

# Policy

## Modern Slavery Policy

**Classification:** Public

### Anti-Slavery and Human Trafficking Statement

Reviewed:	September 2023 in respect of actions taken in the period ending 26 August 2023 and for the year ahead and constitutes our slavery and human trafficking statement for the financial year ending 31 August 2024.
Next Review:	September 2024
Application:	Smiths News plc and all companies within the Group ("Smiths News")
Legislative Framework:	This statement is made pursuant to The <i>Modern Slavery Act 2015 s.54(1) (UK)</i>

## Introduction

Smiths News is a specialist distributor and a leading supply chain partner in newspaper and magazine wholesaling and distribution. While our business is primarily in the UK market, we do service the specialist printed and digital media needs of airlines and travel points worldwide; however we do so using third party service providers.

Smiths News employs around 1,500 people all of whom are situated in the UK. It has business operations, directly or indirectly, in 4 countries, principally through its international media business, Dawson Media Direct Limited. We have registered subsidiary companies in Germany, Hong Kong and Australia although these companies have no direct employees and it is our intention to deregister them within the short term).

Smiths News has a global annual turnover of c£1,089 million. To find out more about the nature of our business, please see our website at: <http://www.smithsnews.co.uk/>

## ***Our Anti-Slavery Position***

Smiths News is fully committed to preventing acts of modern slavery and human trafficking from occurring within our businesses as well as our supply chains, and we impose the same standards on our suppliers as we apply to ourselves. We take a zero-tolerance approach to non-ethical practices, and we are committed to acting professionally, fairly and with integrity in all our business dealings and supply chain relationships, wherever we operate, implementing and enforcing effective systems to uphold ethical standards and to combat modern slavery and human trafficking.

“Modern Slavery” for us means the exploitation of people who have been forced, deceived, or coerced into a life of labour and servitude, including human trafficking. Management, staff and the suppliers we work with are expected to be alert to the risks of modern day slavery and we have a reporting line to bring any concerns to the attention of management who will act on all reports.

We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay (or fear of reprisal). We will keep any information provided completely confidential.

## Smiths News’s Structure and Role in the Supply Chain

### ***Our Structure***

**Smiths News** is the UK’s largest newspaper and magazine wholesaling business with an approximate 55% market share. We distribute newspapers and magazines on behalf of the major national and regional publishers, delivering to approximately 24,000 customers across England and Wales on a daily basis.

**Dawson Media Direct** supplies newspapers and magazines in print & digital format to International Airlines and Rail operators across 15 countries. Delivering to strict time windows with security accreditation, DMD serves the specialist needs of the travel sector.




**Outsourcing:** In 2019/20 we established an outsourced finance, IT and customer experience function in India, with a specialist outsource service provider. As one of our core partners, our outsource service provider is committed to ensuring our standards and ethics are applied across our whole business and thus subscribes to our policies and procedures, specifically as applied to the prevention of modern slavery. A comprehensive due diligence process was undertaken with the outsource service provider prior to the conclusion of our agreement and they were found to robustly support an anti-modern slavery stance in line with best practice. We have a dedicated team of professional people situated in India within a Smiths News branded facility, which meets our requirements, including in respect of health and safety standards. Senior management have regularly visited the site and has oversight of the facility and direct engagement with the staff. We regularly carry out both internal and external audits of our overseas operations from a health & safety, colleague welfare, fit for purpose facilities and policies and compliance perspective.

### ***Our Operating Model***

We operate one of the fastest supply chains, seven days a week, delivering, collecting and processing returns across a fragmented customer base. The vast majority of our collections and deliveries are completed before 6.30am operating out of 36 depots. This requires a dedicated work team of shift, contract and part-time workers. We acknowledge that this type of work has an inherent Modern Slavery risk to which we are alert.

We carefully monitor the sources of our workforce, and our employment policies support the individuals’ right to offer their services in exchange for a fair wage. Due to the nature of the business, we have a number of contracted and/or temporary workers. We have strict policies and processes to regulate how we deal with both recruitment agencies for the supply of temporary resource and independent service providers (ISPs) who provide composite delivery services across the business with the focus on an individual’s right to work in the relevant jurisdiction and ensure fair and transparent payment practices. We adhere to the minimum wage provisions and additional provisions applicable to night workers in respect of maximum weekly working hours and rest breaks.

**Our Supply Chain (Up and Down Stream)**

<p style="text-align: center;"><b>Upstream</b></p> 	<p style="text-align: center;"><b>Internal</b></p> 	<p style="text-align: center;"><b>Downstream</b></p> 
<p style="text-align: center;"><b>Publishers / Goods &amp; Service Providers</b></p>	<p style="text-align: center;"><b>Warehouse and distribution</b></p>	<p style="text-align: center;"><b>Retailers</b></p>
<p>The Company's services principally include providing distribution and logistics services to our customers and suppliers in the United Kingdom. This means that we do not deal in large volumes of inventory originating overseas. Based on our risk mapping exercise, we do not believe that we are at risk of modern slavery within our wider supply chain; however, we remain vigilant to the risk and continue to communicate to our suppliers and customers our expectations about the standards on which they conduct business.</p> <p>The main product we distribute is print media, which does present an area of indirect risk within our upstream supply chain through print and information technology suppliers, as well as paper mills, ink manufacturers and the sourcing of timber. Once again, we require our suppliers to comply with our policies and position on Modern Slavery and periodic audits will be undertaken as and when necessary.</p>	<p>As part of our distribution business, we employ managerial and support staff as well as drivers and warehouse operatives. Some of our staffing requirements are filled directly through subcontractors and independent service providers (ISPs) (whether self-employed sole traders or limited companies) and agency staff through temporary labour agencies. We believe that the risk of modern slavery within our direct and indirect workforce is low; however, we acknowledge that the risks are high within the recruitment practices of third-party labour providers and/or subcontractors. As detailed further in this statement, we take steps to increase our understanding of this risk and to ensure that we are in the best position to respond effectively.</p>	<p>In respect of the print media, the retailer outlets who we predominantly supply consist of large supermarkets, as well as small corner shops and convenience/CTN retailers. While we acknowledge that there may be a risk of modern slavery within these outlets, we do not believe that this presents a high risk.</p> <p>As regards the in-flight entertainment products that are supplied to airlines and other travel points through Dawson Media Direct, we remain open to investigating and understanding the risk of modern slavery within the travel and aviation industry, but currently this is not an area which we have identified, for our purposes, as a high risk.</p>
<p>In support of our main business, we also procure goods and services which range from consultancy and cleaning services, to electronic equipment, uniforms and stationery, to mention but a few. We acknowledge that a number of these indirect or "non-distribution" goods and services may be at risk of Modern Slavery. We currently require all suppliers to commit to our Modern Slavery position and remain vigilant to any emerging risks. Our procurement department also undertakes periodic screening as part of the appointment and renewal process for suppliers.</p>		

**Policies**

As part of our commitment to combating modern slavery, we have implemented the policies listed below. We have also initiated a Regulatory and Policy Steering Committee, which consists of key functional team representation from across our business to help monitor industry and legal developments, share best practice and explore methods of communication and training. This SteerCo ensures that our policies are regularly reviewed and updated where necessary. We have a process of communicating our policies (new and revised) to ensure all of our workforce are properly informed, including adopting web based induction processes and refresher training.

- Ethical Trading Policy;
- Procurement Policy and Supplier Code;
- Sustainable Procurement Policy;
- Dignity at Work Policy;
- Equality, Diversity and Inclusion Policy;

- Code of Business Conduct;
- Anti-Bribery Policy;
- Anti-Fraud Policy;
- Whistleblowing Policy;
- Working Hours Policy;
- Open Door Policy.

We also make sure that our suppliers are aware of our key policies and Code of Business Conduct through our procurement portal's "supplier zone", and we encourage them to adhere to the same high standards, including ensuring that they hold their own suppliers to the same standards. These policies have been developed and adopted by Smiths News in order to ensure that we conduct all business in an honest and ethical manner.

## **Governance, Risk and Compliance**

### ***Our Governance***

We recognise that Modern Slavery is not something that only happens elsewhere and note that the UK Government estimates there are tens of thousands of people in slavery in Britain today with UK nationals making up the biggest group of potential victims.

At an operational level, the nature and extent of our exposure to the risk of Modern Slavery occurring in our business, as well as our supply chains, is periodically reviewed. However, a formal risk assessment process is being developed and implemented by our employee relations team, our procurement team, and our sub-contractor management team under the direction of senior management. The Executive Team and our Board of Directors exercise overall oversight and responsibility.

### ***Our Risk Process***

As part of our risk mapping process, we have developed management guidelines based on the criteria set out in the table below. We believe these criteria are the main indicators of modern-day slavery risks within our business and have been determined through desktop analysis with reference to various sources<sup>1</sup>. This process enables us to identify, assess, mitigate and monitor our main risks, which have been identified as follows:

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<sup>1</sup> Anti-Slavery (registered human rights organisation) <https://www.antislavery.org/slavery-today/spot-the-signs-of-slavery/> 2019 UK Annual Report on Modern Slavery Global slavery index

Criteria	Pre-mitigation position	Identified risks	Ongoing Action / Mitigation	Ongoing monitoring and assessment / Due Diligence
<b>Geographical context</b>	The nature of the work of Smiths News includes an inherent risk of modern slavery due to its time sensitive nature and the aspects of difficult and labour-intensive work. Some of our workers may be "at risk" people as they may be foreign workers from areas with high levels of unemployment, may be employed on a temporary basis and / or may be employed through labour brokers, agents or independent service providers (ISPs) and thus become removed from employer obligations.	Sourcing of labour from high-risk countries	We continue to review our relationships with both recruitment agencies for the supply of permanent and temporary resource and our relationships with subcontractors and independent service providers (ISPs) who provide composite delivery services across the Group. We will continue to look to audit the capability of these agencies and the ISPs against our key policies and Code of Business Conduct, together with checking references and verifying payment practices.	While we believe we are doing everything reasonably practicable to limit the opportunity and incidents of modern slavery within our own business as well as our supply chain, we do however remain alive to the potential risk.  Before we commence dealings with a new supplier, we will look to conduct a risk-based assessment and may then audit their practices, policies and procedures using our standard modern slavery due diligence questionnaire, with an increasing focus on the suppliers' ethical trading standards.  Before we commence dealings with a delivery contractor or ISP, we will seek to apply best practice and look to audit their right to work in the United Kingdom, ensuring that such labour is not forced and ensure that pay is made direct to the recipient's own bank account.
<b>Type of industry and workers</b>	The nature of the work of Smiths News includes an inherent risk of modern slavery due to its time sensitive nature and the aspects of difficult and labour-intensive work. Some of our workers may be "at risk" people as they may be foreign workers from areas with high levels of unemployment, may be employed on a temporary basis and / or may be employed through labour brokers, agents or independent service providers (ISPs) and thus become removed from employer obligations.	Temporary / foreign / ISP or agency workers	We strictly adhere to health & safety requirements, continuously strive to improve our position beyond compliance, report our H&S performance measured against our 'lost time incidents' standard.	Where we source new products and/or services we will periodically undertake supplier audits, whether conducted internally or through external agencies, together with checking supplier references with external third parties.  We seek to ensure that all our suppliers adhere to our ethical standards and anti-slavery policies and provide a copy of our Ethical Trading Policy to each supplier. Our standard terms of purchase, available via our procurement portal supplier zone and on all of our purchase orders, cross-refer to our Ethical Trading Policy requirement.
<b>Manner of remuneration</b>	At risk people may be paid per hour, receive cash payments, be at the minimum wage level and/or may not be paid overtime. Workers may not be paid directly but paid through agencies or independent service providers (ISPs)	Non-direct payment of workers	Through our colleague forums we have sought to create a safe space for conversations with workers and, separately, we ensure that any whistleblowers or persons who raise concerns are adequately protected and supported	We will continue to implement contractual protections in our dealings with certain suppliers to reinforce our ethical standards and anti-slavery policies.
<b>Benefits and protection</b>	Some of the contracted and/or temporary staff may be 'at risk' and may not receive pension benefits. Such workers are generally not represented by any labour organisations / trade unions and do not have access to legal remedies.	Limited worker access to pensions, and representation		We enforce a strict code of compliance and do not tolerate slavery or human trafficking within our supply chains – if we find evidence of a failure to comply with our policies; we will terminate our relationship with the relevant supplier.

## **Training**

We have acquired and are implementing a policy compliance-training module, which includes a dedicated Modern Slavery element, and we look to educate our staff to recognise the risks of modern slavery and human trafficking in our business and supply chains. Through such education programmes and ad hoc monitoring of suppliers, employees are encouraged to identify and report any potential breaches of this anti-slavery and human trafficking policy (or any other policy).

We strongly believe that we should work with suppliers in a collaborative manner and that it will not benefit marginalised and “at risk” people if we simply terminated suppliers where concerns are identified. We believe in constructive engagement through education and training programmes, coupled with capacity building, both internally and within our supply chains, to identify and address any problem. As part of this approach, we will look to support “at risk groups” identified within our supply chain wherever possible and to ensure they are made aware of their rights and provided with the necessary support structures to limit the scope for abuse. While we recognise the reputational dangers of non-compliance within our supply chains, we believe that it is more beneficial to work for change and improvement rather than removing a supplier and leaving the abuse unresolved.

### **Measuring the effectiveness of our actions in Tackling Modern Slavery**

	What we are doing	Progress against FY2023Target /KPI	FY2024Target /KPI
<b>Policy</b>	Ensuring we do all that we can to address the risk of modern slavery both internally and within our supply chains through the strict implementation, and continued enhancement, of our policies directed at addressing modern slavery, and specifically our recruitment practices policies	We continue to review and update our policies and, with the launch of our new Intranet, SmithsZone, we have extended internal policy access a wider base of warehouse operatives (permanent and other employees). Communications in respect of our policies has been enhanced with specific focus areas and we have introduced more training modules (some of which are compulsory)	We will continue to review and revisit our policies to ensure that they remain current, accessible and understandable while building on our training modules to improve policy understanding and compliance
<b>Risk Management / Due Diligence</b>	<p>Ongoing risk assessment process through screening of new suppliers as well as a keen review of our internal practices that pose the greatest risk.</p> <ul style="list-style-type: none"> <li>in line with the implementation of a group-wide people system, we have automated our employee on-boarding processes, thereby minimising manual intervention, enabling improved management information and automating follow-up reviews for 'right to work' checks for our workers;</li> <li>we have invested in and strengthened our contractor management team, allowing us to standardise our contractor on-boarding process across our businesses;</li> <li>we have built upon capacity within our procurement system to allow us to more closely monitor our suppliers and conduct additional due diligence where required.</li> </ul>	<p>Our recruitment &amp; selection policy was revised and approved in January 2023. This sets out legal and ethical best practice processes for the recruitment and onboarding of new employees.</p> <p>The RTW (Right To Work) audit was completed in September 2022 by a third-party specialist and monthly compliance checks take place as part of standard procedure.</p>	<p>We undertake continuous improvement of our processes and systems for onboarding employees and new contractors and our company wide onboarding review programme commences in June 2023.</p> <p>We do not enter into any business relationship with any agency which knowingly supports slavery or forced / compulsory labour. Our agency partners' terms and conditions are reviewed and approved in conjunction with the Procurement business unit.</p>
<b>Training</b>	We have raised awareness of anti-slavery and human trafficking issues through a group-wide re-launch of our updated Modern Slavery policy and manager guidelines.	We have included modern slavery awareness training in our web-based induction module	We will continue to support our web-based induction module through ongoing awareness and access to policy documents
<b>Whistle Blowing</b>	We have a whistleblowing hotline, and all reports are independently and confidentially investigated	During the year the Whistleblowing process was reviewed leading to a move from an internally managed hotline to a service provider by a third-party service provider resulting in increased perception around confidentiality and enhanced accessibility with multiple languages being offered as well as 24 hours a day, 7 days a week availability)	We will continue to review both our policy as well as hotline delivery to ensure best practice standards are met

### Concluding Remarks

This statement has been approved by the Smiths News plc Board of Directors and is made in accordance with Section 54(1) of the Modern Slavery Act 2015. The statement covers a review of how we have performed in financial year 2023 and constitutes Smiths News's modern slavery and human trafficking statement for the forward looking financial year 2024 (27 August 2023 – 31 August 2024).

We will include in the directors' report accompanying our Annual Report a reference to the Company's Slavery and Human Trafficking Statement, which will be presented on our website post the year-end. This statement will also be available on our website at [www.smithsnews.co.uk](http://www.smithsnews.co.uk)

*David Blackwood*

Chairman, September 2023

## Policy Administration & Control

DOCUMENT CREATOR	Group Co Sec
DOCUMENT OWNER	Company Secretary & General Counsel
DOCUMENT FILE NAME	Modern Slavery Policy
REVIEW FREQUENCY	Annual
DOCUMENT LOCATION	Corporate Website

Version	Status / Amendment Details	Effective Date	Initials
4	Final	01.08.2021	SM
5	Final	01.09.2022	SM / Board
6	Final	01.09.2023	SM / Board