

MODERN SLAVERY STATEMENT 2019

This statement has been published in accordance with Section 54 of the Modern Slavery Act 2015. It sets out the steps taken by Euro Packaging UK Ltd during year ending 31st of December 2019 to prevent modern slavery in its business & supply chain.

STRUCTURE, BUSINESS AND SUPPLY CHAIN

Euro Packaging UK Limited (parent company Euro Packaging Jersey Ltd), is a privately owned UK based manufacturer and consolidator to Retail, Food Service & Hospitality market sectors, and supplies into to a range of major UK and European retailers.

We manufacture paper based packaging at our own premises by employing a permanent multilingual workforce. We sometimes use agency workers on an ad-hoc basis, some of which can be migrant workers, as well as recruitment agencies for staff to be employed directly by us. We do not employ seasonal workers or home workers. Although we do not have a trade union on site, we are supportive of staff joining trade unions if they wish so. We also have an appointed Modern Slavery Champion at director level, supported by a HR/Ethical trade team.

In addition, we purchase product categories such as Cleaning & Janitorial, PPE & Workwear, Stationery, Catering Disposables, Wrapping & Packaging Materials and General Consumables from a global supply base including the Far East, Turkey and mainland Europe, in addition to UK suppliers. Finally, to support our daily activity, we have entered relationships with contractors and service & consumables suppliers. We aim at having long-term all year round relationships with all our suppliers, where possible, all of whom have been mapped and risk assessed. It is our stakeholders' expectation that we have an in-depth knowledge of our first tier suppliers; hence our efforts are mainly focused on them. However, we will also try to engage with lower tier suppliers, where possible.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Euro Packaging is committed to identifying and working with suppliers whose personal and business ethical standards are compatible with our own and who are committed to continuous improvement. We expect our business partners to comply with national and local legal requirements in the conduct of all their business activities, as well as strive for compliance with international standards to promote increased employee protection.

As we continue to broaden our product range along with suppliers, we are increasingly aware of the responsibilities of trading in the developing areas of the world. We believe that ethical sourcing plays an active role in both minimising risks of social exploitation within the supply chain, as well as driving improvement of the living and working standards of people around the world. Accordingly, we take social factors into consideration, such as living cost and the associated risks and implications for society, alongside financial factors in making decisions on the purchase of goods and the commissioning of services, where practicable. We will never make a purchasing decision based solely on cost.

Moreover, due to its vast potential as a source of human rights violations, modern slavery continues to be at the heart of our business human rights due diligence programme, documented in our Human Rights policy, Employee handbook, Recruitment policy, Code of practice (based on the ETI Base Code, the ILO Declaration and the UK Modern Slavery Act) - a set of policies covering ethical trade, forced labour, anti-bribery and timber sourcing, and Supplier Zero Tolerance Criteria, the latter available in both English and Chinese.

Some of these documents are displayed permanently within our business along with multi-lingual Stronger together Modern Slavery posters, the ETI base code etc., while others are annually distributed among our workforce and supply chain in several languages, as applicable.

Our policies are subject to continual review based on latest legislative developments, good practice and business needs and enforced by our cross-departmental HR/Ethical trade team, after senior management endorsement.

RISK ASSESSMENT, PREVENTION AND MITIGATION

Upon mapping our supply chain, we have identified the following modern slavery high risk areas: labour providers used on our own premises for workforce not directly employed by us and Far East and Turkish suppliers¹.

As we are regularly subject to SMETA ethical audits, we already have prevention and mitigation tools in place for labour providers via dedicated procedures and systems to ensure indirect workers are treated fairly and lawfully. A detailed account is given in the due diligence process section below.

Similarly, as per our existing procedures, supplier performance and compliance to the Code of Practice is reviewed and scored annually. Where violations of the Code of Practice are found, including issues related to modern slavery, a corrective action plan will be agreed between Euro Packaging and the supplier and then monitored. If the supplier is willing to remediate situations of modern slavery, we will provide guidance and support in the form of permanent contact with dedicated staff and access to practical toolkits and other resources. Where corrective actions are not implemented, we will review the business placed with that supplier and ultimately disengagement will ensue.

DUE DILIGENCE PROCESSES

Within our business

During 2019 we made the decision to streamline our temporary labour providers and we underwent a review of all providers we were using. Our aim was to have a more collaborative and controlled approach with our temporary labour providers and we believed that this could be achieved by appointing one preferred provider. We set out with this intention in mind during our review. We considered many aspects during the review, with collaboration being at the forefront of our mind, and we were not driven by cost alone.

We continued to make use of our online portal for temporary labour and recruitment agencies for the existing workers. Previously, as mentioned in our previous statement, this consisted of a three-step approach, however since taking the decision to restrict our temporary labour providers, we were no longer making use of the portal for initial appraisal of any new agencies as this was no longer necessary. Instead the portal was used for the following:

1. Assessment of assigned temporary workers' details by crosschecking addresses, bank account names etc., before accepting them on site;
2. Regular documented checks on existing temporary workforce including review of contracts, payslips, etc.

¹ Based on data from the ITUC Human Rights Index, the Global Slavery Index, Sedex risk-assessment tool.

We continue to be engaged in permanent dialogue with our approved labour providers, while we encourage the presence of our providers on our premises to empower and allow workers to voice any concerns. In addition, we have ensured that the GLAA recommended hourly cost of supply (not including Labour Provider Margin) is considered when assessing labour service costs.

This approach has proven useful during past ethical audits. Moreover, no Modern Slavery issues were identified since this process was adopted.

In addition, our own HR procedures and forms have been further updated to include more tools for identifying and tackling Modern Slavery issues. Our employee handbook grievance procedure offers a route for all staff on site to raise issues directly with HR without having to go through their manager first if they wish to do so. We have continued with our anonymous suggestion boxes which are located at various accessible points throughout the site where anybody can post information about issues they wish to raise completely anonymously; all we ask is that they provide sufficient information for us to be able to investigate the issue effectively. In addition, we continue to make staff aware of an independent whistleblowing advice charity telephone number, to ensure that all staff on site can access an appropriate grievance mechanism.

Finally, we had our own premises audited against the ETI base code again, with NCs swiftly addressed by a dedicated high-profile cross-departmental team. No Modern Slavery issues were identified during the audit.

Within our supply chain

We assess potential suppliers before they enter our supply chain via our bespoke supplier questionnaire & internal audit (technical/ethical) for Far East and Turkish suppliers, as well as independent third party ethical and technical audits. At the same time we set our expectations and labour standards we adhere to in our Code of Practice and Zero Tolerance Criteria. As mentioned in earlier statements, we are constantly reviewing and adapting our supplier questionnaire to ensure that up to date modern slavery questions are included, as well as reiterating the Zero Tolerance Criteria with direct reference to modern slavery among other unacceptable critical issues.

Prior to 2019, it became apparent that a better framework was needed in order to maintain flexibility in accommodating and reconciling the ever-increasing market demands related to human right due diligence, including Modern Slavery. Consequently, a new supplier matrix covering improved assessment, ranking and continuous monitoring and guiding processes was drafted, and we are pleased to confirm that it was successfully implemented during 2019.

Moreover, we continue to use a market leading third party audit company for our bespoke internal audits on the supply chain. We are consistently reviewing our audit form and making adaptations as necessary to ensure this remains robust and relevant with regards to the modern slavery questions. Such questions are aimed at assessing supplier awareness of forced labour and check for any occurrence on the ground. During 2019, we have continued to carry out supplier internal audits on quality and social compliance, in addition to monitoring the annual third party audits the suppliers undergo independently. Following all these audits, no Modern Slavery issues have been identified.

EFFECTIVENESS, MEASURED AGAINST APPROPRIATE KPIS

This is the fourth Euro Packaging Modern Slavery statement and it provides an overview of existing relevant business KPIs:

- Regular independent third party SMETA audits published on Sedex and visible to our customers in an effort to be transparent about ethical practices on our premises.
- Regular checks on temporary labour providers and a collaborative approach with them with regards the details of the workers they supply.
- Training and capacity building in reference to human rights among own HR staff and temporary labour providers' staff.
- Assessment of new and existing suppliers based on a dedicated procedure, including supplier third party technical and ethical audits.

while introducing modern slavery KPIs:

- Update of policies and procedures to include modern slavery commitments and actions. Our supplier pack has undergone several reviews since the Modern Slavery Act to align to the legislation. Also, we integrated modern slavery targeted questions and checks when setting up our recruitment and temporary labour agencies onboarding documentation, as per due diligence section above.
- Actions taken to strengthen supply chain verification and auditing. We continue to have our supply chain ethically audited and have integrated modern slavery checks in our bespoke questionnaire and audit, as per due diligence section above.
- Staff and labour providers modern slavery training, as per training section below.
- Steps taken to upskill our high risk suppliers so as they are aware and able to identify and mitigate modern slavery risk in their own supply chain. We continue to distribute our modern slavery presentation and toolkit, while making it available in more languages, as detailed in the training section below.
- Investigations undertaken into reports of modern slavery and remedial actions taken in response. As already declared in our MS 2017 Statement, we had to disengage with one supplier as a result of suspicions of non-compliance and supplier's refusal to cooperate. We have not identified any other issues since.

TRAINING AND CAPACITY BUILDING

Our HR team has continued to keep up to date with annual MS training via Stronger Together videos and documents. Further internal MS training has been cascaded from departmental managers to introduce company staff to the reality of Modern Slavery and the company's legal obligations. In addition, our labour providers have been trained on the use of modern slavery related checks and are consistently implementing them. As a result, we have trained staff who are now increasingly aware of and looking at worker recruitment and labour relations through a modern slavery lens.

Finally, we continued to distribute our modern slavery pack consisting of a presentation (available in English, Chinese, Turkish and Vietnamese) and a toolkit to both potential and existing suppliers, at first contact and thereafter annually. The pack is intended as a tool to raise awareness among factory management and workers, as well as setting expectations and providing concrete actions for the manufacturing sites.

PLANS FOR 2020

During 2020, we plan to appoint a preferred temporary labour supplier and nurture a collaborative relationship with them. We also plan to review again our induction and onboarding pack, together with our temporary labour provider, in order to raise more awareness of modern slavery amongst the staff themselves, encouraging everyone's vigilance. In addition, we plan to continue to promote whistleblowing to ensure that concerns are being raised with us. We plan to do this by showing all staff that we are an organisation who cares about them.

We will continue to review our suppliers' modern slavery risk assessments and make adaptations where necessary.

Moreover, we will continue to have more ethical audits at our premises.

As in previous years, we are aware that tackling modern slavery is a long-term commitment and a continual learning process. We are focused on constantly reviewing and improving our dedicated tools based on best practice and stakeholders' feedback to the best of our ability and knowledge, while fostering a culture of awareness and risk identification.

Statement was approved by the Board of Directors on 2nd December 2020
(for the financial year 2019, ending 31st of December 2019)

Signed by Director  _____ Date: 2nd December 2020

Paul Timmins

IT Director, Modern Slavery Champion and member of the Board of Directors approving the statement