

A photograph of a man and a woman in business attire. The man, with a beard and wearing a white shirt and blue tie, is smiling and gesturing with his hand. The woman, with her hair in a ponytail and wearing a light blue shirt, is looking at him. They appear to be in a modern office setting.

SMC Pneumatics UK Ltd Modern Slavery Statement 2022

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 2022.

Organisation structure and supply chains

SMC Pneumatics (UK) Ltd is a wholly owned subsidiary of SMC Corporation of Japan, which is the global market leader in pneumatic 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 2021/2022:

Number of employees in the UK	380
Number of active suppliers	c. 540
Total procurement spend	c. £18 million local products/services c £35 million Japan and intercompany

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 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 reviews 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 Pneumatics (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 2021/22 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 FY2021

Training

Line managers have undertaken Modern Slavery training, as well as employees undertaking refresher modules.

Other actions

In FY 2021 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.

The SMC Corporation continued its commitment to working towards the United Nations sustainable development goals (SDG's) and launched a SDG Project page on its [Global website](#).

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 2021 we had five ISO audits with no supply chain management issued raised.

Ongoing Commitment – Actions for 2022

- We will continue to train and inform employees about Modern Slavery and how they can report any concerns
- We will continue to use our supplier questionnaires for suppliers who work with SMC (UK) to include gaining Modern Slavery regulation compliance
- We will ensure recruitment agencies on our preferred supplier list are reputable agencies and require that those on our PSL to have appropriate modern slavery provisions.
- We will work on our business continuity programme (BCP) to ensure consideration is given to our supply chains about the risks of modern slavery.
- We will build upon the action plan created by the MS action group and further integrate policies, procedures and understanding into our organisation.



Kevin O'Carroll
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SMC Pneumatics UK Ltd



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