

LINPAC Group Limited

Slavery and Human Trafficking Statement for the 2015/2016 financial year

This statement is in response to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that LINPAC is taking to ensure slavery and human trafficking is not taking place in our supply chains or in any part of our business.

Our commitment

LINPAC is committed to maintaining and improving our practices to combat slavery and human trafficking violations related to our own operations, our supply chain, and our products. We have zero tolerance towards slavery and human trafficking and expect our supply chain to comply with this.

About us, our operations and supply chain

LINPAC designs and manufactures packaging solutions for customers around the world in retail, catering, food manufacturing, and packing sectors. We manufacture food trays and films from various polymers.

The majority of our supplier base is in the UK and Europe. We also purchase low volumes of materials and goods from the US, Asia and Australia. Our main procurement categories include:

- Rubber and plastics
- Recycled materials
- Chemical products (raw materials)
- Paper based products
- Machinery

LINPAC's slavery and human trafficking risks

We know that the majority of our suppliers across our business operate in highly regulated markets and that the chemical sector in particular has above average working conditions in Western countries. Nonetheless, we also understand that no supply chain is free from modern slavery risk.

In collaboration with sustainability consultancy Carbon Smart, we carried out an independent modern slavery risk assessment of our supply chain. They assessed the level of risk based on spend, sector and supplier location and identified areas of elevated direct risk (tier one suppliers) and those with an elevated indirect risk (beyond tier one):

Direct risk: Eastern European & Turkish suppliers in the plastics and chemicals industry and recycling in Indonesia.

Indirect risk: Mainly with large European chemical companies, which can typically source raw materials from less regulated parts of the world.

Our policies and contractual controls

We have introduced the following policies to set the direction and manage modern slavery risks in our supplier base:

- **Supplier code of conduct** – our code of conduct outlines the minimum requirements expected from our suppliers on modern slavery and a wider range of decent work practices
- **Supplier agreement terms and conditions** - our standard terms and conditions now include modern slavery clauses, which require all suppliers to meet the minimum requirements of national legislation; to adopt our code of conduct; and to include modern slavery violations and requirements in their own contracts with their subcontractors and suppliers
- **Whistleblowing policy** – our whistleblowing policy encourages and enables staff to report anything of concern and explains how they do can do so confidentially

Due diligence approach

We have adopted a risk-based approach to manage and complete due diligence checks for modern slavery occurring in our supply chain. We have identified suppliers with an elevated risk, who will be reviewed this year and suppliers with a moderate level risk, who will be reviewed the following year. This allows us to focus our attention on the areas of greatest risk as a priority. Our due diligence checks include:

- All prioritised suppliers (those with an elevated risk) and new suppliers are required to complete LINPAC's modern slavery questionnaire, which will be assessed by our procurement team to ensure minimum requirements are met.
- In cases where suppliers have insufficient internal controls to manage these risks or there is doubt, additional third part audits will be carried out with experts in this field.
- All high risk and new suppliers will be required to sign our new Terms & Conditions, which require suppliers to sign up to our code of conduct as well require them to introduce their own modern slavery due diligence checks with their suppliers

Training and capacity building

Key members of our global and local purchasing teams and our head of operational risk have received training from Carbon Smart. This training covered an introduction to modern slavery in the packaging industry, upskilling them on our approach and new policies as well as how to carry out a supplier risk screening.

Looking ahead

Our focus this year is to ensure that all of our new and updated procedures and policies are fully operational and to ensure that all of our prioritised direct suppliers and new suppliers have undergone our due diligence checks.

At the end of our financial year we will be carrying out a review of our approach to understand whether our procedures need to be refined and to identify areas for further improvement to ensure we continuously improve our approach and commitment to a responsible and compliant supply chain.



Daniel Dayan, CEO

8th February 2017