

# MODERN SLAVERY TRANSPARENCY STATEMENT

JUNE 2018



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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 responsibly.

We are part of LafargeHolcim and a leading supplier to the construction and infrastructure industries in the UK and northern Europe at over 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 services.

Our supply chain consists of around 4,000 suppliers. The majority of our suppliers are UK based, however we also purchase materials and services 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 2018/19 as required in section 54 of the Modern Slavery Act 2015.

Since 2016 a working group consisting of colleagues from across the business has been 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, on issues such as modern slavery and supply chain mapping.

As part of our BES 6001 (Responsible Sourcing of 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>These risks are regularly reviewed.</p>	<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> <p>These risks are regularly reviewed.</p>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>▶ Business Code of Conduct – All employees are required to accept our Business Code of 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> <p>These documents are regularly reviewed.</p>	<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> <p>These documents are regularly reviewed.</p>
<b>Due diligence</b>	<ul style="list-style-type: none"> <li>▶ Preferred supplier list – In place for all permanent and temporary recruitment to ensure that workers have the right to work in the UK and that worker's own rights such as holiday pay, sick pay and appropriate salary are fulfilled</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 have 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 Business Code of Conduct</li> <li>▶ Human Rights risk assessment – Multifunctional working group assembled to assess present and potential human rights impacts within the business and supply chain, putting in place actions where necessary</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>▶ Supplier pre-qualification system, Avetta – 97% of all high risk suppliers have been assessed on compliance to the following; human rights, forced labour, child labour, working conditions and freedom of association</li> <li>▶ TFT (The Forestry Trust) Responsible Stone Programme – used with our natural stone suppliers in India and China</li> <li>▶ Auditing of high risk suppliers – 14 conducted in 2017/18 reporting period</li> <li>▶ Revised terms and conditions</li> <li>▶ Supply chain mapping – As part of the Supply Chain Sustainability School's special interest group we contributed to guidance for conducting supply chain mapping within the industry and mapped one for a hi-vis vest with our own supplier. This methodology is now being used on current projects and supply chains to gain transparency and further understanding of risks</li> </ul>
<b>Development, education and awareness</b>	<ul style="list-style-type: none"> <li>▶ E-learning training modules – All managers with recruitment responsibilities have been invited to undertake training</li> <li>▶ Awareness campaign – Encouragement to use Supply Chain Sustainability School resources and events, internal articles and bulletin posts, posters and videos</li> <li>▶ BPC award – Entered the British Precast Sustainability Award for best practice in Modern Slavery awareness and transparency</li> </ul>	<ul style="list-style-type: none"> <li>▶ TFT - We work collaboratively with TFT 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>▶ 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>▶ Awareness campaign – Encouragement to become members of the Supply Chain Sustainability School, article in our haulier newsletter and posters around sites</li> <li>▶ Supplier day – In November we hosted our first 'People &amp; Communities' supplier day which focussed on education and sharing of best practice for our Modern Slavery, Drug &amp; Alcohol and Fair &amp; Just policies</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, either by phone or on-line or to call 999 if the potential victim is believed to be in immediate danger.

## TARGETS AND NEXT STEPS

	Internal	Supply Chain
<b>2018 target</b>	<ul style="list-style-type: none"> <li>▶ Include awareness of Modern Slavery in site and business inductions</li> <li>▶ Train supervisors and contracts managers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Certify to Ethical Labour Sourcing Standard BES 6002</li> </ul>
<b>Next steps</b>	<ul style="list-style-type: none"> <li>▶ Continue with awareness campaign using posters, magazine articles, e-learning and toolbox talks</li> <li>▶ Roll out due diligence, awareness and policies to newly acquired businesses</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue due diligence and development programme using Avetta, TFT, Supply Chain Sustainability School, auditing, toolbox talks, supplier days 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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