

Regarding media coverage of our supplier “Kwang Li Industries Sdn. Bhd.”

Dec 18, 2023

We acknowledge and take seriously the troubling allegations involving one of our suppliers, Kwang Li Industries Sdn. Bhd. (“**KLI**”) in the article titled “Shimano bike parts ‘made by modern slaves’ sold to commuters” released by the Telegraph. The matters described in the allegations stand against what we believe in at Shimano.

We, Shimano, are committed to respect for human rights in our [Code of Conduct](#). The UN Guiding Principles on Business and Human Rights provide that companies have to address human rights risks not only within the corporate group but also in companies outside of a corporate group but in their value chain. In this light, Shimano adopted the World Federation of the Sporting Goods Industry Code of Conduct as our “[Vendor Code of Conduct](#)” in 2021. In 2022, and like other Shimano vendors, KLI signed an agreement requiring it to comply with our Vendor Code of Conduct.

Since these allegations arose we have demanded that KLI take immediate action to thoroughly investigate and address this with KLI’s recruitment agencies, pursuant to its obligation to comply with our Vendor Code of Conduct. We have been clear with KLI that fair treatment for migrant workers is essential, that abuse in our supply chain will not be tolerated, and that we expect to be kept updated. We have continued and are continuing this robust engagement with KLI.

We have also established an internal investigation team, led by one of our Executive Officers at our headquarters, have independently been engaging with relevant parties, and have been investigating the allegations involving this part of our value chain including both the investigation into KLI and KLI’s recruitment agencies as well as the conducting of interviews with relevant migrant workers. We will continue to make every effort to complete our investigation, and to take appropriate action in accordance with international standards and based on the result of the investigation, as soon as possible.

SHIMANO INC.