

2020

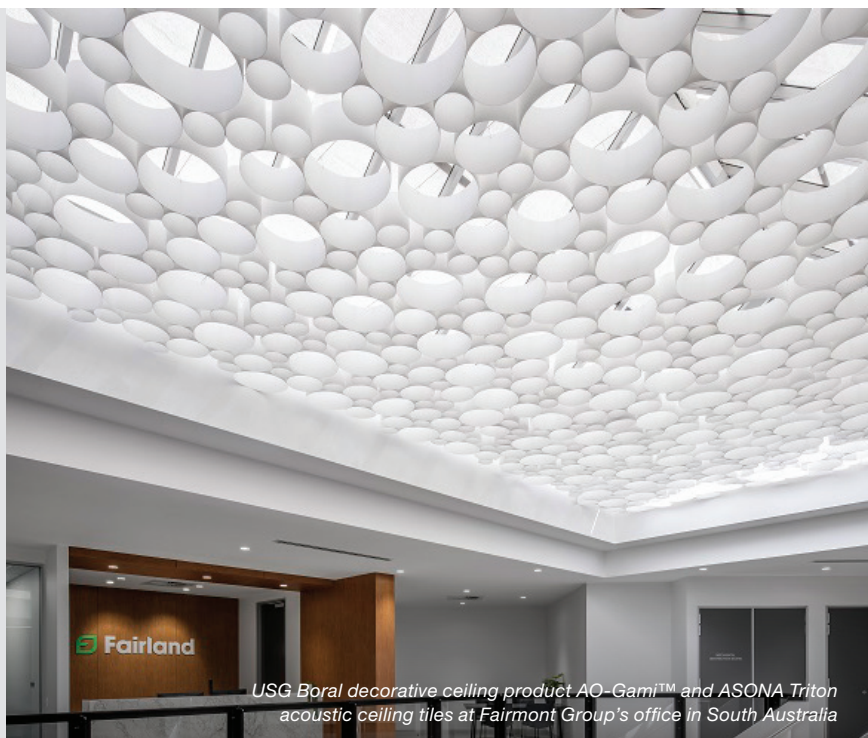


# Joint Modern Slavery Statement for Boral and USG Boral Australia



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USG Boral decorative ceiling product AO-Gami™ and ASONA Triton acoustic ceiling tiles at Fairmont Group's office in South Australia

## Find Boral's full reporting suite at [www.boral.com](http://www.boral.com)

### Annual Report



### Boral Review & Sustainability Report



Online sustainability data and further information



## United Nations Sustainable Development Goals



This Joint Modern Slavery Statement addresses the United Nations Sustainable Development Goals, Target 8.7:

*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.*

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# Disclosure note



Boral mobile concrete plant, Barangaroo, NSW

This Joint Modern Slavery Statement (Statement) is made by Boral Limited (Boral) and USG Boral Building Products Pty Limited (USG Boral Australia) for the year ended 30 June 2020 (FY2020).

Boral and USG Boral Australia are each reporting entities under the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act).

Boral is an Australia-based international construction materials and building products group listed on the Australian Securities Exchange (ASX). Its controlled entities are listed on pages 143–145 of the 2020 Boral Annual Report. Boral's governance, policies, procedures and systems – including those relating to risk management, procurement and human resources – cover each of these entities.

USG Boral Australia is a 50:50 joint venture between Boral and USG Corporation which is now owned by Gebr. Knauf KG (Knauf), a privately owned company based in Germany.

USG Boral Australia owns gypsum-based wall and ceiling operations in Australia and New Zealand.<sup>1</sup>

USG Boral Australia's modern slavery governance, policies, procedures and systems are substantially aligned with Boral's.

A reference to Boral or USG Boral Australia also refers to their respective controlled entities.

Unless the context otherwise requires, a reference to 'we' or 'our' in this Statement refers to both Boral and its 50%-owned joint venture USG Boral Australia.

The modern slavery risks of Boral's other joint ventures, and USG Boral Australia's joint ventures, are not covered in this Statement. Those joint ventures, and how we engage with them, are detailed on page 13.

1. New Zealand operations are owned by USG Boral Australia's controlled entity, USG Boral Building Products NZ.

# Introduction

Modern slavery remains a pervasive yet often hidden issue in global supply chains, and has severe and devastating consequences for victims. We welcome the Australian Government's efforts to help Australian businesses prevent modern slavery in domestic and global supply chains.

We recognise the inherent dignity of all people and the importance of respecting and promoting human rights. Modern slavery is a severe violation of human rights and we are committed to identifying and addressing the risk of modern slavery practices in our operations and supply chains.

Modern slavery, as defined by the Modern Slavery Act, includes 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.

Given the global prevalence of modern slavery, we acknowledge that modern slavery practices may be present in our operations and supply chains, with the greatest area of potential risk within our supply chains.

With thousands of direct (Tier I) suppliers across 25 countries, we are taking a risk-based approach and focusing our efforts on areas assessed as at higher risk of modern slavery practices in our supply chains.

Nevertheless, we recognise that tackling the risk of modern slavery in our supply chains will require ongoing commitment, dedicated effort and resources, and a willingness to be open and transparent when incidents or concerns of modern slavery are identified.

In 2018, Boral established a Human Rights and Modern Slavery Working Group (Working Group), to support its efforts to strengthen its approach to identifying and addressing the risk of modern slavery in its operations and supply chain. The Working Group comprises members of Boral's Executive Committee and senior representatives from the Human Resources, Procurement, Risk, Legal and Investor Relations teams.

Key leaders from USG Boral Australia joined the Working Group in FY2020 and have jointly, with Boral's representatives, prepared and approved this Statement.

We continue to take a multi-year approach to increasing transparency and due diligence in our supply chains. We intend to deepen our understanding of our supply chain risks; extend modern slavery assessment and due diligence across the breadth of our sourcing activities; and increase engagement with our suppliers to identify risks further down our supply chain.

The impacts and uncertainties of the COVID-19 pandemic, which commenced in early 2020, meant that management had to focus their efforts on crisis response, adapting to rapidly changing conditions and taking decisive action. Boral activated its Crisis Management Team in early March 2020 to lead its response to the pandemic. Further information on Boral's response is on pages 20–23 of its 2020 Annual Report. As a result, some of our planned activities to strengthen our approach to modern slavery are being addressed in FY2021.

A summary of the actions we completed in FY2020 and our planned actions for FY2021 are presented on pages 3 and 12 of this Statement, respectively.

Going forward, we are committed to continue to improve our approach. We will monitor peer and best practice developments, and explore how we can most effectively harness collective knowledge and resources by collaborating with other organisations. While our short-term efforts are focused on our direct (Tier 1) suppliers, over time we also intend to extend this to indirect (Tier 2) suppliers.

We recognise that the severe adverse economic impacts of the pandemic are expected to only heighten the risk of labour exploitation and enslavement, particularly in jurisdictions and sectors already most vulnerable to human rights abuses. This reinforces the importance of further developing and strengthening our approach, particularly when assessing suppliers rated at high risk of modern slavery.

**This Statement has been approved by the Board of Directors of Boral and USG Boral, and is hereby signed by a member of each Board.**



**Zlatko Todorcevski**  
Boral CEO & Managing Director



**Ros Ng**  
USG Boral Chairman

# FY2020 activities

Area	Actions completed	Boral	USG Boral Australia	Page
Governance and oversight	Human Rights and Modern Slavery Working Group met three times to drive and monitor progress in FY2020, and in early FY2021 to review and endorse this Statement			8
	Developed a Modern Slavery Charter that outlines our approach to assessing and managing modern slavery risk, and is intended to be refined and updated over time			8
Policies and standards	Boral updated its Supplier Code of Conduct to align with its revised Human Rights Policy			9
	USG Boral Australia adopted a Human Rights Policy and Supplier Code of Conduct that is substantially aligned with Boral's			
Due diligence	Refreshed our Modern Slavery Supplier Risk Profile Assessment tool			7
	Began developing modern slavery supplier screening and due diligence processes			10
Grievances and remediation	USG Boral Australia extended its existing mechanisms (such as FairCall) for reporting business misconduct concerns to modern slavery			10
	Using internal communication initiatives, Boral reinforced staff awareness of reporting mechanisms for modern slavery concerns, including using FairCall			
Training and capacity building	Established a formal process for investigating, tracking, managing and reporting incidents of modern slavery, including to the Working Group and Boral Board Audit & Risk Committee			10
	Implemented modern slavery employee awareness initiatives across Boral Australia, including through posters, email and toolbox talks. Implementation in Boral North America and USG Boral Australia to be completed in early FY2021, including multilingual communications in North America			10
Assessing effectiveness	Developed a modern slavery awareness training program for the human resources and procurement teams, with roll-out completed in early FY2021			10
	Established review processes for assessing effectiveness			11
Engagement and collaboration	Key functional leaders participated in formal and informal industry working groups and conferences on modern slavery, and shared insights internally			



# Our operations

Boral is an Australia-based international construction materials and building products company with operations across 17 countries. Boral is listed on the ASX and its head office is located in Sydney, Australia.

Boral operates three divisions: Boral Australia, Boral North America and USG Boral. Information on Boral's operations, including all its joint ventures, is provided in the 2020 Boral Review & Sustainability Report. Boral and its controlled entities have operating and distribution sites in Australia, the USA, Canada, Mexico and the UK, and reported revenue of \$5.73 billion in FY2020.

USG Boral is a plasterboard wall and ceilings products joint venture owned 50:50 by Boral and USG (the latter now owned by Knauf), with operations in Australia, New Zealand, South East Asia and the Middle East.<sup>1</sup> USG Boral Australia owns USG Boral's operations in Australia and New Zealand.

## Boral

### Boral Australia<sup>3</sup>



Boral is the largest integrated construction materials company in Australia, with a leading position underpinned by strategically located quarry reserves and a network of 371 operating sites across the Quarries, Cement, Asphalt, and Concrete & Placing businesses.

The Boral Australia division also manufactures and supplies timber, roofing and masonry products. Boral Australia serves customers nationally in the infrastructure, commercial and residential construction markets.

Revenue	\$3,336m
Employees	5,874
Full-time	5,452
Part-time	146
Casual	178
Contract	98
Women	13%
FTE <sup>4</sup> contractors	~4,700
Operating sites	371
Distribution sites	16

For further information about Boral Australia's business, including its brands, see [www.boral.com.au](http://www.boral.com.au)

### Boral North America<sup>3</sup>



The Boral North America division has industry-leading positions in fly ash processing and distribution. It manufactures and supplies stone veneer, roof tiles, windows, and light building products such as trim, siding and shutters. Boral North America supplies residential and commercial markets, and the infrastructure market through its Fly Ash business.

Boral also has a 50% interest in the Meridian Brick joint venture, which is not within the scope of this Statement.

Revenue	\$2,336m
Employees	5,215
Full-time	5,182
Part-time	32
Casual	0
Contract	1
Women	28%
FTE contractors	~100
Operating sites	156
Distribution sites	8

For further information about Boral North America's business, including its brands, see [www.boralamerica.com](http://www.boralamerica.com)

## USG Boral Australia<sup>2</sup>



USG Boral Australia is a leading manufacturer and supplier of wall and ceiling solutions in Australia, with distribution sites in New Zealand.

The business produces gypsum-based wall and ceiling linings, cornices and joint compounds, and distributes metal framing, high-performance panels and accessories. USG Boral Australia also provides installation services.

Revenue	\$523m
Employees	742
Full-time	711
Part-time	12
Casual	12
Contract	7
Women	14%
FTE contractors	~700
Operating sites	6
Distribution sites	45

For further information about USG Boral Australia and its products, see [www.usgboral.com/en\\_au/](http://www.usgboral.com/en_au/)

1. USG Boral incorporates USG Boral Australia and USG Boral Building Products Pte Limited, which owns operations in South East Asia and the Middle East. Only USG Boral Australia and its controlled entity USG Boral Building Products NZ are included in this Statement.

2. Includes USG Boral Australia's controlled entity USG Boral Building Products NZ.

3. Data is for Boral and its controlled entities only.

4. Full-time equivalent.

# Our supply chains

## Boral

**> 13,000** direct suppliers in  
**25** countries  
**~98%** suppliers based in  
Australia and the USA

In FY2020, Boral and its controlled entities spent more than \$3.5 billion purchasing products and services from more than 13,000 direct suppliers across 25 countries.

Approximately 98% of Boral's Tier 1 suppliers are based in Australia and the USA, accounting for about 95% of our total procurement spend. Most of our international suppliers are located in Western Europe and Asia, with a small number in Mexico and one supplier in Peru.

**Boral's largest categories of procurement spend comprise raw materials and logistics, which together accounted for more than 55% of our procurement spend in FY2020. Other significant categories of Boral's procurement spend are services, energy, and fixed plant and equipment.**

The key raw materials Boral purchased in FY2020 were quarry products, bitumen, cement, clinker, fly ash, slag, timber, admixtures, oxides and resins.

In the USA, where Boral is an industry-leading fly ash processor and distributor, we purchase fly ash from domestic utilities, and import small volumes of fly ash from Mexico. In Australia, Boral imports clinker from Asia for use in its cement manufacturing operations in Victoria.

Our logistics spend largely represents the domestic movements of products to our operations and customers in Australia and the USA, via road, rail and sea transport. This includes products carried by our contracted drivers in Boral Australia.

We use rail transport primarily to transport quarry materials, cement and lime in Australia, and fly ash in the USA. We import clinker from Asia to Australia using charter party arrangements with large international merchant shipping companies.

The services category of spend 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.

Boral also purchases items of capital plant and equipment, and maintenance and repair supplies, from international suppliers located in Western Europe, the USA and Asia.

## USG Boral Australia

**~5,000** direct suppliers in  
**9** countries  
**>99%** Australia- or  
New Zealand-based suppliers

In FY2020, USG Boral Australia made payments to about 5,000 direct suppliers across nine countries, of which more than 99% were Australia- or New Zealand-based entities. USG Boral's international suppliers are located in Western Europe, the US and Asia.

**USG Boral's most significant procurement spend categories are raw materials, resale products, contracted installers, logistics and energy.**

Approximately 88% of USG Boral Australia's procurement spend in FY2020 was with Australia- and New Zealand-based suppliers, with its key raw materials – gypsum, paper used for plasterboard lining, and steel for ceiling products – purchased from Australian suppliers. It sources gypsum from Gypsum Resources Australia Pty Ltd, an Australia-based joint venture equally owned by USG Boral Australia and CSR Limited.

USG Boral Australia's spend in Asia largely relates to the purchase of plasterboard and ceiling products sourced from USG Boral's Asian operations, and USG Boral Asia's Chinese joint venture, Star USG.

## Contractors and labour hire

We engage contractors to support our operational requirements, including as product installers; as drivers in Boral's transport operations; and in various other operational roles including information technology (IT) and plant maintenance.

In FY2020, Boral engaged approximately 4,700 full-time equivalent (FTE) skilled contractors in Australia and about 100 in the USA, while USG Boral Australia engaged about 700 FTE contractors.

We also have longstanding preferred labour hire supplier relationships in Australia and the USA.

## COVID-19 supply chain impacts

In FY2020, disruptions to our supply arrangements due to COVID-19 were minimal. They were contained to:

- some delays in delivery of capital plant and equipment
- slowdown of supply of certain plasterboard additives from China, and
- certain protective equipment and hand sanitisers being in short supply, with effective sharing of supplies across the Boral and USG Boral network. We secured all critical safety and protection suppliers without issues from our preferred suppliers.

We have received strong support from our key suppliers as we worked closely with them to implement our cash preservation plans from March 2020 onwards. Where necessary, we cancelled shipments and obtained relief from 'take or pay' arrangements while honouring our current contracts.

# Modern slavery risks



We have progressed our work to identify areas of greatest modern slavery risk in our operations and supply chains.

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, as defined in the *Modern Slavery Act 2018 Guidance for Reporting Entities*.

## In our operations

In FY2019, Boral completed an initial desktop assessment of the risk of modern slavery in its operations, including joint ventures. The risk of modern slavery in our operations was assessed as low for the reasons set out below.

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

In Boral and USG Boral Australia, approximately 28% and 31% of employees are covered by enterprise or industrial agreements, respectively.

Our employee onboarding process includes employment checks managed by our central recruitment teams in Australia and the USA, and ensuring all new employees have valid residency status. Our employee induction processes also ensure that new employees confirm they have read and understood our policies and minimum standards.

Boral Group Risk reviews modern slavery risk in our operations as part of the annual risk management processes that identify, assess, monitor and report on our organisation's risks.



## In our supply chain

In FY2019, Boral completed an initial mapping of our supply chain to identify areas at higher risk of modern slavery practices. Our analysis considered our Tier 1 suppliers – those we have a direct arrangement with – for our key spend categories, including those of USG Boral Australia.

Using our Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool developed by Boral Group Risk, we assessed the risk of modern slavery for our key categories of goods and services, and their countries of origin.

### Country of origin risk

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 and industry sectors in which they operate.

The initial inherent risk rating is based on the Global Slavery Index 2018, published by The Minderoo Foundation and Transparency International's Corruption Perceptions Index.

The Global Slavery Index 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 Corruption Perceptions Index scores and ranks countries and territories based on how corrupt each public sector is perceived to be among experts and business executives.

### Category risk

We have identified our categories of goods and services that are at higher risk of modern slavery practices, based on information published by The Minderoo Foundation Walk Free initiative.

These are extraction, manufacturing and unskilled labour hire. However, we do not source unskilled labour from high-risk countries directly.

Based on research by The Minderoo Foundation and the Australian Council of Superannuation Investors, we also consider cleaning services to be an area at higher risk of modern slavery, even where these services are provided domestically in countries assessed as having a low risk of modern slavery.

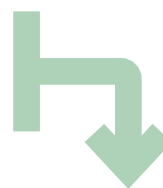
### Areas of highest risk

By considering the country of origin risk and category risk of our Tier 1 suppliers, we have identified the areas of our supply chain at highest risk of modern slavery practices – see table below.

In FY2020, our risk assessment identified that Boral and USG Boral Australia had less than 50 and 15 Tier 1 third party suppliers, respectively, located in countries rated as having a high or very high risk of modern slavery practices and in categories assessed as at higher risk. In FY2021, we plan to undertake a detailed assessment of these suppliers – see page 12.

### Country of origin risk

Risk rating	Risk of modern slavery practices	Countries/regions from which we source
Low	Unlikely risk	Australia, Canada, Japan, New Zealand, Singapore, USA, Western Europe
Medium	Possible risk	Greece, Italy, Malaysia, Taiwan
High	Likely risk	China, India, Indonesia, Peru, Thailand
Very high	Almost certain risk	Mexico, Papua New Guinea



### Areas of highest risk

		Sourced directly <sup>1</sup> from countries assessed as having a high or very high risk of modern slavery	
		Boral	USG Boral Australia
Goods and services categories at higher risk of modern slavery	Raw materials and mining	Bitumen, clinker, fly ash, oxides and slag	Specialist raw materials
	Manufacturing	Steel work, heavy machinery and equipment, repair and maintenance supplies, hardware and metal materials, and pallets and packaging	Steel work, specialised machinery and equipment, repair and maintenance supplies, hardware and metal materials and printing inks

1. Includes some higher-risk categories of spend purchased via a broker.

# Our approach

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

We also expect our suppliers and contractors to respect and promote human rights, and encourage our joint ventures to adopt a similar approach.

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.

Our approach is underpinned by robust corporate governance, along with policies and standards that provide a clear framework and controls for how we manage modern slavery and broader human rights risks within our business and supply chain.

## Governance and oversight

Human rights risks, including modern slavery, are considered within our broader governance framework. Boral's approach to corporate governance is outlined on pages 38–53 of its 2020 Annual Report.

A summary of Boral's approach to sustainability governance, including the role of the Board of Directors, the Board Audit & Risk Committee and Board HSE Committee, is presented on page 27 of the 2020 Boral Review & Sustainability Report.

Boral established a Human Rights and Modern Slavery Working Group in 2018. The Working Group guides, monitors and reviews our work in strengthening our approach to human rights and modern slavery in light of the Modern Slavery Act. In FY2020, senior leaders from USG Boral Australia joined the Working Group.

Chaired by Boral's Group President, HSE, Sustainability, Innovation & Operations Excellence, the Working Group includes members of Boral's Executive Committee and senior representatives from Boral Group Human Resources, Procurement, Risk and Audit, Legal and Investor Relations as well as USG Boral Australia.



*Rail cars at fly ash source, Texas, USA*

The Working Group has reviewed and endorsed the disclosures made in this Statement.

In FY2020, we developed a Modern Slavery Charter that seeks to establish a common understanding of our approach to identifying, assessing and addressing modern slavery risk. We will review this charter at least annually, and refine and update it as we continue to develop our approach.

## Risk management

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

From FY2021, Boral Group Risk will facilitate an annual modern slavery risk review with Boral and USG Boral Australia procurement leaders, which will include:

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

Boral Group Risk will report annually to the Working Group and Boral Board Audit & Risk Committee on the outcomes of the modern slavery risk review. It will include an update on modern slavery management activities, risk exposures, and processes and controls, and meeting our reporting requirements under the Modern Slavery Act.

## Procurement management

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

In Boral North America, Procurement is led by Boral North America's Procurement Director and managed within business units.

USG Boral Australia's procurement spend is managed by the Head of Procurement, although some energy and indirect spend is managed by Boral Australia.

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 formal procurement agreements for long- and short-term supply contracts to less formal arrangements such as purchase order terms and conditions.

## Policies and standards

The foundational policies and standards that set out our commitment to human rights and addressing modern slavery are our Codes of Business Conduct, Human Rights Policies, Supplier Codes of Conduct and Boral's Sustainable Procurement Policy.

USG Boral Australia's standards and policies are materially consistent with Boral's, except that Boral also has a Sustainable Procurement Policy.

Boral and USG Boral's Boards and senior management teams take breaches of our codes and policies very seriously. We have consistent and transparent practices in place to address any non-compliance with our Code of Business Conduct and policies. Formal consequences include additional training, impact on reward and promotion, formal warnings and termination.

Boral's policies and standards are available at [www.boral.com/policies](http://www.boral.com/policies)



Boral and USG Boral Australia	Code of Business Conduct	<p>Outlines our commitment to doing business in an ethical and transparent manner at all times. Boral and USG Boral Australia's respective Codes define 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 respective Codes also outline 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>
	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 any practices that constitute modern slavery.</p>
Boral	Sustainable Procurement Policy	<p>Defines Boral's approach to sustainable procurement and commitment to purchasing goods and services in a responsible way, including ensuring that its risk assessment and risk management processes address modern slavery risk in its 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 Boral's Supplier Code of conduct.</p>



## Supplier due diligence

We select and screen suppliers in our key spend categories, taking into account their geographical location, size, category of goods or services, frequency of supply and expenditure.

Based upon the initial screening, Procurement determines the level of assessment required to validate the supplier's alignment with our standards, which may include a supplier pre-qualification questionnaire and subsequent evaluation. We may also organise supplier site audits conducted by a third party or our own personnel.

Boral Australia and USG Boral Australia 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.

Boral Australia uses a third party for supply chain risk management services to monitor domestic suppliers providing on-site services. This pre-qualification service measures supplier compliance, including safety, insurance and licensing, and will also include modern slavery questions from FY2021.

Our standard procurement agreements state that our suppliers need to comply with all our policies, which includes our Supplier Code of Conduct.

In FY2021, we will conduct a detailed assessment of our suppliers that have been assessed as at highest risk of modern slavery (see pages 7 and 12). We will also further develop the verification and due diligence process based on the level of modern slavery risk, as assessed by our MSSRPA tool.

This additional verification and due diligence will include a combination of some or all of:

- a requirement for extensive pre-qualification information and rigorous evaluation
- additional checks that they have requisite policies, processes and controls in place to adequately mitigate the risk of modern slavery

- attestation of compliance with our Supplier Code of Conduct
- a positive outcome from an independent on-site supplier audit
- senior management approval.

We will take appropriate steps if we identify any deficiencies or cases of non-compliance. This may include working with the supplier to ensure that any deficiencies are remediated according to an agreed action plan.

## Grievances and remediation

We recognise the importance of access to easy and clear avenues for reporting concerns. Our employees and contractors can report concerns relating to modern slavery practices through FairCall and via internal reporting channels by contacting our Senior Management, Human Resources, Internal Audit or Legal teams.

In FY2021, we will promote awareness of the FairCall reporting mechanism among our suppliers by providing online information on how to lodge modern slavery concerns.

In Boral Australia, local community members can also raise concerns through our regional Stakeholder Engagement Managers.

## Incident reporting and remediation

We recognise that reports of modern slavery concerns or incidents may be raised in various ways – directly by suppliers, by our employees, by third parties, or anonymously via our FairCall service.

We are committed to investigating any reported concerns or incidents, and if those concerns are substantiated, taking appropriate steps to address the issues raised. We are also committed to maintaining the integrity of the reporting and investigation processes.

All substantiated incidents of modern slavery will be formally documented, investigated and reported to the Working Group, and at least annually to Boral's Board Audit & Risk Committee.

In FY2020, we did not receive any reported concerns of modern slavery practices, nor did we identify any instances of modern slavery in our operations or supply chains.

We are committed to being open and transparent should any modern slavery incidents be substantiated and, where possible, we will report on the outcomes and remediation actions in future Statements.

## Awareness and training

In FY2020, Boral Australia launched initiatives for raising awareness of modern slavery, including communications to all staff across its controlled operations, 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 our staff can report any concerns.

These communications also reinforced Boral's grievance mechanisms, including its whistleblower reporting service, FairCall. We will roll out these initiatives across Boral North America and USG Boral Australia in early FY2021.

During the year, we also rolled out an 'Introduction to Modern Slavery' training program for those responsible for human resources and procurement processes and the controls that mitigate our modern slavery risks. 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.

# Assessing effectiveness



Boral Asphalt plant, NSW

Our Working Group will determine the most appropriate method, scope and resources for assessing the effectiveness of our approach and processes related to modern slavery risks.

From FY2021, the Working Group will review annually:

- **our MSSRPA tool** and how it is being implemented
- **our supplier assessments**, and how they are conducted, integrated with supplier selection, and reported
- **any concerns raised**, including through the FairCall hotline; our escalation process; and our responses and remediation actions
- **our approach in light of evolving best practice**
- **training and capacity building** for our procurement and human resources staff, and
- **communications** to further develop awareness and understanding of modern slavery and our actions within our workforce.

In FY2021, the Working Group will define quantitative indicators that will be used to assess the effectiveness of our modern slavery risk management and processes.

In determining the timing and scope of our modern slavery assessments, the Working Group will consider changes to our modern slavery framework, the performance of key processes, any risk exposures, and evolving trends and best practice.

We may use our Internal Audit, Boral Group Risk function and other subject-matter experts to conduct these assessments. Our Internal Audit function may also use external advisors and auditors to conduct these reviews.

# FY2021 planned actions

Area	Planned actions
Governance and oversight	<p>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</p> <p>USG Boral Australia's Internal Audit function will consider modern slavery risk within the scope of its annual audit plans</p>
Policies and standards	<p>Review and refine standard procurement contract clauses to incorporate our expectations on aspects of modern slavery for new procurement agreements</p> <p>Implement a process for having new vendors formally acknowledge the Supplier Code of Conduct, and distribute the code to existing suppliers</p>
Due diligence	<p>Boral Group Risk, in conjunction with Procurement will review, refine and broaden supply chain mapping and risk assessment</p> <p>Update supplier pre-qualification evaluation questionnaire to include specific reference to supplier modern slavery risks</p> <p>Conduct detailed assessment of existing suppliers identified as being at highest risk of modern slavery practices based on country of origin and category risk – comprising fewer than 50 Boral suppliers and 15 USG Boral Australia suppliers respectively in FY2020</p> <p>Conduct detailed modern slavery risk assessment for all new or renewing procurement-managed supplier contracts, assessed as high risk based on our MSSRPA tool</p>
Grievances and remediation	<p>Promote awareness of FairCall reporting mechanism to suppliers by providing online information on how they can report modern slavery concerns</p>
Training and capacity building	<p>USG Boral Australia will roll out an internal modern slavery awareness campaign, including a focus on its Human Rights Policy and Supplier Code of Conduct</p> <p>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</p> <p>Increase supplier awareness by communicating updated Supplier Code of Conduct</p>
Assessing effectiveness	<p>Define procedures and quantitative indicators for assessing the effectiveness of our modern slavery approach and processes</p>
Engagement and collaboration	<p>Actively seek to collaborate in multi-stakeholder initiatives to build further capacity and knowledge, and leverage resources across the industry</p>



# 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, Human Resources, Legal and Procurement.

For the purposes of the modern slavery risk reviews to be undertaken by Boral Group Risk (see page 8), non-controlled joint ventures will be assessed as Boral suppliers. Joint venture boards will be notified of any modern slavery risks identified through the procurement or risk assessment processes.

<b>Boral joint ventures</b>	<b>Ownership interest (%)</b>	<b>Co-owner of joint venture</b>
Bitumen Importers Australia Pty Ltd	50	Downer EDI Works Pty Ltd
Flyash Australia	50	Cement Australia Holdings Pty Ltd
Highland Pine Products Pty Ltd	50	Associated Kiln Driers Pty Ltd
Meridian Brick LLC	50	Lone Star Funds
Meridian Brick Canada Ltd	50	Lone Star Funds
Penrith Lakes Development Corporation Ltd	40	Holcim (Australia) Pty Ltd Hanson Australia Pty Ltd
South East Asphalt Pty Ltd	50	Fulton Hogan Pty Ltd
Sunstate Cement Ltd	50	Adelaide Brighton Ltd
USG Boral Building Products Pte Ltd (Asia)	50	USG Corporation (now owned by Knauf)
<b>USG Boral Australia joint ventures</b>		
Gypsum Resources Australia Pty Ltd	50	CSR Ltd
Rondo Building Services Pty Ltd	50	CSR Ltd

Boral's joint venture, Bitumen Importers Australia, and USG Boral Australia's joint venture, Rondo Building Services Pty Ltd, are reporting entities under the Modern Slavery Act for the year ended 30 June 2020.

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