



**JUNE 2024**

# **MODERN SLAVERY ACT TRANSPARENCY STATEMENT**

**SMI INT GROUP LIMITED**

## Introduction

SMI is committed towards respecting and protecting the human rights of all workers in our supply chain and our business operations. We aim to prevent modern slavery and human trafficking, recognising that modern slavery is a grave violation of human rights. Conducting ourselves with integrity and transparency in all our operations to prevent these practices. This Modern Slavery Statement sets out the actions taken by SMI INT Group Limited ("SMI") during the year January 2023 – 31st December 2023. Slavery forced labour and human trafficking affect all regions and industries, with the International Labour Organisation estimating that 27.6 million people are victims of forced labour worldwide.

This statement has been published in accordance with the Modern Slavery Act 2015. It explains the steps we have taken to prevent modern slavery in our business and supply chain for the year ending 31st December 2023. This is our second annual Modern Slavery Statement.

## Our business

SMI INT Group Limited is a family-owned business founded in 1981 and based in the United Kingdom. With our headquarters office located in Petersfield (Vision House) and our distribution center (Kites Croft) in Fareham.

SMI is one of the UK's leading importers and distributors, a specialist single course supplier of vital workplace products and solution including workwear, PPE, hygiene and essential safety suppliers.

Our company has a total of 177 employees across the two sites and is comprised of six directors. For the financial year, January – December 2023, our turnover was £34m.

We offer our over 1,200 clients across four sectors: Waste & Environmental, Public Sector, Logistics and Facilities Management with a range of 5,129 products across 50 product categories.

Our own-brand products, Rokwear which was first launched in 2009 are designed and developed by our team in the UK and then manufactured by our 13 supplier factories located in China, India, Italy and Pakistan. Our Rokwear products are shipped to our UK Distribution Centers (Kites Croft) where we may personalise the products at our client's requesting, branding the products with their logos using our inhouse embroidery or heat stamp process. The products are then distributed to our UK clients.

The second offering involves selecting the most suitable products for our clients from our catalogue of 265 third-party suppliers. When the products arrive at our distribution center, the process is the same as described above with our first product offering.

## SMI in numbers



**Founded  
in 1981**



**177  
employees**



**One  
UK office**



**One UK  
warehouse**



**£34M  
turnover**



**265 third party  
supplier factories**



**13 third-party  
supplier factories  
manufacturing  
Rokwear (own brand)**





## Our supply chain

### Own-brand production suppliers:

Approximately 45% of the own brand suppliers involved in the sourcing and manufacture of our Rokwear products we have worked with for over 5 years. These products account for approximately 47% of our annual turnover.

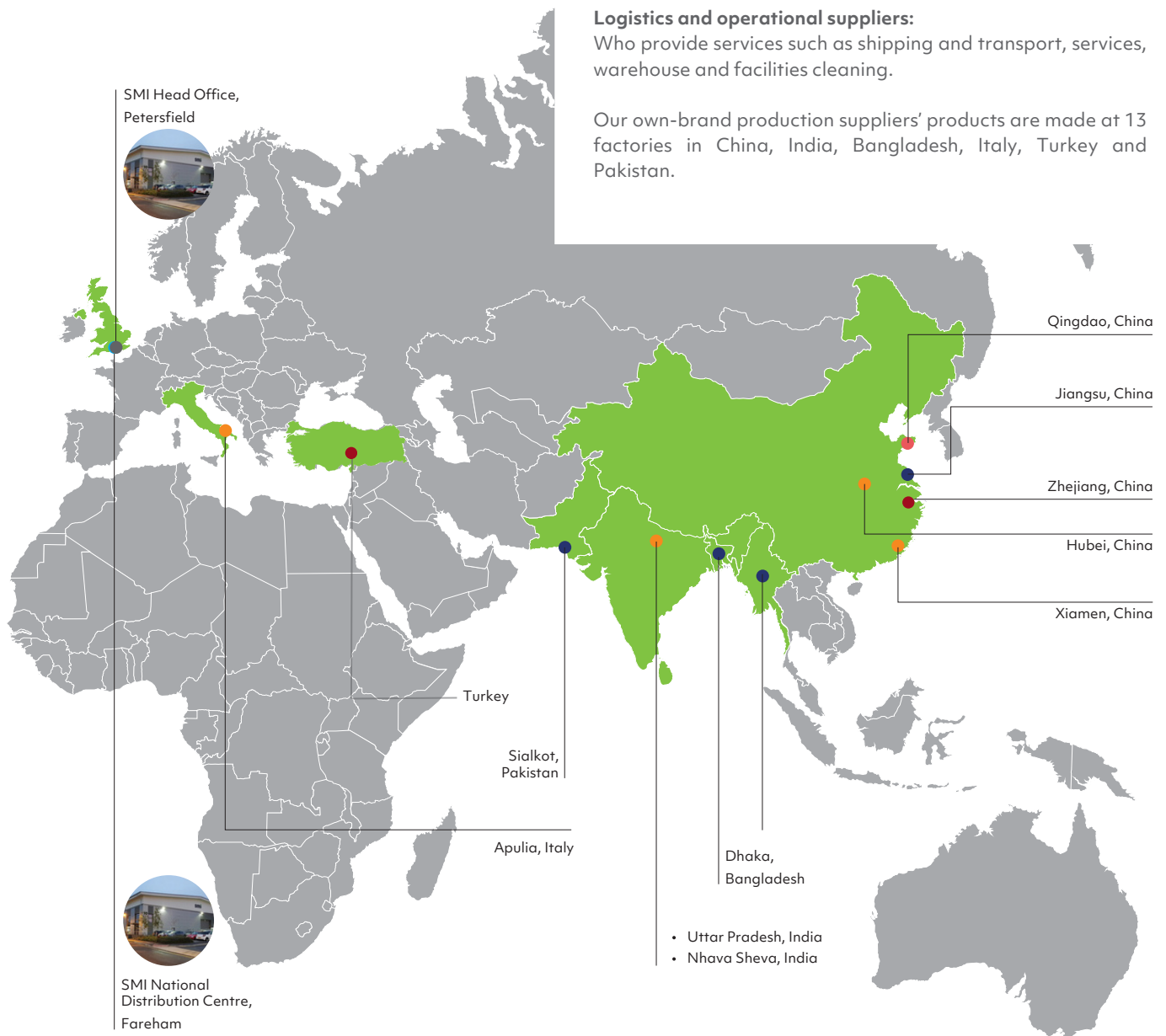
### Non-owned (Rokwear) brand production suppliers:

Involved in the sourcing and manufacture of non-owned (Rokwear) products. These products account for on average 53% of our annual turnover.

### Logistics and operational suppliers:

Who provide services such as shipping and transport, services, warehouse and facilities cleaning.

Our own-brand production suppliers' products are made at 13 factories in China, India, Bangladesh, Italy, Turkey and Pakistan.



SMI Head Office



SMI NDC



ROKWEAR Gloves



ROKWEAR Clothing



ROKWEAR Footwear



Workplace products

## Our Code of Conduct and key policies

Our Code of Conduct, which was updated in 2023 sets out the principles we expect our suppliers to meet in relation to human rights and safe and fair working conditions. It is based on international standards, including the International Labour Organisation conventions. It states our requirements that employment must be freely chosen. Suppliers must not use forced, bonded or involuntary prison labour and workers must not be required to lodge deposits, identify papers, or any other security with their employer and are free to leave their employment after reasonable notice. In 2023 we wrote several supporting policies to our Code of Conduct including a Child Labour and Young Worker Policy and Migrant Agency Worker Policy.

In addition, we also have policies designed to protect and promote the human rights of our own employees. These include our Equality and Diversity Policy, Anti-Fraud and Bribery and Corruption Policy, GDPR and Health and Safety Policy. In 2023 we also developed the following new policies; Whistleblowing Policy, Code of Business Conduct and Ethics, Equal Opportunities Policy, Dignity at Work Policy (Harassment and Bullying) and Grievance Policy and Procedure. Furthermore, in 2023 we also retired our Corporate Social Responsibility Policy and replaced it with an ESG 2030 Strategy, with annual ESG reports (including ESG 2023 Report) and an Environmental Policy.

In 2024, we plan to develop an internal manual for SMI employees to understand the content of our policies and our procedures as they relate to our suppliers, for instance, supplier on-boarding procedure, auditing requirements, expectations for supplier continuous improvement, and a responsible exit strategy. We will also develop an external manual to share with our suppliers.

## Governance procedures

Human rights, including modern slavery, are integrated into our governance procedure. Our Directors and ESG Manager and our Procurement Team undergo quarterly risk assessments by reviewing audit reports of suppliers. These audit reports assess third-party factory partners producing Rokwear against our Code of Conduct, focusing on risks of forced labour, child labour, health and safety and other labour issues.

## Assessment of modern slavery risk

We have undertaken an internal risk assessment in relation to our own operations and in relation to our third-party production suppliers. Based on this assessment, we believe the risk of modern slavery occurring in our own UK workforce is very low. There is a greater risk of modern slavery occurring in our production supply chain. With 47% of our turnover stemming from our Rokwear products, we have focused our initial risk assessment on these 13 production facilities. We have assessed this risk looking at factors such as the supplier's geographical location.

We have identified a number of potential risk factors for modern slavery including:

- The use of migrant workers, particularly foreign migrant workers, who may be more vulnerable to unequal employment terms, deceptive or coercive recruitment practices including human trafficking, debt bondage, and restrictions on movement.
- Factories with incomplete or inaccurate record keeping could be an indication that they are withholding wages or requiring employees to work excessive hours.
- Withholding workers' wages in any way, such as withholding a percentage of each pay packet, only paying workers a few times per year, or unreasonable deductions/
- Poor human resources management practices and an absence of clear policies and procedures, for instance, missing personnel records, no contracts, or inadequate working hours records.

We consider the location of our factories in our modern slavery risk assessment. 11 of our 13 own-brand production facilities are located in Asia. According to the International Labour Organisation, 56% of forced labour takes place in the Asia-Pacific region. SMI is aware of the civil and political unrest in Myanmar since the military coup began in February 2021 and we stopped sourcing from this country in 2023. We are also aware of investigations by human rights organisations and journalists which describe systemic forced labour in respect to Uyghur ethnic minority workers by the Chinese government. At SMI, we plan to diversify our supply base and reduce our reliance on China.







## Due diligence and supplier audits

In 2023, we worked together with The Reassurance Network to develop our own internal auditing requirements program, and procedures. As part of this, we commissioned a third-party audit of our warehouse in Fareham to better understand the procedure and to improve our methodology. We commissioned third-party audits of 2 Rokwear supplier sites in China. There were no indications of forced labour, human trafficking, child labour, or other human rights violations.

In 2024, we plan to audit at least 3 more Rokwear supplier sites in India and Pakistan. plan to develop our own auditing requirements, program, and procedures. If any serious issues are uncovered during this process, we have committed to taking action that puts workers' safety and wellbeing front and centre always.

## Training our people

In 2023, our senior leadership team attended three separate training courses. One session was about modern slavery and human trafficking risks in global supply chains, with a focus on the countries and products that SMI specifically trades. Another session was an introduction to carbon measurements and the other session was about SMI's responsible sourcing program, including a detailed review of SMI's Supplier Code of Conduct and the audit report and corrective action plan for SMI's warehouse in Fareham. We also replicated the third training course for our head office; thirty staff members joined this optional training session, with all training materials easily accessible to the wider business.

In 2024, we plan to conduct a lunch-and-learn about environmental sustainability and we will also plan to conduct training sessions at the head office about modern slavery, human trafficking topics and our audit and responsible sourcing program.

## Effectiveness of our approach

Even though our annual turnover does not meet the threshold for publishing a report, this is our second modern slavery statement. We began publishing in advance because we believe it is important to start sharing our commitments and to set our plans for the following year.

Although our third-party auditors identified health and safety non-compliances in the two audits of our Rokwear supplier sites in China, there were no indicators of forced labour, human trafficking, child labour, or other human rights issues. SMI takes the risk of modern slavery and human trafficking very seriously and we will monitor our initial steps in 2023 carefully to identify ways to continually improve our work methodology to identify human rights violations if they exist, and to prevent modern slavery and human trafficking. We commit to sharing our findings and our work transparently in future statements.

**This statement was approved by the Board of Directors of SMI INT Group Limited.**

Signed,

**Blake Prisgrove Chief Executive  
Officer SMI INT Group Limited  
June 2024**





## THE SUPPLY LIFELINE TO BRITAIN'S WORKFORCE

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SMIworkwear



SMI | The Supply Lifeline to Britain's Workforce