

**SHEPHERD BUILDING GROUP LIMITED
2020 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, Shepherd Building Group Limited (the “Group”) continually strive to improve our practices to combat slavery and human trafficking.

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 within our supply chain or any part of our Group.

Our ethical stance is that 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.

The Group has its head office in the United Kingdom, and employs more than 1,800 people across its operations in England, Scotland, Wales, N. Ireland, Ireland, France, Belgium, Germany, Luxembourg and the Netherlands and has an annual turnover of c£330m.

Most of the Group's activity relates to (and is undertaken by) Portakabin Limited who provide 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 Portakabin buildings.

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 pursue an approach of continual improvement to strengthen the mitigation of risk of slavery and human trafficking. We have processes to ensure that suppliers and subcontractors are engaged via a controlled process and are subject to approval by experienced, qualified and knowledgeable procurement professionals in our central procurement function before they are contracted to supply materials or provide sub-contract services.

Our engagement process clearly sets out the standards and expectations that we require 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 (where possible) identify and mitigate any potential risks within the supply chain. We continually review our processes to maintain their effectiveness.

We have systems in place to protect whistle blowers. Portakabin Limited holds the 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 has recently undertaken a review of its contracting processes and during 2021 will look to further update our contractual terms, which currently include a commitment to not use slave labour or participate in human trafficking.

Training and Awareness

The Group made the decision during 2019 to reconsider its approach to how it engaged with colleagues to ensure they have the awareness of issues relating to modern slavery and human trafficking (alongside other matters of legal and regulatory compliance) relevant and appropriate to their role within the organisation.

An eLearning module has been made available to help colleagues attain the requisite level of understanding of the risks of modern slavery and human trafficking. This module makes clear how we all have a part to play in ensuring that modern slavery and human trafficking does not take place in our Group 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.

"Learning to Lead in Portakabin", a 1 day introduction to leadership which covers our Business Responsibility commitment to our Customers and Partners continues to be delivered and is mandatory for all new line managers. 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 those in our procurement & purchasing functions and given the opportunity to provide feedback, to raise queries and to have them answered.

Our central procurement team is currently carrying out an assessment of the risk of non-compliance in our supply chain. The team is also discussing with the Quality function how we can update and improve the supplier auditing process to ensure compliance to the standards agreed.

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 express acknowledgement of this adherence is sought through formal acceptance by the supplier of 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:

- 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 be refreshing and recommunicating our Responsible Business Approach reemphasising a zero tolerance approach to slavery in our supply chain and our Group as a whole;
- We will require appropriate employees to complete training to understand the risks of modern slavery and human trafficking;
- In 2020 we plan to launch a competency matrix which will provide clear direction of mandatory training within the Group. This will include Modern Slavery awareness; and
- we will continue to communicate and cascade information on modern slavery across the Group 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 of Directors of Shepherd Building Group Limited.

Andrew Allner
Chairman
For and on behalf of Shepherd Building Group Limited

22 June 2020