

# MODERN SLAVERY STATEMENT 2023

*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 2024 to prevent modern slavery and human trafficking in its business and supply chains.*

## Key areas of focus in 2023

- Supplier partnership and maximising the proportion of our Tier 1 to become members of Sedex.
- Usage of our AB status on Sedex.
- Continued education of colleagues.

## Our Business and Supply Chains

We continue to manufacture products for leading retailers and international brands, primarily within the UK and European markets. During 2023 we continued to ensure that our strategic plans considered our CSR objectives. Ethical trading practices and considerations are key components.

Our approach and commitment in this area is reflected in our Ecovadis Platinum status.

We continue to source materials and distribute finished products on a global basis albeit, during 2023, we did not source from China or India which is reflected in the adjusted chart below



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

Our Tier 1 suppliers continue to be those either where the spend exceeds £1.0m or where the spend is less than £1.0m but is considered of strategic importance/where a higher level of risk has been identified. 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 in 2023 was 47 (adjusted from 50 as stated in our 2022 statement).

The split of this is:-

37% non woven suppliers (decrease)

55% packaging suppliers (increase)

8% chemical suppliers (small decrease)

Our review processes continue to identify, record and monitor memberships of Sedex and/or Ecovadis.

Our review has identified that the majority of packaging suppliers recognise Sedex as a platform and are members.

In 2023, progress was made regarding our non woven tier 1 suppliers and our scope to understand how they are operating from an ethical perspective. All but two of our non woven tier 1 suppliers are now Sedex registered. Of the two that are not, one is Ecovadis recognised and the other is working towards becoming ecovadis recognised.

### **Governance Structure**

Our approach remains as previously declared. 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 by continuing with the practices referenced in previous statements - 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 who is a member of our Senior Management team. Our Head of Quality and Compliance is responsible for ensuring that via his team, an appropriate ethical review 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. Our focus during the period of this statement (extends to the period end April 2024) has been to embed our education programmes via the routes available starting from the onboarding/induction process for all new employees.

Our Tier one suppliers continue to be categorised as low risk. Although this is the case, as previously stated 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. This approach is reinforced with our AB SEDEX status.

The code of conduct for suppliers, continues to be used. This includes both supplier assessment and education.

As in previous years, we continue to work closely with our sub-contract labour providers. We are fortunate that our relationships continue to be long standing which has enabled us to develop a relationship of mutual trust and understanding. Our annual audits of their processes during 2023 identified no non-conformances.

August 2024

The risks were further reduced during 2023 due to our significantly reduced usage of sub contract labour at all sites.

Our continued relationship with our two primary suppliers (Acorn and Bond) 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.

It is our understanding that both suppliers, Acorn and Bond continue to be members of the Stronger Together partnership initiative. As previously stated, Acorn have a team dedicated to the area of compliance to both ensure best practice and to conduct internal audits.

Our approach to Modern Slavery is continuously reviewed by external auditors as part of our SEDEX membership. During 2023, three SMETA audits were undertaken and multiple customer specific ethical audits were undertaken across the UK and German facilities. None of the non-conformances or observations during these audits identified related to this area.

We also completed a number of customer supplier questionnaires in which ethical practices are a key component.

### **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:-

- a) Human Rights and Modern Slavery policy
- b) Employee code of conduct and grievance and disciplinary policies.
- c) Supplier assessment procedures – all suppliers are required to comply with the NPI Modern Slavery policy
- d) Child remediation policy

Our supplier questionnaire and code of conduct 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.

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. Although this is our highest risk, it is still considered low risk overall.

Our risk assessment also considers the UK Governments assessment of countries. We continue to identify Turkey, India and China as the highest risk countries for our product supply chains. We did not source from India or China during 2023 and our supply from Turkey was reduced.

We did conduct some face to face audits in 2023 but it is recognised that there are more to be undertaken.

Our approach has three pillars:-

- a) F2F audits
- b) Utilising our AB status to access the sedex questionnaire responses from suppliers
- c) The focused and extended usage of our enhanced supplier code of conduct and SAQ

### **Due Diligence and Assessment of Suppliers and Supply Chain**

Having established risk we continue to recognise the importance of our due diligence within our supply chains and operations. It is only through our due diligence that we can understand and identify whether there is any evidence of Modern Slavery issues, and whether there are sufficient controls in place.

In conducting our due diligence we increasingly consider our customers viewpoint and stances regarding areas of risk. UK retailers in particular, share their positions regarding higher risk areas. This insight is valuable to us.

We continue to have a requirement that all new and existing suppliers complete our enhanced supplier questionnaire, a key component of which is ethical trading and Modern Slavery.

Whilst our supplier base remains fairly static and in line with previous years, where we have introduced a new supplier in 2023, our approach remains as previously stated, that our preferred approach is for them to be members of SEDEX and therefore participate/undertake regular third party SMETA audits.

As referenced above, our current packaging suppliers are typically active members of Sedex and good progress has been made in 2023 in relation to our non-woven suppliers becoming members of Sedex or the Ecovadis measurement platform.

Our priority going forward is to identify a measurement route for our tier 1 Chemical suppliers. Whilst they are typically global suppliers eg BASF, they are not members of either Sedex or Ecovadis.

Where our contractual relationship with global, non-retail 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 2023, no non-compliances or concerns were raised to us with regards to ethical standards, via our customers regarding their directed suppliers.

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

August 2024

Commercial Review



Quality Accreditations



Sustainable & Ethical Policies



Trials & Validation



Desktop Audit of policies and SMETA questionnaire



Physical and Face to Face Audit



Final Decision made

### **Modern Slavery Training and Education**

During 2023, as referenced above, our training focus continued to be in the area of induction and Colleague education - to ensure that all new colleagues are clear from the outset of their employment about our approach and stance re modern slavery and that Colleagues have both the insight and knowledge required to spot any indicators including an understanding of what they should do in such instances.

The electronic pre-employment onboarding process via our HR system, Myhub, continues to be rolled out but is not yet extended to all new starters. This includes the subject of modern slavery.

We continued to promote the Stronger Together and customer specific programmes via notice boards and communication screens. Our site HR Managers have attended stronger together training in the last 3 years.

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

In parallel, Nice-Pak continued their partnership with *Safecall* to provide an independent and confidential service across each of our three sites. This service provides a route for all colleagues to report on any working practice or activities they think inappropriate including modern slavery and human rights misuse.

In a similar manner to that declared in previous statements, whilst we do not conduct our own direct training with suppliers, we do seek to continuously remind and re-educate them of our approach with regards to Modern Slavery and our expectations from them. Our supplier code of conduct further enhances this.

## **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 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** – Our AB membership continues and the membership of Sedex across our tier 1 supply base extended during 2023.

**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.

**Ecovadis** – our 2021 platinum status applied during the earlier part of 2023. This was an exceptional level – only top 1% of those organisations awarded. A key component of this assessment being our approach with regards to labour and human rights.

Our continued membership of Ecovadis was reviewed in 2023 and in line with our business's reduced trading with global brands, the decision was made to not continue with this partner and to focus on Sedex as our assessment platform.

**Stronger together** – Our previous training remained valid during 2023. It is our understanding that Acorn continue to be a Business Partner.

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