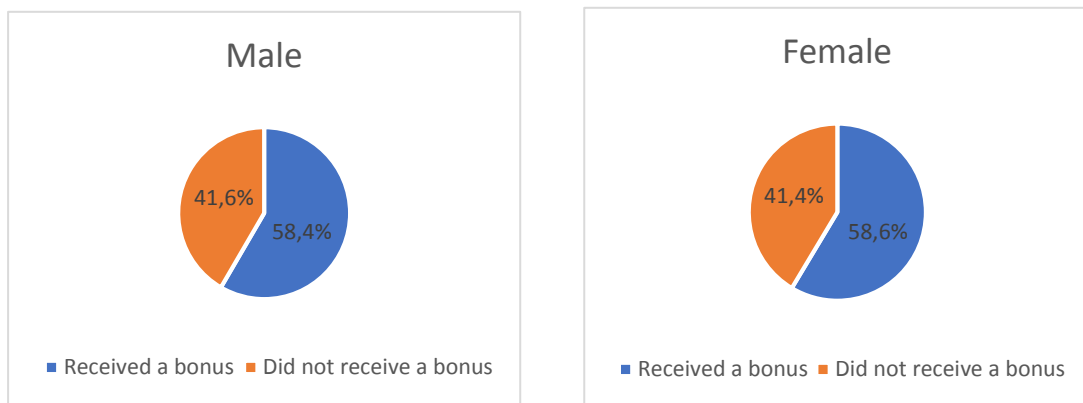
At 2%, our mean gender pay gap is considerably lower than the UK National Gender Pay Gap which is currently 18.1%. The median gender pay gap is more favourable to women at -2.2%.

The gender pay gap median figure of -2.2% reflects the fact that female employees represent only 7.6% of the workforce and there is a greater proportion of female employees employed in higher paid roles.

The bonus gap is due to the fact that the majority of the most senior positions in the organisation are occupied by men.

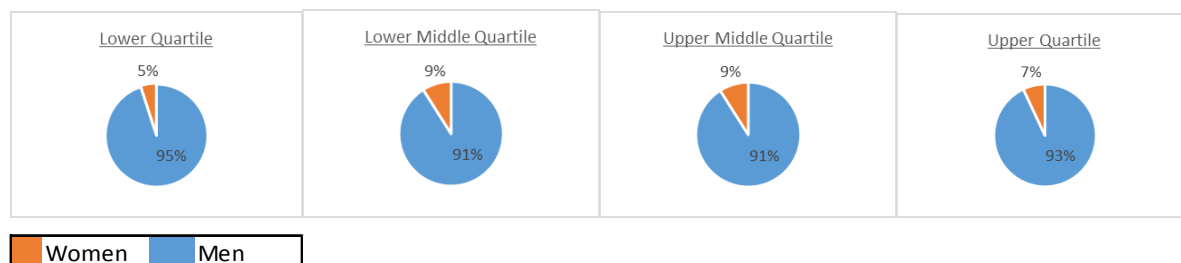
We are confident that Komatsu UK's gender pay gap is not a pay issue; we know this because our approach to pay is gender neutral and our analysis shows that our pay gap is driven by the structure of our workforce. We believe that relevant factors include the number of women who work in engineering and manufacturing and the higher proportion of male employees in the most senior positions in the Company.

Proportion of Employees Awarded a Bonus



The above charts show that 58.4% of the total male employees received a bonus and 58.6% of the total female employees received a bonus.

Gender Distribution



The data above illustrates the gender distribution across four equally sized quartiles of the business. Overall women currently represent 7.6% of Komatsu UK Ltd employees.

The Future

Komatsu UK is committed to creating a diverse and inclusive place to work. This is fundamental to our continued success. We already have initiatives underway and will continue to provide opportunities to increase our Gender Diversity.

Statement of Accuracy

I confirm that the above information is accurate to the best of my knowledge and belief.

A handwritten signature in black ink that reads "Tracey Bowman". The signature is written in a cursive, flowing style.

Tracey Bowman

Director of Human Resources and Corporate Affairs

April 2018