

## **Macfarlane Group PLC**

### **Statement of Compliance – Slavery and Human Trafficking**

This statement is pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps Macfarlane Group PLC and its subsidiary companies take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

#### ***Our Business***

Macfarlane Group PLC is comprised of the following legal entities in the UK:

- Macfarlane Group PLC
- Macfarlane Group UK Limited
- Macfarlane Labels Limited
- Nottingham Recycling Limited
- Tyler Packaging (Leicester) Limited
- Harrisons Packaging Limited
- Nelsons for Cartons and Packaging Limited

The largest operation of Macfarlane Group PLC is Macfarlane Group UK Limited (trading as Macfarlane Packaging). Macfarlane Packaging is the UK market leader in the distribution of protective packaging products. Macfarlane Packaging leverages its purchasing scale to cost-effectively source a comprehensive range of protective packaging products and adds value for the customer by providing independent advice on the most cost-effective product and packaging processes. The manufacturing business utilises design, intellectual property and know-how to provide a bespoke service to support customers, in protecting their high-value products.

Macfarlane Labels Limited designs and prints self-adhesive and resealable labels ensuring customers products are professionally presented.

Nottingham Recycling Limited, is a recently acquired business, focused on the recovery, collection and baling of corrugate items.

Macfarlane Group PLC aims to grow its business by increasing the penetration of existing customers, winning new customers and where appropriate through the acquisition of complementary businesses.

Tyler Packaging (Leicester) Limited, Harrisons Packaging Limited and Nelsons for Cartons and Packaging Limited are all recent acquisitions and distribute a range of products similar to Macfarlane Packaging.

#### ***Policies relating to Modern Slavery***

Macfarlane Group is committed to its social and environmental responsibility and has zero tolerance for slavery and human trafficking. We hold ourselves and our supply chain accountable and we comply with the provisions of the Modern Slavery Act 2015. We recognise that modern slavery is a complex supply chain issue and we work in partnership with our Customers, Suppliers and expert organisations to help develop long-term solutions to this issue.

### ***Policies relating to Modern Slavery***

We have policies in place regarding anti-slavery and anti-trafficking which influence decisions around suppliers, employees and workers on a day to day basis. These policies, include but are not limited to:

- Recruitment Policy
- Employee Code of Conduct
- Whistle-blowing Policy
- Supplier Code of Conduct

### ***Training relating to Modern Slavery***

Training is available to all Macfarlane managers regarding our ethical and social responsibilities, with specific focus for the procurement team on modern slavery, so that they understand the signs and what to do if they suspect that it is taking place within our supply chain.

### ***Supply Chain – Risk Assessment***

Macfarlane Group PLC work with approximately 60 strategic suppliers, the majority of which are based within the UK or European Economic Area. Our supply chain is principally made up of direct third-party suppliers who supply us with products which, in turn, help us to deliver services and products to our customers.

We internally review and assess, through a risk assessment, our supply chain to evaluate human trafficking and slavery risks and we conduct supplier audits which review all aspects of the supply chain including safety, human trafficking, child labour and other legal requirements.

Following the risk assessment, an audit may be completed on a supplier either by a competent internal Procurement Manager or via an external auditing body i.e. SGS.

### ***Supply Chain Management and Due Diligence***

A number of our suppliers conduct audits on their business, which are published on the Supplier Ethical Data Exchange (Sedex). This is a web-based database where suppliers post labour standards information and self-assessments in addition to all site audit reports. These reports are made available to the procurement team within Macfarlane Group.

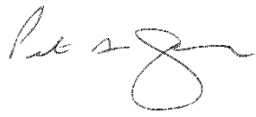
### ***Future Plans***

The business has identified a number of objectives for 2019, these include:

- Completion of an internal, independent audit programme to highlight any areas of risks with regards to both direct and indirect supply chain procedures that may have an impact on our social responsibilities.
- Enhancement of the training provided to the procurement team, with the completion of ethical awareness training mandatory for all decision makers.
- Continuing to develop the risk assessment process to establish the ethical risks, including modern slavery in the supply chain.
- As a key focus of the Corporate Responsibility (CR) Committee, developing a reporting mechanism for the risk assessment process, to be incorporated and reviewed by the CR Committee on a quarterly basis.

## **Statement Approval**

This statement was approved by the Chief Executive Officer on 1<sup>st</sup> May 2019, for the financial year 1<sup>st</sup> January 2018 to the 31<sup>st</sup> December 2018.

A handwritten signature in black ink, appearing to read 'Peter D Atkinson', written in a cursive style.

**Peter D Atkinson**  
**Chief Executive Officer**