



Cleary Bros (Bombo) Pty Ltd

Modern Slavery Statement

2023





Cleary Bros Modern Slavery Statement FY23

Introduction

Cleary Bros (Bombo) Pty Ltd (“**Cleary Bros**”) is a leading independent construction materials business in New South Wales operating in the Quarrying, Construction, Transport and Plant Hire sectors. Founded in 1916, Cleary Bros operates two major quarrying sites at Albion Park and Gerroa, partnering with a range of public and private sector clients for delivery of civil projects.

The core of our business is based on our family values approach, with many third and fourth generation family members of our founders still working in the business today. We maintain these values despite being a major player in the construction industry and consequently deliver quality services to every client.

For the last few reporting periods Cleary Bros has not been a reporting entity pursuant to the *Modern Slavery Act 2018* (Cth). However, following FY23, it became apparent that Cleary Bros would be a reporting entity. As a result, this Statement speaks to steps that Cleary Bros has and intends to implement to address risks of modern slavery in our organisation and supply chains. It is planned to strengthen and mature our modern slavery compliance framework in future reporting periods.

In this regard:

“Cleary Bros has a proud history with a deep family tradition of working respectfully and fairly with our business partners, customers and the communities we serve. This approach strongly aligns with our responsibilities to address modern slavery risks in our supply chain.

We will continue to build and review our frameworks and processes to enhance our commitment to ensuring that we respect human rights, prevent violations and address any adverse impacts we encounter.”

This Statement was reviewed and approved by the Cleary Bros (Bombo) Pty Ltd ABN 28 000 157 808 Board of Directors.



Stephen Rogers
Managing Director and Chief Operating Officer

14 December 2023



1. **Criteria 1: Reporting Entity**

The reporting entity is Cleary Bros (Bombo) Pty Ltd ABN 28 000 157 808 (“**Cleary Bros**”). Cleary Bros is a wholly owned private company of Bombo Holdings Pty Limited (the “**Holding Company**”). The Holding Company also has a 100% shareholding of CB Landco Pty Limited. Neither the Holding Company nor CB Landco Pty Limited undertake any operational activities.

2. **Criteria 2: Structure, Operations and Supply Chains**

2.1 **Our structure**

Cleary Bros is based in the New South Wales South Coast with our head office at 39 Five Islands Road, Port Kembla New South Wales 2505. Whilst we are based in Port Kembla, we service the entire Illawarra, South Coast and Greater Sydney regions of New South Wales through our various sites across the New South Wales South Coast:

2.1.1 **Port Kembla:** Head Office and Plant and Equipment Maintenance Workshop.

2.1.2 **Albion Park:** Quarry, Transport Depot, Truck Maintenance Workshop, Concrete Batch Plant Operation.

2.1.3 **Gerroa:** Quarry and Agricultural Operations.

2.1.4 **Bomaderry:** Concrete Batch Plant.

2.1.5 **Coniston:** Concrete Batch Plant.

2.1.6 **Bombo:** Panel beating, paint shop and fabrication operations.

2.1.7 **Various:** Construction sites as appropriate from time to time.

Cleary Bros employees around 230 full time and part time employees across our service tiers outlined below.

Cleary Bros is the operating entity within our corporate group. All other entities within the corporate group do not have any operational functions and therefore consultation with these entities was not needed for the purposes of preparing this Statement.

2.2 **Our operations**

2.2.1 Cleary Bros is a multi-faceted construction and material business with services under the following divisions:

2.2.1.1 Quarries

We supply construction materials to broader construction industries across New South Wales. We have two quarries:

Albion Park: hard rock quarry – we crush this into different aggregates, sizes and blends. For example, we produce high quality blue rock (basalt) and large armour rock for specialised applications such as gabion and fill dust.

Gerroa: sand quarry – our extract sand is supplied to our concrete division as an ingredient of concrete.

2.2.1.2 Concrete

We supply quality concrete to the construction industry for commercial, residential and large infrastructure projects. Our Albion Park Quarry provides us with aggregates and the Gerroa Quarry provides us with sand extract which we use to create our concrete.

2.2.1.3 Transport

Our transport services division delivers supplies to external construction companies and our own divisions. We have an expansive fleet of vehicles including semi-trailers, prime movers, truck & dog combinations and side tippers.

2.2.1.4 Plant hire

We provide earthmoving equipment and other plant such as dry and wet hire dozers, graders, loaders, rollers and excavators to our customers.

2.2.1.5 Construction

Our employees in the construction division work with a variety of government, private and public organisations for all forms of civil construction and infrastructure development including road construction, bulk earthworks, subdivisions and revetment works. We are staffed by civil engineers, project managers, supervisors and an experienced team of estimators and contract administrators.

2.2.2 Some of our key projects include:

Shellharbour Hospital Bulk Earthworks 2023



Far North Collector Road Construction 2022 - 2023



Shell Cove Harbour Development 2021 - 2023



BlueScope Port Kembla Steelworks Berth and Commodity Handling Project 2023



2.3 Supplier relationships and supply chains

Our suppliers are integral to our business and our ability to provide a wide array of services to our clients to a high-quality standard. We have always shared the belief that our suppliers should align with our values and comply with health, safety, quality, environmental and ethical standards. Based on this, we seek long term stable relationships with our suppliers.



We summarise our core supply chains as follows:

- 2.3.1 **Raw materials.** (e.g. materials used to manufacture products such as concrete).
- 2.3.2 **Plant and Equipment** (e.g. earthmoving equipment, fixed and mobile plant).
- 2.3.3 **Vehicles** (e.g. heavy transport vehicles, and passenger vehicles).
- 2.3.4 **Consumables, inventory and other products and services** (e.g. fuels and oils).
- 2.3.5 **Office equipment** (e.g. mobile phones, computer equipment and office supplies)
- 2.3.6 **Essential supplies** (e.g. personal protective equipment)
- 2.3.7 **Service providers** (e.g. cleaners, consultants, IT support).

We predominantly engage suppliers based in Australia, with 100% of our suppliers originating from Australia.

In the next reporting period and beyond, Cleary Bros is committed to extending our due diligence to obtain a greater understanding of our supply chains and deeper into our supply chains.

3. **Criteria 3: Risks of Modern Slavery**

3.1 **Our approach to risk**

It is often assumed that for an entity operating in Australia and engaging direct Australian suppliers, that our risk of modern slavery is low in our operations and supply chains. However, we understand that we are not immune to the impacts and risk of modern slavery, with an estimated 41,000 people in conditions of modern slavery in Australia.¹

Furthermore, we understand that as we delve deeper into supply chains, the risk of modern slavery can be heightened due to lack of visibility. Additionally, it is likely that many suppliers deeper in supply chains are based overseas and may present heightened modern slavery risks associated with their jurisdiction, industry and the products / services that they provide to us directly.

We have commenced scoping and assessing risk connected with our suppliers that we engaged in FY23 through an independent due diligence screening process. The independent due diligence screening process involves screening our suppliers for modern slavery risk and broader environmental, social and governance (ESG) risks for a broader, holistic risk assessment.

Cleary Bros understands that the independent due diligence screening should not be the only source to ascertain risk profiles of suppliers. The following factors are important to scope risks with suppliers.

¹ Statistics published in the Walk Free Foundation's Global Slavery Index 2023 (<https://www.walkfree.org/global-slavery-index/country-studies/australia/>).

Type of risk	Explanation of risk
Jurisdiction risks	<p>Certain jurisdictions present higher risks of modern slavery. This can be due to factors such as socio-economic status, poor governance, conflict and migration.</p> <p>For example, the Xinjiang Uyghur Autonomous Region in China (“Xinjiang”) has been linked to modern slavery due to the forced labour camps for Uyghur’s and other minority groups.</p>
Industry risks	<p>Certain industries carry heightened risks for modern slavery. This is often due to certain characteristics, products and process of the industry. For example, the cleaning industry is heavily reliant on migrant workers and contract workers which increases the prevalence of modern slavery of this industry.</p>
Product and service-based risks	<p>Some products and service carry heightened modern slavery risk due to how they are processed, provided or sourced. For example, solar panels carry heightened modern slavery risks as a key component of solar panels, polysilicon, is highly likely to originate from the Xinjiang region in China (the risks of which are described above).</p>
Entity based risks	<p>Organisations who treat their employees poorly and / or have poor governance structure carry heightened risks for modern slavery. For example, if an organisation has shown non-compliances with labour standards (which may show up through the independent screening process outlined above), this could be considered a risk indicator for modern slavery.</p>

In addition to modern slavery risks, there are risk indicators for modern slavery which, whilst not express instances of modern slavery, may indicate broader modern slavery practices or risks in the relevant supplier. Some examples of modern slavery risks factors include:

- o Inadequate work, health and safety practices, failure to maintain adequate exits and signage.
- o Lack of personal protective equipment (PPE).
- o Significant overtime.
- o Failure to pay overtime rates.

3.2 Risks identified

3.2.1 Risks in our operations

Cleary Bros, as an entity operating solely in Australia, operates in highly regulated industries and in jurisdictions where the prevalence of modern slavery is considered low. In addition to this, we pay our employees in accordance with Australian legal requirements, ensure that all of our employees are engaged under an employment contract award or enterprise agreement approved by the Fair Work Commission of Australia. We have six enterprise agreements across our business.

Additionally, our corporate governance framework is robust and we provide grievance mechanisms through our Whistleblower Policy for our employees, contractors, suppliers and other eligible disclosers to report concerns (including modern slavery concerns). This ensures that our employees, contractors, suppliers and broader eligible disclosers have a reporting mechanism with a prescribed process and the ability to report confidentially and without fear of intimidation, disadvantage or reprisal.

3.2.2 Risks in our supply chains

As outlined above, we have undertaken an initial risk assessment of our suppliers through an independent due diligence screening process. Based on that process, in conjunction with consideration of broader jurisdiction, industry, product / service and entity risk factors, the high-risk industries that encompass our suppliers are:

Supplier type ²	Risk assessment
Construction and raw materials	<p>The construction and manufacturing sector carries heightened modern slavery risks due to the complexity of the supply chains and prevalent modern slavery risk indicators such as employees working in hazardous working environments and working excessive hours.</p> <p>Cleary Bros purchases raw materials to use in products (for example, in the production of concrete). Certain raw materials carry heightened modern slavery risks, such as bricks, lime and cement materials.</p> <p>There is an inherent risk associated with suppliers in this industry, despite the fact that the majority of our suppliers in this supplier type being based in Australia. This is an ongoing risk industry for Cleary Bros which we will continue monitor and gain oversight over.</p>

² Risk assessment carried in accordance with (a) results from the independent due diligence screenings and (b) assessment against jurisdiction and sector risk factors from the Walk Free Foundations Global Slavery Index 2023.

PPE	PPE has been a high-risk sector, largely as a result of the supply chain impacts of the COVID-19 pandemic. For example, a large amount of PPE originates from Malaysia where instances of modern slavery were found in the production of single use gloves. Cleary Bros will monitor this high-risk sector as an ongoing risk factor.
Contractors and labour recruitment	<p>As described above, we engage many contractors to fulfill employee gaps to ensure that we can fulfill our services on time to our clients.</p> <p>Labour hire and recruitment poses modern slavery risks through the use of third-party labour hire contractors due to the lack of visibility over these hire arrangements.</p> <p>All of our recruitment and labour hire providers are based in Australia and our contractors are skilled workers which can reduce the risk of modern slavery. Irrespective of this, this sector poses an ongoing risk for Cleary Bros.</p>
Cleaning	<p>The cleaning industry is a high-risk area for modern slavery in Australia. This is largely due to the employees who make up the workforce who are often unskilled and uneducated and are more vulnerable to falling into instances of modern slavery.</p> <p>This is a high-risk industry that requires further due diligence to ascertain our modern slavery risks associated with this industry.</p>

4. **Criteria 4: Actions Taken to Address Risks of Modern Slavery**

As previously foreshadowed, Cleary Bros became aware it was a reporting entity following FY23. Following this, Cleary Bros has taken steps to understand its requirements regarding implementing a modern slavery compliance framework and the types of initiatives and actions to be implemented to address identified risks of modern slavery.

To assist with this process, we have engaged external consultants to assist with the planning and implementation of our modern slavery compliance framework. Our external consultants will assist us in navigating the complexities of modern slavery compliance and develop action plans to mature and develop our modern slavery compliance framework.

In addition to this, our external consultants assisted us in undertaking independent due diligence screenings on our suppliers to gain our initial risk assessment of these suppliers which is outlined in Criteria 3. Through this process, our consultants have screened our Tier 1 suppliers against the following risks:

ESG risks: e.g. modern slavery, breaches of environmental legislation, breaches of labour standards.

Financial risks: e.g. financial irregularities.

Integrity risks: e.g. bribery and corruption risks.

Data and cyber risks: e.g. data security and data breaches.

Operational and quality risks: e.g. product and service quality risks.

Identity risks: e.g. transparency risks.

These independent due diligence screenings are the start of the implementation of our supplier due diligence processes which will be expanded on in the next reporting period.

Based on this and as guided by our external consultants, Cleary Bros has planned on implementing the following key aspects of our modern slavery compliance framework.

- 4.1 Assessing and reviewing our policies and procedures regarding modern slavery and based on this assessment either, amend existing policies and procedures or implement a modern slavery policy.
- 4.2 Develop and implement a supplier code of conduct.
- 4.3 Map out and develop our due diligence framework. To assist with streamlining and tracking due diligence on our suppliers, Cleary Bros is looking to use a technology platform³. The platform will assist by:
 - 4.3.1 scoping and risk assessing suppliers;
 - 4.3.2 screening suppliers;
 - 4.3.3 issuing questionnaires to suppliers and automating risk classifications on those suppliers; and
 - 4.3.4 tracking any non-compliances and therefore remediation.
- 4.4 Training of employees to explain modern slavery and due diligence requirements on suppliers.
- 4.5 Implement modern slavery contractual clauses into our contracts.
- 4.6 Assign responsibility in our organisation for our modern slavery compliance framework.

As outlined above, Cleary Bros has a Whistleblower Policy which provides a grievance mechanism for our employees, contractors and suppliers to report concerns through. This will be reviewed as part of a planned policy and procedure review.

³ The platform will be fully auditable with reminder functionality, interactive dashboards and risk flagging, allowing us to streamline efforts with a view to implementing a robust and meaningful compliance framework.



All of the scoped actions above will form the basis of our compliance framework going forward with a view to taking genuine and meaningful action as to our systems and process to enable us to identify risks of modern slavery.

5. Criteria 5: Assessment

As foreshadowed previously, we are in the process of developing and implementing our modern slavery compliance framework. We will continue this process in the next reporting period with the guidance of our external consultants.

Laying the foundations of our modern slavery compliance framework is critical to ensure that we meaningfully comply with the requirements of the Act, in particular the due diligence requirements. Establishing a strong foundation will mean that we can continue to expand our framework in future reporting periods as we evaluate the effectiveness of our framework year on year.

In the next reporting period and beyond, we will assess the effectiveness of the actions implemented in this reporting period as our modern slavery compliance framework and associated systems mature. Cleary Bros understand that we must continually assess our processes and systems within our modern slavery compliance framework. For example, we will be able to assess the effectiveness of our due diligence procedures and the classification of our modern slavery risks as this is further developed and built in FY24.

Overall, Cleary Bros have clearly identified the steps to be taken to develop and implement a compliance framework, allowing us to measure the effectiveness of our actions in future reporting periods.

6. Criteria 6: Consultation

This criterion is not applicable to Cleary Bros, as the Holding Company and CB Landco Pty Limited (see Section 2) do not undertake any operations or employ any people. The majority of directors are common to the Boards that oversee all three entities.

7. Criteria 7: Any other information

Cleary Bros is looking forward to building on the initial steps mapped and undertaken in this reporting period to develop and mature our modern slavery compliance framework.

As a new entry to this regulatory environment, we are beginning the process of building the foundation of our modern slavery compliance framework. We will continue this process during FY24. In FY24, we will be able to review our due diligence framework and broader processes and procedures to be able to assess their effectiveness and continually improve our modern slavery compliance for future reporting periods.