



SMC Corporation UK Ltd

## Modern Slavery Statement 2022 (2023)

### 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, for the financial year ending 31st March 2023.

### Organisation structure and supply chains

SMC Corporation (UK) Ltd is a wholly owned subsidiary of SMC Corporation of Japan, which is the global market leader in automation and fluid control equipment.

The UK operation is principally concerned with the resale of products mass-produced in the corporation's primary factories in Japan, China, Singapore and Vietnam, while the UK factory configures product, designs and manufactures specials and assemblies for the local UK market. UK production is supplied by the corporation's factories with locally sourced raw materials and components.

SMC's target markets are automotive, food, life science and electronic, particularly semiconductor, served both direct and through its network of UK distributors.

Our business activities including:

- manufacturing;
- distribution;
- sales

Summary of employees and supply chain 2022/2023:

Number of employees in the UK	372
Number of active suppliers	c. 600 (including intercompany)
Total procurement spend	1.Products supplied intercompany via SMC Corporation 2.Freight 3.Site services IT/ Facilities

## Due Diligence, Risk Assessment and Management

Suppliers are graded in terms of risk of the possibility that modern slavery may occur within these supply category /groups. We have three risk groups 1,2 and 3. Depending on the risk level the Supplier is required to provide Modern Slavery statements or agree to guaranteeing compliance to the regulations, all new suppliers must complete our supplier questionnaire. The procurement team audit supplier responses to ensure that all its suppliers share its values and take a zero-tolerance approach to modern slavery. Risk assessments are carried out annually.

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 Corporation (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 2022/23 SMC have had no incidents 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.

## Our Policies

SMC policies in relation to slavery and human trafficking:

- Anti-Slavery and Human Trafficking Policy
- Whistleblowing Policy - supports employees to speak up and report any wrong doings
- SMC Group Code of Conduct sets out behaviours and principles expected by the company
- Recruitment Policy that includes details of pre-employment checks and eligibility to work
- Equal Opportunities, Diversity & Inclusion policy – revised 2021
- Grievance Procedure this gives employees remedy if they believe their employment rights have been abused
- Anti-Bribery Policy

## Ongoing Commitment – Actions completed in FY2022

### Training

Employees undertook refresher online learning modules.

### Other actions

In FY 2022 the Modern Slavery action group which includes the Managing Director, QA team, HR Team and procurement team met to review actions put in place and discuss requirements for the future. The Anti-Slavery and Human Trafficking policy which was introduced in May 2021 was reviewed (No changes made).

We continue to hold ISO 14001, ISO9001 and ISO45001 and remain committed to ensure our quality and procurement procedures are audited to a high standard. In 2022 we had 2 external ISO audits with no supply chain management issued raised.

We continue to audit suppliers, our QA team visited and audited 3 suppliers with no MDS concerns highlighted.

## Ongoing Commitment – Actions for 2023

- We will continue to train and inform employees about Modern Slavery and how they can report any concerns. Our procurement team will undertake targeted MDS training within the supply chain.
- We will introduce the Modern Day Slavery on-line learning module to our induction process of new starters and ensure they complete this module within 6 months of joining.
- We will continue to use our supplier questionnaires for suppliers who work with SMC (UK) to include gaining Modern Slavery regulation compliance. Those suppliers who are assessed as a risk 1 category will be asked to complete our supplier questionnaire on an annual basis .
- We will include additional questions in our supplier questionnaire around paying NMW/Living wage.
- Posters will be refreshed around our facility this will also include new posters in our contractor area.
- Community intelligence gathering project “Safe Car Wash”: We will inform staff of the Safe Car Wash app which enables the general public using hand car wash to use the app to complete a survey about the working conditions of the car wash.
- We will build upon the action plan created by the MDS action group and further integrate policies, procedures and understanding into our organisation.



Kevin O'Carroll  
Managing Director  
SMC Corporation UK Ltd  
Dated: 10th August 2023



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