

# Modern Slavery Statement

Financial Year Ending 31 December 2020



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# Introduction

Adbri Limited (Adbri) is committed to eliminating modern slavery within our operations and supply chain. At Adbri our purpose is *'Building a better Australia'* and we are taking steps towards this goal through the measures we have outlined in this statement.

Modern slavery is any situation where a person is being exploited for personal or commercial gain and includes servitude, slavery, forced labour, forced marriage, the worst forms of child labour, debt bondage, deceptive recruiting for labour or services and human trafficking.

In 2016, the International Labour Organisation estimated that more than 40 million people worldwide were victims of modern slavery.

Adbri is committed to fostering responsible business practices and engaging with our people and our supply chain participants to assess, address and mitigate modern slavery risks. We recognise the importance of having a social licence to operate and are committed to listening to community expectations with respect to modern slavery risks and actively seeking to manage those risks.

We recognise that our supply chains are evolving, and as such, we will continue to evaluate our impacts with a focus on continual improvement in the way in which we assess and address modern slavery risks.



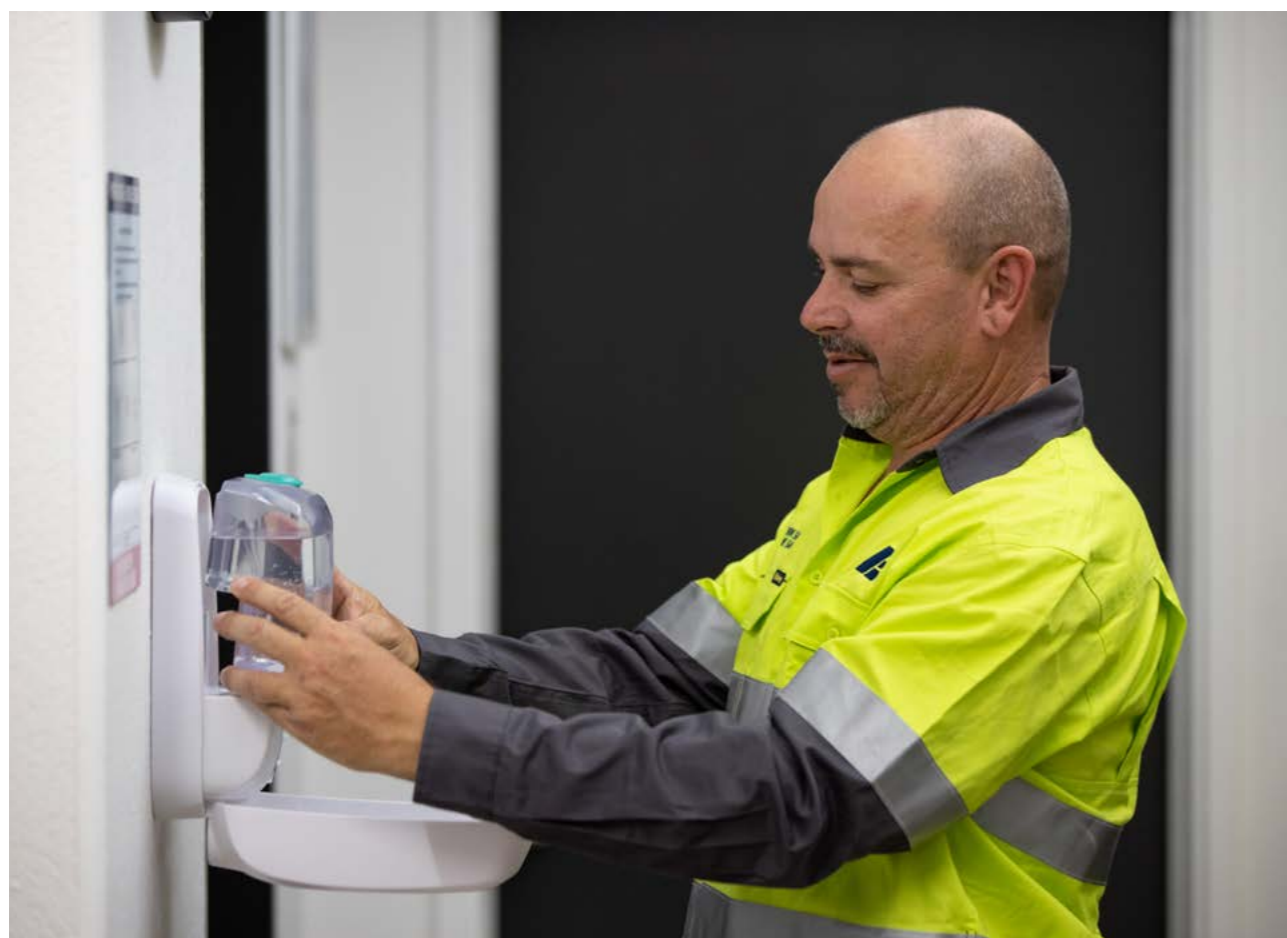
# Impacts of COVID-19

The Australian Border Force provided additional guidance for reporting entities on how to reduce the risk of vulnerable workers in their operations and supply chains becoming exposed to modern slavery as a result of the COVID-19 pandemic.

At Adbri, the health and wellbeing of our our people, contractors, suppliers, customers and communities is paramount as we continue to respond to COVID-19. The strong governance approach adopted by our Crisis Management Team and Pandemic Coordination Team allowed us to adapt our processes at the onset of the pandemic as we introduced social distancing and increased hygiene measures at all our sites, while upgrading our systems to facilitate working remotely. COVID Safe Plans were developed for all Adbri sites with 2,678 COVID hygiene audits, and 372 mock scenario COVID-19 emergency response scenario tests completed as of 31 December 2020.

To support our people in helping keep our communities safe, Adbri created a special leave arrangement, 'Isolation Leave' that enabled employees and Lorry Owner Drivers (LODs) to continue to be paid their normal wages while waiting on test results for COVID-19. 103 employees and 12 LODs accessed a total of 374 Isolation Leave days. Only one employee contracted COVID-19 from a family member, and there was little downtime to our operations.

Our supply chains remained resilient throughout 2020, despite COVID-19. Our team continues to be in regular contact with our suppliers and internal customers as we continually reassess the risks associated with modern slavery.



# Our business and reporting entities

Adbri, formerly known as Adelaide Brighton Limited, is one of Australia's pioneering construction materials and industrial mineral manufacturing companies with its origins dating back to 1882.

In 2020 Adbri employed over 1,384 permanent full time equivalent (FTE) and 13 fixed term employees across our 162 plants and facilities across Australia. For further information about Adbri Limited visit [www.adbri.com.au](http://www.adbri.com.au).

Adbri Limited (ABN 15 007 596 018), and the following wholly owned or controlled entities are identified as reporting entities for the purposes of the *Modern Slavery Act 2018* (Cth) (collectively, the "Reporting Entities", "we", "us" or "our"):

Adbri Limited, pursuant to Section 14 of the *Modern Slavery Act 2018* (Cth), submits this Modern Slavery Statement as a Joint Statement on behalf of the Reporting Entities for the reporting period 1 January to 31 December 2020 ("Reporting Period").

**Adbri Masonry Pty Ltd**  
(ABN 31 009 687 521)

**Adbri Masonry Group Pty Ltd**  
(ABN 14 055 701 034)

**Adelaide Brighton Cement Ltd**  
(ABN 96 007 870 199)

**Adelaide Brighton Management Ltd**  
(ABN 82 008 144 214)

**Cockburn Cement Limited**  
(ABN 50 008 673 470)

**Hy-Tec Industries Pty Ltd**  
(ABN 90 070 100 702)

**Hy-Tec Industries (Queensland) Pty Ltd**  
(ABN 54 102 801 061)

**K.C. Mawson Pty Ltd**  
(ABN 71 004 526 710)

**Premier Resources Ltd**  
(ABN 91 082 015 450)

**Screenings Pty Ltd**  
(ABN 31 007 558 894)



# Our structure, operations, and supply chains

Adbri is a diverse company with over 160 plants and facilities across Australia. We are known for delivering high performance products on time, every time.

## Structure

Adbri Limited has its registered office in Adelaide, South Australia and is listed on the Australian Securities Exchange (ASX code: ABC).

Adbri controls or manages a number of entities which ultimately contributed to Adbri's consolidated revenue for 2020. Our subsidiaries operate in the cement, concrete, lime and concrete products sectors across Australia. Information about Adbri's material subsidiaries as at 31 December 2020 can be found on page 114 of **Adbri Limited's 2020 Annual Report**. Further information about the Group structure relating to Adbri Limited can be found at pages 113 to 114 of **Adbri Limited's 2020 Annual Report**.

We have a 30% interest in Aalborg Portland Malaysia Sdn. Bhd., a white clinker and cement manufacturing plant in Malaysia. We also have a number of 50% ownership interest in joint operations and joint ventures in New South Wales, Queensland, South Australia and Victoria. These projects are in limestone products, concrete products, quarry products, cementitious product distribution, premixed concrete, cement milling and distribution.



## Operations

Adbri has been building a better Australia since 1882. We provide cement, lime, concrete, aggregates, concrete products and industrial minerals through our vertically integrated business model. With 17 respected brands within the Adbri portfolio, we have a product range, scale and footprint across Australia to be always ready for the next challenge.

Adbri is the largest producer of lime in Australia, the second largest cement and clinker supplier to the construction sector, the largest producer of Australian concrete products and the fourth largest concrete and aggregates producer.

Our people make decisions consistent with our purpose, promise and pillars.

# 44

Quarries

# 93

Concrete plants

# 16

Cement and lime facilities and depots

# 9

Concrete product facilities



**Our Purpose**  
Building a Better Australia

Building a better Australia is what we do at Adbri. It's how we contribute socially and economically as a company, and as individuals.

**Our Promise**  
Always Ready

We are Always Ready to deliver on our promises and be the best in everything we do. It's helped propel our business forward for over 100 years.

## Our Pillars

We are Always Ready to be the best in everything we do. Our decisions are guided by our four pillars.



### Safety

We put safety first

We care about each-other's wellbeing

We live by our Life Saving Rules

Work Safe, Home Safe



### Customer Focus

We deliver on our promises

We are agile in meeting our customers' needs

We build long-term partnerships that add value

We act with integrity



### Inclusivity

We work together

We embrace differences

We respect and listen to each other

We empower our people



### Sustainable Growth

We learn and innovate

We create value for our investors and our communities

We contribute to a sustainable future

We invest in our people

## Supply chains

Adbri has a global supply chain supporting our business activities and includes the following industries:

- Construction services;
- Manufacturing;
- Repair and maintenance;
- Exploration and other mining support services;
- Machinery and equipment manufacturing;
- Retail trade;
- Basic material wholesaling;
- Heavy and civil engineering construction;
- Waste collection, treatment and disposal services;
- Professional, scientific and technical services;
- Fabricated metal product manufacturing;
- Non-metallic mineral product manufacturing;
- Motor vehicle and motor vehicle parts retailing;
- Non-metallic mineral mining and quarrying;
- Rental and hiring services;
- Medical and other health care services;
- Polymer product and rubber product manufacturing;
- Information media and telecommunications;
- Basic chemical and chemical product manufacturing;
- Warehousing and storage services;
- Primary metal and metal product manufacturing;
- Security services;
- Building construction;
- Textile, leather, clothing and footwear manufacturing;
- Computer system design and related services;
- Fuel retailing; and
- Pulp, paper and converted paper product manufacturing.

# 672

suppliers surveyed

# \$1.0B+

paid to suppliers

# 5,775

suppliers

# 18+

countries in chain

Adbri seeks to meet environmental, social and governance objectives in the procurement of goods and services. The Adbri Procurement Policy applies to all Adbri wholly owned subsidiaries, employees, contractors and third parties engaged to act on behalf of Adbri. It is read in conjunction with Adbri's Code of Conduct, Modern Slavery Policy and Group Procurement Guidelines. All Adbri parties involved in a procurement transaction are to represent the business with integrity and best business practices in mind.

Adbri in 2020 had 5,775 unique suppliers in our supply chain. In 2020, we spent over \$1.0 billion with suppliers. We issued a Modern Slavery Questionnaire (MSQ) via a third-party SAP cloud-based platform to our suppliers for the reporting period and received responses from 672 of our suppliers.

The MSQ was designed with five key risk areas in mind:

- Jurisdiction/country of origin risk;
- Industry/product risk;
- Utilisation of vulnerable workers;
- Prior human rights impact assessment; and
- Implementation of policies, procedures and systems.

The MSQ featured automated analytics that generates a modern slavery risk rating for each supplier based on responses to the weighted questions. The datasets underpinning the analytics are driven by global indices on modern slavery and human rights risks.

## Modern slavery risks in our supply chain

We understand that modern slavery exists in all countries around the world, including Australia. We consider that our operational modern slavery risk is low in light of the fact that our operations are only in Australia, combined with our recruitment and remuneration programs.

Adbri has a number of joint ventures and we treat our joint venture partners, where we do not have a controlling interest, as suppliers and where possible or practicable we discuss modern slavery risks with our joint venture partners.

In early 2020, an assessment of Adbri's current supplier list and categories was completed for modern slavery risk. As part of this assessment, we reviewed goods and services obtained and identified categories that could potentially be of higher risk of modern slavery. Most goods and services are secured from Australia, however there are large volumes of raw materials, such as clinker, slag and white cement purchased from China, Malaysia and Thailand.

We recognise that our direct suppliers may source goods or services from countries where there are increased modern slavery risks.

We identified at least 68 suppliers that supplied some components of our direct supply chain from multiple countries. In 2021, we will be reviewing the remainder of our supply chain and monitoring the suppliers surveyed. Action plans are put in place to assist with any identification of potential modern slavery risk.

# Actions taken to assess and address modern slavery risks

Adbri takes a partnership approach when engaging with suppliers. We support them to complete a stringent onboarding process prior to becoming a preferred supplier.

In 2020 we built on work undertaken in previous years to evaluate our modern slavery risks in our operations and supply chain.

In 2020 we:

- Launched an Adbri Modern Slavery Policy which was communicated to the business;
- Delivered Modern Slavery training to raise awareness of the issues and how to identify red flags;

- Assessed our supply chain for modern slavery risks;
- Established supplier onboarding processes which include modern slavery considerations; and
- Developed Procurement Policy and Guidelines.



# Actions to reduce modern slavery risk

## 2020 Modern Slavery Actions

The following actions have been carried out since late 2019 and are now integrated into our business to ensure modern slavery risks are assessed and addressed.

### 2020

Modern Slavery Compliance Actions	Details
Communicate the modern slavery commitment through the Adbri Modern Slavery Policy to all Adbri employees.	Modern Slavery Policy communicated to all employees on Adbri intranet. Zero tolerance of modern slavery across the business.
Develop and roll out of modern slavery awareness training.	Modern slavery awareness training package delivered to select Adbri employees, including an assessment to ensure understanding of the requirements.
Develop risk matrix, based on country of origin and category, to assess existing supplier base for modern slavery risk.	A risk matrix was developed to identify potential modern slavery high-risk categories.
Online modern slavery questionnaire.	A third-party platform was used to issue modern slavery questionnaires to suppliers.
Update Adbri standard terms and conditions.	Adbri standard terms and conditions updated to reflect our commitment to modern slavery and confirm our expectations of the supplier.
Assess new suppliers.	All new suppliers are risk-rated using a risk-rating matrix tool. If identified in a high-risk category or country, a questionnaire is provided to the supplier, which then gives a risk-rating for modern slavery compliance risk.

## Our approach to supply chain due diligence

We adopted a pragmatic risk-based approach in assessing modern slavery risks within our supply chain.

In early 2020, Adbri Group Procurement ensured that at least 90 percent of its suppliers had been categorised by the type of goods or services they provided with reference to the *Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 edition*. The categorisations were used in the preliminary stage of assessing the suppliers by industry and country risk using the risk matrix.

The second step was to issue the MSQ to the suppliers identified as higher risk in the preliminary stage.

59

Direct suppliers in low/medium risk countries (excluding Australia)

9

Direct suppliers in high-risk countries

5,707

Direct suppliers – Australian based

## Policies

Adbri continually reviews its policies to ensure they are current and reflect our ongoing commitments. In the past few years Adbri has reviewed and updated policies including:

- Code of Conduct;
- Anti-Bribery and Corruption;
- Diversity and Inclusion Policy;
- Speak Up Policy; and
- Procurement Policy and Guidelines.

and communicated our new **Modern Slavery Policy**.

Adbri's Modern Slavery Policy requires all employees to report known or suspected cases of modern slavery and violations of the policy, the Code of Conduct, or other ethical standards.

As outlined in Adbri's Modern Slavery Policy and our Code of Conduct, we strive to be a good corporate citizen and to earn community respect by individually and collectively contributing to the wellbeing of shareholders, customers, the economy and the community.

We encourage our employees and contractors to report suspicious activities, including modern slavery, directly to management or by using Adbri's Whistle-Blower Program.

## Governance

Adbri management and procurement formed a Modern Slavery Compliance team to ensure a high level of modern slavery compliance existed across the business.

The Modern Slavery Compliance team agreed on a set of activities to be completed during 2020 which initially focused on ensuring our supervisory employees were trained, and our suppliers assessed.

## Training

Adbri implemented a training program to raise internal awareness of modern slavery issues.

We have trained and assessed 103 senior and supervisory employees in modern slavery risks. Further operational employees will be trained in 2021.

## Adbri supplier terms and conditions

It is important to Adbri that all suppliers, not just high-risk suppliers, understand our commitment and expectations for compliance with the *Modern Slavery Act*. When applicable our Adbri Standard Terms and Conditions of Supply require suppliers to use their best endeavours to ensure that the goods or services they provide are not the product of modern slavery. It also requires them to report any non-compliance in accordance with modern slavery laws.

## Grievances and remediation

Adbri is committed to acting with fairness, honesty, and integrity. We encourage people to speak up if they become aware of potential misconduct as well as modern slavery risks and we promote a 'safe to speak up' culture in which everyone feels supported. An Employee Assistance Program is in place to provide additional support to employees.

Adbri also uses the Whistle-Blower Program and the Speak Up Policy to report on any suspicion of modern slavery and all reports are investigated and remedied. In 2020 there were no reports to the Whistle-Blower Program regarding breaches of our modern slavery policy. Adbri's Speak Up Policy can be accessed on Our website.



## Adbri's approach to assessing and addressing modern slavery

### In Our Operations

- Ensuring that all of our employees work for us voluntarily;
- Employing employees that are older than the minimum working age in the jurisdiction in which they work;
- Training our employees in relation to how to identify modern slavery red flags; and
- Annually assessing our operations for modern slavery risk.

### In Our Supply Chains

- Seeking to engage contractors and suppliers who uphold our commitment to eliminating modern slavery practices;
- Wherever possible, requiring our suppliers to agree to comply with our Code of Conduct, this policy and other related policies in relation to their own operations and supply chains; and
- Undertaking annual due diligence on our supply chain to identify and address any actual or potential risks of modern slavery.

As at 31 December 2020, 672 of our suppliers were surveyed using the MSQ and risk rated for modern slavery. Two suppliers were given a rating of high, which meant that further due diligence was required. As a result, desktop searches were conducted in respect of the two suppliers to find out more information regarding their human rights track records and/or policies and procedures published on their websites. Additional information was sought regarding the questionnaire responses and supplier's commitment to eliminate modern slavery in their organisation as well as in their suppliers', including by reviewing policies, commitments and reporting. Based on the information provided, we were satisfied that modern risks were being mitigated. However, in the event that the risks were serious and unaddressed, our process is to report it to the Adbri Executive, consider whether it is appropriate to work with the supplier, to address the risks and consider potential pathways to remedy. In 2021, we plan to review the remainder of our supply chain and continue to monitor the suppliers surveyed in 2020.

### Mitigating high-risk suppliers

In 2020, Adbri had two high-risk suppliers who were identified for further investigation and required remediation work. This represents less than half of one percent of (all of Adbri's) suppliers.

Adbri undertakes several steps internally when assessing a higher risk supplier, including undertaking monitoring and implementation of action plans as and when necessary.

**670**

Suppliers on track & monitoring

**99.7%**

Suppliers on track

**2**

Potential high-risk suppliers

**100%**

target group responded

## Steps taken when assessing a high-risk supplier

### Supplier assessed



- Supplier is assessed using Modern Slavery tool;
- Suppliers responses risk-rated; and
- Risk-rating reviewed by Procurement.

### Supplier delivers high-risk rating



- Ascertain why vendor delivered high-risk rating;
- Conduct internet searches for reports of child labour, slavery or human trafficking;
- If report is found, review the findings and take further action if appropriate; and
- If no report is found, seek additional information as evidence to support our suppliers commitment to eliminate modern slavery in their organisation, as well as their own suppliers', e.g. policies, commitments, reporting, pay slips etc.

### Evidence shows no risk of modern slavery



- Continue to monitor and assess.

### Evidence shows risk of modern slavery



- Report to Executive;
- Review if appropriate to work with supplier to eliminate modern slavery;
- Treat risk as a legal compliance issue, if entity refuses to address issue, end relationship;
- Collaborate with international and local organisations;
- Raise awareness about risks of harm and potential pathways to remedy;
- Exchange information and identify opportunities for collaboration with other entities; and
- If actual and potential human rights impact, seek to prevent and mitigate as per Australian Federal Police guidelines.

# Assessing the effectiveness of our actions

As part of our commitment to improve where we can, we note the below actions we are taking in 2021 to mitigate modern slavery risks in our supply chains and operations.

In 2021, Adbri will assess whether the measures we introduced in 2020 have been effective by tracking the number of:

- Suppliers assessed by reference to the risk matrix;
- New suppliers sent the MSQ, and the responses received from suppliers; and
- Suppliers rated high, medium and low and observing year-on-year trends from suppliers in their second year of MSQ compliance employees having completed the modern slavery training.

We will also continue to build our employees' knowledge of modern slavery and how to report any suspicion of modern slavery within Adbri or its suppliers' businesses. This will see us extend the training provided to 103 management employees in 2020, to additional operational employees.

We understand that although we have assessed our supply chain, we must continue to monitor it on an ongoing basis. Existing suppliers that have been fully assessed will be monitored. Suppliers identified as being in high-risk categories or operating in higher risk countries will be assessed periodically during the course of the contractual relationship.

Our aim is to create partnerships with our suppliers so that we can both take a collaborative and proactive approach to any modern slavery risks.



# Process of consultation

Subsidiaries across the Adbri Group have, where necessary and applicable, been contacted by the relevant Adbri employees to discuss modern slavery, engage them on why mitigating the risks of modern slavery in our supply chain is important, and to ensure they have had some form of basic training.

The modern slavery training program has been delivered to senior employees across all entities. Training will be delivered to other employees across the entities to further embed awareness of the signs of modern slavery.

Employees from all entities have access to, and are able to report any risks associated with modern slavery through, the Whistle-Blower program.

In May 2019, Adbri's Chief Executive Officer distributed Adbri's Modern Slavery Policy to all employees across each entity and provided information on what modern slavery is and what to do if they suspect instances of modern slavery. All employees across the Adbri Limited Group are required to abide by the policy.

The Adbri Procurement Team worked with key employees to explain the importance of assessing modern slavery risks in Adbri's supply chain and sought their assistance in the follow up of suppliers to respond to the modern slavery questionnaire.

In 2020, for the purpose of modern slavery risk reviews undertaken by Adbri, we treated non-controlled joint ventures as Adbri suppliers.

This Statement for the Financial Year ending 31 December 2020, is made by the Reporting Entities pursuant to Section 14 of the *Modern Slavery Act 2018* (Cth). This Statement has been approved by the Board of Directors of Adbri Limited and on behalf of the Reporting Entities.

**Raymond Barro**  
Chairman  
20 May 2021

**Nick Miller**  
Chief Executive Officer  
20 May 2021





**always***ready*

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