

Joint Modern Slavery Statement

Under the Modern Slavery Act 2018 (CTH)

Reporting Period: 1 July 2020 – 30 June 2021



BGC (Australia) Pty Ltd – ABN 62 005 736 005
BGC Construction Pty Ltd – ABN 48 008 783 248
Ventura Home Group Pty Ltd – ABN 70 093 870 618
BGC Residential Pty Ltd – ABN 54 052 543 450
Esther Investment Pty Ltd – ABN 68 004 459 536
J-Corp. Pty Ltd – ABN 54 009 063 076

Modern Slavery Statement revised April 2023, Subsidiary added page 5, various spelling corrected



Report Outline

- Part 1** Executive summary
- Part 2** Mandatory reporting requirements
- Part 3** Modern slavery risks in our operations and supply chains
- Part 4** Actions taken to assess and address modern slavery risks
- Part 5** Appendix



Part 1: Executive Summary

Entities

This Joint Modern Slavery Statement is made in accordance with section 14 of the Modern Slavery Act 2018 (Cth) Act.

The mandatory reporting entities under the Act are:

BGC (Australia) Pty Ltd - ABN 62 005 736 005 ("BGCA")

This entity is the ultimate holding company of a number of subsidiaries and is engaged in the manufacturing of core building products for use by other BGC entities and for sale to third parties.

BGC Construction Pty Ltd - ABN 48 008 783 248

This entity is a subsidiary of BGCA and is engaged in commercial construction with specific focus on commercial, aged care, regional and fit out projects.

Ventura Home Group Pty Ltd - ABN 70 093 870 618

This entity is a subsidiary of BGCA and is engaged in the construction of homes and residential buildings.

BGC Residential Pty Ltd - ABN 54 052 543 450

This entity is a subsidiary of BGCA and is also engaged in the construction of homes and residential buildings.

Esther Investment Pty Ltd - ABN 68 004 459 536 ("Esther Investment")

This entity is the ultimate holding company of a number of subsidiaries. It is not engaged in operational activities, but is a property owner.

J-Corp. Pty Ltd - ABN 54 009 063 076

This entity is a subsidiary of Esther Investment and is engaged in the construction of homes and residential buildings. It also has a number of subsidiaries which are engaged in real estate and conveyancing services, mortgage broking, property pest control and flooring products and services.

Aside from the mandatory reporting entities noted above, there are a number of other corporate entities that are not, individually, mandatory reporting entities under the Act, but are controlled by BGCA or Esther Investment.

These entities form part of the wider corporate group (collectively referred to as "BGC").

This statement has been approved by the Boards of Directors of BGC (Australia) Pty Ltd and Esther Investment Proprietary Limited. The various subsidiary entities noted in paragraph 3, have been consulted in the preparation of this statement and are subject to the internal governance frameworks of BGC.



Signature

31 December 2021

Date

Samuel Conrad Buckeridge

Name Director

About Us



BGC is one of Australia's largest private, family-owned companies. We have operated since the 1960's, beginning with operations in the property development sector.



Our operations and services have diversified over the years to include a broad range of products and services in the construction, manufacturing and transport sectors. These services are further detailed in Part Two of this Statement.



The safety and wellbeing of our staff, contractors and, to the extent it is within our control, our suppliers is a matter of utmost seriousness, as reflected in our zero-harm approach.



During FY21, changes were made to our business by divesting "non-core" BGC businesses and assets. The acquisition of Midland Brick strengthens our brick manufacturing capability and demonstrates our commitment to the local manufacturing and building sector (refer Part 5: Appendix).



This second Modern Slavery Statement maps out the various activities that we have engaged in across BGC to identify, assess and address the risks of modern slavery in our operations and supply chains.



The aim for this reporting period has been to identify potential modern slavery risks within our operations and supply chain, and to plan actions to mitigate these risks going forward.

Part 2: Mandatory Reporting Requirements

Structure, Operations & Supply Chains

Identify the mandatory reporting entities

- BGC (Australia) Pty Ltd – ABN 62 005 736 005
- BGC Construction Pty Ltd - ABN 48 008 783 248
- Ventura Home Group Pty Ltd – ABN 70 093 870 618
- BGC Residential Pty Ltd – ABN 54 052 543 450
- Esther Investment Pty Ltd – ABN 68 004 459 536
- J-Corp. Pty Ltd – ABN 54 009 063 076

Corporate Structure

Describe the reporting entity's structure, operations and supply chains

BGC (Australia) Pty Ltd and Esther Investment Proprietary Limited are companies limited by shares, incorporated and domiciled in Australia.

Their registered office and principal place of business is at Level 6, 18 Mount Street Perth WA 6000.

BGC (Australia) Pty Ltd, in addition to being much of the manufacturing business of BGC, is the parent company of a number of operational subsidiaries.

These subsidiaries engage in various industries including commercial and residential construction,

property development and ownership, and manufacturing of building products.

Esther Investment Proprietary Limited is a holding company and comprises the property ownership and investment sector of our business operations.

Aside from property ownership, a number of the subsidiaries of Esther Investment engage in various industries including residential construction, real estate agency services, mortgage broking, pest control, surveying and the manufacture of windows and flooring products.



Part 2: Mandatory Reporting Requirements

Our Operations

Our corporate structure reflects the wide range of operations we are engaged in comprising divisions such as:



Manufacturing & Construction



Provision of Building Products & Services



Property Management



Home Building and Residential Property Services



Transport and Haulage Services



Our primary area of operations is in WA



Physical offices are **predominantly located in WA** with warehouses also located in **WA, VIC, SA, QLD, NSW and NZ.**



As of June 2021, we have approximately **2,250 employees** working across our Group.

Part 2: Mandatory Reporting Requirements

Our Operations



Manufacturing & Construction

Under the BGC brand banner we incorporate the following manufacturing & construction businesses:

BGC Asphalt, BGC Cement, BGC Concrete, BGC Construction, BGC Fibre Cement, BGC Plasterboard, BGC Precast, BGC Quarries

Other products and services are provided under a range of brands including:

- Affinity Windows
- Automated Surveys
- Brikmakers
- Midland Brick
- Envirotechnics
- Floortech
- GTEK Plasterboard & Brady's Plaster Products
- Harmony Roof Tiles
- Innova
- Plumbtechnics



Building & Residential

We currently provide home building and residential property services using a variety of brands including:

- Aussie Living Homes
- Commodore Homes
- GO Homes
- HomeStart
- Now Living
- Now Living Realty
- Simply Settlements
- Smart Homes for Living
- Terrace
- The Loan Company
- Ventura South West



BGC Property Management

Our property management team provides services to a portfolio of building assets comprised of office spaces, warehouses and industrial units on our manufacturing and distribution complexes. One of our businesses, Apartments WA, owns over 500 one- and two-bedroom units in WA suburbs.



BGC Transport

Through BGC Transport, we provide transportation services internally of bulk quarry materials, bricks, cement, concrete etc.

We also transport materials for external clients catering to the building, construction, agriculture, mining and service industries.

Part 2: Mandatory Reporting Requirements

Our Supply Chain



Our Suppliers

We have over 7,000 direct suppliers that provide goods and services to our business operations.

We source products and services from a range of categories including, but not limited to, construction materials, non-building construction, wholesale trade, business services, road freight, sheet metal products, air conditioning, water transport, building repair and maintenance products and services (non-residential and residential), fuel, concrete products, retail trade, fabricated metal products and residential building construction.



Supplier Location

The majority of our goods and services are sourced from suppliers registered and located in Australia.

We acknowledge that these suppliers may, in turn, source from overseas locations.

Two out of our top three direct suppliers by total relative spend over the reporting period included the following locations:

- Various types of clinker sourced from Indonesia (a government owned plant) via an international wholesaler with an office in Singapore and its head office in France.
- Other clinker products sourced via an Australian entity from a global manufacturing group owning and operating a plant in Malaysia.

These two supplier profiles were identified as representing, in relative terms, an elevated risk for modern slavery. The associated risk assessment is discussed in Part 3.



Modern Slavery Risks

Initial Risk Assessment Process

A comprehensive initial risk assessment of our supply chains by external subject matter experts has identified the following industry categories as presenting relatively elevated risks for modern slavery in our supply chains.

The risk assessment takes into account a complex matrix of factors including:



Cement raw materials from Malaysia and Indonesia¹



Wholesale & retail trade from Singapore²



Total supplier spend amounts
(i.e. the value of our direct supplier contracts).



Industry category, including industries that, in turn, feed into particular categories further down the supply chain.



Geographical area of operation
- e.g. manufacturing of fibre cement products in Thailand



Depth of tiering within the supply chain(s)
- e.g., 3rd tier supplier, 5th tier supplier, etc.

Further details of the initial risk assessment methodology are set out in **Part 5: APPENDIX** to this Statement.

¹ This incorporates the top 3 overall spend item of “Clinker and cement sourced from Indonesia” referred to above.

² This incorporates the top 3 overall spend item of “Wholesale Clinker sourced from Singapore” referred to above.

Modern Slavery Risks

High Risk Categories

Based on our assessment the most elevated occurrence of modern slavery risk is likely to accumulate at Tier 2 and Tier 3 of our supply chains. This involves the direct suppliers of our direct suppliers, and the next tier of suppliers.

In relation to certain building materials that are sourced overseas, the risks at Tier 1 are also potentially elevated. We recognise the higher incidence of suppliers in Asia, especially for certain raw material components and manufacturing processes, are more commonly linked to practices associated with modern slavery.

We did not, however, identify any cases of actual or suspected modern slavery or associated conduct occurring in our supply chains and operations over the reporting period.



Modern Slavery Risks



Wholesale & Retail Trade from Singapore

The wholesale & retail industry category includes one of our major suppliers that provides us with clinker products from Indonesia through a trading company in Singapore for our BGC Cement business.

The supplier is an importer, exporter, manufacturer and distributor of clinker, cement and other products.

As noted above, a significant amount of our entire Tier 1 supplies are sourced from Singapore who we know purchases clinker from Indonesia. As an industry category supplier they're known for engaging in trade activities (importing, exporting and distribution) with other countries in the Asia-Pacific region, including Vietnam and Indonesia.⁴

Our relatively high spend amount on this supplier, its geographical location and the type of product procured (i.e. labour-intensive raw material products) are all factors that operate to elevate its risk profile for modern slavery. In absolute terms BGC considers the risk to be relatively low due to 80% ownership of the Indonesian government in this particular clinker production business.



Geographical & Product Risk

A large proportion of cement raw materials are originally sourced from Indonesia and Malaysia. Indonesia is in the top 10 countries for total gravel and crushed stone exports.³

The Indonesian based manufacturer for clinker and cement products is majority owned by the Indonesian government. The Malaysia based manufacturer for clinker and cements products is owned by a global clinker manufacturing group with its head office in Denmark.

BGC has made the decision to move parts of its fibre cement production to Thailand. BGC is aware of the elevated risk associated with manufacturing in Thailand and has therefore negotiated a contract that includes various obligations for the supplier which help BGC to mitigate the risk of modern slavery in this particular supply chain.

³ Verite (2017) 'Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains: Research on Risk in 43 Commodities Worldwide', 255.
<https://www.verite.org/wp-content/uploads/2017/04/EO-and-Commodity-Reports-Combined-FINAL-2017.pdf>

⁴ <https://www.bloomberg.com/profile/company/1263277D:SP>

Modern Slavery Risks



Cement-Related Products from Malaysia

The procurement of clinker, lime and plaster products from Malaysia also produced a relatively elevated modern slavery risk result from our initial risk assessment.

These products are used as part of our BGC Cement business unit. Malaysia is in the top 5 countries that export granite and other stones worldwide.⁵

This industry sector in Malaysia is potentially susceptible to modern slavery risks due to a variety of factors, including:⁶

- High dependency on low-skilled manual labour that is required to extract lime and produce cement and plaster.
- High proportion of vulnerable migrant workers in Malaysia making up more than 20% of the Malaysian workforce.
- Prevalence of labour-hire arrangements and recruitment agencies that exacerbate the vulnerabilities of foreign workers to forms of modern slavery such as debt bondage.
- Coercive employer tactics such as the confiscation of passports of foreign workers.

We recognise that effective tracing of the ultimate source of raw materials used in the production of cement products is of particular significance to properly assessing (and addressing) modern slavery risks.

To our best knowledge and based on the assessment undertaken so far with the suppliers for cement raw materials (tier 1 and tier 2), no such issues exist with the sourcing of raw materials (rock products) used in the cement products throughout our supply chains.

Nonetheless, given that these supply chains have an international component and based on the inherent risks associated with any raw material that is potentially mined overseas using low-skilled manual labour, we acknowledge that this is a key area for future due diligence and remediation activities over upcoming reporting periods.

⁵ Verite (2017) 'Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains: Research on Risk in 43 Commodities Worldwide', 251. <https://www.verite.org/wp-content/uploads/2017/04/EO-and-Commodity-Reports-Combined-FINAL-2017.pdf>

⁶ U.S Department of State, '2019 Country Reports On Human Rights Practices: Malaysia', 36. <https://www.state.gov/wp-content/uploads/2020/02/MALAYSIA-2019-HUMAN-RIGHTS-REPORT.pdf>

Modern Slavery Risks



Potential High Risk Product Category: Bricks

There is a high risk of forced and child labour in the brick industry globally. This is because of the vulnerability of the low skilled workforce prevalent in that industry and the raw materials used in the supply chain such as limestone, cement and other rock products and the prevalence in the countries that they have been sourced from for example Singapore and Malaysia.

We mitigate many of these generally identified risks relating to brick production by producing our own bricks in Australia, under our businesses, Brikmakers and the newly acquired manufacturing business Midland Brick – now both trading under ‘Midland Brick’ (for details please refer to Part 5: APPENDIX).

Our brick factories are the largest greenfield clay brick plants in Australia with six kilns in operation. Within these factories we operate under best practice safety standards to ensure that workers are supported with a safe and healthy working environment.

The majority of the workers in our brick kiln are direct employees or employed through Australian labour hire agencies which are contracted to BGC and which have agreed to our new labour hire contract.

All of the raw materials that make up the body of our bricks are mined directly by us in Western Australia (excluding a minute percentage of additives and coloured oxide products). Insofar as raw material sourcing is concerned, we are committed to undertaking further due diligence into the highest practicable level of detail for our concrete products which are sourced from various countries around the globe, primarily from our current suppliers in Malaysia and Singapore.



Modern Slavery Risks

Recognised Vulnerabilities

Recognised Vulnerabilities within the Australian Construction Sector

We acknowledge that there are potential vulnerabilities for workers in the construction sector more broadly in Australia.

For example, part-time workers make up 32% of the workforce. The nature of construction work is often short-term, temporary labour that is seasonal and subject to cyclical fluctuations.

The short-term and seasonal nature of such work means there are also many builders and sub-contractors with a relatively high reliance on labour-hire companies that supply low to medium skilled workers, often on a temporary basis.

Such low-skilled workers may be foreign workers on temporary visas. The nature of such visas may result in worker vulnerability. Whilst worker protections and minimum employment conditions are provided in Australia, we acknowledge that worker insecurity in other jurisdictions.

Further, structural economic factors such as tight profit margins and business pressure in the development sector, now further accelerated by the COVID-19 pandemic, may exacerbate this impact on workers.

With respect to BGC's residential and commercial construction business a large amount of work is contracted to a variety of independent sub-contractors governed by our standard agreements.

These contractors may use local labour hire agencies. Some our contractors may also employ working visa holders. While we recognise the general vulnerability associated with temporary visas, the COVID19-pandemic in our view has reduced the risk for working visa holders of being exploited or coerced dramatically as the building industry is facing serious challenges in recruiting staff.

Recognised High Risk Areas

The three highest risk areas explored above have helped us identify where to concentrate due diligence efforts in order to address the modern slavery risks that may arise in a practical and impactful manner.

Further details on these efforts, which we are implementing to achieve long-term effectiveness beyond a single reporting period, are set out in Part 4.



Addressing Modern Slavery Risks

DUE DILIGENCE



BGC Goods and Services Contract Template

Our template BGC Goods and Services Contract includes provisions to address modern slavery including the ability for BGC to request from suppliers accurate and up-to-date information, documents, records, procedures and processes including the names and details of second tier suppliers.

The standard BGC contract provisions also requires that suppliers use reasonable endeavors to ensure that equivalent contract clauses are contained in any supply contracts with BGC's second tier suppliers.

BGC has ensured that there is a contractual right to audit suppliers in the template Goods and Services Contract. As part of ongoing due diligence and deeper supplier engagement, BGC intends to act on these auditing rights during the next reporting periods and audit some of those high-risk suppliers.

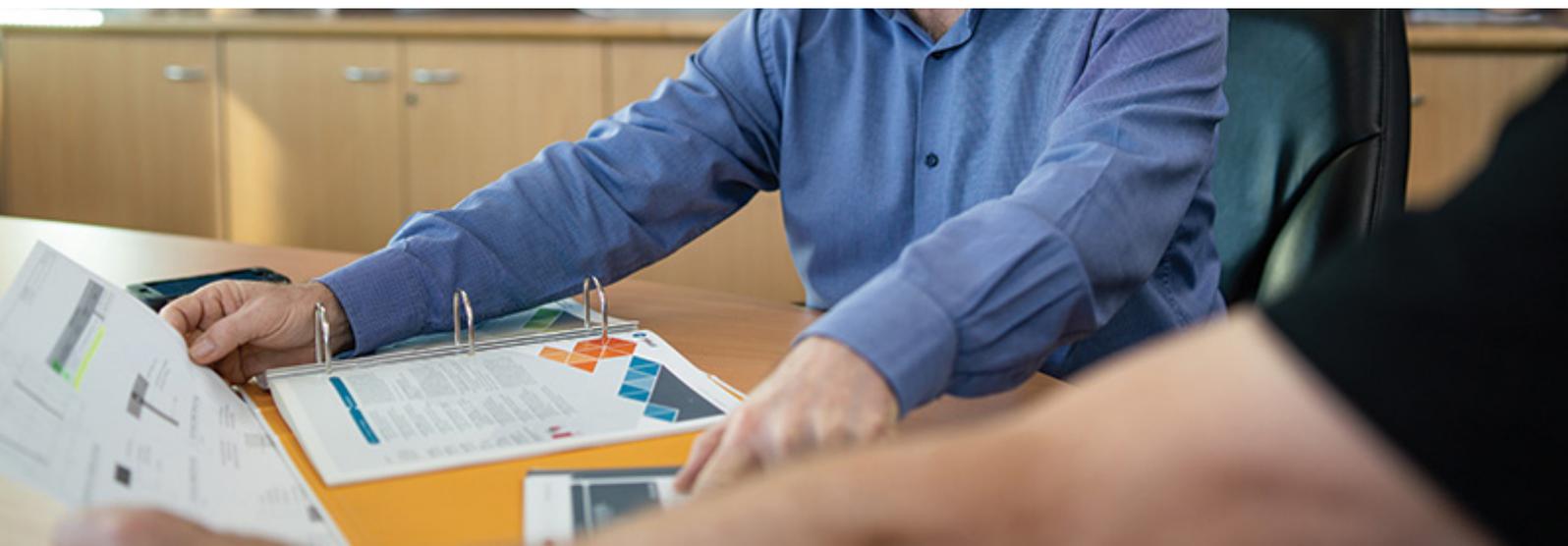


BGC Anti-Slavery Policy

BGC has developed an Anti-Slavery Policy to further embed our modern slavery efforts across the corporate group. We will only do business with suppliers that comply with our Anti-Slavery Policy or those that demonstrate they are taking active steps towards compliance.

A number of key features of the BGC Anti-Slavery Policy are:

- An express definition of modern slavery.
- An outline of how we address modern slavery in our organisation including the undertaking of risk assessments, engaging our new suppliers with the policy, our incorporation of anti-slavery provisions in our supplier contracts and holding suppliers to account by reserving our right to terminate the contractual relationship where breach of the policy is identified.
- A commitment by our managers to provide relevant training on the Policy. The CEO has day- to-day responsibility for implementation of the Policy.
- Compliance with the Policy is strictly required by all employees, directors and officers of BGC.



Addressing Modern Slavery Risks



ESG Strategy

By the end of the reporting period BGC had created a new department and appointed a Head of Environmental, Social & Governance (ESG) whose focus is on coordinating ESG across the Group through development of an ESG Strategy. With this decision BGC demonstrates its management attention of building a sustainable future for the business, its employees, customers, sub-contractors and suppliers.

The ESG strategy will be finalised in FY22.



BGC Labour Hire Agreement Template

BGC's Labour Hire Agreement template expressly addresses modern slavery. It requires labour hire agencies that we engage to commit to our Anti-Slavery Policy.

Furthermore, in order to ensure compliance with modern slavery legislation either for the purpose of making a Statement or otherwise, agencies and BGC alike must provide accurate and up-to-date information, documents, records, procedures and processes.

We now have a panel of 20 labour hire agencies under contract addressing the majority of BGC's labour hire requirements.

Supplier Code of Conduct

BGC has developed a Supplier Code of Conduct. This Code outlines the minimum standards expected in terms of ethics, safety, environmental and social values for all of our suppliers.

Subcontractor Trade Agreement Template

Similarly to our Labour Hire Agreement BGC has developed a subcontractor trade agreement template. This standard agreement incorporates raising the supplier's awareness for Modern Slavery risk and accountability.

Vetting of New Sourcing Partners of critical Products & Services

During the financial year BGC decided to outsource part of its fibre cement production. Following a thorough market engagement and tender process a supplier in Thailand has been selected and a contract signed by the end of the reporting period. In light of the elevated risk associated with manufacturing in Thailand the executed contract includes a designated passage for Modern Slavery outlining the supplier's obligations, its warranties as well as allowing BGC unrestricted auditing and inspection rights. Manufacturing will begin in the next reporting period and BGC is committed to exercise its right to audit the site directly.

Addressing Modern Slavery Risks

Grievance Mechanism

BGC Whistleblower Policy

Our Whistleblower Policy is available for both internal and external stakeholders to disclose grievances relating to (amongst other things) modern slavery.

The following internal and external stakeholders includes current and former:

- Officers or employees of BGC
- Suppliers, consultants and contractors of BGC
- Associates of BGC
- Relatives, spouses and dependants of any of the above

Matters constituting or associated with modern slavery are within the scope of “reportable matters” which includes:

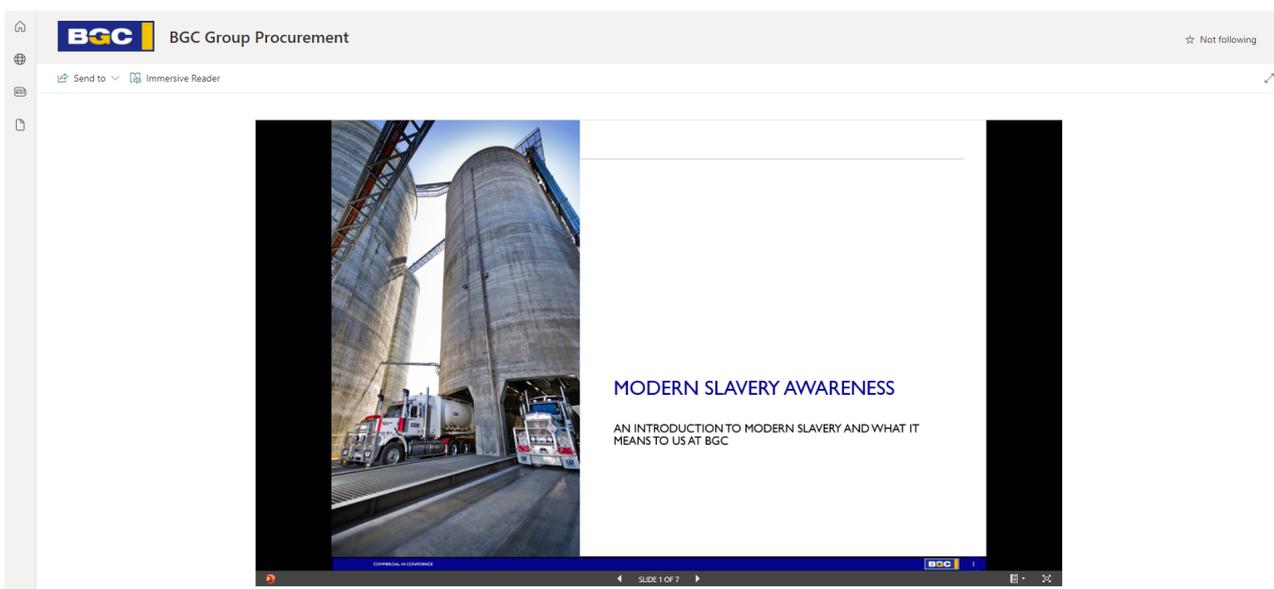
- A breach of any of our internal policies that refer to modern slavery, e.g. our Anti-Slavery Policy
- A failure to comply with legal or professional obligations or a regulatory requirement
- Conduct that is likely to cause damage to our reputation
- Conduct that is illegal or constitutes dishonest, fraudulent or corrupt activity

We protect Whistleblowers that report on modern slavery or practices associated with modern slavery by ensuring that no detriment is suffered by those that make a disclosure.

Such detriment is taken seriously and is itself deemed to be a breach of the policy. Ongoing monitoring of the policy is undertaken by our senior management and board to ensure such grievances are being adequately addressed.

Education and Training

During the reporting period the Group Procurement team at BGC has conducted internal training with stakeholders of all business units across the group. The purpose of the training sessions was to raise awareness for modern slavery, run through last year’s modern slavery statement and provide links to our BGC SharePoint for ease of access to relevant documents. The informational videos launched on BGC’s intranet appear to be a powerful component of the training sessions. BGC plans to run further training sessions for those who manage the business relationship with BGC’s high risk suppliers.



Addressing Modern Slavery Risks

BGC Remediation

Explaining our Whistleblower Policy and remediation process formed critical part of our training program. The remediation process consists of 5 steps.

1. Bring any concerns or suspicions to the attention of the General Manager of your business unit.
2. Communicate your concerns to the supplier and request clarification and further information.
3. Where your concerns have not been properly addressed or a potential of modern slavery been substantiated, please contact Group Procurement.
4. Group Procurement to investigate the matter thoroughly with the supplier and request remedial action plan.
5. Where a remedial action plan fails to produce the desired outcome within an adequate time period or the supplier demonstrates to be not co-operative, the business General Manager and the Head of Procurement will jointly decide to terminate the supplier.



Part 4: Actions Taken to Assess and Address Modern Slavery Risks

Addressing Modern Slavery Risks

Describe how the reporting entity assesses the effectiveness of such actions

BGC intends to measure the effectiveness of such actions against the following KPI's:

Supplier Self-Assessment Questionnaires (SAQ)

In consultation with an external subject matter expert and the General Managers of various BGC businesses, a list of high-risk suppliers has been put together. During the reporting period BGC has contacted all of these suppliers and sent BGC's inaugural Modern Slavery Statement as well as BGC's anti-Slavery Policy to raise awareness and highlight BGC's commitment to ethical sourcing. Suppliers returned BGC's self-assessment questionnaire and provided additional information.

While this first round of conducting a SAQ didn't trigger the need for immediate action, BGC is committed to continue with questionnaires, invite a larger group of suppliers to participate and develop a points system which helps to determine whether further investigation is required.

Supplier Data Base & Code of Conduct

By the end of the reporting period BGC has begun evaluating opportunities for the implementation of a centralised supplier data base. Once this new system has been implemented BGC will be able to communicate its expectations and adherence to the supplier code of conduct more effectively. Amongst other requirements our top suppliers will be required to demonstrate their procedures, actions and initiatives to mitigate the risk of modern slavery in their supply chain. In line with the above-mentioned questionnaire program the system will allow BGC to monitor compliance and instigate further actions where non-compliance or an elevated risk has been identified.

Audits

BGC recognises the inherent limitations of relying on self-assessment questionnaires with suppliers. BGC therefore endeavours to conduct factory audits both directly or indirectly (via third party providers) in the Asia-Pacific region not only with tier 1 suppliers, but with critical suppliers further down the supply chain (tier 2 plus). The plan is to roll out the first phase of audits in Q4 of the financial year 2022.

Internal & External Training

Training and awareness session have been conducted during the reporting period. BGC understands that there is a continuous need for a training and awareness program related to Modern Slavery which shall include a training register managing content and participation to ensure that relevant staff across the entire group remain fully engaged.

Contractual Arrangements

Over the years BGC has established long lasting and robust partnerships with key suppliers. During the reporting period we have commenced formalising our relationships with key partners using our new Goods & Service contract template which includes agreeing on our values and common goals related to the risk mitigation of Modern Slavery. Executing contracts with our key suppliers will continue to form a critical component in our overarching supply chain strategy.

Addressing Modern Slavery Risks

Describe the process of consultation with any entity it owns or controls

All major BGC entities have been consulted in regard to modern slavery risks.

In addition, broader communication has been made with the employees of BGC to ensure both awareness and engagement. Further training will continue.

Any other relevant information

Impact of COVID-19 Pandemic

During the pandemic BGC has worked to ensure that all purchase orders have been fulfilled and all regular procurement processes were followed especially in relation to the purchase of goods and services in high risk categories.

During the COVID19 pandemic BGC has faced various supply chain issues including shipping delays, shortages of products, services and labour and extraordinary price increases. Periods of lock downs have added an additional level of complexity to running a successful business. At the same time Western Australia has experienced an unprecedented boom in demand for residential construction which resulted in a significant increase of work for BGC.

Corporate Changes

Divestments/Discontinued Operations

During the financial year 2021 we made some significant changes to our business, including divesting various “non-core” BGC businesses and assets.

The following Group’s operations have been determined to be discontinued operations at 30 June 2021:

- BGC Metal Roofing
- BGC Steel
- BGC Insulation
- BGC Electrics
- Affordable Finance Pty Ltd
- VHG Finance Pty Ltd (to be transferred into Harrisdale Pty Ltd trading as The Loan Company, wholly owned by Esther Investment Pty Ltd within the next 12 months)
- Surplus properties

The above disclosure relates to the BGC (Australia) Pty Ltd group of entities.

Esther Investment Pty Ltd shut down BGC Builders Supplies.

Investments / Acquisitions

Key investment in the 2021 financial year was the successful acquisition of Capitary No. 3 Pty Ltd, renamed Midland Brick Pty Ltd, effective 1 April 2021. As we expect revenues to surpass the \$100M per year mark, Midland Brick will appear as a reporting entity in future statements.

Initial Risk Assessment Methodology Summary

An initial risk assessment was carried out to identify the elevated areas of modern slavery risk in our supply chains.

This baseline exercise provides the foundation for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period, but for upcoming years.

Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services.

Sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of BGC's top suppliers by spend. This was undertaken for over 900 of our suppliers.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors.

Balanced Global Multi-Regional Input-Output (MRIO) in relation to industry sectors:



The United Nations' (UN) System of National Accounts



UN COMTRADE



Eurostat databases



The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO)



Numerous National Agencies including the Australian Bureau of Statistics

The MRIO is then examined against the following international standards:

- The UN Guiding Principles for Business and Accounts Human Rights
- The Global Slavery Index
- International Labour Organisation (ILO) Global Estimates of Modern Slavery
- The United States' Reports on International Child (IDE/JETRO) Labour and Forced Labour

Appendix

Modern Slavery Risk Profile

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier for BGC.

This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act.

No information confirms the actual existence or non-existence of slavery in BGC's supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:



The individual suppliers and industries with the most elevated risk of modern slavery



Supply chain plots to provide a visual representation of the supply chain for BGC's top 3 first tier industries



Plotting the relative slavery risk in the supply chain by tier, up to tier 10



Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world



An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk

Joint Modern Slavery Statement

Under the Modern Slavery Act 2018 (CTH)

Reporting Period: 1 July 2020 – 30 June 2021

BGC (Australia) Pty Ltd – ABN 62 005 736 005
BGC Construction Pty Ltd – ABN 48 008 783 248
Ventura Home Group Pty Ltd – ABN 70 093 870 618
BGC Residential Pty Ltd – ABN 54 052 543 450
Esther Investment Pty Ltd – ABN 68 004 459 536
J-Corp. Pty Ltd – ABN 54 009 063 076

The logo for BGC, featuring the letters 'BGC' in a bold, white, sans-serif font. The letter 'G' is stylized with a yellow-to-orange gradient. To the right of the letters is a vertical yellow bar. The entire logo is enclosed in a thin white rectangular border.