



# Modern slavery statement

Financial year 2021/22

21/22

# A zero tolerance approach to modern slavery.

Our Modern Slavery statement covers McNab and all related parties and subsidiaries for the financial year ending 30 June 2022.

Within this document we outline the standards, policies and processes that contribute to our control framework to proactively protect against modern slavery and respect human rights.

We explain how we will assess and mitigate modern slavery risks, track our performance, collaborate with stakeholders and build capacity around these issues.

## Our structure

McNab operates as one unified business, comprised of the following entities:

- McNab Developments (QLD) Pty Ltd
- McNab Employee Holdings Pty Ltd
- McNab Equipment Hire Pty Ltd
- McNab Constructions Pty Ltd
- McNab Enterprises Pty Ltd
- McNab NQ Pty Ltd
- Electrorig Rentals (Australia) Pty Ltd

During the reporting period, we actively engaged and consulted with the stakeholders of all of the above entities in the development of this statement.

We discussed details of the Australian Modern Slavery Act 2018's reporting requirements, the actions we intend to take to address these requirements and provided stakeholders with relevant materials and updates.

## Our approach

This statement describes our actions to strengthen McNab policies and performance in accordance with the Australian Modern Slavery Act 2018.

It outlines our continued efforts to work collaboratively with stakeholders in detecting risks of modern slavery in our business and supply chain and ensuring we have appropriate responses in place.

McNab is focused on developing awareness of modern slavery risks, better understanding our supply chain and associated risks, as well as embedding our recently implemented systems and strategies to gather information on, review and manage these risks.

## Our pledge

McNab conducts all business activities with honesty, integrity and the highest ethical standard at all times, in line with our company values.

We have a zero tolerance approach to modern slavery and any action or inaction that contributes to the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We are fully committed to identifying and preventing all types of modern slavery, being human trafficking, slavery and slavery practices, child labour, unsafe and unlawful work and employment conditions, throughout our operations, subcontractors and supply chain.

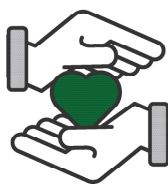
We have implemented systems and controls to combat modern slavery within our business and across our supply chain, and will continually challenge ourselves to improve these.

## Our company values



### Safety First

We plan ahead.  
We never walk past a single safety issue.



### Care

We genuinely care about our people, clients and subbies.  
We build relationships based on respect for ourselves and others.



### Passion

We love what we do and have fun doing it.  
We're curious and nimble.



### Growth

We don't do comfort zones.  
We really listen and rely on feedback.



### Response-able

Working together, we make the impossible possible.  
We own our mistakes and our successes.

# A rigorous selection process to ensure our success and growth.



## Our business

Since McNab was founded over twenty six years ago in 1996, we has grown to become one of the largest private construction and development companies in Queensland, working on projects up to \$120m in value with an annual turnover in excess of \$600m.

With more than 380 staff based across South East Queensland and a supply chain spanning Australia and overseas, we've built a reputation for delivering high quality, award winning developments for some of the best brands in Australia.

McNab operates as the head contractor in commercial construction, design and engineering projects, as well as developer and head contractor on a small portfolio of development projects.

We engage a large subcontractor workforce and work with a vast number of manufacturers and suppliers of natural resources and raw materials.

These relationships are direct – through our own local sourcing and overseas procurement, and indirect – with our subcontractors sourcing their own supplies and materials.

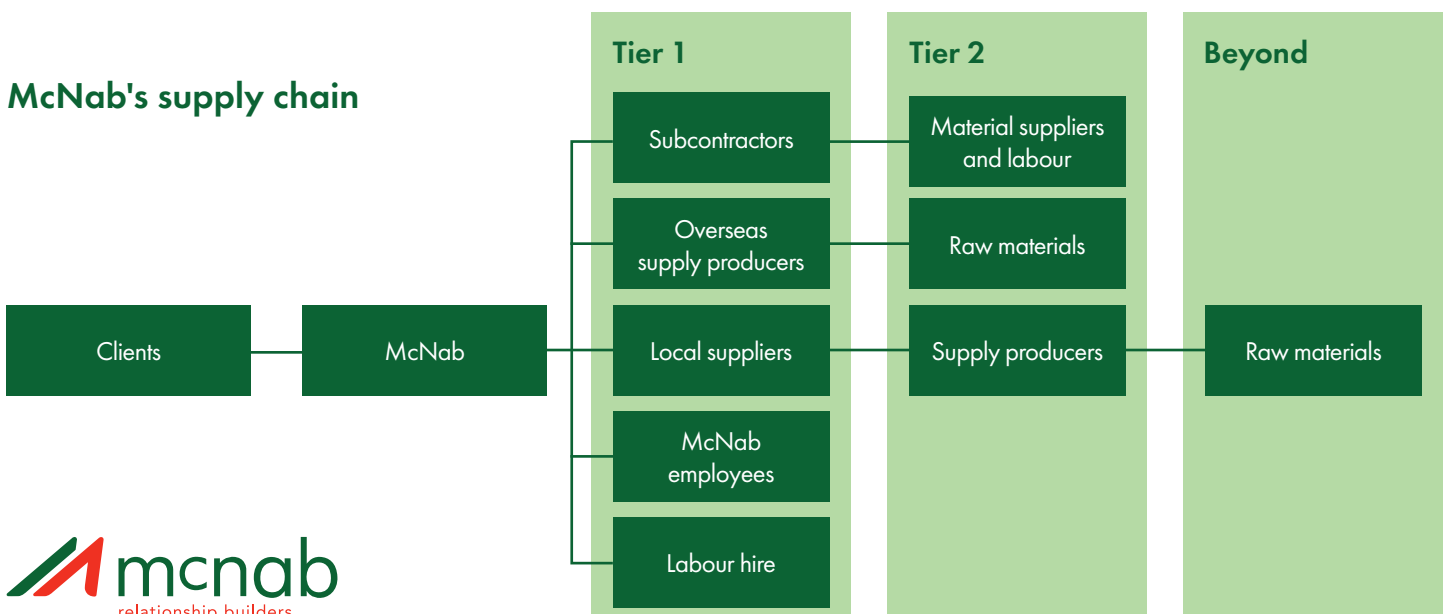
All supplier, subcontractor and consultant selection includes due diligence of each party's reputation and respect for the law.

We take into consideration the location of our supply chain partners, the original supply location and the type of goods and services they are delivering.

### McNab's selection process includes but is not limited to:

- Compliance with government mandated standards
- Compliance with health and safety standards and requirements
- Compliance with government mandated standards
- Compliance with environmental requirements
- Coordinating industry references

## McNab's supply chain



# Focusing on mapping risks within McNab's supply chain.

McNab expects our suppliers to ensure that all employees and contractors engaged within their businesses are legally entitled to work and that no forms of slavery are evident. McNab regularly conducts risk assessments to identify any risks in our supply chain and business operations. These risks can be dynamic and complex to navigate. We have been progressively mapping risks within our Tier 1 supply chain, and have a roadmap to progress to Tier 2.

## Supply chain

Having a supply chain operating in both local and overseas markets, McNab has identified that the two biggest modern slavery risks within our supply chain are:

- 1. Local subcontractors and suppliers** who engage visa workers and use a labour hire workforce.
- 2. Overseas suppliers and supply producers** – particularly those whose facilities are based in high risk countries as identified by the Global Slavery index<sup>1</sup>.

### Local subcontractors and suppliers

Many of these workers are immigrants, temporary visa workers, apprentices/trainees or other vulnerable groups, who may be less aware of their rights and more susceptible to exploitation.

The biggest modern slavery risks for this group include:

- Forced labour
- Debt bondage/bonded labour
- Human trafficking

### Overseas suppliers and supply producers

International supply chains and producers are particularly susceptible to labour rights violations and modern slavery risks. Forced labour, debt bondage/bonded labour and child labour are of particular concern within the construction industry.

The reasons for this can be attributed to a variety of factors, including:

- International supply chain workers may be from countries with poor track records when it comes to human and labour rights and may have cultures of corruption.
- The involvement of multiple parties across international supply chains often gives rise to the risk of inconsistent labour standards within such supply chains and a fragmented system of regulatory oversight.

- Practical limitations on effective enforcement of basic conditions throughout complex international supply chains, owing to the number of jurisdictions in which supply chain activities may be performed and the number of parties involved.

Within our local and overseas supply chain McNab has put in place the following controls to address these risks:

- Conducting a questionnaire during initial letting and contract award to identify relevant risk areas, and understand management practices of our subcontractors and suppliers.
- Contract clauses ensuring compliance with the Australian Modern Slavery Act 2018.
- Due diligence conducted with subcontractors on the conditions under which they pay their staff.
- An overall increase in direct overseas procurement. This strategy reduces McNab's risk and strengthens our ethical position in the market by allowing us to have direct access to factories and conduct our own inspections to ensure adequate working conditions and treatment of workers.

Grievance and remediation measures to support our modern slavery statement include:

- Whistleblower and grievance policies and procedures.
- Third party investigations where required.
- Training and education through educational resources for our supply chain and our elearning module for employees.
- Proactive engagement and support to subcontractors on any potential issues.
- Coordinating industry references.

## Operations

McNab's direct workforce is circa 380 company employees; predominantly employed in operational roles including Project Managers and Engineers, Site Managers and Foreman, Contract Administrators, Carpenters, General Labourers, Apprentices and Cadets.

The majority of our workers are employed directly and on a permanent basis, which reduces the risk of modern slavery.

Our operating employment framework complies with all local laws and covers core employment conditions including but not limited to minimum wages, hours of work and leave entitlements.

Within our operations business, the key risks we need to mitigate are when we engage a third party for employment such as using labour hire or recruitment agencies to fill roles. The increase in risk is due to McNab not having direct control over the screening process of employees.



## McNab's biggest modern slavery risks

### Forced labour

Being forced to work against their will under threat of punishment.

### Human trafficking

The use of violence, threats or coercion to transport and recruit people in order to exploit them for forced labour.

### Debt bondage/bonded labour

Being forced to work to pay off debt, or over identity bondage or threat of having visa revoked.

### The worst forms of child labour

Children being forced to do dangerous work.

As part of mitigating these risks we:

- Conduct due diligence when engaging with any third party labour providers;
- Have a number of avenues for raising grievances including an active Human Resources team and dedicated business partners who regularly visit all sites.

Given that our supply chain does present the biggest risk of Modern Slavery to the organisation, we have identified this as our key area of focus over the past 12 months and it will continue to be our focus moving forward.

# Communicating our progress and commitments.

Over the past 12 months McNab has continued to take steps to assess and address modern slavery risks. Our focus has been on embedding new and existing processes into our business and identifying future opportunities to further demonstrate our commitment to addressing modern slavery risks. Over the past 12 months we have achieved the following:

## Designed and implemented a Factory Inspection Risk Assessment Checklist

Increased travel within Asia Pacific to build relationships with overseas procurement suppliers, inspect factory working conditions and conduct quality control.

This year, in line with our return to travel following COVID19, we developed a Factory Inspection Risk Assessment Checklist for our overseas travellers to complete. A modern slavery workgroup meeting with key members of our Procurement and Management team took place at an overseas location in September 2022, where they reviewed, approved and implemented this checklist.

## Hired new resource to deliver modern slavery commitments

In November 2022 we hired two skilled, permanent resources (Managers) who will conduct regular inspections of key overseas procurement suppliers working closely with our Procurement and Operation teams.

These Management roles will be responsible for the overall safe management, performance and end to end delivery of key overseas materials procurement. They will work collaboratively with project teams to assess risks across our operations, and champion our modern slavery approach.

## Updated contract clauses in McNab subcontractor and supplier agreements

A company wide review was conducted of McNab's subcontractor and supplier agreements and contracts, resulting in an update of clauses across our suite to ensure compliance with the Australian Modern Slavery Act 2018. Input was sought from our Legal representatives.

## Progress made on mapping our high risk supply chain

We have commenced implementing questions into our tender process for our high risk and Tier 1 subcontractors and suppliers to collect information on their understanding of modern slavery and the modern slavery risks that exist in their operations and supply chains. We recognise that mapping suppliers beyond Tier 1 is a complex and ongoing process and that it will take time for the business to complete a Tier 2 and beyond mapping exercise. With a larger procurement function dedicated to ongoing awareness and compliance, we aim to report on greater progress in the next 12 months.

## Enhanced and embedded our Modern Slavery education within the business

McNab's Modern Slavery Learning & Development Module was enhanced in content and is required to be completed by all employees. Endorsed by our senior leadership, it is now a mandatory part of our company induction for all new employees. Our people are armed to have conversations with our supply chain to raise awareness and mitigate risks.



The image shows a screenshot of the APEX Learning Portal interface. On the left, there is a green sidebar with the 'APEX LEARNING PORTAL' logo at the top, a '★ McNab Essential' badge, and a 'Modern Slavery' course title. Below the title is a description: 'This module is a guide for our employees to understand their role and the role of McNab in combating modern slavery.' A 'Launch Course' button is visible. The McNab logo 'relationship builders' is at the bottom left. On the right, there is a photograph of a construction site with orange safety gear and white hard hats on a table in the foreground, and modern apartment buildings in the background.

## Inside APEX, our online Learning Management System (LMS)

Our tailored Modern Slavery eLearning module aims to educate on what modern slavery is, how it may show up in our operations and supply chain, and what their role is in helping us to combat it, including training on the new initiatives implemented.

## Our commitment

McNab is committed to understanding the effectiveness and impact of the initiatives we have implemented to ensure we continue to review and evolve these and in addition, can develop further strategies to address modern slavery risks.

Our commitment and ongoing improvement over the past 12 months has included:

- Assessing the effectiveness of the education and awareness that we are providing to subcontractors and suppliers. This is being assessed via the questionnaire information we collect in the tender process and is allowing us to look at further ways to embed and introduce modern slavery to our subcontractors and suppliers.
- Tracking the completion rate of our employee eLearning module via APEX, our online Learning Management System (LMS). This ensures that our broader workforce is aware of modern slavery risks within the construction industry and can be the eyes and ears of McNab at all stages of a project.
- Keeping minutes of workgroup meetings and distributing these to senior management to ensure that the leadership team as well as the workgroup are held accountable to the commitments we have made.

The McNab Management Group will review this modern slavery statement and our overall strategy annually, and conduct a biannual review of all data and activity, implementing further actions as and when required.

Our commitment to educating, building awareness and mitigating risks is a step in the right direction towards eradicating modern slavery and one that we will continue to review and develop. We all have a moral and ethical obligation to modern slavery and this statement represents the commitment that both I personally, and we as the entire McNab team, have to ensuring we play our part in this.

This statement was approved by Michael McNab as the Sole Director of the McNab group of entities.



**Michael McNab**  
**Managing Director**

22 December 2022

## Our continued focus

During FY23 we will progress work on the key initiatives we have implemented over the past 12 months, with a focus on the following:

- Improvement of Modern Slavery eLearn module and our completion % uptake
- Significant investment in our HR systems. We're implementing a new HRIS system (IntelliHR) which includes automated license compliance audits
- Continued engagement of key workgroup members and stakeholders to champion new initiatives and strategies to combat modern slavery
- Embedding our new and existing processes into the business and identifying future opportunities to further demonstrate our commitment to addressing modern slavery risks.



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