SMD's Modern Slavery and Human Trafficking Statement

Introduction

Whilst we are proud of the steps we have taken to combat modern slavery and human trafficking, we continue to review and improve our practices to ensure modern slavery and human trafficking have no place in our supply chain or in any part of our business.

SMD's Structure

SMD Ltd is the UK parent company of Soil Machine Dynamics Limited and SMD Offshore Support Limited, together referred to as 'we' and 'our' within this Statement.

We have approximately 300 employees and operate from our head office and main manufacturing facilities in the UK, providing goods and services worldwide. We had an annual turnover for the financial year ending 31 December 2025 of approximately £85.7m.

Our Business

Our primary business is divided into three different areas;

- Equipment: Consists of the sale and manufacture of subsea remotely operated vehicles, ploughs, trenchers, mining equipment, deck equipment and Curvetech® components;
- Services: Provides RMU (repair, maintenance & upgrade) work and warranty support for existing equipment, after sales support and customer training; and
- Innovation: Consists of research & development of new and novel technologies and innovations.

We are also supported by our Operations and Central functions.

Our Supply Chain

We contract with a wide variety of suppliers and contractors providing a range of items and services, including raw materials and components, subsea vehicle fabrications, software, technical expertise and certification assessment. Whilst our suppliers are predominantly based in Europe we do engage with suppliers throughout the world.

Our Policy on Slavery and Human Trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our Anti-Slavery and Human Trafficking Policy reflects our commitment to act ethically and with

integrity in all our business relationships and to implement and enforce effective systems and controls to ensure slavery and human trafficking are not taking place anywhere within our business and supply chain.

Actions Taken

As part of our initiative to identify and seek to eliminate the risk of modern slavery and human trafficking in our supply chain, we have taken the following steps;

Due Diligence Processes

- All our current Tier One suppliers are issued with a Modern Slavery and Human Trafficking Questionnaire asking what policies and procedures they have put in place to investigate and address modern slavery and human trafficking in their own business and supply chain;
- Our due diligence process for new suppliers asks what policies and procedures they have in place to address modern slavery and human trafficking in their business and supply chain;
- Our due diligence process for Agents and Representatives includes a review of the policies and procedures they have put in place to combat modern slavery and human trafficking;

On-Going Assessments

Our supplier audit process reviews our suppliers' compliance with their modern slavery policies and procedures, and we look to identify and investigate potential instances of modern slavery or human trafficking.

Contract Clauses

All of our Standard Terms and Conditions of Purchase Contracts (Short Form, Long Form and for Engineering Services), Agency Agreements and Marketing Representative Agreements contain clauses that prohibit the use of forced or trafficked labour and contractually oblige the party to comply with our Anti-Slavery and Human Trafficking Policy.

Reporting

We have in place a system to encourage the reporting of any concerns related to modern slavery within our business or supply chain in accordance with our Anti-Slavery and Human Trafficking Policy.

All of the steps above ensure we can readily identify, assess and monitor potential risk areas in our supply chains in our drive to eliminate the risk of slavery and human trafficking occurring.

Supplier Adherence to Our Values

We have a zero-tolerance approach to slavery and human trafficking. To ensure all those in our supply chain comply with our Anti-Slavery and Human Trafficking Policy we have in place a supply chain compliance review process. This process is an amalgamation of the due diligence and audit processes described in the section above.

The Operations Director has responsibility to ensure the supply chain compliance review process is followed and our suppliers follow our due diligence processes and Anti-Slavery and Human Trafficking Policy.
All our Tier One suppliers were reviewed by way of a self-declaration questionnaire. The questionnaire has enhanced the visibility of our suppliers' practices to help us understand how they operate in order combat modern slavery.

We also review the countries where our suppliers are based against the Walk Free Foundation's Global Slavery Index list to determine where modern slavery is most prevalent and which suppliers potentially demonstrate greatest risk of modern slavery. In prioritising the review of our supply chain, we focus the greatest attention on these suppliers on a regular basis.

Awareness and Training

All staff have been notified by our HR Department of the importance of our Anti-Slavery and Human Trafficking Policy both to our business and to our supply chain. Staff have access to this Policy on our internal staff intranet site.

Our Staff Induction for new starters includes the provision of our Anti-Slavery and Human Trafficking Policy.
Specific training for our Procurement Team helps them identify and recognise high risk suppliers, goods and services when assessing suppliers and ordering goods or services.

Our Effectiveness in Combating Modern Slavery and Human Trafficking

Key performance indicators (KPIs) are used to measure our effectiveness at ensuring modern slavery and human trafficking have not taken place in our business or supply chain. These are managed in conjunction with our supply chain compliance review process.

Examples of our KPIs include determining the percentage of our suppliers that have responded to our Modern Slavery and Human Trafficking Questionnaire, the number and type of issues identified in response to our questionnaire, the number of audits undertaken which have examined compliance with modern slavery and human trafficking policies

and procedures, the number of reported breaches in the past year and the number of staff trained in relation to modern slavery and human trafficking.

Legal Compliance

This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Modern Slavery and Human Trafficking Statement for the financial year ending 31 December 2025.

This Statement has been approved by the Board of Directors of SMD Ltd.

Kenny Liu
Kenny Liu (Oct 1, 2026 15:48:38 GMT+1)

Kenny Liu

Chief Executive Officer

1 October 2026