



## Anti-Slavery and Human Trafficking Policy

*The Company is committed to ensuring that Modern Slavery in all its forms (as described below), does not exist within its own business or from within its supply chain. Modern slavery is a crime and a violation of fundamental human rights.*

*In accordance with the Group Code of Conduct we have a zero-tolerance approach to Modern Slavery and we are committed to implementing effective systems and controls to avoid complicity in human rights violations related to our own operations, our supply chain and our products. We are committed to be transparent in our approach to tackling Modern Slavery, such that we are able to meet our obligations under the Modern Slavery Act 2015.*

### Introduction

It is estimated, that 45.8 million human beings are subject to modern slavery globally. The countries with the highest proportion of their populations in slavery are North Korea, Uzbekistan, Cambodia, India, Qatar, Pakistan, Democratic Republic of the Congo, Sudan, Iraq, Afghanistan, Yemen, Syria, South Sudan, Somalia, Libya, Central African Republic, Mauritania, Haiti, Dominican Republic, Myanmar and Bangladesh. However, 58% of those living in slavery are in 5 countries: India, China, Pakistan, Bangladesh and Uzbekistan\*\* (the “**MS Territories**”). Appendix 1 to this Policy contains the Walk Free Foundation 2016 Global Slavery Map. The map sets out countries where there is a prevalence of modern forms of slavery (the “**Map**”).

\*\*Source: Walk Free Foundation - 2016 Global Slavery Index

Many international governments are taking action to seek to eradicate modern slavery through their national legislation and policies and there are, in addition to government action, increasing requirements on large companies to identify and address labour abuses in their supply chains.

In 2015, the UK Government enacted The Modern Slavery Act 2015 (the “**Act**”) in response to heightened concern around slavery, human trafficking and forced labour in global supply chains. The Act recognises the role that companies can play in tackling these crimes.

Whilst modern slavery takes many forms it refers to situations of exploitation, where a person cannot refuse or leave because of threats, violence, coercion, abuse of power or deception, for example their passport might be taken away if they are in a foreign country, they may experience or be threatened with violence or their family might be threatened.

Modern slavery is a criminal offence under the Act. It is defined under the Act as including several of the following forms:

- slavery,
- servitude,
- forced and compulsory labour and
- human trafficking (“**Modern Slavery**”)

Each of these forms of slavery has the impact of a person depriving another of their personal freedoms, often to exploit them for personal or commercial gain.

## Roles and Responsibilities

The Board of Directors of the Company fully support and have overall responsibility for the effective operation of this Policy and for ensuring compliance with the Act. The Group Risk & Compliance Counsel has day to day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with queries about it and auditing internal control systems and procedures to ensure they are effective in achieving the Policy objectives.

## Scope of the Policy

This Policy covers all the Company's employees, whether part-time, full-time, permanent or temporary as well as directors, officers, consultants, contractors, casual workers, agency employees and job applicants (collectively referred to as "**Employees**" in this Policy). Every individual in the Company has a personal responsibility to familiarise themselves with this Policy, to understand it and to act in accordance with its provisions.

Appropriate training will be provided as necessary in order to ensure individuals behave in a manner which shows a clear understanding of, and commitment to preventing and detecting Modern Slavery in our businesses and our supply chains.

## Forms of Modern Slavery

Modern Slavery as defined under the Act is a term for the criminal activity for certain aspects of the abuse of human rights. It includes:

- **Slavery** – the fundamental element of slavery is the deprivation of freedom of a person by another or others.
- **Servitude** – the forced provision of services, activities or behaviours from one person by another through coercion. This often includes the perpetrator imposing on the victim the obligation for them to live at a particular address against their will/preference.
- **Forced or Compulsory Labour** – where a person (or persons) forces another to undertake work or provide services under the threat of the imposition of a penalty if they do not comply.
- **Human Trafficking** – where the perpetrator arranges travel for the victim with the intention of exploiting them. Often victims are so desperate to leave a location that they consent to the travel, without full comprehension as to the deception involved by the perpetrator.

Given the illegal nature of the above aspects of Modern Slavery, it is often difficult to identify as perpetrators are increasingly sophisticated and able to disguise their illicit activities. In addition, victims often live in fear of the perpetrators of these crimes and so do not speak up. Modern Slavery can even exist in the workplace and it is our responsibility to ensure that persons acting for or interacting with our businesses are not subject to any of the forms of modern slavery by:

- deploying preventative steps;
- ensuring that detection mechanisms exist;
- ensuring there is a culture of awareness; and
- by ensuring that opportunities exist for both victims and those concerned that modern slavery may be taking place, to speak up without fear of reprisal or employment disadvantage.

## Our Commitment to Compliance

In compliance with the requirements of the Group Code of Business Conduct, Hill & Smith Holdings PLC Group is committed to compliance with the Universal Declaration for Human Rights and the UK Human Rights Act 1998 and to complying with the UK Modern Slavery Act in respect of modern slavery.

To that end, in the context of our operations and supply chains we undertake the following activities to ensure that non-compliant practices and behaviours do not pervade our business activities or operations:

- All Group Employees are provided with a copy of the Code of Business Conduct for the Group and are required to comply with the same.
- All customers are screened against restricted party screening software daily.
- All key suppliers are required to undergo full due diligence and to provide detailed information about their activities prior to being engaged by a group subsidiary business.
- All key suppliers are required to certify their compliance with relevant Hill & Smith Group policies and procedures.
- The Group has implemented a set of Procurement Standards in its purchasing activity which helps to ensure that best practices are adhered to in the appointment and management of key suppliers, including ensuring that subsidiary businesses have a right to audit key suppliers at regular intervals and that the Group has disclosure of the key supplier's sourcing strategy.
- Contractual rights are procured to allow subsidiary businesses to terminate relationships and audit supplier activities in the event of non-compliances with laws or Group Policies.
- All Commercial Intermediaries fall subject to rigorous due diligence procedures.

During the course of 2016, in accordance with the Act, the Company has implemented a number of initiatives designed to further the principals of this Policy, including:

- Updating the Group Code of Business Conduct to include the Group's commitment to Anti-Slavery and Human Trafficking and a policy on Human Rights;
- Supplementing the Group's Procurement Standards to seek confirmations from its supply chain of key suppliers' adherence to both the letter and spirit of the Act and their compliance with this Policy;
- Undertaking a high-level risk assessment of its exposure to Modern Slavery in its business and supply chains with reference to the Map and its geographical locations.
- Initiating the process of training the Board and the Group's subsidiary businesses such that ultimately, relevant Group employees receive training on how to prevent and detect modern slavery in our operations and our supply chain;
- Updating its Standard Terms and Conditions of Purchasing to require supplier compliance with the Act,
- Seeking such assurances from its key suppliers as it shall deem appropriate to meet its obligations under the Act.

Employees are required to comply with all such initiatives in order to develop a culture of compliance with this Policy. The Company will produce an annual Statement of the action that it is taking in this space in and around the time of publication of the Group Annual Report and Accounts each year to demonstrate its compliance with the Act.

**Statement of Standards and Expected Behaviours**

**Company Commitment:**

We will ensure that our Modern Slavery Compliance Programme is designed and implemented to prevent and detect Modern Slavery in our Group or in our supply chain.

We will take all matters raised via the compliance hotline or e-mail address seriously and will investigate all concerns regarding Modern Slavery thoroughly.

We will take action in respect of any violations of this Policy

**Employee Commitment:**

We expect Employees to report any signs or suspicions of Modern Slavery in our business or our supply chain.

All employees commit to compliance with this Policy.

**Subsidiary Purchasing Team/ Procurement Departments:**

We will enforce the Group Procurement Standards to drive out the prospects of Modern Slavery in our supply chain.

**Suppliers:**

We expect that our key suppliers will:

- (a) Certify their compliance with this Policy to show their commitment to eradicating Modern Slavery in all its forms from their business and supply chains.
- (b) Permit group employees to audit their business for compliance with this Policy.
- (c) Advise us immediately if they become aware of any form of Modern Slavery taking place in their business or supply chain, or any suspicion of the same.
- (d) Have their own programmes to eradicate Modern Slavery in all its forms from their business and their supply chains.

**Breaches of this Policy**

The prevention, detection and reporting of Modern Slavery or any suspicion of Modern Slavery occurring in our businesses or in our supply chains in any form is the responsibility of all Employees or those persons engaged by the Company to act on our behalf.

Employees are required to avoid all action, inaction or course of dealing or behaviour which violates or could be construed as a violation of this Policy. Employees are required to notify their manager or the Group Risk & Compliance Counsel of any actual or suspected violations of this Policy.

**Compliance Hotline**

The Company's Whistleblowing Policy is intended to provide guidance on how concerns about violations or suspected violations of this Policy can be reported by Employees and third parties.

In summary, Employees or third parties may contact the Group Compliance Hotline on 0121 704 7435 or email: [compliance@hsholdings.com](mailto:compliance@hsholdings.com) to report any actual or suspected violations of this Policy.

**Adoption and  
Review**

Allegations regarding potential breaches of this Policy will be treated in confidence and investigated. Employees who make such allegations in good faith will not be victimised or treated less favourably as a result.

Any member of Employees who is found to have committed a violation of this Policy or the Act will be subject to disciplinary action. Such behaviour may constitute gross misconduct and, as such, may result in summary dismissal.

This Policy has been adopted by the Board of Hill & Smith Holdings PLC and should be added to the Group Policy Manual.

As systems develop, it will be necessary regularly to review this Policy. Employees will be informed if there are any changes that might affect them.

The Company will monitor and update this Policy regularly, at least every twelve months, to ensure that it continues to be relevant and effective.

The Company is committed to a programme of action to make this Policy fully effective.

## APPENDIX 1

