



MODERN SLAVERY STATEMENT OF SIG

SIG plc is the parent company of the SIG group ("SIG"). Pursuant to s.54 of the Modern Slavery Act 2015, this statement constitutes SIG's slavery and human trafficking statement ("Modern Slavery Statement").

SIG plc (the "Company") and its subsidiaries (together the "SIG Group" or "Group") have a zero tolerance approach to any form of modern slavery and we are committed to acting in an ethical manner and with integrity and transparency in our business dealings. This statement outlines the steps taken by the SIG Group in the financial year ending 31 December 2019 to ensure that slavery and human trafficking are not taking place within any part of our business or within our supply chains. This statement is made on behalf of SIG plc and its subsidiary, SIG Trading Limited, each of which supply goods and services in the UK and have an annual turnover greater than £36m.

The Modern Slavery Act 2015 ("the Act") prohibits slavery, servitude, forced or compulsory labour and human trafficking ("Modern Slavery"). SIG is committed to combatting all forms of Modern Slavery that could in any way be associated with our business and supply chain.

About SIG

SIG is a leading supplier of specialist building products to trade customers across Europe. It maintains a strong position in its core markets as a specialist distributor of insulation and interior products and a merchant of roofing and exterior products.

The majority of the products SIG distributes have been manufactured by other companies. SIG also fabricates bespoke products "in-house". SIG's largest markets are the UK, France and Germany, which together account for around 83% of sales. SIG companies also operate in Ireland, Poland, Belgium and the Netherlands. In 2019 the SIG Group had an annual total turnover of £2.1bn. Further information on SIG's structure can be found [here](#).

SIG's product range and list of suppliers is extensive. More information can be found on SIG's products [here](#) and many of its key UK based suppliers [here](#).

Policies in relation to Modern Slavery

SIG is committed to acting ethically and with integrity in all of its business dealings and relationships, and continues to take appropriate and proportionate steps to ensure that Modern Slavery does not occur in any part of its business or in its supply chains.

In 2018 we updated our Code of Conduct across the Group. Our updated Code emphasises our obligation to comply with all applicable local laws, legislation and regulations in all of the countries in which we operate. Through the Code, employees are reminded that we have a zero tolerance approach to any form of Modern Slavery. Colleagues are also reminded that we respect and aim to protect the human rights of everyone associated with SIG and that we aim to avoid any violation of human rights. We expect all employees to take responsibility in upholding these standards when considering any third party associations, for example customers, suppliers or contractors. The

Code also stipulates that SIG will ensure that all employment is freely chosen, that wages and working conditions are fair and that we adhere to all legal minimum age requirements in our operating countries. Employees are advised to make their line managers aware of anything which might amount to Modern Slavery or alternatively to report their concerns to the HR team or through our whistleblowing procedure.

SIG has a number of policies which additionally apply on a Group-wide basis. Some key policies and related principles are noted below:

- Our Ethical Trading and Human Rights Policy set key principles for SIG and its business partners. SIG commits to avoid violation of human rights, either directly or indirectly, to operate in accordance with the Universal Declaration of Human Rights and to take account of other internationally accepted human rights standards.
- Our Corporate Responsibility Policy provides that SIG will work to ensure that the welfare of workers and the labour conditions within our supply chain meet or exceed recognised standards.
- Our Whistleblowing Policy encourages reporting of genuine concerns about malpractice, illegal acts or failures to comply with recognised standards of work without fear of intimidation or victimisation. It applies to all employees and other stakeholders, including suppliers and customers.

Our Diversity and Equal Opportunities Policy, which applies in the UK, recognises the value we place on a diverse workforce and the contribution of all employees in our Group. The policy emphasises that we do not tolerate discrimination in any form and that we are committed to providing all employees with equal opportunities regardless of race, religion, gender, sexual orientation, disability, age or political beliefs.

Although the Act does not apply to the Group's businesses outside the UK, SIG has adopted an overall Group approach to this issue and this policy statement applies to SIG businesses outside the UK to the greatest extent practicable.

Copies of our Code of Conduct, the above policies and the Modern Slavery Statement for the years ended 31 December 2016, 2017 and 2018 can be found [here](#).

SIG businesses with supply chains linked to forestry also subscribe to a Chain of Custody Policy. The Policy is aimed at implementing chain of custody requirements in accordance with the standards of the Forestry Stewardship Council and Programme for the Endorsement of Forest Certification. A copy of that policy is [here](#).

Steps taken to address Modern Slavery risk

Underlying processes vary from country to country. In respect of SIG's UK operations and supplies of materials and products into the UK, the following steps have been taken:

Supplier audits and risk assessments

SIG processes require initial onsite audits of suppliers from outside the EU and many suppliers within the EU. We have also appointed a third party to review and audit our suppliers from outside of the EU. Suppliers who fail to meet SIG's working condition standards and requirements are not engaged. Following a positive initial assessment, regular onsite audits are conducted thereafter, on an annual or bi-annual basis. Working conditions and ethics are assessed, as are areas such

as quality management and health and safety. The audit results inform SIG's assessment of risk and influence the decision as to whether to work with the supplier.

Supply chain due diligence

In the UK, SIG has a compliance system (SIG Assured) which considers and verifies products supplied to many businesses in SIG against regulatory standards, for example in respect of CE marking and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). All accredited suppliers are listed on the SIG Assured website which can be found [here](#). The system evolves to meet ever changing regulatory legislation and guidance and has been extended to include specific questions in respect of Modern Slavery.

This year we have introduced a compliance scoring system. This system allows the team to calculate a risk-based score for all suppliers. This measure helps SIG identify progress and prioritisation, which helps reduce risk around regulatory standards and legislation. This supports our commitment to continuous compliance monitoring and to most effectively facilitate in-house assurance and continuous improvement of supply chain management.

Furthermore, in order to comply with good business practice and our ISO 9001:2015 accreditation we have utilised a questionnaire for all our suppliers. This helps identify both existing and new suppliers who are able to assist us with maintaining a consistently high standard of quality throughout the business. These questions cover all aspects of a supplier's ethical supply chain, including policies in place covering anti-bribery and corruption, equality and fair treatment, anti-bullying and harassment, whistleblowing, working time and Modern Slavery. Suppliers are also required to confirm that they are not involved in using forced or prison labour or child labour and that the national or living wage is paid to all employees.

We reserve the right to cease the purchase of products or services from suppliers who refuse to complete our questionnaire or who are unable to substantiate their responses or provide suitable supporting documentation when requested.

Supplier selection and status

SIGD has been pursuing an aggressive supplier reduction plan and has consolidated the number of vendors from over 2000 in 2017 to a core of 350 preferred suppliers in 2019. The focus on proactively managing the quality of suppliers through the SIG Assured process has been instrumental in delivering a significant improvement in performance by the preferred suppliers against hard metrics in each of the above compliance areas, resulting in an overall increase in compliance from 63% to 89% over the past 12 months. We believe that our preferred suppliers are less likely to present risks in terms of Modern Slavery and human rights as, for the most part, they are large multi-national corporations with strong governance procedures in place.

Labour providers

All personnel providers are engaged on written terms covering aspects such as fair employment and the right to work. All temporary workers are subject to induction which covers relevant SIG policies and procedures, including SIG's ethical standards. Each business unit regularly reviews and develops its HR policies and controls.

Reporting concerns

SIG has a confidential whistleblowing procedure for the reporting of concerns. It is available to employees and also other stakeholders, including suppliers and customers. Matters can be raised with SIG or externally with Expolink. The whistleblowing process is promoted widely and communicated to all employees.

UK operations risk assessment

Key stakeholders in the UK attended a Modern Slavery workshop which comprised a training session and a risk assessment exercise. Risk areas were discussed and proposals for further enhancement are being considered.

Certifications

SIG has achieved accreditation against numerous supplier pre-qualification programmes, many of which have questions relevant to Modern Slavery as standard. A list of accreditations can be found [here](#).

Within its sphere of influence, SIG strives to ensure that its suppliers follow its commitment to ethical conduct, including the Group's approach to forced and involuntary labour. Where non-compliance is identified, SIG will engage with the relevant supplier and promptly take appropriate action, which may include not appointing or re-appointing the supplier.

Further enhancements

Further enhancements to the procurement and supply chain processes of the SIG Group in the UK and more widely in respect of Modern Slavery continue to be evaluated.

One of our targets has been to work in collaboration with both customers and suppliers to support our approach to Modern Slavery. We have developed our compliance tracking system in close collaboration with our suppliers, who have welcomed the introduction of an on-line facility. The compliance tracking system is continually evolving to meet changing legislation and product development. The system is also beneficial to our customers, who can easily find up to date compliance and legal information on our diverse product range.

These significant changes are helping us to provide annual reminders to our suppliers to update and refresh their compliance on each anniversary of their initial engagement with us. It has also enabled us to seek further and more detailed information about our suppliers' Modern Slavery compliance framework.

In addition, we have introduced a due diligence system to meet the requirements of the FSC. We have included measures to obtain information on material and supply chains. These further checks allow us to assess the risk of mixing materials in the supply chain. The process includes risk assessment and risk mitigation.

Our focus for 2020 is to continue to build upon our robust compliance culture and maintain high standards. We shall continue to work closely with our suppliers to ensure we are sourcing our products in a responsible manner. We fully expect our suppliers to operate in full compliance with all applicable laws.

Approval

The Boards of SIG plc and SIG Trading Limited have approved this Modern Slavery Statement.

Steve Francis

Director for and on behalf of SIG plc and SIG Trading Limited
30 June 2020