



JUNE 2023

MODERN SLAVERY ACT TRANSPARENCY STATEMENT

SMI INT GROUP LIMITED

Introduction

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.

SMI INT Group Limited ("SMI") is committed to respecting and protecting the human rights of all workers in our supply chain and operations. We do not tolerate any form of modern slavery or human trafficking in our business or supply chain.

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 2022.

Our business

A family-owned business founded in 1981, SMI is one of the UK's leading importers and distributors of workplace products and solutions, including workwear, personal protective equipment (PPE), hygiene and essential safety supplies.

Our company is comprised of six directors. For the financial year, January-December 2022, our turnover was £35m.

SMI is headquartered in the UK with an office in Petersfield and a warehouse in Fareham. We have 180 total employees across these two sites.

We offer our over 1,200 clients a range of over 4,000 products across 25 product categories. We have two key product offerings. The first offering is unique to SMI and one which we are extremely proud of.

Our own-brand products (Rokwear) are designed and developed by our team in the UK and then manufactured by our 12 supplier factories located in Bangladesh, China, Hong Kong, India, Italy, Myanmar and Pakistan. Our Rokwear products are shipped to our UK warehouse, where we may personalise the products with client logos using our embroidery or heat stamp processes on-site. 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 over 400 suppliers. When the products arrive at our UK warehouse, the process is the same as what we have described above.

SMI in numbers



**Founded
in 1981**



**170
employees**



**One
UK office**



**One UK
warehouse**



**£35M
turnover**



**400+ third party
supplier factories**



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





Our supply chain

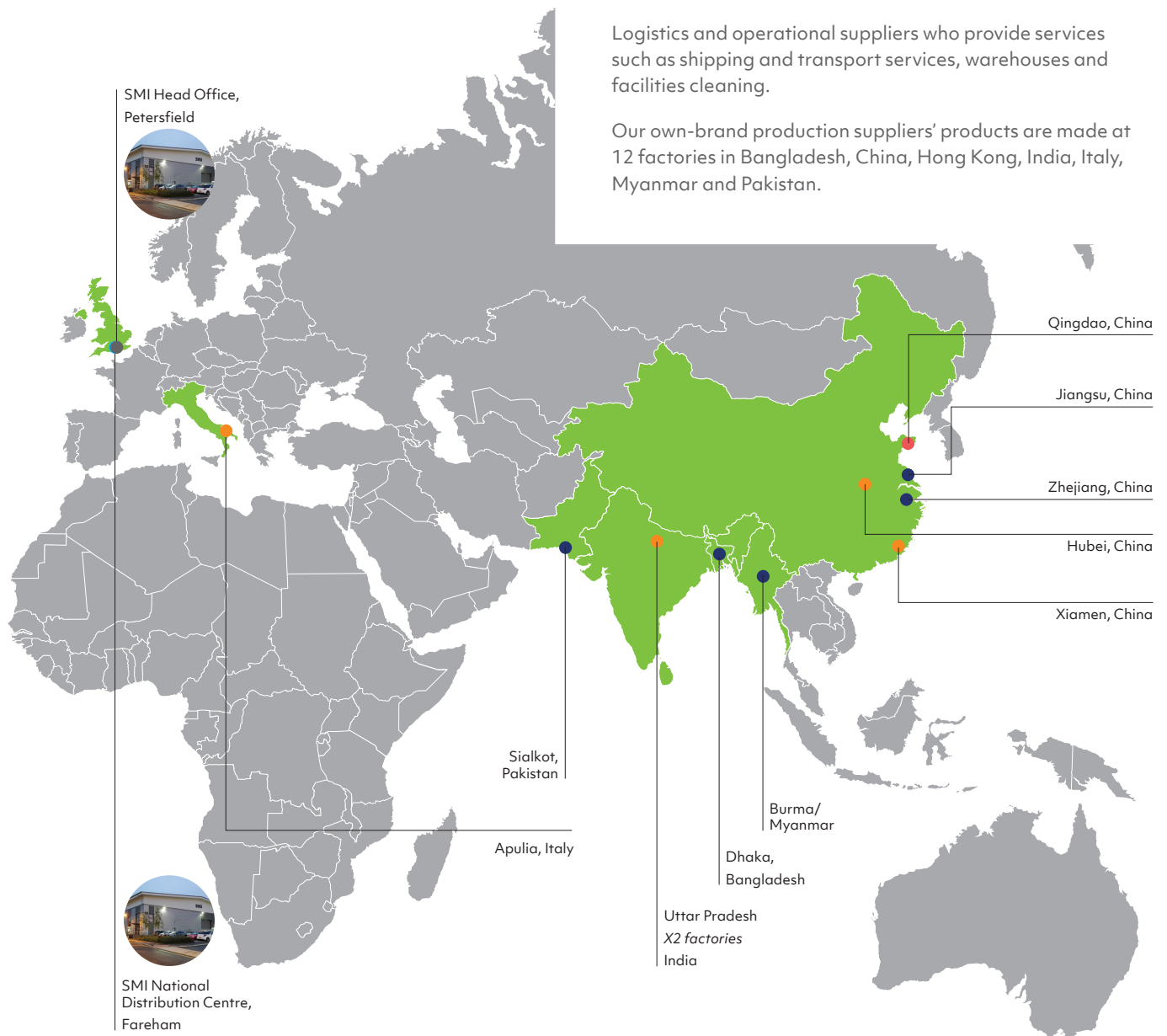
We have three main categories of suppliers:

Own-Brand production suppliers involved in the sourcing and manufacture of our Rokwear products. These products account for approximately 50% of our annual turnover.

Unbranded production suppliers involved in the sourcing and manufacture of unbranded products. These products account for approximately 50% of our annual turnover.

Logistics and operational suppliers who provide services such as shipping and transport services, warehouses and facilities cleaning.

Our own-brand production suppliers' products are made at 12 factories in Bangladesh, China, Hong Kong, India, Italy, Myanmar and Pakistan.



SMI Head Office



SMI NDC



ROKWEAR Gloves



ROKWEAR Clothing



ROKWEAR Footwear

Our Code of Conduct and key policies

Our Code of Conduct 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 Organization conventions. It states our requirement 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, identity papers, or any other security with their employer and are free to leave their employment after reasonable notice. Our Code of Conduct will be updated in 2023 and will also be made available in the local language for all countries where we have production suppliers. We also have an Ethical Audit Statement for suppliers, which explains our auditing procedures and expectations.

In 2023, we plan to write a number of supporting policies to our Code of Conduct, including a Child Labour Policy and a Migrant and Agency Worker Policy.

We also have a number of policies designed to protect and promote the human rights of our own employees. These include our Employee Code of Conduct, Equality and Diversity Policy, Modern Slavery Policy, Anti-Bribery and Corruption Policy, Anti-Slavery and Human Trafficking Policy, Corporate Social Responsibility Policy, and Health and Safety Policy.

In 2023, we plan to develop new policies to cover the following topics: whistleblowing; anti-bribery, fraud and corruption; equal pay; disciplinary and dismissal; equal opportunities, child labour; migrant and agency labour; and grievance. We will be reviewing our Code of Ethics, our Employee Handbook, and our GDPR policy. We will consolidate our risk and covid mitigation policies. We plan to retire our Corporate Social Responsibility Policy and replace it with an ESG Strategy and Environmental Policy.

Governance procedures

Human rights, including modern slavery, are integrated into our governance procedures. Our directors and the 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.

In 2022, we hired an ESG Officer to take over the day-to-day responsibilities associated with ethical trading, including the management of human rights and modern slavery. She is tasked with integrating ethical trade into our business and into our supplier review process, training staff members, managing SMI's policy committee to ensure they adhere to and exceed regulations, and building up our reputation as an honest, fair and responsible business.

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. Because 80% of our turnover stems from our Rokwear products, we have focused our initial risk assessment on these 12 production facilities.

We have assessed this risk by 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, which 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; and
- 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.



Assessment of modern slavery risk (continued)

We consider the location of our factories in our modern slavery risk assessment. 11 of our 12 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 Myanmar's civil and political unrest since the military coup began in February 2021. 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 plan to develop our auditing requirements, programme, and procedures. We plan to audit at least 50% of our third-party factory partners that produce Rokwear in 2023. We will work with our preferred auditing partner, The Reassurance Network, who will conduct audits and carry out training and remediation to help these facilities make improvements on working conditions. If any serious issues are uncovered during this process, we have committed to taking action that puts worker safety and well-being front and centre, always.

Training our people

In 2023, we will commission training on modern slavery to the senior leadership team, people director and ESG

officer. Following this training, our ESG officer will train our employees on our commitment to ethical trading and human rights, including the risk of modern slavery in supply chains. We endeavour to maintain a culture which does not accept slavery or exploitation.

Effectiveness of our approach

Although our 2022 annual turnover was below the minimum required threshold for publishing a report, we believe it was important to start sharing our commitments and to set our plans for the following year. SMI takes the risk of modern slavery and human trafficking very seriously, and we will monitor our initial steps in 2023 carefully in order to identify ways to continually improve our work 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 2023





THE SUPPLY LIFELINE TO BRITAIN'S WORKFORCE

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SMIworkwear



SMI | Workwear, Safety & Hygiene