SHEPHERD BUILDING GROUP LIMITED
2021 SLAVERY AND HUMAN TRAFFICKING STATEMENT

Our Commitment

Shepherd Building Group Limited (the "Group") are fully committed to operate with integrity, honesty and ethically and in compliance with all relevant laws and regulations, including playing our part in eradicating modern slavery & human trafficking.

Introduction from the Chairman

The UK Modern Slavery Act 2015 (the "Act") requires certain businesses to state the actions that they have taken during the financial year to ensure modern slavery is not taking place in their operations and supply chains.

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 business for the financial year ended 31 December 2020 and is made in accordance with Section 54, Part 6 of the Act (2015).

We recognise and understand our responsibility to manage and seek to prevent the risks of human trafficking, forced, bonded and child labour and to respect human rights in our operations and our supply chain. Our commitment to our stakeholders is clear – we will always treat people in our business and supply chain fairly and with respect. We continuously review and improve our practices to ensure that we have effective responses to prevent and remediate any negative impact on human rights.

What we do

Organisation's Structure

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.

SHEPHERD BUILDING GROUP LIMITED
2021 SLAVERY AND HUMAN TRAFFICKING STATEMENT

Our business

The Group has its head office in the UK and employs c 1,900 people across its operations in the England, Scotland, Wales, N. Ireland, Ireland, France, Belgium, Germany, Luxembourg and the Netherlands and has an annual turnover of c£350m.

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.

Our purpose

Portakabin brings modular building solutions to the market while enhancing the communities in which the buildings are placed, the lives of those living in the communities, the sustainability of our offering and enhancing shareholder value.

Our Supply Chains

The supply chain involved in the manufacture and installation of our products is complex and involves multiple levels between the Group and its entities and the source of raw materials that enter the manufacturing process. We use our Tier 1 Direct suppliers as the method to manage the risks of Modern Slavery throughout the entire supply chain and clearly communicate the expectations and requirements Portakabin have down through the supply chain.

We have a substantial number of suppliers supporting our business operations, covering all aspects of our manufacturing, site services, corporate services and sub contracted fit out & installation of our modular buildings. Portakabin operates a global sourcing strategy for components and raw materials, however the majority of our suppliers are based in the United Kingdom and Europe.

1. Our Policies and Governance

Policies

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. This stance is in line with our Business Ethics policy.

Our employee Code of Conduct (launched during 2021) summarises the principles we rely on to carry out our day to day activities and which are also reflected in our Business Ethics policy and related policies.

SHEPHERD BUILDING GROUP LIMITED
2021 SLAVERY AND HUMAN TRAFFICKING STATEMENT

Governance

We have a clear governance process for dealing with modern slavery and human trafficking challenges in our operations and supply chains. Our corporate purpose and strategy are set by the Board. The Board monitors performance against our strategy, including reviewing the risks and opportunities associated with our sustainability strategy and corporate purpose.

Assessing, Managing and Mitigating Risk

We are aware that there may be the risk of modern slavery or human trafficking within supply chains. To seek to mitigate and eliminate this risk we take the following actions.

SUPPLIER ADHERENCE TO OUR VALUES

The selection and onboarding of suppliers is undertaken either at Headquarters or local level as appropriate. Before any supplier is appointed, a comprehensive review is undertaken of their commercial, financial and reputational standing.

CONTRACTUAL CONTROLS

Our standard Terms and Conditions of Purchase are being updated to include dedicated Modern Slavery & Labour Law compliance clauses, which contractually oblige our suppliers to ensure Modern Slavery is not occurring in their business. These clauses also oblige them to implement due diligence procedures for their own suppliers to ensure that no Modern Slavery is taking place further down the supply chain.

DUE DILIGENCE PROCESSES FOR MODERN SLAVERY

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 and periodic review by experienced, qualified and knowledgeable procurement professionals before being contracted to supply materials or provide sub-contract services.

OTHER CONTROLS

The Group provides a confidential and independent whistleblowing hotline service which is available to all employees, so they can raise any concerns about how the company conducts its business. The service is provided by an independent third party, with suitably experienced and senior members of the organisation carrying out a full investigation of all matters raised, including reporting back to those who have raised concerns.

Evaluation of the effectiveness of controls within the business to mitigate the risks associated with compliance with laws and regulations is undertaken on a regular basis by the Internal Audit function and reports on such controls provided to the Shepherd Building Group Limited Audit Committee.

Training and awareness

We recognise that to be effective at preventing and tackling modern slavery we need to raise and maintain awareness of this issue and the associated risks.

Although the COVID-19 pandemic reduced our ability to visit sites and for colleagues to engage face to face, we sought to ensure that training and awareness on ethical principles remained at the heart of both our employee onboarding experience and day to day activities.

To this end, 2020 saw Portakabin launch its "Social Onboarding" process which provides all new starters with various pieces of information and policy detail on a number of subjects including Modern Slavery & Human Trafficking and mandates completion of various externally provided eLearning modules, including one on Modern Slavery & 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 business or our supply chain.

All of our colleagues receive communications which provide them on a regular basis with a high level overview of what is meant by Modern Slavery and Human Trafficking, the methods by which Portakabin look to combat Modern Slavery & Human Trafficking and to re-iterate that Portakabin's stance is of zero tolerance in regard to this matter.

COVID-19 had an impact on our plans to deliver face to face learning and knowledge sharing within our business, this included "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 and which details our desire to achieve a transparent and ethical supply chain and zero slavery) as well as our Management Development Programme. Alternative methods of training and communication were (and continue to be) used to deliver messages about our corporate ethical stance.

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.

To highlight the importance placed on this matter to all of our stakeholders, the Board of directors of Portakabin Limited made the decision to sign up to the modern slavery registry that was launched by the UK Government in 2020.

Our filings on this registry can be found here:

Modern slavery statement registry - GOV.UK (modern-slavery-statement-registry.service.gov.uk)

Whilst our plans for 2020 were impacted by the COVID-19 pandemic, we chose to focus on developing awareness of this important issue as outlined in section 5 above as well as further develop our methodology for assessing risks in the supply chain.

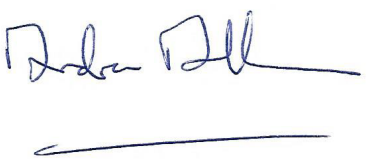
Further Steps

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. These steps form part of our wider strategy on ESG matters:

- 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 business as a whole;
- We continue to work with our Risk team to understand what competencies and legal and mandatory training requirements are required for each role and group of job roles in our business so as to implement a competency matrix through late 2021 and early 2022. This matrix will then be used to ensure that all of those roles where there is a requirement for an enhanced understanding of matters such as Modern Slavery & Human Trafficking receive the appropriate level of training and knowledge on such matters. This being over and above the knowledge all employees will receive on such matters. The matrix will also define the requirements as regards frequency of refresher training and the keeping of records to evidence completion of training;
- We will launch our Code of Conduct, which will bring together summarises the principles we rely on to carry out our day to day activities and which are also reflected in our Business Ethics policy and related policies.
- 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 2020.

This statement was approved by the board on 22 June 2021.



Andrew Allner
Chairman
Shepherd Building Group Limited