

# MODERN SLAVERY STATEMENT 2022

*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 2023 to prevent modern slavery and human trafficking in its business and supply chains.*

## Key areas of focus in 2022

Supplier partnership has been the primary area of focus in 2022.

Specifically, we focused on increasing the number of suppliers regarding their membership of Sedex and increasing the number of face to face supplier audits.

## Our Business and Supply Chains

Our customer and supply chain remains as declared on previous statements - we continue to manufacture products for leading retailers and international brands, primarily within the UK and European markets. During 2022 we further embedded our CSR programmes into our strategic thinking. Ethical trading practices and considerations are a key pillar in this.

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

We continue to source materials and distribute finished products on a global basis. Our product supply chain remains largely 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 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 is now listed as 50.

The split of this 50 is approximately 45% non woven suppliers/45% packaging suppliers and 10% chemical suppliers.

The number of packaging and chemical suppliers has increased slightly since the 2021 report.

Our review processes 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, whereas the take up and membership amongst the non woven supplier community is mixed. Our review identifies that where the non woven supplier is not participating in Sedex, they are considering membership of Ecovadis as an alternative.

### **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 previous years our focus during 2022 has been to continue to embed education on this area into our induction process for all new employees. In parallel, we have continued with our internal education sessions focusing on our operational supervisors, where we have determined the risk is higher. All new supervisors receive awareness training on this topic during their probationary/induction period.

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, referenced in our 2021 report was rolled out during 2022. 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 are long standing which has enabled us to develop a relationship of mutual trust and understanding. Our annual audits of their processes during 2022 identified one observation requiring further consideration and no non-conformances.

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.

It is our understanding that both suppliers, Acorn and Bond continue to be members of the Stronger Together partnership initiative. Acorn continue to 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 2022, 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.

### **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 previous statements our 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 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

61% of our suppliers completed the updated SAQ during 2022.

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 and India as the highest risk countries for our product supply chains.

As the restrictions relating to Covid further receded during 2022, we were able to initiate face to face audits again. Whilst we recognise that there are more to be undertaken, we conducted four face to face audits with the suppliers identified as the highest risk in this area.

Our approach has three pillars:-

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

### **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.

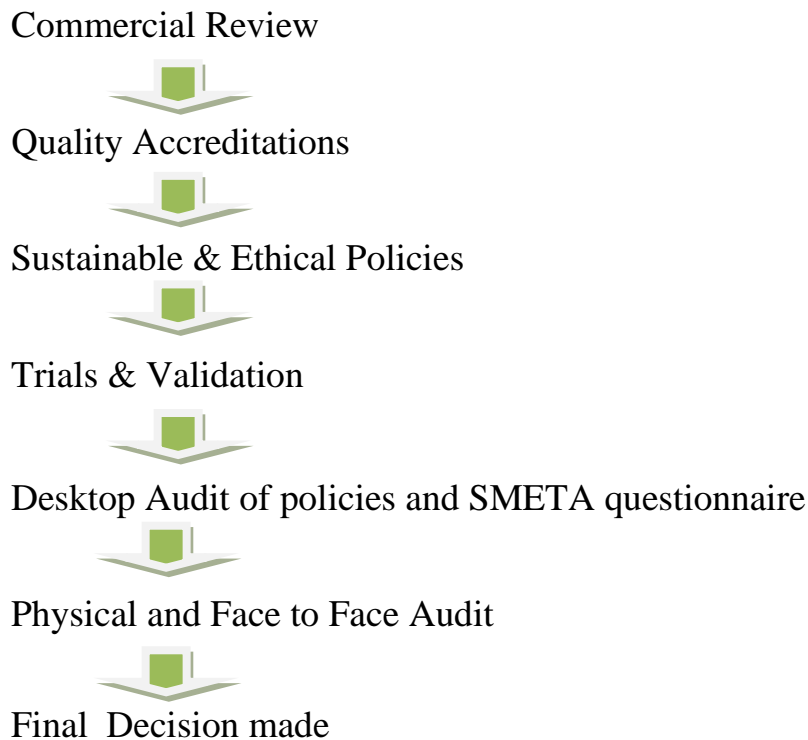
As declared in previous reports, historically, our approach has been to express our preference (not compulsory) for tier one suppliers to be members of SEDEX and therefore participate/undertake regular third party SMETA audits. As referenced above, our packaging and chemical suppliers are now typically active members of Sedex and our priority going forward is to encourage our non woven suppliers to engage with either Sedex or the Ecovadis measurement platform.

It should be noted that, 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 2022, 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.



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

During 2022, as referenced above, our training focus continued to be in the area of induction and Supervisory Operational Colleagues – to ensure that all new colleagues are clear from the outset of their employment about our approach and stance re modern slavery and that supervisors have both the indepth knowledge required to spot any indicators and a set of tools to remedy.

The electronic pre-employment onboarding process via our HR system, Myhub, which includes the subject of modern slavery is now extended to all employees.

We continued to promote the Stronger Together and customer specific programmes via notice boards and communication screens. A number of our HR team attended stronger together training in 2021.

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

In parallel with promoting customer specific whistleblower procedures and processes, in 2021 Nice-Pak entered a 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 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 membership continues to be the adjusted to a Tier AB status. Both during audits and throughout the year, we receive regular updates from Sedex re the ETI and Modern Slavery standards – direct and indirectly.

**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,

**Ecovadis** – our 2021 platinum status applied during 2022. 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.

**Stronger together** – We have received training from the Stronger Together initiative when it was first launched and during 2021 a number of NPI colleagues attended training. 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