

Modern Slavery and Human Trafficking Statement

This is the Modern Slavery and Human Trafficking Statement of the Breedon Group of companies (“the Breedon Group”) for the 12 months ending on 31 December 2022, being the same date on which the Breedon Group’s financial year ended.

Whilst the Modern Slavery Act 2015 (“the Act”) does not apply to all jurisdictions in which the Breedon Group operates, we are committed to the spirit of the Act and expect all companies to comply with it. For the purposes of compliance with the Act this Statement covers the following companies within the Breedon Group: Breedon Cement Limited (CRN 08284549), Breedon Trading Limited (CRN 00156531), and Whitemountain Quarries Ltd (CRN NI018140). Breedon Northern Limited (CRN SC144788) is no longer trading and accordingly falls outside the scope of reporting under the Act.

Introduction

Under section 54 of the Act, organisations with a turnover in excess of £36 million must produce a slavery and human trafficking statement setting out the steps an organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

The statement should as a minimum set out the following:

1. the organisation’s structure, its business and its supply chains;
2. the organisation’s policies in relation to slavery and human trafficking;
3. its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
4. the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
5. its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and
6. the training related to slavery and human trafficking available to its staff.

Our business, structure and supply chains

The Breedon Group is the leading independent construction materials group in the UK and Ireland. The Group manufactures and sells for resale or use into the UK and Irish market, the following products: cement, aggregates (including decorative aggregates), asphalt, ready-mixed concrete, slate, concrete products, clay products and mortar. The Group also operates asphalt surfacing businesses in the UK and Ireland.

The Chief Executive Officer (“CEO”) and Board of Breedon Group has ultimate responsibility for the Breedon Group’s response to modern slavery, with day-to-day management and mitigation of risk managed by the business divisions.

During 2022, the Breedon businesses were as follows:

GB Materials – comprising Breedon Trading Limited, a fully-integrated aggregates business with extensive networks of quarries, ready-mixed concrete and asphalt plants across Great Britain

GB Surfacing – comprising the asphalt surfacing activities across the whole of GB and all construction material activities in the Hebrides.

Ireland – comprising the businesses previously known as Lagan and Whitemountain (including its existing GB construction activity), the combined businesses have been rebranded under the name Breedon. It covers all construction materials and contracting businesses and bitumen import and distribution terminals at the Ports of Belfast and Dublin.

Cement – comprising the Breedon Group’s cementitious operations and our brick and tile businesses. The cement business operates from two cement plants, one in Derbyshire, England (being the largest independent producer of cement) and one in Kinnegad, Ireland (one of the most modern in Europe). It also imports and exports cementitious products through four dedicated terminals in the UK and Ireland.

We categorise our suppliers as follows:

Direct: these are the suppliers of raw materials without which we could not produce our products and principally include aggregates, bitumen, cement, fuel (including electricity and production fuels), admixtures and extenders;

Indirect: these are the suppliers and providers of goods, services and facilities which assist in the operation of our business and include labour, haulage services, operating equipment and other operating services; and

Capital: these are the suppliers of capital items which we purchase for our business, including fixed and mobile plant, buildings and other operating machinery.

The areas which we source goods and services is predominantly from within the UK, but also from Ireland. Some imported cementitious products and specialist capital items are sourced from elsewhere in Europe. Bitumen and other raw materials are sourced in Europe and elsewhere.

Our policies

The Breedon Group is opposed to slavery and human trafficking wherever it might occur, and we have a number of policies in place to mitigate and manage the risk of such practices occurring in any of our businesses or our supply chain irrespective of the jurisdiction in which they operate.

In 2022 we streamlined our Code of Conduct which applies to all employees in all our business jurisdictions (“the Code”), reinforces our values and provides guidance so that our employees and business associates are fully aware of what is expected of them.

In support of the Code, Breedon has developed a compliance framework with policies covering, amongst other things, competition law; data protection; anti-bribery and corruption; bullying, harassment and intimidation; the prevention of facilitation of tax evasion; conflicts of interest; modern slavery; diversity and inclusion; environmental management; and community involvement.

Many of these policies were updated in 2022, and at the same time we created a new Anti-Slavery Policy. Breedon has also developed a suite of guidance notes to support the framework on these and other related topics.

Breedon expects its suppliers and business partners to uphold the same standards as our employees. In our business dealings we expect our partners to respect our business principles and comply with our Supplier Code of Conduct ("the Supplier Code"). The Supplier Code was also updated in 2022.

The Supplier Code applies to all suppliers, subcontractors, business partners, service providers, professional services providers, consultants, intermediaries and agents. We also request that the practices and principles outlined in the Supplier Code flow down throughout their supply chains.

The Supplier Code includes a specific requirement to:

- Not use child labour or any form of forced, bonded or involuntary labour;
- Have a zero tolerance approach for human trafficking;
- Not allow any practice which would restrict free movement of employees;
- Ensure all working conditions, hours, wages and benefits comply with Relevant Laws;
- Comply with the provisions of the UK's Modern Slavery Act 2015 irrespective of the jurisdiction of operation, to eliminate risk of modern slavery within their supply chain and work with us to ensure we maintain compliance.

Every employee and everyone who works with us is responsible for challenging any unethical, dishonest or unacceptable behaviour and to speak up if they see things which do not meet our high standards. We have a whistleblowing policy, which is available to all colleagues, and includes access to a 24 hour/7 day independent confidential anonymous reporting system through which colleagues and suppliers can raise any concerns. The results are sent directly to the Group General Counsel and Group People Director and, if appropriate to the CEO, where all reports are treated seriously and are investigated confidentially and without bias.

Our due diligence processes

We aim whenever possible to work with preferred suppliers, who we can trust and with whom we can communicate effectively, especially on new areas of law which they may not be familiar with. All key supplier relationships are reviewed regularly.

We have established a centralised supplier onboarding process and procedure which is now being utilised by the Cement, GB Materials and GB Surfacing divisions. The businesses operating in Ireland whilst having localised supplier processes have their own subcontractor agreements and template purchase order forms. In each case across all the business these processes include an obligation to purchase on our standard terms which contain an obligation to comply with, inter alia, the Act, relevant anti bribery and competition laws, and the Supplier Code.

Assessing and Managing the Risk

As noted above, the vast majority of our supply chain is within the UK and Ireland. We recognise that some areas, such as having a flexible workforce or non-direct recruitment that falls outside centralised processes may pose more of a risk of modern-slavery-related activities than others. This year we aim to undertake a Human Rights Assessment exercise and to map our supply chain to better understand areas of potential risk which may exist in our supply chain.

We try, wherever possible, to procure all our goods and services through our standard purchase terms which impose contractual obligations on suppliers to comply with modern slavery principles, and with all relevant laws.

We constantly challenge ourselves to engage with all our internal and external stakeholders to raise awareness of modern slavery and human trafficking. In 2022 we developed a specific Modern Slavery Awareness online training course, which was issued with the Anti-Slavery Policy, to raise internal awareness on these issues.

Managing and Measuring Effectiveness

We continue to try and develop ways of measuring our effectiveness once we have established a uniform system (as far as it is appropriate to do so) for the sourcing of goods and services.

In 2022, we engaged an external organisation to scope out a risk assessment for modern slavery within our supply chain. During 2023, we will roll out this risk assessment, which will include a mix of tailored supplier questionnaires and a stakeholder workshop culminating in a report with prioritised risks and high level advice on how to address the identified risks within the organisation.

In addition our GB Materials and Surfacing businesses are holding a supplier engagement event in 2023 to share knowledge and improve collaboration on key topics including responsible supply chain, with a view to driving better engagement and helping to measure effectiveness.

Training

All colleagues with procurement responsibilities are aware of the basic requirements of the Act.

In 2022 we provided Modern Slavery awareness materials to new senior colleagues as part of our company induction programme, ensuring that colleagues are aware of the specific modern slavery risks in the construction industry; how to identify issues and report them.

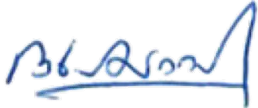
In 2022, we recognised that we needed to provide training on the Code and modern slavery risks to a wider Breedon audience. In conjunction with anti-bribery and data protection training, bespoke courses were developed for online delivery and this was rolled out to over 2,200 of our colleagues. The online training is traceable and auditable and requires a pass rate of 80% of tailored questions to be answered correctly before the course is complete.

All new starters to Breedon will receive an invitation to complete this online training within the first few months of their start date.

During 2023, we will work with the businesses to deliver training on the Code and anti-slavery principles to those of our colleagues who do not have internet access via alternative methods, including on site tool box talks.

The Breedon Group will review, update and publish this Modern Slavery and Human Trafficking Statement annually.

Approved on 7 March 2023 by the Board of Directors of Breedon Group plc and signed for and on behalf of the Board.

A handwritten signature in blue ink, appearing to read 'Rob Wood', with a horizontal line underneath the name.

Rob Wood
Chief Executive Officer
7 March 2023