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# Macfarlane Group PLC

## Statement of Compliance

Slavery and Human Trafficking 2023



7<sup>th</sup> June 2024

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.



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## **CEO Introduction**

Our statement sets out the actions that the Group is taking to help ensure that slavery and human trafficking are not taking place in the Macfarlane business or any part of our supply chain.

We are working to increase awareness of these issues, have updated our company policies and launched a new Supplier Code of Conduct to ensure that the highest ethical standards are met for our customers, suppliers, and employees.

Peter D. Atkinson

Chief Executive Office

7<sup>th</sup> June 2024

## **Our Business**

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

Macfarlane Group PLC  
Macfarlane Group UK Limited  
Nelsons for Cartons & Packaging Limited  
Nottingham Recycling Limited  
GWP Holdings Limited  
Carters Packaging Limited  
Macfarlane Packaging Ireland  
B & D 2010 Group Limited  
A and G Holdings Limited  
A.E. Suttons 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 within the Group 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 and sustainable product and packaging solutions.



Macfarlane Group UK Limited also includes our Design and Manufacturing business that utilises design, intellectual property and know-how to provide specialist protective packaging solutions service to support customers, in protecting their high-value, fragile products.

Macfarlane Group PLC aims to grow its business by deepening relationships with existing customers, winning new customers and through the acquisition of quality, 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 relating to suppliers and employees on a day-to-day basis and provides the organisation with the power to act where any instances of non-compliance are uncovered. These policies include but are not limited to:

- Recruitment Policy
- Employee Code of Conduct

- Supplier Code of Conduct
- Whistle-blowing Policy
- Human Rights Policy
- Ethical terms and conditions incorporated in our Supplier Contracts
- Supplier Audits
- Diversity, Equality and Inclusion Policy
- Harassment Complaints and Investigation Policy
- Grievance and Disciplinary Policy

We have strengthened our policy framework during the year and continue to keep this under review. We are also members of Sedex and are therefore able to utilise their expertise in this area.

## **Supply Chain – Risk Assessment**

Macfarlane Group works with a wide range of suppliers, the majority of which are based within the UK or European Economic Area. Our supply chain is primarily made up of direct third-party suppliers who supply us with products or raw materials which, in turn, help us to deliver services and products to our customers.

We internally review and have a Supply Chain Risk Assessment Process to evaluate human trafficking and slavery risks. We also undertake supplier audits which review all aspects of the supply chain including safety, human trafficking, child labour and other legal requirements.

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

The Macfarlane supplier audit policy is based on the following classification of supplier:

1. Direct overseas supply (represents c. 10% of overall supply to UK operations):
  - a. At risk – Far East, Eastern Europe, South America & Turkey
  - b. Low risk with an annual spend greater than £250k – Western Europe
  - c. Low risk with an annual spend less than £250k – Western Europe
2. UK supply: – (represents c. 90% of overall supply to UK operations)
  - a. Spend greater than £250k or high risk supply– customer profile, brand, continuity of supply, product criticalness.
  - b. Low risk suppliers with a spend lower than £250k

The level of assurance sought depends on the supplier criteria and assessed level of risk. Audit arrangements range from a supplier audit questionnaire, an

on-site audit by Macfarlane staff, through to an external audit carried out by a professional auditing body for those suppliers that are considered to represent the highest level of risk.

A number of our suppliers conduct audits on their businesses, which are published on the Supplier Ethical Data Exchange (Sedex). These audits are based on the Sedex Members Ethical Trade Audit (SMETA) standard that encompasses all aspects of responsible business practice and was founded on the conventions of the International Labour Organisation (ILO) as well as relevant local legislation. These audits and their follow-ups are published on the Sedex platform and made available to the Macfarlane Group.

## **Governance**

The governance of supplier audit & risk is held by the Group Procurement team with the support of the Managing Director, Executive team and the Board where an issue is identified as severe.

The Category Management team are responsible for the audit process and onboarding of new suppliers and escalating higher risk failures or concerns to the Procurement Head of Category who assumes responsibility for appropriate actions and resolution.

The Category Management team are also responsible for monitoring, assessing and resolving supply issues that may occur outside of the audit process e.g. press articles, service, quality issues. These should be handled using the same criteria as the audit process.



## **Progress in 2023**

We have strengthened our policy framework, creating a new Supplier Code of Conduct that sets out explicitly our minimum expectations of suppliers on a range of environmental, social and governance issues, including the need to treat all workers with respect and avoidance of any form of forced labour, at any time.

We have developed a new questionnaire and onboarding process for suppliers to help us identify and act on any areas of concern, prior to the commencement of business operations. We are also in the process of implementing mandatory independent Sedex audits for our supply chain considered to be of higher inherent risk.

During the year Macfarlane has become a Participant of the UN Global Compact, demonstrating its commitment to the ten principles set out by the United Nations for sustainable businesses on human rights, labour, the environment and anti-corruption.

The Group also achieved a Gold rating, through the independent EcoVadis accreditation scheme putting it in the top 10% of businesses assessed globally for progress on environmental, social and governance matters.

The Group plans to continue to build on this progress during 2024.

## **Statement Approval**

This statement was approved by the Chief Executive Officer on 7<sup>th</sup> June 2024,  
for the financial year 1 January 2023 to the 31 December 2023.

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