

Modern Slavery Statement

2020





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Introduction

This is the Charter Hall Group’s inaugural Modern Slavery Statement (Statement), for the Financial Year ended 30 June 2020. This Statement outlines the approach our business has taken to understand, identify, manage and mitigate the risks of modern slavery in our operations and supply chain.

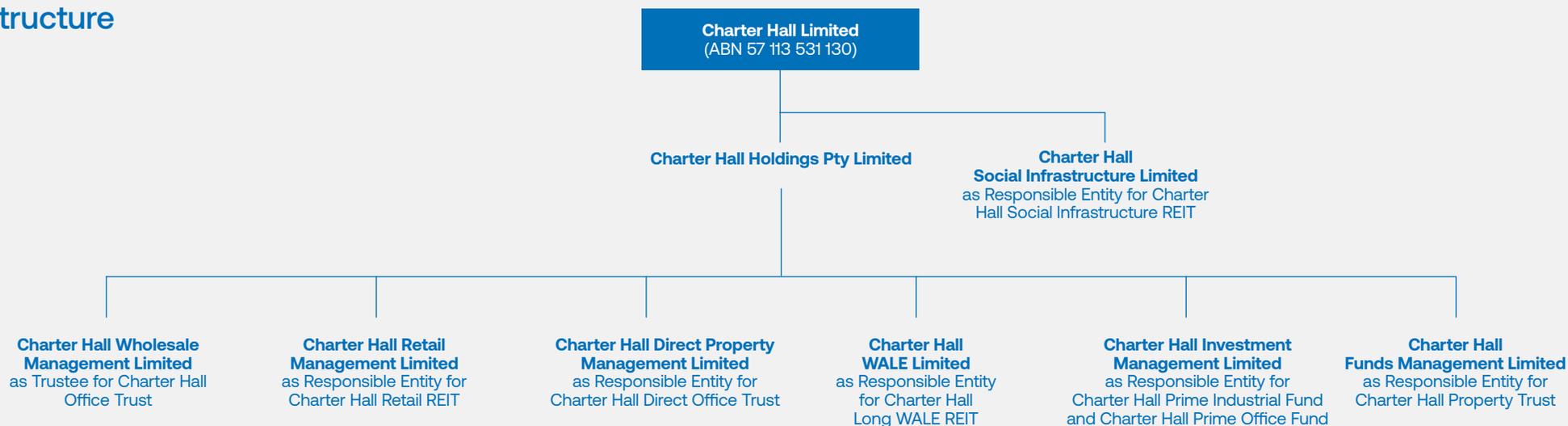
This Statement has been prepared and issued by Charter Hall Limited (ABN 57 113 531 150) and Charter Hall Funds Management Limited (ABN 31 082 991 786 AFSL 262861) (CHFML) as Responsible Entity of the Charter Hall Property Trust (together, the Charter Hall Group or CHC for the purposes of reporting under the *Modern Slavery Act 2018* (Cth) (the Act)).

This Statement covers the following Charter Hall Group Reporting Entities:

- Charter Hall Holdings Pty Ltd (CHH)
 - Charter Hall Funds Management Limited (CHFML) as Responsible Entity for Charter Hall Property Trust (CHPT)
 - Charter Hall Social Infrastructure Limited (CHSIL) as Responsible Entity for Charter Hall Social Infrastructure REIT (CQE)
 - Charter Hall Direct Property Management Limited (CHDPML) as Responsible Entity for Charter Hall Direct Office Fund (DOF)
 - Charter Hall Investment Management Limited (CHIML) as Responsible Entity for Charter Hall Prime Industrial Fund (CPIF) and Charter Hall Prime Office Fund (CPOF)
 - Charter Hall Retail Management Limited (CHRML) as Responsible Entity for Charter Hall Retail REIT (CQR)
 - Charter Hall WALE Limited (CHWALE) as Responsible Entity for Charter Hall Long WALE REIT (CLW)
 - Charter Hall Wholesale Management Limited (CHWML) as Trustee for Charter Hall Office Trust (CHOT)
- (together, the Reporting Entities).

References to ‘Charter Hall’, ‘CHC’, ‘our’, ‘we’ in this Statement are references to Charter Hall Group and each of its Reporting Entities.

Charter Hall Group’s structure



Consultation with Charter Hall Reporting Entities

Each of our Reporting Entities has its own governance structure (including its own separate Boards), which determines decision-making with regard to assets within its portfolio.

The Reporting Entities are supported by a centralised sustainability and community team who provides regular updates and reports to each Board.

All Responsible Entities have endorsed the CHC Sustainability Policy and the CHC Sustainability Strategy, which reflects our commitment to responsible and sustainable business practices; the CHC Human Rights Policy outlining our commitment to human rights in our operations and supply chains; along with CHC Supplier Code of Conduct, which promotes ethical, environmental and social standards throughout our supply chain, including in our relationship with contractors, subcontractors, consultants and suppliers.

Each of the Reporting Entities have delegated day-to-day operational management to the Charter Hall Group, which is undertaken in accordance with Charter Hall Group policies, codes of conduct and charters.

The Charter Hall Group has engaged with the Reporting Entities on modern slavery through Board briefing papers and presentations on the Group Human Rights and Modern Slavery Framework. This Statement was designed in consultation with Charter Hall Group's controlled entities and Reporting Entities through meeting with the appropriate executive team, circulating the draft statement for comment and leveraging cross-business working groups.



Our purpose is to create better futures and ensure mutual success for our customers, employees and everyone engaged in our supply chain.

As one of Australia's leading property funds management companies, it is important for our business and the community to safeguard human rights throughout our operations and supply chain and help address human rights and modern slavery.

Because we believe everyone deserves to be treated equally and with dignity, and that freedom from slavery is a fundamental human right, we act ethically and respect human rights in our operations and supply chains everywhere.

We know that around 7 per cent of the global workforce is employed by the property and construction sector and an estimated 18 per cent of modern slavery victims are found in these industries¹. Charter Hall Group's supply chain is diverse, supporting both the operational management and development functions of our business. Significant partners that are considered high risk for modern slavery and exploitation are suppliers of services required to operate our building portfolio, such as cleaning, security and facilities management.

We manage our operations in line with the UN Principles for Responsible Investment (PRI), UN Guiding Principles, international legislation and the Australian *Modern Slavery Act 2018*. In March 2019, we became a signatory to the United Nations Global Compact (UNGC) and are aligning our strategy, culture, policies and day-to-day operations with UNGC principles on human rights, labour, environment and anti-corruption.

Doing more, together

Through collaboration with peers in our industry, industry stakeholders and our suppliers, we can strengthen our response to modern slavery.

We already have a number of initiatives underway to address and eliminate human rights and modern slavery risks in our operations and supply chain. This year we continued participating in an industry response through the Property Council of Australia's modern slavery initiative to address this complex and challenging issue. We also continued to support the Cleaning Accountability Framework (CAF) to understand issues within the cleaning industry and adopted the CAF framework into our business operations in our office sector.

Engagement with suppliers through our procurement and governance practices also enabled a cooperative approach, as we collectively seek to address the issue of modern slavery in our joint operations.

The COVID-19 pandemic affected the business community in many ways. Not surprisingly, there has been much uncertainty for people about returning to the workplace and spending time in our buildings. Our response has centred on reassuring our customers and visitors that their safety and wellbeing is our first priority.

This extended to our supply chain, including key frontline workers in our operations, who supported us in staying open and our customers and visitors safe and well. The impacts of COVID-19 will extend beyond this reporting year, so we will work with all of our partners to ensure that human rights and modern slavery remain a focus.

We have already achieved significant advances in our approach to human rights and modern slavery. Through partnership with our suppliers, customers, industry and stakeholders we'll continue to work towards the principles we have set ourselves and demonstrate market leadership in this space.

This Statement was approved by the Charter Hall Group Board on 9 December 2020.



David Harrison
Managing Director & Group CEO

Key milestones in FY20

Governance

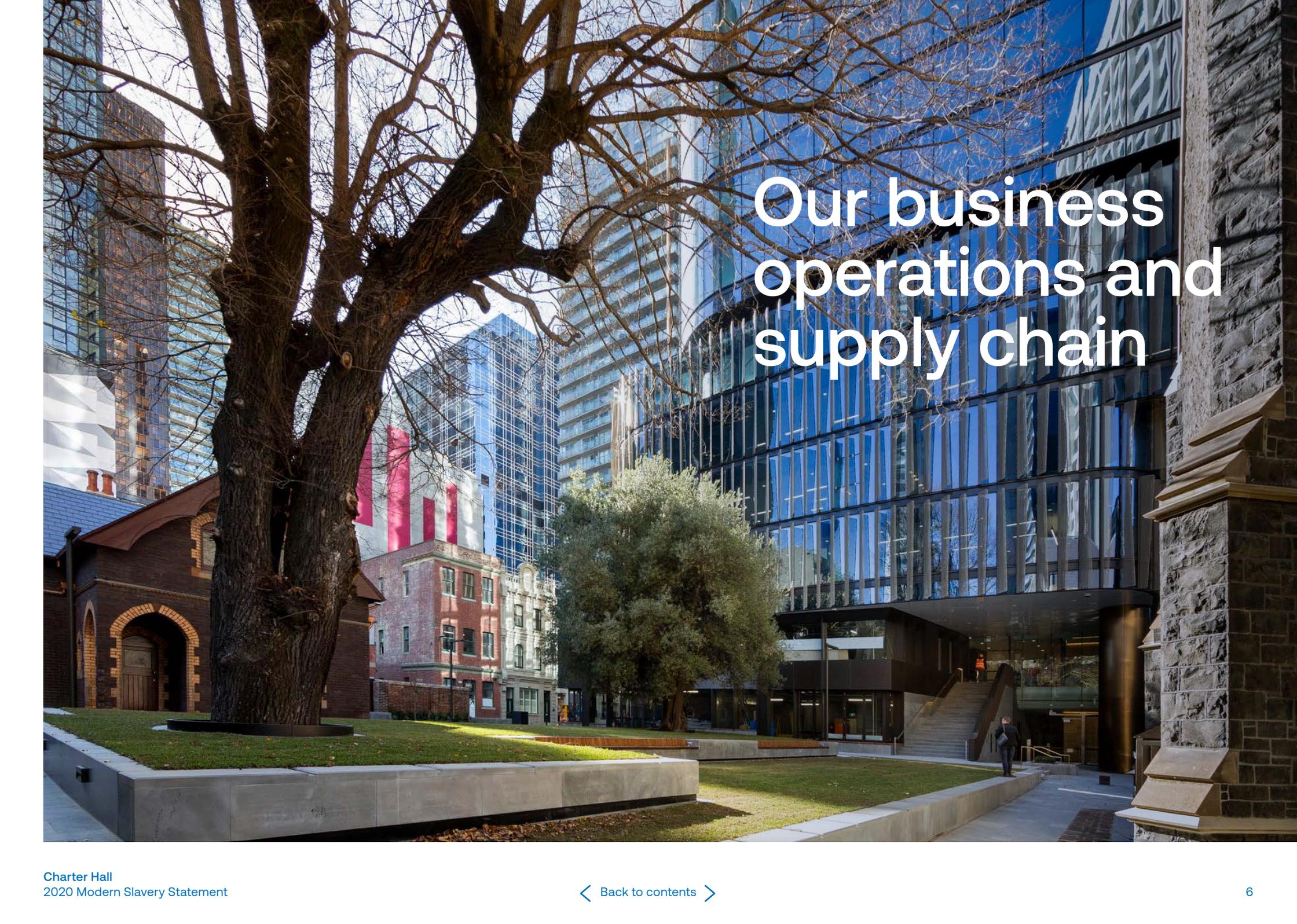
- All Charter Hall Group managed funds adopted updated policies
- Reviewed our standard agreements, processes and guidelines to integrate our actions on human rights and modern slavery
- Continued to develop modern slavery risk management programs and procedures
- Communicated annual progress to United Nations Global Compact

Procurement

- Mapped our supplier risks and invited Priority 1 Suppliers to be pre-qualified for human rights and modern slavery risks
- Formalised grievance processes for suppliers
- Continued playing a central role in the property sector's response to modern slavery, with two of our people co-chairing the Property Council of Australia's Modern Slavery Working Group

Education

- Communicated with employees on modern slavery risks and responsibilities through presentations, speakers and e-learning module
- Communicated with suppliers on modern slavery risks and responsibilities, providing further education resources through the Property Council of Australia modern slavery initiative
- Developed the Charter Hall Modern Slavery Guidelines for employees
- Developed the Informed365 Supplier Portal on Charter Hall website



Our business operations and supply chain

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over \$40.5 billion of high quality, long leased assets across the office, industrial & logistics, retail and social infrastructure sectors.

The Charter Hall Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth and oversees a portfolio of over 1,100 properties across 4,000 tenancies.

We have over 29 years' experience managing and investing in high quality assets on behalf of institutional, wholesale and retail clients.

Our business operations

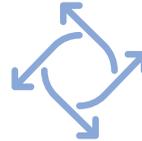
- Property development
- Property management (including asset management and property leasing)
- Investment management, corporate services and operations

Our strategy



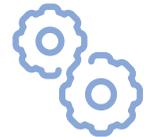
Access

Accessing equity from listed, wholesale and retail investors



Deploy

Creating value through attractive investment opportunities



Manage

Managing our funds, assets and leasing and development services



Invest

Investing alongside our capital partners

Group performance highlights*

40

Listed, unlisted, wholesale and partnership funds

1,100+

Office, industrial & logistics, retail and social infrastructure assets

568

Employees

\$40.5bn

Funds under management

40,000+

Investor and tenant customers

Property portfolio*

Across our business operations we own and manage over 1,100 high quality assets across Australia, and a small footprint in New Zealand.



Operations

We use our property expertise to access, deploy, manage and invest equity in core real estate sectors to create value and generate superior returns for our customers. Our operations are focused on the core sectors of office, industrial & logistics, retail and social infrastructure.

The key products and services from our business operations include property development, property management (including asset management and property leasing) and investment management, corporate services and operations.

Supply chains

Our supply chain is diverse, supporting both the operational management and development functions of our business. Our supply chain is made up of just under 4,000 suppliers, and services our operations and developments in 100 communities throughout Australia, across a range of products and services.



Key products and services

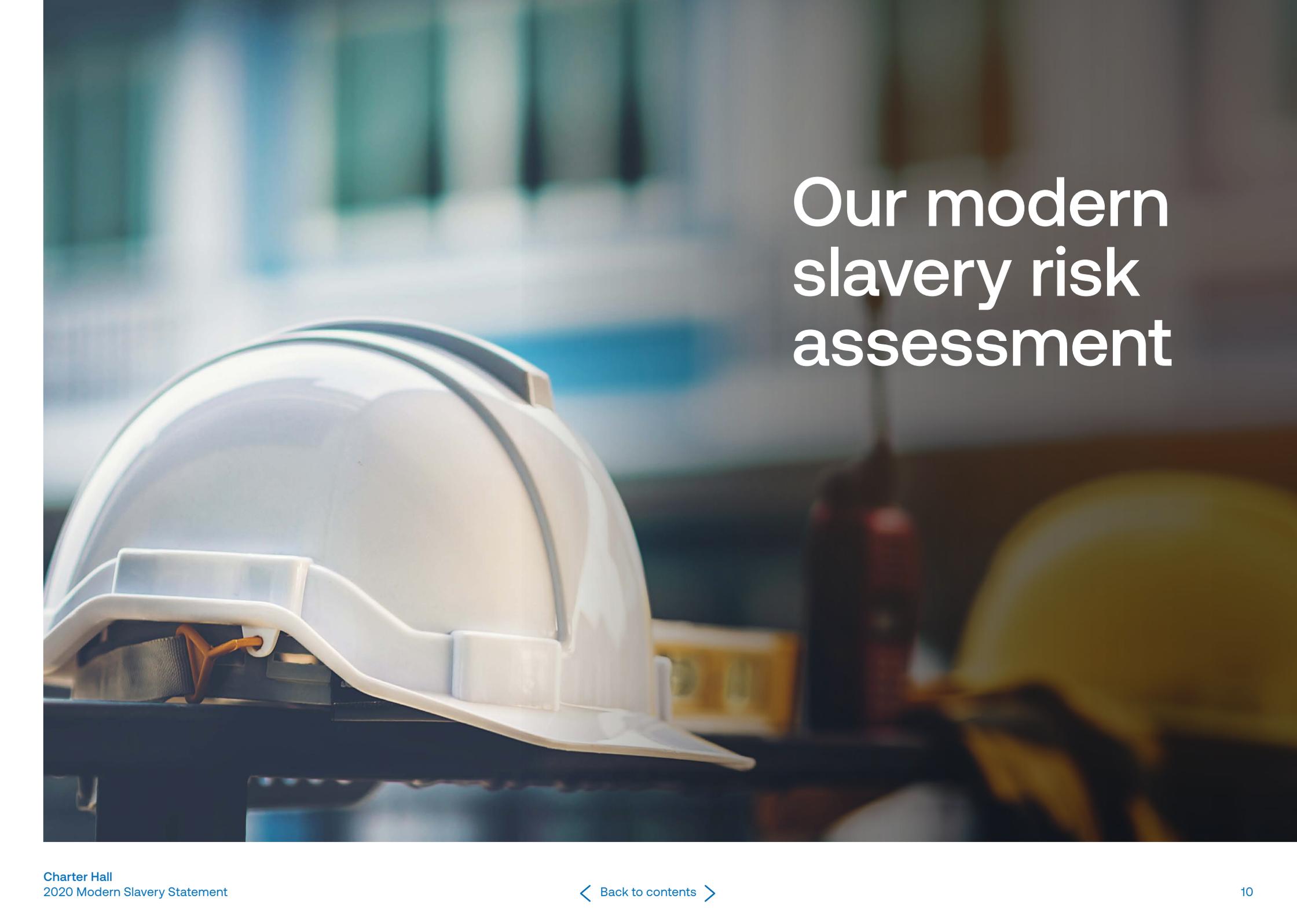


Supply chains

- Head contractor
- Engineering services
- Construction labour and services
- Construction materials and equipment

- Facilities management
- Grounds and gardens
- Security
- Cleaning and hygiene
- Waste management
- Building maintenance
- Professional services supporting building management
- Airconditioning and fire services

- Professional and financial services
- Office supplies and furniture
- ICT services and equipment
- Marketing merchandise
- Waste services
- Building services and equipment, airconditioning and fire services
- Promotions
- Courier service



Our modern slavery risk assessment

Our modern slavery risk assessment

We're aware that responding effectively to our modern slavery risks involves understanding the types of exploitative labour practices and breaches of human rights that give rise to situations where modern slavery flourishes. This understanding allows us to prevent or address high risk situations early, before they rise to the severity of modern slavery.

Common modern slavery practices in property and construction¹



Forced or unpaid work



Unsafe conditions



Inadequate accommodation



Passport confiscation



Bonded and child labour



Human trafficking

Why is property and construction high risk?¹



High demand for low-skilled labour force



Poor visibility over long and complex supply chains



Low-tier suppliers operating in high-risk geographies

Where does modern slavery fit?

Modern slavery happens at the most extreme end of the spectrum, ranging from decent work to serious criminal exploitation.



Modern slavery

- Employee cannot refuse or cease work because of coercion, threats or deception
- Employee may also be deprived of personal freedom

Dangerous or substandard working conditions

- Employee can refuse or cease work but doing so may lead to detriment
- Employee is not paid fairly and does not receive some or all entitlements
- Employee may be required to work excessive hours
- Workplace is unsafe

Decent work

- Employees' rights respected
- Employee free to refuse or cease work
- Employee paid fairly (at least the minimum wage)
- Workplace is safe

Our risk assessment

In 2018 we engaged a third-party expert to undertake an internal risk assessment of Charter Hall Group’s operations and supply chains as part of a broader Human Rights and Modern Slavery Framework and Sustainable Procurement Road Map.

The scope of work included:

- Human rights and modern slavery impact and risk assessment of Charter Hall’s operations
- Assessment of just under 4,000 suppliers across the supply chain, considering sustainability and human rights and modern slavery threats and opportunities across 108 categories of spend

This risk assessment identified that our most material modern slavery risks were not within our own direct operations, but in our supply chains. The modern slavery risks were identified in supplier categories associated with the presence of vulnerable workforce, the extensive use of subcontracting and labour hire and sometimes sourcing from jurisdictions with lower human rights standards.

We prioritised our most material modern slavery risks by mapping our supply chain against key modern slavery risk factors. This led us to define three areas of priority, based on inherent risk:

- Property and facilities management and operations, including cleaning and hygiene, building maintenance, grounds and gardens and security
- Construction materials and equipment
- Construction labour and services

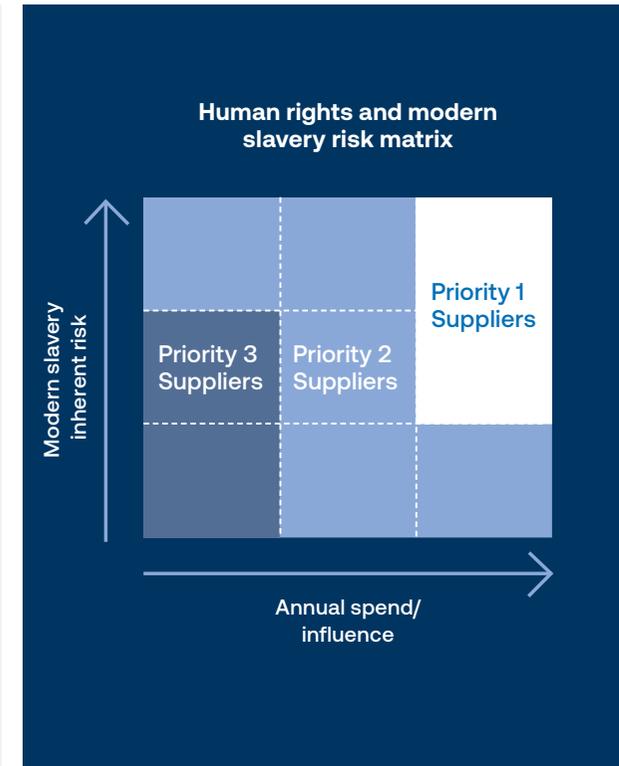
The risk assessment developed a human rights and modern slavery risk matrix, applying the matrix to just under 4,000 suppliers. Each supplier has been designated a category (Priority 1-3 Supplier) based on the level of modern slavery inherent risk and the annual spend, see matrix below.

The prioritisation of modern slavery risk categories against spend, resulted in the invitation of 101 Priority 1 Suppliers being invited to participate in our first pre-qualification assessment in FY20.

We continue to assess and analyse our supply chain and will undertake deep dives with some Priority 1 Suppliers in FY21.

Our Human Rights and Modern Slavery Framework was developed from these risk assessment processes, guided by our cross sector Human Rights and Modern Slavery Working Group to further manage modern slavery risks, which is described in more detail on page 16.

Priority Supplier Service Category	Risk factors		
	Vulnerable workforce	Business model	Geographical location
Construction materials and equipment	Low-skilled occupations	Extensive and complex supply chains Subcontracting of manufacturing operations Low profit margins	Jurisdictions with low human rights standards for extraction and manufacturing
Construction labour and services	Low-skilled occupations Migrant workforce	Tight deadlines Extensive use of subcontracting and casual labour Low profit margins	Australia
Property and facilities management and operations, including cleaning and hygiene, building maintenance, grounds and gardens and security	Low-skilled occupations Migrant workforce	Low profit margins Casual labour Subcontracting	Australia



Industry led risk assessment

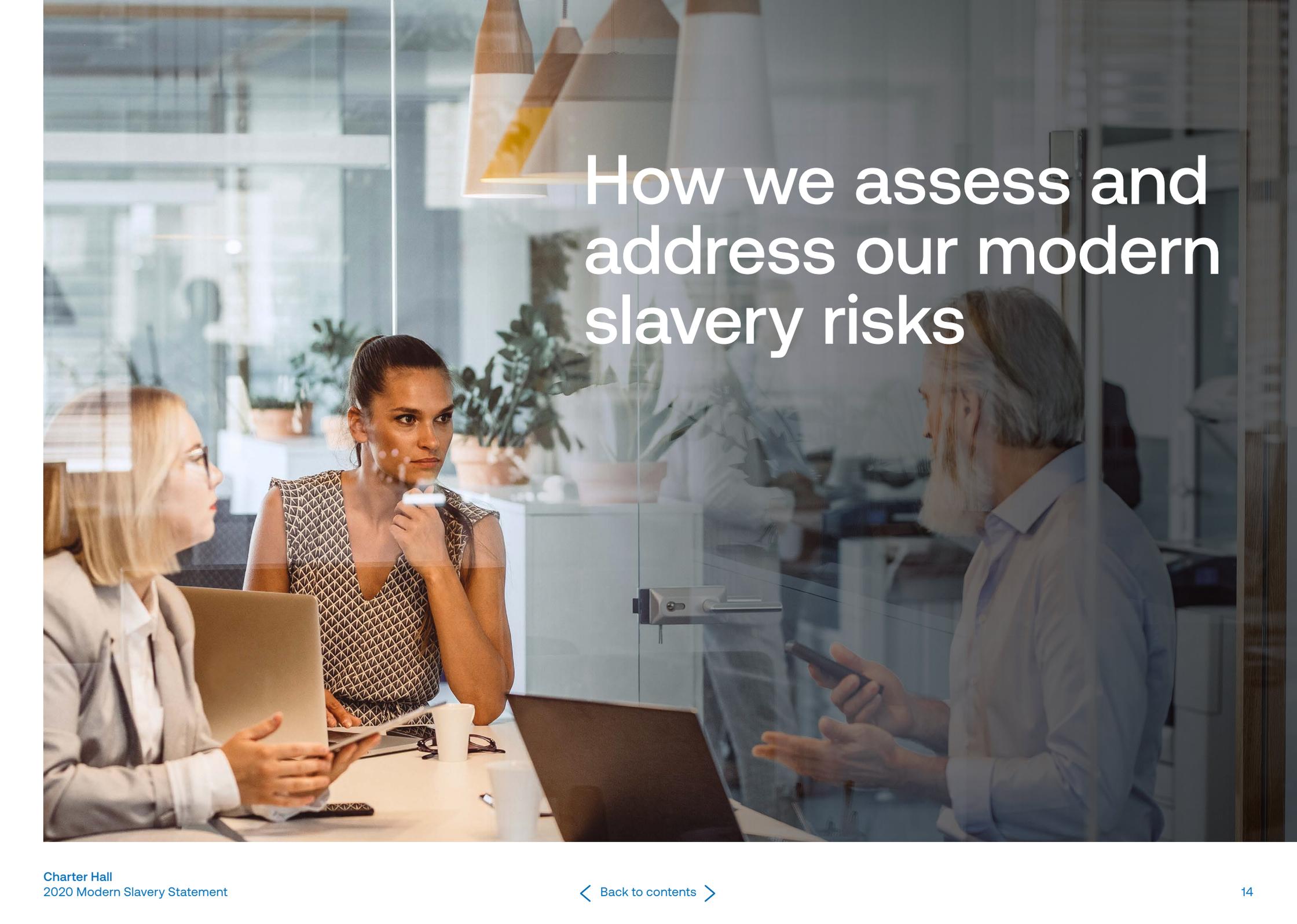
We're actively engaged in the Property Council of Australia's Sustainability Roundtable, which established a Modern Slavery Working Group (Working Group) in 2019.

The Working Group was formed to support the development of the property industry's knowledge in understanding and addressing these risks across our common supply chain. The Working Group provides a collaborative approach to not only understanding our supplier chain modern slavery risk, but also building supplier capacity of our combined supply chain, while reducing the burden on our suppliers with multiple requests. This resulted in the creation of a supplier pre-qualification assessment, in partnership with Informed365. The Sustainability Supply Chain School also partners with the Working Group to provide training to suppliers on the risks of modern slavery and how to identify and address these risks in their supply chains.

The Working Group meets monthly to manage the supplier pre-qualification assessment and develop engagement programs across our industry and with our suppliers to build knowledge of identifying and addressing the risks of modern slavery in the property industry supply chain. The Working Group, is co-chaired by Charter Hall Group employees and continues to work towards models to measure effectiveness of actions in addressing modern slavery risks.

We're also member of the Cleaning Accountability Framework (CAF), which guides and assesses our cleaning contractors and building management practices on a site level (see case study on page 21).





How we assess and address our modern slavery risks



Charter Hall human rights and modern slavery milestones



Charter Hall Human Rights and Modern Slavery Framework

The Framework sets our Group-wide approach, which is then adopted and implemented by each business sector's operations. It comprises three core areas of focus:

- **Governance:** our approach to managing our policies, procedures and practices and reporting
- **Procurement and supplier engagement:** understanding our supply chain risks and working with suppliers to manage and mitigate them
- **Education and enabling our people:** providing our employees and suppliers with an understanding of human rights, modern slavery and how we can work together to provide solutions

Governance

Our commitment is to manage our operations in line with the UN Guiding Principles, the UN Global Compact and international and Australian Modern Slavery legislation, which reflects both our business needs and the expectations of our customers and key stakeholders.

In alignment with our corporate values, The Charter Hall Group is committed to maintaining ethical, environmental, and social standards and continuously improve our application throughout our operations, practices and supply chain. This extends to our Directors, employees, contractors, subcontractors, consultants and suppliers who we expect will conduct business in a safe, responsible and equitable manner

and in compliance with all applicable laws, regulations and standards.

Our Human Rights and Modern Slavery Framework is the responsibility of all employees in their day-to-day roles, and is overseen by the Charter Hall Human Rights and Modern Slavery Working Group, which reports through to the Charter Hall Executive Committee, the Audit Risk and Compliance Committee and the Charter Hall Group Board.

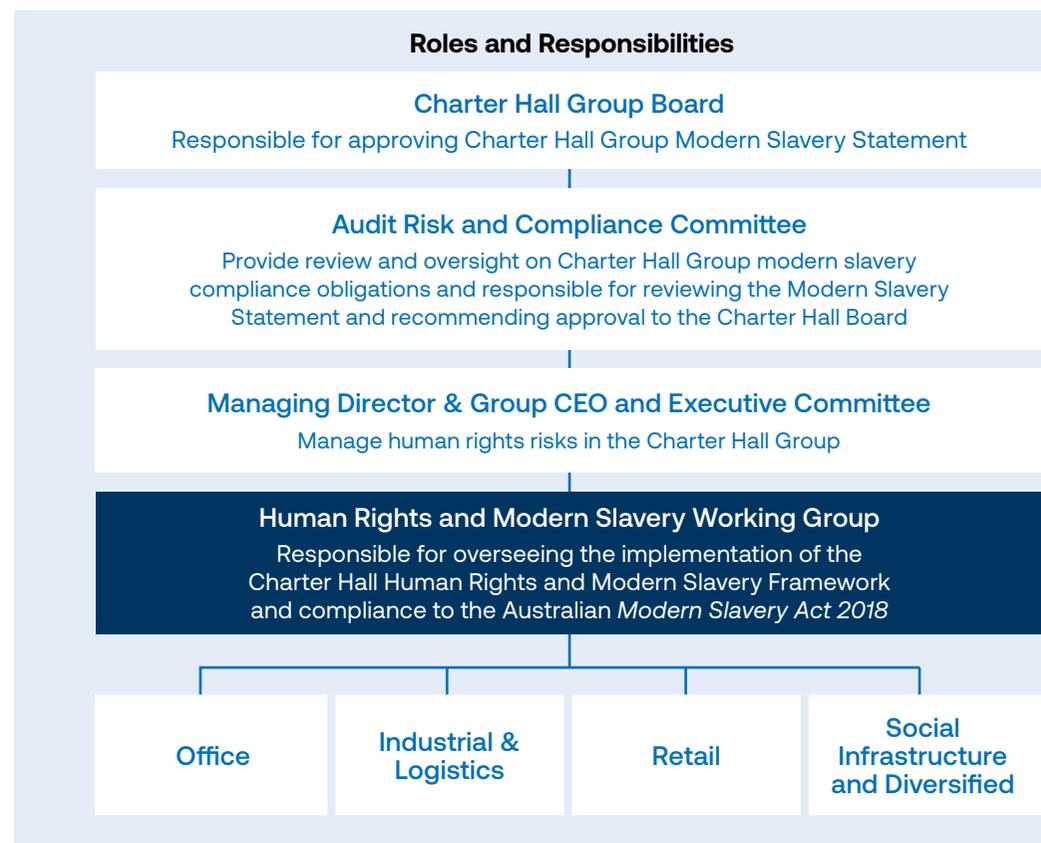
The Charter Hall Human Rights and Modern Slavery Working Group is responsible for assessing and managing slavery risks and developing the strategies and initiatives that are then integrated into the broader business. The Working Group comprises representatives from risk and compliance, procurement, operations and development, legal, people and sustainability. It is chaired by our Head of Sustainability and Community and is sponsored by our Chief Finance Officer and Chief Experience Officer. The sustainability team and sector leads report through to sector leadership teams and fund Boards on the progress and implementation of initiatives for their sector and fund.

Where a human rights or modern slavery risk has been identified, the Working Group implements the Charter Hall Group Modern Slavery principles and notification processes which guide our investigations and development of solutions.

Our approach to respecting human rights is guided by our Human Rights Policy (Policy). The Policy is steered by international human rights principles which includes the Universal Declaration of Human Rights, the International Covenant on Civil

and Political rights, and the International Covenant on Economic, Social and Cultural Rights, and in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. The Policy applies to all Charter Hall Group entities including any entities in which we hold a majority interest. We also expect business partners and suppliers to uphold these principles and adopt similar policies within their own businesses.

For our suppliers we developed our Supplier Code of Conduct (Code), which shares our commitments and principles and clearly communicate our expectations of our Suppliers – including throughout their own supply chains – in providing products and services to us. Our suppliers must review this Code and confirm that their organisations and their extended supply chain conform with its expectations and requirements.



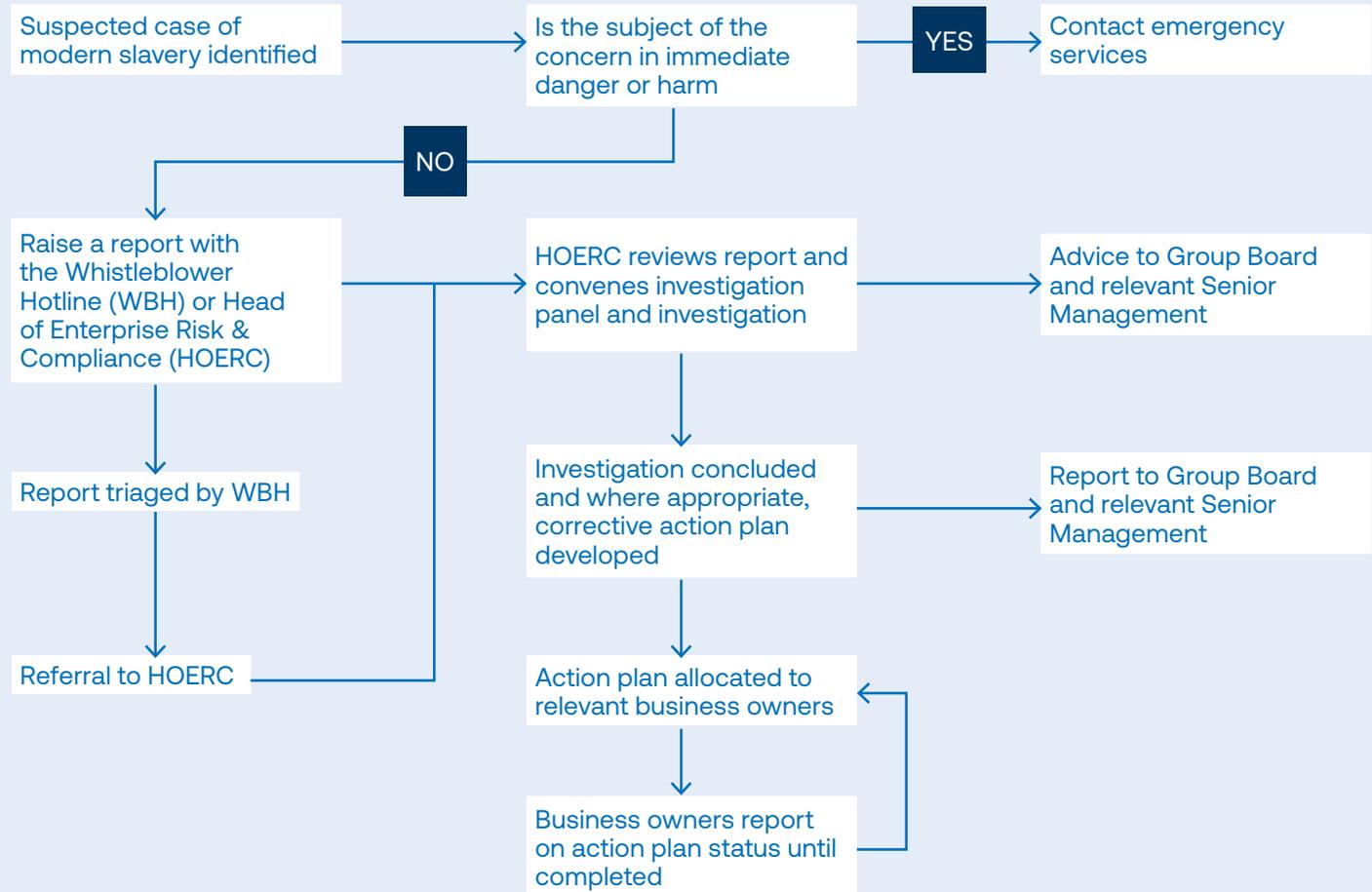
How we assess and address our modern slavery risks

Key governance actions within FY20:

- The Human Rights Policy was reviewed and updated within the reporting period
- The Employee Code of Conduct was updated to include compliance with human rights policy
- The Diversity and Inclusion Policy was updated to include compliance with human rights policy
- Supplier Code of Conduct was integrated into onboarding processes and compliance platforms
- Precedent agreements and contracts were updated to include compliance with human rights policy and the framework
- Grievance and remediation procedures were developed, communicated and implemented to address modern slavery issues
- Due diligence processes were developed and the Charter Hall Whistleblower Hotline and notification mechanisms were extended to suppliers
- Employee guidelines were prepared and communicated to employees

Modern slavery notification process

One of our FY20 targets was to create and implement a modern slavery grievance and remediation process. The process focuses on working closely with our employees and suppliers to ensure effective remediation is achieved in a timely manner. We publicly disclosed our grievance procedures in Section 12 of our Supplier Code of Conduct. In June 2020 we also launched our internal Charter Hall Modern Slavery Guidelines that outlines the process for raising a grievance.





Procurement and supplier engagement

Our 'risk to people' approach

We partner with around 4,000 suppliers to provide a wide range of products and services across our operations. When engaging these suppliers on modern slavery, we adapt a 'risk to people' approach structured around our main levels of investment.

All suppliers

We have undertaken the following for all our suppliers:

- Establishment of Informed365 Supplier Portal with information on our approach
- Requirement to sign our Supplier Code of Conduct (Code) for all new suppliers. The Code is also included in our large contract tender documents
- Inclusion of standard modern slavery clauses in all procurement contracts
- Invitation to suppliers to undertake Property Council of Australia pre-qualification survey

Priority 1 Suppliers

We're among 18 property companies that developed and piloted the Property Council of Australia's Informed365 Supplier Portal. Launched in October 2019, Informed365 supports our engagement with suppliers in order to combat modern slavery. In addition to providing access to a pre-qualification process for suppliers, the platform provides our supply base with access to educational programs to mitigate modern slavery risks.

Our initial supplier risk assessment identified 101 Priority 1 Suppliers based on risk to the people and dollar spend. These suppliers were invited to participate in a supplier pre-qualification process managed through the Property Council of Australia Informed365 Supplier Portal. Nearly two-thirds (64%) have completed or commenced this process. The remainder of our suppliers will be invited to participate in this process during the course of FY21. Key insights into our Priority 1 Suppliers who completed the survey include:

84% of suppliers understand modern slavery and have a general awareness of where it may exist in their supply chains

24% provide training to employees and their suppliers on human rights and modern slavery issues

19% have identified as a 'reportable entity' under the Australian *Modern Slavery Act 2018 (Cth)*, the NSW *Modern Slavery Act 2018*, or under modern slavery legislation in another jurisdiction

Results of questionnaires will be used to inform further capacity building activities with suppliers in FY21.

Education and enabling our people

In FY20 we educated our employees through the following initiatives:

- Face-to-face presentations by human rights and modern slavery industry leaders to employees in the Sydney office on modern slavery and what to look for in our operations
- Development of our e-learning module on human rights and modern slavery and roll-out to all employees across our business
- Development of the Charter Hall Modern Slavery Guidelines and promotion on our intranet
- Employee broadcast communications on modern slavery risks and responsibilities

These initiatives have resulted in:

100% of employees being communicated to on the risks and responsibilities relating to human rights and modern slavery

100% of employees completing training on human rights and modern slavery issues

Our guidelines on modern slavery outlines three key principles to assist employees to engage constructively with our suppliers on modern slavery:

Principle One: Build meaningful partnerships with our suppliers

We will provide support to our suppliers to improve their response to modern slavery, including training and awareness-raising. Our suppliers will have different levels of understanding about modern slavery risks. Encouraging them to build their capacity through awareness-raising and training will help them address modern slavery risks that may impact us.

We clearly communicate our expectations to suppliers and encourage honest two-way engagement. We strive to ensure our suppliers understand what actions we want them to take and how they can engage with us. We also make sure we include our expectations for suppliers in contracts and codes of conduct.

Principle Two: Our engagement with suppliers is risk based

We avoid blanket approaches and instead take a risk-based approach that prioritises high risk suppliers. We then tailor our responses to the risk profile of the supplier. For example, a lower risk supplier may not need to undergo the same audit processes as a supplier in a high-risk sector.

Principle Three: Use our combined leverage to influence change

We consider how we may be contributing to suppliers' modern slavery risks and seek to understand that our actions and purchasing practices may increase our suppliers' modern slavery risks. For example, we try hard to ensure that we do not require our suppliers to meet unrealistic pricing and deadline requirements.

We encourage our suppliers to respond to modern slavery risks in a way that is appropriate to their circumstances, including their size, capacity, structure, risk profile and leverage with their sub-suppliers: The size of our suppliers does not change their responsibility to assess and address their modern slavery risks but will affect how they do this.



COVID-19

The COVID-19 pandemic posed varying challenges across our operations and supply chain. Our priority was on the health, safety and wellbeing of our people, customers and broader stakeholder group.

Throughout the pandemic we worked closely with our tenant customers and suppliers to ensure we supported and informed them on changes to operations. We engaged regularly with our investor community, informing them of our response and the actions undertaken to ensure the safety of our people, places and visitors.

We paused the key modern slavery activities that were underway so as not to place additional burden or impacts on suppliers, particularly those providing frontline services. Engagement with suppliers at this time enhanced our understanding of supplier practices and will help our future collaboration.

Our Human Rights and Modern Slavery Working Group determined we should focus on priority one suppliers, and as business operations start to return to normal, then extend to the wider supply chain. Key activities that were delayed include:

- Onboarding Priority 2 and 3 Suppliers onto the Informed365 Supplier Portal
- Deep dive with a sample of Priority 1 Suppliers to understand our tier 2 and beyond suppliers and practices

United Nations Global Compact

Charter Hall Group is proud to be a signatory to the United Nations Global Compact, since March 2019. We continue our commitment to the United Nations Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

We have prepared our second report providing communication on our progress, which outlines our actions against the principles in the FY20.

charterhall.com.au/unsignatory



Case study

CAF 3 Star Certification Annual Health Check

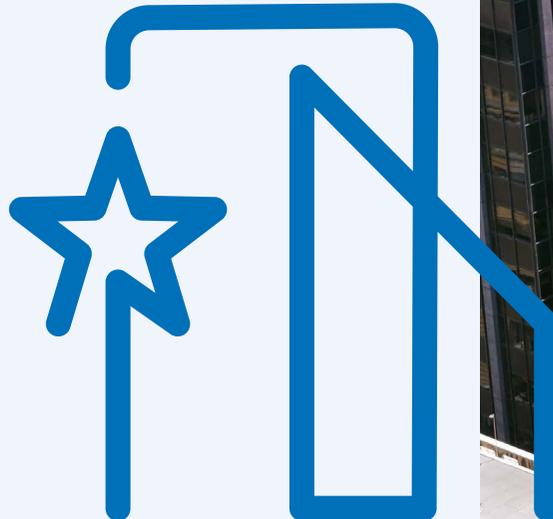
With cleaning services identified as a higher risk segment for modern slavery, in 2017 Charter Hall Group became an early adoptee of the Cleaning Accountability Framework (CAF).

As a member of CAF, and represented on the CAF Advisory Committee, we advocate for sustainable change in the cleaning industry. We have now applied the CAF Framework to all new cleaning contracts in our office buildings, to align best practice remuneration and working conditions across the cleaning supply chain.

We have trialled CAF certification across four office buildings in Melbourne and Sydney. All four assets participated in the audit program achieving a 3 Star certification, the highest awarded by CAF in their annual health checks.

Initial results have enabled us to work with our cleaning contractors to understand best practice; ensure that we apply responsible contract terms; and our buildings provide safe work conditions. The assessment also enabled our facilities manager CBRE and our cleaning contractors Dimeo and Consolidated Property Services to ensure they met the framework criterion and understood industry leadership in cleaning.

We continue to work with our industry in identifying and promoting best practice in our supply chain across all Priority 1 suppliers.



Case study

Vigilance is the key to combatting modern slavery

We believe everyone deserves to be treated equally and with dignity. Freedom from slavery is a fundamental human right, and we have a responsibility to uphold that principle throughout our operations and supply chains.

As a signatory to the United Nations Global Compact, our business is committed to upholding universal principles on human rights, labour, environment and anti-corruption.

We implemented our modern slavery notification process and made the Whistleblower Hotline available to suppliers. It was through our Whistleblower Hotline, we discovered that contractors of one of our suppliers were not receiving superannuation payments. We immediately notified the company and they commenced an internal investigation.

The investigation determined that the superannuation payments for four staff had inadvertently not been set up when they joined the company.

This error was not identified as a systemic issue. Within two weeks the incident was raised, investigated and resolved in partnership with our supplier using our grievance and remediation processes. The payments were activated and an audit identified that no payments had been missed. We also asked for all employment documents to be checked to ensure all statutory requirements were being followed, which our supplier confirmed.

One of the reasons why we were able to do this so rapidly is that we very much see our suppliers as partners in our business.

We expect them to work to agreed standards, but we also work with them to resolve matters together because we recognise that is in the best interests of all parties.

Our goal is to help them grow with us – and that spirit of co-operation and mutual success comes to the fore when problems arise.

While this incident is not strictly considered modern slavery, it enabled us to test and apply our notification processes. This particular oversight illustrates how quickly a situation can develop that could compromise the earnings of vulnerable people, and why reporting and decisive actions are key to protecting the rights of vulnerable staff.

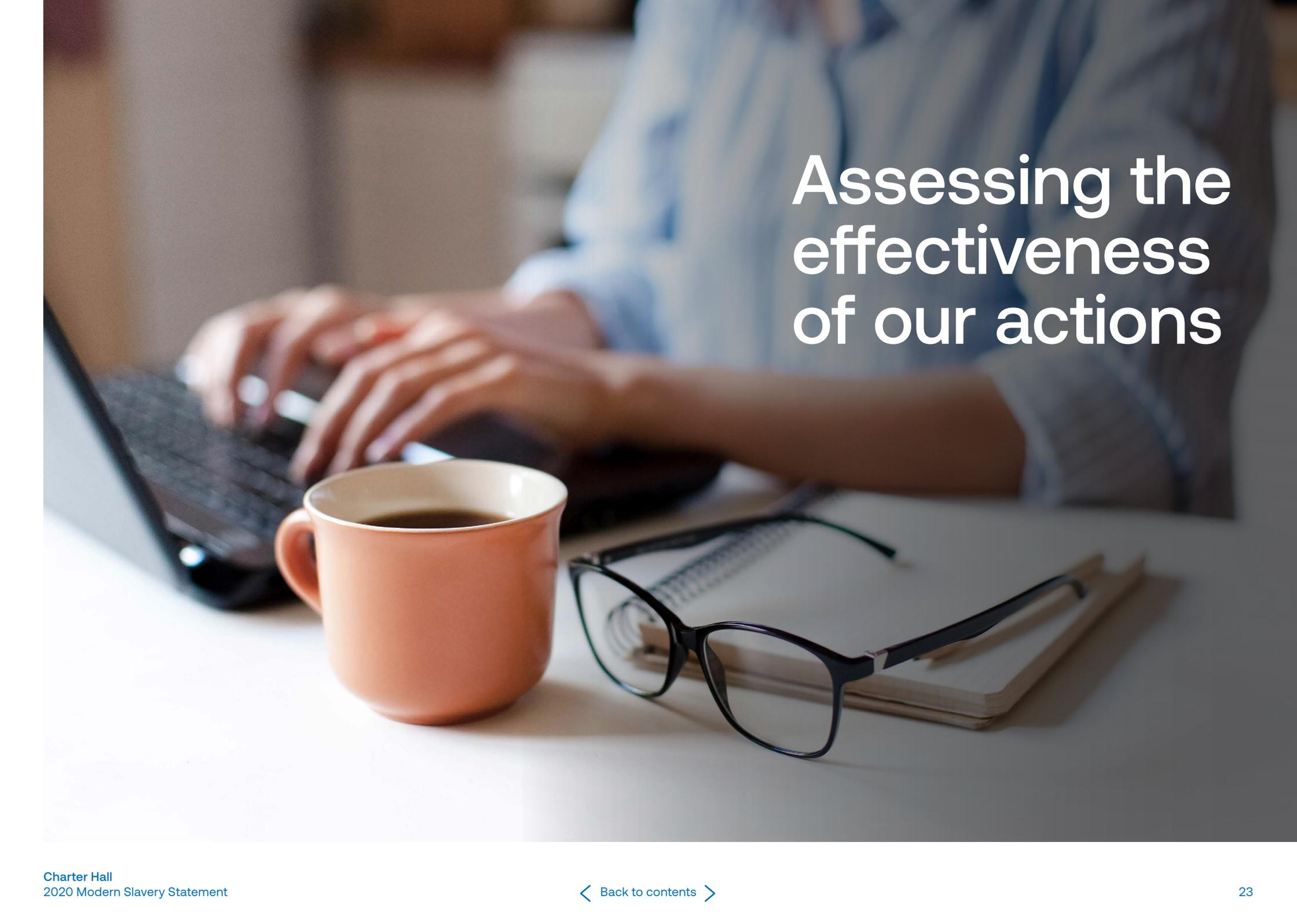


“ Reporting and decisive actions are key to protecting the rights of vulnerable staff.”



See something? | Hear something?
SAY SOMETHING

Protecting our business and reputation from risk or compromise is everyone's job. So, if you see or hear anything that doesn't feel right, it's yours to your manager. If you see or hear something that's seriously wrong – unethical, illegal or irresponsible – notify us and help us investigate and resolve the matter. You can do this quickly, securely and anonymously online at charterhall.deloitte.com.au or by calling 1800 123 818.

A person in a light blue shirt is sitting at a desk, typing on a laptop. In the foreground, there is a white mug filled with coffee, a pair of black-rimmed glasses, and a spiral notebook. The background is softly blurred, showing a wooden cabinet.

Assessing the effectiveness of our actions

Within our business

In the reporting period human rights and modern slavery was integrated into the Charter Hall Group contracts and agreements and we commenced assessment of our actions.

We track the effectiveness of our actions through:

- Quarterly human rights and modern slavery working group meetings and tracking progress against the implementation plan
- Regular updates to the Charter Hall Executive, ARCC and Board, at key milestones
- Updates to Charter Hall Group sector leadership teams and Charter Hall Group entities annually
- Quarterly review and tracking of suppliers on Informed365 Supplier Portal and CM3
- Tracking of grievances and complaints (see case study page 22)
- Development of social compliance strategy to undertake audit processes

With our partners

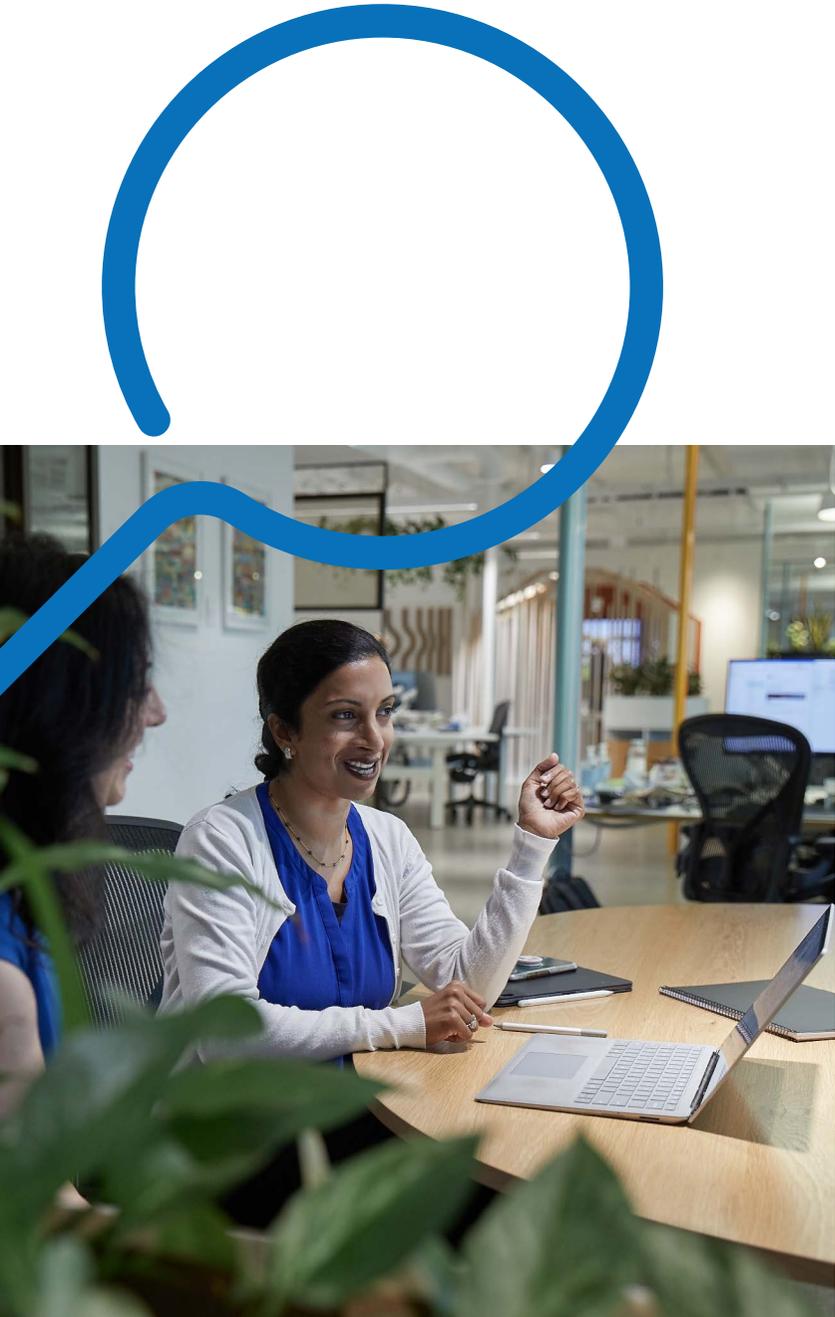
In partnership with a range of stakeholders we critically measure the effectiveness of our actions.

- **Third party expert support** – We engaged with a human rights and responsible sourcing consultancy, which provided feedback on our approach and challenged us to continuously interrogate and improve our practices
- **Industry best practice** – The Property Council of Australia’s Modern Slavery Working Group and supplier pre-certification portal enables us to develop Australian and industry best practice and to exchange information with other property managers around the effectiveness of our actions.
Engagement with CAF enables integration of best practice into our supply chain
- **Interactions with leading businesses in other industries** – Through the United Nations Global Compact Peer Group we found another avenue to identify best practice, especially from industries with a long track record on managing human rights in their supply chains
- **Engagement with investors** - Through interaction with our investors we gain an understanding of their expectations and practices
- **Interactions with tenants** - We can learn about our tenant customers different practices in supply chain management and their approach to modern slavery
- **Technology platforms** – CM3 and Informed365 Supplier Portal provides us pre-qualification reviews of our supply chain





Future steps



We understand that identifying and managing our modern slavery risks is an ongoing process. To assist us in engaging with our suppliers and working with them to build capability, we have several key initiatives planned.

Key Focus	FY21	FY25
Governance	<ul style="list-style-type: none"> Sustainable supply chain strategy including supplier social compliance strategy Continued implementation of standard contracts and documentation Review effectiveness of actions annually 	<ul style="list-style-type: none"> Integrated sustainable supply chain and management strategy across all assets and development.
	<ul style="list-style-type: none"> Publish annual United Nations Global Compact and Modern Slavery Statement 	
Procurement	<ul style="list-style-type: none"> Ongoing engagement and screening of our supply chain with a deep dive into a sample of suppliers Multilingual posters for onsite contractors and suppliers Ongoing engagement with Property Council of Australia Modern Slavery Working Group and Informed365 Supplier Portal Continued development of supplier onboarding and due diligence processes 	<ul style="list-style-type: none"> Tier 1 supply chain screened for human rights and modern slavery considerations
Education and Engagement	<ul style="list-style-type: none"> Ongoing engagement with our employees and supply chain Annual employee training and engagement Ongoing partnerships with key industry groups that address modern slavery risks 	<ul style="list-style-type: none"> Leverage partnerships with Property Council of Australia and supplier training and education groups to build industry capacity across our supply chain



Appendix 1 Guide to this Statement

This Statement covers the seven mandatory criteria for modern slavery statements. The below table indicates where within the Statement each criterion is addressed.

Modern slavery act criterion	Explanation	Page
1	Identify the reporting entity	3
2	Describe the reporting entity's structure, operations and supply chains	3, 7-9
3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	10-13
4	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	14-19
	Case studies	21-22
5	Describe how the reporting entity assesses the effectiveness of these actions	23-24
6	Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	4
7	Provide any other relevant information	20

References

KPMG Australia (KPMG) and the Australian Human Rights Commission (AHRC), Property, construction and modern slavery guide (PCMSG), 13 August 2020.

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