

2021

Foreword

Modern slavery is a real yet often hidden industry built on the exploitation of the vulnerable for profit. The International Labour Organization (ILO) estimated 24.9 million people globally were forced into labour in 2016 with more than half trapped by debt bondage¹.

Though, Australia is often considered the lucky country, we are not immune to the threat of slavery with an estimated 15,000 living in modern slavery conditions in 2016².

Centuria is committed to removing modern slavery practices through continuous monitoring, reviewing and prevention of labour exploitation across supply chains and procurement functions within our industry. We recognise our responsibility to enable change.

Though we are at the beginning of our journey, with this being our first Modern Slavery Statement, the Company and its subsidiaries are focused on implementing measures that seek to take meaningful steps to remove the risks of modern slavery within Centuria's operations.

Through the steps we describe in this statement, Centuria seeks to uphold, respect and promote the human rights of everyone – from those employed in our operations right through to those employed with our suppliers.

We have identified steps we've taken to date as well as our ongoing approach to recognising and managing our modern slavery risks. Future steps we aim to implement in 2021 and beyond are also outlined as we continue to refine and improve our processes.



JOHN MCBAIN

Joint CEO



JASON HULJICH

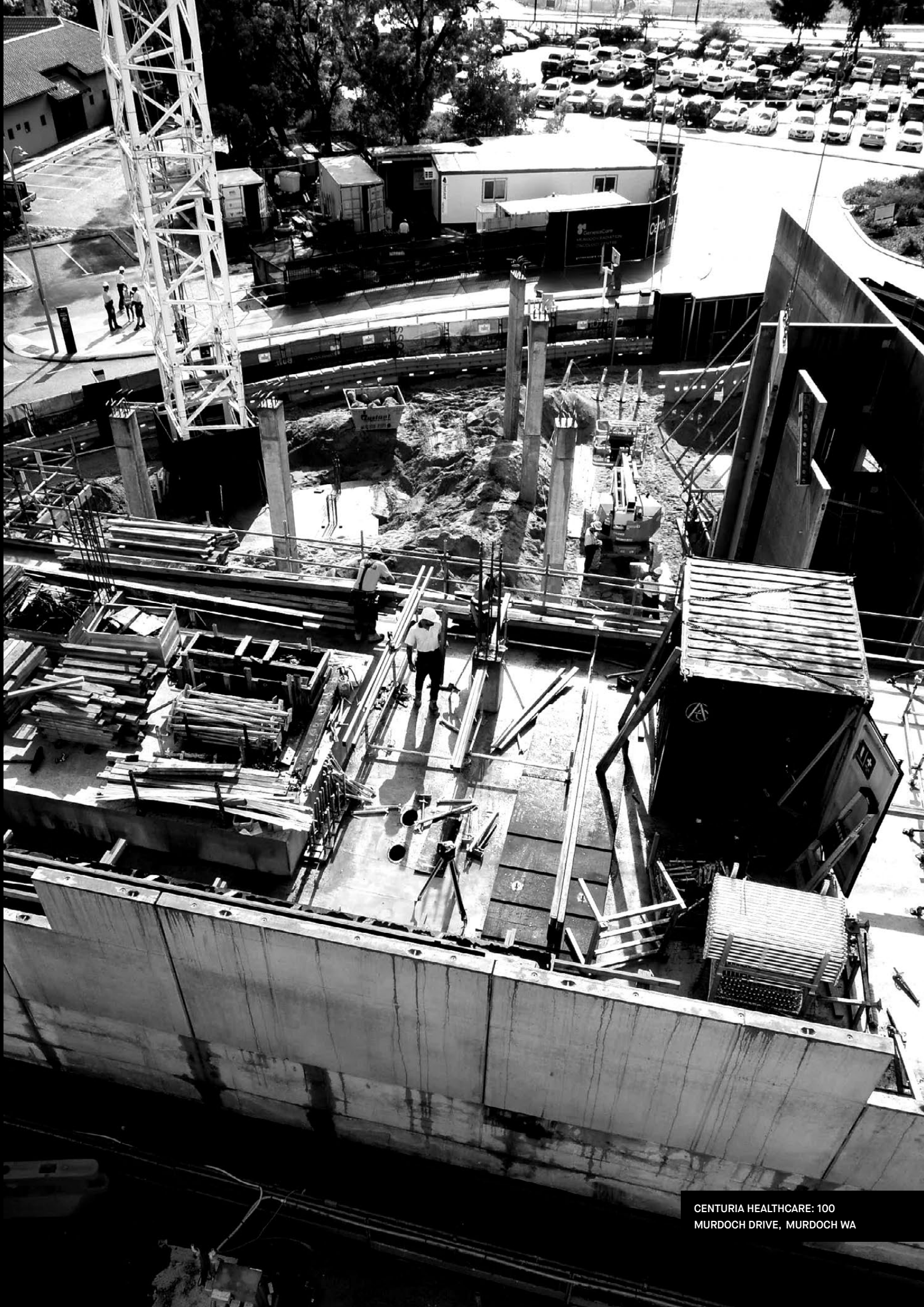
Joint CEO

¹ Global Estimates of Modern Slavery Report, published by International Labour Office and Walk Free Foundation (2017)

² Global Slavery Index, Australia, 2018:
<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/#:~:text=Prevalence,thousand%20people%20in%20the%20country.>

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Structure, operations and supply chains

STRUCTURE

The Centuria Capital Group is a leading S&P/ASX-300 listed real estate funds manager with a unique Australasian focus and more than \$10 billion of assets under management. It offers a range of investment opportunities including listed and unlisted real estate funds as well as tax-effective investment bonds. Its drive, allied with in-depth industry knowledge and intimate understanding of its clients, allows Centuria to transform opportunities into meaningful investments.

REAL ESTATE PLATFORM

Centuria has a 35 year track-record as an external funds manager, delivering a range of products and services to investors, advisers and securityholders. Through its property funds management platform Centuria owns and manages funds that own and/or develop office, industrial or healthcare properties. Centuria also manages the property assets on a day-to-day basis through its in-house asset and facilities management team.

Within its real estate platform, Centuria operates both wholesale and retail unlisted funds along with two ASX-listed Real Estate Investment Trusts (REITs): the Centuria Industrial REIT (ASX: CIP) and the Centuria Office REIT (ASX: COF)¹.

Centuria manages more than 160 properties across Australia within the office, healthcare and industrial sectors worth approximately \$7.8 billion. In total, it has more than 215 properties across Australian and New Zealand, worth c. \$9.3 billion.

DEVELOPMENT

Centuria's Development Division constructs, redevelops and renovates assets on behalf of its listed and unlisted funds. Additionally, Centuria has partnered with community providers to deliver residences for those most vulnerable. This includes a recent partnership with Compass Housing to develop four affordable housing developments providing a collective 190 dwellings. The developments are located on the Central Coast of NSW and all are anticipated to achieve practical completion by mid-2021.

Centuria also partnered with Group Homes Australia (GHA) to develop 10 sites across Sydney for people living with dementia. Upon completion, Centuria Healthcare retains ownership of the real estate assets while GHA owns and operates the dementia care business operations. To date, eight developments accommodating approximately 80 residents have been completed.

FRIENDLY SOCIETY

Centuria's friendly society business issues and manages a range of life insurance investment bonds and has approximately \$800 million of funds under management.

The high level structure of the business is set out in the diagram below.

¹ Please note that this Statement does not include the Augusta Capital business in New Zealand which was acquired subsequent to the relevant reporting period.

Centuria Capital Supply Chain Structure





\$9.3bn¹

OF AUSTRALASIAN REAL ESTATE ~80% AUSTRALIA AND ~20% NEW ZEALAND GEOGRAPHIC DIVERSIFICATION

New South Wales - 21%

\$1,873m ACROSS 41 PROPERTIES

Queensland - 23%

\$2,094m ACROSS 58 PROPERTIES

Victoria - 18%

\$1,612m ACROSS 27 PROPERTIES

Western Australia - 8%

\$717m ACROSS 22 PROPERTIES

ACT - 4%

\$389m ACROSS 5 PROPERTIES

South Australia - 5%

\$417m ACROSS 7 PROPERTIES

Tasmania - 0%

\$6m ACROSS 1 PROPERTY

Auckland - 16%

\$1,069m ACROSS 28 PROPERTIES

Other - 6%

\$447m ACROSS 27 PROPERTIES

As an integrated property funds management business, entities within Centuria offer the following property services to the funds it manages:

1. Manager and responsible entity/trustee services for listed and unlisted property funds.
2. Trustee services for debt funds.
3. Property services for buildings including leasing, maintenance and refurbishments. This includes engaging subcontractors for cleaning, security and maintenance of the buildings.
4. Property developments managed and overseen by Centuria where the construction work is contracted to, and completed by, an Australian registered construction/building company. Property development services also include any on balance sheet developments being completed on behalf of the Group.

During the second half of the 2020 calendar year, Centuria wholly acquired the Augusta Capital Ltd ("Augusta") funds management platform in New Zealand. The operations of Augusta will be integrated with Centuria's Modern Slavery risk management initiatives over the course of FY21.

Centuria employs approximately 180 people with the majority operating out of Centuria's head office located at Level 41, Chifley Tower, 2 Chifley Square, Sydney NSW 2000. Centuria has smaller offices in Melbourne and Brisbane. All Australian employees are employed by Centuria Capital Limited. All Augusta employees are employed by Augusta Capital Limited in New Zealand. Augusta has three offices in New Zealand - Auckland, New Plymouth and Christchurch.

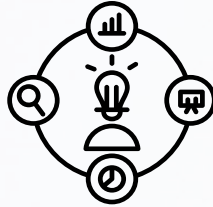
Centuria also utilises a number of back office / accounting staff in Manila in the Philippines through a specialist business partner, an Australian-owned entity, Diversify Offshore Staffing Solutions Ltd.

All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0705). ¹ Numbers presented may not add up precisely to the totals provided due to rounding.
¹ As at 31 December 2020. Includes cash and other financial assets.

MANAGEMENT AND MITIGATION OF RISK



**MODERN SLAVERY
PROJECT TEAM**



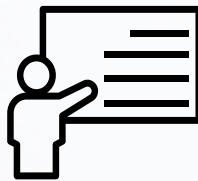
**SUPPLIER MANAGEMENT
SYSTEMS**



**INDUSTRY ASSOCIATION
ENGAGEMENT**



COMMITTEES

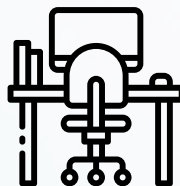


STAFF TRAINING

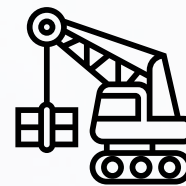
FOCAL POINTS



**FACILITY AND ASSET
SUPPLIERS & CONTRACTORS**



**BACK-OFFICE
REMUNERATION**



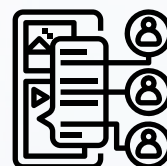
**CONSTRUCTION SECTOR
ENGAGEMENT**



**INTERNATIONAL THIRD
PARTY PROVIDERS**



**MERCHANDISE & MARKETING
COLLATERAL PROVISIONS**



**MEDIA MONITORING &
VIDEO PRODUCTION**

UNDERSTANDING CENTURIA'S SUPPLY CHAIN

CORPORATE

Suppliers providing a range of corporate services include professional services, information technology, registry operations, legal, human resources, marketing, corporate communication, office suppliers, travel and insurance.

The majority of corporate suppliers are based in Australia, with the exception of some office equipment / information technology suppliers.

In 2019, Centuria commenced using a team of highly skilled accounting, operational and administrative staff located in the Philippines. This team is employed through an Australian business partner, Diversify OSS.

OFFICE, HEALTHCARE AND INDUSTRIAL PROPERTIES

Suppliers providing real estate services including property valuation, leasing, or building and facilities management.

Suppliers across building security, building maintenance, mechanical operations, security, plumbing, electrical works, fire safety and cleaning services.

All property assets owned by CIP, COF or Centuria's other unlisted property funds are all located in Australia¹. As such, all contractors providing property-related services complete those services in Australia.

Centuria manages more than 160 properties across Australia within the office, healthcare and industrial sectors worth approximately \$7.8 billion. In total, it has more than 215 properties across Australian and New Zealand, worth c. \$9.3 billion.

DEVELOPMENT (BOTH FUNDS & ON BALANCE SHEET DEVELOPMENT)

In managing a development project, Centuria may contract suppliers of architectural, quantity surveying, legal and planning professional services.

Centuria does not conduct building/construction services and, as such, contracts all building/ construction work to third party specialist building/construction contractors.

All property development work managed by Centuria in the reporting period was completed in Australia by Australian registered builders. However, these builders may source their materials offshore.

FRIENDLY SOCIETY

In addition to the corporate suppliers noted above, suppliers providing specific services to the friendly society business include actuarial services firms, ratings agencies, investment managers and advisers, research houses and trading or broking services.

All fund managers providing underlying investment options for investment bonds operate out of Australia based entities, either as the primary entity, or Australian subsidiaries of multinational groups.

GOVERNANCE AND REMEDIATION

Centuria has deployed existing governance arrangements to manage the risk of participating in modern slavery through its business operations or supply chains. These governance arrangements include:

- Audit, Risk and Compliance Committees for Centuria and all financial services licensees within the Group comprised of Non-Executive Directors.
- A Group Non-Financial Risk Committee comprised of senior executives from across the Group.
- A Risk Management function with an established enterprise-wide risk management framework.
- An established policy framework including:
 - Director and Employee Code of Conduct
 - Whistle-blower Policy
 - Human Resource Policies and Procedures
 - Work Health and Safety Procedures
 - Risk Management Framework
 - Fit and Proper Policy (applicable to Senior Management and Directors).

In addition to these established governance structures, Centuria has formed a Modern Slavery Project Team to manage the assessment, implementation and ongoing management of the potential risks of modern slavery across the business and supply chains.

Any identified incidences of modern slavery or unacceptable supplier actions will be considered, managed and, where necessary, remediated with the oversight of Centuria's Non-Financial Risks Committee.

¹ Please note that this Statement does not include the Augusta Capital business in New Zealand which was acquired subsequent to the relevant reporting period.

The risks of modern slavery practices in our operations and supply chains



In 2019, Centuria established a Modern Slavery Project Team to further develop the Group's understanding of modern slavery risks and supplier management across the business. The team enables planning, development and implementation of a strategic road map of measures and controls to improve Centuria's approach to procurement and supply chain governance.

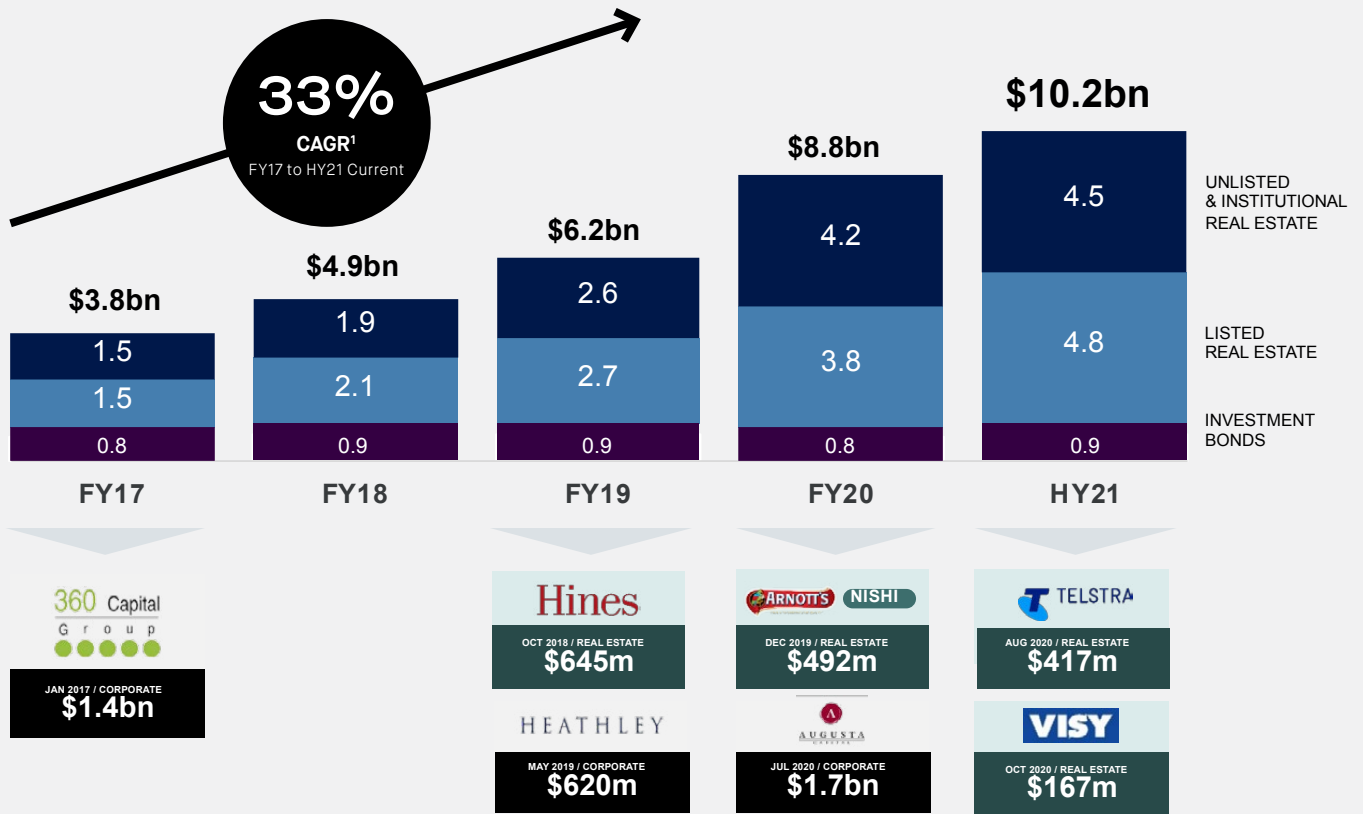
The concept of 'risk' in relation to modern slavery refers to the risk to people rather than to Centuria, its subsidiaries or its investors. This relates to the severity of modern slavery practices, the likelihood of them occurring and the extent of the number of people affected and over what period of time. Centuria adopted a risk-based approach in its assessment of the risks to people.

The outcomes of this risk-based assessment and analysis identified a number of key modern slavery risks within Centuria's business and its supply chain and the development of systems and procedures to manage these key risks prioritised. This process has identified the following key risk areas:

- Centuria Property Services Team engages with a broad range of suppliers, including cleaning and maintenance contractors as part of facilitating the operations within properties managed/ owned across the Centuria Group;
- The remuneration and working conditions of Centuria back-office operations staff employed in the Philippines through Diversify OSS;
- Property development and its engagement with the construction industry;
- The engagement of large international third party providers in the areas of information technology, travel, registry and custodian services;
- Centuria's marketing activities, which include elements such as merchandise and branded garments, printing of marketing material including banners and flyers, stationary and miscellaneous items;
- Centuria's corporate communications activities include media monitoring and video production.

Actions to assess and address Modern Slavery risks

ASSETS UNDER MANAGEMENT



1 CAGR calculated from 30 June 2017 to 31 December 2020.

Centuria is seeking to continually improve the systems and processes it implements to manage its modern slavery risks. The steps below outline steps taken to date along with plans for 2021 and beyond.

Key steps taken by Centuria in the reporting period include:

- Formation of a Modern Slavery Project Team to complete a supply chain risk assessment, determine what can be implemented to address any identified higher risk areas, review what has been implemented, prepare a modern slavery statement and continue to do this on an ongoing basis.
- The Property Council of Australia has collaborated with its members and a corporate social responsibility technology company, Informed 365, to help the property industry and its members take a proactive approach to engaging their suppliers around modern slavery risks. The Property Council of Australia's shared Software as a Service (SaaS) Modern Slavery Platform (Platform) enables users to issue an online questionnaire to its suppliers.
 - One of the benefits of this system is that a supplier can complete the questionnaire once and the results can be made available for all platform users. This reduces the administrative burden on the supplier and ensures consistency across the industry. The platform provides feedback to suppliers on how

their responses compare to their competitors. It also flags to the user which suppliers have the higher risk of modern slavery so that further work can be done.

- Centuria signed up to Informed 365's Modern Slavery Platform during FY20 and is rolling out the systems across its property asset and development project supply chain in FY21. Taking a risk based approach, the rollout prioritises higher risk suppliers based on the results from Centuria's risk assessment including cleaning, security and general labour service providers.
- Rollout of staff communication and training about how to identify and manage modern slavery risks.

Centuria has reviewed and discussed with Diversify OSS (Philippines operations) its Modern Slavery Policy and satisfied itself as to the steps taken by Diversify OSS to manage its risks. In addition, Centuria has rolled out its policy framework and training to all Philippines staff, including Centuria's Whistle-blower Policy. Centuria communicates with and manages all Philippines staff directly on a day-to-day basis and any issues identified by Management in Australia are to be escalated to the Risk Team.

- Centuria has joined the Supply Chain Sustainability School to access its industry specific resources and build awareness of modern slavery in Australia.

Measuring effectiveness

Centuria recognises the importance of continuous improvement in its approach to combating modern slavery risks.

Centuria's actions this year have been focused on establishing the initial systems and procedures and raising awareness of the issue of modern slavery within its operations and supply chain.

The ongoing effectiveness of the measures implemented to date and those planned during 2021 will be monitored by the Centuria Non Financial Risk Committee. We will seek to establish formal measures that enable Centuria Non Financial Risk Committee to objectively determine the effectiveness of the steps taken to manage Centuria's modern slavery risks. Measures may include:

- The timeliness of the implementation of planned measures;
- Identifying and better understanding remediation steps; and
- Periodic external expert review.



Steps planned for 2021 and beyond

- Rollout the Informed 365 platform to suppliers in Centuria's Industrial, Office and Healthcare division and development project supply chains.
- Develop procedures, guidelines and further training to help staff take appropriate action where modern slavery risks are suspected or identified, including how to engage with suppliers when a concern or incident is raised.
- Formalise governance mechanisms including allocation of responsibilities, reporting and communication, complaints and grievance mechanisms, policy updates and appropriate review of decisions.
- Update Centuria's Whistle-blower Policy and Code of Conduct to specifically refer to modern slavery risks.
- Provide periodic updates on modern slavery to the Audit, Risk and Compliance Committees of the Reporting Entities.
- Enhance existing supplier due diligence and review processes to identify and manage risks associated with first tier suppliers under new and existing contracts and extend these processes to other priority business units.
- Further develop enhanced due diligence questionnaires to apply to professional service suppliers across Centuria's corporate and friendly society supply chains.

Implementation of formal building service agreement contracts with each of Centuria's providers who engage on routine and regular work across the Group's broader property portfolio.

Implementation of a modern slavery briefing at site meetings.

When tendering for works, Centuria will prequalify vendors by:

1. Verifying trades are properly Licenced.
2. Issuing pre-qualification survey questions and requirements.
3. Requesting the supplier's company structure and award of prospective providers.
4. Reviewing payment provision to award or EBA if applicable.
 - Including Building Service Agreements in new supplier contracts.
 - Reviewing current providers who meet the required standard prior to re-tender in **March 2021**.

Formal Contractor Meetings are established.

1. Monthly and Quarterly meetings have been formalised.
2. Improvement in documenting meetings was noted
 - new matrix and schedule to be implemented.
3. Facility Administrators to assist in managing an appropriate and constant outcome of vendor performance and compliance meetings.

Interrogation of vendor - services agreements on acquisition of new asset.

1. Migrate all service agreements to the new format and include clauses around modern slavery, corruption and Centuria reserves the right to confirm payment is made to direct employees of the supplier or payments made to their subcontracts.

REPORTING ENTITIES AND GROUP CONSULTATION

THIS STATEMENT IS MADE BY THE FOLLOWING REPORTING ENTITIES:

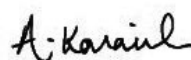
CENTURIA CAPITAL GROUP | (ASX:CNI)
'Centuria' or 'the Group'.

CENTURIA OFFICE REIT | (ASX:COF)
responsible entity is the Centuria Property Funds Limited
ARSN 124 364 718 | ABN 11 086 553 639 | AFSL 231149.

CENTURIA INDUSTRIAL REIT | (ASX:CIP)
responsible entity is the Centuria Property Funds No.2 Limited
ARSN 099 680 252 | ABN 38 133 363 185 | AFSL 340304.

Whilst this statement has been prepared specifically for the above-named entities the principles and procedures have been applied across the Group and the implementation of Centuria's procedures is managed by a Group level Project Team. The statement has been prepared in consultation across all entities within the Centuria Capital Group.

- Centuria Capital Limited (ABN 22 095 454 336)
- Centuria Funds Management Limited (ABN 11 607 153 588)
- Centuria Property Funds Limited (ABN 11 086 553 639) and
- Centuria Property Funds No.2 Limited (ABN 38 133 363 185)



ANNA KOVARIK

Company Secretary

This Modern Slavery Statement has been reviewed and approved by the following boards on 30 March 2021:

