



Modern Slavery Statement

Financial Year Ended 31 December 2021

Introduction



Adbri Limited (“Adbri”) is committed to keeping our operation and supply chain free of modern slavery.

8 United Nations’ Sustainable Development Goal: Decent work and economic growth

Take 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. – Target 8.7

At Adbri our purpose is **Building a Better Australia**. In line with this purpose, we are committed to mitigating the risk of modern slavery within our operations and supply chain. This Statement outlines the key steps we have taken in this area. This is Adbri’s second Modern Slavery Statement, and we continue to improve our controls to minimise the risks of modern slavery.

Modern slavery is an abhorrent practice and Adbri condemns modern slavery in all its forms.

Practices that constitute modern slavery can include:

- human trafficking;
- slavery;
- servitude;
- forced labour;
- debt bondage;
- forced marriage; and
- the worst forms of child labour.

Modern slavery is a term which describes serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. These practices are also harmful and may be present in some situations of modern slavery.

Adbri is committed to fostering responsible business practices and engaging with our people and our supply chain to assess, address and mitigate modern slavery risks. We are committed to listening to community expectations with respect to modern slavery risks and actively seeking to manage those risks.

Our reporting entities

This Modern Slavery Statement ("Statement") is made in accordance with the *Australian Modern Slavery Act 2018 (Cth)* for the financial year ended 31 December 2021. It provides details on the actions and steps taken by Adbri (including all Reporting Entities) to mitigate modern slavery risks in the Adbri Group of companies and supply chain.

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", "Adbri", "the Company", "we", "us", "our", or "Group").

Adbri Limited submits this Modern Slavery Statement as a joint statement on behalf of the Reporting Entities for the reporting period 1 January to 31 December 2021 ("Reporting Period").

This Statement was reviewed by the General Counsel and Company Secretary, the Chief Financial Officer, and an independent human rights consultancy firm. This Statement for the Financial Year ended 31 December 2021, was approved by the Adbri Limited Board (acting as a higher entity under section 14(2)(d)(ii) of the *Modern Slavery Act 2018 (Cth)*), and is signed by the Chairman and the Managing Director & Chief Executive Officer of the Adbri Board on 24 June 2022 on behalf of the Reporting Entities.

Company Name	ABN
Adbri Limited	15 007 596 018
Adbri Masonry Group Pty Ltd	14 055 701 034
Adbri Masonry Pty Ltd	31 009 687 521
Adelaide Brighton Cement Ltd	96 007 870 199
Adelaide Brighton Management Ltd	82 008 144 214
Cockburn Cement Ltd	50 008 673 470
Hy-Tec Industries Pty Ltd	90 070 100 702
Hy-Tec Industries (Queensland) Pty Ltd	54 102 801 061
Premier Resources Ltd	91 082 015 450
Screenings Pty Ltd	31 007 558 894
Southern Quarries Holdings Pty Ltd	70 007 870 402
Southern Quarries Pty Ltd	26 007 726 909



Raymond Barro

Chairman

24 June 2022



Nick Miller

Managing Director &
Chief Executive Officer

24 June 2022

For assistance with reviewing our Modern Slavery Statement, annexed to this Statement is a completed Australian Border Force Statement *Modern Slavery Act 2018 (Cth)* Statement Annexure, as provided by the Australian Border Force at: www.modernslaveryregister.gov.au/resources/

Our structure, our operations and our supply chain

Our structure

Adbri's registered office is situated at Level 1, 157 Grenfell Street, Adelaide, South Australia. Adbri is a public company 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 2021. Our subsidiaries operate across Australia, in the cement, concrete, aggregates, masonry and lime sectors. Our wholly owned subsidiaries primary places of business are in Australia.

Across the Adbri Group there were approximately 1,500 employees at the end of the financial year 2021.

With 17 respected brands within the Adbri portfolio, we have a product range, scale and footprint across Australia to be **Always Ready to Building a Better Australia**. Some of our brands include Adelaide Brighton Cement, Adbri Masonry, Hy-Tec, Central Premix Concrete, Southern Quarries and Cockburn Cement. Further information about our brands and their locations can be found here:

www.adbri.com.au/readyfinder

Our subsidiaries are controlled or managed by Adbri. Information about Adbri's subsidiaries as of 31 December 2021 can be found on page 147 of [Adbri Limited's 2021 Annual Report](#).

Adbri's subsidiaries are governed by the parent Company's processes and policies. The Adbri Procurement Policy applies to all Adbri wholly-owned subsidiaries, employees, contractors and third-parties engaged to act on behalf of Adbri.

Further information about the Group structure relating to Adbri Limited can be found at pages 145 to 147 of [Adbri Limited's 2021 Annual Report](#).



Our structure, our operations and our supply chain continued

Our operations

Adbri has been **Building a Better Australia** since 1882. Adbri produces and distributes cement, lime, concrete, aggregates, masonry products and industrial minerals that have helped build a better Australia for 140 years. We provide these products through our vertically integrated business model. As part of our operations, we operate cement and lime kilns across parts of Australia.

Adbri Masonry is one of Australia's leading masonry supplier of quality concrete bricks, blocks, pavers and retaining walls from various sites throughout Australia.

Adbri through its Concrete and Aggregate businesses, such as Hy-Tec Concrete and Aggregates and Direct Mix, is a quality assured supplier of pre-mixed concrete, aggregates and sands to the commercial, industrial, civil and residential construction sectors. Hy-Tec has locations in New South Wales, Queensland, Victoria and the Northern Territory, including both quarry and concrete plants. Direct Mix supplies the South Australian market.

Our Adelaide Brighton Cement and Cockburn Cement plants are leading manufacturers of cement, lime and pre-packaged dry-blended products specifically engineered to suit the requirements of our customers. Our cement and lime plants are located in South Australia, Western Australia, New South Wales, and the Northern Territory.

Today, Adbri is proudly one of this country's largest cement, lime, and concrete producers. As part of our primary operations of producing and distributing cement, lime, concrete, aggregates, masonry products and industrial mineral, Adbri also engages in the sale and marketing of these materials and assists with providing materials to the construction sector.

Adbri supplies a range of products to both large scale commercial customers across Australia as well as retail customers.



Adelaide Brighton Cement Ltd

adbri MASONRY



COCKBURN CEMENT



DIRECT MIX CONCRETE



Northern Cement



SOUTHERN QUARRIES



CENTRAL
PRE-MIX CONCRETE

Our structure, our operations and our supply chain continued

Adbri employs people in Australia across a wide range of roles, including but not limited to, heavy vehicle drivers (driving a range of vehicles including dump-trucks, cement tankers, concrete agitators and tipper-trucks), yard forklift operators, plant operators, health and safety advisors, laboratory technicians, concrete batchers, sales representatives, quarry workers, administrative officers, credit controllers, procurement specialists, site administrators, engineers, lawyers, accountants, and customer service officers.

Our business

1,500 people

200+ national locations¹

63 quarries¹

31 cement and lime facilities and depots¹

108 concrete plants¹

7 masonry facilities

¹ Includes joint ventures.



Our structure, our operations and our supply chain continued

Our joint ventures

All of our joint ventures are based and operate in Australia, with the exception of Aalborg Portland Malaysia Sdn. Bhd.

Engagement with joint ventures

In 2021, Adbri discussed our approach to modern slavery with a number of our joint venture partners or their representatives. We take a collaborative approach with our joint venture partners and will continue to liaise with them on modern slavery risks, initiatives and what we can do collectively to mitigate modern slavery risks.

Our joint ventures are listed below:



Independent Cement and Lime Pty Ltd (50% ownership)

Australian based, a joint venture between Adbri and Barro Group, Independent Cement and Lime (ICL) is our exclusive cement distributor in Victoria and New South Wales, where it supplies cement and cement blended products to industries and retailers.



Burrell Mining Services (50% ownership)

A joint venture between Adbri and Burrell Mining Products, Burrell Mining Services (Burrell) produces secondary roof support products for underground mines. Burrell is Australian registered and operates primarily in Australia.



Mawson Group (50% ownership)

Mawson Group (Mawsons) supplies aggregates and premixed concrete to the construction industry. A joint venture between Adbri and BA Mawson Pty Ltd, it has over 80 concrete and quarry assets across New South Wales and Victoria. In 2021, Adbri with and through its Mawson joint venture, purchased the Millbrae concrete, aggregate and mobile crushing business. Mawsons has submitted a Modern Slavery Statement for the financial year 2019-20.



Sunstate Cement Ltd (50% ownership)

Sunstate Cement (Sunstate) is a joint venture between Adbri and Boral Ltd, supplying cement products to the construction industry in Queensland.



Batesford Quarry (50% ownership)

An unincorporated joint venture between Adbri, E&P Partners and Geelong Lime Pty Ltd, Batesford Quarry produces and distributes limestone and quarry products in Victoria and New South Wales.



Aalborg Portland Malaysia Sdn. Bhd (30% ownership)

Aalborg Portland Malaysia (Aalborg) has been manufacturing and distributing white cement to domestic and international customers for more than a quarter of a century.

Our structure, our operations and our supply chain continued

Our supply chain

Adbri has a global supply chain of 6,284 suppliers (as at 31 December 2021) involved in 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.



Our structure, our operations and our supply chain continued

Adbri major categories of procurement

Raw Materials

Our raw materials are the goods used to produce our end products. These goods are sourced/purchased both domestically and imported.

Mobile Plant

We have a large range of mobile fleet and equipment. This category includes servicing and materials for our mobile fleet, and includes tyres and road maintenance.

Fuel

Fuel, such as diesel is required to run our large fleet of vehicles.

Consumables

We purchase a wide range of consumables which includes steel, pipes, stationery, bearings, motors, PPE and others.

Distribution

We rely on a large network of transport to deliver our products. This includes partnering with our Lorry Owner Drivers, who are a significant part of our supply chain.

Quarry/Drill and Blast

Our quarries are where we source a portion of raw materials that are used to produce our end products. This category also includes drill and blast services and explosives.

Packing Materials

We offer a large range of packaged products to the market. Materials such as shrinkwrap, sacks and pallets are used to package our end products.

Engineering Services

Engineering services covers a wide-range of services including labour hire, crane hire, scaffold, electrical services and steel fabrication.

Energy

Energy such as gas and electricity is required to run our plants.

Shipping

We source some of our raw materials from international sources where arrangements with shipping companies are required.

Our supply chain

\$1.4 billion

total spend during the reporting period

60 internationally engaged suppliers

Modern slavery risks in our supply chain and in our operations

Modern slavery risks in our supply chain

Adbri takes a risk-based approach in managing our ethical sourcing. We understand that modern slavery exists in all countries around the world, including Australia.

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, Japan, Malaysia, and Thailand. Since 2020, we have undertaken a risk-based approach through our risk matrix to determine the modern slavery risk in our supply chain.

To assess modern slavery risks in our supply chain, Adbri uses a risk matrix tool, which is based on the geographic location of the goods or services procured, and the type of goods or services provided. This risk matrix is based on the Australian and New Zealand Standard Industrial Classification ("ANZIC") which we use for industry classifications.

At Adbri we recognise that some categories carry a higher risk of modern slavery. For example, categories such as cleaning, labour hire and transport can be more susceptible to vulnerable workers. We assess the following categories as higher risk:

- cleaning services including industrial and office;
- consumables including PPE, electrical and stationery;
- energy such as gas and electricity;
- engineering services including electrical and crane hire;
- explosives and drill and blast;
- fuel;
- grinding aid and media;
- information technology;
- labour hire;
- mobile fleet;
- mobile plant;
- pallets and packaging;
- raw materials such as sand, clinker and slag;
- road and rail transport; and
- tyres.



Modern slavery risks in our supply chain and in our operations continued

We also recognise that some countries are more susceptible to modern slavery compared to others, although this is not always the case. Additionally, Adbri reviews our suppliers and goods by location to prioritise any modern slavery risks across our supply chain.

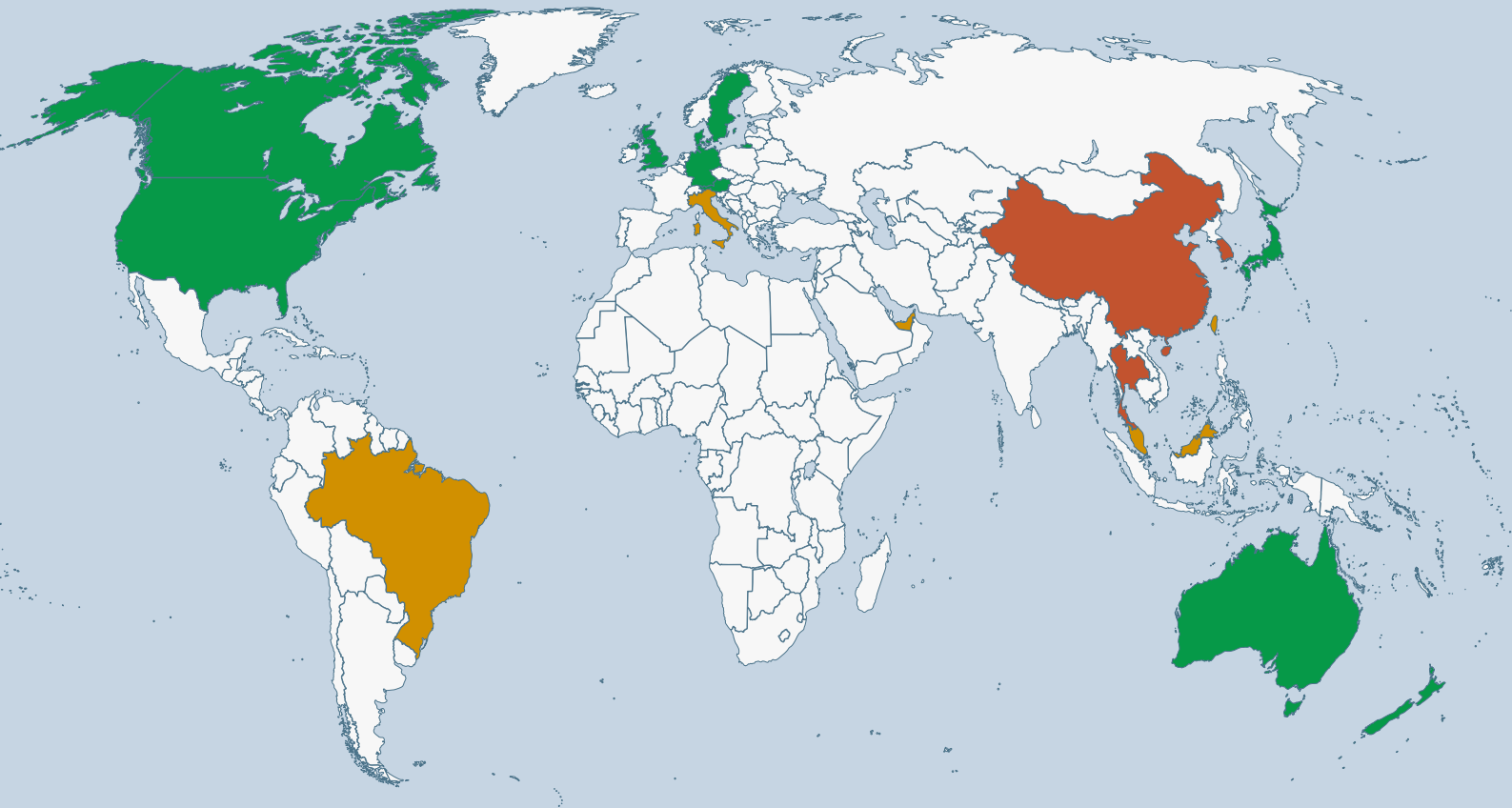
This does not factor in products that may have components of goods that we purchase from other countries.

Where we source

- | | |
|-------------|----------------------------|
| ■ Australia | ■ New Zealand |
| ■ Austria | ■ Singapore |
| ■ Brazil | ■ South Korea |
| ■ Canada | ■ Sweden |
| ■ China | ■ Taiwan |
| ■ Denmark | ■ Thailand |
| ■ Germany | ■ United Arab Emirates |
| ■ Hong Kong | ■ United Kingdom |
| ■ Italy | ■ United States of America |
| ■ Japan | |
| ■ Malaysia | |

- Low Risk ■ Moderate Risk ■ High Risk

International direct suppliers risk distribution



Modern slavery risks in our supply chain and in our operations continued

Since 2020, our assessment of suppliers showed four high risk suppliers, which were investigated by the Adbri Procurement Team. Our investigation included:

- requesting additional information from the supplier;
- seeking external assistance for further analysis;
- reviewing for negative press using LexisNexis; and
- conducting web searches.

COVID-19 risks associated with our supply chain

Our supply chain remained resilient throughout 2021, despite COVID-19. Our operations, continue to be in regular contact with our suppliers and internal customers as we continually reassess the risks associated with modern slavery.

COVID-19 supply requirements resulted in expanding our supplier base, through the onboarding of key new suppliers, and in particular, for Rapid Antigen Test kits. There were no changes to our stringent onboarding process as a result of COVID-19. Vendors onboarded during this period were subject to our standard modern slavery assessment and other controls.

We continued to seek sustainably sourced goods, even when accessing these goods proved challenging due to increased costs, supply chain disruption or availability.

Steps taken when assessing a high-risk supplier

New supplier assessed

- Supplier is assessed using our modern slavery tool;
- Supplier's responses are risk-rated; and
- Risk-rating reviewed by Procurement.

Supplier delivers high-risk rating

- Ascertain why vendor delivered a 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 supplier's 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.

Modern slavery risks in our supply chain and in our operations continued

Modern slavery risks in our operations

We helped to minimise the risk of modern slavery by training our employees and providing a speak up process to report any suspected breaches of modern slavery.

Given that the majority of Adbri's operations are in Australia, and that we have strict governance, and a stringent contractor onboarding process, we assess that our risk of modern slavery within our operations, excluding our supply chain, is relatively low. We note that we have a non-controlling interest in an overseas joint venture.

We address modern slavery risks in our operations by ensuring all employees work for us voluntarily, and they are older than the minimum working age in the jurisdiction in which they work.

We assess that the risk of modern slavery within our operations, excluding our supply chain, is relatively low, and we have undertaken specific COVID-19 related actions to support our staff such as 10 days of supplementary paid COVID-19 leave in 2021.

Case Study: Supporting our staff through COVID-19

In 2021, the Australian economy continued to face disruption from COVID-19, which included construction shutdowns in New South Wales, Victoria, South Australia and the Northern Territory. Thanks to the efforts of our people in following COVID-Safe measures, we limited the impact of the virus at our workplaces and delivered for our customers, and our shareholders.

Adbri has continued to support its employees by offering paid leave to receive three doses of the COVID-19 vaccination. We also undertook a company-wide survey to understand our people's perspectives on COVID-19 related issues.

Adbri instigated a policy of up to 10 days of supplementary paid COVID-19 leave per state to support employees. As we move into endemic management, this leave was replaced with accrued entitlements.



Our actions taken

At Adbri, we strive to be good corporate citizens and to earn community respect by individually and collectively contributing to the wellbeing of shareholders, customers, the economy and the community.

Consistent with this approach, in 2021 we undertook a number of actions to mitigate the risks of modern slavery in our supply chain and operations, including creating a grievance mechanism template.

Our governance framework managing modern slavery

The Board and The Board's Committees

The Board is committed to conducting the Company's business ethically and in accordance with high standards of corporate governance.

Adbri's Board is responsible for reviewing and approving management strategy and has ultimate responsibility for overseeing Adbri's modern slavery risk management.

Further information about Adbri's Board of Directors can be accessed here:

www.adbri.com.au/who-we-are/board-of-directors/

The Executive Leadership Team

The Executive Leadership Team at Adbri is committed to ensuring it takes all reasonable steps to manage modern slavery risks within our operations and supply chain.

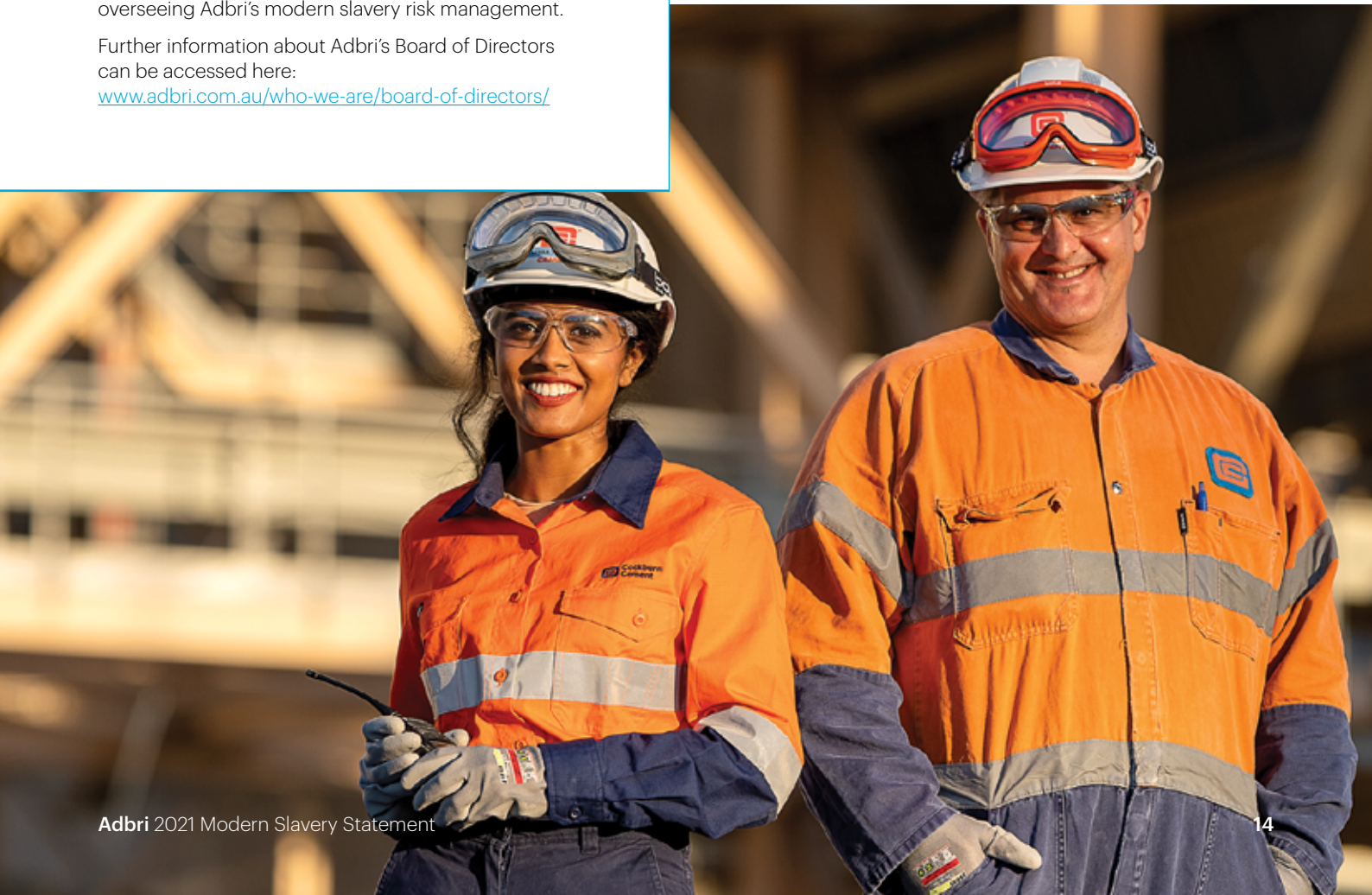
The Board delegates responsibility for day-to-day oversight of managing material risks to Adbri's Managing Director & Chief Executive Officer. Day-to-day management of modern slavery is delegated to the Chief Financial Officer and the Procurement Team.

Further information about Adbri's Executive Leadership Team can be accessed here:

www.adbri.com.au/who-we-are/executive-team/

Employees, contractors and suppliers

Adbri expects that anyone involved with our business will report known inappropriate conduct or suspected cases of modern slavery and violations of the Code of Conduct, this policy, or other ethical standards. This includes our contractors and suppliers. Retaliation against those who raise concerns is strictly prohibited.



Our actions taken continued

Our policies and standards

Adbri has the following policies that demonstrate our commitment to human rights and addressing modern slavery risk:

Anti-Bribery and Corruption Policy	Adbri conducts all of its business in an honest and ethical manner.
Code of Conduct	Adbri is committed to ensuring that the highest standards of honesty, integrity, ethics, and legality are upheld and enforced. This Code of Conduct refers to policies, procedures and guidelines aimed at ensuring that appropriate ethical standards, corporate behaviour, and accountability are maintained across the Adbri Group.
Diversity and Inclusion Policy	Adbri is committed to finding ways to actively support and encourage a diverse workforce and inclusive workplace.
Health and Wellbeing Policy	Adbri is committed to ensuring the safety and health of all individuals associated with its operations.
Speak Up Policy	Adbri encourages people to speak up if they become aware of potential misconduct which could include modern slavery.
Sustainability Policy	Adbri is committed to building a sustainable business, we understand the value of protecting our employees, contractors, adjacent communities and the natural environment.

A number of these policies are publicly available at: www.adbri.com.au/who-we-are/corporate-governance/

Employees, contractors, suppliers and consultants are required to enter into terms and conditions which contain an obligation to comply with our Modern Slavery Policy.

Our Modern Slavery Policy

Our Modern Slavery Policy outlines Adbri's commitment to preventing modern slavery within our operations and supply chain and supplements our employment policies and standards as set out in the Adbri Code of Conduct.

The Adbri Modern Slavery Policy extract below, shows our commitment to seek to prevent modern slavery within our operations and supply chain by:

(1) In relation to our operations:

- ensuring that all of our employees work for us voluntarily and are able to provide evidence that they are older than the minimum working age in the jurisdiction in which they work;
- ensuring that all of our employees are paid at least the minimum wage in the jurisdiction in which they work;
- training our staff in relation to how to identify modern slavery red flags; and
- annually assessing our operations for modern slavery risk.

(2) In relation to our supply chain:

- seeking to engage contractors and suppliers who uphold our commitment to preventing 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;
- undertaking annual due diligence checks on our supply chain to identify and address any actual or potential risks of modern slavery;
- working with our suppliers to assist them to identify and manage the risk of modern slavery within their operations and supply chain; and
- making our whistleblower program available to our suppliers and their employees.

Our actions taken continued

Our procurement actions

Adbri sees its role in mitigating the risk of modern slavery in our supply chain as part of our commitment to address the UN Sustainable Development Target 8.7. Action on modern slavery supports Adbri's broader responsibility to respect human rights under the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Our supplier onboarding process and due diligence

Adbri takes a risk-based approach in managing our ethical sourcing by assessing high-risk and new suppliers. This process involves assessing the supplier for the type of goods or services and the country of origin. We cross reference this information with the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 edition.

High-risk and new suppliers are requested to complete a modern slavery risk assessment questionnaire. This assessment is used to identify any risks of modern slavery in our supply chain.

In 2022, Adbri will continue to map its lower-risk suppliers and conduct ongoing assessments.

We have assessed our high-risk suppliers and new suppliers for modern slavery risk over the past two years.

Our standard form procurement contract

Adbri recognises that it can have a positive impact on reducing modern slavery through our procurement contracts. Our standard form procurement contracts include modern slavery obligations.

These obligations include:

- that the supplier uses its reasonable endeavours to ensure that the goods or services that it provides to Adbri, or one of our subsidiaries, are not the product of modern slavery; and
- that the supplier requires its contractors/suppliers to ensure that the goods or services that they provide are not the product of modern slavery.

Adbri's centralised procurement function regularly provides our subsidiaries with modern slavery practices and processes. All procurement purchases, regardless of the Adbri subsidiary, are undertaken through the centralised Procurement Team. Our procurement function runs individual and group consultations on modern slavery, where and when appropriate across Adbri, and regularly engages with subject matter experts including legal and risk.



Number of suppliers assessed in 2021

189 new suppliers
assessed in 2021

860 suppliers
assessed
since 2020

4 high-risk
suppliers identified

66 new suppliers already
assessed in 2022

In 2021, we noted that we would observe year-on-year trends. Having undertaken this analysis, no discernible trends have been noted across our suppliers.



Our actions taken continued

Our employee engagement

Our employee communication

In our operations we have encouraged our people to feel empowered to speak up on modern slavery, to understand what modern slavery is and the risks associated with modern slavery. We recognise that to achieve this we need to provide appropriate training to our employees.

Importantly, modern slavery is being led from the top. In July 2021 Adbri's Managing Director & Chief Executive Officer, Nick Miller communicated with all of our employees about the important work Adbri is doing to mitigate the risks of modern slavery, and how our employees can report suspicions of modern slavery. We are proud of the fact that in 2021 an employee did raise a suspicion of modern slavery. This is described in more detail on page 23.

All of our employees were alerted to our inaugural Modern Slavery Statement.

Our whistleblower support

Adbri employees are encouraged to raise concerns about a suspicion of modern slavery at the earliest possible stage to the Company Secretary, or anonymously through Adbri's confidential whistleblower hotline.

Adbri employees have access to our whistleblower hotline through our Speak Up Policy, and other forms of communication including our intranet and all staff emails.

A copy of our Speak Up Policy is available at www.adbri.com.au/who-we-are/corporate-governance/

Our employee training

It is important that our staff have the skills to be able to recognise suspicions of modern slavery within our supply chain and operations. This training ensures that staff can develop a better understanding of types of modern slavery that exist, including human trafficking, slavery, servitude, forced labour, debt bondage, deceptive recruitment, the worst forms of child labour and forced marriage.

Training our employees on risk and compliance related to modern slavery is important. Our modern slavery awareness training program is delivered in an online training course.

Why do we train?

We train our employees to help them understand what modern slavery is and to provide them with the tools on how to recognise suspicions of modern slavery. Training our staff, not only assists them to recognise the risks but also aids in understanding our policies, and how to effectively implement them to avoid modern slavery risks.

We train our employees so that they can recognise a modern slavery 'red flag', know what they should do if they come across any cases of suspected modern slavery, and know who to report this to.

Who do we train?

In 2020, we focused our training on our leaders, and we trained **103 senior and supervisory employees** in modern slavery risks. In 2021, we expanded our training to the wider business and have trained another **209 employees** giving us a total of **312 employees** trained of 1,500.

Additionally, advanced modern slavery training run by the Global Compact Network was undertaken by a member of Adbri's Legal Team to assist with the development of Adbri's modern slavery grievance mechanism template.

In 2022, we are continuing to train our business with an additional **290 employees** trained in the first quarter.

We train our employees so that they can recognise a modern slavery 'red flag', know what they should do if they come across any cases of suspected modern slavery, and know who to report this to



Our actions taken continued

Our remediation approach

At Adbri, we take modern slavery grievances very seriously. As part of our commitment, we seek to prevent all forms of modern slavery in our operations and supply chain. Adbri recognises that we may need to remediate modern slavery grievances, which led to us creating our modern slavery grievance mechanism template in 2021. Our modern slavery grievance mechanism template is used as a guide only.

Modern slavery grievance mechanism template






Our modern slavery grievance mechanism template, developed in 2021 for use in 2022, is just one tool for how we seek to remediate possible incidences of modern slavery in our operations and supply chain. This template grievance mechanism is used by Adbri as a guide only, as we recognise that no grievance is identical and that a prescriptive approach may not always be appropriate, applicable or adequate.

Adbri notes that its modern slavery grievance mechanism template is based on the “Sample Procedure for Processing and Addressing a Modern Slavery Grievance”, contained on page 21 of *Implementing Effective Modern Slavery Grievance Mechanism: A Guidance Note For Businesses*, March 2021, by Global Compact Network Australia. Adbri thanks the Global Compact Network for the material contained in that publication which served as a useful guide when developing our template.



Our actions taken continued

Modern Slavery Grievance Template

 Adbri Modern Slavery / Procurement Team	 Complainant	 Subject Expert, Other Business Units, Suppliers	 Senior Management	 Third Party
1. Receive the grievance.		✓	✓	
2. Complaint is acknowledged. Communication with complainant maintained.			✓	
3. Investigate the complaint and determine whether the grievance falls within our modern slavery mechanism. Inform complainant as to whether the complaint falls within mechanism or not. If it does not, inform the complainant why the complaint does not fall within scope.	✓	✓	✓	✓
4. Further evaluation and investigation of allegations, including engaging with the human rights team or experts, procurement teams, human resources, legal, risk, compliance, and governance departments, as well as suppliers and business partners, to inform the investigation.		✓	✓	✓
5. Proposed resolution and options to be formulated.		✓	✓	✓
6. Proposed resolution to be provided to complainant, where possible or appropriate.	✓		✓	
7. Where possible, complainant and Adbri formally agree upon resolution.	✓		✓	
8. Implement resolution involving supplier and complainant where possible and appropriate.	✓	✓	✓	
9. Monitor implementation of resolution.			✓	
10. Close grievance and follow internal notification processes if and where necessary.			✓	
11. Review the outcome and process of the complaint and implement learnings for future use. Consider refining grievance mechanism, if and where appropriate.			✓	

✓ Indicates engagement

Our assessment of our effectiveness

Adbri has implemented a number of initiatives to mitigate the risk of modern slavery in our business, however we recognise that it is important to review and assess the effectiveness of our approach.

We do this by:

- continually monitoring our modern slavery risk profile;
- investigating any modern slavery high-risks identified;
- tracking the number of employees trained in modern slavery risk;
- validating assessments of our supplier base for modern slavery;
- responding to any complaints through the whistleblower process;
- monitoring the number of suppliers assessed by using the risk matrix; and
- tracking complaints received through our modern slavery grievance mechanisms.

We will continue to build on our employees' knowledge of modern slavery and how to report any suspicion of modern slavery within Adbri or its suppliers.

We note that one way for us to assess effectiveness is for us to track our progress to achieve our desired outcomes from our inaugural Modern Slavery Statement.

In 2021, we made a number of commitments involving increased training, additional reviews of high-risk suppliers, and increased collaboration.

We are pleased to report that we have delivered on or progressed all of our commitments.

At page 11 of our 2020 Modern Slavery Statement, we discussed how we would assess our future work. The table below summarises our commitments and our achievements against those commitments.

Theme	What we said we would do in 2021	What we did do in 2021	Progress
Evaluation	"Assess whether the measures we introduced in 2020 have been effective"	We assessed the effectiveness of our measures, and put these into practice including re-evaluating potential high-risk suppliers and addressing modern slavery concerns. We also created our modern slavery grievance mechanism to enhance the effectiveness of our measures	✓
Engagement	"New suppliers sent the Modern Slavery Questionnaire, and the responses received from suppliers"	189 new suppliers assessed in 2021.	✓
Risk Rating	"Suppliers are rated high, medium and low and observing year-on-year trends."	189 new suppliers assessed in 2021. 860 suppliers assessed in total since 2020. 4 high-risk suppliers identified since 2020. We were unable to identify any notable trends year-on-year.	✓
Training	"We will also continue to build on 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 communicated with all staff on the importance of recognising and reporting suspicions of modern slavery. We trained an additional 209 employees on modern slavery in 2021.	✓
Collaborative Approach	"Our aim is to create partnerships with our suppliers so that we can both take a collaborative and proactive approach to modern slavery"	We engaged our new suppliers on modern slavery. Where suspicions of modern slavery arose, we, where possible, engaged directly with our suppliers to remediate or resolve these matters.	✓

✗ Did not meet - In progress ✓ Completed

Our assessment of our effectiveness continued

We recognise that high-level KPIs and performance metrics may not be a true representation of the effectiveness of mitigating modern slavery in our supply chain. Below we detail two case studies which may help to show the effectiveness of our grievance mechanism and supplier due diligence processes.

Case study 1: Alleged modern slavery practices by contractor

In 2021, we were proud to note that one of our employees raised a potential breach of modern slavery with management. This demonstrated that our work to support staff to raise modern slavery concerns is important and reinforced our awareness that modern slavery exists in Australia and overseas.

The employee suspected that a contractor at one of Adbri's sites was being improperly paid. Adbri directly raised these issues with the supplier to engage with them on their hiring practices, to make sure that their employee was legally entitled to work in Australia and that their working conditions met Australian standards.

The supplier provided supporting documentation and discussed the matter with Adbri providing a sufficient resolution of the matter.

Adbri notified the employee of the outcome and the matter was positively resolved. The Adbri employee was thanked for raising this issue.

Case study 2: Foreign supplier

While conducting our evaluations of new suppliers we identified a potential high-risk. This rating was due to manufacturing textiles in a country deemed high-risk. To address this risk, we undertook further due diligence.

We sought to further engage with this supplier to better understand their supply chain, including to identify where specifically in this country the textiles were manufactured. Unfortunately, the supplier did not provide Adbri with additional information required.

Consequently, we were unable to ascertain whether modern slavery practices were occurring, nor could we ascertain that manufacturing was not occurring in a region where there is well documented use of forced labour or slavery.

As the supplier was unwilling to clearly engage with Adbri in this matter, onboarding of this supplier was terminated.

Adbri considered that if we chose to proceed with the supplier, we may have indirectly been supporting modern slavery given the supplier did not assist with our modern slavery inquiries.

We will continue to review the effectiveness of our actions, and our modern slavery grievance mechanism template will assist with this review in 2022

Our consultation process

Our consultation with reporting entities

In preparing this Modern Slavery Statement, the Reporting Entities including Adbri consulted with their owned and controlled entities, through Adbri's Company Secretarial Team and Adbri's centralised procurement function.


A draft version of our Modern Slavery Statement was shared with the Company Secretary of the Reporting Entities, and the Chief Financial Officer of Adbri, and feedback was received and reflected in this statement.

As part of our consultation process, Adbri and the Reporting Entities have a centralised corporate function which includes compliance, legal, risk and procurement and each of the Reporting Entities are engaged on our Statement through our centralised process.

The centralisation of procurement aims to create a standard approach to modern slavery mitigation across the Adbri Group. We encourage all employees to continue to engage on modern slavery.

Our consultation with owned and controlled entities

In preparing this Modern Slavery Statement, Adbri consulted with our owned and controlled entities, through Adbri's centralised procurement function, and the Company Secretary and his team who represented all of the Reporting Entities.



We encourage all employees to continue to engage on modern slavery

Our future commitments

As part of our commitment to continual improvement, we are taking additional actions in 2022 to mitigate modern slavery in our supply chain and our operations.

In our inaugural Modern Slavery Statement we made several commitments against which we assessed ourselves.

Our commitments	Our proposed actions
Greater collaboration	<ul style="list-style-type: none">• Establish a modern slavery working group to further support whole-of-group consultation• Meet with joint ventures for further consultation
Expanded education	<ul style="list-style-type: none">• Continue to expand modern slavery training to new managerial and operational staff• Further engagement and education with key stakeholders and employees
Increasing accessibility	<ul style="list-style-type: none">• Reminder communication to all employees about identifying modern slavery suspicions and how to report suspected modern slavery risks• Reminder communication to all employees about whistleblower mechanisms available
Increased governance	<ul style="list-style-type: none">• Review our modern slavery grievance mechanism template to ensure it is fit for purpose• Development of a Sustainable Procurement Policy• More detailed review of our medium-risk suppliers for modern slavery risk

We will again hold ourselves to account on our 2022 commitments, when we submit our next Modern Slavery Statement.

We recognise that we have set ambitious targets, but we have continued to build on this, and in some cases go beyond our previous commitments to mitigate modern slavery.

We will continue to seek partnerships across our organisation and with our suppliers to mitigate modern slavery.

Modern Slavery Act 2018 (Cth) - Statement Annexure

Principal Governing Body Approval

This Modern Slavery Statement was approved by the principal governing body of **Adbri Limited (ABN 15 007 596 018)** as defined by the *Modern Slavery Act 2018 (Cth)*¹ ("the Act") on 24 June 2022.

Signature of Responsible Member

This Modern Slavery Statement is signed by a responsible member of **the Board of Adbri Limited, namely the Chairman, and Managing Director & Chief Executive Officer** as defined by the Act²:



Raymond Barro
Chairman



Nick Miller
Managing Director & Chief Executive Officer

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in Section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	3
b) Describe the reporting entity's structure, operations and supply chains.	4-9
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	10-13
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	14-21
e) Describe how the reporting entity assesses the effectiveness of these actions.	22-23
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	24
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	25-26

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph - a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee - that trustee; or (c) if the entity is a corporation sole - the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001 - the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph - a prescribed member of the entity.

always*ready*

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