



MODERN SLAVERY STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

OVERVIEW

The McCloy Group is known for creating award winning master-planned residential communities. We have a reputation that we complete what we do; that we're in there for the long haul – that's the McCloy Group's philosophy. The Group values community focused living where people feel safe and secure in friendly neighbourhoods. Building communities in which families love to live is core to the McCloy Group's philosophy.

Consistent with our philosophy, the McCloy Group is committed to working together with our suppliers and other stakeholders to minimise the risks of modern slavery in our operations and supply chains. Where any instances of modern slavery are identified the McCloy Group takes proactive and effective steps to eradicate and address the consequences.

This document, being our first Modern Slavery Statement, details the initial steps taken by the McCloy Group to identify and mitigate modern slavery risks in our supply chain and operations. In coming years the McCloy Group will continue to build on its work by engaging further with its suppliers to understand, educate and improve its supply chains and prevent and address the risks of modern slavery within its supply chain.

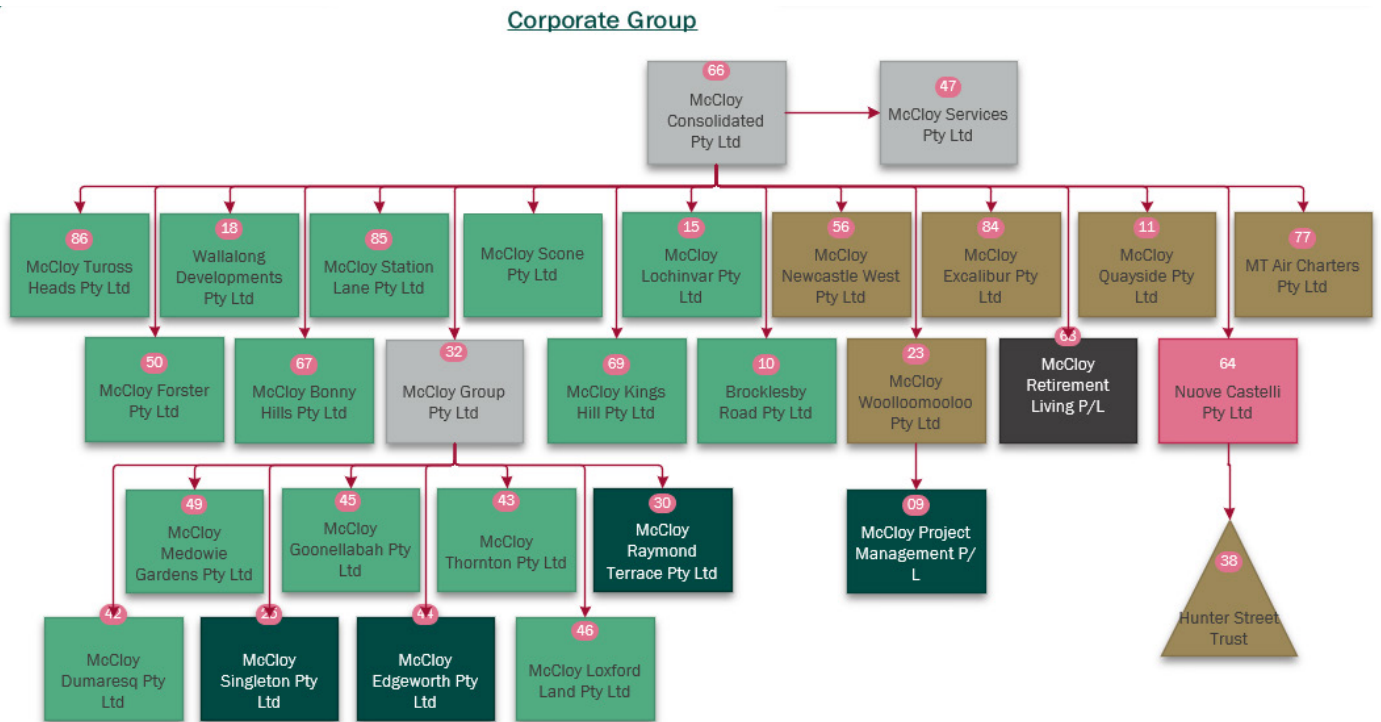
REPORTING ENTITY

This is a joint modern slavery statement prepared by McCloy Consolidated Pty Ltd ACN 632 096 827 as the Reporting Entity on behalf of the entities comprising the McCloy Group in accordance with the mandatory criteria for modern slavery statements in section 16 of the *Modern Slavery Act 2018* (Cth) (Act).

This statement sets the McCloy Group's approach to identify and address the risk of modern slavery practices in its operations and supply chains and details its processes for conducting human rights and modern slavery due diligence within our supply chains for the financial year ended 30 June 2022.

CORPORATE STRUCTURE

The McCloy Group comprises McCloy Consolidated Pty Ltd ACN 623 096 827 and its controlled entities (together 'McCloy Group').



OPERATIONS AND SUPPLY CHAINS

The McCloy Group operates primarily in the residential land development industry in Australia with some commercial property holdings. The McCloy Group operates from a single head office located in Newcastle New South Wales with 18 development sites and three sales offices located throughout the state primarily in the Hunter Region and regional NSW. All entities in the Consolidated Reporting Group as at 30 June 2022 are located within and operate within Australia only.

The McCloy Group's principal operations are the development, subdivision and sale of vacant residential land. The McCloy Group has 23 employees. The registered office of the McCloy Group is at Suite 2, Ground Floor, 317 Hunter Street, Newcastle NSW 2300.

In FY2022, the McCloy Group purchased products and services from approximately 350 suppliers based in Australia. The McCloy Group estimates it sources its goods and services from Australian businesses at least 98% of the time, however it is acknowledged that some of these businesses operate or source internationally or are part of a larger global network. Our supply chain is made up of:

1. approximately 4 major contracted suppliers of key construction materials and products;
2. over 200 subcontractors and tradespeople who supply and install products and perform services contributing to the delivery of vacant residential land lots; and
3. over 150 vendors of goods and services to the corporate teams that support the business (including IT, HR, Finance, Legal and other Group services).

Key procurement categories include construction materials and services, purchase and sale of land, professional services, office maintenance and administration.

APPROACH

The term modern slavery describes situations of serious exploitation in Australia or abroad such as trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. It does not include substandard working conditions or underpayment of workers; however, these practices are also illegal and harmful and may be present in situations of modern slavery.

McCloy Group recognises that respecting and proactively promoting human rights is an integral part of our business. McCloy Group rejects all forms of modern slavery in our operations, supply chain and our business partnerships. We expect our employees and our suppliers to share our commitment to help ensure modern slavery does not exist in our business and our supply chain by ensuring there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain.

RISKS

In considering our Modern Slavery Risk and preparing this statement, the McCloy Group referred to Guidance for Reporting Entities published by the Department of Home Affairs, and the Property, Construction and Modern Slavery Report prepared by KPMG. As part of the ongoing assessment process, the McCloy Group considers risks that may possibly cause, contribute to and/or be directly linked to modern slavery practices, in accordance with the Guidance for Reporting Entities and the Guiding Principles.

The categories of risk identified as applicable to the operations of the McCloy Group are:

Industry: The Property, Construction and Modern Slavery report identifies that there is an elevated risk of modern slavery within operations and supply chains of the construction industry. This is due to a high demand for low skilled labour, and the use of certain raw materials which can be sourced from high risk geographies. The McCloy Group's operations rely heavily on outsourcing to deliver subdivided residential land communities, which increases the complexity of operations and supply chains and decreases the visibility of labour risks and impacts. It is widely known that the construction industry also typically has long and multi-tiered supply chains, which often provide little visibility and control over the recruitment and employment practices of suppliers and subcontractors. In order to lower this risk the McCloy Group only engages with Australian owned contractors who have a strong reputation and are experts in their field.

Geography: As stated, the McCloy Group largely sources its goods and services from Australian businesses, however many of these businesses operate or source internationally or are part of a larger global network. In reviewing lower tiers of our supply chain, the McCloy Group will consider high-risk geographies for Australian imports as noted by the Global Slavery Index 2018.

Products and Services: The Property, Construction and Modern Slavery report identifies a range of products and services in a typical construction company supply chain that are considered a higher risk for modern slavery. The following products and services in the McCloy Group's supply chain are included in these higher risk categories

Construction Procurement - Construction Labour and Raw Materials: bricks, cement, paint, piping, steel, gravel & road base, electrical cabling, fencing and timber.

Corporate Procurement - Merchandising – branded and unbranded goods not for re-sale, Office Supplies and Travel

Operations - Building services and asset management – security, cleaning and installation & maintenance.

RESPONSE TO IDENTIFIED RISKS

The risks in the McCloy Group's supply chain differ to many entities operating in the Construction and Property industry as the McCloy Group's predominant product is vacant land for development by third party's engaged by the purchaser's of land.

The McCloy Group has therefore identified high risk areas for focus as being those associated with:

- labour and labour hire throughout the supply chain; and
- materials and product risk, including materials.

During 2022/2023 the McCloy Group intends to focus on:

- updating all of its supply contracts to ensure that all contracts include clear requirements to comply with Modern Slavery Laws and to make relevant disclosures to the McCloy Group of any identified issues including actions to rectify;
- engaging with its suppliers on Modern Slavery issues including conducting a survey and reviewing its results to identify necessary actions; and
- including Modern Slavery as an item on the Executive Management Team's regular meeting agenda to provide a forum for discussion on managing and mitigating risks at senior levels within the business; and
- introduction of training for all staff.

ASSESSMENT OF EFFECTIVENESS OF RESPONSE

The McCloy Group has long had an informal policy of procuring from Australian companies and suppliers wherever possible. Over the next 12 months the intention is to measure the effectiveness of this policy in concrete terms. Reporting against the agreed action items will occur quarterly at the Executive Team meeting.

CONSULTATION WITH ENTITIES OWNED AND CONTROLLED BY THE MCCLOY GROUP

The operations and supply chains of the McCloy Group are overseen and managed by the Directors of McCloy Consolidated Pty Ltd. The governance model operates so that there is no need for formal consultation between group companies as the lines of accountability for compliance with Laws, including Modern Slavery Laws are clear. The Managing Director and Executive Management team are accountable to the Directors for the day-to-day management of all issues in relation to the operation and supply chains of the business.

This Statement was approved by the Board of McCloy Consolidated Pty Ltd ACN 632 096 827 on 20 December 2022.



Brian Swaine
Director and Managing Director
McCloy Consolidated Pty Ltd


MCG A4 MODERN SLAVERY STATEMENT 20122264

Final Audit Report

2022-12-20

Created:	2022-12-20
By:	Michelle collison (michelle.c@mccloygroup.com.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAA9virYNpMDpG7VsTaxyCLmdtqUT-G8qcf

"MCG A4 MODERN SLAVERY STATEMENT 20122264" History

-  Document created by Michelle collison (michelle.c@mccloygroup.com.au)
2022-12-20 - 1:07:49 AM GMT
-  Document emailed to Brian Swaine (brian@mccloygroup.com.au) for signature
2022-12-20 - 1:08:05 AM GMT
-  Email viewed by Brian Swaine (brian@mccloygroup.com.au)
2022-12-20 - 2:57:44 AM GMT
-  Document e-signed by Brian Swaine (brian@mccloygroup.com.au)
Signature Date: 2022-12-20 - 3:02:05 AM GMT - Time Source: server
-  Agreement completed.
2022-12-20 - 3:02:05 AM GMT