



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT THE BREEDON GROUP

This is the Modern Slavery and Human Trafficking Statement of the Breedon Group as at 31 December 2017.

Introduction

Under section 54 of the Modern Slavery Act 2015, 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.

The Group manufactures and sells into the UK market, for resale or consumption: cement, aggregates (including decorative aggregates), asphalt, ready-mixed concrete, concrete products and mortar. The Group also operates contract surfacing businesses in central England and throughout Scotland.

We operate as three autonomous businesses. 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 Limited is the UK's only independent producer of cement and cementitious products, with the largest cement plant in the UK and national reach through an extensive rail network and strategically located local depots. It also imports cementitious products through two dedicated terminals.

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 Breedon Group sources the vast majority of its goods and services from within the UK, with some imported cementitious products and specialist capital items being sourced from 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 our business or our supply chain.

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 continue to improve our safety performance year-on-year and we are steadily increasing the number of sites with environmental, safety and quality certification. We also continue to actively engage with our communities 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 in 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 our three businesses. 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.

We are developing a new supplier process and procedures in conjunction with the businesses and IT capability which we intend to have in place by the middle of 2018. Such process shall include, as far as possible, an obligation that new suppliers agree to our standard procurement terms, which include an obligation to comply with the inter alia Modern Slavery Act 2015, the Bribery Act 2010 and all relevant competition laws.

During 2018, we intend to launch a uniform supplier onboarding process and procedure and roll it out across all our operations.

We have developed a Supplier Code of Conduct which we aim to distribute to all our suppliers during the first half of 2018.

Assessing and Managing the Risk

As noted above, the vast majority of our supply chain is within the UK.

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 procurement 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.

Managing and Measuring Effectiveness

The Breedon Group has, due to recent acquisitions, doubled in size in the last 12 months, 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 Modern Slavery Act. We are developing and will 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 in 2017 and followed up with an extensive training programme. Further training shall be delivered during 2018.

We will also work towards raising internal awareness more generally of modern slavery, using a range of communications channels, from our intranet and employee magazine to the "Visible Felt Leadership" programme which encourages widespread interactions by all levels of management across our business.

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

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
Group Chief Executive