

# MODERN SLAVERY STATEMENT 2019

*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 2020 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 2019**

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

Further extended our usage of face to face audits for Tier 1 Suppliers

Improving and extending our internal education regarding our approach in this area – education now starts from day one of induction

## **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 remains unchanged from last year in terms of geography and breadth and we continue to source from the countries detailed below.



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 80 suppliers as Tier one (small decrease on 2018). This 80 (including Directed purchase suppliers) is made up of 21 Chemical suppliers (those where our spend > £100k) 18 Non Woven, 41 Packaging.

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

### **Governance Structure**

Our approach remains as stated in our 2018 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. In 2018, we chose to focus on updating the employee handbook to ensure that all colleagues were educated and aware of what our approach is in this area. In 2019, in parallel with maintaining all aspects previously detailed, we have adjusted our induction process to ensure that all new colleagues are clear, from day 1, about our approach. The approach we share with them is further reinforced by the content of our employee handbook (which was last updated in 2018 and referenced in our 2018 report).

Positively, our face to face 2018 audits of Tier 1 suppliers resulted in these suppliers being categorised as low risk. In 2019, our focus was on ensuring that our agreements, contracts and commercial discussions reinforced our expectations with regards to social standards and compliance with the ETI code as a minimum.

Looking forward, our intention is to enter into an agreement with a third party organisation to undertake face to face audits again with our Tier 1 suppliers.

During 2019, we had one new Tier 1 supplier, Albaad, who completed the supplier Questionnaire to a satisfactory standard. They will be included in our face to face audit schedule as referenced above for 2020/21.

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. Their induction process also includes clear guidance and messages regarding modern slavery.

Both Acorn and Bond are members of the Stronger Together partnership initiative and during 2019 we conducted their annual audits on their processes with no non-conformances being identified in this area. 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, three SMETA and customer specific ethical audits were undertaken across the UK facilities.

### **Policies and Contractual controls**

We continue to have a number of policies in place relevant to Modern Slavery, all of which are considered and approved at Director level. These include 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.

As referenced in the 2018 statement, their coverage was extended to include the UN's guiding principles on Human Rights in 2018.

In 2019, we further extended our approach and introduced a child remediation policy.

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; .legal minimum age of employment 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.

The SMETA audits undertaken each year on each site are an opportunity for NPI to learn and acquire a deeper understanding of best practice processes in relation to modern slavery, within our industry sector. If suggestions are made to us, during the audits, we are committed to giving these suggestions full consideration.

### **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 2019, we continued to both issue our strengthened supplier questionnaires and to ensure that our supplier engagement and discussions with stakeholders including customers (who determine our suppliers in some instances) reinforced our minimum standards.

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 continue to identify Turkey and India as the highest risk countries for our product supply chains.

Our supply from India during 2019 reduced from that in 2018.

In 2019, our usage of Turkish non-woven suppliers stabilised in terms of numbers of, but our engagement with them regarding our standards increased as our relationship has developed.

As mentioned above, it is our intention for face to face audits to be undertaken in 2020 with the suppliers in these countries.

### **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 2019, no non-compliances or concerns were raised to us with regards to ethical standards, via our customers regarding their directed suppliers.

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.

Commercial Review



Quality Accreditations



Sustainable & Ethical Policies



Trials & Validation



Desktop Audit



Physical Audit



Final Decision made

## **Modern Slavery Training and Education**

During 2019, as referenced above, our training focus has been in the area of induction. During days 1 – 3 of employment, all new employees are made aware of our approach and policies in this area. This is then reinforced with the content of the employee handbook, which they will have been given at the time of offer.

Our employee handbook was further reviewed during ethical audits conducted by third parties during the year and no recommendations for improvement were received.

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

**Ecovadis** – during 2019 we were re-assessed by Ecovadis. A key component of this assessment being our approach with regards to labour and human rights. We were awarded the highest level, Gold, by this body.

**Stronger together** – We have received training from the Stronger Together initiative when it was first launched and the intention is to repeat this training in 2021. 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