

MODERN SLAVERY STATEMENT 2020

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 2021 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.

Key areas of focus in 2020

Enhancing our training on the area of Modern Slavery with Supervisors – to ensure that their knowledge is as complete as possible and that they are equipped with appropriate tools.

Adjusting our SEDEX membership to AB thereby enabling us to request that our Tier 1 suppliers undertake SMETA audits.

Our Business and Supply Chains

We continue to manufacture products for leading retailers and international brands. During 2020 we adjusted our business strategy to reflect our desire to both manufacture and supply our own branded products into European markets.

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 reviewed and reset Tier 1 suppliers, whereby a Tier 1 supplier is now considered to be one whereby the spend exceeds £1.0m. In addition, a supplier whose spend is less than £1.0m but is considered of strategic importance, or where a higher level of risk may be

identified, is also categorised as Tier 1. The review also included supplier consolidation whereby suppliers are now identified as supplier to Nice-Pak International Limited, not individual manufacturing sites. Number of Tier 1 suppliers is now listed as 39. Applicator 15, Packaging 21, Chemical 3.

Our NPI CSR report provides further details on our approach as a responsible employer and manufacturer. We also now contribute to an enterprise wide CSR report which extends to our US sister companies.

Governance Structure

Our approach remains as previously declared. By issuing an enterprise wide CSR report, our commitment has been extended to our US sister companies. 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 and Compliance a member of our Senior Management team. Our Head of Quality and Compliance is responsible for ensuring that an appropriate ethical audit schedule has been set up with our tier one third party suppliers.

Our Human rights and Modern Slavery Policy continues to be considered and approved by our Board of Directors.

We continue to develop our management capacity and knowledge on Modern slavery across our business. Following on from the good progress made in 2018 and 2019, during 2020, our emphasis has been on ensuring that our supervisors, operating within the operational areas are both knowledgeable about this area and equipped with the appropriate tools if they suspect that a colleague (of either permanent or temporary status) is being controlled by a gangmaster.

Our induction process continues to be developed and our onboarding is now started prior to joining the business via our new HR system called Myhub. The online induction programme includes a section regarding modern slavery and our business position and stance in this area.

Our Tier one suppliers continue to be categorised as low risk. Although this is the case, our agreements, contracts and commercial discussions continue to reinforce our expectations with regards to social standards and compliance with the ETI code as a minimum.

It is our intention for the new AB status with SEDEX will enable us to obtain SMETA audit reports from our Tier 1 suppliers which will include a section regarding education within their organisations on modern slavery.

In parallel with the focus on our materials supply chain, we continue to work closely with our sub contract labour providers. We are fortunate that our relationships are long standing which has enabled us to develop a relationship of mutual trust and understanding.

Our continued relationship with them is determined on many factors but their compliance and commitment to avoidance of Modern Slavery is an essential component.

Their induction process continues to provide clear guidance and messages regarding modern slavery.

Both Acorn and Bond continue to be members of the Stronger Together partnership initiative and during 2020 our annual audits on their processes identified no non conformances 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 2020, three SMETA audits were undertaken and multiple customer specific ethical audits were undertaken across the UK and German 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 our 2019 statement, their coverage was extended in 2018 to include the UN's guiding principles on Human Rights.

Our child remediation policy, introduced in 2019 remains in place.

All suppliers are required to comply with the principles outlined in our Modern Slavery policy.

Our supplier questionnaire continues to detail 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 continue to be 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 2020, 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.

Looking forward, in partnership with our individual suppliers, we will work on a transition programme whereby our non woven suppliers will be included in our new SEDEX approach as a result of our AB status.

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 2020 reduced from that in 2019.

In 2020, 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 a result of COVID restrictions, our ability to undertake face to face audits as declared in our 2019 report was thwarted. This was a key factor behind our adjusting our status to AB - will give us an additional route to assess risk ratings of our 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.

As declared in previous reports, historically, our approach has been to express our preference (not compulsory) for tier one suppliers to be members of SEDEX and therefore participate/undertake regular third party SMETA audits. As referenced above, as a result of our adjusted SEDEX status during 2021 we will work with our suppliers to agree a transition programme for them onto SEDEX.

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 2020, 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



Modern Slavery Training and Education

During 2020, as referenced above, our training focus has been in the area of Supervisory Colleagues having a more indepth knowledge and set of tools in this area.

We have also incorporated the subject of Modern Slavery into our electronic pre-employment onboarding process via our new HR system, Myhub.

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 whistleblower procedures, including contact telephone numbers.

In a similar manner to that declared in previous statements, 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 continue to 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 plan 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 – At the start of 2020 our membership was as a tier B member. As has been referenced a number of times in this report, our membership has been adjusted to a Tier AB status.

Customer partnerships - As part of our relationship with customers, we get access to their customer portals and we receive regular updates from customers on their stance and approach in this area. membership,

Sedex - we receive regular updates from both Sedex direct and during SMETA audits regarding the ETI standard and SMETA audit requirements

Ecovadis – during 2020 we were re-assessed by Ecovadis. A key component of this assessment being our approach with regards to labour and human rights. We were re-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 when COVID restrictions allow. 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