

CPL INDUSTRIES

Modern Slavery Act 2015

Slavery and Human Trafficking Statement, Financial Year ending 31 March 2016

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 in which CPL Industries Group Limited has a majority shareholding are Carbon Link Limited, Coal Products Limited, CPL Distribution Limited, Walter H Feltham & Son Limited, Corrals Coal Limited, C Rudrum & Sons Limited, C Rudrum & Sons (Cornwall) Limited and Castletown Fuels Limited (together the **CPL Group**). The CPL Group has turnover in excess of £120 million and has circa 600 employees within the UK and Republic of Ireland.

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

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 and kindling, charcoal and wood pellets. The CPL Group also sells activated carbons for use in filtration systems and custom made bags for various applications. The CPL Group's main manufacturing facilities are in the UK with an additional facility being built in the Republic of Ireland. The majority of the CPL Group's sales are within the United Kingdom with additional sales in the Republic of Ireland, France, Belgium and Germany (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 pellets and 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 and are large corporate enterprises. The CPL Group has a relatively low reliance on flexible/temporary labour.

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

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Where appropriate, the policy is incorporated as a schedule into supply contracts.

In addition to these general policies, 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 standard 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 has undertaken a number of supplier visits during the course of financial year ending March 2016 to ensure that existing or potential suppliers comply with the ethical trading requirements of the CPL Group. There have been no reported incidents of human slavery or trafficking in the course of the audits.

Next Steps

The CPL Group recognises that ethical trading within its supply chain is an ongoing rather than static process. During the course of the next financial year the CPL Group will:

- (a) Review all its standard contracts to ensure that ethical trading is prominent as a supplier obligation;
- (b) Produce a Group wide Code of Conduct to ensure all employees of the CPL Group understand the importance of ethical trading;
- (c) Develop and implement a training programme around the Code of Conduct to ensure that employees understand the importance of ethical trading and can identify any issues within the business and call out any areas of concern to senior management or through appropriate whistle blowing mechanisms;
- (d) Provide greater information to ensure that those engaged in procurement understand the risks of slavery and human trafficking in the supply chain and the steps that can be taken to avoid it;
- (e) 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.

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.



Signed by Darren Wake
Director, CPL Industries Group Limited
DATE: 04 July 2016