



CSR LIMITED

Modern Slavery Statement 2020



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SECTION 1: INTRODUCTION

CSR Limited (CSR) is pleased to submit its Modern Slavery Statement for the financial year ended 31 March 2020.

This joint statement is provided as required under the Modern Slavery Act 2018 (Commonwealth) and provides:

- Background information on the activities and operations of CSR;
- A summary of the main modern slavery risks that CSR faces and how these risks have been identified and assessed;
- Information on the actions being taken to mitigate those risks and how the effectiveness of these mitigating actions is assessed; and
- Any other information as required by the relevant legislation.

Section 3 of this statement contains details on the entities that are included in this joint statement and the reasons why a joint statement is appropriate for CSR.

SECTION 2: ABOUT CSR



BUILDING PRODUCTS

PROPERTY

ALUMINIUM



\$2.2b

Revenue
in YEM20



2,800+

CSR
employees



\$125m

Statutory net profit
after tax in YEM20



18,000+

Customers across
Australia and NZ



5,500+

Suppliers across Australia,
NZ and overseas

BUILDING PRODUCTS

CSR is a leading building products company in Australia and New Zealand and is the name behind some of the market's most trusted and recognised brand names including Gyprock plasterboard, Bradford insulation, Cemintel fibre cement, Hebel autoclaved aerated concrete panels, PGH bricks, Monier rooftiles and AFS walling systems. Formed in 1855, CSR is one of Australia's oldest companies with over 2,800 employees across Australia and New Zealand.

The Building Products business supplies the residential and commercial construction industries in Australia and New Zealand with products manufactured and distributed from over 180 sites. In addition, CSR is a distributor of a range of building products imported into Australia and New Zealand which complement CSR's existing range of manufactured products. CSR has a range of domestic and international suppliers which provide materials and services for the manufacture and delivery of its products to its customers.

PROPERTY

CSR Property focuses on maximising financial returns by developing surplus former manufacturing sites and industrial land for sale. CSR has an in-house Property team which is responsible for advancing the sites through various stages of the development cycle. The Property team has extensive experience in managing large scale property projects including:

- Site rezoning
- Remediation
- Biodiversity
- Civil earthworks
- Road construction
- Infrastructure and services

CSR Property also provides the CSR businesses with strategic property advice on future impacts of urban expansion on key CSR sites as well as managing CSR's extensive leased and owned property portfolio across Australia and New Zealand.

ALUMINIUM

Through its 70% shareholding in Gove Aluminium Finance Limited, CSR holds an effective 25.2% interest in the Tomago aluminium smelter, located in New South Wales. Tomago produces around 590,000 tonnes of aluminium annually, some 25% of Australia's primary aluminium production. Tomago employs 950 people (full time equivalent) as well as 170 contractors.

Further details on CSR's structure are set out in **Section 3**, with details relating to supply chains & operations are set out in **Section 5**.

CSR'S APPROACH TO RISK MANAGEMENT AND SUSTAINABILITY

At CSR, we care for and protect each other, our business, our customers, the community and our environment with the aim of building a sustainable, profitable and growing enterprise. The workplace health and safety of our people and the preservation of the environment in which we operate, are core values at CSR.

Further details on CSR's approach to sustainability over the past year are included in the **2019 CSR Sustainability Report** which was published in December 2019.

CSR's approach to sustainability is focused on three key areas:

- **Environment** - CSR is committed to contributing to an overall positive impact on the environment and reducing reliance on non-renewable resources. CSR has set new sustainability targets to 2030 which cover key areas of energy, emissions, procurement, packaging, water, waste and biodiversity.
- **People** - CSR recognises that a sustainable workplace is one that provides a safe, rewarding and diverse environment for its employees & stakeholders. CSR's first priority is to protect the health and safety of all employees and contractors, including in the supply chain, where possible.
- **Community** - CSR maintains ongoing dialogue with key stakeholders and the community, and partners with a number of organisations to ensure the company is meeting its social licence to operate.

RISK MANAGEMENT

CSR's Risk Management Framework (RMF) sets out the framework for risk management, internal compliance and control systems.

Risk management is sponsored by the CSR board and is a priority for senior managers, starting with the managing director. The board oversees the risk profile of CSR and ensures that business developments are consistent with the goals of CSR. The board receives periodic assurances that significant risks are managed appropriately. The RMF covers business risk, financial risk, financial integrity, legal compliance and sustainability risk, and requires risks across the businesses to be identified, evaluated, monitored and controlled. Risks are classified as either strategic, operational or financial/compliance.

There are several layers that assist the board in ensuring the appropriate focus is placed on the RMF:

- Risk & Audit Committee – reviews and reports to the board in relation to the company's financial reporting, internal control structure, risk management systems and the internal and external audit functions;
- Workplace Health, Safety & Environment Committee – reviews and reports to the board on the management of the company's safety, health and environment strategic and operational approach; and legal responsibilities, as well as the company's involvement in the communities in which it operates; and
- Executive management team – manages and reports to the board on business and financial risks and overall compliance.

SECTION 3: BACKGROUND INFORMATION ON THIS STATEMENT

This joint statement covers CSR Limited's reporting period 1 April 2019 to 31 March 2020.

This joint statement covers the entities as set out in **Appendix 1** and includes:

- All wholly owned subsidiaries of CSR Limited; and
- All companies in which CSR holds a majority share.

CONSULTATION WITH ENTITIES COVERED IN THIS STATEMENT

The following steps have been undertaken to consult with the entities covered by this statement:

- There is commonality of directors across the senior leadership team and the subsidiary companies;
- This statement was reviewed and approved by the senior leadership team;
- The Directors of the relevant subsidiary companies have had the opportunity to review this statement and provide feedback; and
- This statement does not include entities that CSR does not "control" (as defined by the Australian Accounting Standards).

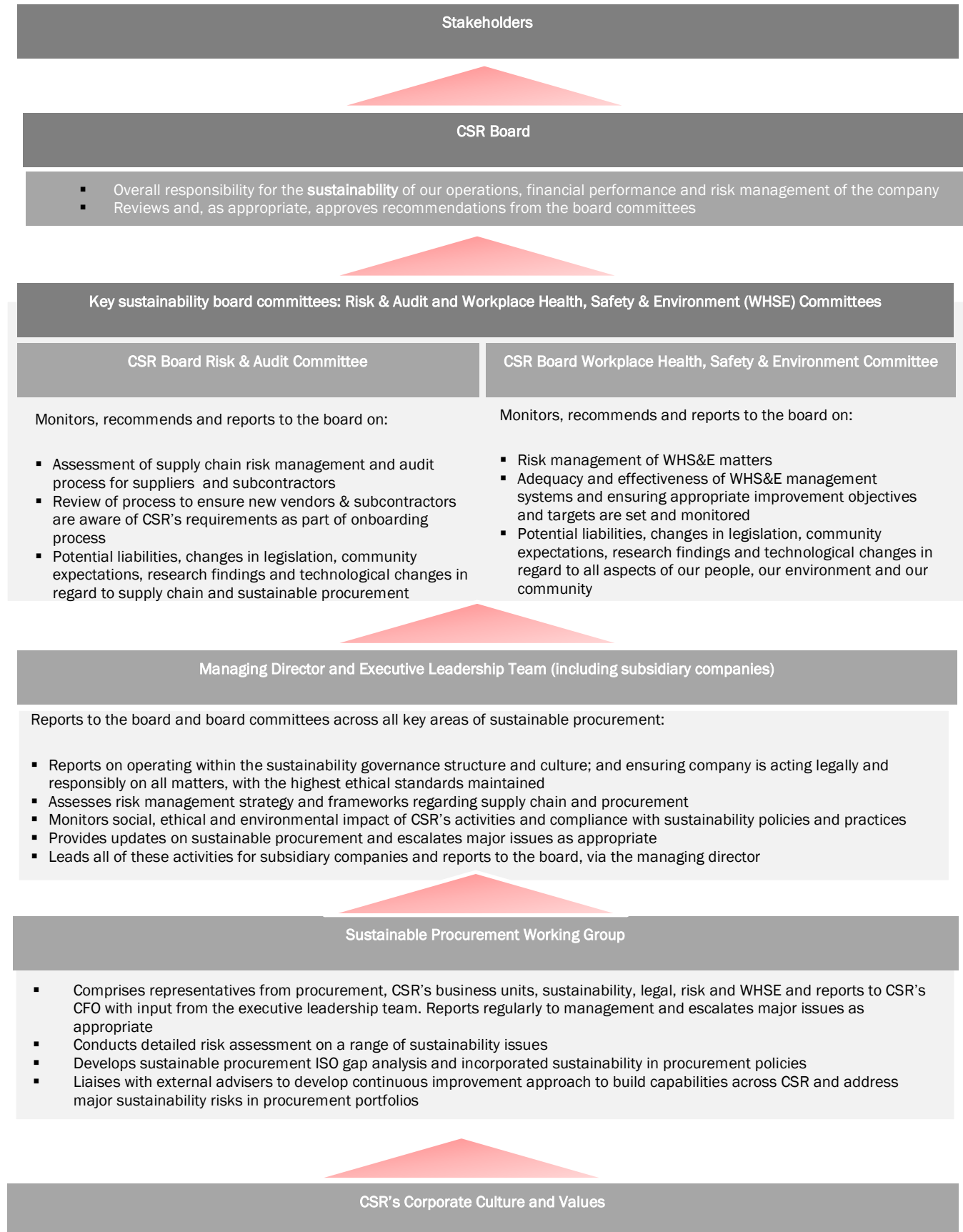
This statement excludes any modern slavery risks relating to Viridian Glass, which was sold in January 2019.

SECTION 4: CSR'S SUSTAINABILITY GOVERNANCE FRAMEWORK

CSR's governance framework is a set of rules, relationships, systems and processes underpinning the company's values and behaviours; the way it does business and how the CSR board is accountable to all stakeholders for the performance and growth of the company, as well as the identification and management of business risks. The governance framework ensures, amongst other things, that sustainable procurement risks are effectively identified and managed. These risks include modern slavery risks.

A key part of this framework is the **Supplier Code of Conduct** which formalises CSR's sustainable procurement policies, the minimum requirements we expect and the aspirations CSR would like our suppliers to achieve. It is a fundamental document to build CSR's sustainable procurement culture and provides an opportunity to engage with suppliers before and while we do business with them. This document includes explicit statements about human rights.







Figure 1: CSR's sustainability governance framework



SECTION 5: CSR OPERATIONS AND SUPPLY CHAINS

CSR's major businesses, operations and supply chains are set out below.

AREA	OPERATIONS	SUPPLY CHAINS
 <p>GYPROCK is Australia's leading manufacturer of gypsum-based products including plasterboard, cornice and compounds</p>	<ul style="list-style-type: none"> Manufacturing Gyprock plasterboard, cornice, jointing compounds and adhesives, ceiling systems Purchasing goods for resale; steel track and channel, hand and power tools, ceiling systems components etc. Supply and Installation of plasterboard and fibre cement systems Quarrying gypsum at Jurien Bay, WA 	<ul style="list-style-type: none"> Raw materials and packaging for manufacturing from local and overseas suppliers Quarrying of clays, shales and gypsum as input raw materials for bricks, roof tiles and plasterboard
 <p>CEMINTEL provides engineered fibre cement systems and internal lining products</p>	<ul style="list-style-type: none"> Manufacturing fibre cement board Purchasing goods for resale; specialty fibre cement boards and components 	
 <p>HIMMEL offers a complete range of interior systems. Features ceilings, wall, aluminium & hardware products such as ceiling grid & custom ceiling lights & sensors</p>	<ul style="list-style-type: none"> Manufacturing ceiling grid systems Purchasing goods for resale; ceiling panels, hardware, lights etc. 	<ul style="list-style-type: none"> Resale goods from local and imported sources
 <p>POTTER INTERIOR SYSTEMS is the leading supplier of materials, including ceiling tiles & aluminium partitioning, for the commercial wall & ceiling industries in New Zealand. Also supplies thermal & acoustic insulation, whiteboards, chalkboards and fabric boards</p>	<ul style="list-style-type: none"> Manufactures products including ceiling & partitioning systems, whiteboards, chalkboards & fabric boards Purchases goods for resale including panels, cladding, insulation, coatings etc. 	<ul style="list-style-type: none"> Distribution: logistics, transport, delivery providers including large, SME's and owner drivers. Customs and shipping companies Manufacturing facilities & services; including spare parts, capital equipment, maintenance contractors, professional consultants, waste disposal, etc.
 <p>AFS is a leader in load bearing permanent formwork walling solutions to deliver faster, lower cost construction</p>	<ul style="list-style-type: none"> Manufacture of in-situ reinforced concrete formwork systems Resale of associated goods such as fittings, steelwork etc. 	<ul style="list-style-type: none"> Indirect goods & services, e.g. office supplies, professional consultancy, marketing, advertising, security, clothing etc.
 <p>HEBEL is Australia's only manufacturer of autoclaved, aerated concrete (AAC) that is used in residential, commercial and infrastructure applications</p>	<ul style="list-style-type: none"> Manufacturer of autoclaved aerated concrete (AAC) Resale of associated goods such as jointing compounds, sealants, etc. Supply and Installation of AAC systems 	<ul style="list-style-type: none"> Supply and Install: use of sub-contractors for installing, plasterboard, insulation, roofs, AAC, bricks, PV systems etc.
 <p>INCLOSE is a manufacturer of unitised rainscreen façade systems</p>	<ul style="list-style-type: none"> The façade is manufactured off the building site and transported and installed as complete assemblies 	

AREA	OPERATIONS	SUPPLY CHAINS
 <p>BRADFORD supplies a full range of thermal, acoustic and fire insulation and energy saving products for homes and commercial buildings</p>	<ul style="list-style-type: none"> Manufacturing and importing glass-wool, rockwool, and other insulation types Manufacture of ventilation systems Supply and Installation of insulation and ventilation systems Supply and Installation of Photo-voltaic systems 	<ul style="list-style-type: none"> Raw materials and packaging for manufacturing from local and overseas suppliers Quarrying of clays, shales and gypsum as input raw materials for bricks, roof tiles and plasterboard
 <p>MARTINI manufactures environmentally sustainable, high-quality thermal and acoustic polyester fibre products for a variety of industries</p>	<ul style="list-style-type: none"> Manufacturing polyester fibre products such as cushioning, pin-boards etc. 	<ul style="list-style-type: none"> Resale goods from local and import Distribution: logistics, transport, delivery providers including large, SME's and owner drivers. Customs and shipping companies
 <p>MONIER is one of Australia's leading roofing experts, with over 100 years of manufacturing quality roofing products underpinned by its commitment to innovation</p>	<ul style="list-style-type: none"> Manufacturing concrete and terracotta roof tiles and associated products Purchasing goods for resale; lintels, roofing accessories, fittings etc. Supply and Installation of complete roofs 	<ul style="list-style-type: none"> Manufacturing facilities & services: including spare parts, capital equipment, maintenance contractors, professional consultants, waste disposal, etc.
 <p>PGH is one of Australia's largest manufacturers, innovators and marketers of clay bricks, walling systems and façade solutions for homes and commercial applications</p>	<ul style="list-style-type: none"> Sourcing clay and shale from CSR owned and other quarries Manufacturing clay bricks and pavers Purchasing goods for resale; masonry blocks, bricks, brick walling systems 	<ul style="list-style-type: none"> Indirect goods & services, e.g. office supplies, professional consultancy, marketing, advertising, security, clothing etc. Supply and Install: use of sub-contractors for installing, plasterboard, insulation, roofs, AAC, bricks, PV systems etc.
PROPERTY		
 <p>CSR's Property division focuses on maximising financial returns by developing former manufacturing sites and industrial land for sale</p>	<ul style="list-style-type: none"> Marketing and construction of industrial, commercial and residential land developments Site rehabilitation Partnering with other construction projects, e.g. Metro rail line – accepting tunnelling fill Leasing properties 	<ul style="list-style-type: none"> Use of contractors, civil engineering, construction companies and bulk transport providers
GOVE ALUMINIUM		
 <p>Gove Aluminium Finance Limited (70% CSR)</p>	<ul style="list-style-type: none"> Purchase of alumina Distribution, logistics, shipping operations of both alumina and aluminium Sales of aluminium ingot The operation of the Tomago aluminium smelter is not in scope for Gove Aluminium Finance (GAF), with GAF holding a 25.2% interest in Tomago 	<ul style="list-style-type: none"> CSR has operational control of GAF GAF procures alumina as the input material to aluminium smelting Inbound shipping and freight for alumina Outbound shipping and freight for aluminium ingot

CSR'S SUPPLIERS

CSR uses over 5,500 suppliers across a range of procurement categories, as set out in Figure 2 below.

Figure 2. CSR procurement portfolios



SECTION 6: IDENTIFYING MODERN SLAVERY RISKS

This section sets out the steps that CSR has taken to identify any modern slavery risks, as well as a summary of those risks.

CSR'S RISK MANAGEMENT FRAMEWORK AND RISK APPETITE

The governance of sustainable procurement aligns with CSR's RMF. CSR's RMF establishes a framework for identifying, assessing, controlling, reviewing and reporting on risk. The format and structure of the RMF has regard to all relevant regulations, standards and guidelines. The RMF applies to CSR, and its subsidiaries, and covers both corporate functions and operations in Australia and New Zealand, long term liabilities, majority owned joint ventures and other financial interests.

The RMF has five Risk Appetite statements. The first Risk Appetite statement, entitled Governance, Compliance & Reputation Risk Appetite Statement, in particular, applies to CSR's views on Modern Slavery and is set out below:

"The Board and Management acknowledge that CSR's success relies on its reputation as an organisation of the highest integrity and professionalism. CSR has no appetite for behaviours or actions that do not meet our Code of Conduct or regulatory obligations, or which negatively impact our reputation as a company of the highest ethical standards."

STEPS CSR HAS TAKEN TO IDENTIFY ITS MODERN SLAVERY RISKS

CSR has taken the following actions to identify its modern slavery risks, across all areas:

1. Conducted a sustainable procurement ISO gap analysis - ISO 20400 Sustainable Procurement Guidance assists organisations in meeting their sustainability responsibilities. By integrating sustainability in procurement policies and practices, including supply chains, organisations can manage risks (including opportunities) for sustainable environmental, social and economic development. CSR performed a gap analysis between the ISO guidance and CSR's existing policies, processes and procedures. The gap analysis was used to plan the initial approach. CSR continues to refer to the Sustainable Procurement Guidance as it progressively integrates sustainable procurement into the way CSR operates. Figure 3 sets out the key areas as they applied to this gap analysis.

2. Detailed risk assessment - CSR conducted workshops with its internal procurement stakeholders to risk score a range of sustainability threats and opportunities, using spend, category, vendor, and country data. The deliverable was a heatmap of threats and opportunities, not only in relation to modern slavery risks.
3. Retained a specialist firm to assist with the process – in late 2018 CSR started working with the consultancy firm Action Sustainability Asia Pacific to integrate sustainability within CSR’s procurement activities in line with ISO 20400 Sustainable Procurement Guidance and to ensure CSR had access to best practice in this area. This continuous improvement approach consists of two workstreams;
 - a. building up overall capabilities across CSR; and
 - b. addressing major sustainability risks in specific procurement portfolios. To date CSR’s focus has been on tier one suppliers.

Figure 3. ISO 20400 framework structure

The figure below sets out the structure of the ISO 20400 sustainable procurement framework



SUMMARY OF KEY RISKS

Set out below is a summary of key risks identified in the sustainable procurement risk analysis which related directly to modern slavery risks.

1. **Imported Goods** - raw material inputs to manufactured products, such as industrial minerals, poly-fibre and chemicals etc. and goods for resale, such as adhesives, solar PV panels, fibre cement, insulation etc. may be imported from at risk countries listed in the Global Slavery Index. There is a risk that modern slavery exists in these supply chains. The risk varies depending on the country and the product type.
2. **Installation of Products and Systems** - CSR uses contractors for installation of many products. In some cases, further subcontracting may be allowed. There is a risk that these sub-contractors, in managing their own workforce and their sub-contractors, may not comply with Australian or New Zealand labour laws.
3. **Facilities management** - CSR operates many manufacturing sites which require, machinery and process maintenance, waste disposal, and cleaning services. CSR uses contractors for many of these services. There is a risk that these contractors, in managing their own workforce, may not comply with Australian or New Zealand labour laws.
4. **Logistics** – distribution, transport and delivery. CSR uses road, air, and sea freight companies for inbound or outbound deliveries. There is a risk that some of these contractors, in managing their own workforce, may not comply with Australian or New Zealand labour laws. In addition to modern slavery risks, this area is continuously reviewed for compliance to Chain of Responsibility (CoR) and Heavy Vehicle National Laws (HVNL).
5. **Construction** – Property Development. CSR normally uses large construction companies to assist with property developments. These construction companies may in turn sub-contract the work. There is a risk that these contractors, in managing their own workforce, may not comply with Australian or New Zealand labour laws.
6. **Marketing materials** (from the Indirect spend category) - CSR purchases a small quantity of marketing and promotional items. These would normally be sourced from local Australian companies; however, the goods may have been manufactured in countries listed in the Global Slavery Index. The risk varies depending on the country and the product type.

SECTION 7: ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

This section describes the mitigating factors that CSR has put into place to manage the identified supply chain risks.

GOVERNANCE & OVERSIGHT

To ensure that the risks are effectively identified and managed, CSR has put a governance framework in place, including key stakeholders as outlined in **Section 4**.

CSR'S CODE OF BUSINESS CONDUCT & ETHICS

CSR's **Code of Business Conduct and Ethics** (the Code of Conduct) sets out the standards of behaviours expected by all CSR people, including employees, suppliers and contractors. The Code of Conduct is accessible on CSR's website and all employees and contractors are required to be aware of it and comply with it. All breaches of the Code of Conduct are encouraged to be reported via a link on CSR's external website (see **Incident reporting**). CSR conducts an annual survey of all employees to confirm knowledge of, and compliance with, the CSR Code of Conduct. Suppliers and contractors are made aware of the Code of Conduct.

CONTINUOUS IMPROVEMENT OF PROCUREMENT PROCESSES

A risk-based approach was developed to manage sustainability issues across the procurement process.

The procurement process:



Elements of the continuous improvement of procurement processes include:

Supplier Code of Conduct

CSR's Supplier Code of Conduct (the Code) specifies CSR's expectations of suppliers in regard to: Fair operating practices, Workplace Health and Safety, Environment, Human rights and Diversity and inclusion.

CSR is committed to upholding human rights and understands that operations and supply chains are complex. CSR expect its suppliers to identify any potential or actual adverse impacts their operations may have on human rights and to implement prevention, mitigation, and remediation processes. Suppliers should maintain a complete set of records to trace the supply chain of all goods and services provided to CSR. In addition, CSR values suppliers that seek to contribute to the social, economic and environmental improvement of communities around CSR sites.

The Code was developed, communicated to staff and is published on the CSR website: **CSR Supplier Code of Conduct**.

The Code is referenced in CSR's Standard Purchasing Terms and Conditions and includes a grievance reporting mechanism. The Code was incorporated into the vendor onboarding process; all new vendors receive and acknowledge the Code before their account is created in CSR's business system. The Code was sent to all existing and relevant suppliers including direct and indirect suppliers in March 2020.

The Code aligns with CSR's values as found in CSR's **Code of Business Conduct and Ethics**. Both the Supplier Code and Business Code include a reporting process including a Whistle Blower policy, see **Incident reporting**.

Risk Assessment Tool

This tool is used in pre-qualifying a supplier or reviewing existing suppliers. This tool aligns with CSR's Risk Management Process, Risk Policy and Risk rating. The risks evaluated are end-user issues, workplace health and safety, labour and human rights, and environmental threats. The assessment is done by a team with experience of the product, supplier and risk assessment. The tool records controls and monitoring processes.

Supplier Questionnaires

Questionnaires have been developed for suppliers, including a version for installation contractors. Questionnaires have been sent to a small sample of installation contractors. The responses provide insights into the supplier/contractors' ability to manage sustainability issues including modern slavery, labour rights, working conditions, freedom of association and supply chain transparency. It is planned to send this questionnaire to a greater number of suppliers in 2021.

Strengthening Contractual Obligations with Suppliers

CSR's contract templates have been updated to include clauses which set out CSR's expectations of suppliers; including complying with law, maintaining policies and procedures to ensure compliance; complying with CSR requests (including audits) and notifying CSR as soon as a supplier becomes aware of any actual or suspected occurrence of human rights violation in its operations and/or supply chain. All major raw material contracts have been amended to include the new clauses, as well as many indirect goods and services contracts. All new supply contracts include these clauses.

Remediation Process

When a supplier does not meet CSR's requirements, corrective action plans shall be established, and progress will be monitored. CSR may support suppliers with the development of their capabilities. CSR will terminate the relationship with suppliers that repeatedly and knowingly violate CSR's Supplier Code of Conduct. A confidential hotline is available for anonymous reporting.

Training

CSR, together with Action Sustainability, developed a training module covering; Modern Slavery, labour rights, how to perform a risk assessment, remediation options, and reporting. Staff responsible for procurement sourcing decisions were trained in February 2020.

COVID-19 – due to travel restrictions and social distancing further training sessions have been delayed.

CONTINUOUS IMPROVEMENT OF SUPPLY AND INSTALLATION PROCESSES

Installer Agreements

CSR's template agreements are being amended to include requirements for sub-contractors including,

- (1) ensuring the sub-contractor complies with the Fair Work Act and other relevant legislation,
- (2) providing evidence to support they are compliant (including wage declarations),
- (3) appointing a representative of the sub-contractor that employees can contact regarding pay conditions,
- (4) providing information about workplace rights, and
- (5) imposing similar requirements on their own subcontractors.

Whilst these arrangements have been in place for many sub-contractors for some time, a program is currently underway to:

1. Simplify the agreements to make sure they are fit for purpose for the relevant sub-contractor/installer;
2. Ensure consistent use of these agreements across all business units; and
3. Work with sub-contractors to ensure that the arrangements are practicable.

COVID-19 – due to travel restrictions and social distancing the roll-out these agreements through 2020 has been delayed.

Supporting sub-contractors & installers

In some cases, CSR will provide resources to help sub-contractors understand their obligations and ensure compliance. This usually takes the form of directing sub-contractors to the relevant website, which sets out the requirements, answering questions on CSR's requirements, and additional information sessions, if needed.

Auditing

CSR currently conducts audit of sub-contractors to ensure compliance with relevant workplace health and safety laws whilst on sites. This audit program is being reviewed with a view to including audits on sub-contractor/installer compliance with relevant modern slavery laws.

SUMMARY OF MITIGATING TECHNIQUES

Table 1 below sets out the risks (as listed above) and the mitigating actions that are designed to address them.

Table 1

Categories where Modern Slavery Risks may occur	Mitigating techniques to address the risks
Imported goods	<ul style="list-style-type: none"> ▪ Procurement processes including <ul style="list-style-type: none"> – Supplier Code of Conduct – Risk assessment – Supplier contracts – Questionnaires and supplier engagement ▪ Assessment of modern slavery risks included in CSR's assessment of any new product
Installation of products & systems	<ul style="list-style-type: none"> ▪ Installer agreement ▪ Support provided for sub-contractors and installers ▪ Increased supervision and auditing (in process)
Facilities management	<ul style="list-style-type: none"> ▪ Procurement processes including <ul style="list-style-type: none"> – Supplier Code of Conduct – Risk assessment – Supplier contracts – Questionnaires and supplier engagement ▪ CSR Way Manufacturing standards and processes to incorporate modern slavery practices (in process) ▪ Contractor management processes including pre-qualification, induction, and reviews
Logistics contractors	<ul style="list-style-type: none"> ▪ Procurement processes including <ul style="list-style-type: none"> – Supplier Code of Conduct – Risk assessment – Supplier contracts – Questionnaires and supplier engagement ▪ Chain of Responsibility management groups ▪ Contractor management processes including pre-qualification, induction, and reviews
Construction – property development contractors	<ul style="list-style-type: none"> ▪ Procurement processes including <ul style="list-style-type: none"> – Supplier Code of Conduct – Risk assessment – Supplier contracts – Questionnaires and supplier engagement ▪ Contractor management processes including pre-qualification, induction, and reviews
Marketing materials	<ul style="list-style-type: none"> ▪ Procurement processes including <ul style="list-style-type: none"> – Supplier Code of Conduct – Risk assessment – Supplier contracts – Questionnaires and supplier engagement

Other Actions taken

Coverage for Gove Aluminium Finance (GAF) – the employees who work in the GAF business are employees of CSR Limited, and are seconded into the GAF business. As a result, these employees have access to CSR's resources including training, contract clauses, risk assessments and legal support.

The Supplier Code of Conduct has been sent to all of GAF's relevant suppliers. Several supply contracts are being reviewed to include modern slavery and human rights clauses. A review of GAF's supply chain is planned for 2021.

Mitigation action – next steps

CSR has developed an action plan to continue monitoring CSR's modern slavery risks and to continuously improve CSR's management systems. The plan extends to June 2021 and includes:

- Continuing to work with Supply and Install operations and engaging with installer contractors
- Aligning sustainability policies and plans via the Sustainable Procurement working group and engaging with CSR support functions including the procurement sourcing community
- Improving identification of vendors with risk by implementing a third party monitoring service. The service will be used when onboarding any new vendor and for ongoing screening of CSR's active vendors. Vendors with criminal convictions, on sanctions lists or are owned by Politically Exposed Persons will be highlighted

- Engaging with suppliers based on procurement category risk assessments (the Heatmap)
- Reviewing available software platforms and implementing the preferred platform to help manage CSR's suppliers
- Reviewing available technologies and services to map CSR's supply chains
- Continue networking with other Australian manufacturing companies to learn from their experiences.

SECTION 8: ASSESSING THE EFFECTIVENESS OF THESE ACTIONS

The following is in place to assess the effectiveness of the above actions:

1. The board, via the Risk & Audit Committee, receives regular updates on the above actions and how the company is tracking against them.
2. The executive leadership team, via the CEO, is regularly updated on the progress of the above.
3. There is ongoing communication between CSR and its suppliers on the Supplier Code of Conduct, including discussions on any issues identified, and how to address them. CSR provides assistance to suppliers with low experience in this area.
4. CSR is working with key Supply and Install contractors to ensure any new requirements are clearly understood and they are meeting their obligations.
5. CSR's sustainability performance is reported in the **CSR Sustainability Report** which is available on CSR's website and lodged with the Australian Securities Exchange.
6. Monitoring the incident reports and whistleblower lines to identify whether any grievances relating to modern slavery have been reported.
7. The Company accesses best practice through external consultants and networks.

CSR tracks its delivery of key measures. For Sustainable Procurement including work on modern slavery, a number of aspects are measured as shown in Table 2.

Table 2

Area of measurement	Quantity
Provide modern slavery risk training to key sourcing decision makers within CSR	60 staff trained
All relevant Suppliers issued the Supplier Code of Conduct	Complete (5,500+ suppliers)
Suppliers that have been risk assessed (modern slavery)	16 suppliers
Contracts amended – Modern Slavery clause added	60+ contracts amended
Modern slavery or labour rights violations logged via Confidential hotline	Nil

SECTION 9: OTHER RELEVANT INFORMATION

There is no additional relevant information to be disclosed.

SECTION 10: APPROVAL OF THIS STATEMENT

This statement was approved by the board of CSR Limited, following a consultation process with the other entities covered in this statement.



Signed by Julie Coates
Managing Director
CSR Limited

18 September 2020

CONTACT US

We value your suggestions and comments.

If you have any queries, please contact us:

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APPENDIX 1

WHOLLY OWNED AND MAJORITY SHAREHOLDING SUBSIDIARIES OF CSR LIMITED AS AT 31 MARCH 2020

Entity	2020 % ownership	Entity	2020 % ownership
Incorporated in Australia		Incorporated in Australia (continued)	
A-Jacks Hardwall Plaster Pty Ltd	100	CSR Subsidiary Holdings Limited	100
A-Jacks Unit Trust	100	CSR-ER Nominees Pty Limited	100
AFS Systems Pty Limited	100	Gove Aluminium Finance Limited	70
AFS Unit Trust	100	High Road Capital Pty Limited	100
BI (Contracting) Pty Limited	100	Midalco Pty Limited	100
Bradford Insulation Industries Pty Limited	100	Monier PGH Superannuation Pty Limited	100
Bradford Insulation (S.A.) Pty Limited ¹	100	PASS Pty Limited	100
Bricks Australia Services Pty Limited	100	PGH Bricks & Pavers Pty Limited	100
Buchanan Borehole Collieries Pty Ltd	100	Rediwall Unit Trust	100
CSR Building Products Limited	100	Rivarol Pty Limited	100
CSR Developments Pty Ltd	100	Seltsam Pty Limited	100
CSR Erskine Park Trust	100	Softwood Holdings Limited ¹	100
CSR Finance Limited	100	Softwood Plantations Pty Limited ¹	100
CSR Industrial Property Trust	100	Softwoods Queensland Pty Limited ¹	100
CSR Industrial Property Nominees No. 1 Pty Limited	100	Thiess Bros Pty Limited	100
CSR Industrial Property Nominees No. 2 Pty Limited	100	Thiess Holdings Pty Limited	100
CSR International Pty Ltd	100		
CSR Investments Pty Limited	100	Incorporated in New Zealand	
CSR Investments (Asia) Pty Limited	100	CSR Building Products (NZ) Ltd	100
CSR Investments (Indonesia) Pty Limited	100		
CSR Martini Pty Limited	100	Incorporated in other countries	
CSR Share Plan Pty Limited	100	CSR Guangdong Glasswool Co., Ltd (China)	79
CSR Structural Systems Pty Limited	100	CSR Insurance Pte Limited (Singapore)	100
CSR Subsidiary Finance Pty Limited	100	PT Prima Karya Plasterboard (Indonesia)	100

¹ In members voluntary liquidation.