



ADBRI

Building Australia since 1882



Modern Slavery Statement

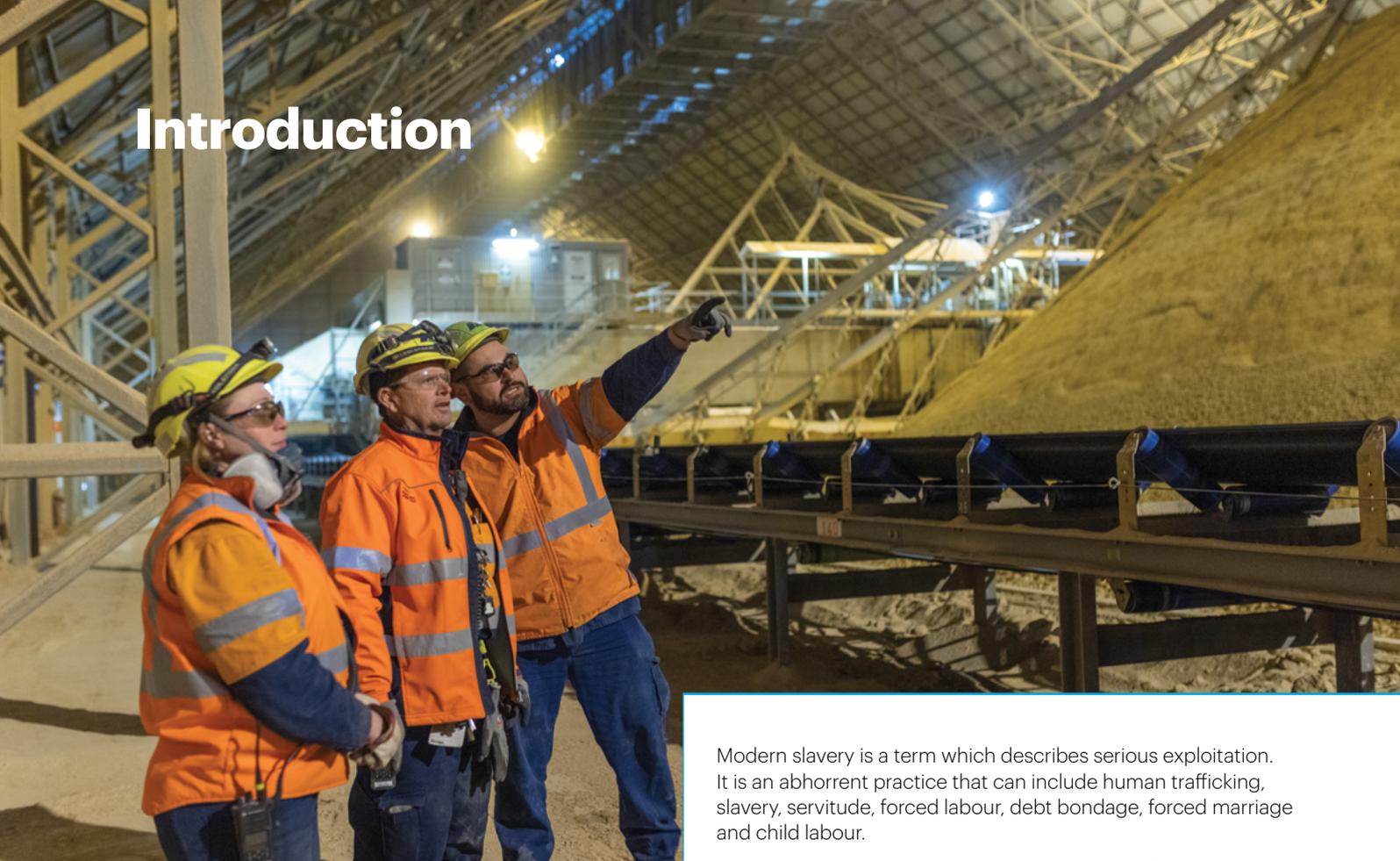
Financial Year Ended 31 December 2022

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Introduction



As a component of operating a sustainable business, Adbri is committed to the elimination of modern slavery - a growing and complex problem in global supply chains.

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

Modern slavery is a term which describes serious exploitation. It is an abhorrent practice that can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour.

Adbri condemns modern slavery in all its forms. The mitigation of the risk of modern slavery in our supply chain and operations is included in our Sustainability Framework under the focus area of a 'Positive contribution to communities'.

We take a risk-based approach to assessing the risk of modern slavery.

We seek to engage with our suppliers, new and existing, to ensure our assessment of the risk is thorough and fair.

Through our risk-based approach, we rank our suppliers as either high, medium, or low risk. This assessment is based on risk factors such as the operating country, along with industry classifications which are more vulnerable to modern slavery events.

Any suppliers ranked as potentially high risk are then further assessed for modern slavery controls and compliance.

In 2022, we collaborated further with a number of our joint venture partners on modern slavery risk assessment. We will continue to meet regularly with our joint venture partners to review and discuss modern slavery initiatives or challenges within our businesses. This is an important collective and collaborative approach.

We are committed to meeting societal expectations with respect to modern slavery law. This is Adbri's third Modern Slavery Statement. In it, we outline the key steps we have taken in this area over the past 12 months.

We are proud to share this report as we continue our work and commitment to continually improve our controls to minimise the risks of modern slavery.

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 2022. It provides details on the actions and steps taken by Adbri Limited (ABN 15 007 596 018), (including all Reporting Entities) ("Adbri") to mitigate modern slavery risks in the Adbri group of companies and supply chain.

Adbri 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 submits this Modern Slavery Statement as a Joint Statement on behalf of the Reporting Entities for the reporting period 1 January to 31 December 2022 ("Reporting Period").

This Modern Slavery Statement provides details on the actions and steps taken by Adbri Limited to mitigate modern slavery risks in the Adbri group of companies and supply chain.

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
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
Hy-Tec Industries (Victoria) Pty Ltd	43 096 310 520
Premier Resources Ltd	91 082 015 450
Screenings Pty Ltd	31 007 558 894
Southern Quarries Pty Ltd	26 007 726 909
Southern Quarries Holdings Pty Ltd	70 007 870 402



Governance

The Board and Management of Adbri are committed to the highest standards of Corporate Governance; acting with transparency and integrity.

The Board has established a number of Committees, each with a charter that sets out its role and responsibilities. Adbri's policies and procedures, which apply to all directors and employees, also capture the company's various obligations to stakeholders.

The Adbri Board's Audit, Risk and Compliance Committee has responsibility for overseeing Adbri's governance and management of any modern slavery risks.

The Adbri Modern Slavery Policy outlines Adbri's commitment to eliminating modern slavery within our operations and supply chain.

Modern slavery is an abhorrent practice and Adbri condemns modern slavery in all its forms. The Adbri Procurement Leadership team reviews high risk suppliers for practices that constitute modern slavery which can include:

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

Statement

This Modern Slavery Statement ("Statement") is made in accordance with the Australian Modern Slavery Act 2018 (Cth) for the financial year ended 31 December 2022. 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 wholly owned or controlled entities listed on page 4 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").

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 2022, was approved by the Adbri 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 Chief Executive Officer of Adbri on behalf of the Reporting Entities.



Raymond Barro

Chairman

24 May 2023



Mark Irwin

Chief Executive Officer

24 May 2023

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: modernslaveryregister.gov.au/resource

Our structure, operations and supply chain

Our structure and operations

From our origins in 1882, Adbri has grown into one of Australia's pioneering construction materials and industrial mineral manufacturing companies. Adbri is a public company listed on the Australian Securities Exchange (ASX code: ABC).

Adbri is the largest producer of lime in Australia, the second largest cement and clinker supplier to the construction sector, the largest supplier of Australian masonry products and the fourth largest concrete and aggregates producer. Adbri directly employs over 1,500 people across our diverse operations, as well as engaging local contractors and suppliers across 200 locations in Australia.

Adbri controls or manages a number of entities which ultimately contributed to Adbri's consolidated revenue for 2022. Further information about our consolidated revenue is located within [Adbri Limited's 2022 Annual Report](#). Our subsidiaries operate across Australia, with their primary places of business in Australia.

Cement and Lime: Adbri's brands of Adelaide Brighton Cement, Cockburn Cement, Northern Cement and Morgan Cement produce a range of cement and/or lime products that are sold as bulk and packaged cement and lime products. Our cement and lime plants are located in South Australia, Western Australia, New South Wales, and the Northern Territory.

Concrete and Aggregates: Adbri's concrete and aggregates division supplies premixed concrete, aggregates and sands to the commercial, industrial, civil, residential and infrastructure construction sectors. We have quarries and concrete plants across South Australia, New South Wales, Queensland, Victoria and Northern Territory. Our brands include Hy-Tec, Central Pre-mix, Direct Mix and Zanows.

Masonry: Adbri's masonry division supplies concrete bricks, blocks, pavers and retaining walls from various sites throughout Australia's east coast, Western Australia, Northern Territory and South Australia.

The type of work undertaken by our teams varies based on operational needs with roles including, but not limited to: engineers, plant operators, heavy vehicle drivers (operating a range of vehicles including cement tankers, concrete agitators and tipper-trucks), yard forklift operators, safety and environmental advisors, laboratory technicians, concrete batchers, sales representatives, quarry workers, administrative officers, credit controllers, procurement specialists, site administrators, lawyers, accountants, and customer service officers. Together our teams of people ensure supply of our products to our customers in a safe, efficient and sustainable manner.

Information about Adbri's subsidiaries as of 31 December 2022 can be found on page 93 of [Adbri Limited's 2022 Annual Report](#). Adbri's subsidiaries are governed by the parent Company's processes and policies.

Adbri's Procurement Policy applies to all Adbri wholly owned subsidiaries, employees, contractors and third parties engaged to act on behalf of Adbri.

Adbri regularly provides our subsidiaries with modern slavery training, practices and processes. 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.

Procurement purchases are undertaken through the centre-led procurement team. We assess our any high-risk suppliers in our supply chain and risk rate for any modern slavery risk.

Further information about the Group structure relating to Adbri Limited can be found at pages 91 to 93 of [Adbri Limited's 2022 Annual Report](#). Adbri's registered office is situated at Level 1, 157 Grenfell Street, Adelaide, South Australia.

More information about Adbri, including our products and operations, as well as our approach to sustainability can be found on our website at www.adbri.com.au.



Snapshot of our business (2022)

1,500+ people
plants and
facilities across
Australia

200+

13 fully owned
respected brands

Our structure, operations and supply chain continued

Our joint ventures

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

Engagement with joint ventures

Adbri has discussed our approach to modern slavery with a number of our joint venture partners or their representatives. In 2022, Adbri, Independent Cement & Lime Pty Ltd and Sunstate Cement Ltd held their first joint venture modern slavery meeting. In this meeting we discussed modern slavery tools and agreed to meet regularly in 2023 as we take a collaborative approach to managing modern slavery risks. We will continue to liaise with our joint ventures on modern slavery risks, initiatives and what we can do collectively as a group to mitigate this risk.

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.



B&A Sands Pty Ltd (50% ownership)

B&A Sands, trading as Metro Quarry Sands, supplies aggregates to the Melbourne concrete and construction industry. Adbri and our joint venture partner, purchased the company on 1 April 2022.



Mawson Group (50% ownership)

Mawson Group (Mawsons) supplies aggregates and premixed concrete to the construction industry. The joint venture between Adbri and BA Mawson Pty Ltd has over 80 concrete and quarry assets across New South Wales and Victoria. In 2021, Adbri's Mawson joint venture, purchased the Millbrae concrete, aggregate and mobile crushing business. Mawsons has submitted a Modern Slavery Statement for the financial year 2019-20.¹



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.

¹ As at 23 May 2023 no Modern Slavery Statement for the period between 2020-21 could be located on the Commonwealth Government's Modern Slavery Statement Register.

Our structure, operations and supply chain continued

Our supply chain

Adbri is committed to meeting societal expectations with respect to modern slavery law, environmental and community matters and actively seeks to reduce any negative impacts upon the communities in which it operates.

Adbri has a global supply chain of 7,576 suppliers (as at 31 December 2022).

During the reporting period our total spend was approximately \$1.5 billion, and we engaged with 71 international suppliers.

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 contracting 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 shrink-wrap, 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

\$1.5 billion

total spend during the reporting period

7,576 suppliers

71 internationally engaged suppliers

Modern slavery risks in our operations and supply chain

Modern slavery risks in our operations

Adbri directly employs over 1,500 people across our diverse operations, as well as engaging local contractors and suppliers across 200+ locations in Australia.

The Group is structured around two major divisions: Cement and Lime; and Concrete, Aggregates and Masonry. Each division has its own management team, accountable for day-to-day operational performance. The Executive of each division also sits on Adbri's Executive Leadership team.

We engage our workforce using several employment mechanisms, with 58% of our employees covered by a total of 39 enterprise agreements. The remainder of our employees are engaged under individual employment contracts that meet or exceed minimum legal entitlements.

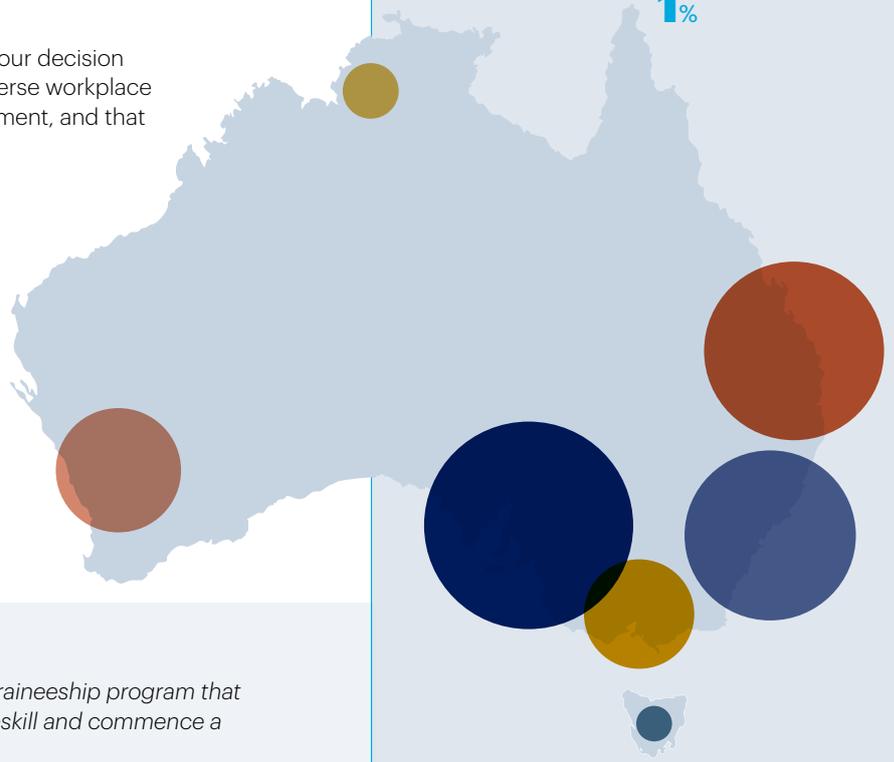
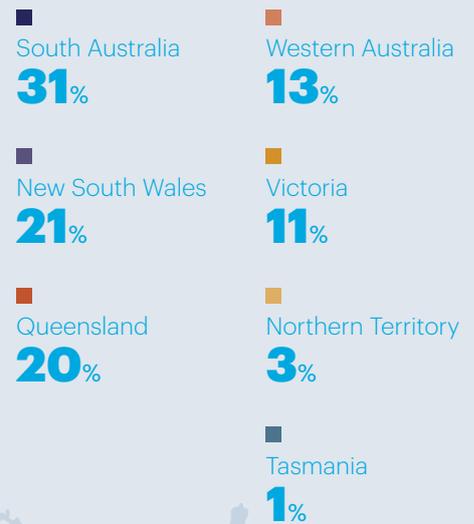
Adbri has policies and procedures in place to ensure ongoing compliance with its obligations including internal and external audit programs. All employees and third parties can also access Adbri's Whistle-blower 'FairCall' service as part of the company's anonymous whistle-blowing, our Speak Up policy and grievance mechanism.

As part of the employee onboarding, we incorporate human rights processes such as confirming visa status during the recruitment process. Understanding employees' legal ability to work in Australia is a key part of our recruitment process.

A key pillar of Adbri is inclusivity, and this guides our decision making, as we strive to build an inclusive and diverse workplace that is free of discrimination, bullying and harassment, and that offers equal opportunity.

Employment by Geography

1,543 Total employees



Case Study:

In 2022, Adbri launched its Driver Academy, our traineeship program that provides diverse candidates the opportunity to reskill and commence a rewarding career with Adbri.

Agitator trucks are at the core of our concrete business, delivering our product to our vast array of customers. With "Work Safe, Home Safe" at the core of how we do business, the Academy offers 10 weeks of bespoke training to get our trainee drivers ready to be the face of our Company and operate safely every day.

In 2022 we had eight diverse trainees commence and successfully pass the academy. Adbri will take the Academy national in 2023.

Modern slavery risks in our operations and supply chain continued

Modern slavery risk in our supply chain

Adbri takes a risk-based approach to managing ethical sourcing that is largely based on:

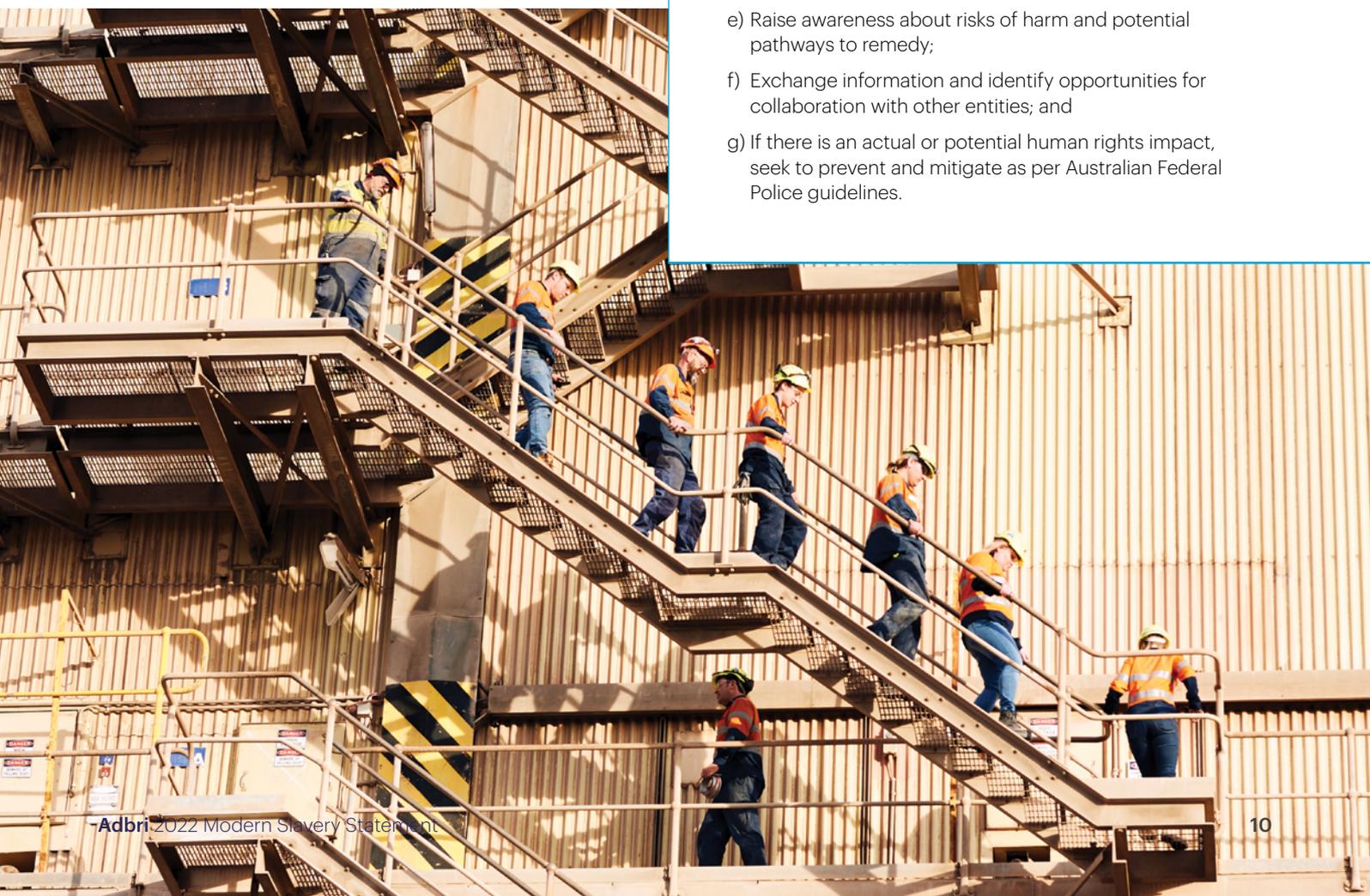
- the geographic location of the goods or services procured; and
- the type of goods or services provided.

This risk matrix is based on the Australian and New Zealand Standard Industrial Classification (“ANZIC”) which we use for industry classifications.

When we have a high risk or new supplier, we review the location of where the goods or services are procured and also what type of good or service the supplier is providing. This is entered into our modern slavery risk matrix and a risk score is generated. If a high score is returned, we then request the supplier complete an additional modern slavery questionnaire which delivers a further risk score, and where appropriate, we undertake additional research into the proposed supplier.

If the results of the subsequent survey deliver a score of 7 to 10 (out of 10), then an investigation takes place by the Procurement team. While the further investigation is not prescriptive and varies on a case-by-case basis, our further investigations typically include:

1. Reviewing the questionnaire to ascertain why there was a high score. For example, the score could be triggered due to the type of industry the goods or services are secured from, the region of supply and any answers that show there are no policies or procedures in place to manage modern slavery, safety, code of conduct or grievances.
2. Liaise with our internal legal team for advice on the finding and seek further direction if required.
3. Seek further information from the supplier if and when required.
4. Review further findings internally.
5. If we are not satisfied with the findings, the following further steps may be taken:
 - a) Report to Executive Leadership Team;
 - b) Review if appropriate to work with the supplier to eliminate modern slavery;
 - c) Treat the risk as legal and compliance issue. If the supplier refuses to address issue, end the relationship;
 - d) Collaborate with international and local organisations;
 - e) Raise awareness about risks of harm and potential pathways to remedy;
 - f) Exchange information and identify opportunities for collaboration with other entities; and
 - g) If there is an actual or potential human rights impact, seek to prevent and mitigate as per Australian Federal Police guidelines.



Modern slavery risks in our operations and supply chain continued

Geographic location of the goods or services procured

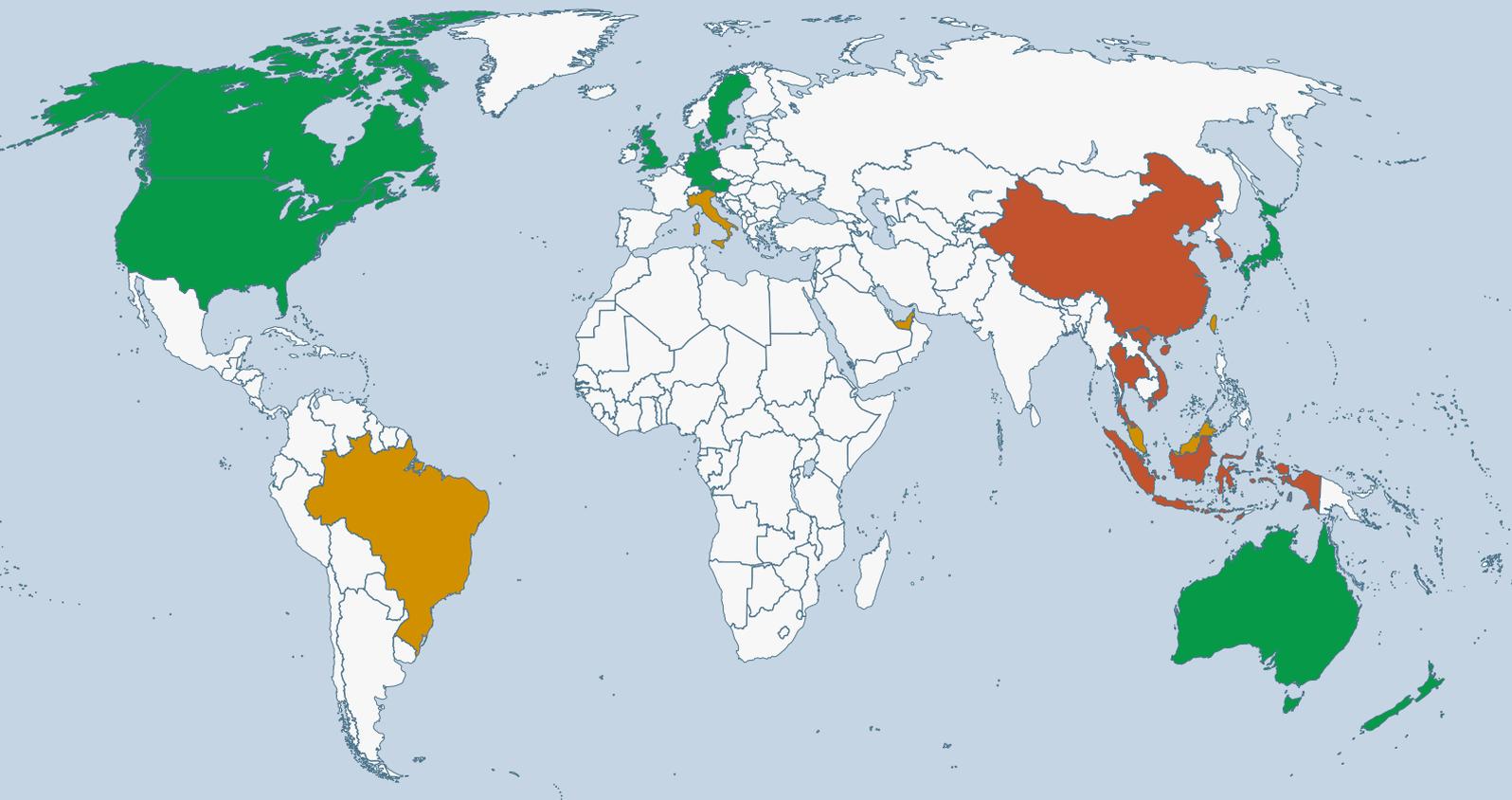
We recognise that some countries are more susceptible to modern slavery compared to others, although this is not always the case. Additionally, we review our suppliers and goods by location to prioritise any modern slavery risks across our supply chain.

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

International direct suppliers risk distribution

Where we source

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



Modern slavery risks in our operations and supply chain continued

Types of goods or services provided

At Adbri we assess the following categories of products procured as being more susceptible to modern slavery:



Cleaning services

including industrial and office



Labour hire



Consumables

including PPE, electrical, stationery



Selected raw materials

including sand, clinker, slag



Tyres

A continual approach to assessments

Adbri initially conducted an assessment of our current supplier list and categories 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, Malaysia, Indonesia and Thailand. Since 2020, we have continued to undertake a risk-based approach through our risk matrix to determine the modern slavery risk in our supply chains.

Our assessment

Given our Australian-based workforce, coupled with the fact our suppliers are mostly from Australia or low risk countries, the risk of modern slavery within Adbri is generally assessed as low. This is due to a combination of factors including:

- Strong legal framework;
- Robust due diligence processes;
- A solid ethical culture;
- Long-standing relationships with suppliers; and
- Supporting policies and procedures.



Our actions taken

At Adbri, we strive to be a good corporate citizen that is respected for its contribution to the wellbeing of shareholders, customers, the economy and the community.

In 2022 we again undertook a number of actions to mitigate the risks of modern slavery in our supply chains and operations.

Our governance framework managing modern slavery

To ensure that risks are effectively identified and managed, Adbri has a governance framework in place including key stakeholders outlined below. In 2022, this included:

Group	Role	Responsibility	Further information
The Board and Board 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. It has ultimate responsibility for overseeing Adbri's modern slavery risk management.	www.adbri.com.au/who-we-are/corporate-governance/ www.adbri.com.au/who-we-are/board-of-directors/
The Executive Leadership team	The Executive Leadership team of 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 CEO.	www.adbri.com.au/who-we-are/executive-team/
Employees, contractors and suppliers	Responsible for conducting themselves in accordance with the Code of Conduct and other Adbri policies and standards.	Adbri expects that anyone involved with our business will report known inappropriate conduct or suspected cases of modern slavery, violations of the Code of Conduct, the modern slavery 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:

Code of Conduct	Adbri is committed to ensuring that the highest standards of honesty, integrity, ethics, and legality are upheld and enforced. Our Code of Conduct refers to policies, procedures and guidelines aimed at ensuring appropriate ethical standards, corporate behaviour and accountability are consistently applied Company-wide.
Speak Up Policy	Adbri encourages our employees, contractors, suppliers and investors to speak up if they become aware of potential misconduct. This could include modern slavery.
Health, Safety and Environmental Policy	Adbri is committed to ensuring the safety and health of all individuals associated with our operations.
Diversity and Inclusion Policy	Adbri is committed to finding ways to actively support and encourage a diverse workforce and inclusive workplace.
Anti-Bribery and Corruption Policy	Adbri is committed to conducting all of its business in an honest and ethical manner.
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.
Modern Slavery Policy	Adbri's commitment to prohibiting modern slavery in our supply chain and the operations and to ensure that processes are in place to verify that suppliers, contractors and business partners also comply with these requirements.

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.

Adbri Modern Slavery Policy extract shows our commitment to:

Seek to prevent modern slavery within our operations and supply chain by:

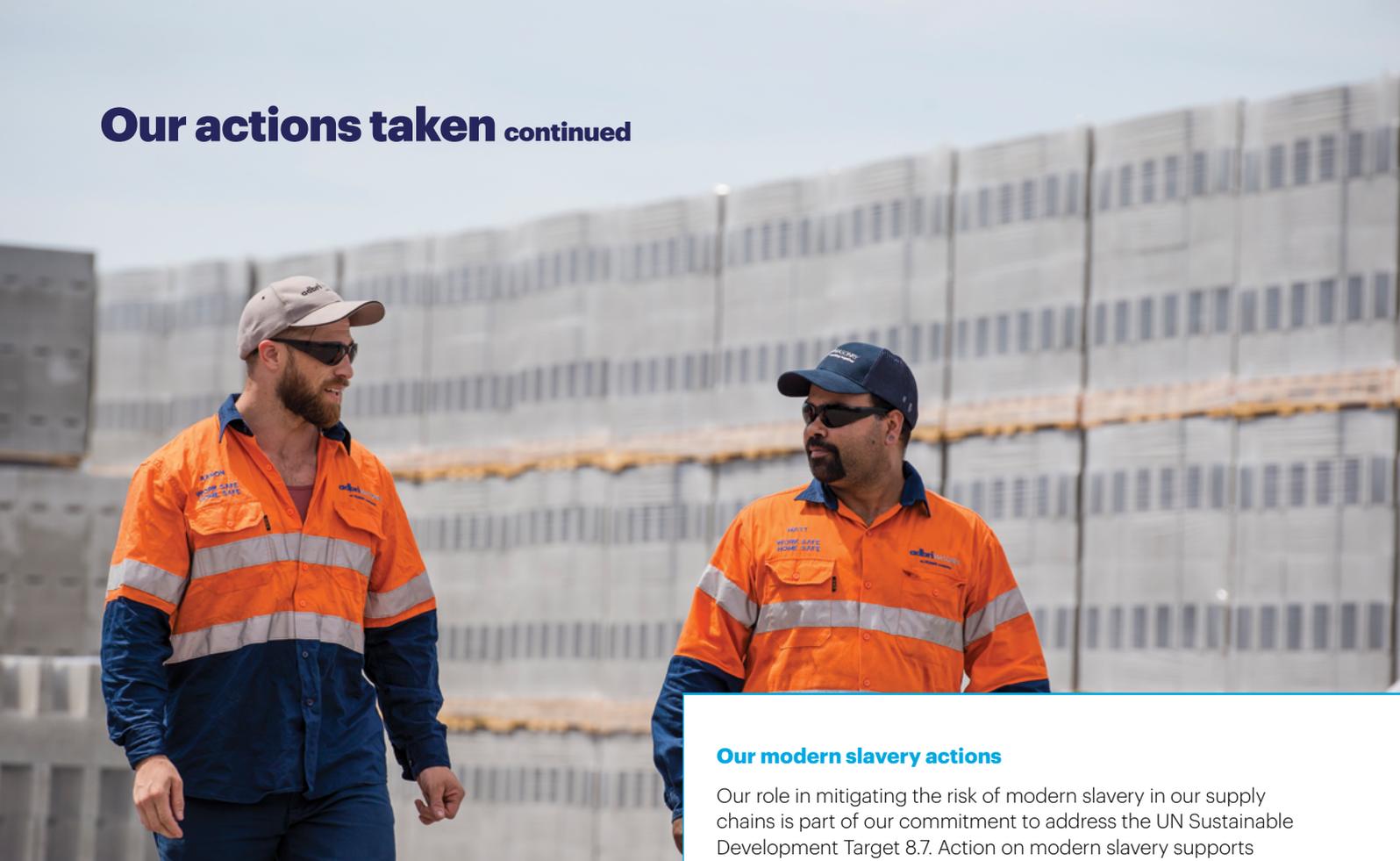
(1) In relation to our operations:

- 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 operation and supply chains;
- undertaking annual due diligence 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 Whistle-blower program available to our suppliers and their employees.

Our actions taken continued



Number of employees onboarded and trained

468 new employees onboarded in 2022

415 employees trained over 2020 and 2021

409 new employees trained in 2022

52 additional employees retrained in 2022

461 new employees trained in 2022

Our modern slavery actions

Our role in mitigating the risk of modern slavery in our supply chains is 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 (UNGPs) on Business and Human Rights.

Some key modern slavery actions taken during the year include, but not limited to:

1. Employee onboarding

468 new employees were onboarded in 2022 and confirmed their compliance with Adbri's Policies and Standards.

As part of Adbri's onboarding process new employees are inducted into Adbri's policies.

2. Training for modern slavery compliance and understanding

Over 2020 and 2021 we had trained 415 employees. In 2022, we have trained a further 409 new employees and retrained 52 employees, a total of 461 employees in 2022.

We help to minimise the risk of modern slavery by providing training for our employees, as well as access to our Whistle-blower (or 'Speak Up') mechanism for confidential reporting of any suspected breaches of modern slavery.

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

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 chains, is relatively low. We note that we have a non-controlling interest in an overseas joint venture and recognise that the risk of modern slavery could potentially increase as a result of international unrest and disruption caused by the Russia/Ukraine war.

Our actions taken continued



Number of suppliers assessed

412 new suppliers were assessed in 2022

272 existing medium risk suppliers were assessed in 2022

684 total suppliers were assessed in 2022

1544 total suppliers assessed since 2020

3. Supplier onboarding and due diligence

In 2022, 412 new suppliers were assessed for modern slavery risk and a further 272 medium to high risk current suppliers were assessed, bring the total to 684 in 2022 and 1544 since 2020.

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 service to be provided, 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 continued to map our medium-risk suppliers and conduct ongoing assessments, and this is shown by the additional 272 medium-risk existing suppliers assessed in 2022. In 2021, we noted that we would observe year-on-year trends. We did not see any trends emerging as part of the assessment process in 2022.

4. Reputational risk

Adbri monitors reputational risk by registering key high-risk suppliers in the Nexis Diligence portal. Reports are received weekly that identify any reported reputational risk.

Adbri recognises the value in assessing suppliers for reputational risk as this can be an indicator of modern slavery.

We use an external supplier to monitor the public reputation of our suppliers, receiving weekly reports for key suppliers that detail any negative press. In the event of a negative occurrence, we would work with the supplier to ascertain the details of the event and any appropriate action that needs to be taken.

This process is an important step in our work to be diligent in continually assessing suppliers.

Our actions taken continued

5. Supplier risk assessment

Adbri conducts risk assessments to identify areas within our supply chain where modern slavery is more likely to occur. We also risk-rate the responses of our suppliers.

Steps taken when assessing a high-risk supplier include:

Supplier assessed	<ul style="list-style-type: none"> • Supplier is assessed using Modern Slavery tool; • Suppliers responses risk rated; and • Risk-rating reviewed by Procurement.
Supplier delivers high-risk rating	<ul style="list-style-type: none"> • Ascertain why vendor delivered high-risk rating; • Conduct internet searches for reports of child labour, slavery or human trafficking; • Use software tool for reporting reputational risk for any 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 the supplier's commitment to eliminate modern slavery in their organisation, as well as in their own supply chain, e.g. policies, commitments, reporting, pay slips etc.
Evidence shows no risk of modern slavery	<ul style="list-style-type: none"> • Continue to monitor and assess.
Evidence shows risk of modern slavery	<ul style="list-style-type: none"> • Report to Executive; • Review if appropriate to work with supplier to eliminate modern slavery; • Treat risk as a legal and compliance issue. If an entity refuses to address the issue, the future of the relationship is reconsidered; • 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.

During the year in review, four high-risk suppliers were identified and actioned accordingly. We followed our supplier risk assessment process as shown in the following case studies.

Case study: Working with suppliers in higher-risk countries

In 2022, we carried out an investigation on a valve company which delivered a high score on their modern slavery assessment. The high score was due to the supplier operating in a high-risk country and industry. The supplier was tested for any reputational risk by reviewing for any negative press, where there were no findings. On further review, the supplier was found to have good controls in place and policies including a Health and Safety, Anti-Bribery and Corruption, Code of Conduct, and Anti-Slavery. We also found that the supplier had inadvertently answered one of the questions incorrectly. Based on our findings we found that the supplier had good controls in place and no further action was required.

Case study: Working with suppliers in higher-risk categories

In 2022, we carried out an investigation on a PPE clothing company. We found that the supplier's manufacturer was based in a high risk country and the supplier was unable to provide us with the manufacturers name, the location of the place of manufacturing (beyond the country of manufacturer), how they manage their supply risks, or their controls if there is a suspicion that they may have breached modern slavery laws. Under the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 edition, the industry of 'manufacturing' and the country were considered high risk, therefore we required more information to ensure we had appropriately monitored and reviewed our supply chain.

On request, their documentation showed they required their suppliers to adhere to modern slavery laws, however they did not address what would happen if the supplier failed to meet the requirement. The supplier also provided their manufacturer's details which improved the overall rating and identified that working hours required review. Our HSE team reviewed further and was satisfied with compliance against our requirements. The outcome of this case study was that our supplier was requested to investigate their product supplier and as a result they sourced an alternate reputable supplier.

Our actions taken continued

6. Adbri terms and conditions of engagement

All procurement purchases, regardless of the Adbri subsidiary, are undertaken through the centre-led procurement team.

We recognise we 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 suppliers:

- uses its reasonable endeavors 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
- requires its contractors/suppliers to ensure that the goods or services that it provides are not the product of modern slavery.

Adbri's centre-led procurement function regularly provides our subsidiaries with modern slavery practices and processes. All procurement purchases, regardless of the Adbri subsidiary, are undertaken through the centre led 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.

7. Whistle-blower

Our employees can access information about the Whistle-blower service on our intranet.

Adbri employees are encouraged to raise concerns about a suspicion of modern slavery at the earliest possible stage to the General Counsel, or anonymously through Adbri's confidential Whistle-blower hotline.

Adbri employees have access to our Whistle-blower 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 also available at www.adbri.com.au/who-we-are/corporate-governance/

8. Grievance mechanisms

No modern slavery related grievances were lodged in 2022.

In 2021, Adbri developed a grievance mechanism template. This tool was developed to remediate possible incidences of modern slavery in our operations and supply chain in 2022 and beyond. 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 did not receive any modern slavery related grievances in 2022, and therefore the grievance mechanism template was not required, however it remains in place as a tool and a guide if any grievances are received in the future. A copy of the template grievance mechanism is located on page 19.

9. Stakeholder and joint venture engagement

We held our inaugural joint venture working group meeting

We understand that eliminating modern slavery cannot be achieved by working alone. It is an issue that requires a coordinated and collaborative response within and across industries and supply chains. In 2022, we have continued to collaborate with our peers in order to strengthen our modern slavery response.

We held our first joint venture working group meeting with two of our larger joint ventures – Independent Cement and Lime Pty Limited and Sunstate Cement Limited to grow our collaboration and sharing of knowledge.

One of our Adbri legal counsel was on a panel of business professionals at an event hosted by the SA Modern Slavery Network and PwC in collaboration with the University of South Australia and the Centre for Enterprise Dynamics in Global Economies as part of Prof John McMillan AO consultation on the Commonwealth Government's Review of the Modern Slavery Act (2018).

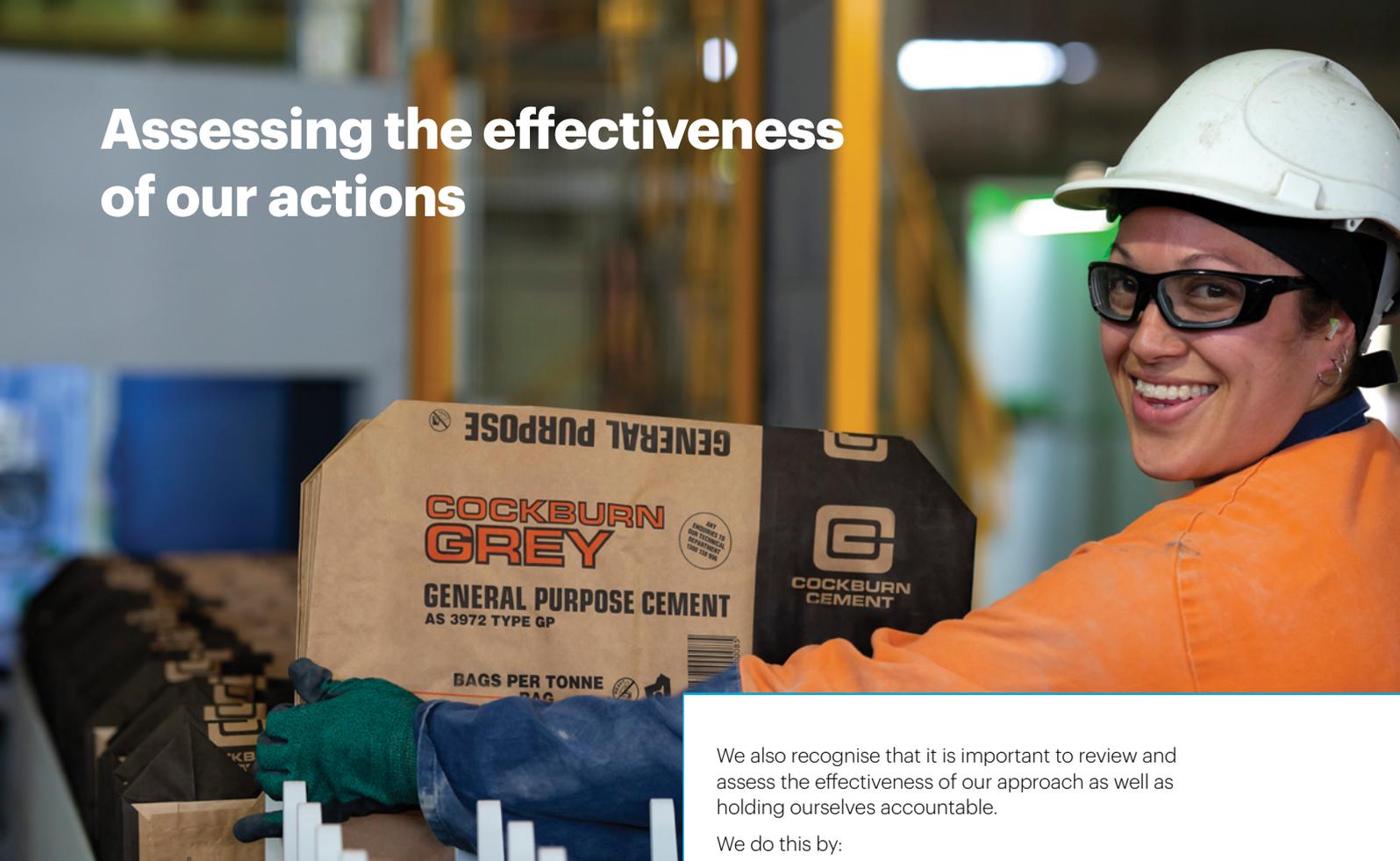
Our actions taken continued

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 ✓ Indicates possible engagement

Assessing the effectiveness of our actions



Each year Adbri Implements new initiatives, or continuous improvement, to mitigate the risk of modern slavery in our Company.

We also recognise that it is important to review and assess the effectiveness of our approach as well as holding ourselves accountable.

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 risk;
- Monitoring the number of suppliers assessed using the risk matrix and identifying any trends; and
- Tracking complaints received through our modern slavery grievance mechanisms.

We also assess the effectiveness of our actions by tracking our progress against our 2021 Modern Slavery Statement. The table on page 21 summarises our commitments and our achievements against those commitments:

Assessing the effectiveness of our actions continued

Our Commitments	Our Action	Our Outcomes	Progress
Greater collaboration	<ul style="list-style-type: none"> Establish a modern slavery working group to further support whole-of-group consultation. 	<p>Adbri met with key representatives for two of our joint ventures, Sunstate Cement and Independent Cement and Lime Pty Limited, to establish a working group.</p> <p>In this meeting we discussed what tools all parties had in place to mitigate the risk of modern slavery in their business. These tools were shared amongst the group.</p>	●
	<ul style="list-style-type: none"> Meet with joint ventures for further consultation. 	<p>In late 2022 the working group was established and regular meetings for 2023 were scheduled.</p>	●
Expanded education	<ul style="list-style-type: none"> Continue to expand modern slavery training to new managerial and operational staff 	<p>Adbri expanded the training to the wider operational group, training 468 employees during 2022.</p>	●
	<ul style="list-style-type: none"> Further engagement and education with key stakeholders and employees. 	<p>We met with key Management teams and explained the requirements for assessing modern slavery in our business.</p>	●
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. 	<p>Modern slavery information included in the 2021 Annual Report that was shared with employees.</p>	●
	<ul style="list-style-type: none"> Reminder communication to all employees about Whistle-blower mechanisms available. 	<p>An email reminder communication regarding modern slavery has been deferred to Q2 in 2023 due to the changes in our Executive team. The new Executive team will be reinforcing to all employees about identifying modern slavery suspicions.</p>	●
		<p>Email issued to all staff on Whistle-blower service and information accessible on updated Adbri internal website and public website.</p>	●
Increased governance	<ul style="list-style-type: none"> Review our modern slavery grievance mechanism template to ensure it is fit for purpose 	<p>During 2022 we did not receive any modern slavery related grievances and as such has not yet been tested in any real-life situations. We will maintain this template as a tool to review our modern slavery grievances (if any) in 2023.</p>	●
	<ul style="list-style-type: none"> Development of a Sustainable Procurement Policy 	<p>A Sustainable Procurement Policy was developed in 2022 and published on the Procurement Intranet site for all staff.</p>	●
	<ul style="list-style-type: none"> More detailed review of our medium-risk suppliers for modern slavery risk. 	<p>In 2022, we completed a detailed review of our medium-risk suppliers and assessed a further 272 existing medium-risk suppliers.</p>	●

● Completed ● In progress ● Not started

Our consultation process

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 centre-led procurement function.

The draft version of our Modern Slavery Statement was shared with the Company Secretary of the Reporting Entities, and the Acting 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 Modern Slavery Statement through our centralised process.

In late 2022, procurement activities moved from a centralised function to a centre-led function. This approach drives standardised processes and knowledge sharing throughout the business. This includes aiming 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 centre-led procurement function, and the Company Secretarial team who represented all of the Reporting Entities.

Next steps

As part of our commitment to continual improvement, we are taking additional actions in 2023 to further mitigate modern slavery in our supply chains and our operations.

These actions are in addition to those identified in our previous Modern Slavery Statements and demonstrate our ongoing commitment to continuous improvement as we strive to eliminate modern slavery risk from our operations and supply chains.

Our commitments	Our 2023 Actions
Increased governance	Review Adbri's Modern Slavery Policy for continuous improvement.
Supplier assessment	Further or ongoing assessment of our supplier base to gauge any changes to risk category or supply from high-risk countries.
Expanded education	Review modern slavery training offered to employees
Greater collaboration	Increase consultation with internal leaders on modern slavery risks in our business

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 May 2023.

Signature of Responsible Member

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



Raymond Barro

Chairman



Mark Irwin

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.	4
b) Describe the reporting entity's structure, operations and supply chains.	6-8
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.	9-12
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.	13-19
e) Describe how the reporting entity assesses the effectiveness of these actions.	20-21
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).*	22
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	22

* 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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