



InfraBuild

Building futures through sustainable steel

Modern Slavery Statement

FY2022





InfraBuild Modern Slavery Statement FY22

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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 we 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.

Sanjeev Gupta, Executive Chairman GFG Alliance and Director Liberty InfraBuild Ltd

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 Australian incorporated 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 Liberty InfraBuild Ltd'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.

Throughout FY2022, InfraBuild continued to take steps to address the risk of modern slavery and updating our systems and processes. Executives and employee representatives jointly prepared and approved this statement which includes information and steps taken and completed in FY2022, and future steps we intend taking in FY2023 and beyond.



2 | Description of our structure, operations and supply chains

2.1 InfraBuild

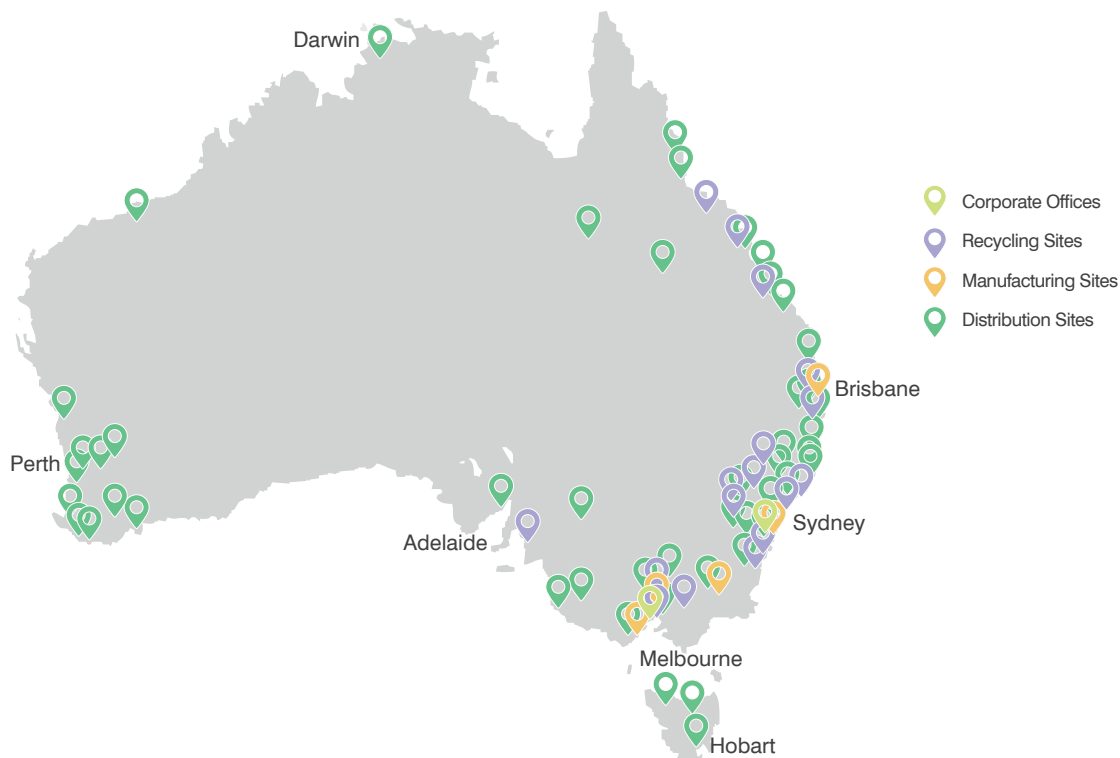
With 100 years of continuous operation, InfraBuild is Australia's largest vertically integrated steel manufacturing, distribution and recycling business, providing solutions for commercial and residential construction, large scale and nation- building infrastructure, and the rural and mining sectors. 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
Raw Materials	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
Freight	Relates to transport costs to deliver our products to the customers’ sites.
Utilities	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
Repairs and Maintenance	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.
Services	Includes costs relating to finance services, information technology, human resources and procurement services as well as costs associated with head office operations.
Other	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 150 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 active 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 for a particular spend category. 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.

In FY2022, we have engaged our subject matter experts and procurement professionals and re-assessed our supply base against our risk assessment first developed in FY2020 (which was later updated and refined in FY2021).

		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. In FY2020 and FY2021 we focused on updating agreements by using an addendum to incorporate new modern slavery provisions and updating our purchase order terms to incorporate modern slavery requirements. In FY2022, we focused on new agreements by further refining how we incorporate modern slavery requirements into our new contracts (these are now included in our general terms and conditions rather than as addendums/special conditions). Our Purchase Orders remain referring to

our updated standard Term & Conditions and the procurement team instructed to reference the Supplier Code of Conduct (hereafter Supplier Standard). Our e-sourcing tool has a library of standard sustainability/modern slavery questionnaire available to our procurement professionals to be used in new market engagements. In FY2021, risk mitigation strategies were developed for our higher risk spend categories. In FY2022 we continued to improve our strategies and make them more effective in address potential modern slavery practices. A summary of our risk approach is provided below:

	Existing Suppliers	New Suppliers		Ongoing Management
Risk Rating	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		Risk Assessment on supplier level
Very High	Below + Special Conditions in Contract	Standard purchase conditons incorporating Modern Slavery clause	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	Supplier standard (covering Modern Slavery)		Below +embedded contract terms	Not Applicable
Low			Procurement teams instructed to include Supplier Standard (covering Modern Slavery)	



4 | Description of actions taken to assess and address modern slavery risks, including due diligence and remediation

During FY2022, we have completed the following actions:

- Updated risk assessment to determine the key actions for FY2023
- Individual certification in ethical procurement & supply
- Developed a new modern slavery statement for our suppliers
- Refined the way we include modern slavery requirements into our contract templates
- Approached Suppliers to conduct Supplier Self Assessments
- Engaged a 3rd party provider to conduct Ethical Supplier Screening

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 cognisant 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	None identified
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
Very High	None identified
High	Coke, cleaning, packaging & strapping, industrial products, waste management
Moderate	Professional services, engineering services, facilities management, IT, telecom, mobile assets & hire equipment, consumables, production operations, scrap, transport, repairs & maintenance, raw materials, products for resale
Low	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 FY2022, InfraBuild’s assessment of modern slavery determined that InfraBuild had 31 suppliers with an overall high risk rating. All 31 suppliers operate internationally and supply raw materials, products for resale, or transportation services.

4.2 Individual training and certification

In November 2021 InfraBuild was certified by the Chartered Institute of Purchase and Supply following successful completion of the Ethical Procurement and Supply e-learning of our procurement staff. 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



4.3 New contracts and supplier modern slavery statements

During FY2022, group procurement executed 38 new contracts, 12 of which were categorised as direct materials and 26 categorised as Services & Indirect Materials. All these contracts included human rights provisions to address modern slavery. Additionally, we had 10 suppliers sign a modern slavery statement specifying that they do not engage in any form of modern slavery in their operations or supply chain. All

purchase orders sent to uncontracted suppliers also continue to reference our updated standard purchase conditions. We have also refined the way we include modern slavery requirements into our contracts by incorporating these clauses into our general terms and conditions sections rather than by addendum/special conditions.

4.4 Supplier self-assessment

From a total supplier assessment of 202 suppliers, 31 have been marked as high or very high overall risk with 11 contracted suppliers being selected for a Supplier Self-Assessment (All remaining suppliers had been approached in FY2021). 8 responses were received in

FY2022, with 4 suppliers being requested to provide to complete the self-assessment in FY2023. The self-assessment questionnaire was developed in FY2021 following extensive desktop research and aligned to our modern slavery methodology.

4.5 Ethical supplier screening

InfraBuild has partnered with a 3rd party organisation to screen our supplier base referred to as Ethical Supplier Screening. Ethical Supplier Screening contains billions of relevant adverse media records sourced from news publications, magazine articles, television and radio transcripts. In addition to our supplier self-assessment questionnaire which relies on 'self-disclosure' by suppliers around Modern Slavery compliance, the Ethical

Supplier Screening is a complementary solution that provides a wealth of otherwise hard to find published factual data about suppliers.

Suppliers reviewed in FY2022 using Ethical Supplier Screening have not revealed any conflicting information to the supplier self-assessment questionnaire nor are any other modern slavery concerns identified.



5 | Description of effectiveness of the actions taken

Addressing modern slavery is becoming part of our way of working, with most of our foundations laid in FY2020 and FY2021. FY2022 is been mostly focused on continuing and refining our approach as well as engaging more suppliers either through a supplier statement around modern slavery, suppliers participating in our self-assessment questionnaire or conducting ethical supplier screening using a 3rd party system. An overview of the actions and its effectiveness is summarised below.

Action	Effectiveness description	Effectiveness rating
Supply chain mapping and assessment	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
New contracts	New contracts are typically the first engagement with suppliers around modern slavery and creating awareness.	Med-high
Modern Slavery Statement for Suppliers	The modern slavery statement for suppliers is used for suppliers with whom engage with infrequently, on a spot purchase basis or where a change to the contract was not preferred. Its sole focus on human rights makes this an effective tool to raise awareness and address modern slavery.	High
Certification	Individual CIPS certification provides an in-depth training for each procurement individual. Those who have successful completed the training will get certified and have sound knowledge and awareness of Modern Slavery.	High
Risk mitigation plan	For potential high risk spend categories, detailed risk mitigation plans have been developed in FY2021 and used throughout FY2022.	Low-Med
Supplier self-assessment	A detailed supplier self-assessment was developed in FY2021 to provide due diligence amongst our supply base. 11 contracted suppliers were requested to respond to this assessment.	High
Ethical Supplier Screening	The 3rd party Ethical Supplier Screening assists us in assessing whether high and very high-risk suppliers have been adversely reported in the news. The fact-based content makes this tool very effective in identifying any potential modern slavery practices.	High
Faircall	A faircall whistleblowing is in place where employees or external stakeholders can anonymously raise concerns. Throughout FY2022 no fair calls have been received.	Med-high
Review	InfraBuild Procurement monitors and annually reviews the effectiveness of its risk management measures.	Med



6 | Description of the consultation process

During the reporting period this statement covers, InfraBuild engaged and consulted with all Australian companies we own or control in the development of this statement primarily as a matter of course through our procurement team which is a centralised function that services the Infrabuild supply chain.





7 | Planned initiatives

During FY2022, 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 for the next few years:

1. Continued roll out of new contract terms across our supply base and communication of our Supplier Standard creating awareness and action.
2. Working with potential high risks suppliers ensuring compliance to our contracts and Supplier Standard together with developing suitable risk mitigation plans specifically for those suppliers we assess as having a high risk rating.
3. 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 use Ethical Supplier Screening across our supply base to understand if our suppliers have been adversely reported in the news.
7. Continue to develop processes to coordinate, document and track new actions and any incidents in relation to modern slavery.
8. Continue to promote awareness of the FairCall reporting mechanism among our suppliers by providing online information on how to lodge modern slavery concerns.



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