

Modern Slavery Act Statement

Becon Construction – Reporting for period 1 June 2019 to 30 June 2020 (FY19-20)

Approval

This Modern Slavery Statement for the period 1 June 2019 to 30 June 2020 was approved by the Becon Board for Becon Constructions (Aust).

John Lehmann
Managing Director
March 2021

About Becon

Becon Constructions is a Melbourne headquartered construction company with more than 30 years' experience in the industry. We are a management team of construction professionals specialising in turnkey projects, taking each build from inception to handover.

We are confident there are no modern slavery or human trafficking practices in our organisation, and we are committed to ensuring that we do not deal with suppliers who engage in any of these practices. Our Business Ethics policy sets our guiding principles and standards for our staff, including committing to providing an honest and professional approach in dealing with our clients and demonstrating openness and fairness in all workplace dealings.

We believe that we have an opportunity and a responsibility to create the right balance of social, environmental and economic conditions for our employees, suppliers, customers and investors now and in the future. We are committed to eradicating unacceptable forms of human rights violations and abuse, such as forced, bonded and compulsory labour.

A commitment to respect and promote human rights is an essential part of our business activities and stakeholder relationships, and this is appropriately reflected in our company policies and procedures published both internally and externally.

Our structure and operations

Becon Constructions (Aust) Pty Ltd is a fully owned 100% Australian company. Established in 1984, we are headquartered in Melbourne, and have an additional office in Sydney. Our business is governed by a board of directors.

We operate wholly in Australia. Our business operations are in construction, and we offer services in:

- design management
- cost planning
- project feasibility
- programming
- construction consultancy

Our Supply Chains

In FY19-20, we procured over \$183million worth of goods and services from 3,500 direct suppliers.

Our suppliers come from a range of sectors including tradespeople and contractors, building and construction materials suppliers, information technology, consultants, consultant services, cleaning, security and waste service providers throughout the commercial construction sector.

At Becon, we have a commitment towards supporting local businesses and content. Wherever possible, we prefer buying locally manufactured Australian materials or from local business. In FY19-20, our procurement spend is predominantly procured from Australian suppliers.

However, our suppliers, contractors and subcontractors have their own complex and diverse supply chains that may extend beyond Australian borders. This includes having many suppliers of materials or services that in turn rely on other suppliers both domestic and international. It is this extended supply chain that has been identified as one of our potential high-risk areas for modern slavery. We are committed to working with our suppliers and its extended supply chain to identify and address modern slavery.

Policy Framework and Governance Structure

Becon is committed to ensuring that our supply chain and business operations do not involve modern slavery.

Our key policy requirements:

- include in operational and supplier contract terms, requirements that suppliers comply with all local, national and other applicable laws and regulations in the areas in which they operate
- implement management systems to increase the visibility and transparency of our supply chain, including at lower levels of our supply chain that may not have been engaged directly by Becon but through our subcontractors or suppliers
- maintain a modern slavery risk register to identify, monitor and mitigate any risks of modern slavery within Becon or across our supply chain
- develop and report on modern slavery risk and performance indicators as part of Becon's organisational governance

In addition, we have implemented a Whistleblower Policy in addition to our grievance and complaints process. We encourage employees and external stakeholders to report any improper conduct that they encounter. All complaints are investigated in a fair and objective manner, including the involvement of external parties where appropriate.

Supplier Engagement

Becon is committed to working with its suppliers to address any potential or actual modern slavery risks.

We have developed modern slavery clauses to be included as part of onboarding our suppliers. This also includes requesting at a minimum, information that is part of our due diligence checks for modern slavery, such as details of sub-suppliers and their country of origin, corporate social responsibility statements, and

assessments or audit reports conducted (such as superannuation statements or enterprise bargaining agreements).

Existing suppliers are also required to provide this information as part of Becon's Modern Slavery compliance.

Governance

The Becon Board has a responsibility for establishing a framework of risk management in the organisation.

The Chief Risk Officer assists the Board relating to:

- assessing the effectiveness of the overall risk management framework
- supporting a pragmatic and risk aware approach to business decisions.

The role reviews a wide range of matters relating to non-financial risks, which also includes those relating to modern slavery. The Modern Slavery Compliance Officer has responsibility for the reporting of internal targets related to the implementation of Becon's Modern Slavery Policy, and the related Modern Slavery Statement annual reporting. The Modern Slavery Compliance Officer will assess Becon's performance against such targets on an annual basis and report on progress to the Chief Risk Officer.

The Chief Risk Officer reports on progress of Becon's targets and performance to Becon's Management Committee.



From time to time, Becon may also partner with an external organisation (such as an industry group, reputable NGO or external auditor) to conduct an independent review of our actions for addressing modern slavery risks.

Targets / Key Performance Indicators

The following targets have been identified which will be monitored by the Chief Risk Officer and reported on in the Management Committee:

- the number of modern slavery training and awareness-raising programs delivered
- the proportion or number of complaints resolved by a grievance mechanism
- the number of contracts that include modern slavery clauses
- the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks.

Risk Assessment and Management

As part of our initiative to identify and mitigate the risk of modern slavery, we conducted an initial review in February 2021, both internally in Becon and across our supply chain. This included a review of existing information about our operations and supply chains. Human Rights Impact, Environmental and Social Impact assessments were conducted as well as OH&S inspections, where relevant.

Once this review was completed, we undertook a detailed risk assessment including across all of Becon's supply chain. This has been used to identify any modern slavery risks that:

- Becon directly causes
- Becon contributes to
- Becon is directly linked to by another entity/company.

From this we have established a modern slavery risk register to continue to identify, monitor and mitigate any risks of modern slavery within our organisation and across our supply chains. Becon's Modern Slavery Compliance Officer is responsible for maintaining this register and reporting to the Chief Risk Officer.

The risk of modern slavery can exist across the operations of an organisation. As such Becon is committed to updating all relevant policies, as addressed in this policy, and modern slavery clauses have been added to all project and contract management systems and plans, including templates, and in procurement strategies and supply agreements.

Sector based Risks

Labour Construction is known to have higher risk factors of long and multi-tiered supply chains which can result in a lack of visibility of employment practices from suppliers and subcontractors. Services such as cleaning and security are identified as high-risk modern slavery industries.

Materials Components of building products which are linked to increased risk of modern slavery include cobalt, granite, rubber, cement and copper etc

FY 19-20 Key Actions

Supply Chain Due Diligence

In 2020, Becon mapped our existing supply chain and assessed this for modern slavery risk potential. We found that our risk for modern slavery within Becon's business operations is low. Our supply chain and associated subcontractors and contractors have also low risk for modern slavery practices. However, we are identifying the potential modern slavery risks in our extended supply chain and this will be an ongoing focus in 2021.

We have communicated with all our existing suppliers on our commitments to modern slavery. They have been provided information on Becon's expectations and have also provided us with relevant information in order to assess their modern slavery risk to us and within their supply chain.

Policy and Related Documents

We have implemented new clauses relating to modern slavery in all our policy documents, including the development of a new policy directly relating to our modern slavery commitments. This includes criteria in our procurement process to identify any modern slavery risks prior to engagement with any supplier, including their industrial relations and work, health and safety practices. Clauses have also been included in our project and contract management systems and plans, including templates and in procurement strategies, templates and supply agreements.

Training

We have also commenced on a training program for our all our staff. All employees with procurement and supplier management responsibilities are required to complete tailored modern slavery awareness training. We expect this to be complete by August 2021.

All other employees are required to complete mandatory modern slavery awareness training, including refresher courses annually (every 12 months). We have committed to completing initial training for all our employees by August 2021.

In addition, we have included modern slavery awareness training as part of the induction processes for all new staff.

Due Diligence and Remediation Approach

Due Diligence

Becon commenced integrated consideration of modern slavery into its frameworks, policies, systems and processes since February 2021

At Becon, we have a long-standing commitment to working with ethical suppliers. A flow-on effect of this strong commitment is that we attract employees and suppliers who share our commitment for ethical practices. This has reinforced Becon's culture of providing a fair workplace and an organisation that will not tolerate exploitation of workers anywhere, whether here in Australia or overseas.

Criteria is included in our procurement process to identify any modern slavery risks prior to engagement with any supplier, including their industrial relations and work, health and safety practices. Despite any technical and value-for-money assessments, Becon will not contract with a supplier or subcontractor that

does not demonstrate a compliant healthy and safe work environment and fair and equitable industrial relations conditions.

Where necessary and appropriate, Becon will undertake an audit program and/or physical site checks to ensure compliance to this Policy and the Act.

Effective Remediation

Where any breaches are identified within Becon, we commit to mitigate the issues that may have caused or contributed to adverse impacts for modern slavery. We will act to remediate or “make good” and this may include mitigation strategies to prevent further harm and/or reoccurrence.

Where a Becon supplier or subcontractor has breached, we will contribute to any remediation program, where necessary and appropriate. If we find that no remediation has occurred or is not satisfactory, we may choose to end the business relationship.

Becon has effective grievance and/or complaints mechanisms and processes to enable our staff and any stakeholders or community members to raise any concerns with us. Processes for how we deal with grievances and/or complaints are detailed on our website.

Becon also maintains a Whistleblower Policy if protected disclosures are a more appropriate mechanism.