



Expertise  
Passion  
Automation

# Sustainability Report 2022/23

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Passion  
Automation

SMC Corporation Ltd (UK)

SUSUK2023



# Managing Director Statement



At SMC Corporation (UK) Ltd, we are committed to being part of a sustainable society and helping to mitigate the causes of climate change.

Central to our mission is the conscientious manufacturing of our products, undertaken with a dedication to minimising our environmental footprint and reducing CO2 emissions.

We recognise that every action we take today shapes the world of tomorrow. That's why we prioritise efficiency throughout our manufacturing processes, striving to minimise waste and optimise resource utilisation at every turn. By doing so, we not only reduce our ecological impact but also contribute to the preservation of our planet's delicate ecosystems.

We understand the pivotal role our products play in the broader sustainability landscape. As such, we have committed to producing energy-efficient solutions that empower our customers on their own green journeys. Whether it's through innovative design, cutting-edge technology or sustainable materials, we are dedicated to providing products that align with our customers' environmental aspirations.

At SMC Corporation (UK) Ltd, sustainability isn't just a buzzword – it's a core value ingrained in everything we do. We recognise the urgency of the environmental challenges we face and are unwavering in our determination to be part of the solution and committed to building a more sustainable future for generations to come

*K. Scawell*



# Introduction

Working in partnership with our parent company SMC Corporation (Japan), SMC UK has long been developing environmentally friendly products that are compact, lightweight and use less electricity – therefore producing less CO2. Furthermore, to meet the growing needs of our customers in recent years, we have developed and begun proposing wider-ranging systems and solutions; for example, our Air Management System and reducing the entire factory compressed air levels in our customers' production processes, with a view to reducing electricity consumption. Businesses worldwide are considering measures to reduce CO2 emissions at their factories and other facilities. SMC has a wide variety of solutions designed specifically to support and promote such efforts.

SMC UK activities and vision in relation to sustainability is to reduce our energy consumption and CO2 emissions, design eco-friendly solutions, reduce waste from manufacturing whilst ensuring segregation and recycling. We use responsible manufacturing processes to improve the safety and wellbeing of our employees and visitors to site and contribute positively to the community.

We recently made a commitment to challenge and deliver on the 17 UN Sustainable Development goals (SDG's) and would like to share our progress here.

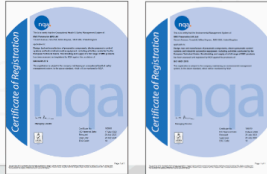
# Environment

Affordable & Clean Energy

Sustainable cities & communities

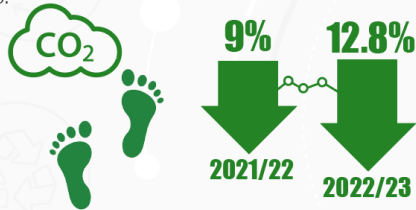
Climate action

SMC UK is ISO 14001 (international standard related to Environmental Management) certified since March 2000 and PAS 2060 carbon neutral certified 3 consecutive years

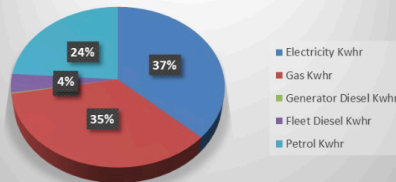


We have an ongoing objective to reduce our carbon footprint by 10% each year with senior management governance oversight.

We have reduced our carbon footprint by 12.8% for 2022/23 compared to 9.0% for 2021/2022 -specifically scope 1 & 2 emissions and currently working with suppliers and systems to report scope 3.



Energy Usage by Type



These achievements were made by taking the following measures:

LED lighting, PIR sensors, TV screen power timers



Improved production, warehouse and test lab gas heating system

EV vehicle charging points for visitors and staff.



Salespeople moved from diesel, Petrol to PHEV and EV vehicles.



Production airline leaks reduction, re-zoning and elimination of unused lines

Remote Sales meetings using Teams calls and video where applicable.



Reduction of Air Freight back to sea freight.

Consolidated outbound deliveries to customers.



Clean water & sanitation

Life below water

SMC UK takes all the necessary steps and precautions to ensure that hazardous substances do not enter watercourses, drains or soil.



SMC UK has two trade effluent permits from Anglian Water ensuring that all water from manufacturing processes that does enter drains has been filtered and sampled to ensure it is within environmentally safe levels.

Environmental officer provides in house training for all factory employees on how to manage spillage of hazardous substances.

Each area of the factory has a COSHH representative who manages the use of hazardous chemicals in their section.

Life on Land

Responsible Consumption & Production

SMC UK is keen to reduce the consumption of raw materials. We use the J series product line which minimises material usage in its design and energy consumption when used by customers. Other sustainability initiatives we have in place include:

- 1 Scrap Reduction initiative.
- 2 Reusing SMC branded boxes, bubble wrap and bags
- 3 Increased recycled plastic content PCW) with packaging suppliers. **30% PCW**
- 4 Broad range of Waste segregation and Waste Carriers, no waste to landfill. Recycle metals with financial credits.
- 5 Increasing purchase of parts ordered in bulk reduces plastic bags and cartons.
- 6 Reusing IT devices such as phones, computers, laptops etc by resale to employees at a subsidized cost. Proceeds from this go to support charitable organizations in the community.

## Packaging Materials collected and reused

bubble bags various sizes

thin bubble sheet material

Large bubble material

air pockets

Imperfect bubble wrap

used in 'shipping' bags to make pillows

tape gun tubes

bubble roll tubes

made into spacers for cylinder boxes

various foam materials

rigid foam sheets

### Using Reusable Packaging Examples

panel cabinets with bubble pillows

heavy cylinders with rigid foam, card sheet and bubble pillows

heavy cylinders with expanded foam cushions of various shapes

Large panel and cylinders using various materials including slim boxes

# Social

End Poverty
 End Hunger  
 Good Health & Wellbeing
 Quality Education

Training

Our objective is to successfully hire, train, and motivate employees who want to serve the customer. It makes no sense to promise excellent service before SMC's staff are ready to provide it. Everyone in the company is committed to delivering customer satisfaction.

SMC UK is ISO45001 certified (international standard related to Health and Safety management) since May 2022, and we have a Health and Safety Officer on site.

Health & Safety

We continuously improve our near-miss reporting to ultimately reduce accidents and incidents as far as reasonably practicable and have regular employee occupational and welfare training.

At SMC our aim is to create a culture of wellness so that our employees can thrive, and our business excel. Our wellbeing strategy is underpinned by a technology platform that houses our offering giving easy access to benefit information and well-being incentives.

Wellbeing

We offer a range of private medical cover to suit all employees, we have salary sacrifice offerings including childcare vouchers, car leasing, bike to work scheme and holiday trading. We provide other benefits such as Death in Service, enhanced sick pay, an employee assistance programme, various sports and social clubs, subsidised canteen and retail discounts.

Private Healthcare

To ensure our employees feel valued and motivated we have company celebration events, bonus and commission schemes. In addition, we run wellness days for mind, body and financial health supported by our benefit champions and wellness warrior employee teams.

Work Schemes

To enhance progress for individuals and for the growth of the Company's skill base we offer on-going training for all employees as well as development programmes for those wishing to increase their knowledge and skill. Our apprenticeship programme has a long history of success in developing our leaders of the future and the programme is run in partnership with our local colleges. In 2023 SMC UK achieved a Gold Kitemark Status for the excellence of our apprenticeship programme.

Training



We take pride that more than 50% of our staff have been with the company for more than 10 years.

Quality Education
 Gender Equality

Donating to Charities

At SMC the corporation thinks globally but allows the subsidiary to act locally. Our aim is to coexist in harmony and contribute to our community, we focus on minimising our environmental impact, supporting education and research, contributing to the continuing development of a learning society and fundraising for local and national charities.

Working with schools

Every two years SMC commits to a chosen charity voted for by our employees. We then hold fundraising events throughout the year and build relationships with the charity. Every year our employees engage in national charity events such as Children in Need and Comic Relief with the company often doubling the amount raised by our staff.

Our employees donate time to attending virtual careers events with school students, and actively promote STEM careers to local school & college students – with specific events aimed at women. We offer up to 10 work experience placements each year.

We believe SMC has an obligation to ensure engineering is represented in schools, colleges, and universities. We take part in school initiatives such as career talks with local schools, STEM activities, research projects with universities and providing training equipment to local colleges. We encourage our employees to get involved with industry representatives that collaborate with the government to grow engineering in the UK as well as setting industry standards.

Gender Equality

Code of Conduct

SMC is dedicated to delivering world-class business solutions to our customers through superior products and exceptional customer service by creating an environment for our employees where each person is valued, challenged to reach their potential, and contribute to the growth of the company, the community and themselves.

Value Employees

SMC acknowledges its corporate social responsibility and aims to become a company trusted and desired by all our stakeholders, investors, employees and local community. To this end, SMC has established and communicated the "SMC Group Code of Conduct" to be complied with by all managers and employees of our group and requested our suppliers to respect the intent of this Code of Conduct. The "SMC Group Code of Conduct" prohibits the use of conflict minerals, offering of improper gifts to public

Anti slavery

officers, unfair competition, any act that disrespects the personality or dignity of employees, unreasonable discrimination, child labour and forced labour. It declares that SMC will comply with all relevant laws and regulations as well as international rules, including rules on the management of workplace safety and sanitation, in addition to environment-related regulations.

Peace & Justice

Social Responsibility

SMC espouses the corporate social responsibilities promoted by the SMC Corporation; our goal is to live together with the local society by co-operating in activities which contribute to the development of the region and the comfortable and safe lives of people living there.

Building upon the advanced technologies SMC has accumulated over the years, we will continue to develop and supply automated control equipment products that deliver improved energy conservation performance with reduced size and weight.

By responding to our customer requests, SMC will contribute to the sustainable growth of industries and expansion of technological innovations. We are also taking measures considering the protection of the environment throughout the whole process of our business activities, such as avoiding the use of substances of concern, promoting energy-saving and resource-saving, reducing packaging materials, cutting down noise levels, reducing the volume and ensuring proper treatment of wastewater and waste discharge. This will lead to reducing the environmental impact for the entire society.



# Governance

Oversight from senior management team.

We have six monthly integrated management system reviews to ensure the management system is aligned to our company's objectives, vision, economic goals are met.

SMC UK complies with UK legislation and regulations applying international standards where appropriate. We utilise a compliance platform to ensure conformance to new and changing legislation to enable management of our legal register. We have implemented policies and procedures in line with our business conduct responsibilities.

- QHSE policy
- Gender Pay Gap report
- Equal Opportunities, Inclusion & Diversity Policy
- Modern Slavery statement
- Anti-Bribery policy
- Whistleblowing policy
- Anti-discrimination policy
- Code of Conduct
- CMRT – conflict minerals
- Russian Iron/Steel declaration
- The Plastic Packaging Tax compliance
- Ethics training
- GDPR procedures in place
- Right to worker representation
- CoC and material certs
- RoHS / REACH compliance
- Working hours regulations policy

# What's next?

Working with our parent company on global Net Zero strategy and pledge  
Aligning with the EU Corporate Sustainability Reporting Directive (CSRD)



## Global Net-Zero Action



## 17 UN Sustainability Goals, Logos & their meaning

