

Valpak's 2017 Modern Slavery & Human Trafficking Statement



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1 Valpak Limited - Our Commitment

Valpak is committed to maintaining high standards throughout our dealings with employees, customers and suppliers, conducting every aspect of our business with honesty, integrity and openness. Valpak will continue to review our practices to meet these standards.

Key elements that we seek to address:

Policy

We have defined clear standards for our staff and our suppliers in our Code of Ethics and expect these to be adhered to. The policy will be communicated to all staff and suppliers to encourage them to act responsibly and affect change.

Risk management

We have identified that our greatest potential risks in relation to modern slavery exist in our supply chain. A risk management approach has been taken to help us identify and understand the potential risks and to ensure we can respond appropriately to any challenges. We will continue to review this approach and seek to strengthen our processes.

Awareness

At Valpak, we recognise our responsibility to ensure staff are aware of the reality of modern slavery in the UK and worldwide. We provide training that enables staff to recognise and respond to any instances of modern slavery - during work time or otherwise.

The Valpak Slavery and Human Trafficking statement will be updated and published annually.

The Statement has been approved by the Executive Board on 24 May 2018.



Name: Steve Gough

Position: CEO

Date: 30 May 2018

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2 2017 Summary

This is the second annual statement on slavery and human trafficking. The statement details the steps taken by Valpak Limited and its subsidiaries within the financial year ending 31 December 2017 to ensure that modern slavery is not occurring in our business and supply chain.

Since our previous statement, our core activities remain the same and the key activity undertaken during the financial year has been to embed our existing process through the following objectives and aims:

Objective	Actions	2017 Update
1. Staff are confident in approaching suppliers about their policies and practices in relation to modern slavery	<ul style="list-style-type: none"> Provision of awareness training within the induction process Provision of job specific training (where applicable) 	<ul style="list-style-type: none"> All staff receive the Modern Slavery Act & Valpak training The lead for the Modern Slavery Act has engaged with the teams responsible for the key areas of potential risk; procurement and Recycling Services.
2. Suppliers are aware of and share our commitment to tackling modern slavery	<ul style="list-style-type: none"> Supplier set up process to include modern slavery questions Monitor and review responses through the supplier set up process All suppliers to be sent the Code of Ethics, incorporated within supplier set up process 	<ul style="list-style-type: none"> New suppliers are all required to respond to the modern slavery questions 10 new suppliers were added in 2017, 5 of these provided modern slavery statements and confirmation of standards in place.
3. Valpak has confidence that our suppliers apply good human rights and labour practices	<p>Continually improve our knowledge and evidence base on practices:</p> <ul style="list-style-type: none"> Supplier set up process Self-assessment questionnaire Site audits Provision of escalation process through departmental managers and Executive management team 	<ul style="list-style-type: none"> Following the 2016 self-assessment questionnaire, two suppliers were asked for clarification of practices and these were subsequently resolved. The self-assessment questionnaire is being rolled out and now covers organisations that represent 80% of total spend by Valpak Site audits now include questions on modern slavery which provides an opportunity to discuss the subject with suppliers.

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3 Our Organisation

Valpak has been providing innovative environmental solutions to over 4,000 customers since 1997 when the first piece of producer responsibility legislation, the Packaging Waste Regulations, was introduced in the UK.

We have continued to grow our service offering steadily, providing solutions for organisations obligated under a wide range of complex environmental legislation, encompassing sustainability and waste management issues amongst many others.

The compliance and consultancy services are delivered from two offices: one based in Stratford upon Avon and the second in Glasgow. Altogether, the Valpak has approximately 140 personnel.

3.1 Our supply chain

Our supply chain includes a wide range of organisations, providing Valpak with services and goods which support our office operations, compliance activity and waste management and recycling services undertaken on behalf of our members. The majority of direct suppliers to Valpak are medium to large UK based organisations, whilst international end-markets are utilised for recyclable materials.

These suppliers include general office suppliers, East European and UK based recyclers and re-processors, site contractors, sub-contractors and haulers amongst others.

3.1.1 Supplier process

Valpak has long standing relationships with many of its suppliers and if we have any concerns that they are not meeting our expected standards, we work with them to address this.

Valpak's supplier set up process is comprehensive; tailored to the type of supplier, we request information from the company on its health and safety, environmental, quality and security systems to ensure maximum visibility.

For organisations which provide international and UK recycling and reprocessing services, Valpak carries out site audits which review health and safety, environmental and quality practices and policies. This audit process has been expanded to include consideration of ethical factors which could highlight the potential for the risk of modern slavery. If issues are identified, these will be investigated and we will work with the supplier to address any concerns.

Valpak has a Code of Ethics for suppliers which all suppliers are expected to adhere to, or to take steps to become compliant.

3.2 Our Operations

Valpak conducts its business by developing long standing, reliable, dependable, safe, innovative, customer focused and sustainable services. Valpak has a Corporate Social Responsibility Policy, and an Ethical Policy for staff which sets out our commitments and standard of conduct to our employees and members.

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The Corporate Social Responsibility Policy provides a framework of standards and principles for Valpak managers and employees to adhere to in regard to the following areas:

- Business Ethics
- Health & Safety
- Employment
- Customer
- Community
- Environment

The Ethical Policy includes commitments to:

- Fair and equal pay which is monitored through our Remuneration Committee of the Board
- Equal opportunities
- Human rights

Responsibility for the policies and the action to address modern slavery within our business and supply chain is held by the Director of HR and the Chief Executive Officer, who provide the operational and leadership commitment.

Valpak encourages its customers, suppliers and employees to use the Whistle Blowing policy to report any concerns, including issues regarding Modern Slavery. Any complaint received will be investigated thoroughly. In addition to whistle blowing, Valpak has grievance procedures in place for employees and complaints procedures for customers and suppliers.

Our recruitment practices respect human rights at all times by ensuring equal opportunities and fair treatment for all. New employees are screened in compliance with right to work checks and we only work with reputable recruitment consultants with whom we have preferred supplier relationships with. All employees have agreed terms and conditions which accord with employment law and we have an internal commitment to pay our employees above national living wage regardless of age. We have a zero tolerance approach to slavery, trafficking or forced labour.

4 Our Actions

During the financial year, Valpak has continued to implement its existing practices and corporate policies on business ethics and corporate social responsibility.

4.1 Corporate Policy

Valpak is committed to conducting business with honesty, integrity and openness, respecting human rights and the interests of our employees. There have been no changes to our corporate policies which include the Ethical Policy for staff and suppliers and a corporate social responsibility policy, as we believe that they continue to be in line with the ambitions of the Modern Slavery Act.

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4.2 Communication and Training

Valpak believe that as part of our commitment to help prevent modern slavery and human trafficking, it is important to raise our employee and supplier awareness of the issue.

4.2.1 Internal Communication

To help raise awareness:

- The lead for the Modern Slavery Act been in communication directly with the procurement and recycling services team to ensure that they are aware of risks of modern slavery
- Internal briefings have been provided to raise awareness
- As part of the induction process all staff are required to attend an awareness session which includes the statistical information and a video describing the issue of modern slavery in the UK, the actions that Valpak is taking, signs to look out for and what to do if they are concerned about practices they may witness.

4.2.2 Communication with suppliers

During 2016, a process for raising awareness with our suppliers was initiated. This included requiring all suppliers to sign up to the Code of Ethics and within 2017 this was established as part of the new supplier set up process. The new process also asks suppliers to confirm whether they have processes in place to address modern slavery within their own business or supply chain.

4.3 Supply Chain Risk Assessment

Valpak has a significant number of suppliers, circa 360 in 2017, providing a wide range of services and goods. Valpak has implemented a risk assessment approach to identify risks of modern slavery within our supply chain.

This exercise was carried out to allocate a low, medium, high risk rating to each category of supplier.

As a result of the risk assessment, the following steps were taken:

- All suppliers are now sent the Code of Ethics for suppliers and are asked to acknowledge the commitments within the Code by signing the document and returning it to Valpak
- For all suppliers, the set up process has been amended to include questions on the approach taken to address modern slavery risks in their supply chains. This is an ongoing process and Valpak will work with suppliers if it appears or becomes apparent that there is a potential risk.
- None of the suppliers who have completed the self-assessment questionnaire have been ranked as high risk. Prior to further investigation, all respondents fell into the medium (39% of respondents) or low risk (61% of respondents) category. It was recognised that due to the timing of the questionnaire a percentage of the suppliers were in the process of implementing programmes or policies to address

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modern slavery which will have raised the risk rating. Feedback to the teams working with the suppliers has been provided and recommendations for improvements.

- The 2017 self-assessment questionnaire has been sent to the suppliers which represent 80% of the total spend by Valpak. The review of the responses for this supplier set is ongoing.

5 Looking Forward

Valpak recognise that addressing the risk of modern supply within our business and the supply chain is an ongoing process and is committed to continual review to ensure that we maintain the commitments set out at the beginning of this statement.

During 2018, Valpak will continue to:

- review our corporate policies and practices to ensure that we are maintaining high standards in relation to action on modern slavery
- raise staff awareness and provide training on the management of the risk of modern slavery
- roll out the detailed survey of our suppliers on their practices in relation to modern slavery
- respond to any issues identified through site audits or surveys on a case by case basis
- identify key performance measures to monitor our actions
- engage with our members and seek further knowledge sharing opportunities with stakeholders