



## SMC Pneumatics UK Ltd Modern Slavery Statement 2021

### Introduction

This statement provides background to our organisation and our supply chain and sets out the steps we have taken to ensure that slavery and human trafficking is not taking place in our organisation and supply chains.

This statement is published in line with section 54(1) of the Modern Slavery Act 2015.

### Our business and supply chain

SMC (UK) Ltd is a manufacturer of pneumatic, electro-pneumatic & electronic products, serviced by subsidiaries or agents in most countries.

Our business activities including:

- manufacturing;
- distribution;
- Sales

Summary of employees and supply chain 2020/2021:

Number of employees in the UK	365
Number of active suppliers	c. 520
Total procurement spend	c. £15 million local products/services c £30 million Japan and intercompany

With these diverse activities control of the supply chain is paramount to ensure we use suppliers who comply with the Modern Slavery act.

## Due Diligence, Risk Assessment and Management

Guidelines set out SMC(UK) Ltd, minimum expectations towards suppliers on business ethics, working conditions and human rights. Through these guidelines SMC (UK) Ltd makes it clear that it will not allow any unlawful business practices reflected in the Modern Slavery Act.

Through the detailing of these requirements in the questionnaire & verification document, SMC (UK) Ltd seeks to ensure that all its suppliers share its values and take a zero-tolerance approach to modern slavery.

If the supplier fails to comply with the modern slavery clauses, then SMC (UK) Ltd will terminate the use of that supplier for any purchases or services.

SMC (UK) Ltd also draws its ethical approach, including modern slavery, to potential new suppliers via the questionnaire & verification document, when tendering for new services or supply. This ensures new suppliers are made aware at an early stage of the expectations and obligations SMC (UK) Ltd will place on them if they are successful in becoming one of its suppliers.

## Conflict Minerals

SMC (UK) Ltd has recognised that there is a high incidence of human rights violations (including modern slavery) in connection with the supply of conflict minerals. Since 2013, SMC (UK) Ltd uses the current CMRT list to ensure that it is not contributing to these violations.

In the event of an issue being highlighted, SMC will investigate and take appropriate action.

## Effective action taken to address modern slavery

In the year 2020/21 SMC have had no incidents and one informal investigation in relation to the modern slavery. We do not have a contingent workforce all employees are employed on a permanent or fixed term contract.

Our procurement team report no concerns with our supply chain in the last 12 months in relation to modern day slavery.

We continue to assess and develop our modern slavery procedures and our senior management team are committed to discussing modern day slavery and acting as required.

## Our Policies

SMC policies in relation to slavery and Human trafficking:

New policy 2021, Anti-Slavery and Human Trafficking Policy

Whistleblowing Policy which supports employees to speak up and report any wrong doings

SMC Group Code of Conduct sets out behaviours and principles expected by the company – revised Sept 2019

Recruitment Policy that includes details of pre-employment checks and eligibility to work

Equal Opportunity Policy which sets out SMC's strong belief in the benefits of non-discrimination and equality opportunity

Grievance Procedure this gives employees remedy if they believe their employment rights have been abused

## Ongoing Commitment – Actions completed in FY2020

### Training

It was planned that in FY2020 all line managers would undertake Modern Slavery training, however, due to the ongoing pandemic this has not been possible this training is now scheduled for May 2021.

### Other actions

In FY 2020 the Modern Slavery action group which includes the Managing Director, QA team, HR Team and procurement team met twice during the year and actions were created. The newly created Anti-Slavery and Human Trafficking policy was approved and will be issued to all employees in May 2021.

The SMC Corporation launched a commitment to work towards the united nations sustainable development goals (SDG's) and launched an SDG project across all of its subsidiaries.

We continue to hold ISO 14001 and ISO9001 and remain committed to ensure our quality and procurement procedures are audited to a high standard.

## Ongoing Commitment – Actions completed in FY2021

We plan to continue to roll out Modern Slavery training to our customer facing employees

We will build upon the action plan created by the MS action group and further integrate policies, procedures and understanding into our organisation.



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Managing Director  
SMC Pneumatics UK Ltd

