



CLEARY BROS (BOMBO) PTY LTD

MODERN SLAVERY STATEMENT FY2020

1. Introduction

- 1.1 This Modern Slavery Statement (**Statement**) has been prepared to comply with the *Modern Slavery Act 2018* (Cth) (**Act**).
- 1.2 In accordance with clause 13(1) of the Act, this Statement is intended to apply to the supply chain and/or business operations of Cleary Bros (Bombo) Pty Ltd (ABN 28 000 157 808) collectively referred to within this Statement as either “Cleary Bros”, “we”, “our” or “us”.

2. Purpose

- 2.1 The Act requires affected entities to prepare a Statement outlining the key measures undertaken during the 2020 financial year (**FY20**) to identify the risk of modern slavery and human trafficking practices (**Modern Slavery**) within their businesses.
- 2.2 This Statement must also outline any additional steps which are proposed to be undertaken and completed by the end of FY20.
- 2.3 The purpose of this Statement is to comply with those obligations. For completeness, Cleary Bros’ financial year commences on 1 July until 30 June.

3. Layout of Statement

- 3.1 Section 16 of the Act specifies seven (7) mandatory reporting criteria which Cleary Bros must address to achieve compliance. Cleary Bros seeks to address each of these criteria in this Statement to the extent they are relevant within its supply chain and/or business operations.

4. Our Business

Structure and Operations

- 4.1 First established in 1916, Cleary Bros is a large, privately-owned business based principally in the Wollongong and Illawarra regions with interests across the Quarrying, Construction, Concrete, Plant Hire and Transport industries. Despite being a major provider in the construction industry, Cleary Bros maintains its family values approach in delivering quality service to its clients, all of which are located within Australia.
- 4.2 As at the date of this Statement, Cleary Bros employs 255 in Australia, has 760 companies in its supplier network and 237 subcontractors engaged on a regular to semi-regular basis to provide various goods and/or services needed to operate the business.
- 4.3 Cleary Bros’ employees are engaged under a contract of employment, award or through an enterprise agreement approved by the Fair Work Commission of Australia. Specifically, Cleary Bros has five (5) collective industrial instruments across its business and its employees are free to join a trade union of their choosing.

Supply Chain

- 4.4 Cleary Bros is a vertically integrated business and as such, its supply chain predominantly consists of raw materials required to manufacture products such as concrete, to a vast range of goods and services which are essential to operate a business of our nature. Broadly, these include:
- a) plant and equipment including, machinery;
 - b) vehicles, including standard motor, earth-moving and heavy transport vehicles;
 - c) consumables, inventory and products and services needed for the day to day running of the business such as fuel, oils, lubricants, spare parts, paint etc; and
 - d) essential supplies such as labour hire, stationary, mobile phones, laptops/devices, uniforms, cleaners, consultants, IT support, personal protective equipment etc.
- 4.5 During FY20, Cleary Bros worked with over 1000 minor and major suppliers who were all based in Australia. A very small number of these Australian-based suppliers procured their goods or services from third-party suppliers based outside of Australia, rendering our supply chain low risk.
- 4.6 In FY20, the majority of our annual supplier spend mostly occurred with respect to the purchase of raw materials such as cement and clinker which is used in the manufacture of concrete.

5. Risks of Modern Slavery Practices

- 5.1 Key stakeholders within Cleary Bros conducted a preliminary assessment of all suppliers based on spend, market, location, nature of goods/services supplied, parent entity arrangements and whether those goods/services were ultimately procured from overseas. The main focus of the preliminary assessment was on those industries within Cleary Bros' supply chain which presented the highest Modern Slavery risks. This assessment included a review of industries such as cleaning, maintenance, logistics, transport, IT, uniforms and general consumables and sundries.
- 5.2 These preliminary assessments did not identify any immediate or alarming concerns as Cleary Bros does not regularly source large or diverse quantities of goods and/or services from "at risk" industries or markets. However, to ensure Modern Slavery risks are continually monitored and identified in the supply chain, Cleary Bros proposes implementing robust due diligence processes when engaging (or renewing existing arrangements) with key suppliers. Cleary Bros also seeks to identify further steps which can be implemented within its supply chain to ensure there is no or minimal exposure to Modern Slavery (see Section 8).

6. Actions taken to address Modern Slavery risks

- 6.1 Cleary Bros is committed to only engaging those suppliers that are ethical, uphold the same corporate principles as Cleary Bros and where appropriate, implement corrective measures.
- 6.2 Specifically, Cleary Bros has created a strategic framework within its supply chain and/or business operations to reduce or eliminate its exposure to Modern Slavery risks through: (1) the implementation of preliminary risks assessments as noted above in Section 5; (2) deploying a due diligence process; (3) updating its suite of key supply agreements to address Modern Slavery; (4) training all employees in updated policies; and (5) procedures and the introduction of remediation processes with its suppliers that may be identified as engaging in Modern Slavery practices.

Due Diligence

- 6.3 Cleary Bros proposes implementing a process whereby potentially 'high risk' suppliers are subjected to a due diligence process including a type of pre-qualification questionnaire

(**Questionnaire**) that contains questions which seek to identify a supplier's risk of Modern Slavery within their own operations or supply chain. It should be noted that Cleary Bros does not envisage this will apply to most of its suppliers however if applicable, Cleary Bros proposes that high-risk suppliers return their questionnaires on an annual basis or at the time they are engaged.

- 6.4 If these high-risk suppliers return a non-conforming Questionnaire or fail to return a Questionnaire without a valid reason, key stakeholders will actively engage with the supplier about a remediation process as opposed to immediately terminating the relationship with the supplier. This is because we consider this approach may more appropriately remediate the situation as opposed to allowing the risk to continue or escalate.
- 6.5 Cleary Bros also recognises that most of its suppliers are not required to comply with the Act but nevertheless will seek to work with those suppliers to ensure they understand the importance of compliance to our business. In this way, Cleary Bros will be able to maintain a consistent approach with its suppliers as part of the overarching compliance program.

Policies and Corporate Governance

- 6.6 Cleary Bros' corporate governance framework seeks to identify and manage Modern Slavery risks within a recently reviewed, and updated, suite of policies, procedures and internal guidelines. These are available to all employees and contractors and specifically include the following:
- Whistleblower Policy;
 - Code of Business Conduct Policy;
 - Recruitment and Selection Policy;
 - Anti-Discrimination and EEO Policy; and
 - Workplace Anti-Bullying Policy.
- 6.7 All employees and contractors are required to comply with these policies and procedures. Relevantly, where a report is made under these policies, a fair and proper investigation is required in accordance with a prescribed process and remedial action must be undertaken. Complainants are also able to do this confidentially and without fear of intimidation, disadvantage or reprisal.

Updating Key Agreements

- 6.8 A number of Cleary Bros' key agreements and purchasing terms and conditions have been updated to contain express provisions in relation to Modern Slavery and the obligations of those suppliers where they are engaged by Cleary Bros. It is recommended that these types of clauses be cascaded downwards into the supply agreements of those suppliers to ensure compliance at all levels of the supply chain.

Training

- 6.9 Cleary Bros is in the process of rolling out a company-wide training program to ensure all employees are training in key policies and procedures which address Modern Slavery. Appropriate training records will be collected and maintained as evidence that training has occurred.

7. Measuring Effectiveness

- 7.1 Cleary Bros will continue to undertake work to minimise the risks of Modern Slavery in its supply chain through the due diligence channels outlined in Section 6 of this Statement.
- 7.2 To measure effectiveness, key stakeholders within the business propose to meet as is necessary to address any concerns raised by suppliers, customers, employees (including former employees

and suppliers) or members of the community in respect of Cleary Bros' approach to Modern Slavery. Cleary Bros will conduct an assessment of the due diligence process once implemented including whether we are collecting enough information from suppliers to ensure we are assessing Modern Slavery risks.

7.3 Cleary Bros considers that compliance with Modern Slavery obligations may potentially be queried by external stakeholders such as, for example, auditors, insurers, financiers, advisors or major customers. If applicable, these may also be used to measure the effectiveness of compliance.

7.4 In FY20, there were no instances of Modern Slavery reported or alleged against Cleary Bros.

8. Future Steps

8.1 Where applicable, Cleary Bros is committed to engaging collaboratively with its suppliers and customers to identify the risk of Modern Slavery in its supply chain and/or business operations and where identified, prevent those risks from continuing.

8.2 Key stakeholders in the business will meet as is necessary to discuss:

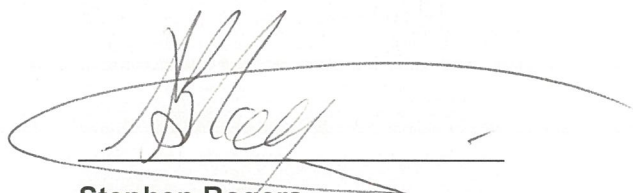
- any Modern Slavery incidents which have arisen or been reported;
- any process improvements in current operations;
- any industry specific risks which have come to its attention;
- any potential findings or recommendations from by way of example, auditors, insurers, advisors, financiers or major customers (if any);
- discuss any proposed changes to the Statement for FY21 after the first year of compliance.

8.3 Over the next reporting year, Cleary Bros' key focus in relation to Modern Slavery compliance will be on:

- implementing and deploying the due diligence process to ensure all high-risk suppliers are identified;
- liaising with other stakeholders in the industry to understand and share learnings;
- explore further mechanisms to measure the effectiveness of our actions taken to address Modern Slavery; and
- ensuring all employees are trained in policies and procedures to identify and appropriately manage Modern Slavery risks.

APPROVAL

In accordance with section 13(2)(d) of the Act, this statement was approved by the Board of Directors of Cleary Bros (Bombo) Pty Ltd (ABN 28 000 157 808) on or about 22 March 2021.



Stephen Rogers
Managing Director and Chief Executive Officer

22 March 2021