

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 2020 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 Southern Limited (CRN 00156531), Breedon Northern Limited (CRN SC144788) and Whitemountain Quarries Ltd (CRN NI018140).

## **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 largest independent construction materials company in the UK and Ireland. The Group manufactures and sells for resale or consumption into the UK and Irish market, the following: cement, aggregates (including decorative aggregates), asphalt, ready-mixed concrete, Welsh slate, concrete products, clay products and mortar. The Group also operates contract surfacing businesses in Northern Ireland, the Republic of Ireland, central England and throughout Scotland.

The Chief Executive 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 2020 we operated as five autonomous businesses within the UK and Ireland. Breedon Southern Limited and Breedon Northern Limited are both fully-integrated aggregates businesses with extensive networks of quarries, ready-mixed concrete and asphalt plants and well-established contract surfacing operations. Breedon Cement operates from two cement plants, one in the UK (being the largest independent producer of cement and one in the

Republic of Ireland (one of the most modern in Europe). It also imports and exports cementitious products through four dedicated terminals in the UK and Ireland.

Whitemountain comprises all of Breedon's construction materials and contracting business in Northern Ireland, with specific project delivery in the UK. It also has a bitumen import and distribution business from its terminal at the Port of Belfast. Whitemountain also exports aggregates from its terminal at the Port of Belfast.

Lagan is the trading name for various Irish registered companies which comprises all of Breedon's construction materials and contract surfacing operations in Ireland. It also has a bitumen import and distribution from its terminal at the Port of Dublin.

In 2021 Breedon is changing the way it trades in Great Britain and Ireland and with effect from 1 April the Breedon businesses will be as follows:

- **GB Materials** – comprising the Breedon Northern and Breedon Southern construction materials businesses
- **GB Contracting** – comprising the contract surfacing businesses of Breedon Northern and Breedon Southern
- **Ireland** – comprising Lagan and Whitemountain (including its existing GB construction activity)
- **Cement** – comprising the Breedon Group's cementitious operations and our brick and tile businesses

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), 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 the Republic of Ireland. Some imported cementitious products and specialist capital items are sourced from elsewhere in Europe. Bitumen is purchased and resold through Whitemountain and Lagan, and the raw materials are sourced in Europe.

## **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.

Our Code of Business Conduct applies to all employees in all our business jurisdictions (“the Code”) and it 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 competition law; data protection; anti-bribery and corruption; bullying, harassment and intimidation; the prevention of facilitation of tax evasion; conflicts of interest; modern slavery; environmental management; and community involvement. 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 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 of Conduct flow down throughout their supply chains.

The Supplier Code includes a specific requirement to ensure:

- No use of child labour or any form of forced, bonded or involuntary labour;
- Having a zero tolerance approach for human trafficking;
- Not allowing any practice which would restrict free movement of employees;
- Ensuring all working conditions, hours, wages and benefits comply with Relevant Laws;
- Compliance with the provisions of the UK’s Modern Slavery Act 2015 irrespective of the jurisdiction of operation, ensuring there is no modern slavery within the supply chain and working with us to ensure we maintain compliance.

The Supplier Code was updated in 2020 to include updated policies for Health, Safety and Wellbeing; Environment; and Quality.

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 of which are sent directly to the Group Services Director and Group Human Resources Director and, if appropriate to the Group Chief Executive, 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 Contracting 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 our Supplier Code of Conduct.

### **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 2020 Breedon Group signed the Gangmasters and Labour Abuse Authority (GLAA) Construction Protocol, pledging to work in partnership with the GLAA and other organisations to share information which will help stop or prevent exploitation in the building industry, and to raise awareness of slavery through construction supply chains.

### **Managing and Measuring Effectiveness**

During 2020 the Breedon Group completed the acquisition of certain UK assets from Cemex UK. This proved extremely challenging in that the completion was subject to the approval of the Competition and Markets Authority (“CMA”) and as such the Breedon Group was prevented from having any interaction with the former Cemex assets or its people until the CMA completed their investigation.

We have also been significantly impacted by the events of the COVID-19 pandemic which resulted in Government imposed national lockdowns (with differing rules across different jurisdictions) causing large scale site closures, home working and managing the health, safety and wellbeing of our colleagues whilst absent from the business or on managing their phased returns.

In 2020 we rolled out a suite of policies and practices which seek to ensure consistent behaviour among our colleagues for Health, Safety and Wellbeing, Environment, Quality, Biodiversity, the Circular Economy, Social Responsibility, and Energy and Carbon.

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.

### **Training**

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

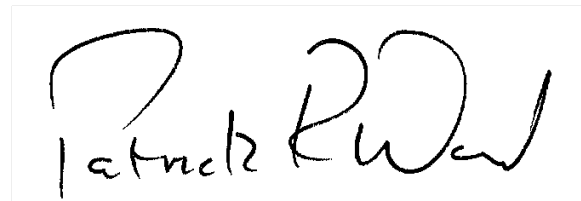
We have an extensive compliance training programme, however in 2020 our ability to deliver face-to-face training has been hampered by the restrictions relating to the pandemic, so we are reviewing our capability and the potential to deliver more of our training online.

In 2020 we issued an updated internal Modern Slavery guidance note to all senior managers across the Group and we issued a Modern Slavery training pack to all colleagues across the business to raise awareness of the specific modern slavery risks in the construction industry; how to identify issues and report them.

We produced a specific Modern Slavery Toolbox Talk, with printable posters (in multiple languages) for our operations, and we developed Modern Slavery awareness materials which are now delivered to all new colleagues as part of our standard company induction programme.

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

Approved on 9 March 2021 by the Board of Directors of Breedon Group plc and signed for and on behalf of the Board.



**Pat Ward**  
**Group Chief Executive**

9 March 2021