

# LLOYD



## LLOYD GROUP FY2020 MODERN SLAVERY STATEMENT

CONSTRUCTIVE THINKING

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The Modern Slavery Act 2018 (Cth) (MSA) came into effect on 1 January 2019 and addresses slavery occurring overseas where it forms part of the supply chain of an Australian business, or an overseas entity that conducts business in Australia. According to the Global Slavery Index 2018, in 2016 there was an estimated 15,000 victims of modern slavery in Australia. The Anti-Slavery International defines modern slavery as “the severe exploitation of other people for personal and commercial gain”. It includes practices such as human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and the worst forms of child labour.

## INTRODUCTION

As a family-owned Australian company delivering community projects, Lloyd Group Pty Limited (LLOYD) cares greatly about our staff, the people we work with, our communities and our environment.

LLOYD firmly believes in the protection of human rights, including the absolute rights to freedom from slavery and forced labour and to freedom from torture and other cruel, inhuman or degrading treatment or punishment.

The financial year ending 30 June 2020 (FY2020) was a significant step forward for LLOYD and we are proud of what we have done, where we are and what the future holds. This statement is made on behalf of LLOYD in compliance with the MSA and sets out the steps we have taken during FY2020 to identify and address modern slavery in our operations and supply chain.

As our first public disclosure under the Modern Slavery Act, we have focussed on assessing and addressing risks associated with our high value, high risk direct suppliers. However, we are committed to continuing to develop and strengthen our response to modern slavery over time and have a plan to engage with all of our direct suppliers and deeper in our supply chain in the future.

LLOYD’s mission is to “Build Australia’s Future” and we believe that should be a future where modern slavery no longer exists in our operations or supply chain.

**LLOYD**



## STRUCTURE AND OPERATIONS

LLOYD was established in 1979 and is a family-owned construction company. It has offices in Melbourne, Sydney, Brisbane and Newcastle.

In FY2020, with a team of 84 dedicated staff, LLOYD had the financial capacity, expertise and experience to undertake any project up to \$40m in value, across the following sectors:

- Education
- Childcare
- Ecotourism
- Community
- Health
- Emergency Services
- Commercial
- Retail
- Aged Care

At LLOYD, we are driven by our core values – respect, integrity, innovation, collaboration, excellence and trust. In accordance with these values, we are determined to carry out business ethically and with integrity and transparency. We expect the same high standards from our suppliers and subcontractors.

# SUPPLY CHAIN

In FY2020, LLOYD procured over \$124 million of goods and services from almost 1400 direct suppliers. Our direct supply chain includes the procurement of goods and services for our:



**Corporate Supply Chain**  
including staff uniforms and PPE, cleaning of offices, IT software and hardware, office furniture, professional services



**Construction Supply Chain**  
including subcontractors, consultants, materials and manufactured products who supply goods and services to our sites in Victoria, NSW and Queensland

Being in the construction industry, many of our direct suppliers to our construction sites:

- manufacture products in factories in Australia or overseas;
- source materials and products from overseas or have components manufactured overseas; and
- have a large unskilled labour workforce which may include migrant labour.

We have identified the supply chains of these direct suppliers as our highest risk area for modern slavery in our supply chain and this has been the focus of our statement for FY2020.

# RISK ASSESSMENT, DUE DILIGENCE AND REMEDIATION

During FY2020, LLOYD took the steps outlined in Table 1 to assess modern slavery risk in its supply chain:

Action	FY2020	Target for FY2021	Target for FY2022
<b>Documentation</b>	✓ Prepare a risk matrix for categorisation of direct suppliers as high risk	✓ Publish a Whistleblower Policy	Draft a Supplier Code of Conduct
	✓ Develop a questionnaire for issue to direct suppliers to identify risk of modern slavery in operations	Publish a Modern Slavery Policy	
		✓ Ensure all new Subcontracts have a modern slavery clause	✓ Ensure all new Subcontracts have a modern slavery clause
<b>Due Diligence</b>	✓ Identify all direct suppliers	Categorise all direct suppliers by industry	Categorise all direct suppliers by industry
	✓ Apply risk matrix to high value direct suppliers to identify those with a high risk of modern slavery	Apply risk matrix to all direct suppliers (regardless of value) to identify those with a high risk of modern slavery	Apply risk matrix to all direct suppliers (regardless of value) to identify those with a high risk of modern slavery
	✓ Issue modern slavery questionnaire to high value, high risk direct suppliers	Issue modern slavery questionnaire to high risk direct suppliers (regardless of value)	Issue modern slavery questionnaire to all direct suppliers as part of the procurement process
	✓ Assess responses to modern slavery questionnaire and identify any issues	Assess responses to modern slavery questionnaire and identify any issues	Assess responses to modern slavery questionnaire and address any issues
		Address any issues identified in FY2020 questionnaire	Address any issues identified in FY2020 questionnaire
<b>Training</b>		Train employees on Whistleblower Policy	Train direct suppliers on how to identify, assess and respond to modern slavery risks
		Train employees on how to identify, assess and respond to modern slavery risks	

Table 1 - LLOYD 3 Year Assess and Address Plan

## FY2020 MODERN SLAVERY STATEMENT

LLOYD developed a risk matrix which gave each of our suppliers a score based on the extent to which:

- their industry sector is regulated;
- whether their industry is a known risky industry;
- whether their industry involved skilled or unskilled labour;
- whether their industry involved a high labour component and if so whether the supplier used labour hire or migrant labour;
- whether the supplier manufactured products at factories in Australia or sourced them from overseas; and
- whether the supplier was required to provide a modern slavery statement under the Modern Slavery Act.

### RISK FACTOR MATRIX

Likelihood	Regulated/ Licensed	Skilled Trade	Manu- facturer with factory	Materials Manu- facturerd overseas	High Labour Component	Labour Hire Used	Foreign Labour Used	Known Risky Sector	ASX Listed	Required to report on MSS
Yes	1	1	5	5	5	5	5	5	1	1
Likely	N/A	N/A	4	4	4	4	4	N/A	N/A	N/A
Unlikely	N/A	N/A	3	3	3	3	3	N/A	N/A	N/A
No	3	3	1	1	1	1	1	1	3	3
Unknown	2	2	4	4	4	4	4	N/A	2	2
Not applicable	N/A	0	0	0	0	0	0	N/A	0	N/A

Using the risk matrix, LLOYD identified 32 high value, high risk direct suppliers in its supply chain. Each of these suppliers was sent a survey which asked questions around the supplier's awareness of modern slavery, their structure, their supply chain and their workforce. 38% of our identified high value, high risk direct suppliers responded to the survey.

The survey results revealed:

- none of the respondents is required to provide a modern slavery statement under the Modern Slavery Act;
- less than 50% of respondents were aware of modern slavery legislation;
- none of the respondents has operations overseas;
- one respondent sources timber and cork from Asia and Europe;
- two respondents use labour hire companies; and
- two respondents or their labour hire company recruit labour from overseas.

Where potential issues were identified, we will work with and continuously engage with the supplier to learn more about the issue and to put in place actions to help them address or mitigate the modern slavery risk.

Where respondents have indicated no awareness or no plan to assess modern slavery, we will offer training and provide support as part of our program of continuous improvement to ensure the risk of modern slavery in the supply chains of our high value, high risk direct suppliers are assessed and, where issues are identified, addressed.

## ASSESSING EFFECTIVENESS

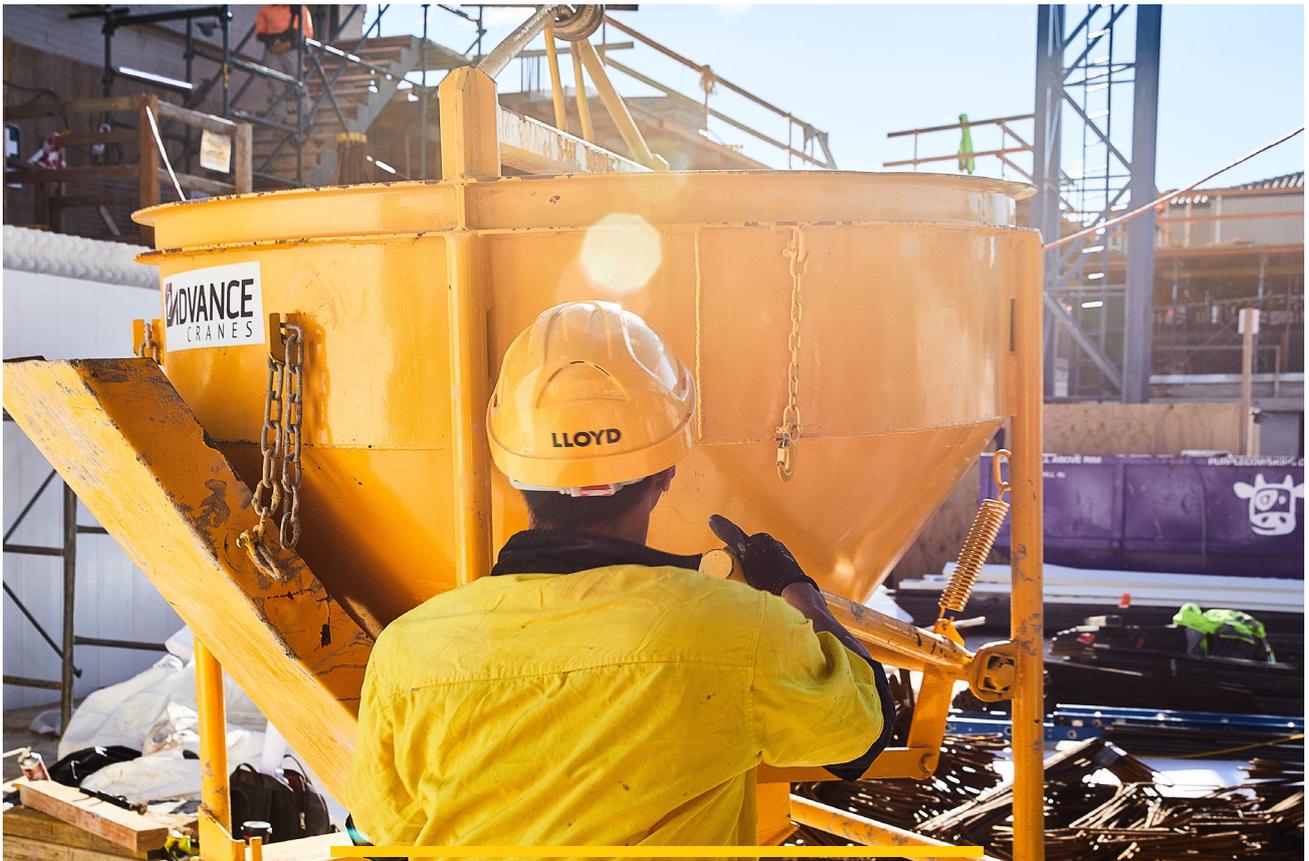
This is LLOYD's first modern slavery statement so the effectiveness of the measures we have taken in FY2020 and propose to take will be reported on in more detail in our statement for the financial year ending 30 June 2021.

We intend to assess the effectiveness of the actions taken by LLOYD to assess and address modern slavery risk in its operations and supply chain by:

- Conducting an annual review of the processes we have put in place to assess and address modern slavery and look at ways to improve them.
- Where modern slavery risks have been identified in the previous financial year, working with suppliers to check how they are progressing any actions put in place to address those modern slavery risks.
- Conducting internal audits of internal processes put in place to assess and address modern slavery risk, for example ensuring all employees have read LLOYD's Modern Slavery Policy and been trained on how to identify, assess and respond to modern slavery risk.
- Conducting a deep dive into a high-risk category of supplier (e.g. steel, cleaners, plasterers) to audit questionnaire responses and investigate secondary supply chain to extent relevant.

## 3 YEAR ASSESS AND ADDRESS PLAN

Refer to Table 1 on page 4 of this statement for LLOYD's plan to continuously improve its approach to assessing and addressing modern slavery risk in its operations and supply chain.



## APPROVAL

This statement for financial year ending 30 June 2020 is made pursuant to section 13 of the Modern Slavery Act 2018 (Cth) and constitutes Lloyd Group Pty Limited's modern slavery statement. The statement was approved by the Board of Directors of Lloyd Group Pty Limited on 25 March 2021.

**DUSTIN LLOYD**  
DIRECTOR

**CLINTON LLOYD**  
DIRECTOR