

MODERN SLAVERY STATEMENT 2018

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Nice-Pak during year ending 1 April 2019 to prevent modern slavery and human trafficking in its business and supply chains.

In the past year, we have continued to increase the depth and breadth of our work on Modern Slavery, and extended our considerations to include the Universal Declaration of Human Rights and the ILO (International Labour Organisations) Declaration on Fundamental Principles and Rights at work.

Key areas of focus in 2018

Extending our approach to include the UN guiding Principles on Business and Human Rights

Increasing the usage of face to face audits for Tier 1 Suppliers

Improving and extending our internal education channels and employment policies regarding Modern Slavery

Our Business and Supply Chains

Nice-Pak manufactures products for leading retailers and international brands.

We continue to source materials and distribute finished products on a global basis. Our product supply chain has further extended both in terms of geography and number of suppliers.





Countries from which we source our tier 1 raw materials
Not details on this map are lower tier manufacturers and primary processors

We have identified 82 suppliers as Tier one (small increase on 2017). This 82 (including Directed purchase suppliers) is made up of 20 Chemical suppliers (those where our spend > £100k) 18 Non Woven, 44 Packaging.

Our annual CSR report provides further details on our approach as a responsible employer and manufacturer.

Governance Structure

Our approach remains as stated in our 2017 statement. We continue to seek to have a responsible and compliant approach to Modern Slavery and compliance with the UN's guiding principles on Human Rights. We will achieve this with appropriate and well-communicated policies, a due diligence programme based on risk assessment and effective follow up, an appropriate level of employee and supplier education with a strong emphasis on partnerships and stakeholder dialogue and transparency.

Our Modern slavery work continues to be supported and overseen at Director level. Of particular note, our Supply Chain and HR Directors fully appreciate and support the fact that their roles encompass key responsibilities with regards to Modern Slavery. This is also the case for our Head of Quality, a member of our Senior Management team.

Our Human rights and Modern Slavery Policy was considered and approved by our Board of Directors and is signed by our CEO.

We continue to develop our management capacity and knowledge on Modern slavery across our business. During the last 12 months, we have focused on revising our policies as contained in the employee handbook. We have chosen to use this revised handbook as a tool to further educate all employees. In particular, the revised handbook explicitly details our approach to Modern Slavery, including guidance on what are the signs to look for and what to do if you see any of them in a work colleague.

During the year, to further strengthen our governance, in particular on suppliers, we introduced the role of Compliance Manager to our Quality team. A key requirement of this individual's role was to identify Tier 1 Suppliers (primarily non woven and packaging suppliers) and prioritise those to be audited in a physical capacity (face to face). A core component of these face to face audits is ethical trading and human rights. Suppliers visited during 2018 include Sandler, Norafin, Vaporjet, Karwe, Eruslu. This role works in conjunction with other internal stakeholders and processes such as procurement.

In terms of newly received supplier questionnaires during 2018, we have received satisfactory questionnaires from 16 Tier 1 suppliers.

In parallel with the focus on our materials supply chain, we continue to work closely with our sub contract labour providers. In a similar manner to NPI, they have focused on educating their employees on the signs of modern slavery and what to do if you come across any. In particular, their induction process has been revisited to ensure that the message is clear from the outset.

Both Acorn and Bond are members of the Stronger Together partnership initiative and we conduct annual audits on their processes. Acorn continue to utilise their own compliance team to conduct internal audits.

Our approach to Modern Slavery is continuously reviewed by external auditors as part of our SEDEX membership. During 2018, four SMETA and customer specific ethical audits were undertaken across the UK facilities.

Policies and Contractual controls

We have a number of policies in place relevant to Modern Slavery, all of which are considered and approved at Director level. Their coverage has been extended to include the UN's guiding principles on Human Rights.

This includes our Human Rights and Modern Slavery policy, our employee code of conduct and our grievance and disciplinary policies. Our approach to suppliers is encompassed in our supplier assessment procedures.

We further revised our standard supplier agreements for new suppliers in 2018 to include more specific obligations under the Modern Slavery Act, 2015. This includes risk assessment, controls and the requirement to notify us as their customer if they identify any practices that are not compliant. We are midway through the programme of extending this to all existing tier one suppliers as committed to in our 2017 statement.

All suppliers are required to comply with the principles outlined in our Modern Slavery policy. Our supplier questionnaire details the areas that they must be compliant on:-

- Provide employees with good working conditions including working hours, fair treatment and reasonable rates of pay; and
- Respecting workers human rights and full compliance with all applicable laws including the Modern slavery Act 2015

We are committed to continuing our work on responsible recruitment practices and better management of third party labour providers as part of our broader effort to eradicate Modern Slavery and compliance with the UN's guiding principles on Human Rights.

Assessment of Modern Slavery risk within our supply chain

The manifestations of Modern Slavery are complex and hidden, and in order to prioritise activity, we need a strong risk assessment in place. In 2018, we further refreshed our risk assessment processes.

Inputs into the risk assessment have included supplier questionnaires and surveys, desk based research, supplier engagement and discussions with stakeholders including customers (who determine our suppliers in some instances).

Based on our risk assessment, we continue to consider our non woven supply chain to be our highest risk areas, for reasons of social and political factors.

Our risk assessment also considers the UK Governments assessment of countries. We have identified the highest risk countries for our product supply chains are India and Turkey (non wovens). In 2018, our non-woven supplier base with Turkish suppliers increased in number. When entering into or considering commercial arrangements with suppliers from Turkey we are very mindful of our risk assessment conclusions. During 2018, face to face audits were conducted either via NPI resources or third party auditors with any current or considered Turkish suppliers.

Due Diligence and Assessment of Suppliers and Supply Chain

Having established risk, it is important that we conduct due diligence within our supply chains and operations to understand whether there is any evidence of Modern Slavery issues, and whether there are sufficient controls in place.

For some time, we have had a requirement that all new and existing suppliers have completed to our satisfaction our supplier questionnaire, which includes specific aspects relating to ethical trading and Modern Slavery. In addition, we express our preference (not compulsory) for tier one suppliers to be members of SEDEX and therefore participate/undertake regular third party SMETA audits.

It should be noted that, where our contractual relationship with customers is via directed purchase i.e. our customers identify the suppliers that we source from; our expectation is that these customers will have carried out due diligence on their suppliers. Our focus in this area is on suppliers that we identify and manage.

During 2018, these assessment processes – face to face and questionnaire based identified no non-compliances in these areas.

Although we have not made it a requirement for trade, we have shared our preference for sub contract labour providers to consider participating in the “new” Clearview assessment process.

The flow chart below summarises our staged approach to supplier assessment and selection.



Modern Slavery Training and Education

During 2018, we have focused on revising our policies as contained in the employee handbook. We have chosen to use this revised handbook as a tool to further educate all employees on an individual basis. In particular, the revised handbook details our approach to Modern Slavery, including guidance on what are the signs to look for and what to do if you identify any of these in a work colleague.

We also updated our induction process – both for NPI and sub contract labour to extend our coverage of this area and ensure understanding from the outset of their employment.

In updating our handbook and induction process, we have included any learning from our SMETA or customer specific ethical audits during the year. In particular, these audits were more specific about extending our approach to include the UN principles referenced above.

We continued to promote the Stronger Together and customer specific programmes via notice boards and communication screens.

Alongside our promoting and communication of the Stronger Together initiative, we continue to promote customer specific whistle-blower procedures, including contact telephone numbers.

In a similar manner to that declared last year, we do not conduct our own direct training with suppliers but we do seek to continuously remind and re-educate them of our approach with regards to Modern Slavery and our expectations from them.

Partnerships

We recognise the crucial role of partnerships in tackling Modern Slavery. It is important that when we participate in partnerships, we are clear on the role they play and the value they add. In the past year, we have continued, or built, partnerships with the following organisations either directly ourselves or via our sub contract labour providers:-

Sedex – We are a tier B member. As part of our membership, we receive regular updates from Sedex regarding the ETI standard and SMETA audit requirements

Stronger together – We have received training from the Stronger Together initiative and receive regular updates. Acorn are a Business Partner

Gangmaster and Labour Abuse Authority – Acorn and Bond (our temporary labour suppliers) are fully licenced with the Gangmasters Licensing Authority