

Modern Slavery Act 2015

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Breedon Group plc for the year ending 31 December 2023

Modern Slavery Act 2015: Slavery and Human Trafficking Statement

Introduction

This is the annual transparency statement of Breedon Group plc and its subsidiaries' (collectively Breedon or the Group) and sets out the measures we have taken during the financial year ending 31 December 2023 to ensure that slavery and human trafficking is eliminated from our business and our supply chains.

This statement is made in accordance with section 54(1) of the UK Modern Slavery Act 2015 (the Act).

It continues to be a priority for Breedon to ensure that it trades ethically, sources responsibly and works to improve practices to prevent slavery in its business and supply chains.

Breedon has a zero tolerance policy regarding any type of modern slavery and expects the same standards from those we do business with.

Who we are and what we do

Breedon is a leading vertically-integrated construction materials group in Great Britain and Ireland.

The Group employs over 3,700 people operating across approximately 100 quarries, 50 asphalt plants, 170 ready-mixed concrete plants and from 2 cement plants. Listed on the premium segment of the official list of the London Stock Exchange and a FTSE 250 company, the Group has an annual turnover of around £1.4billion.

We supply the construction industry with the essential materials needed to build the places where we live and work, play and in-between.

We use our core assets to produce valued-added downstream products, pulling through our aggregates and cement to deliver asphalt, ready-mixed concrete and surfacing solutions to the whole construction supply chain.

Our policies

Breedon is opposed to slavery and human trafficking wherever it might occur, and we have a number of policies in place to manage and mitigate the risk of such practices and demonstrate our commitment to that zero tolerance approach. These include:

Code of Business Conduct

Our Code of Business Conduct (**Business Code**) affirms our commitment to high standards of ethical conduct in all our business dealings.

Our refreshed Business Code which was launched in late 2022 sets the standards of conduct expected of all employees. They must work to the highest ethical standards, comply with the law, and act responsibly. Our Business Code is available [here](#).

Supplier Code of Conduct

Our Supplier Code of Conduct (**Supplier Code**) establishes the minimum standards that must be met by any entity that supplies products or services to the Group. We have a commitment to work only with those whose standards are consistent with ours. Key commitments are on health and safety, people and the community, environment, climate change, governance and compliance.

Acceptance of our Supplier Code is a contractual obligation in our standard purchase terms and conditions. Within the Supplier Code our suppliers must specifically undertake the following in relation to modern slavery:

- not use child labour or any form of forced, bonded or involuntary labour;
- ensure there is no modern slavery within their supply chain and work with us to ensure Breedon maintains compliance with the UK's Modern Slavery Act;

- have a zero tolerance approach for human trafficking;
- not allow any practice which would restrict free movement of employees; and
- ensure all working conditions, hours, wages and benefits comply with Relevant Laws.

Our Supplier Code is available [here](#).

Anti-Slavery Policy

Our Anti-Slavery Policy, introduced in 2022, reflects our commitments to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. This is underpinned by our health and safety culture supporting our efforts to provide a safe working environment for all colleagues.

Our Anti-Slavery Policy is available [here](#).

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.

Suppliers in Great Britain are onboarded centrally and in Ireland, bespoke subcontractor agreements and template purchase order forms are utilised for engagement. In each case processes include an obligation to purchase on our standard terms which require suppliers to comply with, amongst other things, the Act, the Anti-Slavery Policy, the Supplier Code and other relevant laws.

Across the Group in 2023, we made three bolt-on acquisitions. Due diligence was carried out which included health & safety and employment checks. Integration plans to ensure these new acquisitions operate to Breedon standards, including those related to slavery, are part of day one and month one planning.

Our supply chain risks

The Group operates within Great Britain and Ireland and as a result its supply chain is predominantly located there as well, where companies operate within the bounds of robust local labour and human rights protection. Country risk is a key part of the assessment of risk and the vast majority of our suppliers replicate our operational foot print with the large majority of our spend in the UK and Europe.

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;

1. Breedon includes Breedon Trading Limited, Breedon Cement Limited and Whitemountain Quarries Ltd who fall within the direct scope of reporting under the Act.

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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, other operating machinery and buildings.

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.

In 2023, to further inform our risk and responsible procurement processes, we engaged an external organisation to undertake a Human Rights Impact Assessment exercise with key stakeholders, including operational and support services colleagues.

The workshops were facilitated by an independent organisation, Action Sustainability, and were attended by key colleagues from our operations and our central HR, safety, sustainability, procurement and legal functions. The exercise assessed our supply chain risk against categories of spend, in line with our new strategic category management approach. Modern slavery-related risks were reviewed as a specific impact under 'People', and areas of weakness identified included suppliers in waste management, chemicals, and vehicles.

Our mitigation measures

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.

We monitor and assess our supply chain partners through various methods including Alcumus Safe Contractor for onboarding supply chain database, our pricing and tendering exercises, contractual obligations and ongoing engagement through supplier relationships. These practices are reflected through our maintenance of our BES 6001 (Responsible Sourcing in Construction Products) accreditation.

In 2023 we introduced a strategic category management approach for the procurement of goods and services. Eight supply chain categories have been agreed and are underpinned by our Sustainable Procurement Policy statement launched in December 2023.

With the introduction of strategic category management in procurement, a total cost of ownership approach has been implemented for the award of strategic supply contracts. These contracts will be awarded based on factors such as quality, human rights impact or anti-slavery, sustainability performance, environmental impact, safety measures, innovation and cost, using procurement tools such as score cards built with the cross functional teams of key people from the business.

We are committed to continuous improvement and several new category management roles have been approved for recruitment in 2024 to increase our capability and focus on this topic. This includes a dedicated Sustainable Supply Chain Manager who will drive the improvements highlighted by the supply chain risk assessment exercise, along with a review of our supplier onboarding systems and processes.

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

To ensure greater cross functional collaboration between the internal audit and legal teams in driving and monitoring compliance with ethical standards across all areas of the Group, including modern slavery, we are actively recruiting for a full-time regulatory and compliance lawyer, who will report to the Head of Legal.

In addition, in 2024, our GB materials and surfacing businesses will hold supplier engagement events 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.

A specific Modern Slavery online training course, which was issued with the Anti-Slavery Policy, to raise internal awareness on these issues was launched in late 2022 and completed by over 2,200 colleagues in 2023. All new starters to Breedon in 2023 receive an invitation to complete this online training within the first few months of their start date. Refresher modern slavery training will commence in 2024.

In 2023, we recognised that we needed to provide training on the Business Code and modern slavery risks to a wider Breedon audience. Those employees without internet access received training on modern slavery, the Business Code and anti-bribery via toolbox talks.

Whistleblowing

To ensure a strong culture of speaking out at Breedon, we provide an independent confidential way to report concerns through a helpline facility. This telephone service is available 24/7, is externally hosted and allows for anonymous reporting.

Our whistleblowing policy outlines our commitment to supporting all persons, including current, potential, and former employees, independent contractors, customers, and suppliers in coming forward with any genuine concerns of wrongdoing within Breedon.

In 2023 a new whistleblowing policy and process was launched to ensure all complaints are triaged by a designated committee which includes the Audit Chair and the Head of Risk and Control, then investigated confidentially and professionally with any recommendations implemented accordingly.

A summary of all whistleblowing complaints, and the outcomes, are reported to the Audit & Risk Committee with any recurring themes assessed as to whether a secondary review is required. All stakeholders are encouraged to raise any legitimate concerns and we do not tolerate any reprisals for such reporting.

Responsible Corporate Governance

We support stakeholder expectations to respect human rights and address any adverse impacts we may create in operating our business. This is aligned to our purpose to make a material difference to the lives of our colleagues, customers and communities.

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

Approved on 5 March 2024 by the Board of Directors of Breedon Group plc and signed for and on behalf of the Board.



Rob Wood, Chief Executive Officer
5 March 2024

