



## **Macfarlane Group PLC**

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

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

### **Our Business**

Macfarlane Group PLC comprises the following legal entities which trade in the UK:

- Macfarlane Group PLC
- Macfarlane Group UK Limited
- Macfarlane Labels Limited
- Nelsons for Cartons & Packaging Limited
- Harrisons Packaging Limited
- Ecopac (U.K.) Limited
- Leyland Packaging Company (Lancs) Limited
- Nottingham Recycling Limited

Macfarlane Group PLC is the parent company, listed on the London Stock Exchange and is the ultimate holding company of all legal entities within the Group.

The largest entity 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 design and manufacturing business within Macfarlane Group UK Limited 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.

Nelsons for Cartons & Packaging Limited, Harrisons Packaging Limited, Ecopac (U.K.) Limited and Leyland Packaging Company (Lancs) Limited are all acquisitions made between 2016 and 2019 and distribute a range of products similar to Macfarlane Packaging.

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.

### **Policies relating to Modern Slavery and Human Trafficking**

Macfarlane Group is committed to its social and environmental responsibilities 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.

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

We keep these policies under review, and we are members of SEDEX and are therefore able to utilise their expertise in this area.

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

Training is made available to all Macfarlane managers regarding our ethical and social responsibilities, with specific focus for our procurement team on modern slavery, to ensure 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 works 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.

The level of audit is based on risk assessment and comprises a supplier audit questionnaire for low risk suppliers, detailed on-site audit conducted by our central procurement team for medium risk suppliers and external audit via an external auditing body such as SGS for higher risk suppliers. Any external audits commissions are to the SMETA standard.

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

A number of our suppliers conduct audits on their businesses, 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 2020, these include:

Enhancement of the training available to the procurement team, with the completion of ethical awareness training mandatory for all decision-makers across the business within the next 12 months.

Continuing to develop the risk assessment process to establish the ethical risks, including modern slavery in the supply chain. Particular focus being placed on strategic business units operating on stand-alone IT systems.

A key objective of the Corporate Responsibility Committee is to create greater visibility of the ethical risk assessment process and results, with a formal review of the mechanism used on an annual basis.

## **Statement Approval**

This statement was approved by the Chief Executive Officer on 29 May 2020, for the financial year 1 January 2019 to the 31 December 2019.

A handwritten signature in black ink, appearing to read 'Peter D Atkinson', with a large, stylized loop at the end.

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