INTRODUCTION

Modern Slavery is a growing global issue with the International Labour Organisation providing the first Global consolidated figure which estimates 40.3 million people in modern slavery globally, and of these, 24.9 million people are in forced labour which includes 16 million in the private sector including construction, manufacturing, mining, utilities, agriculture, forestry, fishing and domestic work. Due to the increasingly global nature and complexity of supply chains, no industry or sector can be considered immune from the risks of modern slavery.

This is MGF’s first published Modern Slavery Statement. Whilst we are able to provide full assurance that there is no Modern Slavery in our own business, we acknowledge that we have some way to go to provide transparency and assurance in our supply chains.

MGF is founded on strong values: our commitment to operating our business in a responsible and sustainable manner is embodied in MGF’s Making Great Futures and Respect Groundrules which set-out our relationships with our people, our customers, the environment and the communities in which we operate. This commitment extends to playing our part in eradicating modern slavery and we believe that this will be achieved through a progressive and consistent approach to provision of transparency in our own business and most importantly in our supply chains where we are potentially exposed to the greatest risk.

This statement was approved by the Board of Directors of MGF Ltd.

Gerald Nowicki

Director, MGF Ltd
25th February 2019

KEY FOCUS AREAS 2017/18

• Review good practice guidance for tackling Modern Slavery and from this establish a compliant and robust process for tackling Modern Slavery in MGF.

• Review our existing policy framework in respect of Human Rights due diligence and establish responsibility and accountability at the highest level of our company.

• Provide training in Modern Slavery to key staff including Directors, HR and Procurement teams.

• Analyse our supply chain to identify areas of potential risk of modern slavery and where we are best able to use leverage to have the most impact.

• Establish a forward programme for engagement and building capacity in our supply chains.
Our Business

MGF is a wholly UK based specialist supplier of excavation shoring, safety and piling equipment to the UK Construction Industry through hire and sale. We manufacture our own range of steel shoring equipment and operate our own transport fleet. MGF Design Services Ltd provide a comprehensive temporary works design service in support of the hire and sale of our products. All staff are directly employed and we do not use agency or temporary workers in any of our operations. Our highly skilled HR Team ensure that MGF are fully compliant with all UK Employment Law including a rigorous approach to Right to Work checks. Accordingly, within our own business we have full confidence that there is no modern slavery.

Governance

MGF Ltd as the parent holding company has the ultimate responsibility for the corporate governance of the MGF group of companies. The Directors of MGF Ltd have approved this Modern Slavery Statement. Furthermore, two of the Directors of MGF Ltd are also Directors of MGF Property Ltd, MGF (Trench Construction Systems) Ltd and MGF Design Services Ltd. As such there is a clear line of accountability and responsibility from MGF Ltd to subsidiary companies. MGF (Trench Construction Systems) Ltd perform all HR, SHEQ and Procurement functions for MGF group and, accordingly, are charged with effecting a robust approach to tackling Modern Slavery in MGF. A working group, reporting to the Board of Directors, led by the HR Director and comprising HR, Procurement and Quality Managers has been created to formulate plans and undertake due diligence in MGF’s supply chains.
TRAINING

Raising awareness and building capacity in our business and supply chains is an important part of our strategy for developing a robust approach for tackling modern slavery. Upskilling of key staff has been undertaken in the period utilising resources available through the construction industry’s Supply Chain Sustainability School.

OUR SUPPLY CHAINS

In the reporting period MGF traded with 654 suppliers.

- By far the largest proportion of spend by value was from 19 companies supplying steel sections and piles for in-house manufacture, hire and sale. In respect of steel supply MGF adopt a policy of only buying from European mills, this policy also extending to steel supply from stockholders and fabricators.
- Demand for equipment was particularly high in the period requiring increased manufacturing output which was supported through use of 32 local steel fabricators.
- Infrastructure including capital investment, property maintenance and rentals involved service from 64 suppliers.
- Haulage, vehicle repair and maintenance together with oil and fuel involved a total of 77 suppliers.
- 73 suppliers were categorised as Professional Services and included legal and financial services, insurance, subscriptions and training services.
- Utilities including electricity, gas and telecoms accounted for 15 suppliers.
- Manufactured (proprietary) products were obtained from 32 suppliers.
- Some 294 suppliers with purchase values of less than £2k were used in the period. In the main these were one-off purchases from local suppliers to meet short-term business needs.
POLICIES IN RELATION TO MODERN SLAVERY

MGF recognise that modern slavery sits within a broad human rights agenda as embodied in a number of important declarations, standards and codes. Through review of the Modern Slavery Act, sources of reference and guidance, and indeed the approaches adopted by leading companies, we have reviewed our existing policy framework to ensure that we are able to bring an effective response to our obligations in respect to modern slavery.

MGF PREFERENCES AND DOCUMENTS RELEVANT TO MODERN SLAVERY

MGF Making Great Futures, together with RESPECT Groundrules and Staff Handbook set-out our relationships with our People, our Customers, the Environment and the Communities in which we operate. Furthermore, through the effective implementation of our existing policies and practices, particularly in the area of Human Resources, we are able to provide full assurance that there is no modern slavery in our business. Notwithstanding this, we acknowledge that we have some way to go in developing human rights due diligence in our supply chains. We are committed to providing transparency and building capacity in our supply chains, and to this end, we have concluded that this ongoing process will be assisted through the development of a formalised Code of Conduct. This Code will be applicable both within our business and for engagement with our supply chain partners. We have assigned staff resources to this project and we anticipate launch of Code of Conduct in the next reporting period (2018/19).
RISK ASSESSMENT IN OUR SUPPLY CHAINS

We have commenced the process of assessing our supply chain for the risk of modern slavery.

150 of our suppliers amounting to 63% of total spend have been assessed as either compliant to the Modern Slavery Act or at No Risk of modern slavery. Compliant suppliers tend to be large and often multi-national companies who have adopted a satisfactory approach and who publish their own Modern Slavery Statements on the Modern Slavery Registry. It is also worth noting that MGF have no leverage over these large companies. Suppliers assessed as at No Risk of modern slavery include, for example, professional services and property rental.

4 suppliers amounting to 6% of total spend have been assessed by MGF as Compliant at Tier1 level but where there is more work required to provide assurance further down the supply chain.

206 suppliers amounting to 30% of total spend have yet to be assessed or following initial assessment have work to do to demonstrate compliance at Tier1 level.

294 suppliers have a spend of less than £2k per annum and amount to only 1% of total spend. These are viewed as incidental purchases.

PLANS FOR 2018/19

• Complete the MGF Code of Conduct and, from this, produce a Code of Conduct for suppliers. This work to be complete and roll-out commenced by June 2019.
• Continue to increase awareness and build capacity in our business through provision of training to a wider group of staff including Organisation Development, Procurement, Quality [Vendor Assessment], Marketing and Supplier Management.
• Continue progress with supplier assessment of our supply chain identifying where capacity building is required, the objective being to increase the proportion of spend deemed as compliant to the requirements of the Modern Slavery Act. MGF recognise that considerable effort is required here to reach the stage where complete assurance is provided that there is no risk of modern slavery in our supply chains and this process is likely to extend over a number of subsequent reporting periods.