



# Joint Modern Slavery Statement

**Under the Modern Slavery Act 2018 (CTH)**

Reporting Period: 1 July 2021 – 30 June 2022

Modern Slavery Statement revised April 2023, Subsidiary added pages 3 & 5, various spelling corrected

# Report Outline

## **PART ONE**

Executive summary

## **PART TWO**

Mandatory reporting requirements

## **PART THREE**

Modern slavery risks in our operations and supply chains

## **PART FOUR**

Actions taken to assess and address modern slavery risks

## **PART FIVE**

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.

#### **Midland Brick Pty Ltd - ABN 93 635 664 710**

This entity is a subsidiary of BGCA and is engaged in the manufacturing of clay bricks and concrete masonry products for use by other BGC entities and for sale to third parties.

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

Samuel Conrad Buckeridge

Name Director

23 December 2022

Date

## Part 1: Executive Summary

# 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 FY22, we embedded ESG objectives into our business and managed production rates impacted by material supply risks and labour shortages.



This 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 de-risk modern slavery in our supply chains and uplift our capability in assessing risks with our suppliers.

## 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
- Midland Brick Pty Ltd - ABN 93 635 664 710

## 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 of Construction Materials**



**Transport Services**



**House Construction**



**Property Management**



**Building Products & Services**



**Construction (Commercial)**

## Our Operations



**Our primary area of operations is in WA**



As of June 2022, we have approximately **2,100 employees** working across our Group.



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



# 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
- 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
- Link Residential Group
- Simply Settlements
- Smart Homes for Living
- TERRACE Homes
- 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.



### 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.

- Manufacturing predominantly source materials and labour.
- BGC Transport procure trucks and subcontractors.
- Construction and Building & Residential purchase materials and have a large subcontractor base.
- BGC Property Management procure property management services.

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.

Supply of goods and services sourced internationally is limited to:

- Wholesale trading providers (tier 1) who in turn source clinker from Indonesia (a government owned plant).
- International shipping companies.
- Fibre cement produced in Thailand.
- Pockets of supplies/fabricated products sourced from China e.g. metal screens.

## Part 3: Modern Slavery Risks in our Operations and Supply Chains

# Modern Slavery Risks

In this section we describe the factors considered to assess modern slavery risks in our supply chain. We will detail the main areas of modern slavery risk for BGC and how they are specifically mitigated. In part 4, additional initiatives crossing reporting periods are described as to how BGC is addressing these risks.

### Risk Assessment

The risk assessment takes 5 factors into account:

1. **Category** – Classification of materials or services being procured
2. **Supplier Segmentation** – Classification of suppliers e.g. strategic vs non-critical supplier or supplier vs sub-contractor
3. **Geography** - Geographical area of operation
4. **Spend** - Total supplier spend amounts (i.e. the value of our direct supplier contracts)
5. **Tier** - Depth of tiering of suppliers supplying our suppliers in the supply chain - e.g., 1st, 2nd, 3rd tier supplier etc

### High Risk Areas

For BGC, the following risk areas have been identified and associated modern slavery risks are being mitigated/managed. BGC did not identify any cases of actual or suspected modern slavery or associated conduct occurring in our supply chains and operations over the reporting period.

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.





## Modern Slavery Risks



### Sourcing of overseas produced clinker

One of our major suppliers (tier 2) provides us with clinker products from Indonesia through a trading company in Singapore (tier 1) for our BGC Cement business.

Our relatively high spend amount, 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.



### Fibre Cement Production

BGC has outsourced its fibre cement production to Thailand. BGC is aware of the elevated risk associated with manufacturing in Thailand and has therefore negotiated a contract which includes various obligations for the supplier which help BGC to mitigate the risk of modern slavery in this particular supply chain. BGC also has representation locally to audit the site directly.



## Modern Slavery Risks



### Brick Manufacturing

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 in 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 “Midland Brick” business.

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 that ensure that workers are supported with a safe and healthy working environment. The majority of the workers in our brick plants 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).

## Modern Slavery Risks

### Recognised Vulnerabilities

#### Australian Construction Sector

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

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 exists in other jurisdictions.

Further, structural economic factors such as tight profit margins and business pressure in the development sector, which were further accelerated by the COVID-19 pandemic, may exacerbate this impact on workers.<sup>1</sup>

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 of our contractors may also be employed on working visas. 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.

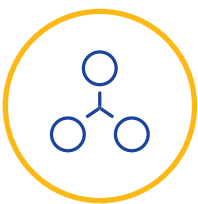
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<sup>1</sup> Ibid.

# Addressing Modern Slavery Risks

BGC aims to address modern slavery risks by:

1. Having Modern Slavery incorporated into our governing policies
2. Improved management of our suppliers
3. Ensuring staff awareness



## Governance

- ESG Strategy
- Anti-Slavery Policy
- Sustainability Policy
- Whistleblower Policy
- Supplier Code of Conduct



## Supplier Management

- Supplier Performance and Risk Management
- Contract obligations
  - Labour Hire
  - Subcontractors
- Supplier Self-Assessment Questionnaires



## Staff Awareness

- Education
- Training

# Addressing Modern Slavery Risks

## Due Diligence



### BGC Anti-Slavery Policy

BGC continued to apply its Anti-Slavery Policy to further embed our modern slavery efforts across the corporate group. We 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.



### ESG Strategy

In FY22 BGC's Board approved a company wide ESG Strategy where Modern Slavery considerations align with three of BGC's identified Material Topics. BGC has a Corporate ESG department whose focus is on stimulating and coordinating ESG throughout the Group.

Our Sustainability Policy promotes the fair treatment of our people and everyone in our value chain.



# Addressing Modern Slavery Risks



## Supplier Management

As part of improving procurement practices at BGC, Group Procurement have focused on the supplier management process in FY22.

- Supplier Onboarding
- Supplier Performance Management
- Supplier Risk



## BGC Goods & Services Contract Template

In FY22 BGC continued to utilise its Goods and Services template which 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 and requires that suppliers abide by BGC's Supplier Code of Conduct.



## Supplier Code of Conduct

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



## Supplier Self-Assessment Questionnaires (SAQ)

A list of high-risk suppliers was originally put together in consultation with an external subject matter expert and BGC General Managers. These suppliers responded to the Modern Slavery Self-Assessment that was sent to them to allow BGC to assess the risk which didn't trigger the need for immediate action.

BGC has monitored suppliers with potential risk during this reporting period and at the end of FY22 purchased a supplier management system that will categorise suppliers, assess supplier risks in various areas including modern slavery, and provide a framework to manager suppliers' performance in future.



# Addressing Modern Slavery Risks



## BGC Labour Hire Agreement Template

In FY22 BGC continued to apply its Labour Hire Agreement template which 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 have a panel of 20 labour hire agencies under contract addressing the majority of BGC's labour hire requirements.



## Subcontractor Trade Agreement Template

Similarly to our Labour Hire Agreement, in FY22 BGC continued to utilise its subcontractor trade agreement template. This standard agreement incorporates raising the supplier's awareness for Modern Slavery risk and accountability.



## Research and Development

In FY22 BGC, recognising the lack of visibility and transparency in supply chains, partnered with Griffith University, Western Sydney University, the Sustainable Built Environment National Research Centre, Stockland and Informed 365 to prepare a collaborative research proposal to the Australian Research Council Linkage Scheme. The proposed project was titled "An intelligent data mining approach for conducting deep-dive assessment of Modern Slavery Risk."

## 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.

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### Supplier Modern Slavery Risk Remediation

The remediation process, for handling suspected modern slavery risks with suppliers, consists of 5 steps.

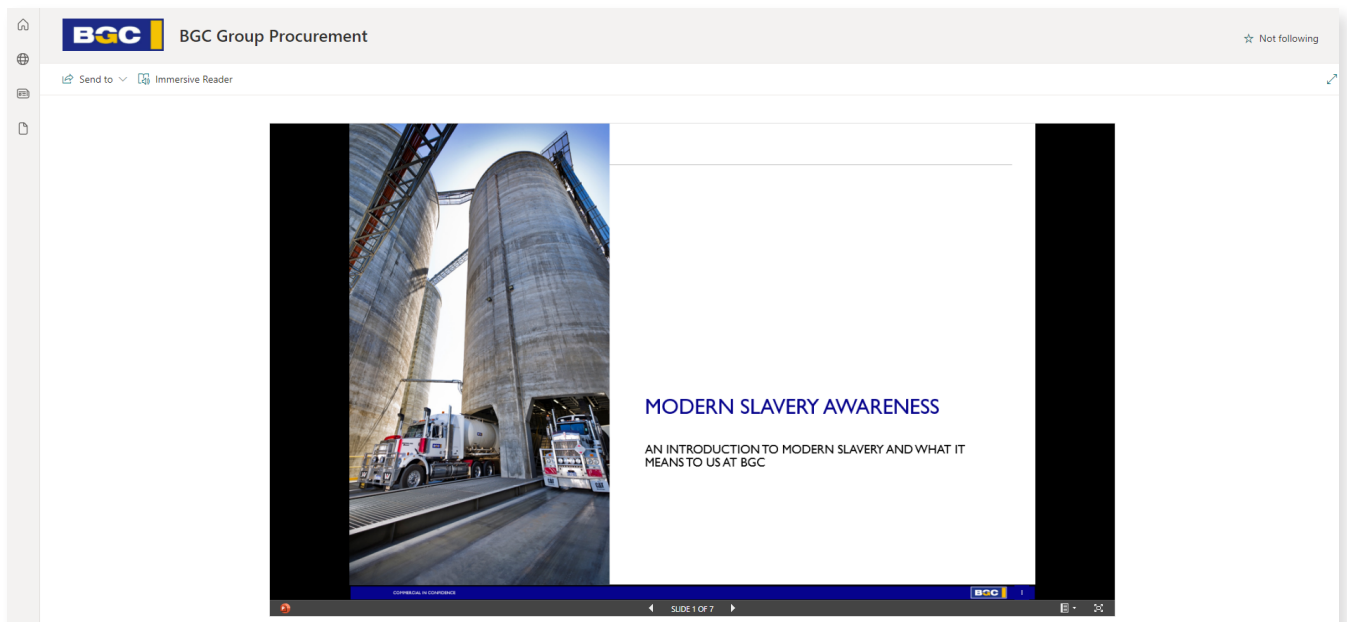
1. Bring any concerns or suspicions to the attention of the General Manager of your business unit.
2. Communicate your concerns to the supplier and request clarification and further information.
3. Where your concerns have not been properly addressed or a potential practice of modern slavery has been substantiated, please contact Group Procurement.
4. Group Procurement to investigate the matter thoroughly with the supplier and request a 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.

No concerns that warranted remedial action plans of suppliers were identified in FY22.

# Addressing Modern Slavery Risks

## Education and Training

The Group Procurement team at BGC has continued internal training with stakeholders of all business units across the group in FY22. These training sessions raise awareness for modern slavery, run through our latest modern slavery statement, identify and discuss future actions for continuous improvement and provide links to our BGC SharePoint for ease of access to relevant documentation. The informational videos launched on BGC's intranet are an effective component of the training sessions. BGC continues running these sessions on an adhoc basis for those who manage potential risk suppliers.



## Part 5

# Appendix

### Corporate Changes

During this reporting period, the change in operating model of the BGC Fibre Cement business was fully implemented. Fibre cement production has been outsourced to a supplier with overseas production in Thailand (for details please refer to Part 3.2: Modern Slavery Risks and Mitigation).

### Divestments

During the financial year 2022 we continued to divest surplus properties held under both BGC (Australia) Pty Ltd and Esther Investment Pty Ltd.

### Business Unit Consultation

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.



## Part 5

# Appendix

### 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

## Part 5

# 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.

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### 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



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## Under the Modern Slavery Act 2018 (CTH)

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Midland Brick Pty Ltd - ABN 93 635 664 710

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 text is a vertical yellow bar.