



---

# ESSENTRA

**ESSENTRA PLC**  
**("the Company")**

## **Modern Slavery Statement 2018**

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Essentra plc during the year ending 31 December 2017 to prevent modern slavery and human trafficking in its business and supply chains.

### **Our business and principles**

Essentra plc is a FTSE company and a leading global provider of essential components and solutions. Organised into four divisions of Essentra Components, Essentra Packaging, Essentra Filters and Essentra Specialist Components, we focus on the light manufacture and distribution of high volume, enabling components which serve customers in a wide variety of end-markets and geographies. Our international network extends to 33 countries, and includes 49 principal manufacturing facilities, 66 sales and distribution operations and four research & development centres.

At Essentra, we are committed to doing business the right way to continually earn the trust of our customers, our other stakeholders and the wider marketplace, and our **Essentra Ethics Code** helps to ensure that everyone working for or on behalf of the Company understands our expectations and conducts Essentra business in a way that is consistent with our six principles and management procedures. Every employee is expected to understand and embrace the principles of our Ethics Code and: act responsibly, honestly and with integrity; show respect, and treat others fairly and with dignity; conduct our activities based on the highest ethical standards; and ensure our business practices comply with all legal or regulatory requirements.

Further details of the Essentra's six principles, which direct each of us in how we should behave at all times in the workplace, can be found on our website [www.essentraplc.com](http://www.essentraplc.com).

### **Our policies**

Across the Company, Essentra operates to high standards of ethical business, employment and recruitment. Our business reputation, together with the trust and confidence of the people with whom we do business, is one of our most valuable assets and one we strive to protect. Over and above the Essentra Ethics Code, we have a number of group policies and protocols in place which are relevant to modern slavery, all of which are approved at Board level.

Throughout our international operations, Essentra supports human rights – as set down by the United Nations Declaration and its applicable International Labour Organisation conventions – through our employment policies, our supply chain and the responsible provision of our products and services. We do not tolerate or condone any abuse of human rights within any part of our own organisation, nor our supply chain, and will take any allegations where such rights are not respected with the utmost seriousness.

This commitment includes a mandatory requirement at all our locations to avoid the employment of children, as well as a commitment to the prevention of slavery and human trafficking, as set out in our **Essentra Anti-Slavery & Human Trafficking policy**. Our operations in India, Indonesia and Thailand are additionally accredited to SA 8000 which details fundamental principles of human rights: Essentra does not engage seasonal workers to any material extent, so we do not consider this to be a significant area of risk.

Our **Essentra Third Party Due Diligence policy** contains expectations and guidance which are supplementary to the Know Your Supplier, procurement and other third party engagement processes which we have in place, including financial controls and quality management requirements. Further details of our supply chain procedures are set out below.

The **Essentra Right to Speak policy** and process is in place to enable any employee to report any circumstances where they genuinely and reasonably believe that the standards of the Ethics Code – or, indeed, any of our policies – are not being upheld. We are committed to ensuring that employees feel able to raise any such concerns openly in good faith, without fear of victimisation or retaliation and with the support of the Company. Employees can access our Ethics Reporting Line via [essentra.ethicspoint.com](http://essentra.ethicspoint.com) to report any concerns on a confidential basis, or use the confidential individual helpline telephone numbers which are displayed at each of our international business locations: both the internet-based and telephone reporting processes are maintained by an independent third-party provider and are available in all applicable local languages.

## **Supply chain**

The majority of Essentra's significant suppliers are well-known companies within their respective industries, with established policies and procedures of their own.

As part of both our Know Your Supplier and Third Party Due Diligence policy protocols, we require our relevant management teams to ensure that appropriate enquiries and a risk-based review are undertaken of a supplier – including an assessment of modern slavery risk - and that there is a clear and legitimate business reason for entering into any third-party relationship. In addition, all our existing suppliers are subject to review, to allow us to identify and eliminate any potential risks to human rights within our supply chain.

Beyond our due diligence protocols, we have also recently introduced revised contracting requirements – with both existing and new suppliers alike - to incorporate Essentra's policies and to prohibit human trafficking and the use of forced or bonded labour, as follows:

*“The Supplier shall comply with all applicable laws, regulations and codes of practice with regards to human rights, labour laws and workers’ rights, including – but not limited to – the United Kingdom’s Modern Slavery Act 2015, and, in particular, not engage either directly or indirectly in any form of slavery, servitude, forced labour or human trafficking.”*

In those jurisdictions in which we operate where there is a higher risk of modern slavery and / or human trafficking, appropriate additional senior management oversight and control is employed to manage such risk.

## **Employee training**

We require all our employees to review and confirm acceptance of Company policies which are fundamental to the six principles or are otherwise relevant to the role and responsibility of any individual employee, including key policies in relation to the avoidance of modern slavery and the protection of human rights.

Our Compliance and Ethics programme delivers training designed to increase the awareness of employees of key compliance issues. Employees' understanding of our policies is supported by an e-Learning training programme and, where applicable, we hold classroom-style sessions, with all divisions being required to identify what are the most prevalent risks to their respective activities; in certain jurisdictions, this includes a greater focus on the actions required to avoid modern slavery within the Essentra supply chain.

Reinforcing our commitment to best practice governance – and to ensure alignment with our six principles which were introduced in early 2017 – we revised our Ethics Code and Right to Speak protocols during the year, with employee training undertaken across the organisation.

For the purpose of this Statement, “employee” means every employee of Essentra (whether fixed term, permanent or temporary), Directors, officers and other individuals working for the Company, such as contractors and agency workers.

## **Compliance**

Acceptance of all our policies – including Anti-Slavery & Human Trafficking and Third Party Due Diligence - is reviewed by the Group Assurance team as part of their normal internal audit processes, to ensure that our principles and standards are being adhered to. Their findings are conveyed to the Audit Committee and to the wider Board, so that any risks or compliance incidents are identified and appropriate remedial action identified and completed as soon as is reasonably practicable.

Certain of our manufacturing facilities are subject to audit by our customers to ensure that we are meeting their own ethical standards, in addition to which we carry out equivalent audits of our suppliers' sites. Based on these audits undertaken during 2017, Essentra is not aware of any policy breaches or ethical concerns with regard to modern slavery.

## **Outlook**

As Essentra continues to evolve, so will the risks from modern slavery and our approach to addressing them in an appropriate manner. However, in support of our overriding commitment to human rights within Essentra and our supply chain, we will continue to: raise awareness of modern slavery issues across the organisation; ensure that all key employees receive updated ethics training which covers these risks; and review and update our internal communication and educational materials accordingly.

As part of our Governance Improvement Programme implemented during 2017, a strategy for the future compliance programme has been agreed and 2018 will see further initiatives, with improvements in compliance and ethics risk assessment processes to better identify and mitigate key risks. The testing of the effectiveness of our existing controls will continue, along with the continued evolution of Key Performance and Risk Indicators to support these initiatives, and to include metrics on training, culture, effectiveness and investigations. Our intention is also to roll out an updated Supplier Code during the year, a copy of which will be made available on Essentra's website [www.essentraplc.com](http://www.essentraplc.com).

Reflecting our commitment and focus on this critical area, Essentra will update this Modern Slavery Statement on an annual basis.

By order of the Board



Paul Forman  
**Chief Executive, Essentra plc**