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# Dyson Modern Slavery and Human Trafficking Statement 2020

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Dyson recognises that identifying and mitigating the risks of modern slavery and human trafficking in global companies with complex supply chains requires on-going commitment and continual improvement. Dyson therefore remains dedicated to tackling this issue through strong policies, internal and external audits, training and input from external experts.

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## 1.0 Operations and governance

Dyson is a global group of technology companies\* committed to conducting business in an ethical and environmentally responsible way.

Dyson's business operations primarily include research and development, manufacture, marketing and sales. Dyson is headquartered in Singapore and manufactures products in Singapore, Malaysia and the Philippines. Dyson has created problem solving technologies for floorcare, haircare, air purification, robotics, lighting and hand drying.

Dyson's supply chain includes contract manufacturers in Malaysia and the Philippines, tier one, two and three direct manufacturing suppliers primarily in Asia, and suppliers of other goods and services worldwide to support its operations.

Oversight of modern slavery risk management is provided by Dyson's Group sustainability governance model. This model, which was reviewed and updated in 2020, incorporates executive sustainability council reviews, quarterly business reviews and monthly performance reviews, and daily resolution of critical issues.

Dyson's specialist supply chain sustainability team, based in Malaysia, the Philippines, China and the UK, is responsible for implementing Dyson's modern slavery requirements in the supply base. The team works with suppliers to support them to meet Dyson's standards, through a combination of training, audits and assessments.

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## 2.0 Policies

Dyson's Ethical and Environmental Code of Conduct (the 'Code of Conduct'), is an internal standard based on the International Labour Organisation's standards and national laws. The Code of Conduct sets out Dyson's requirements for its own operations and its suppliers in relation to labour practices, business ethics, health and safety, responsible sourcing and environmental standards.

It is communicated to direct manufacturing suppliers during the procurement process, integrated into contracts, and explained in training sessions. Manufacturing suppliers are required to acknowledge, sign and return the Code of Conduct, which also outlines the obligation to comply with all relevant legal requirements.

The Code of Conduct is supplemented by additional policies and standards outlining Dyson's specific requirements relating to ensuring fair and ethical employment. These policies, including but not limited to Dyson's Accommodation Standard and Migrant Worker Recruitment and Employment Policy, form part of Dyson's training and audit criteria. Policies are updated at regular intervals to ensure they remain in line with industry best practice, and in 2021 a review of Dyson's policies will be carried out with input from external experts.

## 3.0 Risk assessment and due diligence

### Risk assessment



### Audits



### Remediation



## 3.1 Risk assessment

For risk assessments of its supply base, Dyson uses Sedex, an independent risk assessment and social compliance platform, to collect data from suppliers during the on-boarding process. Information from the Sedex risk assessments for forced labour, social and ethics compliance is then used to help prioritise suppliers for audit, alongside previous audit results and sector risks. In 2020, Dyson also carried out a risk assessment of Dyson's non-manufacturing supply base using Sedex's Radar tool, including country and sector risks.

In Dyson's own manufacturing operations, regular independent audits are used both as a proactive risk assessment measure and for continuous risk and compliance monitoring.

## 3.2 Audits

Audits to assess compliance with Dyson's Code of Conduct are conducted by Dyson auditors, all of whom are qualified Responsible Business Alliance Lead Auditors, or by external auditors from recognised third-party audit firms. Audits may be conducted on an announced, semi-announced or unannounced basis. In addition to regular audits of its own manufacturing operations and partners, Dyson continually identifies the highest risk suppliers for audit. Therefore, the scope of the audit programme includes Dyson's manufacturing sites, direct manufacturing suppliers, service providers, toolmakers and sub-moulders.

To fully understand the working environment in a facility, the auditors also interview a cross-section of the workforce without management present but with translators if needed. Dyson's audit policy specifies the next steps demanded of suppliers who fail to meet Dyson's requirements and specifies the timing of a follow-up audit, based on the audit grading of the supplier. In Dyson's audit policy, Dyson reserves the right to impose business sanctions in cases of critical violations, repeated audit failures and insufficient commitment to Corrective Actions.

### 3.3 Remediation

In order to address non-conformances, Dyson has four key remediation mechanisms:

#### Grievance mechanisms



#### Corrective actions



#### Remediation policies



#### Training



**Grievance mechanisms:** Dyson has whistleblowing mechanisms in place to allow confidential reporting of any concerns relating to breaches of Dyson policies. These include a confidential third party hotline and online compliance portal, through which concerns can be raised securely and anonymously (if desired). The hotline is accessible by Dyson employees and people working in Dyson's manufacturing partner facilities and is available in all local languages in the regions Dyson operates. All reports are investigated and resolved with remedial actions where required. Dyson also has a non-retaliation policy.

**Corrective actions:** For each audit finding which is not in line with Dyson's requirements, the auditee is required to complete a Corrective Action Plan to remediate the finding and prevent reoccurrence. In cases where non-conformances are discovered in the supply chain, Dyson works with suppliers to enable and verify improvement in performance and to ensure remediation for workers where required. Dyson supports suppliers through verification of Corrective Actions and follow-up audits are conducted in a timely manner where required to consolidate improvements necessary to meet Dyson's standards.

**Remediation policies:** Dyson's policies and procedures outline the remediation requirements for Code of Conduct violations. For example, Dyson's zero fees recruitment policy mandates suppliers must reimburse workers who are discovered to have paid recruitment fees.

**Training:** Training is used to educate Dyson employees and suppliers on effective remediation methods and Dyson's Code of Conduct requirements.

## 4.0 Identified risks, 2020 actions and effectiveness

Through its risk assessment and due diligence processes, Dyson has identified the following modern slavery risk areas in its operations and supply chain:

### Manufacturing



### Raw materials



### COVID-19



## 4.1 Manufacturing

Manufacturing is a high-risk industry for forced labour. In 2020, to address this risk in Dyson's operations and supply base, Dyson took the following actions:

- Joined the Responsible Labor Initiative, a cross-industry, multi-stakeholder initiative focused on the respect and promotion of rights of workers vulnerable to forced labour in global supply chains.
- Engaged internal teams in supplier compliance to ensure awareness and implementation of sustainability requirements as a core condition of business, with a focus on tier one suppliers and key on-site service providers.
- Continued to uphold the same ethical standards across its own and partners' manufacturing facilities, and to carry out audits to assess compliance with Dyson's policies. In 2020, audits were carried out in Malaysia, Singapore, China, and the Philippines by Dyson's in-house supply chain sustainability team or by external auditors. Of the few suppliers which failed to meet Dyson's minimum requirements in 2020 audits, all have now implemented appropriate Corrective Action Plans and have subsequently passed a follow-up audit.
- Continued to focus on compliance with Dyson's zero recruitment fees policy. Since its launch in 2016, this policy has been implemented through assessments and audits, oversight of our manufacturing partners' worker recruitment and ethical recruitment training by external specialists. During 2020, migrant worker recruitment was limited due to COVID-19 restrictions, but Dyson continued to verify compliance through worker interviews in audits and provided focussed responsible recruitment training to more than 30 key suppliers and service providers. In 2021, reimbursement of any recruitment fees paid by workers in Dyson's contract manufacturers prior to the introduction of the policy will be completed.
- Continued to commit to accommodation standards for workers in Dyson's manufacturing supply base, through implementation of Dyson's Accommodation Standard. Since the implementation of Dyson's Accommodation Standard in 2016, Dyson's goal is to ensure 100% compliance for workers in our manufacturing partners. In 2020, the construction of two new accommodation facilities built by our manufacturing partners in accordance with Dyson's Accommodation Standard was completed.

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## 4.2 Raw materials

Modern slavery risks are also present in raw materials supply chains. In 2020, Dyson reviewed and expanded its raw materials sourcing standards. Dyson also carried out additional due diligence on high risk supply chains through supplier engagement, ethical sourcing assessments and supply chain mapping. Dyson also joined the Responsible Minerals Initiative, which provides access to industry standard tools, data and working groups which will give Dyson the opportunity to be part of the industry's collective solution to the complex challenge of responsible minerals sourcing.

## 4.3 COVID-19

The COVID-19 pandemic led to an increased risk of worker vulnerability, both in labour standards and health and safety. Dyson's response to the COVID-19 pandemic incorporated many measures to ensure safe working for Dyson people globally, including:

- Remote working and/or reduced staff on-site
- On-site safety measures including PPE, enhanced cleaning, social distancing, site zoning and one-way systems with external audits of measures
- Health declarations and contact tracing systems

In order to safeguard the welfare of workers in Dyson's manufacturing partners during the pandemic, Dyson took the following actions:

- With input from a worker welfare survey, developed COVID-19 guidance for manufacturing partners covering required safety measures, cleaning and PPE, contact tracing, communication and awareness and legal requirements.
- Ensured implementation of safety measures for manufacturing sites, accommodation and transportation, with daily remote monitoring by Dyson during high risk periods.
- Ensured implementation of additional measures in worker accommodation to protect worker welfare, including ensuring easy access to essentials during lockdown restrictions, and providing appropriate quarantine facilities.

Dyson also adapted its due diligence approach in order to ensure continued compliance monitoring of the supplier base. Audits were carried out remotely when restrictions prevented on-site audits and supplier training was carried out online.

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## 5.0 Training and support

Improving internal awareness and building the capabilities of our suppliers is key to addressing forced labour risks. In 2020, Dyson implemented targeted training for key stakeholders, including:

- E-learning for Dyson employees on modern slavery and Dyson's Ethical and Environmental Code of Conduct, with review by Unseen UK, a national modern slavery charity.
- Training for Dyson's procurement and operations teams on Dyson's Code of Conduct and due diligence processes.
- Training on responsible recruitment for suppliers and service providers by Verité and Issara.
- Online training sessions for suppliers based in Malaysia, China and the Philippines on forced labour and the Dyson Code of Conduct, provided by Dyson's sustainability team.

## 6.0 Effectiveness in addressing modern slavery risks

Dyson continues to assess and improve its due diligence processes and management system to ensure effectiveness in identifying and addressing modern slavery risks. In 2020, Dyson:

- Refined and developed its forced labour risk assessment framework through a review of its supply chain risk management methodology.
- Reviewed its sustainability audit methodology, with roll-out of new Workplace Conditions Assessment (WCA) audit tool planned in 2021.
- Engaged external experts to ensure its training, policies and strategy are in line with best practice.
- Implemented worker health and welfare assessments covering manufacturing and accommodation facilities.
- Continued with internal and/or external audits of its manufacturing partners, suppliers and own manufacturing operations to assess compliance with Dyson's policies.

Dyson is also working to further refine its KPIs relating to fair and ethical employment, and in 2020 evolved the supplier scorecard in order to monitor risks, performance and the effectiveness of due diligence. This will be implemented in 2021.

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



Signed by:  
Martin Bowen, CLO

Date of board approval:  
25 May 2021

\*This statement is made pursuant to the requirements of section 54 (1) of the UK Modern Slavery Act 2015, sections 13 to 16 of the Australian Modern Slavery Act 2018, and the California Transparency in Supply Chains Act 2012 (SB657). This statement constitutes the Dyson group's slavery and human trafficking statement for the financial year ending 31st December 2020, and is made on behalf of the entire Dyson Home Technologies Pte Ltd group, in particular the following group companies that meet the criteria for publishing an annual statement under the UK Modern Slavery Act 2015 or the Australian Modern Slavery Act 2018: Dyson Ltd, Dyson Technology Limited, Dyson Appliances (Aust.) Pty Ltd. This statement was approved by the Dyson board on behalf of the above listed entities.

Dyson's global sustainability governance model covers all entities within the Dyson Home Technologies Pte Ltd. group. This statement was developed by Dyson's sustainability team, through a process of consultation with stakeholders across Dyson's reporting and non-reporting entities, including Legal Compliance and Ethics team, regional legal teams, and Dyson's Global Policy Steering Committee. Advisory consultation with external stakeholders was also sought where appropriate to ensure compliance.