

Modern Slavery Statement 2022



Acknowledgement of Country

We acknowledge the Traditional Owners of the lands across Australia. We recognise and respect Aboriginal and Torres Strait Islander peoples and their unique position in Australian culture and history, and pay our respects to their Elders past, present and emerging.

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Find Boral's reporting suite at www.boral.com



Annual Report



Sustainability Report



Further sustainability information

Disclosure note

This joint *Boral Modern Slavery Statement 2022* (Statement) is made on behalf of Boral Limited and its controlled subsidiaries (Boral) that are reporting entities in accordance with the requirements of the *Australian Commonwealth Modern Slavery Act 2018* (Cth) (Modern Slavery Act) for the financial year ended 30 June 2022 (FY2022).

All data, unless otherwise noted, is as of 30 June 2022.

Boral's reporting entities under the Modern Slavery Act are listed on page 18.

This Statement is Boral's third under the Modern Slavery Act.

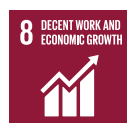
References to 'we', or 'our' in this Statement refer to Boral Limited and its controlled entities, including all reporting entities in FY2022.

As Boral takes a corporate-level approach to assessing and managing modern slavery risk across each of these entities – including for governance, risk management, policies, procedures and systems – consultation with each of our reporting entities is not required.

In preparing this Statement and our action plan for improvement we have considered findings and recommendations from externally published benchmarking research on ASX companies' modern slavery statements and supplementary guidance published by the Australian Border Force.

Modern Slavery Act mandatory reporting criteria

| | Page(s) |
|--|------------------------|
| 1 Identify the reporting entity | Inside front cover, 18 |
| 2 Describe the structure, operations, and supply chains of the reporting entity | 04–07 |
| 3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls | 09–11 |
| 4 Describe the actions taken by the reporting entity and any entities it owns or controls, to assess and address those risks, including due diligence and remediation processes | 08, 12–16 |
| 5 Describe how the reporting entity assesses the effectiveness of these actions | 17 |
| 6 Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement) | Inside front cover, 18 |
| 7 Any other information that the reporting entity, or the entity giving the statement, considers relevant | 01–03 |



This Statement addresses the **United Nations Sustainable Development Goal 8.7**, which calls for:

Immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

What is modern slavery?

Modern slavery is when coercion, threats or deception are used to exploit individuals and deprive them of their freedom.

The Modern Slavery Act defines modern slavery to include:

- trafficking in persons
- slavery
- servitude
- forced labour
- debt bondage
- deceptive recruitment
- forced marriage, and
- the worst forms of child labour: situations where children are subjected to slavery or similar practices or engaged in hazardous work.

Modern slavery victims¹

~50m

globally

54%

are women and girls

~27.6m

in forced labour

1. *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, International Labour Organization (ILO), Walk Free, and International Organisation for Migration (IOM), Geneva, 2022.

Message from our Chairman and Chief Executive Officer

We recognise that modern slavery is a severe violation of human rights with devastating consequences for victims. We strongly oppose modern slavery in all its forms and strive to eliminate the risk of modern slavery in our supply chains and operations.

With an estimated 50 million victims of modern slavery globally, we acknowledge that modern slavery practices may be present in our operations and supply chains, with the highest area of risk within our supply chains.

Our approach to modern slavery is underpinned by our Purpose and Values. Our Purpose is **Creating a world that future generations will be proud of**. And our Value of **Looking out for each other** includes caring about the impact that we have on our communities and each other – see page 03.

We are committed to strengthening our approach to preventing modern slavery practices and are investing resources and efforts to better assess and manage this risk. Our progress in FY2022 against our two year action plan outlined in FY2021 is detailed on page 08.

To improve our response to modern slavery risk in our supply chain we have implemented a Modern Slavery Management Standard Operating Procedure (MSM SOP), which clearly defines accountabilities, and establishes processes and procedures for identifying, assessing, and managing modern slavery risk in our supply chain.

The progressive rollout of our approach, as defined by our MSM SOP, is risk-based, with higher- risk direct (Tier 1) suppliers prioritised for more comprehensive due diligence. These suppliers include those in:

- high-risk countries where the prevalence of worker exploitation is high, and
- high-risk sectors that are typically characterised by a high number of vulnerable workers – notably migrant and base-skilled workers who are employed in low-paying and often higher risk work.

In FY2022 we completed due diligence on our international Tier 1 suppliers that were assessed at high inherent risk in line with our new MSM SOP. This included engaging a third-party to conduct in-person site visits, and working with the suppliers to develop rectification plans for any issues identified. Only minor issues were identified as part of this audit process, and all the issues have now been addressed and resolved.

We are also progressively focusing on Tier 1 domestic suppliers, initially focusing on the cleaning and security guarding sectors – which have been identified as potential areas of higher risk.

We plan to then progressively apply our enhanced modern slavery risk assessment and management

activities to all our existing Tier 1 domestic suppliers engaged through our Procurement activities.

We will adjust our approach based on learnings from engaging with our suppliers and other stakeholders.

We recognise the importance of being open and transparent when incidents or concerns of modern slavery are identified, to ensure transparency and drive continuous improvement.

In FY2022, we received one reported concern of potential indicators of modern slavery risk in our supply chain. On page 16 we have shared the process we followed to escalate, investigate and respond to this concern. As a result of our investigation we found no evidence of modern slavery.

We have a Modern Slavery Working Group (Working Group) which guides, monitors, and reviews work undertaken to strengthen our approach to modern slavery risk. Members of this group have engaged with industry experts to keep abreast of learnings and evolving good practice in terms of improving managing modern slavery risk. They have also engaged with our stakeholders, including our investors, to understand and respond to their evolving expectations.

This Statement was approved by the Boral Board of Directors as the parent entity on 7 December 2022 in their capacity as principal governing body of Boral Limited. This statement was signed by Ryan Stokes in his role as Chairman, and Vik Bansal in his role as Chief Executive Officer, of Boral Limited on 7 December 2022.



Ryan Stokes AO
Chairman



Vik Bansal
Chief Executive Officer



Boral is the largest integrated construction materials company in Australia, producing and selling a broad range of construction materials, including quarry products, cement, concrete, asphalt and recycled materials.

We provide construction material products and solutions to our customers to build homes, high-rise commercial and civic buildings, and infrastructure, including roads and highways in every state and territory across Australia.

We also have a property segment that aims to maximise the long-term value of our portfolio of surplus property and operating footprint.

Image above:
Greenland Centre,
Sydney, NSW

Our Purpose

talks to our role in meeting the challenges of a changing world and the expectations of future generations.

Creating a world future generations will be proud of

Our Values

say what we stand for, how we behave and guide our decision making.

Looking out for each other

Leading the way

Doing what we say

Achieving together

Our business

Boral is an Australian integrated construction materials company listed on the Australian Securities Exchange (ASX). Seven Group Holdings Limited (SGH) holds an ownership interest of 69.6% in Boral Limited.

Our core operations comprise several businesses: Quarries, Cement, Asphalt, Concrete and Placing, and Recycling (Circular Materials Management), with a strategically positioned network of 356 operating sites. Boral reported revenue in FY2022 of \$2.95 billion.

\$2.95bn

revenue in FY2022

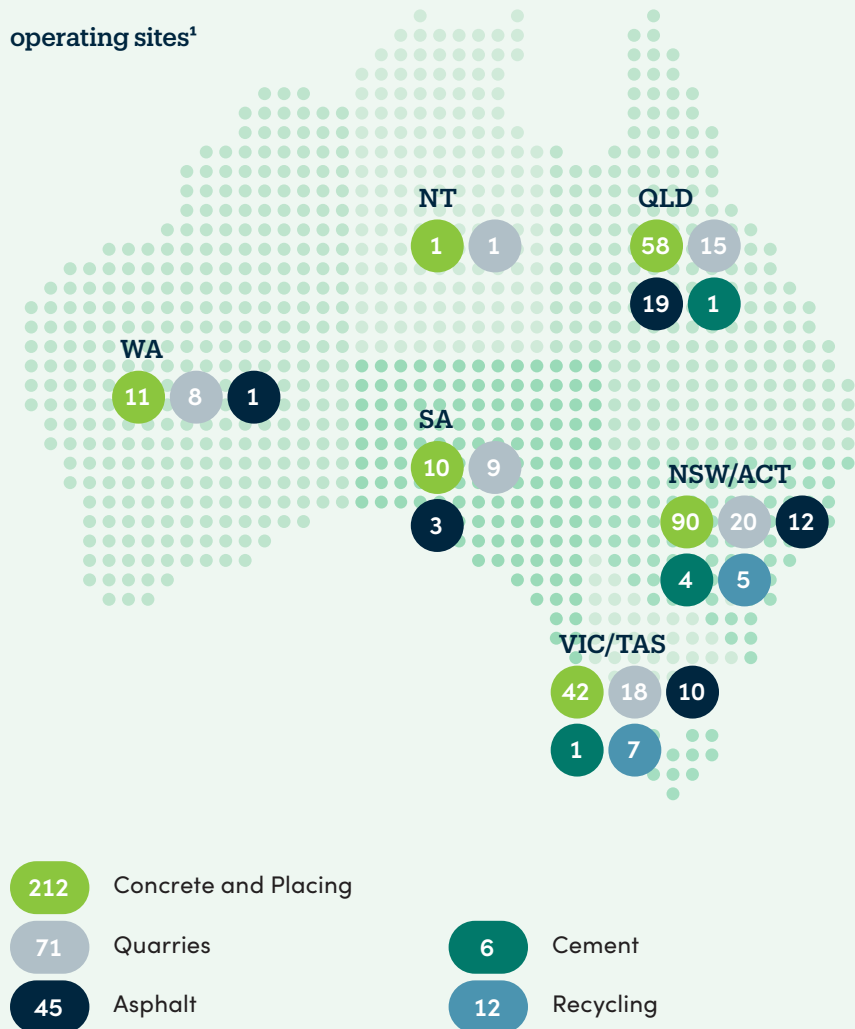
Boral had 4,749 full-time equivalent employees as at 30 June 2022.

Boral's reporting entities under the Modern Slavery Act are listed on page 18.

Construction materials: Leading integrated network

356

operating sites¹



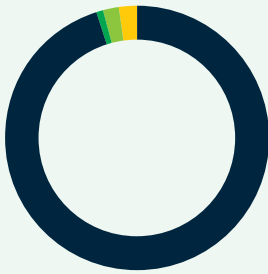
1. Includes transport, fly ash and research and development sites. Concrete site definition has been revised, with restated comparable number of Concrete and Placing sites in FY2021 of 213.



4,749

employees²

Employees by contract type (%)



- 95% Full-time
- 1% Part-time
- 2% Contract
- 2% Casual



~4,400

contractors²



~3,500

heavy road vehicles³



~14,000

customers

Our brands



2. Full-time equivalent (FTE) for continuing operations.
 3. Managed or used by Boral.

Valuable upstream and downstream operations



Cement

Our Cement operations manufacture and import clinker, grind clinker into cement, and supply supplementary cementitious materials. Our 1.5 million-tonne clinker manufacturing plant is at Berrima, NSW.

Quarries (including Recycling)

Our hard rock and sand quarries supply about 30 million tonnes of materials annually to our Concrete and Asphalt operations and customers.

Our Recycling operations process more than 2.2 million tonnes of construction and demolition waste for reuse, helping supplement quarries' materials supply and supporting circular construction.



Bitumen

Our 50%-owned Bitumen Importers Australia joint venture supplies about 40% of Asphalt's operations bitumen needs.



Concrete and Placing

We supply 6-7 million m³ of concrete annually, including advanced and lower carbon solutions, and are one of the largest concrete placing and pumping companies in NSW.



Asphalt

We produce and supply more than 2 million tonnes of asphalt annually, and spray seal and technical materials for the surfacing and maintenance of infrastructure networks.

Construction and demolition waste from customers

Our customers

We deliver products and solutions used for a range of applications, from homes and commercial buildings to infrastructure projects such as roads and highways.

We work with our customers to deliver more sustainable, high-performing and innovative solutions.

In FY2022, Boral spent \$2.4 billion purchasing products and services from about 6,960 direct (Tier 1) suppliers. Approximately 2% of this spend was with 66 international suppliers across 21 countries.

Procurement spend

\$2.4bn

Tier 1 suppliers

~6,960

Countries sourced from
(other than Australia)

21

Domestic-based suppliers
(Australia)

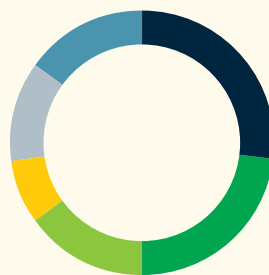
~98%

Contractors



In FY2022, Boral engaged approximately 4,400 full-time equivalent (FTE) skilled contractors in its controlled operations in Australia. In addition to engaging contractor drivers in Boral's Australian transport operations, we engage contractors to support our operational requirements, including information technology and plant maintenance. We also have longstanding preferred labour hire supplier relationships.

Key categories of spend



- 27% Raw materials
- 23% Logistics
- 15% Services
- 8% Energy
- 12% Fixed plant, heavy machinery, equipment, maintenance and repairs
- 15% Other

● Raw materials

Includes quarry products, bitumen, cement, clinker, fly ash, slag, admixtures, and oxides. We import clinker from Asia for use in our cement manufacturing operations in Victoria.

● Logistics

Largely represents the domestic movements of products to our operations and customers in Australia via road, rail, and sea transport.

This includes products carried by our contracted drivers. We use rail transport primarily to transport quarry materials, cement, and lime. We import clinker from Asia to Australia using charter party arrangements with large international merchant shipping companies.

● Services

Includes specialist operational support such as earthmoving services, labour hire, maintenance, professional consultants, security, cleaning, hygiene and fire-prevention services. These are typically purchased domestically.

● Energy

Includes the purchase of electricity and gas from utilities. We also purchase diesel and liquid fuels for transport and other purposes, and purchase coal and alternative fuels domestically for kiln fuel in our Cement operations.

● Heavy machinery and maintenance

Includes heavy mobile equipment, heavy road vehicles, parts, commodities and accessories for our fixed and mobile plant and equipment.

FY2022 and FY2023 action plan

In Boral's joint *Modern Slavery Statement 2021*, we outlined a two year action plan to improve our approach to assessing and managing modern slavery. This plan built on actions identified and undertaken in prior years. Our progress against this two year plan is outlined below.

| Planned actions | FY2022 progress | Page(s) |
|--|---|---------|
| Governance and oversight, and risk management Undertake an annual review and update of Boral's supplier and supply chain risk profile. This assessment will refresh the identification of suppliers with the highest inherent modern slavery risk based on the most recent external modern slavery indices and other relevant information. |  | 12 |
| Policies, standards, and operating procedures Implement the MSM SOP across our Procurement activities for all new suppliers in our continuing operations and phase this in for existing and contract renewal suppliers. Develop an <i>Anti-Modern Slavery Management Framework</i> that establishes a common understanding of our approach to identify, assess and manage modern slavery risk. |  | 13-14 |
| |  | 13 |
| Procurement management and supplier due diligence Review our <i>Human Rights Policy</i> to ensure alignment with updated risk management framework. Complete assessment of all suppliers identified as at high risk in FY2021 and new suppliers identified as at high risk of modern slavery practices in line with new MSM SOP, including where required, engaging with suppliers to implement a corrective action plan and obtaining relevant internal approvals. Commence assessment of existing domestic suppliers identified as at medium risk of modern slavery, in line with new MSM SOP. |  | 13 |
| |  | 14-15 |
| |  | 14-15 |
| Training and capacity building Review ways of imposing more rigorous requirements on our Tier 1 suppliers for the purposes of mandating the same compliance down the contractual chain. Continue to review and enhance our process for investigating allegations, including monitoring the progress of relevant suppliers as part of our ongoing risk reviews and assessments with a view to continuous improvement. |  | 14-15 |
| |  | 16 |
| Engagement and collaboration Develop and roll out comprehensive modern slavery training for our Procurement team, focused on modern slavery supplier risk identification, assessment and due diligence processes, and incident reporting and investigation. Commence roll out refreshed modern slavery risk awareness training, including elements of MSM SOP to operational leaders and other relevant staff. |  | 16 |
| |  | 16 |
| Assessing effectiveness Continue to collaborate in multi-stakeholder initiatives to build further capacity and knowledge. |  | 16 |
| Assessing effectiveness Working Group to undertake an annual review of quantitative and qualitative indicators for assessing the effectiveness of our modern slavery approach and processes, with a view to achieve continuous improvement. |  | 17 |



Completed



In progress

We continue to take a risk-based approach to identifying our areas of greatest modern slavery risk.



As set out in the UN Guiding Principles on Business and Human Rights, we assess the risk of modern slavery practices based on the potential to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains. We define modern slavery risk as the risk of harm to people rather than risk to the business, such as through reputational or financial damage.

In our operations

In FY2022, we continued to assess the risk of modern slavery in our operations as being low.

We have human resources controls in place for recruitment, onboarding new employees, reviewing employees' wages and salary agreements, and verifying corresponding payments.

We seek to, at a minimum, meet legal requirements relating to labour management where we operate.

Our employee onboarding process includes employment checks managed by our recruitment team, and ensuring all new employees have valid visas and working rights.

Our employee induction processes also ensure that new employees confirm they have read and understood our policies and minimum standards.

In our operations, 58% of our employees are also covered by a total of 57 enterprise agreements or other industrial instruments that are compliant with relevant legislation.¹

We provide an external independent whistleblower service known as FairCall, which is available to our employees and other external stakeholders to raise concerns on an anonymous basis. We promote this service internally, including through our FairCall Policy, our intranet and on-site posters.

Boral's Risk function reviews modern slavery risk in our operations as part of its annual Modern Slavery Risk Review – see page 12.

1. This includes employees covered by agreements which have passed their nominal expiry date, and which are deemed to continue to operate until they are replaced or terminated by the Fair Work Commission.

In our supply chain

In FY2021, we updated and refined our Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool, which is used to perform a risk assessment of Boral's suppliers. This refreshed the risk assessment of our Tier 1 suppliers completed in FY2020, and we continued to use this tool in FY2022.

The MSSRPA tool attributes an initial inherent risk rating to our suppliers – from low to very high – based on the risk of modern slavery practices in the jurisdictions¹ and industry sectors in which they operate.

The risk rating does not consider any specific controls or mitigations that the supplier may have in place. It provides a useful risk indicator to determine further risk assessment management processes to be applied.

Most of our international suppliers provide Boral with products, plant or equipment sourced from natural resources or mining and manufacturing industries, which are regarded as high-risk industry sectors.

Our country risk rating is based on both:

1. The Walk Free Global **Slavery Index 2018**, which assesses risk variables across five major dimensions – governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict – to provide an overall country score.

The index seeks to accurately assess countries' modern slavery prevalence, risk and government response.

2. Transparency International's **Global Corruption Perceptions Index 2020**, which scores and ranks countries and territories based on how corrupt each public sector is perceived to be among experts and business executives.

There are however some exceptional services provided by foreign suppliers in the professional services sector – such as legal and accounting services – which are considered lower risk, as these do not typically employ vulnerable workers.

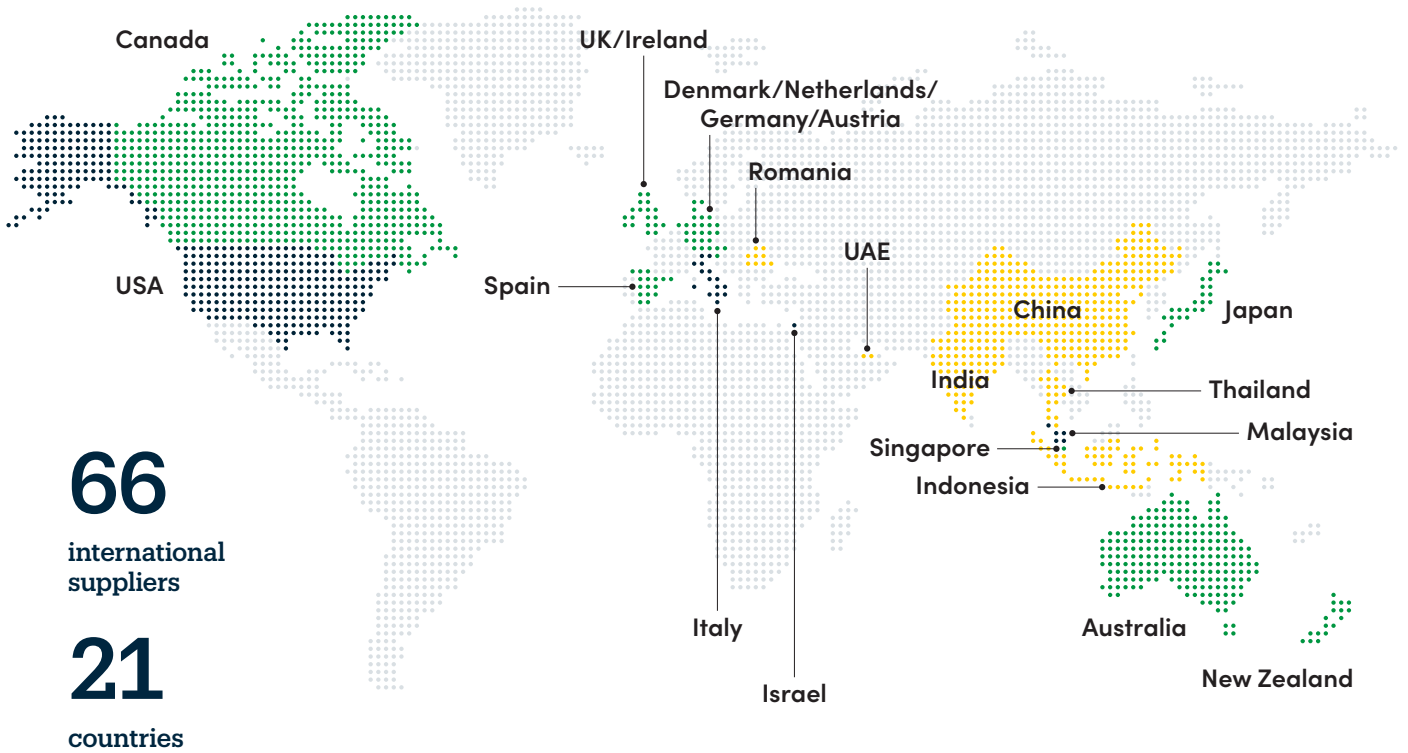
We consider the country of origin the key determinant of our assessment of Boral's risk of contributing to or being directly linked to modern slavery practices.

However, based on information published by Walk Free and the Australian Council of Superannuation Investors, we consider that we may be at risk of contributing to or being linked to modern slavery practices in the cleaning and security guarding services sectors in Australia. These sectors employ a high percentage of migrant workers, often on short-term visa arrangements, who are more vulnerable to cases of forced labour exploitation. Our MSSRPA tool incorporated these higher risk domestic sectors in FY2022.



1. The country of origin is considered to be the location where goods underwent their last substantial transformation before shipment or the location where the service is delivered.

In FY2022, Boral sourced from 66 international suppliers located across 21 countries, including 10 suppliers that are located in countries assessed as high risk based on our MSSRPA tool: China, India, Indonesia, Romania, Thailand, and the United Arab Emirates. We had no suppliers located in countries deemed to have a very high risk rating.



| Risk rating | Inherent risk of modern slavery practices | Countries where we source |
|-------------|---|--|
| ● Low | Unlikely risk | Australia, New Zealand, Japan, Canada, United Kingdom, Ireland, Germany, Netherlands, Spain, Austria, Denmark, Singapore |
| ● Medium | Possible risk | United States of America, Italy, Malaysia, Israel |
| ● High | Likely risk | China, India, Indonesia, Romania, Thailand, United Arab Emirates |
| ● Very high | Almost certain risk | Nil |

Our approach to mitigating modern slavery risks

We recognise the inherent dignity of all people and the importance of respecting and promoting human rights, including the rights of our employees, our suppliers' workforce, and the communities in areas where we operate.

We also expect our suppliers and contractors to respect and promote human rights. Our approach to assessing and addressing modern slavery, as well as broader human rights, is guided by the United Nations Guiding Principles on Business and Human Rights. As outlined in our *Human Rights Policy*, we support the International Bill of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (1998), the Convention on the Rights of the Child and the UN Declaration on the Rights of Indigenous People. These principles guide our approach to human rights.

Our approach is underpinned by robust corporate governance, along with policies, standards and procedures that provide a clear framework and associated controls guiding our management of modern slavery risks within our business and supply chain.

In FY2022, we implemented a new Modern Slavery Management Standard Operating Procedure (MSM SOP) that formalises the processes and procedures adopted by Boral's Procurement and Risk teams in supporting the identification, assessment and management of modern slavery risks. The processes and procedures encompass supplier identification, modern slavery supply assessment via our MSSRPA tool, and supplier risk management.



Governance and oversight

Human rights risks, including modern slavery, are considered within our broader governance framework. Our approach to corporate governance is outlined on pages 44-58 of the *Boral Annual Report 2022*. A summary of our approach to sustainability governance, including the role of the Board of Directors, the Board Audit & Risk Committee, and Board Health, Safety & Environment Committee, is presented on pages 14-15 of the *Boral Sustainability Report 2022*.

It is the role of the Board Audit & Risk Committee to review and provide oversight of the systems and processes used to identify and manage modern slavery risk, and to assess the effectiveness of Boral's risk management framework.

Boral's Working Group guides, monitors, and reviews work undertaken to strengthen our approach to modern slavery in light of the Modern Slavery Act. The Working Group is chaired by Boral's Head of Sustainability, and includes senior representatives from People & Culture, Procurement, Risk, Legal and Investor Relations.

The Working Group met four times in FY2022 and twice in early FY2023 prior to the publication of this Statement. It has reviewed and endorsed the disclosures made in this Statement.

Risk management

Human rights risks, including modern slavery, are considered within Boral's enterprise risk management framework including processes that identify, assess, monitor, and report on its organisation's risks. Boral's Risk function reports at least annually to the Board Audit & Risk Committee on Boral's organisation-wide risks, including those of its joint ventures.

In mid-FY2022, Boral Risk facilitated an annual Modern Slavery Risk Review with procurement leaders, which included:

- reviewing and updating the MSSRPA tool
- reassessing modern slavery risk within our operations and supply chain, including areas considered to be at highest risk
- evaluating our procedures, processes, controls and reporting in relation to the Modern Slavery Act, and
- assessing our modern slavery risk exposures.

Boral Risk reported to the Working Group on the outcomes of the Modern Slavery Risk Review.

Policies, standards, and operating procedures

The foundational policies and standards that set out our commitment to human rights and addressing modern slavery are described below.

| | |
|--|--|
| Code of Business Conduct | <p>Outlines our commitment to doing business in an ethical and transparent manner at all times.</p> <p>Our Code defines the standards we expect all our employees and people representing us to meet: to observe the letter and the spirit of the law and to maintain the highest standards of integrity.</p> <p>Our Code also outlines our commitment to working with third parties whose business ethics and behaviour are consistent with ours, including customers, subcontractors, distributors, suppliers, and joint venture partners.</p> |
| FairCall (whistleblower) Policy | <p>Is intended to promote a workplace environment in which everyone feels safe, supported, and encouraged to disclose and share concerns.</p> <p>The policy notes how to raise a concern relating to suspected illegal or unethical conduct, including a suspected breach of Boral's policies; the processes at Boral for responding to FairCall disclosures; and the protections a discloser will receive.</p> |
| Human Rights Policy | <p>Outlines our commitment to upholding internationally recognised human rights and complying with all applicable local human rights laws. It sets out what we expect of our people and suppliers, and our approach to encouraging our joint ventures and non-controlled entities to respect and promote human rights.</p> |
| Supplier Code of Conduct | <p>Outlines the standards we expect our suppliers to adhere to in relation to modern slavery, as well as broader human rights, and environmental, social and governance issues. It requires that suppliers do not engage in practices that constitute modern slavery.</p> |
| Sustainable Procurement Policy | <p>Defines our approach to sustainable procurement and our commitment to purchasing goods and services in a responsible way, including ensuring that our risk assessment and risk management processes address modern slavery risk in our supply chain.</p> <p>One of the key elements of the policy involves ensuring that all existing and potential suppliers are aware of and comply with the principles and standards set out in our Supplier Code of Conduct.</p> |
| Working with Respect Policy | <p>Outlines our commitment to maintaining a workplace that is free from all forms of harassment, bullying, discrimination, victimisation and vilification.</p> |
| Modern Slavery Standard Operating Procedure | <p>Defines accountabilities, and establishes processes and procedures for identifying, assessing, and managing modern slavery risk in our supply chain.</p> |

Boral's Board and senior management team take breaches of our codes and policies very seriously. We have consistent and transparent practices in place to address any non-compliance with our codes and policies. Formal employment consequences include the requirement to complete additional training, impacts on individual rewards and promotions, and, where appropriate, formal warnings or termination of employment.

In FY2023 we plan to further strengthen our governance by:

- developing an Anti-Modern Slavery Management Framework that establishes a common understanding of our approach to identify, assess and manage modern slavery risk, including the responsibilities of the Working group;
- reviewing our Human Rights Policy to more explicitly acknowledge our commitment to reducing the risk of child labour within our supply chains; and
- reviewing and refining standard procurement contract clauses to incorporate our expectations on aspects of modern slavery for new procurement agreements.

Our approach to mitigating modern slavery risks CONTINUED

Procurement management

Boral's Procurement is led by the Head of Procurement, who is supported by specialist category teams across national, regional and individual business entities. A dedicated Procurement Category Management team manages suppliers in key spend categories and uses a risk-based approach to assess new suppliers and monitor and review existing suppliers.

We have varying types of arrangements with our suppliers, depending on the nature of the goods and services provided, and the expected tenure of the relationship.

Our standard procurement agreements state that our suppliers need to comply with all our policies, including our Supplier Code of Conduct. All new suppliers must also attest to their compliance with our Supplier Code of Conduct.

In FY2021, we reviewed our standard procurement contracts and concluded that our expectations for adherence to modern slavery awareness were incorporated within each supplier's obligation to comply with all our policies, including our Supplier Code of Conduct. Moving forward, we plan to strengthen our procurement agreements so that the expectation is more explicit that both direct (Tier 1) and indirect supply chains (beyond Tier 1) are contractually required and responsible to comply.

Supplier due diligence

With the implementation in FY2022 of our new MSM SOP, we are progressively rolling out our modern slavery risk identification and supplier due diligence approach across new and existing suppliers.

As cleaning and security guarding services have also been identified as a potential area of risk to Boral in Australia, from FY2022, any new Tier 1 suppliers in these categories will be required to complete a Modern Slavery Pre-Qualification Questionnaire (MS PQQ). Existing domestic suppliers in these sectors will be systematically phased into due diligence processes from FY2023.

The level of due diligence required is proportional to the identified risk of modern slavery. A progressively higher level of due diligence will be applied for onboarding and for monitoring and reviewing suppliers the higher the assessed residual risk.

For suppliers rated as being at high or very high inherent risk of modern slavery, our supplier due diligence process requires:

- a positive outcome from an on-site supplier audit, completed by Boral or an independent audit provider, and
- senior management approval.



An increasingly senior management approval is triggered in proportion to higher assessed risk. Suppliers rated as medium risk will require Head of Procurement approval, while those rated as high risk will require Executive General Manager approval.

Suppliers identified as very high risk will only be engaged as an unavoidable exception and will require approval by Boral's CEO & Managing Director once a positive outcome from an independent on-site audit is received.

If the supplier audit identifies the need for a Corrective Action Plan to remedy any non-compliance with our Supplier Code of Conduct, we monitor these requested actions to close out, or take other appropriate steps, which may include terminating our relationship with the supplier in cases of critical non-compliance.

Based on our review and assessment of the MS PQQ, the inherent country/sector risk rating and the outcomes of an on-site supplier audit (where required), suppliers receive a rating that determines the re-assessment frequency and that measures each supplier's performance over time.

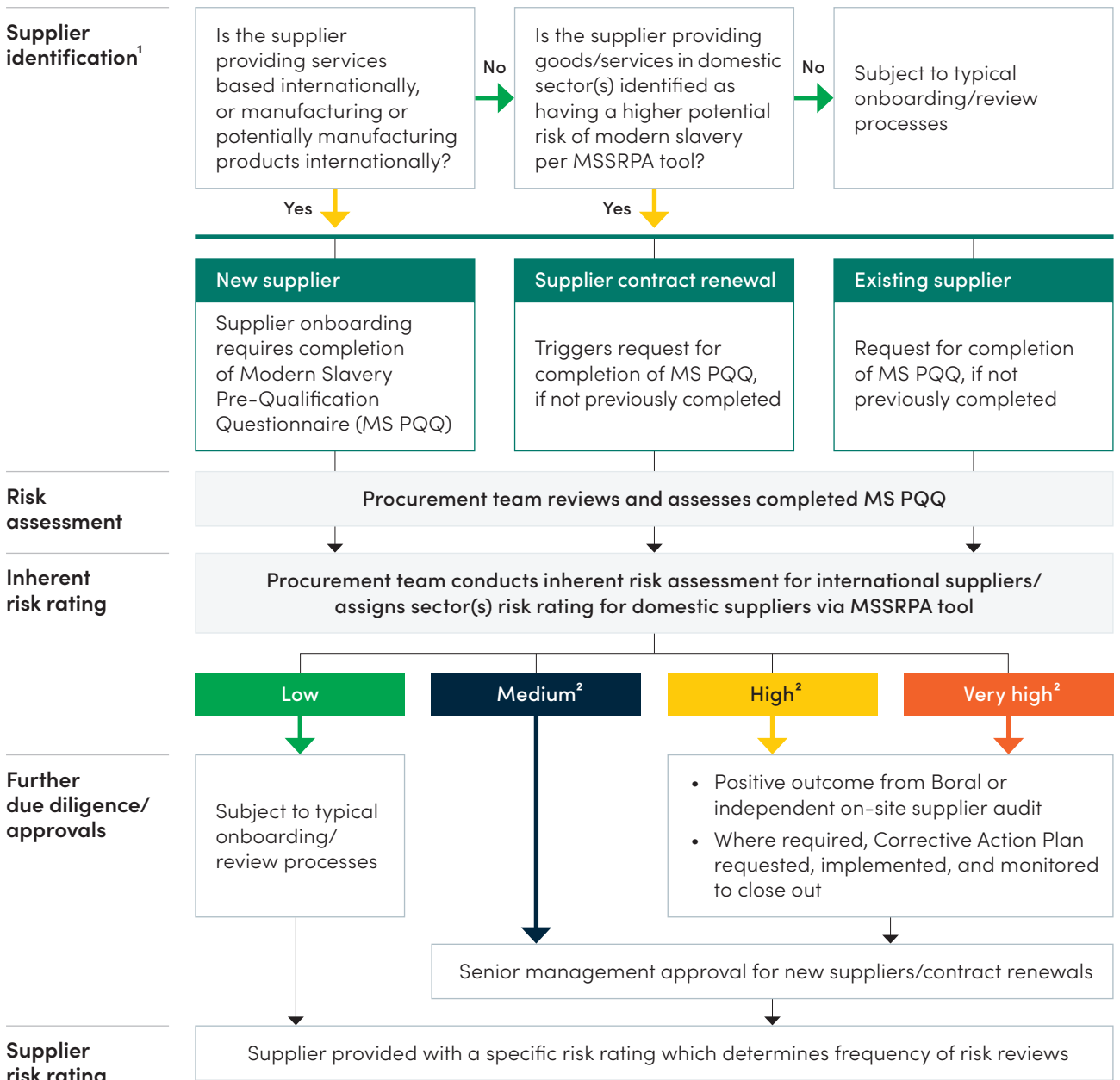
For international suppliers, we also use an independent company to conduct a sanction screening process to identify any suppliers at risk of being associated with elements such as financial crime, fraud, and human rights abuse.

In FY2022 we completed detailed assessments of the 10 international suppliers that were rated as being at high or very high inherent risk in line with our new supplier due diligence processes. This included six on-site ethical audits conducted on overseas-based suppliers. During this process, only minor issues were identified by our auditor. An example of a minor issue was the supplier not displaying a human rights and/or modern slavery policy on their site noticeboards.

In response, all six suppliers submitted rectification feedback and related documents, training plans and updated policies. All identified issues have now been addressed and we have no outstanding rectifications to track for those suppliers. Furthermore, all six suppliers responded very positively to the audit and saw it as an opportunity to not only improve their controls but also raise awareness amongst their management, employees, and contractors.

In FY2023 we plan to commence assessment of existing domestic suppliers identified as at medium risk of modern slavery, in line with MSM SOP, and also conduct audits of any overseas suppliers newly identified as being at high or very high risk.

Modern slavery risk identification and supplier due diligence process



1. Excludes credit card suppliers which are assessed as low risk and not separately evaluated.

2. Boral is investigating implementing a Supplier Assessment Questionnaire (SAQ) for suppliers assessed as medium risk or above.

Our approach to mitigating modern slavery risks CONTINUED

Grievances and remediation

We recognise the importance of access to easy and clear avenues for reporting concerns or incidents of modern slavery and that reports may be raised in various ways – directly by suppliers, by our employees, by third parties, or anonymously via our FairCall service.

Our employees and contractors can report concerns relating to modern slavery practices through our independent whistleblower service, FairCall, and via internal reporting channels by contacting our Senior Management, Human Resources, Internal Audit or Legal teams.

Our FairCall Policy encourages people to speak up if they become aware of suspected illegal or unethical conduct. It aims to promote a workplace environment in which everyone feels safe, supported and encouraged to speak up.

Our FairCall service is open to all other stakeholders, including our suppliers. We promote awareness of the FairCall reporting mechanism among our suppliers by including the policy on the supplier information section of our website.

Incidents reporting and remediation

As specified in Boral's MSM SOP, any reported concerns of modern slavery against existing suppliers must be reported to Boral's Head of Procurement or a senior management representative, who consults with Boral's Head of Risk, and Legal team regarding further investigation.

Boral's Head of Procurement also informs all members of the Working Group as soon as practicable to plan the next steps and initiate appropriate investigations. Boral's Head of Procurement informs the relevant procurement team to revoke the suppliers' approval status while the allegation is investigated by Procurement.

All reported concerns of modern slavery practices are formally documented and investigated. All information received regarding the allegation and subsequent investigation is treated as highly confidential, and any request to remain anonymous respected.

If those concerns are substantiated, we would endeavour to exhaust all reasonable and available avenues to remedy the situation before taking steps to terminate commercial arrangements and off-board the supplier. Alternatively, the risk level of the supplier will be re-assessed following the standard risk review process aligned with the appropriate level to more effectively manage modern slavery risk with that supplier going forward.

As outlined in our FairCall Policy, the Board Audit & Risk Committee receives a confidential summary of concerns raised, on at least a half-yearly basis. The summary outlines the nature and status of allegations received, the progress of remediation and details on the closing out of investigations.

In FY2022, we received one reported concern related to potential indicators of modern slavery risk in our supply chain in Australia via a report to our Procurement team.

We took this allegation very seriously, informing our Legal, Procurement and Operational leaders, and the Working Group. We undertook a thorough assessment of the supplier, engaging directly with them to assess their internal procedures to mitigate modern slavery risk. Based on our investigation, we found no evidence of modern slavery practices. However, we are continuing to engage with the supplier to monitor their implementation of our recommended action plan to strengthen their procedures to mitigate the risk of modern slavery in their operations.

As this was the first investigation completed following the new MSM SOP this was also an opportunity to test the process and apply key learnings for the future.

Awareness and training

All members of our procurement team, a total of 43 employees, completed our 'Introduction to Modern Slavery' training program in FY2022. The training program describes the:

- types of modern slavery practices
- requirements of the Modern Slavery Act
- prevalence of modern slavery, and
- actions Boral is taking to assess and manage modern slavery risk.

In FY2023 we plan to commence the roll out of refreshed modern slavery risk awareness training, including elements of the MSM SOP to operational leaders and other relevant staff.

Engagement and collaboration

Members of our Working Group have engaged with industry experts and attended seminars hosted by legal and consulting firms and NGOs on modern slavery risk.

Our Procurement team has engaged with other multi-stakeholder organisations and industry peers to share good practices, and our Investor Relations team has engaged with our shareholders on our modern slavery reporting and responded to questions and feedback.

The Working Group reviews and supports improvements to our approach to assessing and managing modern slavery risk and has undertaken steps to assess the effectiveness of our approach using qualitative and quantitative measures.

Qualitative assessment

FY2022 and prior to the publication of this Statement, the Working Group assessed the effectiveness of our approach by reviewing the following:

| | |
|--|--|
| Risk identification | The MSSRPA tool was reviewed and updated by Boral's Risk function in collaboration with our Procurement team. We are also reviewing alternative third-party risk assessment tools to improve risk identification. |
| Supplier identification and assessment | Reviewed and followed our MSM SOP to identify supplier modern slavery risk and manage this. The review of alternative third-party risk assessment tools included how these platforms could assist the broader supplier risk management approach. |
| Concerns raised, response and remediation process | As part of the agenda of regular Working Group meetings we reviewed the concerns raised in FY2022 relating to modern slavery, our escalation and investigation process, and response. |
| Guidance and evolving good practice | We reviewed published research of companies' modern slavery statements and approaches to identify areas for improvement or further consideration. |

Quantitative assessment

In FY2021, the Working Group agreed a set of indicators to be used from FY2022 to assess the effectiveness of our modern slavery risk management and processes. These indicators and results for FY2022 are shown below. It is Boral's intention to report each year against these indicators and from FY2023 onwards include prior years' data to show trends and improvements over time.

| Indicator | FY2022 | |
|--|--|---|
| Results of the MSSRPA: number of low, medium, high and very high inherent risk suppliers | Low: 137 High: 28 | Medium: 35 Very high: 0 |
| Percentage completion of modern slavery due diligence process for new suppliers/existing suppliers compared to schedule | 100% | |
| Number of high or very high risk suppliers who completed our MS PQQ | 13 | |
| Number and percentage of on-site audits undertaken for suppliers assessed as high or very-high inherent risk of modern slavery practices and key learnings | 6 | |
| Number of suppliers we are assisting and action status to meet Boral's expectations for the management of modern slavery risks | All actions have been closed out as at 30 June 2022. | |
| Number of suppliers that have been removed due to not meeting our modern slavery risk assessment requirements | 0 | |
| Number of reports of concerns using FairCall and other channels, number of investigations and number of suppliers we actively engaged with to investigate and address modern slavery concerns, and the outcome of these investigations | Reports: 1 | Investigations: 1 Number of suppliers we actively engaged with: 1 Investigation was closed and no evidence of modern slavery was found. |
| Number and percentage of Procurement staff completing our comprehensive modern slavery training program | 43 100% | |
| Number and percentage of operational leaders and other relevant staff completing our refreshed modern slavery awareness training | Planned to commence in FY2023. | |

Reporting entities and joint ventures

Reporting entities

| | ABN |
|-----------------------------------|----------------|
| Bitupave Ltd | 53 000 102 376 |
| Boral Cement Ltd | 62 008 528 523 |
| Boral Resources (WA) Ltd | 57 008 686 904 |
| Boral Resources (Country) Pty Ltd | 51 000 187 002 |
| Boral Resources (NSW) Pty Ltd | 51 000 756 507 |
| Boral Resources (Qld) Pty Ltd | 46 009 671 809 |
| Boral Resources (Vic) Pty Ltd | 87 004 620 731 |
| Concrete Pty Ltd | 86 000 795 166 |
| De Martin & Gasparini Pty Ltd | 81 000 205 372 |

| Parent entities | ABN |
|----------------------------------|----------------|
| Boral Limited | 13 008 422 761 |
| Boral Building Materials Pty Ltd | 95 090 736 888 |
| Boral International Pty Ltd | 30 000 341 239 |
| Boral Investments Pty Ltd | 93 090 736 879 |

How we engage with joint ventures

We regularly engage with our joint ventures, although we do not directly control or have responsibility for their management. We participate in the governance of our respective joint ventures through board representation, and we use this influence to promote the adoption of modern slavery risk practices that align with our own standards.

If requested, Boral is willing to provide support and share knowledge to develop the approach of our joint ventures to identifying and addressing modern slavery risks. This may involve input from our corporate functions, including Risk, People & Culture, Legal and Procurement.

Joint venture boards will be notified of any modern slavery risks identified through our procurement or risk assessment processes. A list of our joint ventures is provided on page 143 of our *Boral Annual Report 2022*.

At 30 June 2022, Boral's joint ventures that are reporting entities under the Modern Slavery Act in FY2022 are: Bitumen Importers Australia Pty Ltd and Sunstate Cement Ltd.



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