

**BGC**

# Joint Modern Slavery Statement

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

Reporting Period: 1 July 2022 – 30 June 2023



# Report Outline

- 01 Overview of BGC
- 02 Mandatory reporting requirements
- 03 Modern slavery risks in our operations and supply chains
- 03 Actions taken to assess and address modern slavery risks
- 05 Effectiveness of actions addressing modern slavery risks

## Whadjuk Country

BGC acknowledges the Traditional Owners of country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to elders both past and present.

### **BGC Australia**

Ground Floor, 67 Walters Drive, Osborne Park, WA 6017



## Mandatory Reporting 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 and is engaged in home building, building products, complementary building services and insurance.

#### **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”).

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This statement has been approved by the Board of Directors of BGC (Australia) Pty Ltd and Esther Investment Pty Ltd. The various subsidiary entities noted in part 2 of this statement, have been consulted in the preparation of this statement and are subject to the internal governance frameworks of BGC. This statement was signed by Samuel Buckeridge in his role as Director on 15 December 2023.



**Samuel Conrad Buckeridge**  
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 FY23, we focused on the internal and external materials and services supply chain to ensure timely residential construction impacted by 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.

## Corporate Structure

BGC (Australia) Pty Ltd and Esther Investment Pty Ltd are companies limited by shares, incorporated and domiciled in Australia. Their registered office and principal place of business is at Ground Floor, 67 Walters Dr, Osborne Park WA 6017.

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 Pty Ltd 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.

During this reporting period, FY23, BGC has not undertaken any significant corporate changes.

Corporate Structure	
Corporate	BGC (Australia) Pty Ltd - ABN 62 005 736 005 Esther Investment Pty Ltd - ABN 68 004 459 536
Cementitious	BGC Asphalt - ABN 62 005 736 005 005 BGC Quarries - ABN 62 005 736 005 005 BGC Cement - ABN 62 005 736 005 007 BGC Concrete - ABN 62 005 736 005 010 BGC Precast - ABN 62 005 736 005 028 Materials Technology Centre - ABN 62 005 736 005 031
Bricks and Masonry	Brikmakers - ABN 62 005 736 005 021 Midland Brick - ABN 93 635 664 710 BGC Blokpave - ABN 95 009 397 871
Housing Group	BGC Residential Pty Ltd - ABN 54 052 543 450 Ventura Home Group Pty Ltd - ABN 70 093 870 618 J-Corp. Pty Ltd - ABN 54 009 063 076
Transport	BGC Transport - ABN 62 005 736 005 016
Building Products	BGC Plasterboard - ABN 62 005 736 005 020 BGC Fibre Cement - ABN 62 005 736 005 008 BGC Windows - ABN 55 519 847 105 BGC Plumbing - ABN 62 005 736 005 009 Floortech Flooring Systems - ABN 46 091 509 349 Envirotechnics Pest Management - ABN 33 059 951 281 Automated Surveys - ABN 86 653 526 582
Commercial Construction	BGC Construction Pty Ltd - ABN 48 008 783 248

## Corporate Structure

### Cementitious



In our Cementitious unit, we incorporate the following manufacturing businesses:

#### **BGC Asphalt**

Supplying asphalt for highway maintenance, freeways, suburban roads, as well as the civil and defence industries.

#### **BGC Quarries**

Producing crushed aggregate, crushed rock subbase, road base, spalls, ballast and quarry sand.

#### **BGC Cement**

Providing a wide range of cement types in bulk and in bags.

#### **BGC Concrete**

Supplying structural and decorative concrete, as well as a range of support services.

#### **BGC Precast**

Manufacturing of precast hollowcore panels and concrete slabs, beams, walls, staircases and noise walls for large building, construction and civil projects.

#### **Materials Technology Centre**

Providing construction materials testing, research and development, reporting, and general construction materials compliance.

## Corporate Structure



### Building Products

Building products and services are provided under a range of businesses and brands:

- BGC Fibre Cement - providing exterior cladding and linings in a wide variety of designs (includes the Innova brand)
- BGC Plasterboard - offering the extensive GTEK™ range of plasterboards and plaster products
- BGC Windows trading as Affinity Windows – manufactures premium windows, doors, shower screens, and also offers servicing and repairs, spare parts and kits for windows and doors
- BGC Plumbing trading as Plumbtechnics - providing plumbing services to residential and commercial builders
- Floortech – providing a suspended flooring (slab and stair) system
- Envirotechnics – providing pest management services
- Automated Surveys – land surveying services

### Bricks & Masonry

The Midland Brick brand incorporates a number of businesses providing clay bricks, masonry pavers, clay pavers, blocks and retaining walls, roof tiles and Cultured Stone®.

- Midland Brick
- Brikmakers
- BGC Blokpave



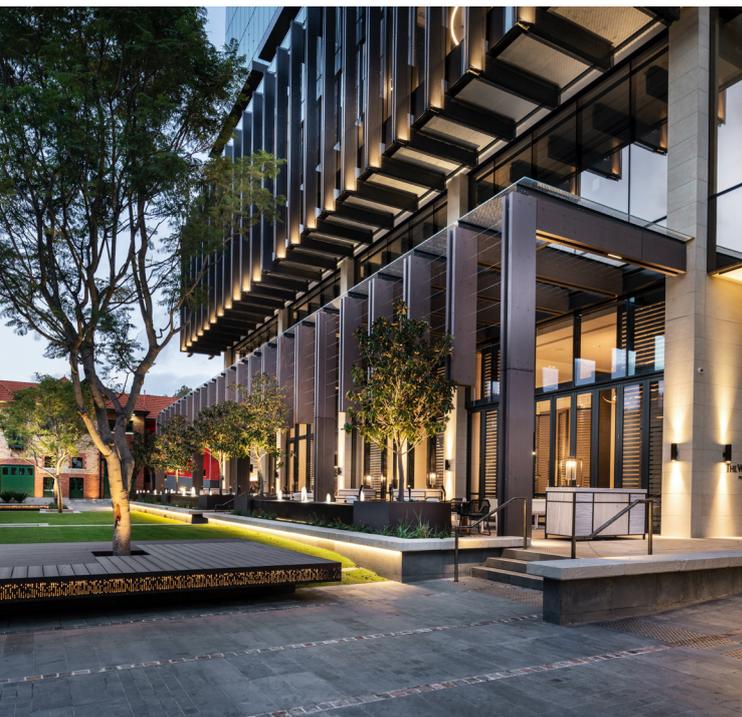
## Corporate Structure



### Housing Group

The BGC Housing Group (BGC Residential, Ventura Home Group and J Corp Pty Ltd) provide home building and residential property services using a variety of brands including:

- Aussie Living Homes
- GO Homes
- HomeStart
- Now Living
- Link Residential Group
- Simply Settlements
- Smart Homes for Living
- TERRACE Homes
- The Loan Company
- Ventura South West



### 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.

### Commercial Construction

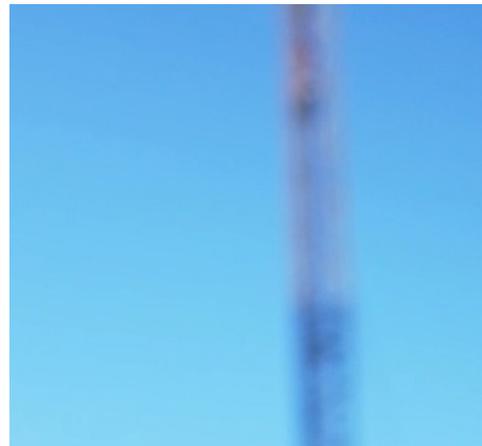
BGC Construction is a contractor for larger building projects including apartments, shopping centres, arenas, and aged care facilities.

## Our Operations

**BGC is a vertically integrated construction material business with a focus on residential and commercial construction.**

We operate primarily out of Perth WA, with distribution activities and companies across South Australia, New South Wales, Victoria, Queensland and New Zealand.

Our driving purpose is to build the future for more Australians. Our innovative and future focused approach allows us to create ongoing value for customers across our diverse portfolio of business units.



## Our Operations



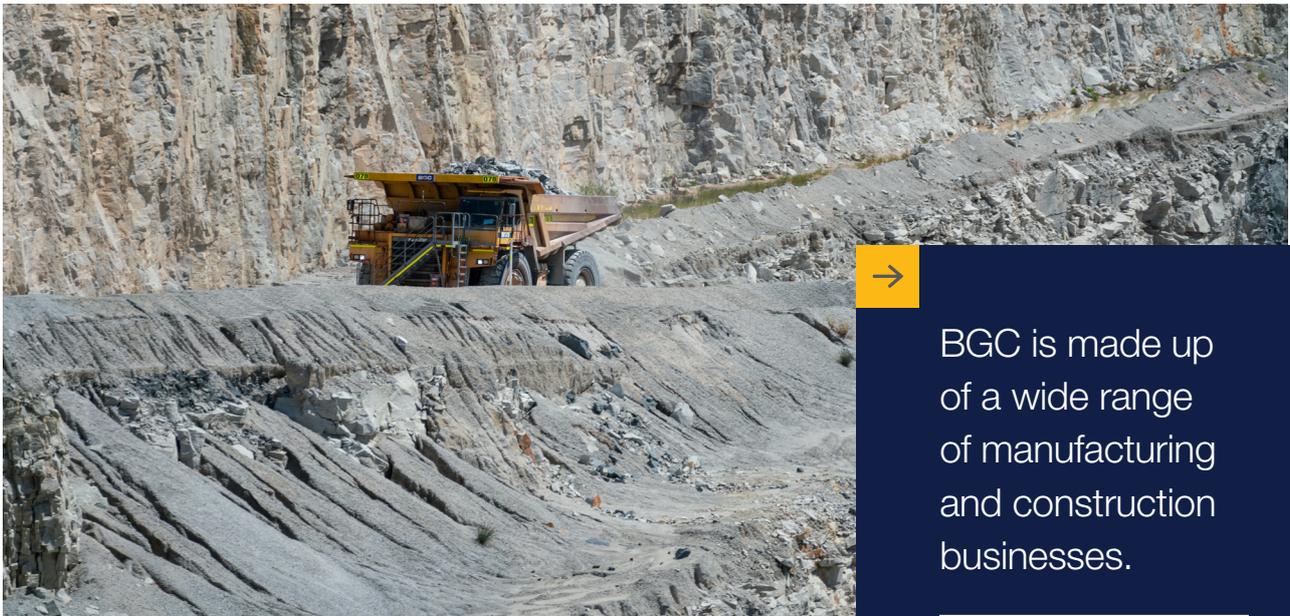
**Vertically integrated** construction business.



Primary area of operation is in **WA** with warehouses located in **VIC, SA, QLD, NSW & NZ.**



Approximately **2,000 employees** working across the BGC Group.



BGC is made up of a wide range of manufacturing and construction businesses.

BGC is made up of a wide range of manufacturing and construction businesses. We supply many of the products and services used in building and construction industries, to our own businesses and externally.



**Construction Materials**



**Building Products**



**Transport**



**Residential Housing**



**Commercial Projects**

## Our Supply Chain

### **At BGC, we are committed to building the future with a focus on sustainability.**

This commitment spans the length of our supply chain. We have built a business that supports Australian suppliers, and predominantly Western Australian suppliers.

For materials, local sourcing has provided a buffer against geo-political supply chain disruptions, however we are impacted for those materials that our suppliers source internationally.

For labour, we are highly dependent on trade services to undertake construction, hence the majority of our supplier base are subcontractors.

### **Our Suppliers**

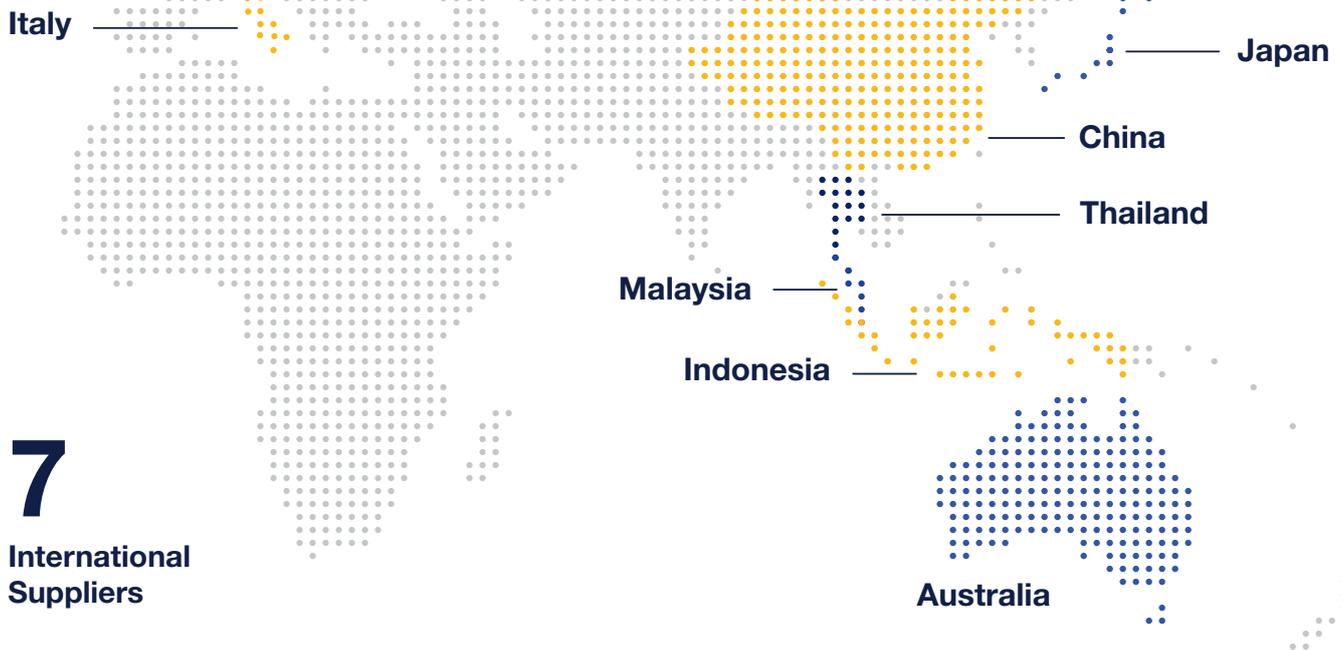
We have over 7,000 direct suppliers that provide goods and services to our business operations.

- Manufacturing (Cementitious, Bricks & Masonry and Building Products) predominantly source materials and labour.
- BGC Transport procure trucks and subcontractors.
- Housing and Commercial Construction purchase materials and have a large subcontractor base.

We source products and services from a range of categories including, but not limited to, raw materials, construction materials/ products, subcontractors and trades, utilities and fuel, professional services, road freight, plant and equipment, consumables and IT services.



## Our Supply Chain



### International Suppliers

### 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, manufacture in or source from overseas locations, for example:

- Fuel
- Bitumen
- Steel products
- Selected number of chemicals e.g., oxides

Supply of goods and services directly sourced internationally is limited to:

- Wholesale trading providers (tier 1) who in turn source clinker from Indonesia and Malaysia, and slag from Japan.
- International shipping companies
- Fibre cement produced in Thailand
- Paper manufactured in Thailand
- Packaging equipment from Italy
- Pockets of suppliers providing fabricated products from China e.g., metal screens



## Modern Slavery Risks

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.

We acknowledge potential vulnerabilities for workers in the construction sector in Australia due to the nature of the work. There are also vulnerabilities in the maritime shipping industry which further need to be identified and addressed.

### Sourcing of overseas produced clinker

Two of our major suppliers (tier 2) provides us with clinker products from Indonesia and Malaysia 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.

### 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 during FY23. 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 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 is 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, 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 of our contractors may also be employed on working visas. We recognise the general vulnerability associated with temporary visas, particularly as the building industry is facing serious challenges in recruiting staff.

#### Shipping Industry

The inherent physical and geographical remoteness of shipping decreases visibility of working conditions. Working conditions often associated with seafaring, such as isolation, restriction of movement, excessive overtime and abusive working and living conditions are also key indicators of forced labour. Given the relationship between seafarers and cargo owners is often under pressure, to achieve delivery timelines, but often also distant, makes seafarers personnel essential yet vulnerable.

BGC has a few shipping routes for which we have partnered with established marine transportation service companies. We have built close and longstanding relationships with these operators and include modern slavery requirements contractually. We recognise that we are in the early stages of identifying and assessing the modern slavery risks in the (maritime) shipping industry and therefore will continue to put steps in place to identifying and addressing these risks.



## Addressing Modern Slavery Risks

Addressing modern slavery risks will require a holistic approach that encompasses legislation, corporate responsibility, and a commitment to ethical practices throughout the supply chain.

BGC has been working to address our modern slavery risks (part 3) and most of these initiatives are ongoing across reporting periods. BGC has aimed to address modern slavery risks by:



### 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

### Process of Consultation

BGC's Group Procurement and ESG functions will continue to collaborate with Business Units to identify, assess and address modern slavery risks based on their risk profile. Representatives include Procurement, ESG, Legal, Human Resources and Operations functions from BGC's Cementitious, Bricks and Masonry, Transport, Residential and Commercial Construction business units. BGC's Board ultimately considers and approves this Statement.

### 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-FY23.

- Supplier Onboarding/ Qualification
- Supplier Performance Management
- Supplier Risk

A Modern Slavery Risk assessment is undertaken on new and existing suppliers taking 5 factors into account.

Factor	Description	When is a Modern Slavery Risk Assessment required?
Category	Classification of materials or services being procured	Predominantly suppliers providing core (direct) materials and services
Supplier Segmentation	Classification of suppliers e.g. strategic vs non-critical supplier or supplier vs sub-contractor	Commonly strategic and tactical suppliers to ensure operational uptime
Geography	Geographical area of operation	Suppliers providing BGC materials from overseas operations
Spend	Total spend \$ amounts by supplier or (estimated) total contract value	Suppliers where spend is or expected to be > \$1,000,000
Tier	Depth of tiering of suppliers supplying our suppliers in the supply chain - e.g., 1st, 2nd, 3rd tier supplier etc.	Tier 1 suppliers

In FY23, nearly 130 assessments were sent out to suppliers to identify modern slavery risks with results not triggering the need for immediate action. Moving forward, BGC will monitor suppliers' performance, including modern slavery and environmental compliance.

## Addressing Modern Slavery Risks

### 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.

### BGC Goods & Services Contract Template

In FY23 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 require that suppliers use reasonable endeavours 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.



## Addressing Modern Slavery Risks

### BGC Labour Hire Agreement Template

In FY23 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.

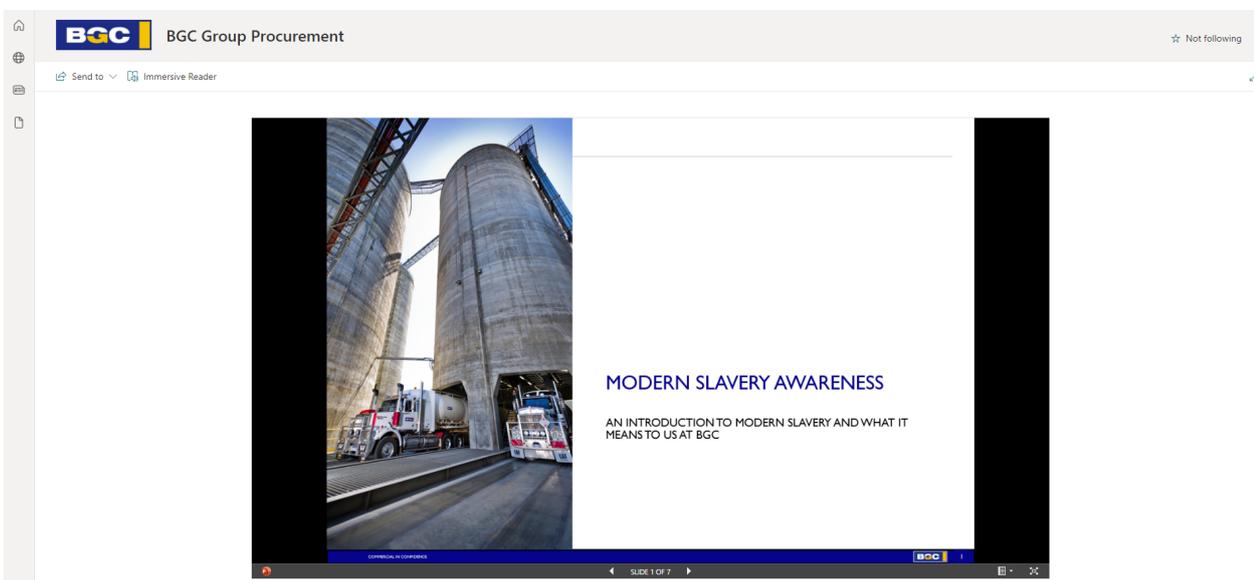
We have a panel of 20 labour hire agencies under contract addressing the majority of BGC's labour hire requirements.

### Subcontractor Trade Agreement Template

Similarly to our Labour Hire Agreement, in FY23 BGC continued to utilise its subcontractor trade agreement template. This standard agreement incorporates raising the supplier's awareness for Modern Slavery risk and accountability.

## Education and Training

The Group Procurement team at BGC has continued internal training with stakeholders of all business units across the group in FY23. 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 has also digitised this awareness training so it can be pushed out to individuals or departments managing suppliers or needing a training refresh.





## 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 FY23.

## Assessing Effectiveness

### Qualitative Assessment

Modern slavery risk mitigation is overseen at the Board level. It is driven by Group Procurement in conjunction with the ESG function. Collaboratively, both functions seek to ensure the modern slavery risk assessment process is aligned to the BGC Group's ESG Strategy and also remains current and fit for purpose.

### Quantitative Assessment

A number of indicators were used in FY23 to assess the effectiveness of our modern slavery risks. These are shown below with results for this reporting period.

Indicator	FY23
Number of suppliers that were issued and completed our Modern Slavery Assessment Questionnaire <sup>1</sup>	29 completed / 130 issued
Number of suppliers by modern slavery risk rating (state at end of reporting period)	0 Very High 2 High 4 Medium 23 Low
Percentage of on-site audits undertaken at high and very high risk suppliers' operations requiring a visit within the reporting period	100%
Number of suppliers that have been removed due to not meeting our modern slavery risk assessment requirements	0
Number and percentage of staff completing our Modern Slavery Awareness training	236 (12%)

<sup>1</sup> Assessments were initiated in May 2023



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