

# CPL INDUSTRIES

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## Modern Slavery Act 2015

### Slavery and Human Trafficking Statement, Financial Year ending 31 March 2019

CPL Industries Group Limited is the holding company for the CPL group of businesses which is predominantly engaged in the manufacture, wholesale and distribution of solid fuels. The active trading companies (for financial year ending March 2019) in which CPL Industries Group Limited has a majority shareholding are:

- Coal Products Limited
- CPL Distribution Limited
- Castletown Fuels Limited
- SIA Wood4U
- Antraco BVBA
- Kolengroothandel Gijzen NV
- CPL Trading Limited
- CPL Industries Latvia Limited
- Carbon Link Limited
- CPL GalaQuim S.L.
- CPL Cardek (Pty) Limited
- CPL France Limited
- Walter H Feltham & Son Limited

(together the **CPL Group**).

The CPL Group has turnover of circa £160 million and has circa 650 employees within the UK, Republic of Ireland, Spain, France, Belgium, Latvia and South Africa.

The companies which have more than £36 million of turnover within the United Kingdom are CPL Distribution Limited and Coal Products Limited (with CPL Industries Limited and CPL Industries Group Limited acting as the intermediate and ultimate holding companies).

This is the fourth Slavery and Human Trafficking statement for the CPL Group as required by s.54 Modern Slavery Act 2015.

This statement will refer to the CPL Group policies and procedures that are in place across the Group and therefore relates to all subsidiaries regardless of their size; but it will in particular focus on the practices of the companies with a turnover of more than £36 million within the United Kingdom.

## Business activities and supply chain of the CPL Group

The CPL Group manufactures and sells solid fuels (most particularly briquettes, including more ecologically friendly briquettes that incorporate biomass) as well as selling third party products such as logs, kindling, charcoal and similar goods. The CPL Group also sells activated carbons for use in filtration systems and refractory products for use in coke oven repairs. The CPL Group's main manufacturing facilities are in the UK and Republic of Ireland with a third site for the manufacturing of refractory products in South Africa. The majority of the CPL Group's sales are within the United Kingdom with additional sales in the Republic of Ireland, France, Belgium, the United States and South Africa (amongst other places).

The biggest suppliers to the CPL Group are suppliers of raw materials (including anthracite, petroleum coke, biomass and molasses as well as suppliers of wood products). The supply chain also includes suppliers of engineering and mechanical services as well as transportation and logistics. A significant number of the CPL Group's suppliers are based within the United Kingdom or elsewhere in Europe and are large corporate enterprises such as Hargreaves

Services plc, Celtic Energy and Enerco BV. Other suppliers of raw materials include organisations such as Javelin Commodities and Jera Global Markets.

The CPL Group has a relatively low reliance on flexible/temporary labour. Less than 5% of CPL Group's workforce comes from agency labour and these are sourced from reputable agencies that, to the best of the CPL Group's knowledge, operative effective systems and processes to ensure there is no slave labour or trafficking in its labour supply.

The CPL Group supply chain is relatively short given that it is predominantly procuring commodities that are not the subject of significant processing or subsequent handling. The CPL Group believes that its larger suppliers pose a low risk of modern slavery (based on their policies, procedures, operations and their own modern slavery statements). The CPL Group believes that the key risks in its supply chain relate to smaller manufacturers of products (such as charcoal in South Africa and wood products in Eastern Europe).

The financial year ending 31 March 2019 saw the CPL Group acquire two Belgian companies. The supply chain for these companies has been integrated into the CPL Group (albeit that they do not have any turnover in the United Kingdom).

### **Policies and procedures related to slavery and human trafficking**

The CPL Group has a suite of policies covering such matters as business conduct; anti-bribery and, in particular, ethical trading.

The CPL Group will not trade with any suppliers which it has good reason to believe exploits people. CPL Group's ethical trading policy is clear that suppliers must comply with local laws and regulations and that its suppliers should abide by the following principles (amongst others):

- Employment is to be freely chosen – so that there is no forced or bonded labour
- There should be no use of child labour
- Working hours should not be excessive
- There should be no harsh or inhumane treatment of workers
- Workers should have the right of association and be able to join or form trade unions of their own choosing and to bargain collectively

Where appropriate, the policy is incorporated as a schedule into supply contracts or is otherwise reflected in the wording of supply agreements. CPL's wood and charcoal sourcing contracts include these ethical trading requirements.

The CPL Group Code of Conduct has been circulated to all staff and is available on the CPL intranet and makes clear the Group's commitment to ethical trading. The Code of Conduct is also supplemented by a whistleblowing helpline in the event that any employees wish to raise any concerns anonymously. There were no modern slavery related concerns raised during financial year 2018/19. The introduction of the whistleblowing helpline was one of the actions identified in the statement for financial year ending March 2018 and was implemented early in financial year 2018/19.

In addition to the general policies and approach of the CPL Group, CPL Distribution is a member of SEDEX which demonstrates its commitment to ethical trading and enables the CPL Group to review the ethical trading status of current and potential suppliers to ensure that they are operating to the high standards that the CPL Group would expect. A number of employees within CPL Group's procurement and supply chain team are trained to undertake Sedex Members Ethical Trade Audits. This enables the CPL Group to audit its suppliers to ensure compliance with the ETI Base Code. The CPL Group also utilises the knowledge and skills of third party suppliers such as SGS SA and Bureau Veritas (that undertake SMETA audits on CPL's behalf).

The CPL Group undertook six audits during financial year 2018/19 (which was an increase on the prior year). These audits took place in South Africa, Spain and Latvia. The product focus

for these audits was charcoal and wood supply. As a result of these audits, a number of non-conformances were identified in the areas of ethical trade awareness and oversight, dust levels, fire management procedures and PPE availability. No issues or concerns were identified with respect to forced or bonded labour and suppliers have either addressed all concerns identified or are in the process of doing so.

## Next Steps

The CPL Group recognises that ethical trading within its supply chain is an ongoing rather than static process. In addition to the whistleblowing helpline identified above, the CPL Group has implemented the following actions identified in the statement of 2018:

- a. revised CPL's business conduct policy so that there is an overarching policy document committing CPL to trading ethically and which has received board approval; and
- b. introduced a director certification process so that senior leaders are required to assure the board on an annual basis that they have complied with CPL's Code of Conduct and business conduct policies (including those related to modern slavery). The certificates have been signed with no modern slavery issues identified.

During the course of the next financial year the CPL Group will:

- a. continue to undertake audits of existing and potential suppliers to ensure that, so far as possible, the supply chain is trading ethically and consistent with the standards of the CPL Group;
- b. ensure directors remain aware of and are engaged with self-assessment processes to ensure steps to prevent slavery and human trafficking are effective;
- c. continue to review and assess its supply chains as the business grows and develops.

This statement has been approved by the board of CPL Industries Group Limited for itself and on behalf of its subsidiaries. It will be placed on the CPL Group's main website through a link on its homepage at: [www.cplindustries.co.uk](http://www.cplindustries.co.uk) and on the website of CPL Distribution at [www.cpldistribution.co.uk](http://www.cpldistribution.co.uk).



Signed by  
Director, CPL Industries Group Limited

DATE: 3rd September 2019