



Modern Slavery Statement

Financial Year 31 December 2023

ESR Real Estate (Australia) Pty Ltd



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Our Commitment

At ESR Australia, respect for human rights remains the top priority for us and our stakeholders. We are committed to conducting our business with the highest ethical standards in environmental, social, and governance practices. ESR Australia stands firmly against all forms of modern slavery and is dedicated to ensuring that such practices have no place in our operations or supply chain.

ESR Australia is part of the ESR Group, the Asia-Pacific region's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. ESR's market-leading position and scalable business model requires it to maintain an assertive, risk-based approach to identify and address modern slavery risks proactively.

This Modern Slavery Statement outlines ESR Australia's strategy for combating modern slavery and highlights the progress made in identifying and mitigating modern slavery risks within our operations and supply chain during the reporting period. It also details our key focus areas for the coming year.



Philip Pearce
CEO
ESR Australia



Identify the Reporting Entities

Overview

ESR Australia specialises in real-estate development, property management, and investment strategies that foster sustainable growth for businesses, investors, and communities.

Established in 2018 as a subsidiary of ESR Group Limited (formally ESR Cayman Limited), ESR Australia comprises of ESR Real Estate (Australia) Pty and its subsidiaries, including:

- ESR Asset Management (Australia) Pty Ltd
- ESR Developments (Australia) Pty Ltd

ESR Group Limited (an entity listed on the Hong Kong Stock Exchange) is APAC's leading real estate manager powered by the New Economy and one of the largest listed real estate investment managers. Our purpose (Space and Investment Solutions for a Sustainable Future) drives us to manage sustainably and impactfully, and we consider the environment and the communities in which we operate as key stakeholders of our business.

In Australia, our experts in both industrial and office real estate markets provide comprehensive and strategic investment, development and asset management opportunities to local and global markets.

ESR Australia is proud to contribute to achieving an ethical, environmental and socially sustainable future, creating a positive impact for our employees, customers, investors and the communities we engage with.

Reporting Entities

ESR Real Estate (Australia) Pty Ltd is the reporting entity for the purposes of the Modern Slavery Act 2018 (Cth) (the **Act**) and makes this Statement in accordance with Section 16 of the Act. ESR Group Limited is the ultimate holding company of the ESR Group.



Purpose

It is a universal truth that modern slavery is abhorrent and intolerable. All levels of society bear a collective responsibility to combat modern slavery. Modern slavery can occur in various forms such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking.

ESR Australia is committed to taking steps to ensure modern slavery has no place in its operations or supply chain. Furthermore, we are committed to complying with all applicable legislation regarding modern slavery, including the Act.

It was pleasing to note that ESR Australia had already implemented a number of the recommendations in the inaugural triennial statutory review of the Act conducted by the Australian Government in 2023. These include undertaking due diligence in respect of suppliers, submitting annual Modern Slavery report regardless of reporting thresholds and having in place reporting mechanisms for internal and external complaints and grievances.

In accordance with the Act, this Statement includes reference to actions undertaken in the FY2023 reporting period to identify and address the risk of modern slavery practices in ESR Australia's operations and supply chain.

Our Operations

Development



Expertly handle all aspects of the property experience for our customers



Strategic planning and proactive optimization of assets ensures maximum investor returns and sustained growth.



Tailored comprehensive leasing solutions to attract and retain high quality customers.

Invest



Identification, acquisition and active asset management in prime locations enhances value through rental income and leasing.



Focusing on key infrastructure and transport nodes to ensure well-located land parcels are acquired for development providing higher returns for investors.



Transparency and collaboration develops long term-partnerships with customers and investors.

Manage



Expertly handle all aspects of the property experience for our customers



Strategic planning and proactive optimization of assets to ensure maximum investor returns and sustained growth.



Tailored comprehensive leasing solutions to attract and retain high quality customers.

Key Statistics

SQM 4.2m Gross Lettable Area

A\$15.4bn Assets Under Management

130+ In-house Experts

Figures as of December 2023

Our Approach and Progress

ESR Australia is dedicated to ensuring modern slavery risks within our operations and supply chains are identified and mitigated in accordance with our modern slavery policies, systems and processes.

Governance

To ensure Modern Slavery is in the forefront of our operations, key ESR Australia policies, procedures and templates address modern slavery obligations. These documents are reviewed frequently to ensure that they adhere to applicable legislation and address human rights issues.

Code of Conduct & Business Ethics

ESR Australia has adopted the ESR Group Code of Conduct & Business Ethics (**Code**). The Code outlines the fundamental principles of good business practices and procedures (including competition and fair dealing), emphasising discipline, professionalism, loyalty, integrity and cohesiveness for the success of the ESR Group. Mandatory annual ethics training and code of conduct attestation are required from all employees of the ESR Group.

Supplier Code of Conduct

ESR Australia has also adopted the ESR Group Supplier Code of Conduct, which sets out the standards for suppliers and contractors (collectively referred to as “Suppliers”) relating to regulatory compliance, business conduct, labour practices, environmental protection, sustainable procurement and health and safety. It is aligned with global standards of ethical behaviour and in accordance with applicable international and regional laws. We require our Suppliers to comply with the ESR Group Supplier Code of Conduct while conducting business with and/or on behalf of ESR. Suppliers are expected to respect basic human rights, prohibit modern slavery and discrimination and uphold health and safety standards.

Reporting of Concerns and Complaints

The ESR Australia Complaints Management Policy and ESR Australia Whistleblower Policy, encourage employees and external third parties to raise concerns about possible improprieties and unethical conduct so as to prevent and deter breach of legal requirements and violations of our corporate policies. Reporting of such matters can be made in confidence, will be treated fairly and will be protected from retaliation.

There are numerous internal and external mechanisms available for employees and third parties to report a modern slavery breach or concern. Employees can refer to the in-house online system, Complysci®, to file any reports.

We use whistleblowing@esr.com as the designated email address for third parties to report any incidents. In addition, external whistleblowers can also download and fill out the “Whistleblowing Report Form” to report their findings via our corporate website.

The ESR Australia Board receives a quarterly report on complaints, including any grievances reported via whistleblower mechanisms.

To date no reports have been made in relation to modern slavery or human rights issues in ESR Australia’s operations or supply chain.

Our Approach and Progress

Continued

Environmental, Social & Governance

At ESR Australia, we recognise the need to evolve to meet the rapidly changing needs of our customers, investors, communities and own people. From climate change to digitalisation, our world is transforming, and we seek excellence in Environmental, Social and Governance (ESG) to best navigate it for the prosperity of our stakeholders and ourselves. Our focus is to integrate throughout all aspects of our business the ESR Australia ESG Pillars being:

- Green and Ready
- Inclusive and Well
- Responsible and Resilient

During FY2023 ESR Group provided ESG training company wide, with the launch of the new Group ESG Policy. Training encompassed ESR Group's ESG vision, mission, framework and 2023 roadmap, which included, but was not limited to Human Rights; Diversity, Equality and Inclusion; and Community Development.

Supply Chain Engagement

As part of ESR Australia's procurement process:

- third parties are issued with and required to comply with the ESR Group Supplier Code of Conduct; and
- where the value of the transaction is \$10,000 or more, third parties are screened via a counterparty due diligence platform "ComplianceDesktop®", which is licenced by Refinitiv, a London Stock Exchange Group (LSEG) company to determine the counterparties' money-laundering and terrorist-financing risk assessment prior to appointment. The platform allows on-going monitoring to be performed for existing counterparties.

Our supplier contracts include modern slavery clauses which, amongst other matters, requires the supplier to:

- Not engage in modern slavery
- Notify ESR Australia if they became aware of any complaint or allegation that the supplier has engaged in Modern Slavery.

Due Diligence

ESR Australia utilises a number of compliance solutions to reduce counterparty risk, which include, but are not limited to:

- ComplianceDesktop®,
- Tender Pre-Qualifications; and
- CM3 Platform

Launched in Q3 2023, CM3 contractor management system incorporates a number of built-in tools to ensure information collected from Suppliers meet reporting obligations under the Modern Slavery Act 2018. The initial launch of the CM3 platform involved the screening of all existing Suppliers of stabilised assets. Registration on the CM3 Platform required Suppliers to complete an ethical sourcing questionnaire which focuses on supply chain engagement, contract/migrant workers, confirming all measures are in place to adhere to local

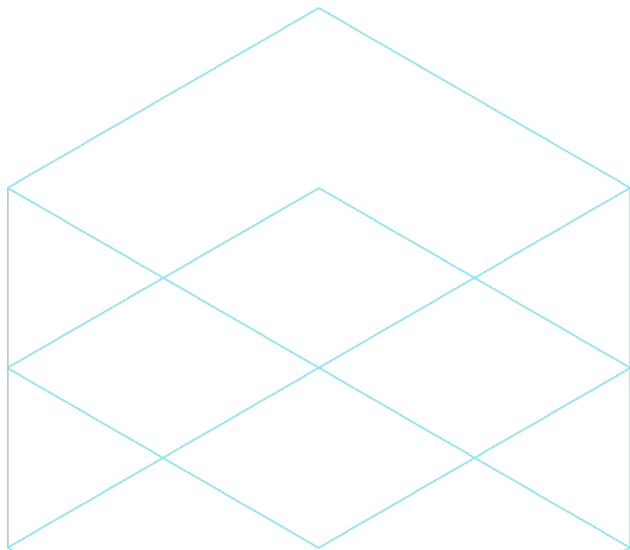
labour laws and anti-modern slavery best practices.

ESR Australia's Tender (Capital Works & Consultants) Policy was amended in June 2023 to incorporate a pre-qualification checklist for all Building Contractors and Consultants who engage in contracts with a sum in excess of \$500,000. The pre-qualification form requires contractors to ensure ML/TF, health and safety and modern slavery regulations are adhered to. Contractors are required to provide their Modern Slavery Policy and declare compliance with the Modern Slavery Act 2018.



Managing Modern Slavery Risks

ESR Australia manages its modern slavery risks by engaging in the following processes and procedures. Focusing on these procedures assists the identification of potential modern slavery risks and provides the means to engage control measures for each potential risk.



STAGE

PROCESSES & PROCEDURES

Review

- Review ESR Australia’s business unit operations and supply chain.

Identify & Evaluate

- Each business unit completes an annual modern slavery risk assessment on their operations and supply chain.
- Assign responsibility for each risk to a Risk Owner.

Mitigate

- Utilise risk rating matrix to assess and rate risks and record current controls.
- Implement and/or update policies and procedures to mitigate identified risks.
- Issue the ESR Group Supplier Code of Conduct to new third-parties.
- Undertake ComplianceDesktop® checks on new third-parties for transactions with a value of \$10,000 or more. Refresh checks biennially.
- Review CM3 and Tender pre-qualification forms and questionnaires completed by contractors.

Report

- ESR Australia Board reviews and approves the Modern Slavery Statement.
- Modern Slavery Statement lodged in accordance with the Act.

Knowledge & Capability

- ESR Australia employees and stakeholders have access to modern slavery and whistleblower policies and resources.
- Provide training on modern slavery to raise awareness among ESR Australia employees and support them to identify and report modern slavery risks.

Policies

- ESR Group Code of Conduct & Business Ethics
- ESR Group Supplier Code of Conduct
- ESR Australia Whistleblower Policy
- ESR Australia Complaints Management Policy
- ESR Australia Tender (Capital Works & Consultants) Policy

Risk Indicators

ESR Australia adopts the risk management system recommended by the ASO ISO 31000:2018, which includes risk identification, analysis, evaluation, treatment and assessment of controls.

ESR Australia recognises that a strong risk management system is fundamental to informing business decision making and assessing, and where necessary, minimising exposure to risk. Risk management is embedded in ESR Australia's business activities, functions and processes. It is the responsibility of all employees to adhere to policies and procedures to manage risk as part of their role.

As part of the modern slavery risk identification process, ESR Australia periodically reviews its operations and overall supply chain structure. This includes identifying general sectors and industries, types of products and services, categories of investments, countries and entities that are involved in ESR Australia's operations and supply chain.

Sector & Industry Risks

- Use of unskilled, temporary or seasonal labour
- Use of short-term contracts and outsourcing
- Use of foreign workers or temporary unskilled labour to carry out functions not immediately visible such as security or cleaning where there is a high risk of labour exploitation

Examples

- Cleaning services use illegally trafficked workers
- Sub-contracted tradesmen use severely underpaid labour

Product & Services Risks

- Products produced with short delivery timeframes (requiring suppliers to engage in excessive working hours)
- Products or components of products are made in countries where there is a high risk of labour exploitation

Examples

- Steel manufacturers for construction projects use forced labour

Geographic Risks

- Products are sourced from countries that have a high prevalence of modern slavery or labour rights violations
- Products are sourced from countries with inadequate protection for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards

Examples

- Cheap materials are sourced from countries with a high risk of labour exploitation to cut costs
- The Ukraine conflict and the knock-on effects of sanctions

Entity Risks

- Entity's procurement and sourcing processes appear poorly managed or inefficient
- Entity has complex or opaque supply chain
- Entity has previously been reported as non-compliant with human rights or labour standards
- Worker incomes at risk or unpaid due to insolvencies

Examples

- Engaging builders with poor procurement and sourcing processes or poor workplace protections and entitlements
-

Structure, Operations and Supply

Structure

The structure of ESR Australia is described in the Identifying the Reporting Entities section of this Statement.

Operations

ESR Australia has identified the following areas of operation:

- Development
- Asset Management
- Investment
- Corporate Operations

In its operations, ESR Australia is committed to engaging with a diverse range of reputable third parties from multi-national corporations to small independent businesses.

Supply Chain

Whilst the supply chain within ESR Australia business units vary, the key supply chains identified and considered include:

- Suppliers, consultants, manufacturers, subcontractors and consultants, in relation to development projects
- Professional advisory firms which provide services to corporate business units
- Producers and suppliers of marketing services and information technology

Key Modern Slavery Risks

ESR Australia's business units identified the following areas of key modern slavery risks:

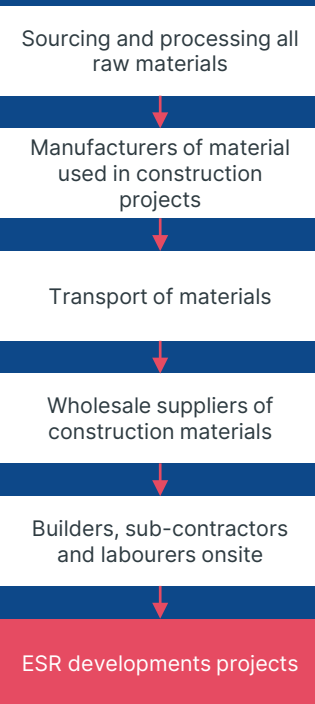
- Cleaning and maintenance workers
- Subcontracting and hired labour supply
- Use of unskilled labour
- Sourcing of construction materials

FY2023 Assessment of Operations & Supply Chain

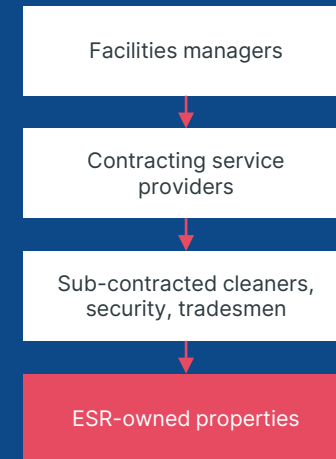
In preparing this Statement, ESR Australia business units were engaged in a risk assessment of each operational department, focusing on modern slavery concerns, potential risk issues, actions being taken to mitigate those risks and reporting requirements. The annual modern slavery risk assessment conducted in 2023 on the respective operational departments did not identify any new modern slavery risks in their operations and supply chain.

Example of ESR Supply Chain

DEVELOPMENT



PROPERTY



Risk of Modern Slavery Practices in Operations and Supply Chain

Asset Management	Development	Corporate Operations
Asset Management delivers and implements Strategic Asset Plans for assets under management, with the aim of maximising net income for the property, taking into consideration the objectives of each Fund, where relevant.	Development focuses on the development of greenfield and brownfield sites into modern warehouse/industrial and office facilities.	Our Corporate division includes our Legal, Marketing, Finance, IT and Human Resources units. These units are all diverse and have individual supply chain; however, they all engage with suppliers who provide physical or online services.

Key supply chain includes:		
<ul style="list-style-type: none"> Third party consultants (various contractors) Facility management 	<ul style="list-style-type: none"> Construction companies and subcontractors Indirect through our customers' business (3PL providers) Consultants 	<ul style="list-style-type: none"> Marketing suppliers Corporate advisory firms Information technology products and platforms

Examples of risks identified & current controls in place:

Risk Description	Category	Controls	Risk Description	Category	Controls	Risk Description	Category	Controls
Cleaning and maintenance workers in assets with contractors engaging sub-contractors with informal labour arrangements	Medium Risk	Conduct due diligence and compliance checks, ensure contract clauses are in place that meet modern slavery standards	Procurement practices of contracted construction companies			Corporate advisory firms have overworked staff	Medium Risk	Conduct due diligence and compliance checks, review third party outsourcing arrangements and monitor
			Construction contractors engaging sub-contractors and/ or trades engaging labour hire with informal labour arrangements	Medium Risk	<ul style="list-style-type: none"> Conduct due diligence and compliance checks, pre-qualification and procurement process; Requirement for contractors to procure in compliance with ESR's modern slavery policy; On-site spot check during construction; Obtaining confirmation that no monies owing to subcontractors prior to payment of progress claims; Spot checks on-site 	Product manufacturing in high-risk countries	Medium Risk	Conduct due diligence and compliance checks, ensure contract clauses are in place that meet modern slavery standards

Risk Mitigation, Due Diligence and Remediation Processes

Due Diligence Controls

- Anti-slavery clauses included in ESR Australia supplier contracts, leases and other template contracts across the business
- ComplianceDesktop® software used to conduct due diligence on and screen new third-party suppliers
- Tender Policy and CM3 platform requires pre-qualification conducted on contractors prior to engagements
- Issue ESR Group Supplier Code of Conduct to new third-party suppliers

Compliance Monitoring

- Conduct quarterly compliance monitoring with relevant employees, Heads of Departments and the Senior Management Team
- Report identified and potential modern slavery risks quarterly or as required to the ESR Australia Board
- Review any modern slavery risk reports submitted via reporting mechanisms including Complysci®.
- Review and update risk registers at least annually, including measures taken to mitigate modern slavery risks identified

Prioritise Medium/High Risk Areas

- Conduct enhanced due diligence screening via ComplianceDesktop® on all medium and high risk third parties we propose to engage
- Ensure pre-qualification forms are completed by contractors, including a review of their procurement processes and ensuring adherence to legislative guidelines
- Implement and/or update policies and procedures as required to mitigate

Whistle Blowing Resources

- Modern slavery breach reporting is included within the scope of the ESR Australia Whistleblower Policy. Concerns can be raised in a number of ways, including anonymously and via the Complysci® platform.
- ESR Australia employees complete compulsory training on modern slavery risks, incident management and whistleblower procedures required to mitigate modern slavery risks identified risks identified



Continuous Improvement

Risk Management

ESR Australia is committed to ensuring modern slavery standards and practices are upheld as it develops and grows. In preparing this Statement, staff members from operational departments were involved in risk management workshops to consider modern slavery risks in their respective business unit operations and supply chain.

Knowledge and Capability

Education and awareness are key controls to address the risk of modern slavery. In line with ESR Australia's dedication to improve overall awareness of modern slavery throughout its operations, employees are required to complete refresher/induction training which includes an overview of modern slavery overview.

Responsible Supply Chain Engagement

ESR Australia is committed to responsible supply chain engagement, which includes:

- Use of ComplianceDesktop® software to conduct risk assessments and due diligence screening of third parties it engages with.
- Use of CM3 platform ensure all third-party suppliers for stabilised assets are screened thoroughly and complete a modern slavery declaration.
- Issuing the ESR Group Supplier Code of Conduct to third party suppliers.

Industry Engagement

ESR is an active member of a number of industry groups that reflect our commitment to drive change and contribute to the improvement of the community that we operate in. Memberships include being a Signatory to the United Nations Principles for Responsible Investment (UNPRI) and Global Real Estate Sustainability Benchmark (GRESB).

Next Steps

In FY2024 ESR Australia will:

- Undertake a review of its Modern Slavery Policy and procedures.
- Roll out compulsory education for all employees.
- Continue to track complaints and/or grievances reported via the whistleblower mechanism.
- Roll out Stage 2 of the CM3 platform, which will capture all existing ESR and new third parties engaged as contractors of stabilised assets.



ESR

Space and investment solutions
for a sustainable future



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