

Modern Slavery and Human Trafficking Statement 2020

This statement covers the activities of Brickworks Limited (ABN 17 000 028 526), and its controlled entities, to understand and implement actions to minimise the risk of modern slavery and human trafficking in its operations and supply chain.

This is a joint statement on behalf of the following reporting entities within the Brickworks Group. These entities are The Austral Brick Company Pty Ltd and Nubrik Pty Ltd. Brickworks Limited as the head entity of the Brickworks Group is a controlling entity of the other reporting entities and so makes this joint statement.

1. Our commitment

Brickworks is committed to respecting and supporting the dignity, well-being and human rights of our employees and those we engage with through our supply chain. We are committed to working collaboratively with our partners and suppliers to ensure that our business is conducted in an honest and ethical manner. This includes identifying and addressing human rights risks, including modern slavery, throughout our business and supply chain.

It is estimated that more than 40 million people globally are victims of modern slavery. Almost half of these are exploited through forced labour practices in the private sector, including in the construction, manufacturing, forestry, mining and quarrying sectors. These sectors are especially relevant to the industries that Brickworks both serves and sources from.

Brickworks opposes all forms of slavery and forced labour.

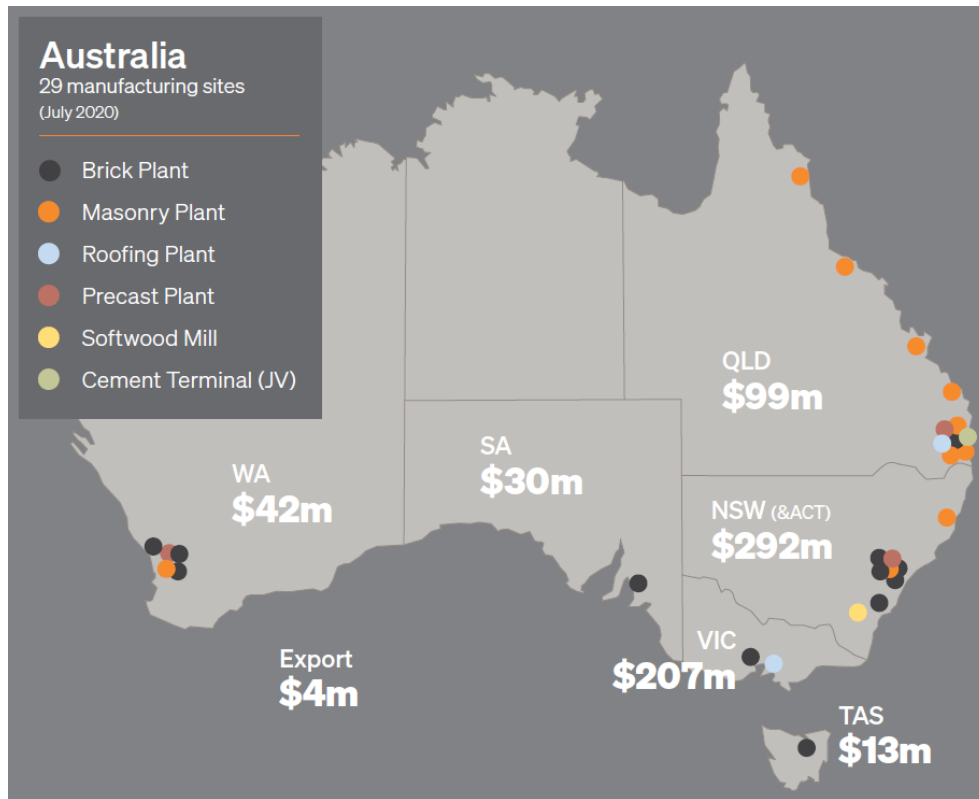
This is our first Modern Slavery Statement (**statement**). While this statement is in response to the Federal Modern Slavery Act 2018, it is driven by, and reflective of, our commitment to act on any incidences of modern slavery in our supply chain. The statement aligns with and complements our aim of improving Brickworks' sustainability disclosures. It is part of our overall Sustainability Framework which links our sustainability commitments with our business strategy.

2. Who we are

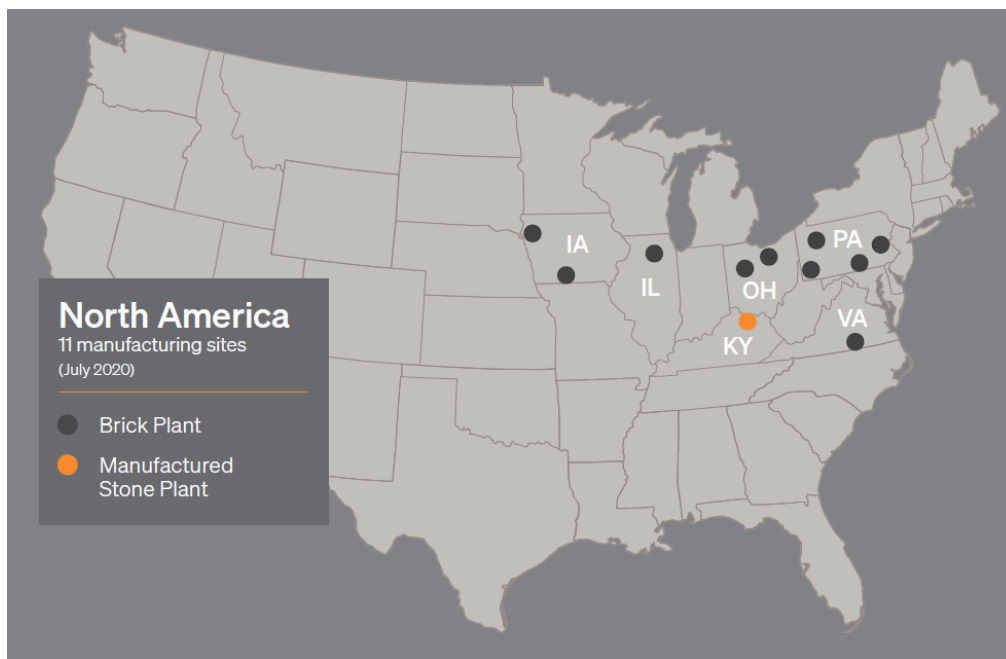
Brickworks Limited comprises Australian-owned companies involved in the manufacture and distribution of building products, property development, and investments. We are one of the nation's leading providers of bricks, precast concrete panels, sleeper retaining walls, pavers and roofing tiles. In November 2018, Brickworks expanded internationally, entering the building products market in the U.S., with the acquisition of Glen-Gery which has since been followed by additional acquisitions. Employing more than 1,000 employees across Australia, and over 700 employees in the U.S., Brickworks has a diversified corporate structure with four divisions:

1. Building Products Australia
2. Building Products North America
3. Property
4. Investments

Headquartered in Horsley Park, NSW, Brickworks has a network of operational sites in Australia, including 29 manufacturing sites, comprising 12 brick plants, 3 roofing plants, 10 masonry plants, 3 precast plants, 1 cement and more than 30 quarries. It also has design studios and display centres across Australia. Its portfolio of brands includes Austral Bricks, Austral Masonry, Austral Precast and Bristle Roofing.



In the U.S. Brickworks operates in the Midwest, Northeast and Mid-Atlantic states, with 11 manufacturing plants (10 brick and one manufactured stone) and through ownership of more than 20 quarries located near its manufacturing sites, controls around 95% of raw material inputs.



In Financial Year 2020 (FY20), Brickworks' reported a total revenue of \$953 million. Our property development business includes a 50% share in an industrial property portfolio with Australian integrated commercial and industrial property group, Goodman Limited.

Brickworks' investments division is represented by a 39.4% interest in multi-industry investment house, Washington H. Soul Pattinson.

Brickworks is also a party to a joint venture in Southern Cross Cement, involved in the import of raw materials for the production of cement.

3. Our structure and operations

This statement includes the activities of the Brickworks owned and controlled entities, described below, details of which can be found in the Brickworks 2020 Annual Report.

For the purposes of this statement, our key operating entities and operations are as follows:

Bricks and Pavers



Austral Bricks is Australia's largest, best-known and most efficient clay brick and paver manufacturer. Austral Bricks has a well-established national presence with manufacturing and sales facilities in every state. It has long been at the forefront of product innovation and efficient, sustainable production, including robotic brick handling equipment and the pursuit of energy and resource efficiencies. www.australbricks.com.au



BOWRAL BRICKS

Bowral Bricks produce distinctive dry-pressed bricks that are highly valued by architects and builders across the country. The brand delivers a unique combination of traditional craftsmanship and modern technology. www.australbricks.com.au/nsw/products/bricks/bowral-bricks/



Daniel Robertson has been operating since 1853. Its name signifies a continued commitment to deliver outstanding products that are distinctive and aesthetically beautiful. Its culture of innovation has driven the development of unique colours, shapes and textures in brick. www.danielrobertson.com.au



Nubrik makes premium-quality bricks moulded the traditional way on century-old presses. Its time-honoured expression of authenticity and elegance is acknowledged by architects, builders and discerning homebuyers who also value their rich colour blends, solidity and crisply-defined edges. www.nubrik.com.au



Glen-Gery is one of the U.S.'s largest brick manufacturers. Glen-Gery products are sold nationally through a network of over 500 distributors in the United States and Canada. Glen-Gery is an industry leader for its diversified product line of more than 600 brick products, which are available in a wide-array of sizes and textures. www.glengery.com

Masonry, Timber and Stone



Austral Masonry is a major player in the concrete masonry market along Australia's East Coast. As well as grey concrete blocks, its masonry division manufactures coloured concrete masonry units, pavers and retaining wall systems for residential and large-scale commercial applications. www.australmasonry.com.au



GB Masonry specialises in sandstone style concrete blocks with an authentic sandstone appearance. GB Masonry combines industry leading machinery with manual chiselling to produce the handcrafted sandstone products on which the business made its name. www.gbmasonry.com.au

URBANSTONE

UrbanStone are leading craftsman of engineered stone, natural stone and porcelain stoneware. The UrbanStone range is consistently specified by landscape architects, designers and specifiers, and feature in prominent commercial and residential projects across the country. www.urbanstone.com.au

Roofing



Bristile Roofing is one of the country's largest suppliers and installers of concrete and ceramic roof tiles, offering a comprehensive range of more than 40 colours and seven profiles. www.bristilerroofing.com.au

Specialised Concrete Building Systems

Pronto Panel™

Pronto Panel makes durable, lightweight panels suitable for both residential and commercial applications. Pronto Panel satisfies the performance requirements of the Building Code of Australia. The certified structural capacity of Pronto Panel ensures compatibility for projects requiring fire resistance and acoustic insulation. www.prontopanel.com.au

Concrete



Austral Precast is Australia's premier supplier of high-quality, innovative and customisable precast concrete product solutions. Using state-of-the-art technology, production techniques and systems, its precast division produces a diversified range of wall, floor, column, and client specific precast solutions. www.australprecast.com.au

Brickworks Supply Chain

Brickworks operations in Australia and the U.S. source most materials and services from within Australia and the U.S. respectively, with raw materials typically provided from owned quarries. Some products are sourced internationally from China, Thailand, Egypt, Italy, Spain, Belgium and Germany with cement for the Australian operations sourced by Southern Cross Cement from suppliers in Thailand and Vietnam.

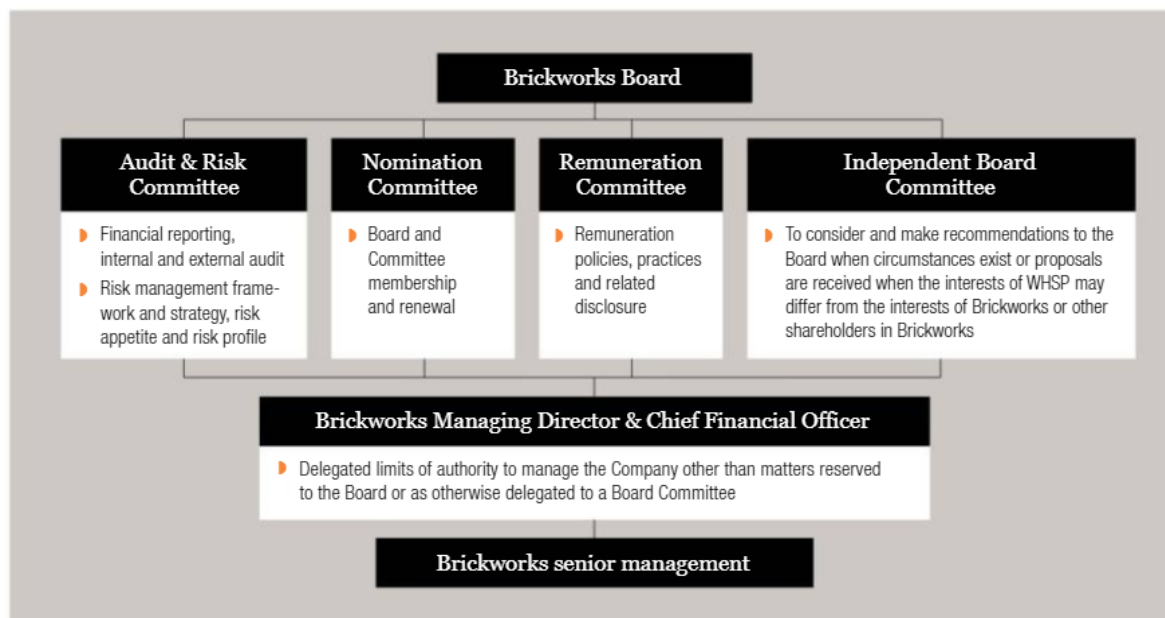
Raw material additives are sourced by Australian suppliers from China, India and Vietnam. From time-to-time capital equipment is imported from overseas countries, such as Germany, France, Spain, Holland, Japan & Italy.

4. Our approach and progress

4.1. Our policies and governance

Brickworks' governance framework, shown below, ensures strong business ethics and behaviour.

BRICKWORKS GOVERNANCE FRAMEWORK



Brickworks has a suite of governance procedures to ensure adequate procurement pricing, prompt payment of suppliers and good procurement planning. These procedures are backed by relevant Brickworks procurement policies and authorisation limits, as well as an annual internal audit program.

More broadly, our business behaviour is guided by Brickworks' values as articulated in our business code of conduct, *We Are Brickworks*. This code covers a range of important elements about how we conduct our business, including acting in an ethical and lawful manner. It emphasises care, innovation, collaboration, integrity, leadership and commitment to excellence. This code applies to everyone who works for, or in conjunction with, Brickworks and includes directors, employees and contractors.

Brickworks' *Modern Slavery Policy* outlines our aspiration to respect and encourage human rights and not to tolerate the existence of modern slavery in our operations or supply chain. This policy underpins Brickworks' *Modern Slavery Supplier Code of Conduct*, which sets out the minimum expected standards of behaviour and legal obligations that we require our suppliers to meet around labour and human rights, health and safety and modern slavery.

Policies covering anti-bribery, corruption and whistle-blower practices were introduced in May 2019. All our employees are required to undertake annual on-line training to demonstrate their understanding of these policies. Our *Whistle-blower Policy* encourages the raising of misconduct or any behaviour that is inconsistent with the Group's culture, values or policies. *Be Honest @ Brickworks* is an anonymous avenue for staff to raise concerns of suspected or actual misconduct, including any concerns around procurement practices or outcomes. The *Be Honest @ Brickworks* reporting platform is easily accessible from our intranet page and other avenues.

The risk of modern slavery in our organisation and supply chain is assessed within Brickworks' corporate-wide risk management framework. The Board's Audit and Risk Committee is responsible for oversight of this on behalf of our Board.

4.2. Identifying and understanding our risks

A major challenge for the construction sector in detecting, understanding and responding to modern slavery risks is the scale, complexity and geographic spread of supply chains. As a major supplier of building products within the construction industry, Brickworks operates in a high-risk sector for modern slavery. The *Global Slavery Index* identifies two areas in our supply chain considered to be high risk being labour and building materials. Contributing factors include high demand for low-skilled, manual, low-waged work, which has been identified as likely to facilitate forced labour. These supply chains have multiple tiers, are long and complex, and stretch across many countries and stakeholder groups.

Brickworks is aware that we may unintentionally contribute to modern slavery through our procurement of labour services, raw building materials and products from within Australia and globally. We recognise that our tier 1 suppliers will have modern slavery risks in their supply chains and that our supply chains are linked to other high-risk industries, such as clothing and textiles.

Over 98% of Brickworks' Australian operations tier 1 suppliers are located in Australia and New Zealand, with the remaining 2% spanning across 24 countries throughout Asia, Europe and North America. Based on the *Global Slavery Index*, Brickworks has suppliers in 5 countries categorised as high risk (the Philippines, Vietnam, Thailand, Malaysia and Indonesia) and 3 medium risk countries (India, Indonesia and Egypt). Collectively, these countries comprise less than 1% of all Brickworks' tier 1 suppliers, yet we understand our potential linkage to modern slavery risks in these countries.

Geography is only one factor to consider when determining our supply chain risks. For example, the *Global Slavery Index* has highlighted building materials as potential high-risk products due to labour and economic conditions in the source countries.

Brickworks has undertaken an exercise to map its tier 1 suppliers by geography, industry and product to form an assessment of its modern slavery risk landscape. Following that, Brickworks has initiated an engagement with its main suppliers through a modern slavery survey. The survey outlines Brickworks approach to modern slavery, requests affirmation from the suppliers of their acceptance of Brickworks Modern Slavery Supplier Code of Conduct and seeks to understand the suppliers' approach to modern slavery. Brickworks will continue to build upon this engagement to identify specific high-risk suppliers, and work with them to eradicate any risk of modern slavery occurring in their own operations and supply chains.

By combining these risk assessments of industry, geography and product, Brickworks will prioritise suppliers by risk, and pinpoint those suppliers that present the greatest risk within our supply chain.

4.3. Our global due diligence internally (our own practices) and externally (our suppliers)

Brickworks has zero tolerance for any type of slavery-related practices. To support this position, we have an array of governance processes that identify risks and implement policy and practice responses. We have policies and codes in place that promote ethical and lawful business behaviour which underpin our commitment to human rights and enact that commitment through our code of conduct.

We are committed to developing a fuller understanding and appreciation of the specific human rights risks associated with our suppliers, materials, countries and sectors and operation.

During FY20, we took a number of due diligence actions:

- (a) We engaged experts in the human rights field to undertake a review of our current processes and provide recommendations. This assessment focussed on quantifying and categorising each supplier (based on level and type of spend) to identify those at highest risk, drawing on resources such as the *Global Slavery Index*.
- (b) We formed a Sustainable Supply Chain Working Group to engage our business and employees on understanding both the modern slavery legislation and the risks within our procurement system and supply chain.
- (c) We launched our *Modern Slavery Policy*, now accessible on our Company's intranet, with an accompanying online training module to follow for all employees. The training covers what to do if an instance of modern slavery is suspected and how to report through the Whistle-blower hotline.

- (d) Our Board approved our *Modern Slavery Supplier Code of Conduct* that sets out the expectations of our suppliers.
- (e) We initiated and engagement with our major suppliers regarding their commitment to combating modern slavery practices and shared our Modern Slavery Policy and Modern Slavery Supplier Code of Conduct.
- (f) Our New Vendor procedures are being modified to ensure all new vendors read and acknowledge our Modern Slavery Policy and agree to our Modern Slavery Supplier Code of Conduct.

These activities have helped us to develop a robust risk assessment and response process, a modern slavery roadmap, and this reporting statement. This statement will reside on our Company's website.

4.4. Measuring our effectiveness

Brickworks constantly monitors the effectiveness of the tools and processes we use in relation to modern slavery risks within our operations and supply chain.

We monitor and measure the effectiveness of our:

- (a) Supplier communication – an annual survey has been initiated and will be used to measure suppliers' understanding of Brickworks' overall risk management and the risks of modern slavery.
- (b) Employee communication – with annual online training.
- (c) Whistle-blower program in relation to risk management
- (d) Governance tools - policies and procedures are reviewed, updated and socialised in relation to changes in relevant codes and standards or practice.

4.5. Communicating, engaging and collaborating with our stakeholders

This first Modern Slavery Statement is an important document for Brickworks, not just because it is required under the federal Modern Slavery Act 2018, but because it communicates a powerful message to our internal and external stakeholders on our position in relation to modern slavery and becomes a platform for our engagement and collaboration with them.

Throughout the process of responding to the Modern Slavery Act 2018, Brickworks has engaged with its owned and controlled entities, as well as those it has a direct business relationship with. This engagement has been important to confirm that these entities are both aware of, and responsive to, the legislation. Brickworks has used this opportunity to request information and leverage resources to ensure a coherent, supportive and coordinated response across the Group.

Should our risk assessment processes uncover any cases or instances where suppliers do not meet the *Modern Slavery Supplier Code of Conduct*, or any breaches of the code within Brickworks' supply chain, we will engage directly with the suppliers to understand how they are managing these risks, assist with any remediation, and develop an action plan to eradicate any risk in a transparent, timely and efficient manner. Should the supplier be uncooperative, appropriate action will be taken by us including termination of the business relationship, if necessary. A working group will be established that will have responsibility for managing known or suspected cases of modern slavery.

4.6. Building our capacity and that of our suppliers

Brickworks is committed to working collaboratively with our suppliers to ensure that our expectations of them, and the standards they need to meet, are clearly understood and their potential exposure to risk is minimised.

We have held a number of internal stakeholder workshops to share modern slavery issues and requirements, including with our U.S. Group. We will continue discussions with our related entities. Modern slavery training for our employees will be provided on an ongoing basis through our online platform.

Brickworks has joined a number of property organisations as a participating member of the Property Council of Australia's collaboration with tech platform, Informed 365. This industry-first initiative to combat modern slavery allows Property Council of Australia members to engage efficiently and consistently with suppliers on what they are doing to manage modern slavery risks through an online questionnaire.

The system creates an online questionnaire that is open-source for the entire property sector. Each supplier through the supply chain only needs to complete the relevant information once, not multiple times for multiple clients, thus streamlining the reporting burden on the supply chain, many of whom are SMEs.

5. What's next:

Brickworks remains committed to an ongoing management process to identify, prevent, mitigate and account for how we address actual and potential adverse human rights impacts in our operations and supply chains, including modern slavery.

Over the coming year, our key focus areas will be on:

- (a) Complying with all legislative requirements, remaining up to date with emerging best practice for modern slavery management, and monitoring changes or harmonisation between Federal and State legislation.
- (b) Strengthening the alignment of our modern slavery risk processes and responses across our brands and controlled entities.
- (c) Socialising Brickworks' *Modern Slavery Supplier Code of Conduct* among our suppliers, our controlled entities and our business partners.
- (d) Furthering our engagement with suppliers through the Informed 365 tech platform.
- (e) Conducting an annual evaluation of our supply chain risk.
- (f) Continuing our supplier surveillance and engagement to identify specific high-risk suppliers.
- (g) Working with our vulnerable suppliers to eradicate potential risks in their own operations and supply chains.
- (h) Having a clear and detailed internal process for actioning any instances of modern slavery identified in our supply chain.
- (i) Continuing the modern slavery training for employees through our online platform.

This statement was approved by



Lindsay Partridge

Managing Director

On behalf of the Brickworks Board of Directors