

MODERN SLAVERY STATEMENT

FY2020

WAGNERS

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WAGNERS HOLDING COMPANY LIMITED

FY2020

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 2020.

This is our first 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 board of Wagners Holding Company Limited, which controls each of the Reporting Entities, on 30 March 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, 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 Reporting Entities each having their registered office located at 11 Ballera Court, 1511 Toowoomba-Cecil Plains Rd, Wellcamp QLD 4350.

Wagners Group includes a number of subsidiaries and controlled entities operating in Australia, New Zealand, United States of America and Malaysia. A full list of these entities is included at page 98 of the [Wagners 2020 Annual Report](#).

Our operations

Wagners is a leading producer of construction materials and services. Our business model is structured around two 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



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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 geopolymer 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 business units.

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 577 employees as at 30 June 2020. 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, domestically.

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

During FY2020 we worked with approximately 2000 external suppliers through various forms of contracts, ranging from short term to long term arrangements, standing offer arrangements and once off purchase orders. Wherever possible we endeavour to procure our required products and services through a supply chain of Australian owned suppliers known to Wagners. Over 90% of our suppliers are located in Australia and have been known suppliers to Wagners for a long period of time. We do have international suppliers from Thailand and China, each of which have also been known to Wagners for a long period of time and have been supplying materials under long term contractual arrangements.

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

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 appropriateness of 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.

Our initial risk assessment has indicated that our operations and supply chain overall have a low potential for modern slavery risks. Based on the sectors, products and geography of our supply chain, 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 are subject to 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. No such companies or businesses were identified in our supply chain.

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 during our first reporting period we introduced a number of 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 our national supplier selection criteria, for direct and indirect spend categories.

Due diligence

As noted above, we undertook an initial risk assessment to identify any key modern slavery risks that exist within our operations and supply chains.

We prioritised further risk assessment on those operations and direct suppliers that we identified as potentially 'high-risk' during our initial risk assessment (for example, based on sector or geography). Where necessary, we conducted further desk-top research to understand our key risk areas.

We further prioritised those key risk business and supply relationships, based on where we had the greatest leverage to mitigate the potential modern slavery risks that existed in the relationship.

Wagners also conducts due diligence on new subcontractors and suppliers. We have also developed 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.

Following this risk assessment process, we did not identify any supplies or 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 and communicates 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 out 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 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 (given risks and restrictions presented by COVID-19), Wagners also intends to continue with site visits to selected suppliers, particularly those that may be identified as having a potential risk to modern slavery to ensure they are operating safely and present no identified risk to modern slavery practices exists within those operations.

We also intend to:

- establish 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;
- further develop and 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
- develop and roll out training sessions for all relevant staff across the business to enable everyone in the business to identify and report modern slavery risks and breaches.

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, prior to reporting to the Audit and Risk Committee;
- 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.

We also intend to monitor our performance against a number of key performance indicators. These will include:

- the percentage of relevant 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.

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.

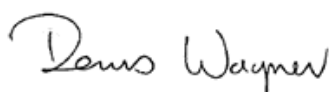
FY2021 focus

As this is our inaugural statement, we recognise there are further steps we can take to assess and address the risks of modern slavery in our operations and supply chains and we are committed to a continual process of improvement around identifying and eliminating modern slavery risk.

In FY2021 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:

- the establishment and operation of the Modern Slavery Working group;
- further development of the due diligence processes on existing and new suppliers through further developed questionnaires and procurement processes; and
- internal training programs for employees.

This statement was approved by the Wagners Holding Company Limited Board of Directors on 30 March 2021.



Denis Wagner
Chairman