



# BORAL

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## Disclosure note

This Joint *Boral Modern Slavery Statement 2021* (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 2021 (FY2021).

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

This Statement is Boral's second under the Modern Slavery Act and no longer covers USG Boral Building Products Pty Limited, following the sale of Boral's non-controlling 50% interest in the business to Gebr. Knauf KG (Knauf), completed on 31 March 2021. USG Boral Building Products Pty Ltd will be publishing its own Modern Slavery Statement for FY2021.

References to 'we', 'our' or 'the Group' in this Statement refer to Boral Limited and its controlled entities, including all reporting entities in FY2021.

**As Boral takes a Group-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.**

During FY2021 and subsequent to year-end, we announced significant changes to Boral's portfolio. These resulted in only our core Australian construction materials business being reported as continuing operations for the purpose of the FY2021 financial statements included in the *Boral Annual Report 2021*.

Prior to publication of this Statement, we divested:

- Boral North America Building Products, on 1 October 2021, and
- our Australian Building Products operations, with the sale of the Timber business completed on 1 October 2021, and an agreement entered into for the sale of the Masonry and Roofing business.

We also announced our intention to divest the Boral North America Fly Ash business.

As a result of these changes in Boral's portfolio, we have provided disclosures in this Statement focused on our continuing operations, as well as our operations and supply chain at a Group level for FY2021.

In preparing this Statement and our action plan for improvement (on page 17), we have considered supplementary guidance published by Australian Border Force since the publication of our *2020 Joint Modern Slavery Statement* in September 2020. We have also considered findings and recommendations from externally published benchmarking research on ASX companies' modern slavery statements.



## Modern Slavery Act mandatory reporting criteria

	Page(s)
1. Identify the reporting entity	ii, 18
2. Describe the structure, operations and supply chains of the reporting entity	5–7
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	8–10
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	3, 11–15
5. Describe how the reporting entity assesses the effectiveness of these actions	16
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)	ii, 18
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant	1–2, 4, 17

### 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:

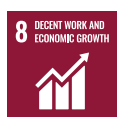
- trafficking in persons
- slavery
- servitude
- forced labour
- debt bondage
- deceptive recruitment
- forced marriage, and
- the worst forms of child labour: situations where children are subjected to slavery or similar practices or engaged in hazardous work.

### Modern slavery victims<sup>1</sup>

**~40 million**  
globally

**71%**  
are women and girls

**~25 million**  
in forced labour



**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.

1. Estimate from International Labour Office and Walk Free Foundation, 2017.

# Introduction

We recognise that modern slavery is a severe violation of human rights with severe and 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 40 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 new 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 4.

This year, we also set goals and targets aligned with the 17 priorities across the four key areas of our Sustainability Framework. One of these priorities is sustainable procurement, for which one of our goals is to deliver our modern slavery risk supply chain continuous improvement plan, as set out on page 17.

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 FY2021 against our action plan outlined in FY2020 is detailed on page 3.

In FY2021, we sought external expertise to formalise and improve our response to modern slavery risk in our supply chain by developing 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, will be 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.

Going forward, we are prioritising completing due diligence on our international Tier 1 suppliers that were assessed at high inherent risk in FY2021 in line with our new MSM SOP and new suppliers that produce goods or provide services internationally. We will then also progressively focus on new Tier 1 domestic suppliers, initially focusing on the cleaning and security guarding sectors – which have been identified as potential areas of risk.

We will 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 FY2021, we received one reported concern of potential indicators of modern slavery risk in our supply chain. On page 15, we have shared the process we followed to escalate, investigate and respond to this concern.

Members of our Modern Slavery Working Group<sup>1</sup> have engaged with industry experts to keep abreast of learnings and evolving good practice in terms of improving managing modern slavery risk, and engaged with our stakeholders, including our investors, to understand and respond to their evolving expectations.

This Statement also considers feedback gained from the Group's external advisors who assessed our Statement, in light of evolving good practice and guidance published by Australian Border Force.

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**This Statement was approved by the Boral Board of Directors as the parent entity on 27 October 2021 in their capacity as principal governing body of Boral Limited. This statement was signed by Zlatko Todorcevski in his role as CEO & Managing Director of Boral Limited on 27 October 2021.**



Zlatko Todorcevski  
CEO & Managing Director

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1. Renamed from the Human Rights and Modern Slavery Working Group in FY2021.

In Boral's *Joint Modern Slavery Statement 2020*, we outlined an action plan to improve our approach to assessing and managing modern slavery. Our progress against this action plan is outlined below.

FY2020 planned actions		FY2021 progress	Page(s)
<b>Governance and oversight</b>	Boral Group Risk will facilitate a Modern Slavery Risk workshop to update the assessment of Boral's supplier and supply chain risk profile. The assessment will refresh identification of those suppliers with the highest inherent modern slavery risk and help to plan actions to mitigate the associated risks	✓	11
	Review and refine standard procurement contract clauses to incorporate our expectations on aspects of modern slavery for new procurement agreements	✓	13
<b>Policies and standards</b>	Implement a process for having new vendors formally acknowledge the Supplier Code of Conduct, and distribute the code to existing suppliers	✓	12
	Boral Group Risk, in conjunction with Procurement, will review, refine and broaden supply chain mapping and risk assessment	✓	9
<b>Due diligence</b>	Update supplier pre-qualification evaluation questionnaire to include specific reference to supplier modern slavery risks	✓ <sup>1</sup>	-
	Conduct detailed assessment of existing suppliers identified as being at highest risk of modern slavery practices based on country of origin and category risk	→	13-14
	Conduct detailed modern slavery risk assessment for all new and renewing procurement-managed supplier contracts assessed as high risk based on our modern slavery risk assessment tool	→	13-14
<b>Grievances and remediation</b>	Promote awareness of our whistleblower FairCall reporting mechanism to suppliers by providing online information on how they can report modern slavery concerns	✓	15
<b>Training and capacity building</b>	Develop and roll out modern slavery training for Procurement teams and operational leaders, focused on modern slavery supplier risk assessment, screening and due diligence processes, and incident reporting and remediation	→	14, 17
<b>Assessing effectiveness</b>	Define procedures and quantitative indicators for assessing the effectiveness of our modern slavery approach and processes	✓	16
<b>Engagement and collaboration</b>	Actively seek to collaborate in multi-stakeholder initiatives to build further capacity and knowledge, and leverage resources across the industry	✓	2, 15

✓ Completed      → In progress

1. For international suppliers.

# Our Purpose and Values

This year we defined our new Purpose and Values, with input from employees across the organisation.

Collectively, we have defined our Purpose as **creating a world future generations will be proud of**. We are excited by the challenges that lie ahead and our Purpose talks to our role in meeting the challenges of a changing world and the expectations of future generations.

Our new Values are saying what we stand for, and they guide our decision making and how we behave.

## Our Purpose

**Creating a world future generations will be proud of.**

## Our Values

### Looking out for each other.

We care about the impact we have on customers, partners, communities and each other today and in the future.

We speak thoughtfully, we encourage and respect diversity and listen carefully with an open mind.

We make decisions so we all go home safely every day.

### Doing what we say.

We do what we say we're going to do.

We're trusted and our customers, suppliers, communities and colleagues rely on us to deliver.

Our shareholders have confidence in us to create value in a responsible way.

### Leading the way.

We're showing what's possible and inspiring customers, partners, communities and each other.

We're always looking for new ideas, sharing and learning as we go.

We're demonstrating the value of working in partnership to solve tough problems.

### Achieving together.

We collaborate, celebrate and have fun doing what we love.

We move forward as one team, knowing we are better together when we work alongside our customers, partners, colleagues and communities.

We work openly, building relationships and building each other up.

Boral is an Australia-based construction materials company listed on the Australian Securities Exchange (ASX). Following the close of Seven Group Holdings Limited's (SGH's) offer for Boral shares on 29 July 2021, SGH holds an ownership interest of 69.6% in Boral Limited.

In FY2021, we had two divisions with controlled entities – Boral Australia and Boral North America – which had operating and distribution sites in Australia, the US, Canada, Mexico, and the UK. The Group reported revenue of \$5.3 billion.

However, in FY2021, and subsequent to year-end, Boral divested or announced the intention to divest all but its core Australian construction materials operations – see page ii.

Our core **continuing operations** comprise our leading integrated construction materials business in Australia, namely Quarries, Cement, Asphalt, Concrete and Placing, and Recycling. Boral's continuing operations reported revenue in FY2021 of \$2.9 billion.

	Boral Australia	Boral North America
<b>Business description</b>	<p>We are the largest integrated construction materials company in Australia, with a leading position underpinned by strategically located quarry reserves and a network of 367 operating sites across our Quarries, Cement, Asphalt, Concrete and Placing, and Recycling businesses.</p> <p>Our discontinued Australian Building Products business manufactures and supplies timber, roofing and masonry products.</p>	<p>The North American operations, which are classified as discontinued, comprised our fly ash processing and distribution business and our now divested building products operations which manufactured and supplied stone veneer, roof tiles, windows, and light building products.</p> <p>The Fly Ash business is the largest manager and marketer of Coal Combustion Products in the US. It provides services to power plant owners in handling the materials and facilitating environmentally sound higher value uses of the materials wherever possible.</p>

**Employees by contract type (%)**



- 93% Full-time
- 2% Part-time
- 2% Contract
- 3% Casual



- 99% Full-time
- 1% Part-time

**Women represent**

**14%** of employees

**28%** of employees

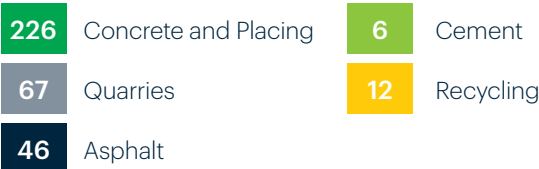
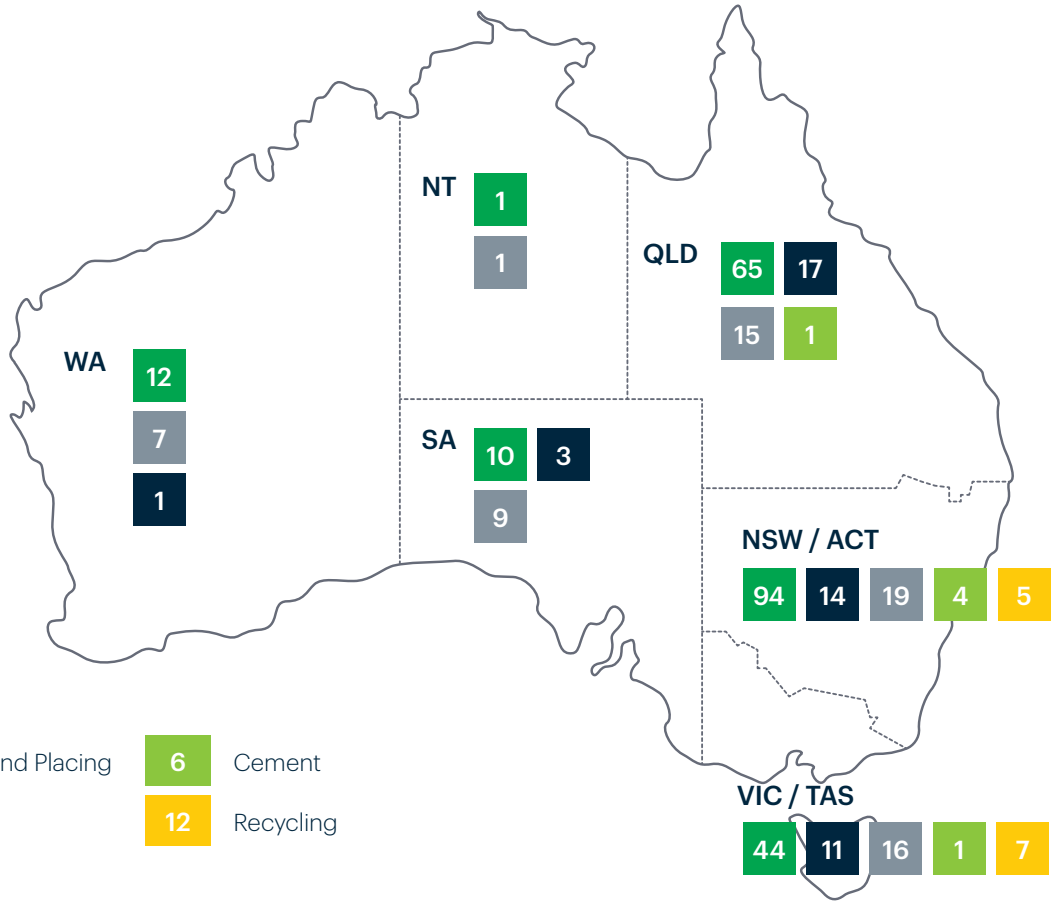
# Our operations

(continued)

## Continuing operations footprint



Sites<sup>1</sup>  
**367**



## Employees

- 93% Full-time
- 2% Part-time
- 2% Contract
- 3% Casual



**14%**  
women

**86%**  
men

## Brands



1. At 30 June 2021, including joint ventures. Includes transport, fly ash and R&D sites. Concrete and asphalt sites include mobile plants. Excludes mothballed plants, distribution and administration sites.



**In FY2021, Boral and its controlled entities spent \$3.7 billion purchasing products and services from about 13,000 direct (Tier 1) suppliers across 24 countries.**

	Boral Australia	Boral North America
Procurement spend	\$2.2 billion	\$1.5 billion
Tier 1 suppliers	~8,000	~5,000
- Countries sourced from	19	17
- Domestic-based suppliers	~99% Australia	~98% US, Canada, UK, Mexico <sup>2</sup>

## Continuing operations

In FY2021, the procurement spend in our continuing operations was \$2.0 billion, of which 3% was with 53 international Tier 1 suppliers across 17 countries.

### Key categories of spend

- 21% Raw materials
- 21% Logistics
- 11% Services
- 6% Energy
- 6% Fixed plant and equipment
- 7% Heavy machinery and equipment
- 2% Maintenance and repair supplies
- 26% 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 domestically for kiln fuel in our Cement operations.

**Heavy machinery and equipment:** includes heavy mobile equipment and heavy road vehicles.

**Maintenance and repair supplies:** includes parts, commodities and accessories for our fixed and mobile plant and equipment.

## Boral North America

The Boral North America Building Products business sourced raw materials including cement, fly ash, oxides and resins. In addition to our domestic suppliers in the US, Canada, the UK, and Mexico, we purchased raw materials from Peru, China, Taiwan and Western Europe.

The Fly Ash business purchased coal combustion products from domestic utilities, and it imported small volumes of fly ash from Mexico. We used rail transport and road transport carters to transport fly ash in the US.

## Contractors

In FY2021, Boral engaged approximately 4,800 full-time equivalent (FTE) skilled contractors in its controlled operations in Australia and 100 FTE contractors in the US. In addition to engaging contractor drivers in Boral's Australian transport operations, we engage contractors to support our operational requirements, including as product installers and in various other operational roles including information technology and plant maintenance. We also have longstanding preferred labour hire supplier relationships.

<sup>2</sup> While we had assessed Mexico as a country at high-risk of modern slavery practices and had started developing our approach to assessing domestic suppliers in Mexico, this work was not prioritised in FY2021 as our Boral North American businesses were discontinued.

# Our modern slavery risks



## 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 FY2021, we continued to assess the risk of modern slavery in our operations as being low.

We have human resources controls in place for 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 in the countries in which we operate.

Our employee onboarding process includes employment checks managed by our central recruitment teams in Australia and the US, 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 continuing operations, 55% of our employees are also covered by a total of 58 enterprise agreements or other industrial instruments that are compliant with relevant legislation.

We provide an external independent whistleblower service known as FairCall, which is available to our employees and other 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 Group Risk reviews modern slavery risk in our operations as part of its annual Modern Slavery Risk Review – see page 11.

## In our supply chain

### Risk identification

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.

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 jurisdictions<sup>1</sup> 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.

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.

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.

### Our country risk rating is based on both:

The Minderoo's Foundation **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.

Transparency International's **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.

Boral assesses the supply of products from jurisdictions with low modern slavery risks as a mitigation of the risks associated with higher risk industries.

However, based on information published by the Minderoo Foundation and the Australian Council of Superannuation Investors, we consider that we are 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 will incorporate these higher risk domestic sectors from FY2022.

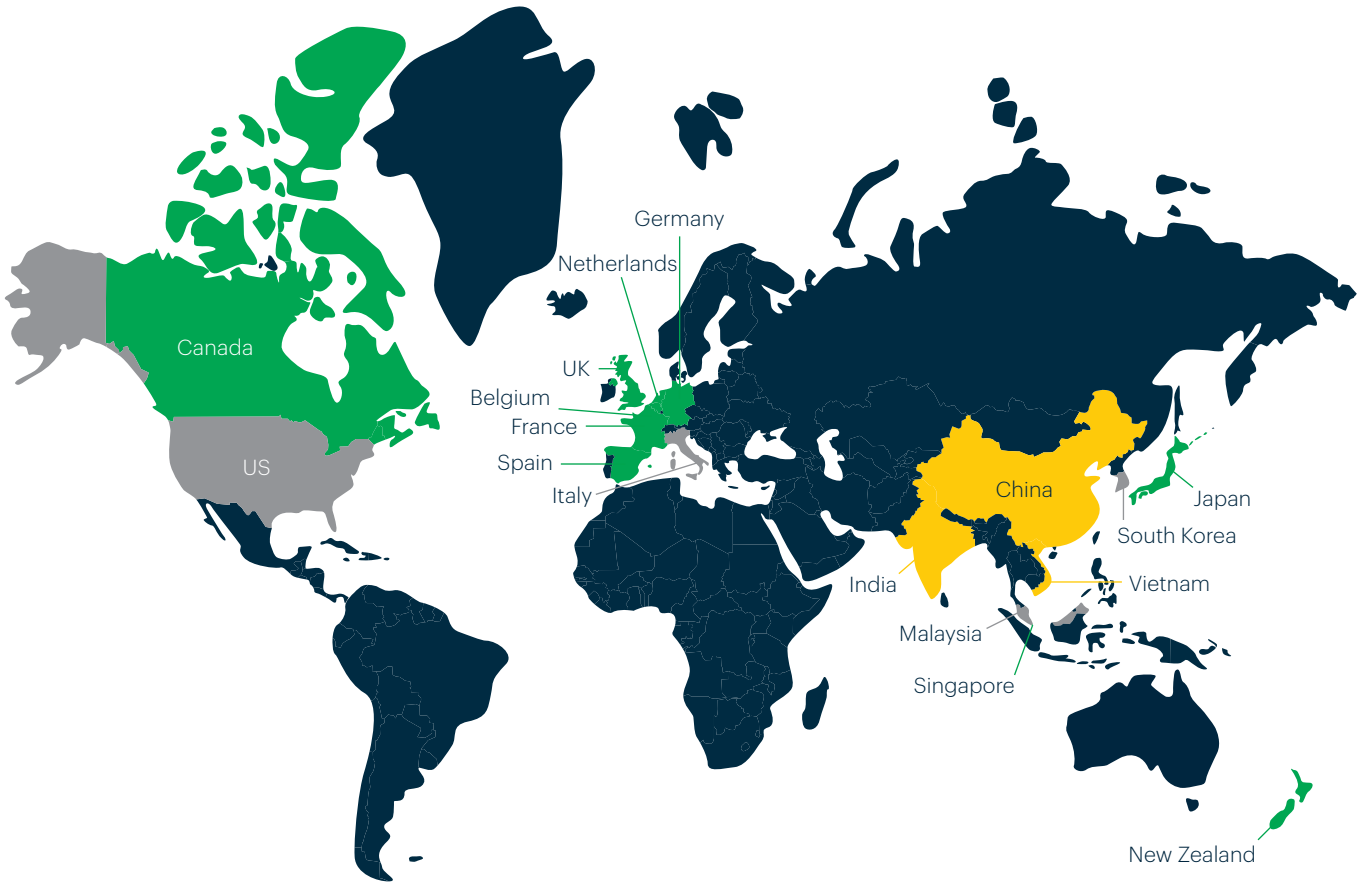


1. The country of origin is considered to be the location where goods underwent their last substantial transformation before shipment or the location where the service is delivered.

# Our modern slavery risks

(continued)

In FY2021, our **continuing operations** sourced from 53 international suppliers located across 17 countries, including eight suppliers that are located in countries assessed as high risk based on our MSSRPA tool: China, India and Vietnam.



Risk rating	Inherent risk of modern slavery practices
● Low	Unlikely risk
● Medium	Possible risk
● High	Likely risk
● Very high	Almost certain risk

# 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 FY2021, we engaged independent advisors to help us develop a 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 38–52 of the *Boral Annual Report 2021*. 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 page 12 of the *Boral Sustainability Report 2021*.

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. In FY2021, the Working Group was chaired by Boral's Group President, HSE, Sustainability, Innovation & Operations Excellence. Following changes to Boral's Executive Committee in August 2021, the Working Group is now chaired by the Group Strategy M&A and Transformation Officer, who is responsible for Sustainability. The Working Group includes members of the Executive Committee, and senior representatives from People & Culture, Procurement, Risk, Legal and Investor Relations.

The Working Group met three times in FY2021 and twice in early FY2022 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 and processes that identify, assess, monitor, and report on its organisation's risks. Boral Group Risk reports at least annually to the Board Audit & Risk Committee on Boral's organisation-wide risks, including those of its joint ventures.

In FY2021, Boral Group 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 Group Risk reported to the Working Group on the outcomes of the Modern Slavery Risk Review.

# Our approach to mitigating modern slavery risks

(continued)

## Policies and standards

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. 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>

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 consequences for our people include additional training, impacts on rewards and promotions, formal warnings and termination, and off-boarding for our suppliers.

### Procurement management

Boral's Group Procurement is led by the Chief Procurement Officer, 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.

In FY2021, Group Procurement changed its operating model to align with Boral's new operating model across our Australian operations. This is supporting the increased reach of the Procurement function, more disciplined spending and the ability to manage more spending via nationally consistent category strategies. While this is supporting the delivery of cost savings as part of our Transformation program, it also provides the opportunity to accelerate our sustainable procurement initiatives.

### Arrangement with our 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.

This ranges from procurement agreements for short- and long-term supply contracts to purchase order terms and conditions. For the purpose of modern slavery risk, we assess and manage these suppliers in the same way.

A small number of suppliers are engaged via credit card purchases related to business travel and entertainment, and certain infrequent low-risk and low-value purchases for operational requirements by senior leaders.

### Standard procurement agreements

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.

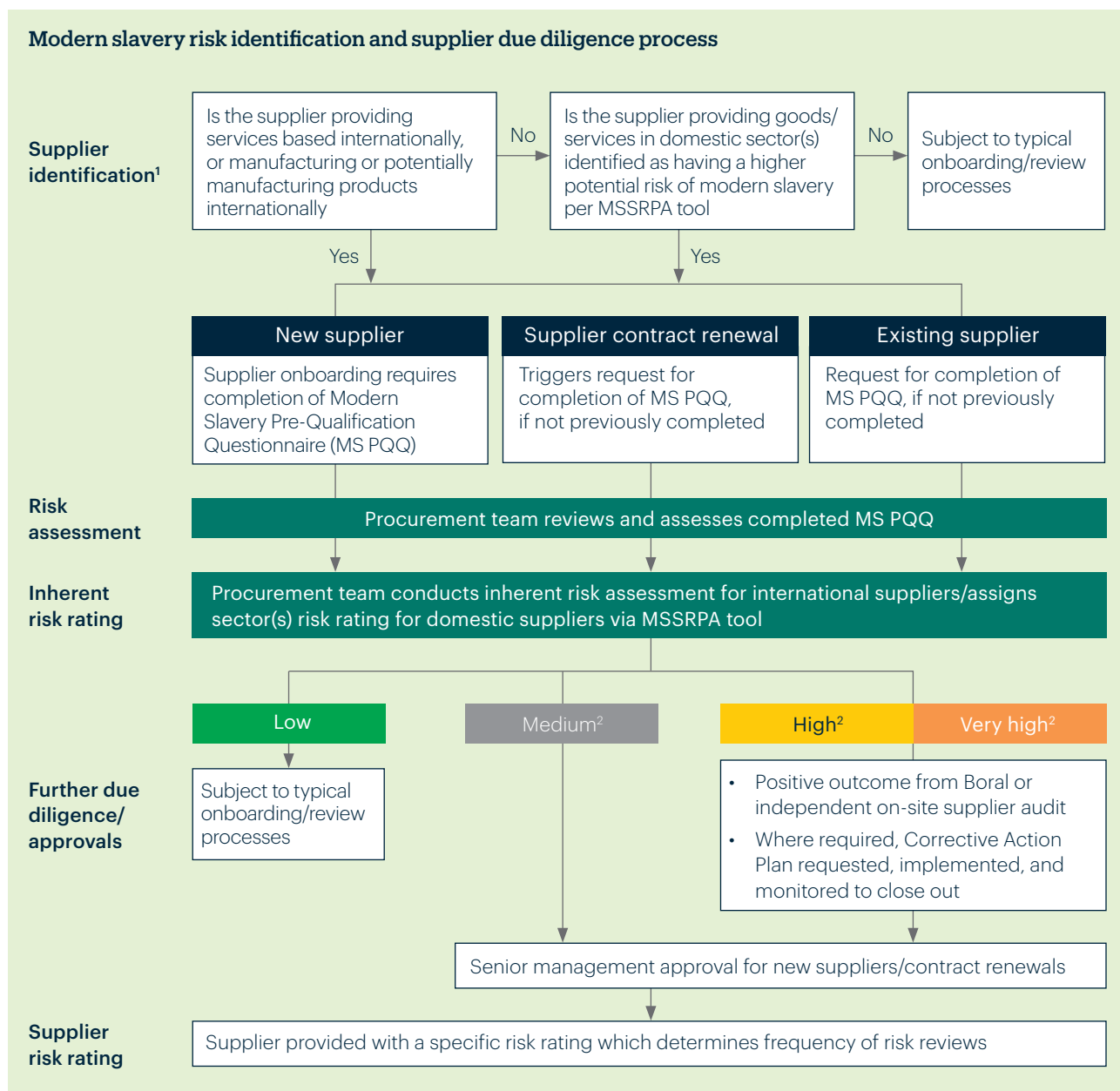
In FY2021, we reviewed our standard procurement contracts and concluded that our expectations for adherence to modern slavery awareness were incorporated within each supplier’s obligation to comply with all our policies, including our Supplier Code of Conduct. Moving forward, we plan to strengthen our 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 modern slavery due diligence

Following completion of our new MSM SOP, which was prepared in consultation with our Procurement and Risk teams, from FY2022 we are progressively rolling out our modern slavery risk identification and supplier due diligence approach across new and existing suppliers.

We have completed a small pilot of our new MSM SOP with 10 international and domestic suppliers.

Our priority is to complete detailed assessments of the eight international suppliers we purchased from in FY2021, as well as any new international suppliers rated as being at high or very high inherent risk in line with our new supplier due diligence processes.



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)



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 Chief Procurement Officer approval, while those rated as high risk will require Chief Operating Officer 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.

## Awareness and training

In FY2021, Boral North America launched initiatives to raise awareness of modern slavery, including communications to all staff members, in the form of emails, posters and a toolbox talk by site leaders. These initiatives aimed to highlight our revised Human Rights Policy and Supplier Code of Conduct; describe what modern slavery is and highlight its prevalence; and explain how staff members can report any concerns. These communications also reinforced Boral's grievance mechanisms, including our whistleblower reporting service, FairCall. These initiatives had been rolled out across Boral Australia in FY2020.

A total of 89 staff members from our Procurement and People & Culture teams in our continuing operations completed our 'Introduction to Modern Slavery' training program in FY2021. 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.



## 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. Speakers at some of these events included representatives from the Australian Border Force.

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.

## 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 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 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 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 Procurement Manager – Corporate Social Responsibility or a senior management representative, who consults with Boral's Head of Group Risk, and Legal team regarding further investigation.

Boral's Procurement Manager or Head of Group Risk also informs all members of the Working Group as soon as practicable to plan the next steps and initiate appropriate investigations.

Boral's Procurement Manager – Corporate Social Responsibility or Head of Group Risk informs Boral's Chief Procurement Officer and 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 FY2021, we received one concern related to potential indicators of modern slavery risk in our supply chain in Australia via direct correspondence to Boral senior executives.

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, including reviewing their responses to a comprehensive Modern Slavery Questionnaire and engaged 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 a result of the formal assessment process followed in this case, we have strengthened our processes for these types of reports going forward by allocating an internal owner responsible for the assessment and investigation.

# Assessing effectiveness

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. In particular, in FY2021 and prior to the publication of this Statement, the Working Group assessed the effectiveness of our approach by reviewing the following:

<b>Risk identification</b>	The MSSRPA tool was updated by Group Risk in collaboration with our Procurement team
<b>Supplier identification and assessment</b>	Our improved process, developed with the support of external expertise, to identify supplier modern slavery risk and assess and manage this risk as defined in our MSM SOP
<b>Concerns raised, response and remediation process</b>	The concern raised in FY2021 relating to modern slavery, our escalation and investigation process, and response
<b>Training</b>	The number of staff members who completed modern slavery risk awareness training
<b>Guidance and evolving good practice</b>	Recent supplementary guidance published by Australian Border Force, and externally published benchmarking research of companies' modern slavery statements

In FY2022/FY2023, the Working Group will also use the following additional indicators to assess the effectiveness of our modern slavery risk management and processes:

- results of the MSSRPA: number of low, medium, high and very high inherent risk suppliers
- percentage completion of modern slavery due diligence process for new suppliers/existing suppliers compared to schedule
- number of suppliers who completed our MS PQQ
- 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
- number of suppliers we are assisting and action status to meet Boral's expectations for the management of modern slavery risks
- number of suppliers that have been removed due to not meeting our modern slavery risk assessment requirements
- 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
- number and percentage of Procurement staff completing our comprehensive modern slavery training program, and
- number and percentage of operational leaders and other relevant staff completing our refreshed modern slavery awareness training.

<b>Governance and oversight</b>	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
<b>Policies and standards</b>	Revise and update our Modern Slavery Charter that establishes a common understanding of our approach to identify, assess and manage modern slavery risk  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
<b>Due diligence</b>	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 or higher risk of modern slavery, in line with new MSM SOP  Review ways of imposing more rigorous requirements on our Tier 1 suppliers for the purposes of mandating the same compliance down the contractual chain
<b>Grievances and remediation</b>	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
<b>Training and capacity building</b>	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  Roll out refreshed modern slavery risk awareness training, including elements of MSM SOP to operational leaders and other relevant staff
<b>Assessing effectiveness</b>	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
<b>Engagement and collaboration</b>	Continue to collaborate in multi-stakeholder initiatives to build further capacity and knowledge

# Reporting entities and joint ventures

## Reporting entities

	ABN
Allen Taylor & Company Ltd	39 000 003 056
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

Boral Limited	13 008 421 761
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 Group 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 141 of our *Boral Annual Report 2021*.

At 30 June 2021, Boral's joint ventures that are reporting entities under the Modern Slavery Act in FY2021 are: Bitumen Importers Australia Pty Ltd and Sunstate Cement Ltd.

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