



SMC Corporation UK Ltd

Modern Slavery Statement 2023 (2024)

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 2024.

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, electronic, and semiconductor, served both direct and through its network of UK distributors.

Our business activities including:

- manufacturing.
- distribution.
- sales

Summary of employees and supply chain 2023/2024:

Number of employees in the UK	370
Number of active suppliers	c. 300 (including intercompany)
Total procurement spend	1.Products supplied intercompany via SMC Corporation 2.Freight 3.Site services IT/ Facilities
Top 3 country spend	1. Japan 2. UK 3. USA

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.

We regularly monitor the effectiveness of our anti-slavery measures and report on our progress through:

Key performance indicators (KPI's): Tracking the number of supplier audits conducted, instances of non-compliance identified, and actions taken.

- In 2023/2024 SMC procurement/QA team carried out 11 supplier audits, with no modern slavery concerns.

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.

- In 2023/2024 SMC procurement team had no incidents connected to modern slavery concerns from conflict mineral suppliers.

Effective action taken to address modern slavery

In the year 2023/24 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 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 FY2023

Training

Employees undertook refresher online learning modules our system has been automated to run the modern slavery module every 36 months. The modern slavery eLearning module has been added to our new starter induction.

Other actions

The Anti-Slavery and Human Trafficking policy was reviewed in August 2024 (No changes made).

We added additional questions to our supplier questionnaire around paying minimum wage.

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.

Ongoing Commitment – Actions for 2024

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



Kevin O'Carroll
Managing Director
SMC Corporation UK Ltd
Dated: 22nd August 2024



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