



**BGC**

# **JOINT MODERN SLAVERY STATEMENT**

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

**Reporting Period: 1 July 2019 – 30 June 2020**

### **BGC**

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

# **THIS REPORT OUTLINES:**

**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**





## 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 carries on a commercial construction business.

#### **Ventura Home Group Pty Ltd - ABN 70 093 870 618**

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

**Sam Buckeridge**

Name  
Director

**31 March 2021**

Date

# 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 2020, we made some significant changes to our business, including divesting various “non-core” BGC businesses and assets. We have also carried out a significant volume of work to consolidate the operations of our three residential construction companies.



This inaugural 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.



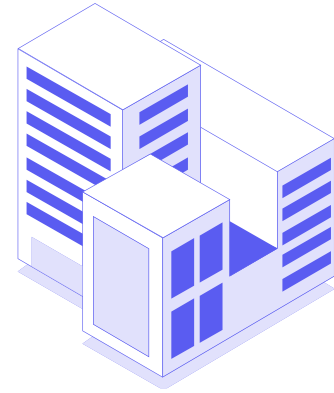
Our key aim for this reporting period has been to identify the areas of most prevalent potential modern slavery risk within our operations and supply chains, and to develop some key due diligence activities to appropriately and practically address such potential risks going forward.



# 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.





# 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



Home building and residential property services



Property management



Transport and haulage services



Our primary area of operations is in Western Australia.



We have approximately 2,000 of employees working across our Group.



Physical offices are predominantly located in Western Australia with warehouses also located in Western Australia, Victoria, South Australia, Queensland, NSW and NZ.





### Manufacturing & Construction

We manufacture cement, premixed concrete, concrete products, asphalt and quarry materials, plasterboard, precast concrete, commercial and domestic windows, fibre cement, rooftiles, bricks and masonry products.

These products are provided under a range of brands, including:

- Affinity Windows
- Automated Surveys
- Brikmakers
- Envirotechnics
- Floortech
- GTEK Plasterboard
- Harmony Roof Tiles
- Innova Design



### Building & Residential

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

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



### BGC Property Management

Our property management services are comprised of a portfolio of building assets including office spaces, warehouses and industrial units for 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 to our internal customers and operations such as BGC Cement, BGC Concrete and Brikmakers. This primarily involves providing deliveries of bricks, cement and bulk quarry materials.

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

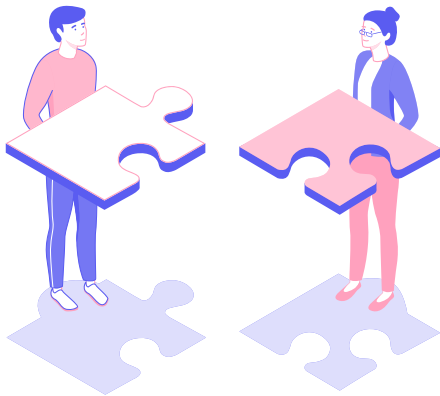
# OUR SUPPLY CHAIN



## 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 industry 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

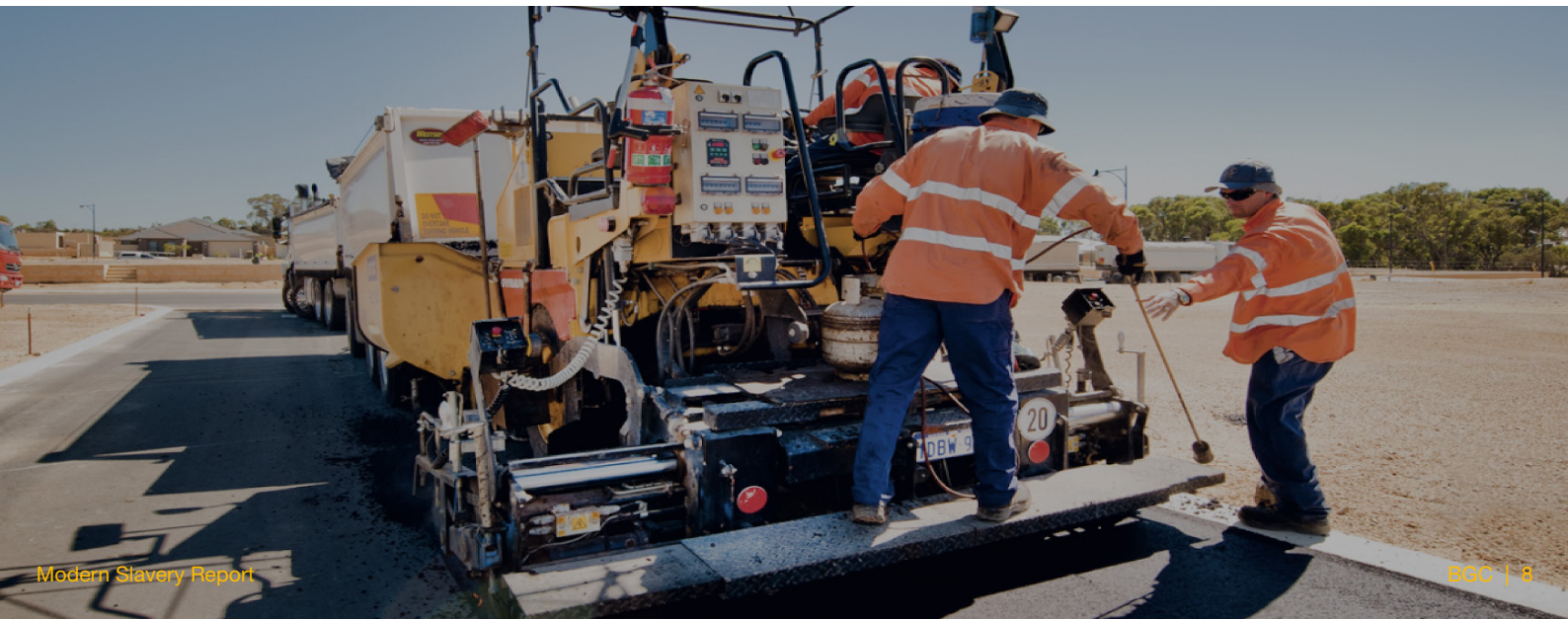
The overwhelming majority of our direct suppliers are goods and services sourced from suppliers within Australia.

We acknowledge that these suppliers may, in turn, source from overseas locations. A small portion of our direct suppliers are located in Singapore, Malaysia, Indonesia, Japan and the USA.

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

- Wholesale Clinker sourced from Indonesia through a first tier supplier in Singapore
- Clinker and cement sourced from 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 Three.





# 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.

### Elevated Risk Categories



Cement Raw Materials, lime and plaster from Indonesia<sup>1</sup>



Wholesale & retail trade from Singapore<sup>2</sup>



Non-building construction in Australia

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



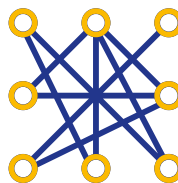
Total supplier spend amounts (i.e. the value of our direct supplier contracts).



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



Geographical area of operation.



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 the Appendix to this Statement.

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

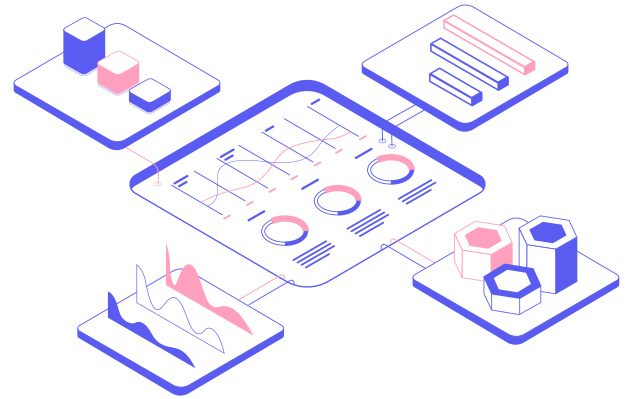
<sup>2</sup> This incorporates the top 3 overall spend item of “Wholesale Clinker sourced from Singapore” referred to above.

## HIGH RISK CATEGORIES

Figure 1.1 below indicates that 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.

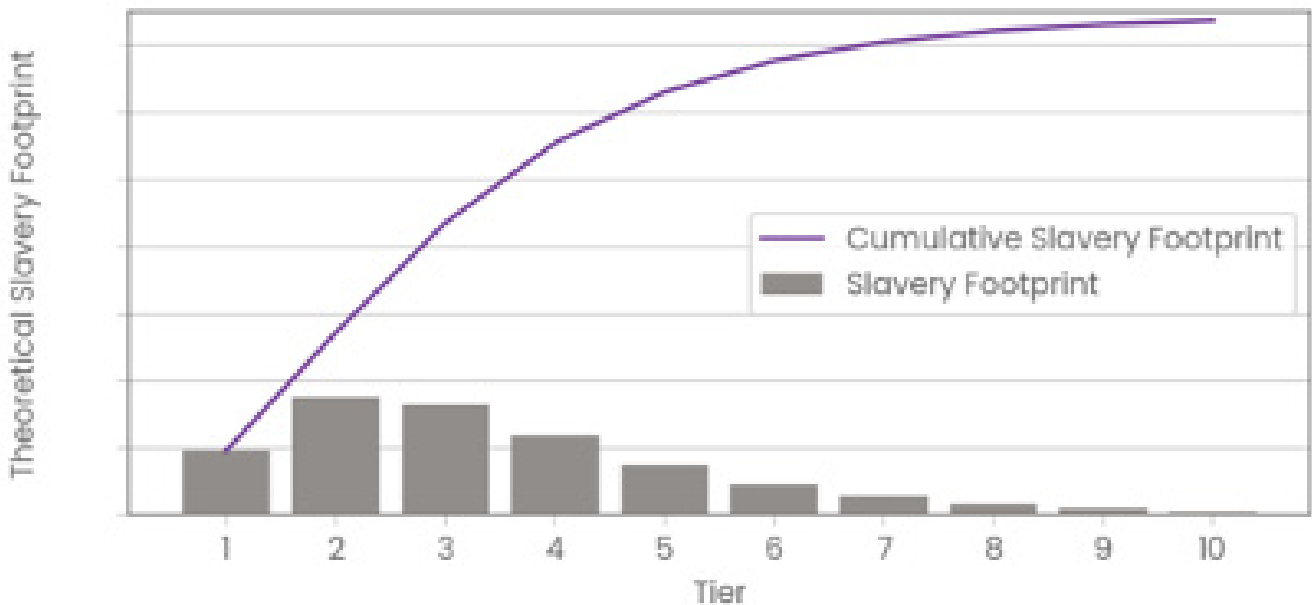
In relation to certain building materials that are sourced overseas, the risks at Tier 1 are also potentially elevated. We recognise the higher incidence of suppliers in Asia, especially for certain raw material components and manufacturing processes, are more commonly linked to practices associated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



Risks by Tier (Figure 1.1)

Figure 1.1





### Wholesale & Retail Trade from Singapore

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

The supplier is an importer, exporter 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.

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.



### Geographical & Product Risk

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

This industry category supplier is known for engaging in trade activities (importing, exporting and distribution) with other countries in the Asia-Pacific region, including Vietnam and Indonesia.<sup>4</sup>



<sup>3</sup> 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>

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







### 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 units. Malaysia is in the top 5 countries that export granite and other stones worldwide.<sup>5</sup>

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

- 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, for example migrant workers make 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 knowledge, 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 fully acknowledge that this is key area for future due diligence and remediation activities over upcoming reporting periods.

Upon identifying the risk of modern slavery in these categories we will send further communications to our suppliers of these high-risk materials and outline our expectations in relation to suppliers to address modern slavery.

<sup>5</sup> 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>

<sup>6</sup> 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>





### Non-Building Construction in Australia

A third category that returned an elevated modern slavery risk result is non-building construction in Australia.

The suppliers in this industry category provide services that involve labour intensive work, which also potentially involve the use of labour-hire companies including bricklaying, carpentry, excavation and earthworks, asphalt, stormwater disposal, siteworks, cutting and drilling, waterproofing, beams, bars and welding.

The combination of labour intensity and the high prevalence of vulnerable migrant workers in those industries is a driving factor in the elevated modern slavery risk.

We are also aware of the prevalence of subcontracting arrangements in the non-building construction industry in Australia which results in insufficient transparency concerning labour supply chains potentially amplifying the risk of worker conditions being compromised.

## POTENTIAL HIGH 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 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 business unit, Brikmakers.

Our brick factory is the largest greenfields clay brick plant in Australia with three 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 kiln are direct employees.

Nonetheless, insofar as raw material sourcing is concerned, we are committed to undertaking further due diligence into the highest practicable level of detail as to what components of our bricks are sourced from various countries around the globe, including the proportions sourced from our current suppliers in Malaysia and Singapore for items such as limestone and cement.

## 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.<sup>7</sup> The nature of construction work and associated non-building construction 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 a relatively high reliance on labour-hire companies that supply low skilled workers, often on a temporary basis.

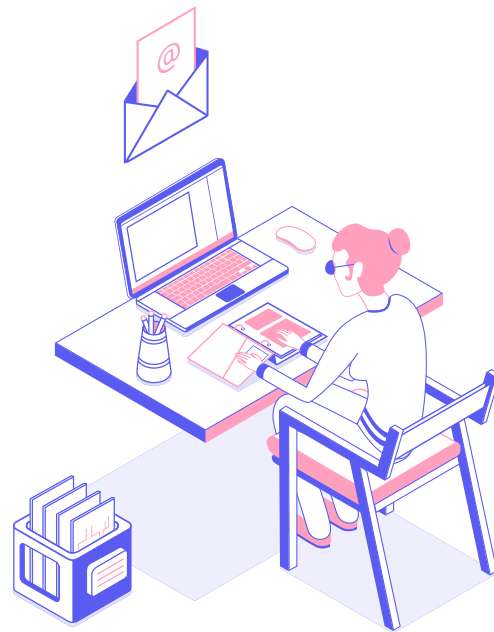
Such low-skilled workers may be foreign workers on temporary visas. The nature of such visas may result in worker vulnerability. Whilst worker protections and minimum employment conditions are provided in Australia, we acknowledge that worker insecurity in other jurisdictions.

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.<sup>8</sup>

### 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 Four.



<sup>7</sup> Ibid.

<sup>8</sup> Ibid.





# 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 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. As part of ongoing due diligence and deeper supplier engagement, BGC intends to act on these auditing rights during the next reporting period 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.





### ESG Policy

BGC are currently implementing an Environmental, Social and Governance (ESG) Policy. This ESG policy outlines our commitment to respect human rights and mitigate negative human rights impacts in our business operations. It also outlines our commitment to exercise business ethics and integrity that is consistent with community expectations.



### 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.

## 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 dependents 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.

### Supplier Code of Conduct

BGC is developing a Supplier Code of Conduct. This Code will outline the minimum standards expected in terms of ethics, safety, environmental and social values for all of our suppliers.

### Education and Training

During the next reporting period, BGC plans to provide internal modern slavery training for internal employees. This training will be specifically designed for those who manage the business relationship with BGC's high risk suppliers.

***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:

- ✓ Completion of modern slavery surveys, requests for information and desktop auditing of suppliers falling within the high-risk industry and country categories outlined above.
- ✓ Rolling out of internal education and training for business managers of high-risk suppliers.
- ✓ Onsite auditing of facilities that BGC owns or controls.
- ✓ Operationalise the supplier code of conduct.
- ✓ Continue to undertake risk assessment and screening on BGC's suppliers for modern slavery risk.

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

Multiple BGC entities have been consulted in regard to modern slavery risks. These include BGC Cement and Brikmakers as the two business units associated with elevated risks.

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

***Any other relevant information***

**IMPACT OF COVID-19 PANDEMIC**

BGC is aware of the impact that COVID-19 has had on vulnerable workers within its supply chain.

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.





# 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. 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 databases



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 Human Rights
- The Global Slavery Index
- International Labour Organisation (ILO) Global Estimates of Modern Slavery
- The United States' Reports on International Child Labour and Forced Labour



### 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.

No information confirms the actual existence of 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.

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

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



## IDENTIFIED RISKS

The top 50 suppliers in our supply chains and operations that posed the highest calculated risks in relation to modern slavery were identified.

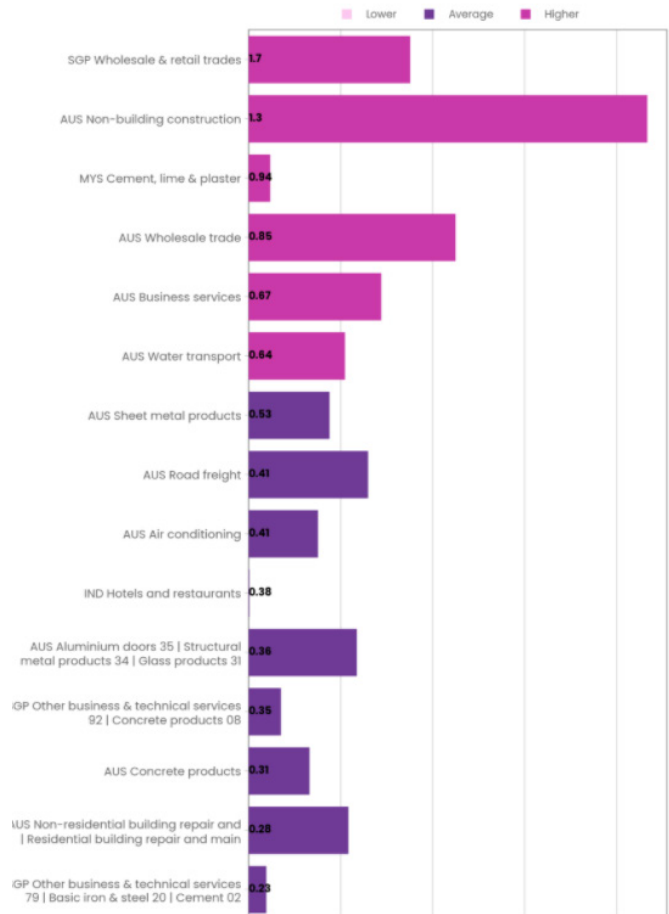
A further illustration of results from our Initial Risk Assessment is set out below in Figures 1.2 and 1.3.

Figure 1.2

### Top 15 Industry Risks (Figure 1.2)

As explored in Part Three of this Statement, we have focused on our top 3 risk categories including:

- Wholesale & Retail Trade in Singapore
- Non-Building Construction in Australia
- Cement, Lime and Plaster in Malaysia



### Risk by Country (Figure 1.3)

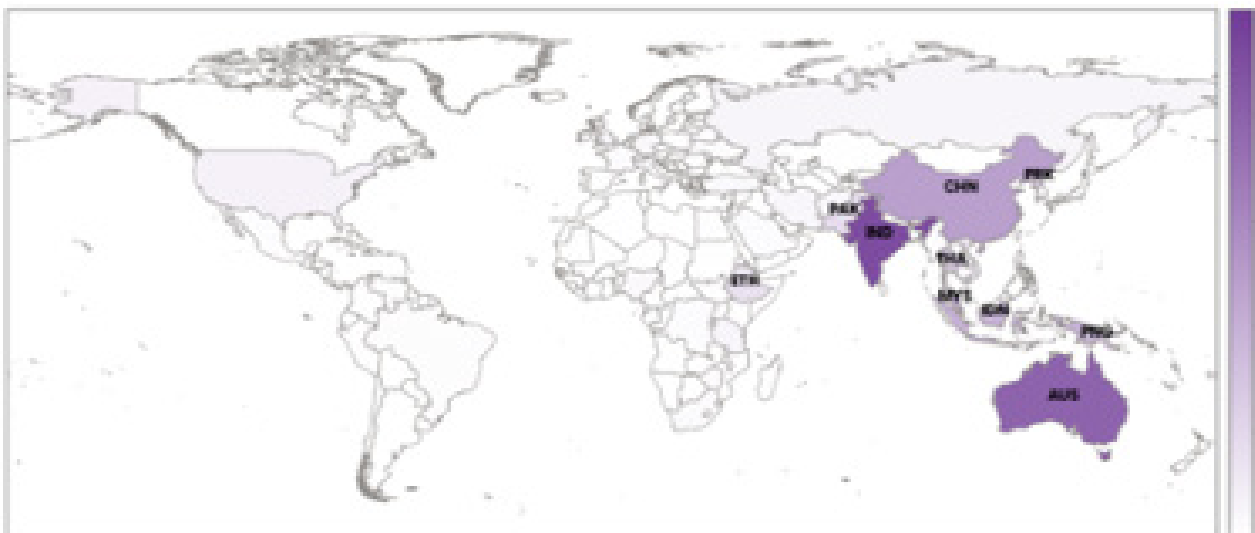


Figure 1.3



**JOINT MODERN SLAVERY STATEMENT**  
**Under the Modern Slavery Act 2018 (CTH)**

Reporting Period: 1 July 2019 – 30 June 2020

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