



2021

# Modern Slavery Statement BEC Feed Solutions



Domestic  
Servitude



Sex  
Trafficking



Forced  
Marriage



Forced  
Labor



Bonded  
Labor



Child  
Labor

# BEC Group Statement on Modern Slavery

## Introduction and background

Slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour, forced marriage, debt bondage and human trafficking, whether adults or children.

The BEC Group is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under Australian Modern Slavery legislation. We expect the same high standards from all of our contractors, suppliers, business partners and Stakeholders.

Supply chain transparency is not only a legislative compliance requirement, but also a critical factor for:

- ongoing customer satisfaction and retention
- aligning business practices to organisational values
- employee engagement, and
- business growth and success.

The BEC Group is committed to the ongoing development, implementation and improvement of Supply Chain Assurance Systems (SCAS) These systems are designed to provide confidence that the aggregated set of processes and controls throughout the supply chain and product lifecycle will produce and deliver products, that are free of unintended elements and business risks.



Figure 1- Understanding the Australian Modern Slavery Reporting Requirements



## Section 1- Identify the reporting entity.

### 1.1 BEC Group Legal Entity

The BEC Group (Brisbane Export Holdings Pty Ltd) is an Australian privately owned Agribusiness that owns and controls other business entities in Australia, Indonesia and New Zealand.

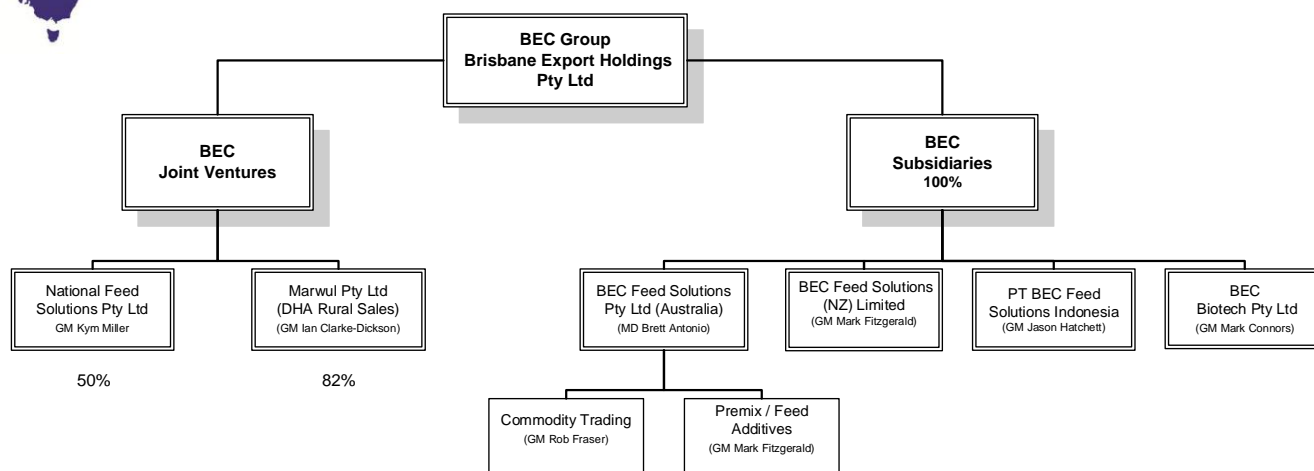
These entities include.

Subsidiaries			
Name	Corporate Entity	Location	No Employees
BEC Feed Solutions Pty Ltd	Private Company	Australia	75
BEC Feed Solutions (NZ) Ltd	Private Company	New Zealand	2
BEC Biotech Pty Ltd	Private Company	Australia	3
PT BEC Feed Solutions and PT BEC Premix Solutions	Private Company	Indonesia	31
Joint Ventures			
Marwul Pty Ltd (trading as 'DHA Rural Sales')	Private Company	Australia	9
National Feed Solutions Pty Ltd	Private Company	Australia	9

### 1.2 BEC Group Organisational and Reporting Structure



## BEC GROUP

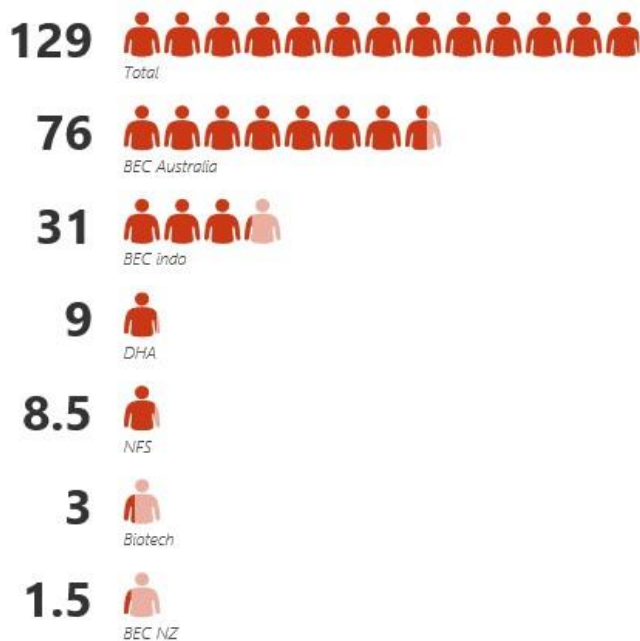


### 1.3 Reporting and Consultation

Each business entity and department have a senior executive that report monthly to a Board of Directors (BOD). Monthly management reports are provided by the Executive Management Team to the BOD that detail financial performance, regulatory compliance, customer / supplier updates and business conditions. Note the BEC Group have Independent Directors on the Boards of larger entities to assure transparency and corporate governance.

### 1.4 Number of Employees – BEC Group

## BEC GROUP HEAD COUNT



## Section 2 - Describe the reporting entity's operations and supply chains.

### 2.1 BEC Business Overview

The BEC Group provide an unparalleled range of animal nutrition solutions. Our expert team designs, sources and creates solutions to support our customers' needs and overcome their challenges.

It's our promise to provide animal nutrition solutions to enhance performance, delivering results for both the animal and our customer.

We partner with market leading suppliers of animal health and nutrition products from around the globe. Our team connect with these experts, innovators, and leading manufacturers to bring our customers the very best range of animal nutrition and health solutions.

We are proud to represent a network of international partners and distribute throughout Australia, New Zealand, the Pacific Islands and Indonesia.



## 2.2 BEC Group's Operations

The BEC group has three distinct areas of operations. These areas include:

- Manufacturing of Premix and the distribution of Feed additives
- The sourcing, supply, storage and distribution of Premix, Vitamins, Minerals and other Feed Ingredients & Additives
- The commodity trading of Vegetable and Animal Proteins Meals, Grains and Seeds.

Each area of operations utilises suppliers in Australia, and from overseas, to source raw ingredients for premix manufacturing, or for the supply and distribution of animal nutrition products, and bulk commodities.

### 2.2.1 Manufacturing

The BEC Group has two Premix manufacturing facilities operating in Australia, based in Queensland, and one Premix manufacturing facility operating in Pasuruan, East Java, Indonesia.

We have one biotechnology plant operating in Queensland, which manufactures an animal health product for the ruminant industry.

### 2.2.2 Supply and Distribution

The BEC Group sources and supplies vitamins, minerals, feed ingredients and additives to customers based in Australia, Indonesia, New Zealand, and the Pacific Islands. We procure approximately 880 different raw ingredients from our suppliers based in Australia and Globally. The BEC Group has sole distribution rights with several globally recognised feed ingredient & additive manufacturers and suppliers.

BEC utilises warehouses around Australia, New Zealand and Indonesia to assist with storage and distribution of these products.

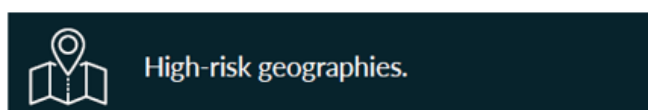
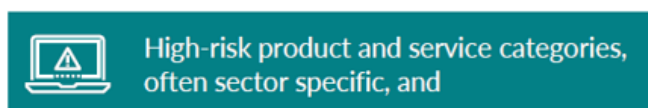
### 2.2.3 Commodity Trading

The BEC Group has an Australian based commodity trading division who source, store, transport and supply oils, vegetable and animal protein meals, grains and seeds needed by intensive and extensive livestock producers and commercial feed mills. These protein meals, grains and seeds are sourced from within Australia and Overseas.

## Section 3 - Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.

### 3.1 Modern Slavery Risk Factors

The BEC Group acknowledges the complexity associated with recognising practices which may constitute slavery-like conditions and having processes to identify where modern slavery is most likely to manifest in either their operations or supply chains. Evidence of other systemic human rights violations may also assist in identifying the circumstances that allow modern slavery to flourish. The following four key factors have been identified as factors that contribute to the increased risk of modern slavery practices:



### **3.1.1 Vulnerable Populations**

#### **Migrant workers**

The ILO defines international migrant workers as individuals who live and work across national borders and whose residency and citizenship status where they work is in some way temporary. Internal migrants – those who move away from their place of residence to work but continue to live within their country of origin – may endure similar uncertainty, particularly when they are displaced.

Migrant workers are often subjected to poor working conditions such as underpayment or non-payment of wages, and fraudulent contracting through third-party labour hire arrangements. Migrant workers comprise a large proportion of the growing markets in China and India but are also very common throughout Africa and Asia as a whole. In this context Australian businesses have access to regional markets with significant migrant labour. This availability of cheap labour attracts companies seeking cost-minimisation.

#### **Base-skilled workers**

Base-skilled workers, many of whom are from migrant, low socio-economic, or culturally and linguistically diverse backgrounds, are particularly vulnerable to systemic issues such as underpayment, withholding of wages and excessive working hours.

Jobs that have lower barriers to entry may be more accessible to vulnerable populations excluded from other parts of the workforce. Companies across sectors generally procure base-skilled labour for services such as cleaning, security, catering, transport and maintenance. Such services are regularly procured through outsourcing arrangements.

### **3.1.2 High Risk Business Models**

Third-party labour arrangements, or the outsourcing of significant labour needs, introduces complexity into a company's supply chain. In many instances, engaging labour-hire companies or contractors to source workers can be an attractive business model for reducing cost and outsourcing administrative tasks such as commuting, recruitment, paperwork, and accommodation. However, using a third-party labour hire company to source workers increases risk by reducing visibility over recruitment practices.

### **3.1.3 High Risk Categories**

#### **Raw materials**

For many companies' raw material procurement will not take place from a direct, tier one, supplier. This reduces the visibility over raw materials in the supply chain. Companies need to be aware that raw materials may be sourced from conflict-prone countries or geographies which are regarded as high risk. This high-risk category includes raw ingredients required for manufacturing of feed ingredients that are supplied to the BEC Group for resale or manufacturing of premix.

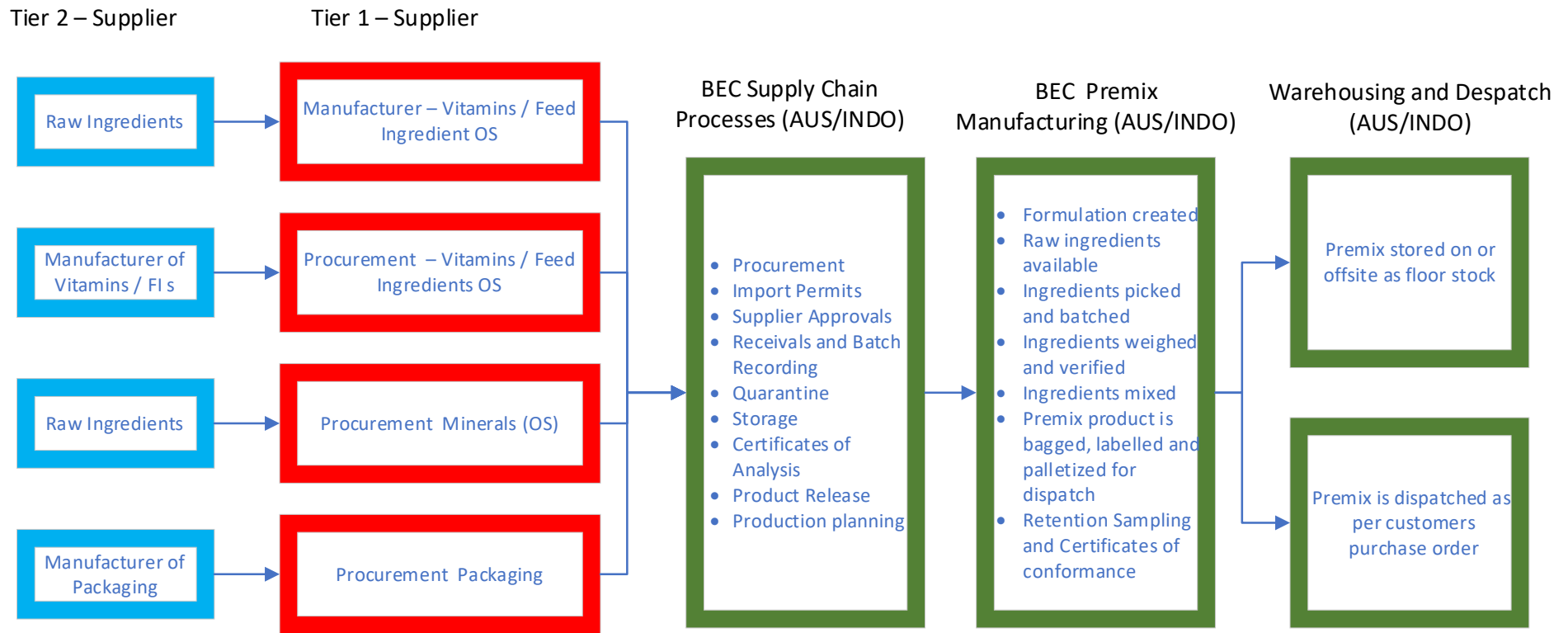
#### **3.1.4 Geographies**

The country where a product is manufactured or processed can present modern slavery risks. High-risk geographies may include conflict-affected zones, countries where there is weak rule of law such as the absence of a functioning judiciary or just administration of law enforcement agencies, and high corruption.



### 3.2 BEC Group Supply Chain Mapping

## BEC Group Premix Manufacturing Supply Chain Mapping



— Modern Slavery Risks (Supply Chain) —

1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills

1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills
4. Raw Ingredients

— Modern Slavery Risks (Supply Chain) —

— Modern Slavery Risks (Operational) —

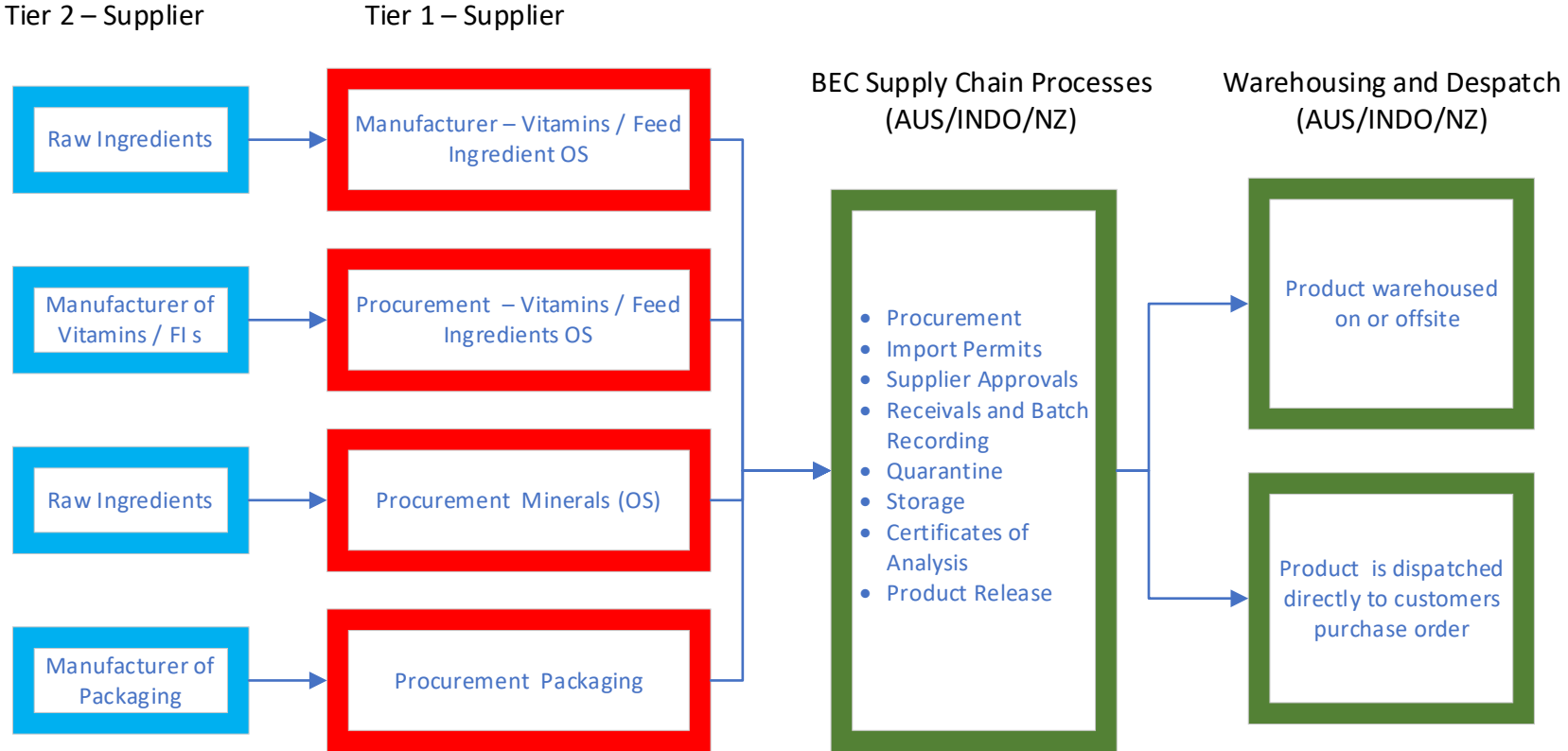
1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills
4. Raw Ingredients

1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills

1. Geography
2. High Risk Business Model

— Modern Slavery Risks (Operational) —

# BEC Group Procurement and Trading Supply Chain Mapping



**Modern Slavery Risks (Supply Chain)**

1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills

**Modern Slavery Risks (Supply Chain)**

1. Geography
2. High Risk Business Model
3. Vulnerable Workers Migrants/ Base Skills
4. Raw Ingredients

**Modern Slavery Risks (Operational)**

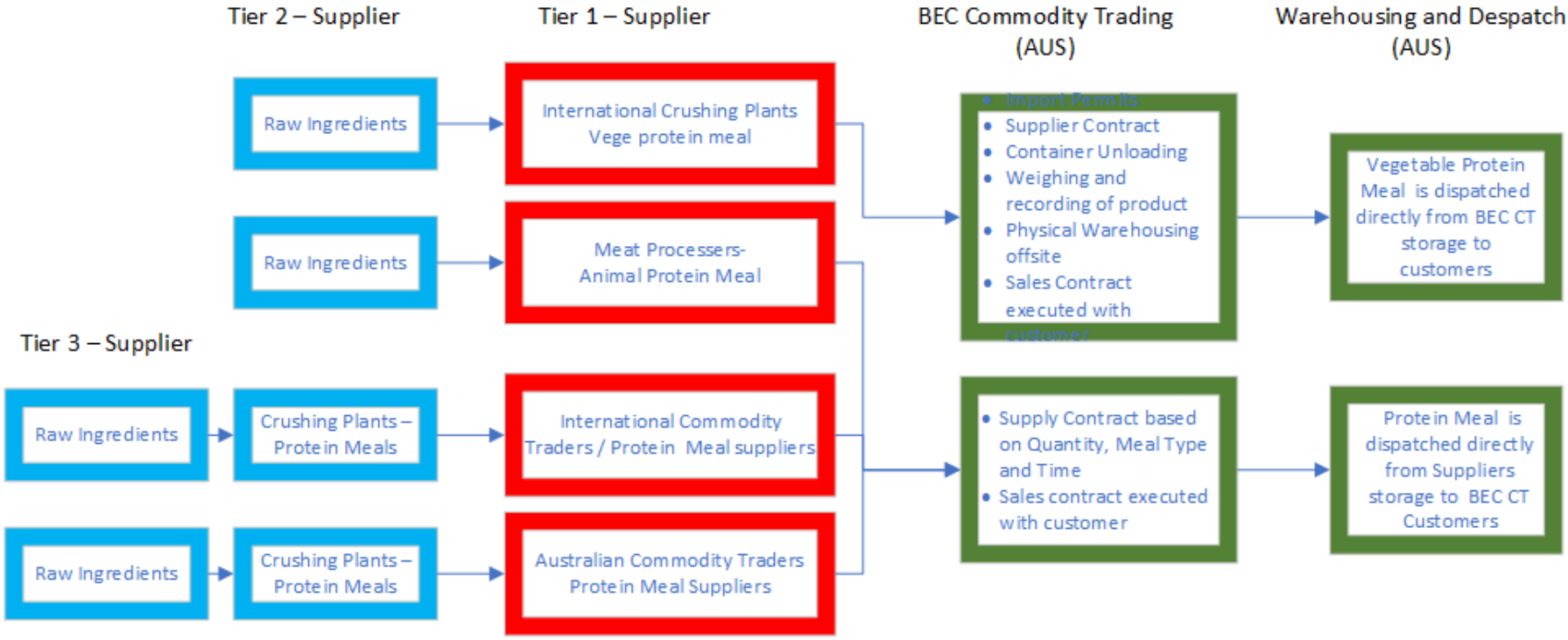
1. Geography
2. High Risk Business Model

**Modern Slavery Risks (Operational)**

- 1.. High Risk Business Model



# BEC Group – Commodity Trading



- Modern Slavery Risks (Supply Chain)**
- |   |   |
|---|---|
| 1. Geography                                | 1. Geography                                |
| 2. High Risk Business Model                 | 2. High Risk Business Model                 |
| 3. Vulnerable Workers Migrants/ Base Skills | 3. Vulnerable Workers Migrants/ Base Skills |

- Modern Slavery Risks (Operational)**
- |                             |                              |
|-----------------------------|------------------------------|
| 1. High Risk Business Model | 1.. High Risk Business Model |
|-----------------------------|------------------------------|

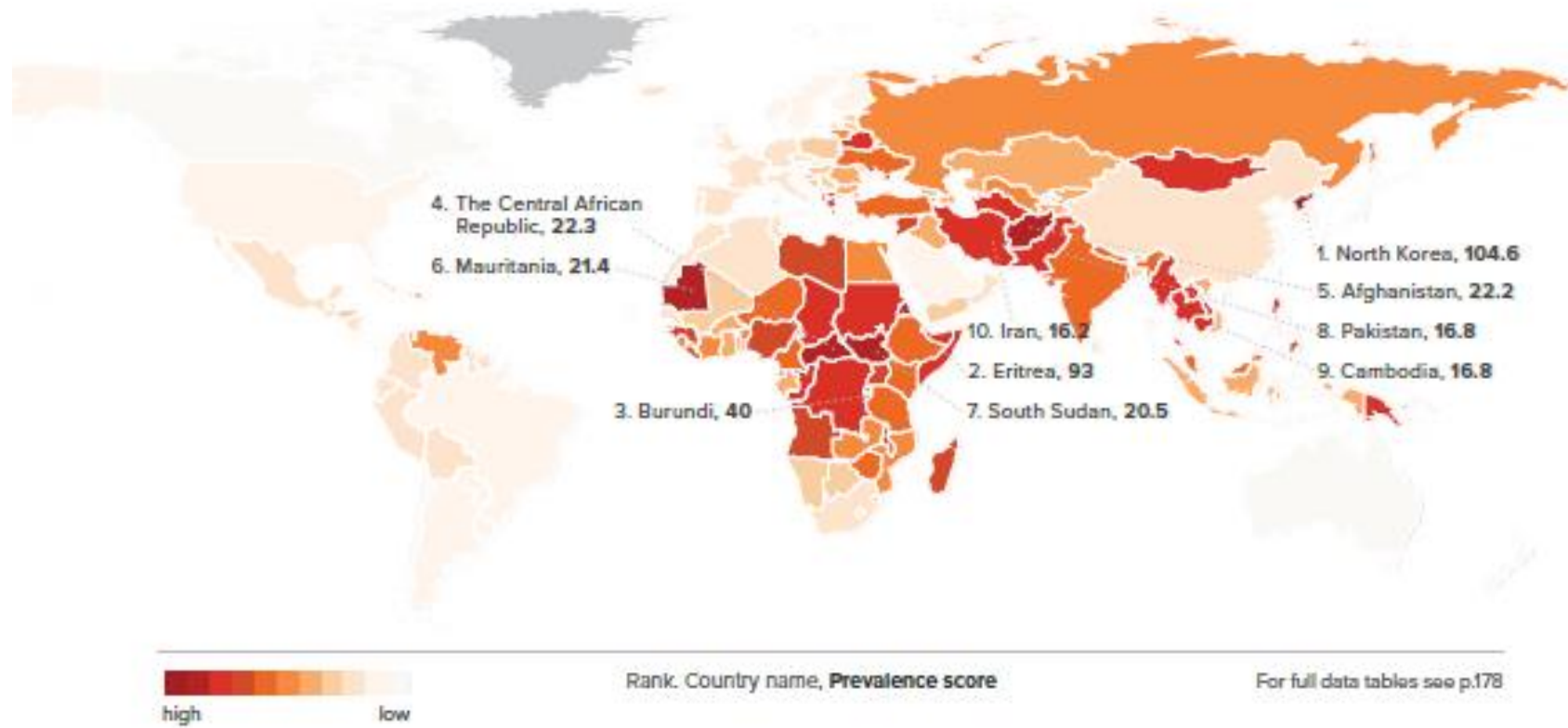
- Modern Slavery Risks (Supply Chain)**

- Modern Slavery Risks (Operational)**

GLOBAL SLAVERY INDEX – 2018 WAL FREE FOUNDATION

FIGURE 1

Estimated prevalence of modern slavery by country (noting 10 countries with highest prevalence, estimated victims per 1,000 population)



### 3.2 Modern Slavery Risk Factors within the BEC Group's Operations and Supply Chains

As identified in the Supply Chain Mapping, the BEC Group has identified potential Modern Slavery risks associated with their Supply Chain and Operations. The following table aims to assess these risks, so that the organisation can prioritise and address the high-risk factors.

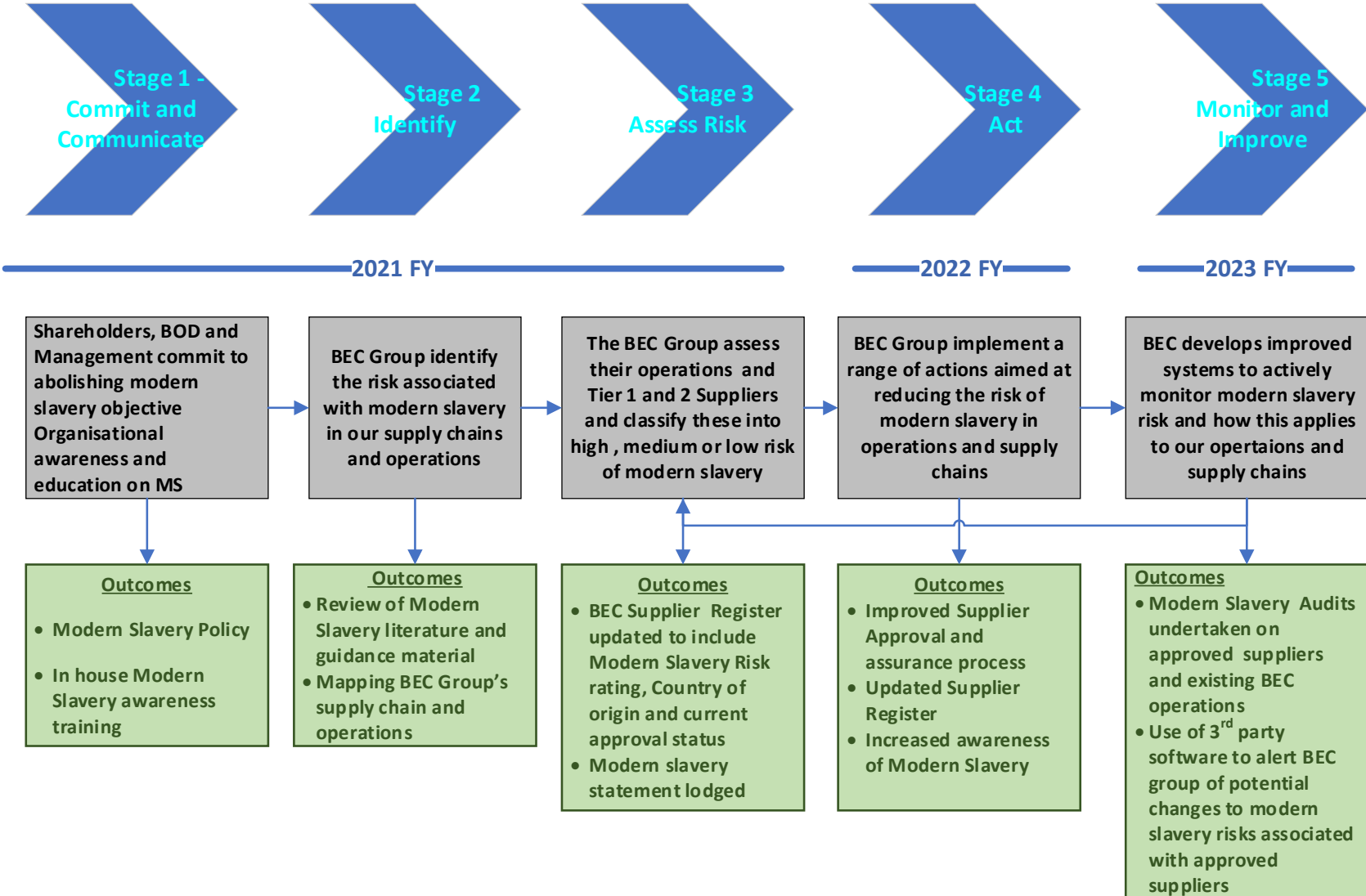
Premix Feed Additives Procurement and Trading					
Supplier Description	Modern Slavery Risk Factors	Risk Context	Risk Rating (L,M,H)	BEC Capacity to Influence Suppliers (L,M,H)	BEC Controls
<b>Tier 1 Suppliers:</b> - International Manufacturers of Vitamins and Feed Additives / Toll Manufacturers  <b>Tier 2 Suppliers:</b> - International suppliers of raw ingredients to Tier 1 manufacturers	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Vulnerable Workers-migrants, base skills</li> </ul>	<ul style="list-style-type: none"> <li>• BEC source Vitamins and Feed additives that are manufactured in countries around the world.</li> <li>• Some of these countries will be more susceptible to Modern slavery based on their geographic location, government ideology and employment practices/ regulations.</li> <li>• These companies also source raw ingredients from suppliers which may not adhere to the same human rights principles.</li> </ul>	High	Tier 1 Medium	<ol style="list-style-type: none"> <li>1. Supplier approval processes to include Slavery assessments</li> <li>2. Approved Supplier Register and risk ratings based on MS Risk factors</li> <li>3. Supplier Assurance program Regular supplier monitoring and engagement</li> <li>4. Third party engagement in ongoing Supplier monitoring program</li> </ol>
				Tier 2 Low	
<b>Tier 1 Suppliers:</b> - International Suppliers of Vitamins/ Minerals and Feed Additives  <b>Tier 2 Suppliers:</b> - Manufacturers of Vitamins and Feed Additives selling to	<ul style="list-style-type: none"> <li>• Business Models,</li> <li>• Source of raw ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• BEC source Vitamins and Feed additives from OS suppliers who utilise procure these products from a range of manufacturers – see above</li> </ul>	High	Tier 1 Medium	
				Tier 2 Low	
<b>Tier 1 Suppliers:</b> - Australian Suppliers of packaging  <b>Tier 2 Suppliers:</b> - International Manufacturers and suppliers of packaging	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Vulnerable Workers</li> <li>• Business Models</li> <li>• Source of raw Ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• BEC source packaging from a range of Australian and overseas suppliers. These suppliers may source products from manufacturing companies that operate in countries where modern slavery exists</li> <li>• Risk is lower in Australian based companies due to government regulation</li> </ul>	Medium	Tier 1 High	<ol style="list-style-type: none"> <li>1. Review OS suppliers by country of origin</li> <li>2. Approved Supplier Register and risk ratings based on MS Risk factors</li> <li>3. Supplier approval processes to include Modern Slavery assessments</li> </ol>
				Tier 2 Low	

**Premix Manufacturing (Operations)**

Operations	Modern Slavery Risk Factors	Risk Context	Risk Rating (L,M,H)	BEC Capacity to Influence (L,M,H)	BEC Controls
<p><b>Premix Manufacturing Facilities (Australia)</b></p>	<ul style="list-style-type: none"> <li>• Business Models</li> <li>• Source of raw ingredients</li> </ul>	<p>The risk of modern slavery occurring in BEC Australian operations are very low due to the high standard of Industrial relations regulated in Australia. BEC uses labour hire firms for small percentage of manufacturing staff. These firms are based in Qld and meet the Qld Government code of practice.</p> <p>Sourcing of ingredients for manufacturing is carried out by the supply chain business unit – this has been addressed in previous table</p>	<p><b>Low</b></p>	<p><b>High</b></p>	<p>Comply with all</p> <ul style="list-style-type: none"> <li>• Fair work Australia and Regulations</li> <li>• National Employment standards</li> <li>• Safe work Australia regulations</li> <li>• Ensure all Labour Hire firms utilised by the organisation comply with the Qld Code of Practice</li> </ul>
<p><b>Premix Manufacturing Facilities (Indonesia)</b></p>	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Business Models</li> <li>• Source of raw ingredients</li> </ul>	<p>The risk of modern slavery occurring in Indonesia operations may be perceived as higher due to the geographic location.</p> <p>BEC has adopted all of the Indonesian labour regulations and has had the company HR manual approved by the Indonesian Department of Manpower BEC Indonesia does not use any labour hire staff and recruits directly.</p> <p>The business reports monthly to the BOD on HR issues. As a multinational company BEC Indonesia operates to Australian standards in relation to WHS and HR compliance</p>	<p><b>Low</b></p>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Comply with all Department of Manpower employment regulations and law</li> <li>• Ensure third party audits of HR and HSE practices</li> <li>• Maintain monthly reporting on HR and WHS</li> <li>• Provide support from Australia on improving HR and HSE practices</li> </ul>

Commodity Trading - Animal and Vegetable Protein Meals					
Supplier Description	Modern Slavery Risk Factors	Risk Context	Risk Rating (L,M,H)	BEC Capacity to Influence Suppliers (L,M,H)	BEC Controls
<p><b>Tier 1 Suppliers:</b> - International Manufacturers for Vegetable Oils</p> <p><b>Tier 2 Suppliers:</b> - Suppliers of raw ingredients to Tier 1 manufacturers</p>	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Vulnerable Workers-migrants, base skills</li> <li>• Business Models,</li> <li>• Source of raw ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• BEC source protein meals (e.g., Palm Meal) that are manufactured in countries around the world.</li> <li>• Some of these countries will be more susceptible to Modern slavery based on their geographic location, government ideology and employment practices/ regulations.</li> <li>• These companies also source raw ingredients from suppliers which may not adhere to the same human rights principles.</li> </ul>	High	Tier 1 Medium	<ol style="list-style-type: none"> <li>1. Supplier approval processes to include Modern Slavery assessments</li> <li>2. Approved Supplier Register and risk ratings based on MS Risk factors</li> <li>3. Supplier Assurance program Regular supplier monitoring and engagement</li> <li>4. Third party engagement in ongoing Supplier monitoring program</li> </ol>
				Tier 2 Low	
<p><b>Tier 1 Suppliers:</b> - International Commodity Traders</p> <p><b>Tier 2: - Suppliers</b> Manufacturers of protein meals to International Commodity Traders</p>	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Vulnerable Workers-migrants, base skills</li> <li>• Business Models,</li> <li>• Source of raw ingredients</li> </ul>	<p>BEC source protein meals from international Commodity Traders who procure these protein meals from a range of manufacturers – <b>see above</b></p>	High	Tier 1 Medium	
				Tier 2 Low	
<p><b>Tier 1: - Suppliers :-</b> Australian based manufacturers and traders of protein meals</p>	<ul style="list-style-type: none"> <li>• Business Models</li> </ul>	<ul style="list-style-type: none"> <li>• The Risk of modern slavery is significantly lower in the Australian based manufacturing companies and their supply chain due to government regulation and industrial relations</li> <li>• The use of labour hire firms to outsource labour</li> </ul>	Low	Tier 1 High	<ol style="list-style-type: none"> <li>1. Supplier approval processes to include Modern Slavery assessments</li> <li>2. Approved Supplier Register and risk ratings based on MS Risk factors</li> <li>3. Supplier Assurance program Regular supplier monitoring and engagement</li> </ol>
<p><b>Tier 1: - Suppliers</b></p> <p>Australian based Commodity Traders of protein meals</p>	<ul style="list-style-type: none"> <li>• Geography</li> <li>• Source of raw ingredients</li> </ul>	<p>Australian based Commodity Traders may not source product directly from Australian manufacturers and as such pose a risk similar to International firms</p>	Medium	Tier 1 High	

# BEC GROUP'S MODERN SLAVERY IMPLEMENTATION PLAN



## **Section 4 - Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.**

### **4.1 BEC Group's Modern Slavery Implementation Plan**

#### **4.1.1 Stage 1 – Commit and Communicate (2021 FY)**

- BEC Executive Management Team and BOD commit to addressing the risks of modern slavery in the BEC Group's operations and supply chain.
- Management commitment evidenced in signed and approved policy statement.
- Modern slavery awareness training conducted across the organisation. Information on reporting modern slavery issues included in BEC Code of Conduct.

#### **4.1.2 Stage 2 – Identify (2021 FY)**

- Identify and detail modern slavery risks.
- Undertake supply chain and operational mapping to identify Tier 1 and Tier 2 suppliers and the associated modern slavery risks.

#### **4.1.3 Stage 3 – Assess Risk (2021 FY)**

- Suppliers and associated risks are detailed, assessed and rated across all of the BEC Group's operations and supply chains.
- Current capacity to influence suppliers is also assessed for the supplier groups.

#### **4.1.4 Stage 4 – Act (2022 FY)**

- BEC Group Supplier Assurance Working group formed.
- New supplier approval form to include social accountability and modern slavery compliance.
- New centralised and updated supplier register to be developed as part of the ERP (MS Dynamics 365) upgrade Project. Register will include country of origin, high-risk geographic locations and Modern Slavery risk ratings.
- Existing key and high-risk suppliers to be sent BEC Modern Slavery Questionnaire.
- Develop a remediation procedure and contract clauses with suppliers that details the actions that will be taken by the BEC Group when there is clear evidence that suppliers are directly linked to modern slavery practices



## **Section 5 • Describe how the reporting entity assesses the effectiveness of these actions.**

The BEC Group has undertaken numerous actions as part of our commitment to reducing our risk of contributing to, or being directly linked to, modern slavery practices. We are committed to reviewing the actions taken and to identify further gaps and information to improve our response.

The BEC Group has a robust compliance and corrective action system in place. This system is used for assessing the organisations capacity to meet regulatory requirements and managing non-compliance issues associated with quality and feed safety, health and workplace safety, environmental sustainability, social accountability, and other financial governance standards.

These systems enable the organisation to continuously assess the effectiveness of and improve modern slavery actions across our operations.

We are currently reviewing potential third-party providers who can monitor global modern slavery activity and report on events that implicate BEC suppliers contributing to, or directly linked to, these human rights violations. This type of technology will greatly assist our organisation in the ongoing selection, monitoring and modern slavery compliance of Tier 1 and 2 suppliers.

## **Section 6 • Process of consultation**

In the preparation of this statement, the BEC Group collaborated extensively within our operations and supply chain to accurately map, identify and assess modern slavery risk.

It is anticipated that more extensive consultation with other parties will occur in the future as we improve our understanding of the risks of modern slavery within our supply chain.

Our Board of Directors and Executive Management Team are committed to:

- Acting ethically and with integrity in all our business dealings and relationships; and
- Implementing and enforcing effective systems and controls to reduce our risk of contributing to, or being directly linked to, modern slavery practices

This statement has been reviewed and approved by Executive Management Team, and the Board of Directors, for the BEC Group.



Brett Antonio  
Managing Director/CEO  
BEC Group

