

# MODERN SLAVERY STATEMENT

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FY2021

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The logo for WAGNERS, featuring the word "WAGNERS" in a bold, black, sans-serif font. The text is centered within a yellow rounded rectangle that has a thick black border. The logo is positioned in the bottom right corner of the page, which also features a large yellow diagonal graphic element on the left side.

**WAGNERS**

# MODERN SLAVERY STATEMENT

## WAGNERS HOLDING COMPANY LIMITED

### FY2021

This statement covers the activities of Wagners Holding Company Limited (ACN 622 632 848), Wagner Investments Pty Ltd (ACN 011 055 271) and Wagners Australian Operations Pty Ltd (ACN 010 570 920) (each a Reporting Entity) and their owned and controlled entities (together the Wagners Group) during the year ended 30 June 2021. This statement has been prepared as a joint statement in consultation and collaboration with each Reporting Entity.

This is our second modern slavery statement under the Modern Slavery Act 2018 (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

This statement has been approved by the Boards of each Reporting Entity on 17 December 2021.

#### **About us**

Wagners Holding Company Limited is a company listed on the Australian Securities Exchange (ASX). The company was established in 1989 as a family business and evolved into an international corporate group with 27 subsidiaries operating in five different countries. Wagner Investments Pty Ltd and Wagners Australian Operations Pty Ltd are both subsidiaries of Wagners Holding Company Limited, each having a number of subsidiaries of their own.

At Wagners Group, we reject any violation of people's rights and freedoms, including modern slavery practices such as debt bondage, child labour, forced labour and human trafficking which exploit vulnerable, marginalised and impoverished adults and children.

We recognise that respecting the human rights of those affected by our business activities is important and are committed to acting ethically and with integrity in our business dealings and relations and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or in any of our supply chains.

#### **Our structure**

The Reporting Entities are companies incorporated in Australia. Wagners Holding Company Limited has its registered office at Level 10, 12 Creek Street, Brisbane with the other companies each having their registered office located at 11 Ballera, 1511 Toowoomba-Cecil Plains Rd, Wellcamp QLD 4350.

Wagners Group includes a number of subsidiaries and controlled entities operating in Australia, United Kingdom, New Zealand, United States of America and Malaysia. A full list of these entities is included at page 112 of the 2021 Annual Report which can be accessed via our website, [www.wagner.com.au](http://www.wagner.com.au).



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## **Our operations**

Wagners is a leading producer of construction materials and services. Our business model is structured around two main business units, New Generation Building Materials (NGBM) and Construction Materials and Services (CMS).

Our NGBM business unit comprises both Composite Fibre Technologies (CFT) and Earth Friendly Concrete (EFC®). CFT products, designed by Wagners, are durable construction materials that can be used to replace timber and steel, are lightweight and resistant to rust, corrosion and chemical attack. CFT is used to produce cross arms, poles, pedestrian infrastructure and road bridges and supplies to customers in Australia, New Zealand, UAE, USA and UK.

EFC® is a new class of concrete based on a commercial geopolymers binder technology that Wagners has developed in response to growing market demand for building materials with reduced carbon emissions. EFC is supplied into markets in Australia, India, UK and Germany.

Our CMS unit supplies construction materials and services, including cement, concrete, aggregates, bulk haulage services, precast concrete and reinforcing steel. We service customers in residential, major project and infrastructure and mining and resources project sectors. We also operate a specialist in-house engineering and maintenance workshop which provides innovative maintenance and engineering solutions across our NGBM and CMS divisions.

Our core operations are in Queensland, Australia and the majority of Wagners assets and operations are currently within Queensland. We also operate and supply products in New Zealand, UAE, USA, United Kingdom and Malaysia.

We engaged 688 employees as at 30 June 2021. 98% of those employees work in offices and on projects sites throughout Australia. Those employees working in our international operations are employed on substantially similar employment conditions as our Australian employees, subject to any jurisdictional specific requirements, eliminating modern slavery practices in our own operations.

## **Our supply chain**

Wagners Group operates with a high degree of vertical integration. This internalises and provides us with significant control over large parts of our supply chain, minimising otherwise inherent modern slavery risks. For example, our concrete business sources the majority of its materials required for its manufacturing process purely from our other inhouse Wagner entities, locally.

The main types of goods and services that we procure are raw materials required for the manufacture of our construction materials.

During FY2021 we worked with approximately 1810 external suppliers through various forms of contracts, ranging from short term to long term contracts, standing offer arrangements and once off purchase orders. Over 90% of our suppliers are located in Australia and have been known suppliers to Wagners for a long period of time. We also have suppliers from Thailand and China.

We also have a number of indirect suppliers, including hardware, office supplies, personal protective equipment and tools.



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Where we have known international suppliers for our key raw materials, prior to engaging the suppliers, where possible, physical site visits and quality audits are conducted to satisfy ourselves about the practices, policies and procedures of those organisations.

## Modern slavery risks

We recognise that modern slavery may impact our business activities and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

## Risk assessment methodology

We developed a risk assessment methodology which considers a number of indicators of modern slavery risks including sector and industry, the type of products and services, geographical location and specific entity risk.

In FY2020 we found that our operations and supply chain have a low potential for modern slavery risks. Our risk assessment in FY2021 has not changed this determination. Our risk profile is summarised in the table below.

## Risk profile

Risk	Description of potential risk
Sector /Industry	There is a risk of the potential for modern slavery practices in the supply chain of manufacturing sectors eg. manufacture of tools, hardware, office equipment, uniforms, safety equipment and office because of their characteristics, products and processes, such as the widespread reliance on unskilled workers as an industry practice and relaxed labour and safety regulations.
Product / Service	There is a risk of the potential for modern slavery practices in the supply chain of producers of raw materials for some of our construction materials because of the way that the service or product is produced, provided or used such as competitive markets that create price pressure, cyclical production and high risk raw materials used as inputs.
Geographic	There is a risk of the potential for modern slavery practices in the supply chain in certain international geographic locations in which Wagners operates that may have a higher prevalence of modern slavery due to factors such as poor governance, compromised rule of law, conflict zones, being a centre of high migration inflows and socio-economic weaknesses such as poverty.
Specific Entity Risk	Certain companies or business may pose a risk of the potential for modern slavery due to their known poor human rights and/or labour practices record, poor governance structures and a lack of robust policies and/or responsible purchasing practices.

## Actions to assess and address risk

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery. That is why we have continued to take steps to assess and address modern slavery in our operations and supply chains.

As outlined, when assessing potential international suppliers, a thorough due diligence is undertaken on each supplier. Modern slavery has been specifically built into national supplier selection criteria, for direct and indirect



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spend categories.

We recognise that COVID-19 escalates the risk of modern slavery. During the COVID-19 pandemic, we have continued to use our risk management approach for identifying any key modern slavery risks that exist within our operations and supply chains.

## ***Due diligence***

As noted above, in FY20 we undertook an initial risk assessment to identify any key modern slavery risks that exist within our operations and supply chains. We have repeated this process in FY21 using the same methodology as reported in FY20.

In FY21, Wagners continued to conduct due diligence on new subcontractors and suppliers. Following its introduction last year, we have continued to use a detailed supplier questionnaire to understand the modern slavery risks with new suppliers. We expect our suppliers to have anti-slavery policies or equivalent and where possible have incorporated modern slavery clauses into our contracts with our suppliers.

In FY21 we didn't identify any suppliers as presenting a high risk of modern slavery.

## ***Governance and accountability framework***

Wagners expects all suppliers in our supply chain to have no tolerance for modern slavery. The prevention, detection and reporting of modern slavery in any part of Wagners business or supply chain is the responsibility of all those working for us.

Modern slavery risk is considered within Wagners risk management framework which is reviewed and assessed by Wagners Risk Committee and reported at least annually to Wagners Board Audit and Risk Committee to ensure reporting requirements can be met under the Modern Slavery Laws. Wagners Board of directors has overall responsibility for approving Wagners' annual modern slavery statement and ensuring that the Wagners Group complies with Wagners' disclosure obligations under Modern Slavery Laws.

## ***Policies and procedures***

Wagners has a number of policies and procedures to ensure we have strong frameworks to enable us to assess and address modern slavery risks, including:

- Modern Slavery Policy for our business that establishes our commitment to addressing modern slavery risks in our business and driving an accountability for ethical business practices across our organisation;
- Supplier Code of Conduct that sets the minimum expectations for our suppliers and third party labour providers related to ethical practices including addressing modern slavery risks in their business. We have also established an expectation with our suppliers that they will engage with their suppliers on similar terms. We wish to work in



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partnership with our suppliers to address risks of modern slavery that exist in our suppliers; and

- Grievance Procedure that supports and encourages employees to raise concerns without fear that their future employment prospects will be adversely affected.

These policies and procedures complement our existing governance framework which includes:

- Anti-Bribery and Anti-Corruption Policy;
- Diversity Policy;
- Whistleblower Policy; and
- Code of Conduct within our Corporate Governance Charter.

Where and when it is safe to do so, Wagners also intends to continue with site visits to various suppliers, particularly those that may be identified as having a potential risk to modern slavery to ensure they are operating safely with no identified risk to modern slavery practices.

## **Assessing our effectiveness**

We are committed to reviewing the effectiveness of our actions by:

- regularly reviewing our modern slavery processes, with senior management meeting at least annually to consider whether we are appropriately identifying and evaluating our modern slavery risks;
- when commencing a new operation or engaging a new supplier, assessing whether our existing risk management processes remain appropriate;
- having a dedicated working group for modern slavery compliance; and
- conducting an annual review of our data sources, to ensure we are appropriately identifying and evaluating our modern slavery risks.

In FY2021, we have continued to monitor our performance against a number of key performance indicators. These include:

- the percentage of employees who have completed training on modern slavery;
- the number of suppliers requested to complete a detailed questionnaire; and
- the number of suspected or identified modern slavery incidents.



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## Consultation

Each member of the Wagners Group uses the same overarching policies, systems and processes, and share common directors and management. This structure ensures each member of the Wagners Group applies the same consistent approach to modern slavery as outlined in this statement.

## Update on FY2020 reporting

In FY2021 we have sought to implement the intentions set out in the FY2020 statement. We have:

- established a Modern Slavery working group to monitor and review our practices and modern slavery risks that may exist within our business and our supply chains;
- continued to roll out supplier questionnaires and review and update procurement process to ensure that the risk of modern slavery in our supply chain is fully integrated into our procurement procedures; and
- developed and rolled out a training session to key management personnel in identifying and reporting modern slavery risks and breaches. In FY22 we intend to roll this training out to more staff across the business.

## FY2022 focus

We are committed to a continual process of improvement around identifying and eliminating modern slavery risk.

In FY2022 we are committed to further developing our policies and procedures to ensure we are implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or our supply chains. The main focus areas will be around:

- enhancing our understanding and knowledge of selected aspects of modern slavery risk
- building our people's capability to recognise and report modern slavery risks by developing and rolling out internal training programs for employees

This statement was approved by the Wagners Board of Directors on 17 December 2021.

Denis Wagner  
Chairman