

SHEPHERD BUILDING GROUP LIMITED

2019 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 c 1,800 people across its operations in the United Kingdom, Ireland, France, Belgium, Germany, Luxembourg, the Netherlands and India and has an annual turnover of c£300m.

The overwhelming majority of the Group's activity relates to (and is undertaken by) the Portakabin businesses. These are headed by Portakabin Limited.

Portakabin provides portable and modular buildings for sale and hire, and offsite manufactured 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. Portakabin has its head office in York and operates its business from a network of hire centres

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 are responsible for sourcing and purchasing a wide range of materials and the provision of a variety of subcontractor services. Materials include items such as steel, timber and bulk chemicals for our manufacturing process and others such as furniture, electrical, ironmongery and windows for our assembly and fit-out of finished units.

The provision of subcontractor services for delivery and installation includes roofing, cladding, flooring, groundworks, plumbing and mechanical and electrical. As well as on site 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 mitigate 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.

Due Diligence processes for assessing and managing the risk of modern slavery and human trafficking

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.

As part of our initiative to identify and mitigate risk we are continuing to implement measures to ensure that suppliers and subcontractors are engaged via a controlled process and are subject to approval by the central Procurement function before they contracted to supply materials or provide sub-contract services.

This engagement process clearly sets out the standards and expectations that we expect all of our supply chain partners to achieve with regards to slavery and human trafficking. Suppliers are asked to sign a Supplier Code of Conduct.

We have processes that enable us to identify and mitigate any potential risks within the supply chain. These processes are under constant review for their effectiveness.

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

Portakabin Limited continues to hold Achilles accreditation.

Supplier Adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we require our suppliers and subcontractors to adhere to our Supplier Code of Conduct. All suppliers are asked to return a written declaration to confirm their compliance with the Modern Slavery Act 2015.

In addition, Portakabin Limited has recently undertaken a review of its contracting processes and are in the process of updating our contractual terms, which include a commitment to not use slave labour or participate in human trafficking.

Training and Awareness

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we have made available to our employees an eLearning module to raise awareness of what Modern Slavery and Human Trafficking is and how each and every employee can seek to ensure that it does not take place in our business or our supply chain.

Communications have been made to all employees to provide a high level overview of the meaning of Modern Slavery and Human Trafficking and of Portakabin Limited's stance of zero tolerance in regard to this matter.

In 2018, Portakabin Limited launched "Leading in Portakabin", a 1 day introduction to leadership which covers our Business Responsibility commitment to our Customers and Partners. This includes our desire to achieve a transparent and ethical supply chain and zero slavery.

Our effectiveness in combatting Slavery and Human Trafficking

We have brought this statement to the attention of all employees engaged in procurement & purchasing and given the opportunity to provide feedback, to raise queries and to have them answered.

Portakabin Limited's central procurement team are carrying out an assessment of the risk of non-compliance in our supply chain. They are also engaging with the Portakabin Quality function to seek ways of updating and improving the supplier auditing process to ensure compliance to the agreed standards.

The Group requires its suppliers to adhere to our policies (including Business Ethics Policy, Anti-Bribery and Corruption Policy, and Equal Opportunity and Diversity Policy). Within Portakabin Limited (and its subsidiaries) they also seek express acknowledgement of this adherence through formally accepting the Portakabin Supplier Code of Conduct.

Further Steps

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

- Following on from work undertaken in 2018 around the improved Supplier Engagement process we intend to review and, to the extent necessary based on legal advice, update our contracting processes to ensure that our suppliers are bound to comply with our policy against slavery and human trafficking, and include the ability to terminate relationships for any non-compliance;
- Having developed a Supplier Code of Conduct which requires compliance from all of our suppliers our focus now switches to measuring the effectiveness;
- we will refreshing and recommunicating our Responsible Business Approach reemphasising a zero tolerance approach to slavery in our supply chain and our business as a whole;
- we will require appropriate employees to complete training to understand the risks of modern slavery and human trafficking;
- In 2019 we will launch a competency matrix in Portakabin which will provide clear direction of mandatory training within the business. This will include Modern Slavery awareness; and
- we will continue to communicate and cascade information on modern slavery across the business in order to raise awareness.

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 2018.

This statement was approved by the board on 25 June 2019.

David Williams
Chairman
Shepherd Building Group Limited

25 June 2019