

SHEPHERD BUILDING GROUP LIMITED

2018 SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction from the Chairman

In line with our commitment to operate ethically and in compliance with all relevant laws and regulations, we are continuing to improve our practices to combat slavery and human trafficking in our supply chain by working with both our suppliers and employees.

This statement describes the positive steps we have taken and are continuing to take to ensure that slavery and human trafficking does not take place.

Our ethical stance is that Shepherd Building Group Limited (the “Group”) will not tolerate any such activities within the Group’s operations or within our supply chain and are committed to taking appropriate steps to ensure that everyone who works within the Group benefits from a working environment in which their fundamental rights and freedoms are respected and to improve our practices to combat slavery and human trafficking.

Organisation’s Structure and our Business

Shepherd Building Group Limited is a holding company which has a number of wholly owned trading and non-trading subsidiaries.

Name of Entity	Geographic territories served	Nature of operations
Portakabin Limited	England and Wales	Development, manufacture, installation, hire and sale of Portakabin buildings
Portakabin (Scotland) Limited	Scotland	Installation, hire and sale of Portakabin buildings.
Portakabin (Ireland) Limited	Republic of Ireland	Installation, hire and sale of Portakabin buildings.
Portakabin (Refurbished) Limited	England and Wales	Installation and sale of refurbished Portakabin buildings
Portakabin (Site Accommodation) Limited	United Kingdom	Installation and hire of Konstructa buildings
Portakabin Mobilraum GmbH	Germany	Installation, hire and sale of modular buildings.
Portakabin SAS	France	Installation, hire and sale of Portakabin buildings.
Shepherd Construction Limited	United Kingdom	Building contractor. Delivery & completion of legacy construction contracts retained following the sale of trade and assets to Wates Construction Limited in 2015.
Portastor Limited	United Kingdom, Europe, Middle East	Design and manufacture of bespoke modular equipment housings and of material handling systems for powder and liquid materials.

The Group has its head office in the UK, and employs over 1,800 people across its operations in the United Kingdom, Ireland, France, Belgium, Germany, Luxembourg, the Netherlands and India and has an annual turnover in of £300m.

The majority of the Group's activity relates to the Portakabin businesses.

Portakabin provides portable and modular buildings for sale and hire, and off-site permanent buildings for sale for temporary, semi-permanent and permanent use across a range of sectors and for a variety of applications, from offices, nurseries and classrooms to hospital wards, call centres and laboratories.

As well as delivering services directly across a number of our operating businesses we also act in the role of principal contractor.

Supply Chains

Our supply chains include the sourcing of raw materials, components and the provision of a variety of subcontract services. Raw materials include steel, furniture, electrical, insulation, ironmongery, timber, bulk chemicals and windows. The provision of subcontractor services for delivery and installation includes roofing, cladding, flooring, groundworks, plumbing and mechanical and electrical. Additional indirect subcontractor services include catering, cleaning, consultants, IT, and telecoms support services.

Our suppliers range in size from small and medium sized enterprises to large multinationals. The Group recognises that our supply chain will source products from their respective supply chains and that some of the services provided to the Group come from areas where there is a higher than normal risk of slavery and human trafficking (such as facilities management activity).

We have relationships with a number of sub-contractors and, every day, a number of their employees will be working alongside our own employees at either our own sites or a client site.

Our Policies on Slavery and Human Trafficking

The Group are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of the Group.

The Group have a number of policies that are designed to manage modern slavery and human trafficking issues.

- Our Business Ethics Policy sets out our position of commitment to act ethically and with integrity in all of our business relationships in a transparent manner and to implementing and enforcing effective systems and controls to ensure ethical behaviour.
- The Group's Whistleblowing Policy provides a mechanism for our employees and others working in our supply chain to report suspected breaches of our policies or of behaviour not in line with our ethical stance.

The Group are aware that risks presented from modern slavery and human trafficking can occur anywhere in our operations, whether through direct employment, sub contracted employees or the supply of materials.

The Group expects its suppliers and subcontractors to ensure that there is no slavery or human trafficking in their supply chain.

We review the on-going nature of all business relationships.

Our approach to assessing and managing the risk of modern slavery and human trafficking

As part of our philosophy of identifying and mitigating the risks of modern slavery and human trafficking, we are continuing to ensure that suppliers and subcontractors are rigorously assessed and meet standards (including those of competence, quality and ethical approach).

This assessment process is being continually enhanced to ensure it most effectively assesses risks (including those of modern slavery and human trafficking).

We have systems in place to protect whistle blowers (in line with our Whistleblowing Policy).

Portakabin Limited achieved renewal of its Achilles accreditation on 26th July 2017 and that renewal audit process included within its scope a review of the approach taken with regard to the risks of slavery and human trafficking.

Awareness

To ensure an appropriate level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, all employees receive regular training and communication on our Company values and ethical stance. This includes communication and cascade of information on modern slavery and human trafficking.

Our Policies on Slavery and Modern Trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business as reflect in our business ethics policy.

Our effectiveness in combatting Slavery and Human Trafficking

We have brought this statement to the attention of those within our procurement functions (and each trading entity within the Group has its own equivalent of this statement) and given them the opportunity to provide feedback, to raise queries and have them answered.

We have undertaken an assessment of the risk of non-compliance with our supply chain with a focus on those elements of the supply chain that represent where we have the greatest spend and where the nature of supply is deemed to be one where there is a high risk of modern slavery or human trafficking.

For all of those suppliers or subcontractors identified through this process we have made contact with them and informed them of our ethical stance with regard to modern slavery and human trafficking and required each supplier to sign a declaration of their compliance with the Modern Slavery Act 2015

We also require our suppliers to adhere to our policies (including our Business Ethics, Anti-Bribery and Corruption and Equal Opportunity and Diversity Policies) and seek express acknowledgement of this in our supplier on-boarding processes.

Further Steps

Following a review of the effectiveness of the actions we have taken to ensure that there is no slavery or human trafficking in our supply chains, we intend to undertake the following further steps to combat slavery and human trafficking in our supply chains:-

- Review and (to the extent necessary based on legal advice) update our supplier and sub-contractor on-boarding and engagement processes to ensure that our suppliers and sub-contractors are bound to comply with our policy against modern slavery and human trafficking and (once this review has been finalised) include the ability to terminate contractual engagements due to any non-compliance;
- Within the Portakabin businesses, develop a Supplier Code of Conduct which will require compliance from all members of the Portakabin supply chain;
- A “Responsible Business Approach” which include publish a zero tolerance of slavery in our supply chain;
- Require appropriate employees (those who are most likely to require a greater understanding of modern slavery risks) to complete training and/or receive more detailed briefings on the risks of modern slavery and human trafficking; and
- Continue to communicate and cascade information on modern slavery across the Group in order to raise awareness further.

This statement is made pursuant to Section 54 (1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2017.

David Williams
Chairman
Shepherd Building Group Limited

24 July 2018