
Dyson Modern Slavery and Child Labour Statement 2023 UK

1.0 Dyson's business, operations and supply chain

Dyson Limited and Dyson Technology Limited are subsidiaries of Dyson UK Holdings Limited ("Dyson"), which, alongside other non-reporting entities has the ultimate parent company Dyson Holdings Pte Limited (together the "Dyson Group"). The Dyson Group are a global group of companies committed to conducting business in an ethical and environmentally responsible way. This statement is made on behalf of Dyson UK Holdings Limited, in particular, the following subsidiaries that meet the criteria for publishing an annual statement:

Dyson Subsidiary	Country of Incorporation and Registration Number	Registered Address	Applicable Act
Dyson Limited	United Kingdom 02627406	Tetbury Hill Malmesbury Wiltshire SN16 0RP UK	UK Modern Slavery Act 2015
Dyson Technology Limited	United Kingdom 01959090	Tetbury Hill Malmesbury Wiltshire SN16 0RP UK	UK Modern Slavery Act 2015

The Dyson Group has engineering, research, development, manufacturing and testing operations in Singapore, the UK, Malaysia, Mexico, China and the Philippines. The Dyson Group is headquartered in Singapore and employs over 14,000 people globally including a 6,000 strong engineering team.

The Dyson Group's own manufacturing operations are based in Singapore, Malaysia and the Philippines. The Dyson Group's supply chain includes contract manufacturers in Malaysia, the Philippines, Mexico and China, with tier two and three manufacturing suppliers primarily based in Asia. It also includes suppliers of other goods and services to support its operations, such as cleaning, maintenance, catering and security providers.

Message from The Dyson Group's Chief Supply Chain Officer

"As we bring additional capacity and capabilities to the Dyson supply chain network, we are deepening our engagements with internal and external experts around the world and conduct regular reviews to safeguard against any possible risks of modern slavery and child labour. Our future is inextricably linked to our commitment to uphold the highest standards of conduct and compliance in safety, health, and wellbeing for our employees and third-party suppliers.

Dyson does not accept modern slavery or child labour in our operations and global supply chain and is dedicated to its prevention. We will continue to set robust standards on worker welfare and protection, and we will take practical steps to ensure we and our third party suppliers adhere to them."

Michelle Shi-Verdaasdonk, Chief Supply Chain Officer

2.0 Introduction

Dyson respects human rights, the environment and ethical business practices. Dyson is committed to providing work that is freely chosen and to supporting livelihoods within the Dyson Group's manufacturing operations and its wider supply chain.

Modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery is an umbrella term that includes human trafficking, slavery, servitude and forced labour. Child labour includes the worst forms of child labour as defined in article 3 of International Labour Organisation (ILO) Convention 182 and/or labour which interferes with access to or quality of mandatory education.

Dyson does not tolerate modern slavery or child labour. Dyson recognises that identifying and mitigating the risks of modern slavery and child labour in global companies with complex supply chains requires on-going commitment. Dyson therefore remains dedicated to tackling these issues through strong policies, internal and external audits, training, and input from independent external experts, in collaboration with the wider Dyson Group.

3.0 Our approach

The following sections describe the due diligence approach taken at The Dyson Group level.

3.1 Governance

The Dyson Group's specialist Corporate Social and Environmental Responsibility ("CSER") team works in partnership with supply chain facing teams to set and monitor adherence to modern slavery and child labour prevention requirements in the supply chain. The Dyson Group works with its suppliers to help them to understand, adapt their operations, and thus meet expected standards through a combination of training, audits and assessments.

The Dyson Group's Sustainable Supply Chain Programme is overseen by the Sustainable Supply Chain Council which reviews adherence to The Dyson Group's policies, critical remediation and consequential actions for suppliers who do not meet expected standards. The Dyson Group's supply chain governance model allows for immediate action to be taken if it is discovered that standards are not being met. The Dyson Group's preference is to continue to work with a supplier to achieve long-term continuous improvement, however, where this becomes unrealistic, The Dyson Group is prepared to end its engagement with a supplier.

3.2 Policy

The Dyson Group communicates its standards and expectations to suppliers through the Dyson Ethical and Environmental Code of Conduct (the "Code of Conduct") which incorporates international labour and human rights principles and national laws. The Code of Conduct sets out requirements for the Dyson Group's own manufacturing operations and its suppliers in relation to labour practices, business ethics, health and safety, responsible sourcing and environmental standards, including prohibiting all forms of slavery, human trafficking, forced labour and child labour.

The Code of Conduct forms part of the contract with a supplier and is communicated to suppliers during their on-boarding process. The Code of Conduct is supplemented by additional policies and standards outlining specific requirements to ensure fair and ethical employment practices between suppliers and their workers. Policies are updated at regular intervals to ensure they remain in line with legal requirements and industry best practice.

During 2023, the Code of Conduct was revised and expanded to provide further clarity for our suppliers and to specifically address evolving risks such as forced labour, emergency preparedness and environmental stewardship. Specific child labour prevention guidance was added to the due diligence framework, in order to provide more specific information for manufacturing operations

and suppliers on The Dyson Group's expectations and their obligations, including remediation activity. This will be communicated to suppliers during 2024, accompanied by additional training.

3.3 Risk assessment

Risk assessments are carried out on suppliers using Sedex, an industry recognised risk assessment platform. During registration and onboarding, suppliers are required to complete a detailed self-assessment questionnaire which covers labour standards, ethics, health and safety and management systems. Sedex's risk analysis tool called RADAR, combines inherent (country and sector) risk information with the self-assessment data from suppliers, and helps identify suppliers operating in high-risk environments, or with workers who are more vulnerable to exploitation. The results of these risk assessments determine whether The Dyson Group will begin to work with a supplier, and also informs future audit selection and frequency.

In addition, Supplier Scorecards are maintained across all contract manufacturers and selected tier 2 suppliers. Up to 13 key performance indicators (KPIs) are included on the scorecard focusing on labour standards, wages and benefits, working hours, health and safety, environment, ethics and management systems. Scorecards are updated and reviewed on a monthly basis as part of our supplier monitoring. When KPI performance dips, this allows for fast, targeted remediation by the supplier responsible.

3.4 Audit

Regular audits are conducted of owned operations and of the supply chain by The Dyson Group's specialist CSER team and external independent audit partners. These audits are usually conducted on a semi-announced or unannounced basis. Sedex risk ratings inform the selection of suppliers included in our Sustainable Supply Chain Programme.

Audits assess adherence to Dyson's Ethical and Environmental Code of Conduct, and associated policies and standards. Auditors interview a cross-section of the workforce without management presence (with translators, if required). It is the supplier's responsibility to meet The Dyson Group's standards and ensure their workforce is treated appropriately. If suppliers do not meet Dyson's requirements, Dyson prioritises working in collaboration with the supplier to resolve the identified issues. A Corrective Action Plan (CAP) is then agreed, detailing the next steps expected from the supplier. A re-audit of the supplier is then arranged within an appropriate timeframe. In an effort to prioritise improvement for workers, suppliers who fail two consecutive audits have sanctions imposed and may resume business only after passing a new audit and addressing all corrective actions. If performance does not improve or the supplier does not prioritise corrections to its operations, The Dyson Group reserves the right to end the relationship.

Support is often sought from appropriate third parties, for example the Responsible Business Alliance (RBA).

3.5 Grievance mechanism

Workers in The Dyson Group's operations and contract manufacturer facilities have access to an independent confidential helpline provided by third-party vendor, NAVEX. They can raise concerns, with the option to do so anonymously. The helpline is available in local languages, and all reports are investigated by The Dyson Group and resolved with remedial actions mandated where required. The Dyson Group also has a non-retaliation policy in relation to those who report such matters.

In an effort to ensure workers are aware of the grievance mechanism, stickers with the relevant phone numbers are given to workers to add to their identity badges, and posters are displayed in manufacturing and accommodation facilities.

4.0 Identified potential risks 2023

Risks of modern slavery and child labour are identified at a group level through a combination of risk assessments, audits and grievance mechanisms and using external reference points such as the US Trafficking in Persons Report. Within the calendar year of 2023, the identified areas of on-going potential risk within the electronics industry include:

- Forced labour
- Working hours, wages and benefits
- Raw material sourcing

4.1 Risk of forced labour

Manufacturing in Asia, particularly Malaysia, involves a high proportion of migrant workers. This can present an inherent risk of non-compliant recruitment practices by recruitment agencies.

In addition to Dyson's Ethical and Environmental Code of Conduct, ongoing supplier training and Sustainable Supply Chain Programme, in 2023 The Dyson Group carried out enhanced due diligence measures in relation to 7 recruitment agencies, to ensure that the agencies were approved to supply workers to The Dyson Group's contract manufacturers.

- As a result, a number of sub-tier suppliers successfully implemented remediation plans related to migrant worker recruitment.

Complex and multi-tiered supply chains, which may also utilise migrant workers, present the inherent risk of potential involuntary labour and/or overtime. Identifying and addressing this risk in the lower tiers of the supply chain is challenging, due to limited visibility and leverage.

- In 2023, The Dyson Group began enhanced forced labour due diligence for selected strategic sub-tiers of contract manufacturers, including specific training and audits on ILO forced labour standards and responsible recruitment principles. Post remediation, more than 95% of the selected suppliers are rated as low-risk, with the remaining <5% at medium risk, with remedial actions in progress to further reduce risk.

During the calendar year of 2023, no concerns of child labour were identified and therefore no remedial measures were undertaken.

4.2 Risk of non-compliant working hours, wages and benefits

A typical risk throughout manufacturing supply chains is non-compliance with working hours legislation (including overtime, inaccurate or unpaid wages, and the non-provision of benefits). This can particularly affect migrant worker populations.

Alongside The Dyson Group's established Sustainable Supply Chain Programme, specific mitigating activities include:

- Supplier Scorecard: Monthly monitoring of contract manufacturer key performance indicators (KPI) including across labour standards as set out in Dyson's Ethical and Environmental Code of Conduct. Engagement and training on these topics has resulted in KPI score improvements.

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- Cross-functional working: CSER, Procurement and Commercial teams collaborate to reward good practice, informed by the Supplier Scorecard.

4.3 Raw material sourcing risks

Complex and multi-tiered electronics supply chains, which include the sourcing of raw materials and minerals, present risks related to modern slavery and child labour. Identifying and addressing this risk in the lower tiers of the supply chain is challenging, due to limited visibility and leverage.

- In 2023, The Dyson Group conducted a pilot conflict mineral and child labour traceability project. The pilot included the use of global risk data, on a material and geographical basis to assess a cross-section of Tier 1 suppliers, and the results inform due diligence plans for 2024.
- In parallel, external advice and training was provided by TDi Sustainability, to inform The Dyson Group's overall supply chain due diligence framework.

5.0 Training

Maintaining and developing capacity and capability within supplier facing teams is a priority for The Dyson Group. Where possible, external experts are engaged to enhance the teams' technical expertise and keep up to date with industry best practice. Training to note during 2023 includes:

- Responsible sourcing experts, TDi Sustainability, conducted an intensive due diligence workshop for internal Sustainability and CSER teams, focussing on adapting to emerging risks and preparing for increasing legislation.
- Training sessions were also conducted with over 250 suppliers throughout the year to ensure they understand the standards required by Dyson's Ethical and Environmental Code of Conduct.

6.0 Taking effective action in 2023

Dyson understands that continuous focus and action is required to assess and address the risk of modern slavery and child labour in our operations and supply chains. The Dyson Group's Sustainable Supply Chain Programme includes management systems to measure the effectiveness of actions taken. Actions and measures to note in 2023 include:

Enhanced due diligence via increased audit coverage: 279 audits completed in 2023, a 39.5% increase on 2022.

Diversifying the supply chain: To reduce reliability on individual suppliers and increase resilience and compliance.

Supplier management: Supplier performance is assessed through individual supplier scorecards. In 2023, 2 additional CSER-related KPIs were introduced to drive performance improvement. Average scorecard results improved by 10% between 2022 and 2023.

Governance: Monthly Sustainable Supply Chain Council meetings enable rapid escalation and actions for suppliers based on poor performance and/or slow improvement.

7.0 Looking ahead

The prevention of modern slavery and child labour in manufacturing operations and supply chains remains a priority for The Dyson Group. In the near future, particular attention will be given to:

- Mapping the lower tiers of supply chains to identify forced and child labour risks.
- Recruitment practices in migrant worker source countries to continue to mitigate the risk of recruitment fees.
- Policy review and expansion to best manage existing and emerging risks in line with industry best practice.
- Employee training on the revised Ethical and Environmental Code of Conduct, with particular focus on the prevention of forced labour and child labour.

Dyson remains dedicated to continuing efforts to assess and address modern slavery and child labour risks in its operations and supply chain.

This statement for Dyson Limited and Dyson Technology Limited FY2023 was approved by the Board of Dyson UK Holdings Limited as the parent entity on the 08 May 2024.

Signed by:

Martin Bowen

Martin Bowen, Board Member of Dyson UK Holdings Limited
08 May 2024

8.0 Appendix

This Statement is made pursuant to the requirements of section 54 (1) of the UK Modern Slavery Act 2015.

This Statement was developed by The Dyson Group's Corporate Sustainability and Reporting Team, through a process of consultation and collaboration with stakeholders across Dyson's reporting and non-reporting entities, including the Legal Compliance and Ethics team, regional Legal teams, and the Corporate Social and Environmental Responsibility team. Advisory consultation with external stakeholders was also sought where appropriate.