



**InfraBuild**  
*Building futures through sustainable steel*

# Modern Slavery Statement FY21





# InfraBuild Modern Slavery Statement

# FY21

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# 1. Introduction

## 1.1 Foreword

At InfraBuild, our mission of Building futures through sustainable steel is underpinned by strong, enduring relationships and guided by our values in how we interact with each other. We recognize the importance of working closely with our stakeholders and our role as an industry leader when addressing human rights and modern slavery.

For more than 100 years, we have helped build modern Australia and have grown into the nation's largest vertically integrated steel manufacturing, distribution, and recycling business. Our size, scale and capability put us in an enviable position, and with that comes a responsibility to continuously lift the bar in addressing modern slavery.

We believe that all human rights must be respected and that we must address any modern slavery that takes place in the supply chain we form part of. We recognise that the practice of modern slavery is insidious and not always easy to identify in supply chains outside our direct control, which is why take a risk-based approach to identify supply chains most likely to be affected.

With this statement, InfraBuild is demonstrating the steps we are taking in respecting human rights in our operations and supply chain.

Vik Bansal, CEO & Managing Director

## 1.2 Approvals

This statement has been produced to comply with the Modern Slavery Act 2018 (Commonwealth Act) modern slavery reporting requirement for Australian entities and is prepared for Liberty InfraBuild Ltd (InfraBuild) ACN 631 112 108 and its wholly owned subsidiaries.

This Modern Slavery Statement has been approved by the principal governing body for the reporting entity, being Liberty Infrabuild Ltd ACN 631 112 108. The governing body is InfraBuild's Board of Directors.

The Board of Directors approved this statement in accordance with its governance requirements.

## 1.3 Background

Modern slavery is often difficult to identify in supply chains all over the world but it's still prevalent in many industries and countries. While many economies bring people prosperity, many are affected by the hard reality of human trafficking, child labour, coercion, and other forms of modern slavery. The Australian Government, like many other governments, is taking steps to address this issue.

The global pandemic has exacerbated issues around modern slavery as communities and countries faced extreme economic and social impacts. People who make up the labour forces are even more susceptible to exploitation and human rights abuses as normal market and trade conditions were severely compromised or disrupted.

Throughout FY2021, InfraBuild continuously focused on making sure we were able to address the risk of modern slavery and changing our systems and processes. Executives and employee representatives jointly prepared and approved this statement which includes information and steps taken and completed in FY2021, and future steps we intend taking in FY2022.



## 2. Description of our Structure, Operations and Supply Chains

### 2.1 InfraBuild

With 100 years of continuous operation, InfraBuild is Australia's largest vertically integrated steel manufacturing, distribution and recycling business, providing solutions for commercial and residential construction, large scale and nation-building infrastructure, and the rural and mining sectors. InfraBuild is Australia's largest processor and distributor of steel long products, including reinforcing bar, reinforcing mesh, tubular and hollow sections, merchant bar and wire products.

InfraBuild's vertically integrated supply chain includes 26 scrap metal recycling sites across Australia. It provides metal recycling solutions to householders, local government, mining, demolition, industrials, automotive and waste companies. InfraBuild also has a large scrap metal dealer and transport network that we partner with to

provide local recycling solutions across the country.

InfraBuild has an integrated steelmaking and manufacturing network, comprising two electric arc furnaces, four rod and bar mills, three wire mills and two tube mills. InfraBuild is the only maker of rod and reinforcing bar and wire products for construction applications, merchant bar and specialty bar and wire for manufacturing applications in Australia.

Through our network of 113 retail and processing sites across Australia, InfraBuild provides quality products and technical expertise with partners in the construction, residential, mining, transport, manufacturing, infrastructure and agricultural industries.





## 2.2 External sourced goods and services

For InfraBuild to run its operations, it purchases various goods and services from local, domestic and international suppliers. The table below outlines InfraBuild's main spend categories.

Spend Category	Description
<b>Raw Materials</b>	The largest component of our cost of sales is the cost of purchasing raw materials used to produce Construction Steel and Other Steel Long Products. Most of these costs represent the cost of ferrous scrap material, billet, hot rolled coil ("HRC"), ferro-vanadium, graphite electrodes and zinc
<b>Freight</b>	Relates to transport costs to deliver our products to the customers' sites.
<b>Utilities</b>	Consists of costs of gas, electricity, water and related costs at each production facility. These costs are largely variable in nature, driven by the level of production at InfraBuild's EAFs and rolling mills
<b>Repairs and Maintenance</b>	Represents the costs incurred to keep an asset operating at its current condition, which primarily relates to the maintenance of ageing equipment and planned plant shut-down periods.
<b>Services</b>	Includes costs relating to finance services, information technology, human resources and procurement services as well as costs associated with head office operations.
<b>Other</b>	Consists of costs including facility costs which are incurred for buildings, plant and offices and other operating costs.



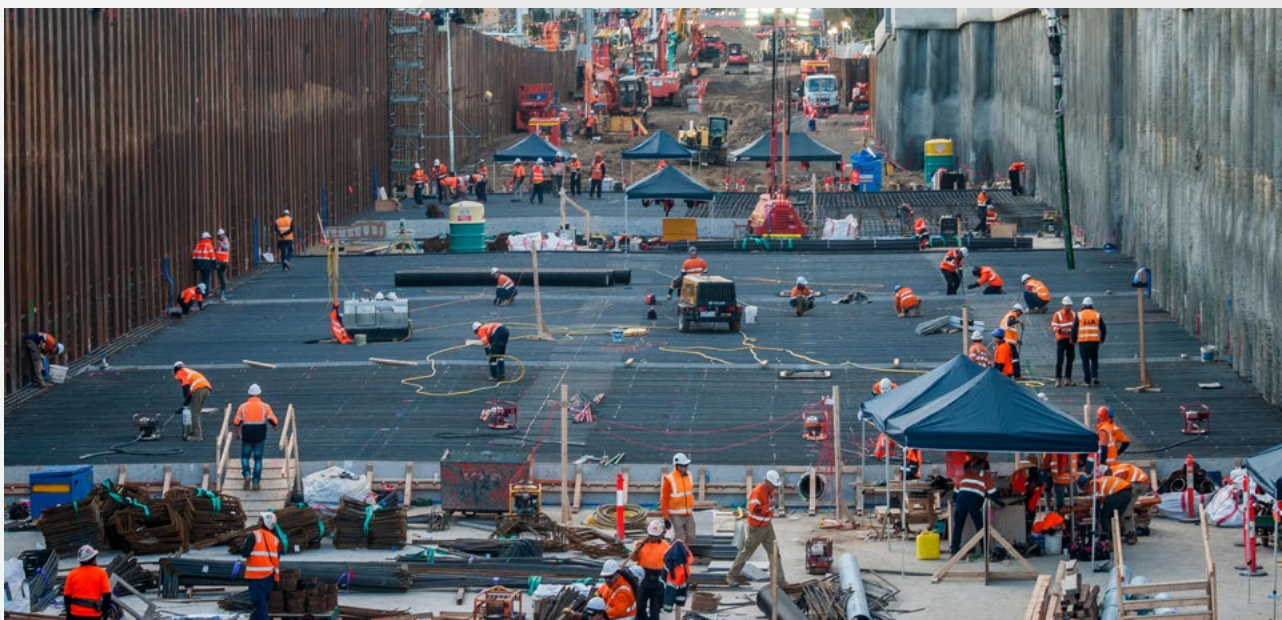


## 3. Description of Risks of Modern Slavery Practices in our Operations and Supply Chains

### 3.1 Our Operations

**InfraBuild's team** of about 5,000 employees work at more than 140 locations around Australia as integral partners to the construction industry to deliver innovative, forward-thinking, sustainable and certified steel solutions. InfraBuild acknowledges that modern slavery has emerged as a compliance issue for industry and has been proactive in revising its policies and principles to address this and changes to Australian legislation. In the long-term, InfraBuild will continue to seek greater transparency of all its supply chains by direct engagement and additional risk identification strategies. Furthermore, InfraBuild seeks to partner only with those companies who demonstrate an equal commitment to the eradication of modern slavery.

The risk of modern slavery in our operations is assessed as low. We have strong human resource processes in place for new starters, vetting new employees, assessing employees' wages and salary agreements, and verifying corresponding payments. Most of our employees are covered by enterprise or industrial agreements. Our employee induction process includes employment checks managed by either our internal or external HR specialists in Australia, and checking that all new employees have the requisite visa status. The employee induction process is designed to ensure that all new employees confirm they have read and understood our policies and minimum standards.





## 3.2 Our Supply Chain

**Modern Slavery** in our supply chain is assessed on country of origin and category risk. Country of origin risk, adopted from the Global Slavery Index, is based on where our suppliers are located and, if known, the country of our “supplier’s supplier”. Category risk is determined by understanding the level of labour, unskilled labour, and supply chain complexity. Understanding supply chain complexity helps with understanding complex supplier relationships, complex contract structures, and complex supply chains where it’s difficult to exactly label a country of origin.

Both the country risk and category risk have been applied to our supplier base to get an overall risk rating per supplier as shown in the table below. This overall risk rating is subsequently used to roll-

out specific initiatives to address modern slavery as described in paragraph 3.3.

Whilst the risk assessment approach has not changed compared to FY2020, we have made further improvements and refinements. Improvements include the operationalisation of risk levels to give the procurement professional guidance on assessing risks in a spend category. This supports a consistent risk rating across different spend categories. Additionally, the risk assessment has been reviewed in its entirety, including a risk assessment of sub-category level. This has resulted in a more accurate and realistic risk assessment. Consequently, additional suppliers have been marked as a potential risk where modern slavery may occur.

		Country of Origin Risk				
		Negligible	Minor	Medium	Major	Extreme
Category Risk	Almost Certain	H	H	VH	VH	VH
	Likely	M	H	H	VH	VH
	Possible	L	M	H	VH	VH
	Unlikely	L	L	M	H	VH
	Rare	L	L	M	H	H
L = Low, M = Moderate, H = High, VH = Very High						





## 3.3 Risk Approach

**The overall risk** rating covering both category risk and country risk determines the phasing for addressing modern slavery amongst our supply base. We focus on rolling out special contractual terms and conditions and/or Supplier Code of Conduct to our contracts amongst our existing suppliers. Additionally, we include modern slavery in our selection and evaluation criteria when engaging potential new suppliers. For existing and new suppliers where ongoing management is required, we have developed a risk mitigation plan for a specific sub-category or supplier. For those spend categories and suppliers with a high risk, mitigation plans are gradually being developed and implemented. A summary of our risk approach is provided below:

Risk Rating	Existing Suppliers	New Suppliers		Ongoing Management
	Existing Strategic or preferred suppliers	New approved suppliers	New strategic or preferred suppliers	Existing Strategic or preferred suppliers
		Risk Assessment on supplier level	Risk Assessment on category level	
	Very High	Standard purchase conditons with reference Modern Slavery	Below +3rd Party Assessment or supplier visit	Supplier specific risk mitigation plan
	High		Below +Supplier Questionnaire as part of sourcing event	Category specific risk mitigation plan
Moderate	Below +Special Conditions in Contract		Not Applicable	
Low	Supplier standard (covering Modern Slavery)			



## 4. Description of actions taken to assess and address modern slavery risks, including Due Diligence and Remediation

During FY2021, we have completed the following actions:

- Updated risk assessment to determine the key actions for FY2021
- Classroom training in identifying and mitigating modern slavery risks
- Individual training and certification in ethical procurement & supply
- Risk Mitigation Plans of spend categories with potential high risk for modern slavery
- Supplier Self Assessments for those suppliers identified as high or very high risk

### 4.1 Risk Assessment

The risk of modern slavery risk in our supply chain is real. Consequently, our modern slavery risk assessment (MSRA) focused on reviewing our spend categories and the country of origin. Our risk assessment focuses on our operations and supply chain, suppliers with over \$1m annual spend, which includes Tier 1 suppliers: those we have a direct arrangement with; and Tier 2 or 3 suppliers where known. The results of this assessment are described in this paragraph.

#### 4.1.1 Country of origin risk

Our MSRA attributes an initial inherent risk rating to our suppliers – from low to very high, based on the risk of modern slavery practices in the jurisdictions and industry sectors in which they operate. InfraBuild is cognizant of the key modern slavery risk characteristics – poor governance, lack of basic needs, inequality, disenfranchised groups, and conflict. The countries we purchase from and its risk rating is outlined in the table below.

Risk Rating	Countries from which we purchase
Very high	None identified
High	Hong Kong
Moderate	Malaysia, Mainland China, Japan, Taiwan, Singapore, Korea
Low	Australia, New Zealand, Switzerland, United States, United Kingdom, Italy, Germany, Spain, Norway

Note: the country risk scoring is adopted from the Global Slavery Index 2019 dataset.



#### 4.1.2 Category risk

InfraBuild has identified spend categories that are at higher risk of modern slavery practices. The category risk rating is determined by the level of labour, the portion of unskilled labour, and the supply chain complexity. Risk rating for our spend categories are listed below.

Risk Rating	Spend categories
<b>Very High</b>	None identified
<b>High</b>	Cleaning, packaging & strapping, industrial products, waste management
<b>Moderate</b>	Professional services, engineering services, facilities management, IT, telecom, mobile assets & hire equipment, consumables, production operations, scrap, transport, repairs & maintenance
<b>Low</b>	Travel, financial services, marketing & print, government fees

#### 4.1.3 Risk Rating

By considering the country of origin risk and category risk, we have identified the areas of our supply chain at highest risk of modern slavery practices. In FY2021, InfraBuild's assessment of modern slavery determined that InfraBuild had 32 suppliers with an overall high risk rating.

## 4.2 Classroom Training

Annually, our Legal team and our modern slavery subject matter expert provide classroom training to our procurement personnel on key achievements and planned projects for the upcoming financial year. Procurement managers include proposed actions in relevant category strategies and work plans. All personnel are required to participate in the classroom training and individual ethical procurement training and certification. Procurement managers responsible for spend categories with a high or very high risk profiles are more closely involved in addressing modern slavery practices. Additionally, every year we cover a key focus area, which for FY2020 emphasised updating our terms and conditions and contracts with high risk suppliers. FY2021 centred on supplier self-assessment and evaluation.





## 4.3 Individual Training and Certification

All procurement staff completed and achieved the certification for the Chartered Institute of Purchase and Supply (CIPS) Ethical Procurement and Supply e-learning certification. The certification specifically covers modern slavery, with staff being able to:

- State what is meant by human rights
- Describe the overarching legal/advisory frameworks for governing human rights
- List the implications of modern slavery for procurement
- List examples of the different types of modern slavery you might encounter
- Explain how to identify modern slavery risks
- Describe the benefits of undertaking conducting supplier audits to manage modern slavery risks.

## 4.4 Contract Amendments and New Contracts

During FY2021, group procurement executed 18 new contracts, including new human rights provisions to address modern slavery. All purchase orders sent to contracted and uncontracted

suppliers already reference our updated standard purchase conditions and supplier code of conduct which were rolled out in FY2020.

## 4.5 Risk Mitigation Plans

Raw materials and products for resale spend categories were identified as a high or very high overall risk. We have conducted further due diligence on four sub-categories to understand the potential risks and how best to mitigate these. Potential risks that were flagged as part of the assessment include level of migrant workers, the delivery model (outsourcing, third party labour, recruitment agencies), supply chain complexity and conflict countries and areas.

Key mitigation strategies include updating contracts, supplier self-assessment questionnaires, supplier audits, alternative suppliers with a lower risk profile, and due diligence amongst potential new suppliers. In FY2020, we updated our contracts while in FY2021, we focused on supplier self-questionnaire, gaining further understanding of the potential risks, and what suppliers have in place from a policy, process, structure and governance point of view.

## 4.6 Supplier Self-Assessment

From a total supplier assessment of 210 suppliers, 32 have been marked as high or very high overall risk with 12 contracted suppliers being selected for a Supplier Self-Assessment. The questionnaire was developed following extensive desktop research and aligned to our modern slavery methodology.

Following evaluation, some concerns were raised about certain suppliers who were asked to provide additional clarification. Upon receipt of the additional information, no modern slavery concerns were uncovered and no further corrective actions or supplier audits have been initiated.



## 5. Description of Effectiveness of the Actions taken

**Started in FY2020**, addressing modern slavery is becoming part of our way of working:

- Updated standard contract templates are used in new supplier engagements
- Our updated standard purchase conditions are referenced in all our purchase orders
- Our risk assessment is becoming more mature and robust
- Our e-sourcing tool includes tools and templates to support procurement managers
- Classroom training and individual certification are now standard part of our curriculum.

Regarding specific actions and minimum standards completed in FY2021, the table below summarises our actions, the status and the rated effectiveness:

Action	Effectiveness description	Effectiveness rating
<b>Supply chain mapping and assessment</b>	The risk assessment focused primarily on identifying potential modern slavery risks amongst Tier 1 suppliers. The risk assessment is the first step in prioritising supplier for follow up assessment and actions. We focused on high potential high-risk countries of origin and high-risk spend categories	High
<b>Contract amendments</b>	Amending contracts is typically the first engagement with suppliers around modern slavery and creating awareness	Med-high
<b>Training</b>	Classroom training creates awareness amongst procurement personnel. The classroom training has been used to explain our approach to modern slavery and what tools are available to identify any potential incidents or contract breaches	Med
	Individual CIPS certification provides an in-depth training for each procurement individual. Those who have successfully completed the training will get certified and have sound knowledge and awareness of Modern Slavery	High
<b>Risk mitigation plan</b>	For potential high risk spend categories, detailed risk mitigation plans have been developed. Specific actions identified are being worked upon during FY2021 and FY2022	Low-Med
<b>Supplier self-assessment</b>	A detailed supplier self-assessment was developed in FY2021 to provide due diligence amongst our supply base. 12 contracted suppliers were requested to respond to this assessment	High
<b>Faircall</b>	A faircall whistleblowing was introduced in FY2021 where employees or external stakeholders can anonymously raise concerns. Throughout FY2021 no fair calls have been received	Med-high
<b>Review</b>	InfraBuild Procurement monitors and annually reviews the effectiveness of its risk management measures	Med

InfraBuild is committed to further imbedding Modern Slavery within the broader business with business accountability, identify Modern Slavery champions within the business, increase supplier audits and training a broader internal and external stakeholder group.



## 6. Description of the consultation process

**During the reporting period** this statement covers, InfraBuild actively engaged and consulted with all companies we own or control in the development of this statement. We have over 20 entities within our consolidated InfraBuild group. This occurs as a matter of course as we have integrated and common control across our procurement processes. We discussed, consulted and undertook training with respect to the details of the Modern Slavery Act 2018's reporting requirements. We kept the entities up to date with information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates during the reporting period. Individuals within separate business areas that form part of the controlled entities also assisted with the preparation of this statement.

## 7. COVID-19 Impact

**InfraBuild has observed** that the adverse economic impacts of the pandemic in 2020 and now 2021, may likely exacerbate the conditions in which modern slavery may arise. This is particularly a focus in countries where such populations may already be prone to human rights issues. Given the particularly disruptive impact of a pandemic on such jurisdictions, this additional risk is being factored into the assessment of our suppliers and will be considered in our assessment approach of any suppliers that may be high risk especially.

In response to significant waves of COVID-19 in supplier countries, we implemented COVID Safe Guidelines for all our sites and offices to ensure the safety and wellbeing of our employees, our customers, suppliers and the community. We are guided by an internal COVID Advisory Group that includes subject matter experts from health and safety, government relations and legal ensuring our management framework complies with public health orders established by Australian states and territories. We have remained open for business throughout the COVID-19 pandemic and continue to engage with suppliers fairly, and this has included maintaining orders to ensure business continuity.









## 8.

# Planned Initiatives

During FY2021, InfraBuild has not received any reported concerns of modern slavery practices, nor did it identify any instances of modern slavery in its operations or amongst our suppliers. Even though no cases have been reported, we continue to promote the awareness of modern slavery, support our staff in the identification of modern slavery as well as mitigation and management.

We continue to work on initiatives as defined on our roadmap:

1. Continued roll out of contracts across our supply base and communication of our Supplier Standard creating awareness and action.
2. Auditing potential high risks suppliers ensuring compliance to our contracts and Supplier Standard.
3. Active business stakeholder awareness and engagement in our annual modern slavery risk assessment.
4. Review and implement systems to support in the identification, management, assessment and reporting of modern slavery risks.
5. Review and engage with partners to conduct supplier modern slavery risks assessment and on-site inspections on our behalf.
6. Continue to embed addressing modern slavery in our structure and develop processes to coordinate, document and track new actions and any incidents.
7. Continue to promote awareness of the FairCall reporting mechanism among our suppliers by providing online information on how to lodge modern slavery concerns. Local community members can also raise concerns through our regional Stakeholder Engagement Managers.





Sydney's Barangaroo precinct under construction.



