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Aggregate Industries  
Modern Slavery Transparency  
Statement June 2017

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# OUR COMMITMENT TO CREATING A FAIR AND ETHICAL BUSINESS FOR ALL

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Aggregate Industries is committed to doing business fairly and ethically. We support the aims of the Modern Slavery Act 2015 and we already have a number of policies, robust systems and procedures in place to help ensure we operate an open, honest and ethical business. By implementing our policies and working together with our suppliers, we aim to be the partner of choice for our customers and to operate our business ethically and sustainably.

We are part of LafargeHolcim and a leading supplier to the construction and infrastructure industries in the UK and northern Europe at 300 locations with more than 4,000 employees. We produce and supply a wide range of construction materials and solutions including aggregates, recycled and secondary aggregates, cementitious materials, asphalt, ready-mixed and precast concrete products. We also transport waste materials as part of our delivery process and operation and are a major provider of road surfacing and civil engineering.

Our supply chain consists of around 4,000 suppliers, 98% of spend is UK based, however we do purchase from Europe, America and Asia.

We take the aims of the Modern Slavery Act 2015 very seriously and will be reporting progress and findings annually in our transparency statement.

This is our annual transparency statement for 2017/18 as required in section 54 of the Modern Slavery Act 2015.

A working group consisting of members from Human Resources, Sustainability, Procurement, Legal, Contracting and Concrete Products are working together to train, educate and support our colleagues and our supply chain in raising awareness and tackling modern slavery.

As a founding partner of the Supply Chain Sustainability School we collaborate with other leading businesses within our sector to share best practices and provide guidance to School members and recent focus has included modern slavery and supply chain mapping.

As part of our BES 6001 (Responsible Sourcing in Construction Products) accreditation and our Sustainable Procurement Standard, we are working with our supply chain to understand and address areas of risk.



# WHAT HAVE WE DONE?

	Internal	Supply Chain
<b>Risks</b>	<p>We understand our internal risks are:</p> <ul style="list-style-type: none"> <li>• Recruitment</li> <li>• Temporary labour.</li> </ul>	<p>We understand our supply chain risks are:</p> <ul style="list-style-type: none"> <li>• Labour</li> <li>• Logistics</li> <li>• Contracting</li> <li>• Purchases outside the EU</li> <li>• Suppliers with long, complicated supply chains.</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• Code of Business Conduct – All employees are required to accept our Code of Business Conduct which defines what integrity means for our business and offers detailed guidance to help employees when they are confronted with challenging situations</li> <li>• Recruitment policy</li> <li>• Prevention of illegal working guidance</li> <li>• Whistleblowing.</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct – Based on the United Nations Global Compact we expect all suppliers to adhere to the standards in our Supplier Code of Conduct</li> <li>• Ethical trading of natural stone policy</li> <li>• Contractual agreements</li> <li>• Procurement policy.</li> </ul>
<b>Due diligence</b>	<ul style="list-style-type: none"> <li>• Preferred supplier list for all permanent and temporary recruitment to ensure that workers have the right to work in the UK and that workers own rights are fulfilled such as holiday pay, sick pay and appropriate salary</li> <li>• Payment processes – Checks in place on duplicate bank accounts to ensure no suspect activity</li> <li>• Integrity line – We are committed to an open culture where employees feel secure in seeking advice or raising concerns and has confidence that reports are handled in a professional and transparent way. To help enable this culture, we have established 'Integrity Line', a secure incident reporting system administered by an independent third party through which employees can report their concerns about any potential breach of our Code of Business Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain risk assessment – We risk assess our supply chain based on the types of goods or services provided, location and supply criticality</li> <li>• Avetta – High risk UK and EU suppliers undergo pre-qualification through Avetta against our requirements set in the Supplier Code of Conduct flagging up any non-compliance</li> <li>• TFT (The Forestry Trust) Responsible Stone Programme – Used with our natural stone suppliers in India and China</li> <li>• Auditing</li> <li>• Site visits</li> <li>• Revised terms and conditions.</li> </ul>
<b>Development, education and awareness</b>	<ul style="list-style-type: none"> <li>• E-learning training modules</li> <li>• Toolbox talks – Carried out on site to create awareness of the warning signs and guidance on what to do</li> <li>• Awareness campaign – Internal articles and bulletin posts, posters, videos</li> <li>• Supply Chain Sustainability School – All employees are encouraged to attend relevant events and workshops and conduct a self-assessment and use the School's resources to educate and develop.</li> </ul>	<ul style="list-style-type: none"> <li>• TFT – Collaborating with TFT we work to diminish the negative impact of natural stone mining and processing by sourcing responsibly quarried stone that respects the environment and improves people's lives at the raw material extraction stage and throughout the supply chain</li> <li>• Supply Chain Sustainability School – All suppliers are encouraged to become members, attend events and workshops and use the School's resources to educate and develop</li> <li>• Action plans – Where non-compliances are found through the Avetta assessment we work with those suppliers to become compliant by issuing action plans and providing guidance</li> <li>• Sharing of best practice.</li> </ul>

Our policies, procedures, Business Code of Conduct and our Supplier Code of Conduct define our standards and expectations.

If employees suspect that human trafficking, slavery, servitude or forced or compulsory labour may be taking place anywhere in

our business or supply chain they are encouraged to let their line manager know and report immediately via AI's Integrity Line on **0808 2346694** or at <https://integrity.lafargeholcim.com/index.php> or to call 999 if the potential victim is believed to be in immediate danger.

## TARGETS AND NEXT STEPS

	Internal	Supply Chain
<b>2017 target</b>	<ul style="list-style-type: none"> <li>Established a focussed working group</li> <li>Review all relevant policies and Codes of Conduct</li> <li>Train 100% recruiting line managers.</li> </ul>	80% of high risk suppliers to be assessed on compliance to the Act, human rights, forced labour, child labour, working conditions and freedom of association.
<b>Next steps</b>	<ul style="list-style-type: none"> <li>Continue with awareness campaign using posters, magazine articles and toolbox talks.</li> </ul>	<ul style="list-style-type: none"> <li>Continued due diligence and development programme using Avetta, TFT, Supply Chain Sustainability School, auditing, toolbox talks and spot checks.</li> </ul>

By implementing our policies and working together with our suppliers we aim to demonstrate that we operate our business ethically, responsibly and sustainably.



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