

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 2021 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, formerly known as Breedon Southern Limited), Breedon Northern Limited (CRN SC144788, which ceased trading on 31 March 2021) 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 leading independent construction materials group 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, slate, concrete products, clay products and mortar. The Group also operates asphalt surfacing businesses in Northern Ireland, the Republic of Ireland, England and Scotland.

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.

At the beginning of 2021 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 asphalt 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 asphalt surfacing operations in Ireland. It also has a bitumen import and distribution from its terminal at the Port of Dublin.

During 2021 Breedon changed the way it traded in Great Britain and Ireland and with effect from 1 April the Breedon businesses were as follows:

GB Materials – Breedon Trading Limited which now includes the former Breedon Northern construction materials business and its own legacy Breedon Southern business.

GB Surfacing – comprising the asphalt surfacing businesses of Breedon Northern and the legacy Breedon Southern asphalt surfacing business.

Ireland – comprising Lagan and Whitemountain (including its existing GB construction activity). In 2022 it is proposed that all of Ireland's operations will trade through the trading name of "Breedon".

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 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 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 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.

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, 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. 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 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 working 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 of which 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. Building on Breedon's 2020 commitment to work in partnership with the Gangmasters and Labour Abuse Authority (GLAA), in 2021 Breedon committed to supporting Scotland Against Modern Slavery to work collaboratively with other signatories to eradicate modern slavery from our joint supply chains across the construction sector.

Managing and Measuring Effectiveness

2021 has once again resulted in COVID-19 disruption as a result of the Government imposed national lockdowns (with differing rules across different jurisdictions) causing site closures, home working, absenteeism through positive testing and/or isolation and managing the health, safety and wellbeing of our colleagues whilst absent from the business or on managing their phased returns.

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 2021 we endeavoured to provide 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.

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

Approved on 8 March 2022 by the Board of Directors of Breedon Group plc and signed for and on behalf of the Board.



Rob Wood
Chief Executive Officer
8 March 2022