



Modern Slavery Act

This is the Modern Slavery and Human Trafficking Statement of the Breedon Group of companies (“the Breedon Group”) as at 31 December 2018.

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 expects 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 report 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.

In April 2018 the Breedon Group acquired the Lagan group of companies which extended its operating activities into Northern Ireland and the Republic of 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, concrete products and mortar. The Group also operates contract surfacing businesses in Northern Ireland, the Republic of Ireland, central England and throughout Scotland.



We operate 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 three 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.

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.

Due to the enlarged footprint in which the Breedon Group now operates, the areas from which it sources its goods and services has extended. These are still predominantly from within the UK, but there is now an extended reach within the Republic of Ireland. Some imported cementitious products and specialist capital items are still being sourced from Europe. Bitumen is now being 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.

We manage our people openly, honestly and fairly and aim always to behave as a responsible employer, adopting values and standards designed to help



guide our staff in their conduct and business relationships. We are committed to having a fully trained and competent workforce and actively promote vocational training for our employees.

We have a whistleblowing policy, which is available to all employees, and includes access to a confidential anonymous telephone contact number, the results of which are sent directly to the Group Services Director and, if appropriate, the Group Chief Executive, through which colleagues can raise any concerns.

Senior employees within the business are made aware of, and expected to comply with, our anti-bribery and integrity policy, and compliance is reviewed regularly.

Our policies and codes of conduct are designed to reduce the impact of our operations on our employees and on the communities in which we operate. To this end, we particularly encourage equal opportunity and a positive approach to health & safety and care for the environment; we see our policies in these areas as an integral part of our business activities. For example, we aim to continuously improve our safety performance and we are steadily increasing the number of sites with environmental, safety and quality certification. We also continue to actively engage with the communities in which we operate through local liaison committees and support for local events, community groups and sports teams.

Our due diligence process

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. During 2017, we commenced a review of the new supplier process throughout the three businesses we operated at that time. One of the initial findings of the supplier onboarding process, was that there was no consistency of approach. Due to implementation of new IT systems across the businesses, this review remained ongoing at the year-end of 2017.

During 2018 we developed a new supplier process and procedures in conjunction with the businesses and IT capability which is now being utilised by Breedon Cement Limited, Breedon Southern Limited and Breedon Northern Limited. Lagan and Whitemountain are not as yet on the same IT platform as the wider business and in 2019 we shall consider how we make this process Group wide. Such process includes, as far as possible, an obligation that new suppliers agree to our standard purchase terms, and an obligation to comply with, inter alia, the Act, and all relevant anti bribery and competition laws.

We have developed a Supplier Code of Conduct which sets out the standards we expect of all our suppliers and their suppliers. This has now been made available to our larger suppliers across the entire enlarged Group via letter or through purchasing procedures and is available on our website.



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 pose more of a risk of modern-slavery-related activities than others. This year we are continuing to put in place processes to identify the risks which may exist in our supply chain.

We will 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. The standard terms of purchase have also been updated to impose an obligation on our suppliers to comply with the Supplier Code of Conduct. We intend to extend this to all our operating businesses. We will be considering how best to achieve this during 2019.

We constantly challenge ourselves to engage with all our internal and external stakeholders to raise awareness of modern slavery and human trafficking.

Managing and Measuring Effectiveness

During 2018 the Breedon Group completed its largest acquisition to date, and extended its operating jurisdiction into Northern Ireland and the Republic of Ireland, and we are in the process of rolling out a suite of policies and practices which will ensure consistent behaviour among our colleagues, in relation to this and other relevant areas.

We will 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 developed and continue to roll out a training programme across the business to ensure that those directly involved in our supply chains and human resources have an appropriate understanding of the requirements of the Breedon Group and of the law in this area.

All relevant employees are expected to comply with our anti-bribery and competition law policies, which have been updated again in 2018 and followed up with an extensive training programme. Further training across all businesses (including those in Northern Ireland and the Republic of Ireland) has been delivered during 2018 and will continue into 2019. Phase 2 of our compliance training, including awareness of modern slavery and the Act is being developed.

We have used a range of communications channels, from our intranet and our employee magazine together with the "Visible Felt Leadership"



programme to raise internal awareness more generally of modern slavery. In 2019 we shall produce and distribute an internal guidance note to all senior managers across the enlarged Group highlighting the specific modern slavery risks in the construction industry and identifying potential ways to spot them and report them.

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

Approved by and signed for and on behalf of the Board of Directors of Breedon Group plc

A handwritten signature in black ink, appearing to read "Pat Ward", written in a cursive style.

Pat Ward
22 January 2019