

Brookfield

BHCA1 PTY LTD

Modern Slavery Statement 2020



Introduction

Brookfield Asset Management (“**Brookfield**”) is a leading global alternative asset manager focused on investing in long-life, high-quality assets across real estate, infrastructure, renewable power, private equity and credit.

Brookfield employs corporate social responsibility practices, mindful of the important role they play in fostering long-term value creation and we work to promote governance that reflects our high standards. Brookfield is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), formally demonstrating our ongoing commitment to responsible investment and environmental, social and governance (ESG) best practices.

Overview

The Commonwealth Modern Slavery Act 2018 (MSA Australia) requires certain Brookfield entities to set out the steps taken to identify and mitigate the risks of slavery and trafficking in our business and supply chain in Australia. This statement relates to the period 1 January 2020 to 31 December 2020.

This statement is made by BHCA1 Pty Ltd (“MSA Brookfield”), the head entity of a consolidated group of entities. The services MSA Brookfield provides include:

- Asset management
- Advisory services
- Group holding entities and related activity
- Corporate services
- investment in income producing real assets, including entities operated by separate management teams. *These entities are identified and described separately in the Appendix.*

Brookfield is committed to conducting its business in an ethical and responsible manner. This includes conducting our own business activities in a way that respects and supports the protection of human rights through striving for the:

- Elimination of discrimination in employment,
- Prohibition of modern slavery, including child and forced labor, and
- Eradication of harassment and physical or mental abuse in the workplace.

MSA Brookfield is working to integrate these standards into its core business activities, including contracts, due diligence processes, training and communications, as appropriate. We expect our key suppliers to adhere to these standards.

Risks of modern slavery

EMPLOYEES

Our people are our most important asset, and integrity, collaboration and discipline are central to our culture. All employees of MSA Brookfield are employed in Australia and the majority are professional and administrative staff. Human resources policies, procedures and processes are in place. These include:

- Employment conditions;
- Processes for reporting and resolving staff concerns and grievances;
- Non-discriminatory hiring practices;

- Employment screening (including work eligibility checks); and
- Appropriate workplace behavior. Through our Global Positive Work Environment Policy all employees are responsible for creating a respectful environment and are required to identify and report workplace discrimination, violence and harassment as it occurs.

Accordingly, we consider that there is a low risk of modern slavery within our employee population.

THIRD PARTIES AND SUPPLIERS

MSA Brookfield has conducted a risk-based assessment of our suppliers. Our key suppliers include professional services firms, such as technology, legal, audit, banking, and tax. The majority of these suppliers are located in Australia, the U.K., the U.S. and Canada. We believe that the risk of modern slavery within these providers is low. We acknowledge that, to a lesser extent, we engage with suppliers who may be considered higher risk in terms of modern slavery, such as suppliers of office stationery, and cleaning and catering services.

Consolidated entities engaged in commercial real estate in Australia also procure services within the following types:

- Property development, repair and maintenance services
- Building cleaning and security human resources services
- Utilities and public services.

The risk assessment process for these entities identified the following categories of services of high risk for modern slavery:

- Building construction,
- Building maintenance and repair services,
- Security and personnel safety,
- Cleaning and janitorial services,
- Human resources services,
- Hotels, hospitality and lodging and meeting facilities,
- Refuse disposal and treatment.

An individualized risk assessment for all vendors within these categories was then completed.

We understand that each of our suppliers has their own supply-chain and our vendor assessments include this risk to the extent possible. We currently have limited visibility of these extended supply chains, excluding projects where subcontractors or materials require our approval. However, based on MSA Brookfield's supply chain profile, we believe the risk of modern slavery in our direct supply chain is low.

Our approach to mitigation and remediation of modern slavery

Modern slavery risks vary according to the jurisdictions, sectors, suppliers and other governance factors. Our procedures to prevent modern slavery are designed to be proportionate to the risks we face.

These procedures include:

I. POLICIES AND PROCEDURES

Anti-Slavery and Human Trafficking Policy

This sets out MSA Brookfield's procedures to identify and mitigate the risks of modern slavery and human trafficking within our business and supply chain, including anti-slavery training and risk assessments.

Code of Business Conduct and Ethics

Our Code outlines our commitment to conducting business in an ethical and responsible manner including by carrying out our activities in a manner that respects and supports the protection of human rights. Employees are required to certify annually that they have complied with our Code and the protocols incorporated therein.

Vendor Management Procedures

These procedures must be followed when acquiring goods or services for, or on behalf of MSA Brookfield. We expect high standards from our contractors, suppliers and other business partners. Our procedures include specific contractual prohibitions against the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude, whether adults or children, in certain contracts with our direct suppliers when MSA Brookfield engages or renews high-risk third-party suppliers.

ESG Due Diligence Guidelines

MSA Brookfield's investment teams use an ESG Due Diligence Guideline to identify material ESG factors relating to potential investments, including, when relevant and proportionate to the risk faced, human rights and supply chain issues.

Financial Crime Policies

These include our anti-bribery and corruption, and anti-money laundering programs that are designed to prevent financial crime and the movement of money derived from crime (including crimes relating to modern slavery).

Positive Work Environment Policy

This outlines our commitment to providing a workplace free of discrimination, violence and harassment and summarizes the responsibilities of employees to understand: (i) what constitutes workplace discrimination, violence and harassment; (ii) their obligations to maintain an environment where these behaviours are not tolerated; and (iii) and how to report incidents following proper procedures.

II. WHISTLEBLOWING HOTLINE

Brookfield maintains an anonymous reporting hotline for its employees, vendors and other parties to anonymously report any matters relating to unethical or illegal business conduct. The reporting hotline is managed by an independent third-party and is accessible in multiple languages online and via a toll-free phone number 24/7. Modern slavery and human trafficking issues are reportable on this hotline.

III. RISK ASSESSMENTS

Risk assessments are important to MSA Brookfield's efforts to promote the eradication of modern slavery across our business and supply chains. The slavery risk for each MSA Brookfield entity varies based on the nature of its business operations. Our risk-based approach enables the reporting entities to focus efforts where most required. Our Anti-Slavery and Human Trafficking Policy requires risk assessments to be conducted annually to assess the nature and extent of exposure to modern slavery risks in our operations and supply chains.

MSA Brookfield's approach to mitigating the risks from high-risk third-party vendors include the use of specific contract clauses in legal agreements, requiring vendors to provide their modern slavery statement and evidence of their modern slavery mitigation strategies.

Remediation

Where possible, we will seek to use our influence to resolve any identified concerns.

IV. TRAINING

MSA Brookfield educates and raises awareness of modern slavery, the Anti-Slavery and Human Trafficking Policy and its requirements with senior staff and key employees who manage relationships with MSA Brookfield suppliers. All MSA Brookfield employees are made aware of this statement.

How we assess the effectiveness of our actions

MSA Brookfield acknowledges that modern slavery and human trafficking are risks within our operations and supply chain. We continue to work to address these risks in our business by reviewing our policies and business practices to ensure they reflect our commitment to:

- Implementing and enforcing effective systems and controls designed to reduce the risk of modern slavery in our business and supply chains; and
- Transparency through our disclosure obligations.

We monitor and assess the effectiveness of our modern slavery program through:

- Regular engagement and feedback from key stakeholders;
- Operational risk and mitigation plan reporting to the relevant boards and senior executives; and
- Refining our vendor management and due diligence processes.

How this statement was prepared

This statement was prepared by the reporting entities through a consultation process run by a Modern Slavery working group ("Working Group").

The Working Group has developed the framework through consultation with relevant internal stakeholders and, where appropriate, external advisors to verify that the operations and processes described are accurate. This consultation will take place annually in order to help ensure that this statement and related policies and procedures are kept up-to-date.

Stakeholders throughout the business have been involved in the preparation and review of this statement. This process and statement have been presented at internal advisory meetings and shared for reference with parts of the business not covered by this statement.

We recognize that the risks of modern slavery and human trafficking are complex and evolving and we will continue to work to address these in our business.

This statement has been approved by the board of BHCA1 on 30 June 2021.



Signed by:
Shane Ross
Director
BHCA1 Pty Ltd

Appendix

In addition to information disclosed in this statement, BHCA1 consolidates entities in its financial statements that are operated by separate management teams either through other third-party management arrangements on a contractual basis, or businesses that operate independent processes and management structures. Each of these entities operate independently.

Brookfield Residential Developments Australia Pty Ltd, A.C.N. 097 170 208 Pty Ltd and their operating subsidiary companies (together "Brookfield Residential").

Brookfield Residential is a residential and mixed-used developer and an asset manager, based in Queensland, that also owns Brisbane Cruise Terminal at Portside Wharf (a retail precinct) which is managed and operated by Brookfield Properties Australia Pty Ltd. Brookfield Residential's employees are predominately professional services, administrative and real estate management individuals located in Brisbane, Queensland.

The majority of Brookfield Residential's tier one suppliers are Australian-based companies, including:

- property development professional services including legal and real estate management; and,
- office administration.

Risk assessment of the operations and supply chains, and approach to mitigation and remediation of modern slavery of Brookfield Residential is consistent with one described by MSA Brookfield in this statement.

Brookfield Residential has established vendor risk management processes.

Mitigating strategies currently include rolling out specific anti-modern slavery contract clauses in legal agreements for newly negotiated or re-negotiated agreements. Brookfield Residential is also refining its Vendor Risk Management Framework to enhance management of modern slavery risks in its supply chains.

Brookfield Metro Edgley Pty Ltd, Brookfield Luna Park Carpark Investment Pty Ltd, Brookfield Luna Park Carpark Landowner Pty Ltd, Brookfield Luna Park Pty Ltd, Brookfield Luna Park Investment Trust and their operating subsidiaries (together "Luna Park Sydney").

Luna Park Sydney is an operator and leaseholder of a heritage-listed amusement park and a precinct located in Milsons Point, NSW. Luna Park Sydney operates the precinct in accordance with the 1998 Plan of Management. In addition to running an amusement park, Luna Park Sydney manages a venue hire and brasserie business, all located within the park precinct area.

Luna Park Sydney employs approximately 100 full time employees and approximately 1,000 part time and casual staff throughout the year, who work across the following functions:

- Amusement park management
- Venue hire, functions and other event management
- Brasserie
- Administration (finance, human resources, marketing, information technology)
- Maintenance

The majority of Luna Park Sydney's tier one suppliers are Australia based companies, although some of the goods and services that they supply originate from other countries. Luna Park Sydney's vendors include:

- Ride and equipment hire
- Security services
- Marketing
- Food and beverage

- Energy

Luna Park Sydney strives to embed the protection of human rights throughout core business activities, through training, communications, contracts, and due diligence processes as appropriate. For staff employed through labour hire agencies, Luna Park Sydney requires that payment to staff is in accordance with all applicable legislation.

For directly employed personnel there are processes in place to ensure payment is fair and in accordance with legislation including:

- Annual increases in accordance with minimum wage determinations,
- Rates tables are supplied to relevant unions annually,
- Reconciliations if staff request a review,
- Spot check audits on pay, using the Fair Work Ombudsman's checklist and calculator tools,
- Payroll system that includes setup of industrial instrument rules and conditions,
- Annual external audits.

Luna Park Sydney continues to refine its vendor risk management processes including by enhancing management of modern slavery risks in its supply chains.