

AUSTRALIA

Modern Slavery Statement

2021

CBRE

About This Statement

This is a joint statement given by CBRE Pty Limited (ACN 057 373 574) (CBRE) on behalf of CBRE, CBRE (GCS) Pty Ltd and CBRE (FM) Pty Ltd (each of which are reporting entities for the purposes of the Modern Slavery Act 2018 (Cth)) and covers the activities of our owned and controlled entities during the year ending 31 December 2021 (CBRE Australia). This is CBRE Australia's second year of reporting under the Modern Slavery Act 2018 (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chain. This statement has been approved by the Board of CBRE Pty Limited on 27 June 2022. References in this statement to 'CBRE', 'we', 'our' and 'us' are references to CBRE Australia.

Mandatory Reporting Criteria

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The Modern Slavery Act (2018) requires all reporting entities to address the following:	
1. Identify the reporting entity	12
2. Describe the reporting entity's structure, operations and supply chains	11 – 16
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	19 – 24
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	25 – 34
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	35
6. Describe the process of consultation with any entities the reporting entity owns or controls	12
7. Any other relevant information	40 – 42

A MESSAGE

From Our CEO

At CBRE, our people and our partners are critical to our success. Which is why, as part of the world's largest commercial real estate services and investment firm, we are committed to upholding and advancing the human rights of those who work within our business or are affected by our business activities - as a purchaser of goods and services, as an employer and as a supporter of the communities in which we live and work.



CBRE has a zero-tolerance approach to modern slavery.

We've made significant progress over the past year in delivering on our 2020 commitments. We formalised our modern slavery governance structure, standing up our executive-level Modern Slavery Committee to provide oversight and guidance on operational activities undertaken by our multi-function Modern Slavery Working Group. We continue to operationalise our Modern Slavery Risk Framework, addressing our most material risks which lie predominantly within our supply chain. As we look to the year ahead, we remain focused on embedding this framework and increasing awareness and knowledge of modern slavery and identifying and addressing risks through education of our people and our partners.

Our parent company, CBRE Group Inc, has published six Modern Slavery Statements in the UK and this is the second reporting period for our Australian business. I see great value in this reflection - not just to hold ourselves and our suppliers to account, but to see progress in action and identify where future focus is most needed. We know that there is always more work to do, and we are committed to continuously improving our Modern Slavery Framework in accordance with best practice and in collaboration with our clients, suppliers and employees to protect human rights in our business, industry and the community.



PHIL ROWLAND

Chief Executive Officer, Advisory Services
CBRE Australia and New Zealand

We know that there is always more work to do, and we are committed to continuously improving our Modern Slavery Framework.

INTRODUCTION

Values in Action

At CBRE, we conduct business the right way every day as set out in our [Standards of Business Conduct](#), and by embodying our RISE values, operating with Respect, Integrity, Service and Excellence. Central to this is our commitment to uphold the human rights of our people, those who work in our value chain, and those who are impacted by our operations.

Modern slavery is a violation of human rights, and has no place in our business, or society. In Australia, as an employer of over 2,900 people, a procurer of over \$1 billion in goods and services annually, and an active contributor to the communities in which we operate, we take our responsibility to make a positive contribution seriously.

Through our Modern Slavery Framework, we work every day to protect people who work within our operations and our supply chain against human rights and labour rights abuses. Our program of work aims to:

- Eradicate all forms of slavery, ensuring that employment is freely chosen
- Eliminate child labour
- Ensure freedom from prejudice and discrimination
- Maintain safe and secure workplaces
- Ensure equal pay for equal work, and encourage payment of living wages
- Ensure freedom of association and collective bargaining

While we have made great progress in 2021 in addressing our most high-risk categories within our supply chain where some of the most vulnerable workers are employed, we know there is more to do. We are committed to continuing our journey and addressing risks and issues across our business activities.

CBRE is dedicated to complying with the Ten Principles of the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Our Company Values

Respect

We act with consideration for others' ideas and share information openly to inspire trust and encourage collaboration.

Integrity

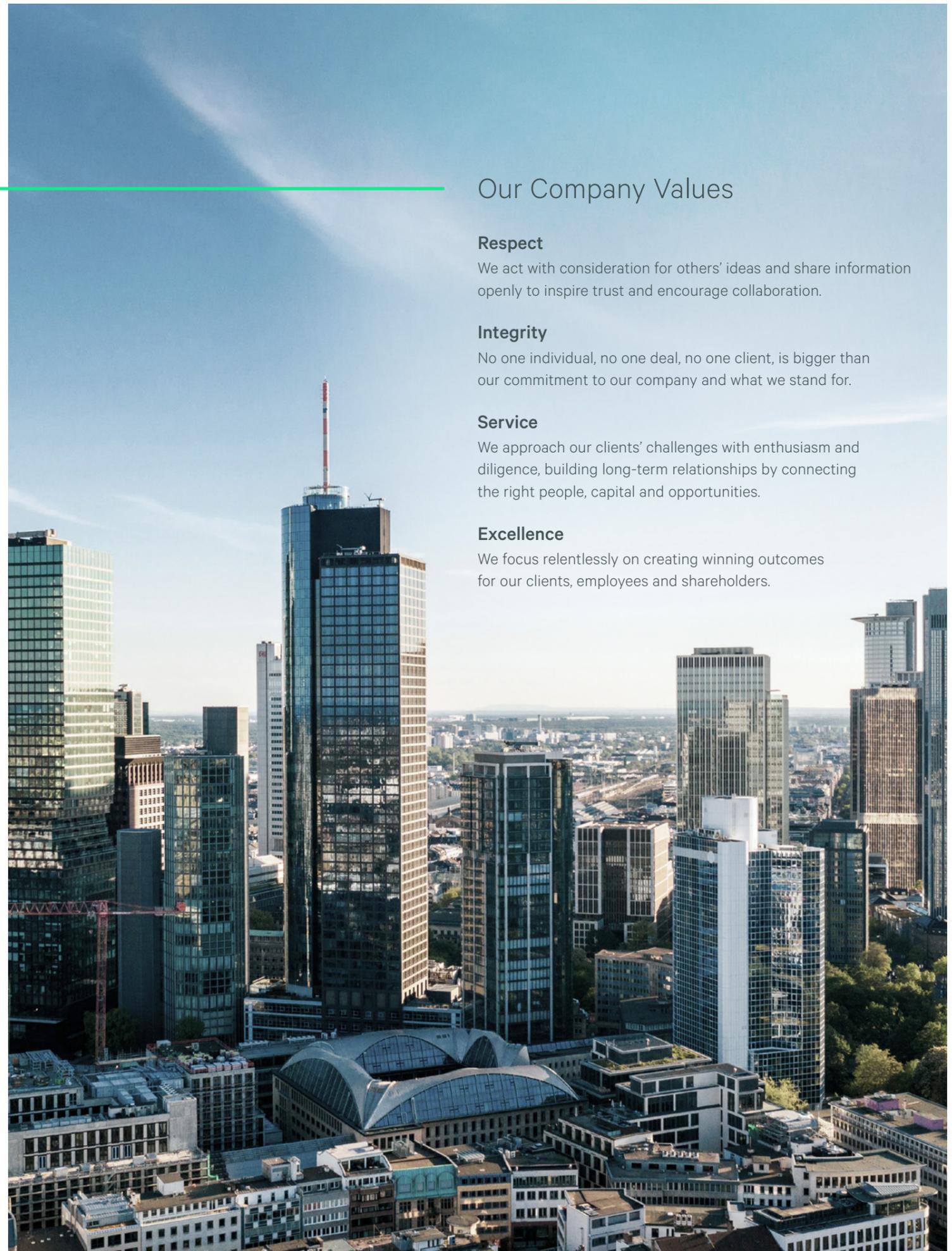
No one individual, no one deal, no one client, is bigger than our commitment to our company and what we stand for.

Service

We approach our clients' challenges with enthusiasm and diligence, building long-term relationships by connecting the right people, capital and opportunities.

Excellence

We focus relentlessly on creating winning outcomes for our clients, employees and shareholders.



Our Journey

Respecting human rights and operating ethically and sustainably has always been core to our business, and we have a long history collaborating with institutions and organisations that work to promote sustainable and ethical business practices.

CBRE's global Human Rights Policy was first published a decade ago in 2012, and since the introduction of the Commonwealth Modern Slavery Act in 2018, we have continued to strengthen our approach to identifying and addressing human and labour rights risks within the CBRE Australia business.

In 2020, we developed our Modern Slavery Framework, and 2021 has seen us start to embed this robust management approach within our business, starting with the most material categories of risk within our supply chain. In 2022 we will continue to extend and embed this framework across the business.

Our Modern Slavery milestones





2021 Key Highlights

- Established our Modern Slavery Committee, a cross-functional committee that oversees our Modern Slavery Working Group and provides oversight of our management of modern slavery risks within the business.
- Undertook clarification and risk mitigation actions with over 2,000 suppliers where potential non-conformances were identified through our certification process. These actions ranged from sharing additional information with suppliers to increase their awareness of modern slavery risks, to providing training opportunities or undertaking desktop audits. No critical or major non-conformances were identified through our supplier certification process in 2021.
- Established a pre-qualified panel of suppliers for cleaning services, significantly reducing the risk of human and labour rights abuses within our highest risk supply chain category.
- Developed our proprietary compliance calculator, a critical tool enabling CBRE operational staff to identify instances of underpayment of wages amongst service-oriented suppliers.
- Introduced CBRE modern slavery employee training through bespoke webinars.
- Maintained our partnership with the Supply Chain Sustainability School (SCSS), commencing rollout of SCSS online modern slavery training modules to CBRE employees and suppliers.
- Published our inaugural Modern Slavery Statement in accordance with the Commonwealth Modern Slavery Act 2018.

Resolved

100%

of labour rights related grievances raised through our grievance mechanisms.

Certified¹

93%

of our Priority 1² suppliers by spend.

¹ Refer to [page 29](#) for more information on our certification process

² Refer to [page 21–23](#) to understand our supplier classification methodology

ABOUT US

Globally Connected. Locally Governed.

CBRE is a company incorporated in Australia and our registered office is located at Level 21, 363 George Street, Sydney, NSW 2000.

We are a subsidiary of CBRE Group Inc, which is headquartered in Dallas, Texas, United States of America and is the world’s largest commercial real estate services and investment firm (based on 2020 revenue). Each of CBRE Australia’s owned and controlled entities is a company incorporated in Australia and governed by a Board of Directors.

2,979

employees in Australia and New Zealand

6,500+

suppliers in Australia and New Zealand



Recognised in 2022 for the ninth year as one of the World’s Most Ethical Companies (Ethisphere)

CBRE REPORTING ENTITIES

This is a joint statement given by CBRE Pty Limited (ACN 057 373 574) (CBRE) on behalf of CBRE, CBRE (GCS) Pty Ltd and CBRE (FM) Pty Ltd (each of which are reporting entities for the purposes of the Modern Slavery Act 2018 (Cth)) and covers the activities of their owned and controlled entities set out below during the year ended 31 December 2021, which have been consulted in the development of this report:

ENTITY NAME	ABN	REGISTERED OFFICE
CBRE Pty Limited	ABN 57 057 373 574	Level 21, 363 George Street, Sydney NSW 2000
CBRE (A) Pty Limited	ABN 083 694 320	Level 21, 363 George Street, Sydney NSW 2000
CBRE (C) Pty Limited	ABN 64 003 205 552	Level 21, 363 George Street, Sydney NSW 2000
CBRE (FM) Pty Limited	ABN 89 010 724 964	Level 21, 363 George Street, Sydney NSW 2000
CBRE (GCS) Pty Limited	ABN 13 127 372 329	Level 21, 363 George Street, Sydney NSW 2000
CBRE (P) Pty Limited	ABN 91 010 964 744	Level 21, 363 George Street, Sydney NSW 2000
CBRE (RP) Pty Limited	ABN 92 127 174 207	Level 21, 363 George Street, Sydney NSW 2000
CBRE (V) Pty Limited	ABN 15 083 694 357	Level 21, 363 George Street, Sydney NSW 2000
CB Richard Ellis (P) Holdings Pty Ltd	ABN 35 052 372 460	Level 21, 363 George Street, Sydney NSW 2000
CBRE Capital Advisors (Asia Pacific) Pty Limited	ABN 31 003 309 537	Level 21, 363 George Street, Sydney NSW 2000
CBRE Residential Valuations Pty Limited	ABN 94 007 755 106	Level 21, 363 George Street, Sydney NSW 2000
CBRE Valuations Pty Limited	ABN 94 007 755 106	Level 21, 363 George Street, Sydney NSW 2000
Aurora Projects Pty Limited	ACN 003 870 719	Level 21, 363 George Street, Sydney NSW 2000
Montlaur Project Services Pty Ltd	ACN 101 092 899	Level 5, 606 St Kilda Road, Melbourne VIC 3004
Paragon Project Management Pty Ltd	ABN 38 054 200 190	Level 21, 363 George Street, Sydney NSW 2000
CBRE (GWS PJM) Pty Ltd	ACN 651 993 092	Level 21, 363 George Street, Sydney NSW 2000
Thelem Consulting Pty Ltd	ACN 134 961 943	Level 21, 363 George Street, Sydney NSW 2000
Trammell Crow Company (Aust) Pty Ltd	ABN 45 092 983 572	Waterfront Place, Level 2, 1 Eagle Street, Brisbane QLD 4000

ABOUT US

Our Operations

CBRE is focused on providing services to both occupiers of real estate and investors in real estate.

For occupiers, we provide facilities management, project management, transaction and consulting services (both property sales and tenant leasing) and more. For investors, we provide capital markets (property sales, commercial mortgage brokerage, loan origination and servicing), leasing, investment management, property management, valuation, and development services, among others.

Our operations are split over a number of business lines, with core operations in New South Wales, Victoria, South Australia, Australian Capital Territory, Queensland and Western Australia. We also operate in Tasmania, New Zealand and have team members present in the Philippines and Malaysia.

In Australia and New Zealand in 2021, we advised clients on:

7,175+ sales and leasing transactions
\$17.1Bn in value (USD)

0.3Bn sq ft of property and facilities
356,650 valuation and advisory assignments



OVERVIEW OF CBRE'S BUSINESS LINES

Residential Projects

National brokerage business operating under the CBRE RP Pty Ltd entity, specialising in the provision of sales and marketing campaigns for residential apartments, predominantly off-plan in Australia. Properties are located in Australia and sales predominately originate within Australia.

150

Employees over 4 offices in Australia

30+

Network of third-party real estate agents

Advisory & Transactions and Capital Markets

Our brokerage businesses operating under the entities CBRE Pty Ltd, CBRE (V) Pty Ltd and CBRE (C) Pty Ltd, specialising in the sale and leasing of commercial property, hotels and development sites predominantly across the industrial and logistics, retail and office markets in Australia and New Zealand.

18

Offices in New South Wales, Victoria, Queensland, South Australia, Western Australia and New Zealand.

Property Management

Overseeing the safety and management of 24.1 million square metres of real estate and over 18,000 tenants on behalf of over 530 clients, operating under the entities CBRE Pty Limited, CBRE (V) Pty Limited and CBRE (C) Pty Limited.

900+

Professionals across Australia and New Zealand.

Global Workplace Solutions

GWS operates under the entities CBRE (GCS) Pty Limited, CBRE (FM) Pty Ltd, CBRE (GWS PJM) Pty Ltd and CBRE (P) Pty Limited and primarily provides facilities management and project management solutions to a range of Australian and international corporate tenants in the Pacific.

674

Employees in Australia

121

CBRE and client offices

Debt & Structured Finance (DSF)

DSF operates under the entity CBRE Capital Advisors (Asia Pacific) Pty Limited, which holds an Australian Financial Services Licence, providing complete real estate funding solutions, loan administration and management services.

13

Employees in Australia

3

offices in Sydney, Brisbane and Melbourne and 1 office in New Zealand

Valuations & Advisory Services (VAS)

VAS operates under three separate company entities in Australia to deliver residential (CBRE Residential Valuations Pty Ltd), commercial and other VAS (CBRE Valuations Pty Ltd) and services provided through the Building, Depreciation and Cost Consultancy (BDCC) team (CBRE (A) Pty Ltd entity).

360

Professionals in the Pacific

Offices and operations in Australia, New Zealand and the Philippines. The CBRE office in Manila provides back-end support to VAS operations throughout the Pacific region. The CBRE office in Manila is owned and operated by CBRE.

ABOUT US

Our Supply Chain

We engage over 6,500 suppliers across a number of categories of goods and services.

We recognise our enormous opportunity to procure for purpose, supporting and promoting sustainable, ethical and diverse suppliers, whilst mitigating supply chain risks. We expect all vendors (direct and indirect) to conduct their operations in an environmentally sustainable and socially responsible manner, and all our suppliers are required to accept and comply with our global [Supplier Code of Conduct](#). CBRE's supply chain in Australia is largely driven by our Global Workplace Solutions (GWS), and Property Management (PM) lines of business.

arrangements depending on client requirements, risk profile and spend. The vast majority of our suppliers (approximately 90%) are located in Australia, with the remainder based in other countries including New Zealand, England, China, India, Philippines and Indonesia.

We engage suppliers via several different

GOODS & SERVICES PROCURED

For CBRE

For our clients



Property Management Services

To maintain our own offices and facilities, including office maintenance, cleaning.



IT & Technology

Includes the technology, data computer hardware and software, printers, audio/visual equipment, data room services, desk phones and mobile phones in our offices.



Professional Services

Financial services, taxation, legal counsel, HR, insurance, marketing services, consulting and professional and personal development services.



Site & Office Consumables

Site/facility and office consumables, including stationery, amenities, and kitchen consumables.



Flights/Accommodation

Includes all travel, flights and accommodation and associated costs used by staff to conduct the CBRE Business.



Building Operations & Maintenance

Including cleaning, maintenance, utilities, catering, security, waste management, pest control, HVAC, fire protection, electrical, mechanical, hydraulic, vertical transport, capital works, fire protection and landscaping.



Project Management

Including construction and interior fit out.



Marketing

Signboards, advertising space and professional services relating to the marketing and advertisement of real estate assets and services.

Modern Slavery Governance

Our Governance Structure

CBRE has developed a strong governance framework to manage modern slavery risks. This includes our Modern Slavery Committee, newly established in 2021. This is in addition to our Executive Committee and relevant sub-committees, including the Governance, Risk and Compliance Committee.

EXECUTIVE COMMITTEE



Modern Slavery Committee

Our cross-functional committee includes internal key stakeholders from our procurement, compliance, legal and operations teams to enable a company-wide approach to managing modern slavery risks. The Modern Slavery Committee provides oversight and governance of the overall Modern Slavery Framework and program, including ensuring the framework remains fit for purpose and is continuously improved.

The committee meets quarterly to discuss potential risks and assess the performance of the program within CBRE. This is a chance for all business lines to converge as one CBRE in our pursuit of zero-tolerance, and a powerful way to hold ourselves accountable to our targets. These meetings double as a forum for questioning and discussion to continue optimising our approach.

Our Policies

Our approach is underpinned by a range of policies and procedures that ensure our ability to consider and address modern slavery and other environmental, social and governance (ESG) risks within our operations and supply chain, including:

Global Human Rights Policy

This policy recognises our responsibility to respect human rights in our operations, to promote an appropriate example and to make a positive global impact.

Global CBRE Supplier Code of Conduct

Based on the Ten Principles of the United Nations Global Compact covering Human Rights, Labour Practices, Anti-Corruption and Environmental Practices, our Supplier Code of Conduct establishes our requirements of suppliers in relation to ethical and business conduct.

Australian Whistle-blower Policy

To ensure eligible whistle-blowers, and those involved in investigations, understand the following: the ways in which a whistle-blower can disclose information; their protections under whistle-blower laws; CBRE's process for investigating disclosures and ensuring fair treatment; and how whistle-blowers will be supported and protected by CBRE.

Modern Slavery Policy

CBRE has a zero-tolerance approach to modern slavery, as set out in our Modern Slavery Policy, which complements our Global Human Rights Policy. The policy sets out our requirements and expectations of our people in relation to standards of ethical behaviour and management of suppliers in relation to labour and human rights.

Environmental Sustainability Policy

Minimising negative environmental impacts and developing sustainable practices is a priority for CBRE. As the world's largest commercial real estate services firm, based on 2020 revenue, we are dedicated to environmental policies that enhance all corporate and property management activities. In Australia and New Zealand, CBRE upholds progressive and innovative environmental performance standards.

In addition, our strategies on Corporate Responsibility and Property with Purpose further support our approach to addressing modern slavery risks and delivering positive impact.

Pacific Corporate Responsibility

Our corporate and social responsibility strategy guides CBRE's operations globally and is key to providing industry leadership that grows our business in socially responsible ways. Our overriding focus is on inclusion and compassion, for the purpose of providing better outcomes for our employees, stakeholders and communities.

Property with Purpose

Our Property with Purpose (PwP) framework was developed in 2019 as an extension of CBRE's Corporate Social Responsibility (CSR) framework and is founded on three ideological pillars: how we operate, how we give back to communities and how we employ. This is underpinned by our commitment to key social causes including: addressing homelessness, supporting Indigenous communities and businesses, and environmental responsibility.

Our Modern Slavery Risks

Risks in our Direct Operations

Our direct operations are defined as activities in CBRE owned and operated locations, or where people are directly employed by CBRE.

Risk of modern slavery within our direct operations is low, due to three key factors:

- Our people are employed directly by CBRE, which means that we have direct control of employment arrangements, maintained in accordance with local laws and CBRE policies. Where we engage contractors, we ensure that employment agents or labour hire contractors comply with our supplier code of conduct. We also prohibit deceptive recruitment practices, including the retention of identity documents or charging recruitment fees to candidates.
- The majority of our employees are skilled professionals, who are, overall, less vulnerable to systemic labour rights issues.
- The majority of our employees are located in Australia and New Zealand, where the geographical risk of modern slavery for skilled professionals is low.

There are a small number of employees located outside Australia, as part of shared services functions operating in Manila, Philippines and Kuala Lumpur, Malaysia.

These employees offer support services to CBRE's Pacific teams across a range of functions including finance, global workplace solutions and valuations. Although the modern slavery risks in these countries are higher than in Australia and New Zealand, these individuals are employed by CBRE entities, all of which operate to the same standards of human and labour rights implemented by CBRE across the globe.

To support our direct operations, a small number of back-office services (e.g., corporate accounting services and property management accounting services) are outsourced to a service provider located in India. CBRE selected this supplier through a global procurement tender process which included assessment of modern slavery risks, and the supplier is required to comply with our Supplier Code of Conduct.

Risks in our Supply Chain

In Australia, we have a complex supply chain comprising over 6,500 suppliers from whom we procured over AU\$1 billion in products and services in 2021.

Modern slavery risks in our supply chain have been assessed using our supply chain risk assessment methodology.



CBRE's Risk Assessment Methodology

To assess modern slavery risks within our supply chain, we have developed a risk assessment methodology based on international and local leading guidance, including data published by the Walk Free Foundation (Global Slavery Index 2019) and guidance from the Australian Council of Superannuation Investors (Modern Slavery Risks, Rights & Responsibilities report 2019) (ACSI Report).

Risk Factors

We consider a range of risk factors when assessing risks in our operations and supply chain, including:



Product/Service Risk

Some categories may carry higher risks of modern slavery, and risks may be present within the operations of our direct suppliers, particularly where there are vulnerable populations or base-skilled workers present, or within the extended supply chain where we have less visibility or control, such as suppliers of sub-contracted services, manufacturers, or raw material suppliers.



Geographical Risk

Countries where there is high corruption, poor governance, weak rule of law, social and political unrest or inequality are linked to higher prevalence of modern slavery. We take into account country of incorporation of an entity, location of operation or delivery of service, and location of manufacture of product when assessing geographical risks.



Presence of Vulnerable Persons in the Workforce

This includes base-skilled workers, migrant or temporary workers, and those from culturally and linguistically diverse backgrounds.



Operating Model Risks

This includes presence of subcontracting or outsourcing, or models which rely on 'gig economy'-type arrangements.



Entity-specific Risks

These are risks that are specific to an individual entity, such as prior instances of labour or human rights abuses within its operations or supply chain, beneficial ownership concerns, or lack of supporting policies, processes or procedures to manage modern slavery risks.

Leverage Factors

We also assess our operations and supply chain against leverage factors, including:



Value/Spend

Spend with suppliers and CBRE spend as a proportion of supplier revenue.



Criticality

Importance of the product, service, supplier, investment or entity to our business and/or to our clients.

Using our risk assessment methodology, our supply chain is segmented into the following categories:

Priority 1

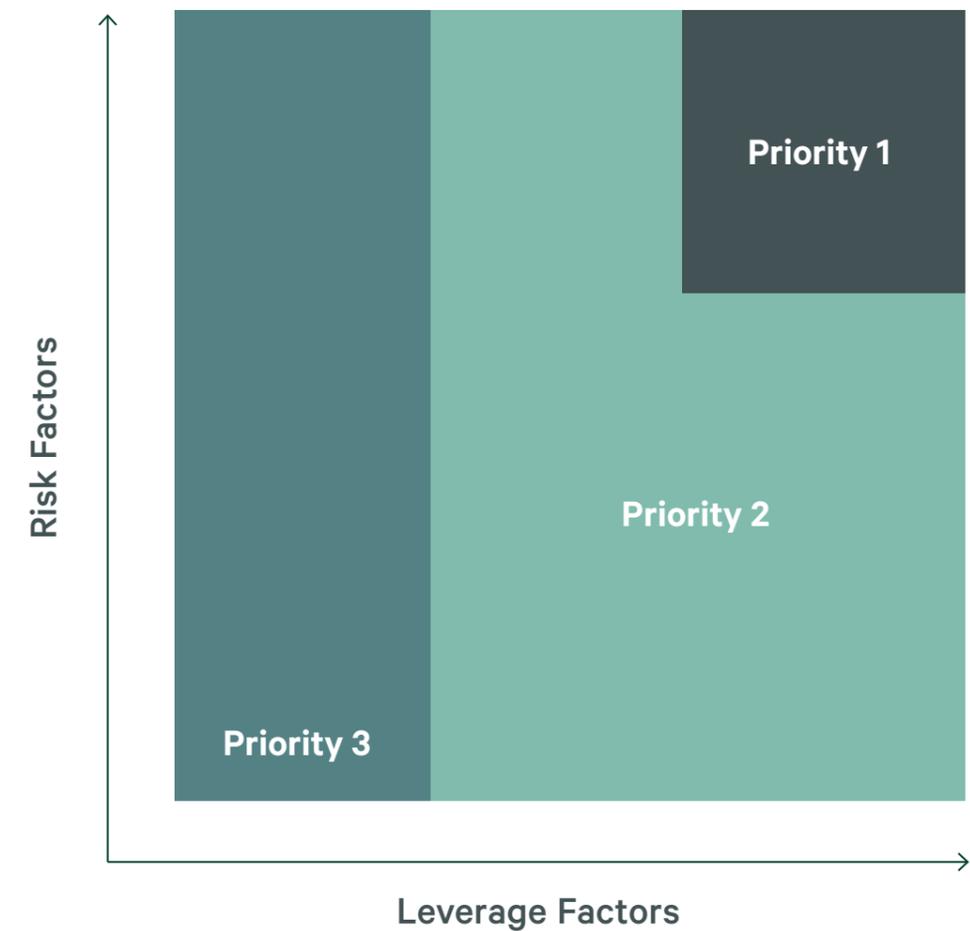
Suppliers where there is a high risk of modern slavery within their operations or supply chain and where we have significant leverage through our volume of spend or strength or relationship with the supplier.

Priority 2

Suppliers where there is a moderate risk of modern slavery within their operations or supply chain and where we have moderate leverage through our volume of spend with the supplier.

Priority 3

Suppliers where there is low risk of modern slavery within their operations or supply chain and where we have minimal leverage through our volume of spend as a proportion of our overall spend or as a proportion of supplier revenue.



In 2021, our focus was on addressing Priority 1 risk categories:



Cleaning

Risks include undisclosed subcontracting, engagement of subcontractors that do not meet CBRE's global minimum operating standards, non-compliance with minimum wage requirements, poor documentation and no proof of back pay, holidays or overtime, the engagement of foreign overseas workers, workers working under student visas and excessive working hours.



Security

Risks include underpayment of staff, overtime rates not in line with contract or modern awards, subcontractors preventing staff from taking sick leave or annual leave, and the engagement of foreign overseas workers.



Consumables

Risks include underpayment of staff, excessive working hours and poor working conditions in the extended tiers of the product supply chain, particular at manufacturing and raw material stages.

ASSESSING THE IMPACTS OF COVID-19

As in 2020, the COVID-19 pandemic created ongoing challenges in 2021.

We tracked evolving COVID-19 issues carefully to ensure the ongoing protection of our employees, particularly those working in locations with higher prevalence of the disease. We implemented a layered approach to COVID-19 controls, including supporting vaccinations (or mandating if required by a client) and providing vaccination leave, implementing mask policies, enabling employees to report symptoms and potential exposure to determine isolation and/or quarantine requirements, and continuing to support flexible and remote working arrangements for office-based employees.

We continued to assess the impacts of the pandemic on labour and human rights and worked closely with suppliers and clients to minimise these impacts. This included managing staff shortages due to illness and quarantine/isolation restrictions, implementing health and safety measures such as increased training, provision and use of adequate PPE to protect vulnerable and on-site workers, including suppliers' employees, and ensuring our specific pandemic cleaning and security protocols continued to be implemented.



Actions to Assess and Address Risks

Our Modern Slavery Framework was first introduced in 2020 and has been further refined in 2021 to guide our operational approach to managing modern slavery risks.

OUR FRAMEWORK HAS FOUR STAGES



Our focus in 2021 has been on operationalising this framework and introducing measures to mitigate our most material risks, which lie in our supply chain. As we continue to embed this framework, we are committed to consistently reviewing and strengthening our processes and systems to minimise the risk of human rights infringements anywhere in our business.



Assess

The CBRE Risk Ecosystem

CBRE's Risk Ecosystem, our enhanced due diligence framework, has been designed to identify potential risks, as well as support our escalation procedures should a violation of the responsible sourcing principles be identified, including in relation to modern slavery.

Third Party Ethical Audits and Governance / Performance Reviews

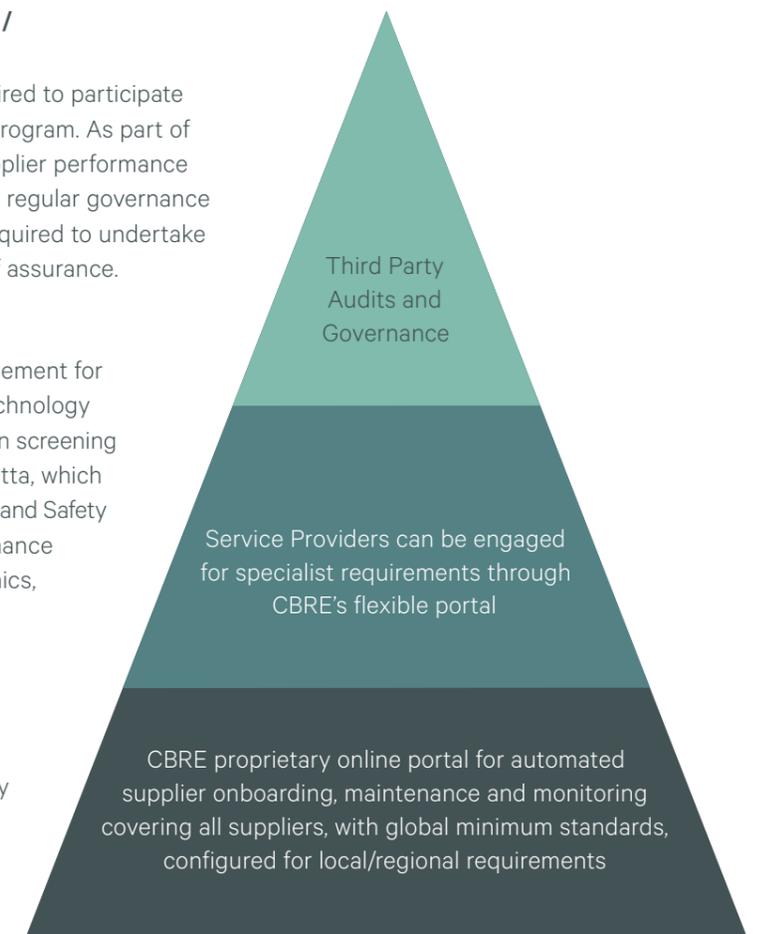
CBRE's preferred high-risk suppliers are required to participate in CBRE's ethical audit and supplier partner program. As part of the supplier partner program, we monitor supplier performance against Key Performance Indicators, and hold regular governance meetings. Preferred high-risk suppliers are required to undertake a third-party ethical audit for a higher level of assurance.

Desktop Audits / Assessments

An additional layer of assessment and management for medium risk suppliers is provided through technology partners World-Check, which provides sanction screening including legal and adverse media watch, Avetta, which assesses supplier management of Work Health and Safety Risks, and EcoVadis, which measures performance on environment, labour and human rights, ethics, and sustainable procurement dimensions.

Global Minimum Standards

Suppliers are segmented based on category, location and spend, then complete an on-line questionnaire which enables us to assess supply chain risks, along with compliance against CBRE's Supplier Code of Conduct, Purchase and Service Order Terms and Conditions, and Health, Safety and Environment Policies.





Risk Management Process

Suppliers, depending on their priority status (Priority 1, 2, and 3) as assessed through the risk assessment methodology, are required to undertake different due diligence treatments in line with potential risk. Our risk management process for different suppliers is outlined below:

All Suppliers (Priority 1, 2, and 3)

Suppliers are certified¹ through Pulse / MySupplier, which includes supplier attestation confirming compliance with CBRE's Global Supplier Code of Conduct.

Preferred Suppliers (Priority 1 and 2)

Suppliers undertake an ESG desktop audit through the EcoVadis platform, and are screened for sanctions through Worldcheck.

Preferred Suppliers (Priority 1)

Suppliers undertake an ethical audit through CBRE's auditing panel, comprising majority APSCA accredited auditors.

Risks or issues identified through this due diligence process are then managed through our Responsible Sourcing Response Procedure (refer to [page 32](#)).

¹ Refer to [page 29](#) for more information on our certification process

ASSESSING SUPPLIER ESG PERFORMANCE THROUGH ECOVADIS

To benchmark sustainability performance of our suppliers, we have partnered with EcoVadis, the world's leading sustainability ratings agency.

Through EcoVadis, we assess the performance of a supplier against 21 corporate social responsibility indicators in 4 categories (environment, labour and human rights, ethics, and sustainable procurement) through a desktop audit conducted by EcoVadis's team of ESG analysts.

The results are compiled into a scorecard with an improvement plan, enabling suppliers to work towards embedding more sustainable practices through their operations and supply chains. CBRE monitors supplier progress against these improvement actions.

The platform also provides media screening and alerts, enabling us to monitor supplier performance in real-time and be informed of any adverse media relating to their sustainability performance.

Suppliers that demonstrate strong ESG performance through EcoVadis receive a 'Sustainable Supplier' tag, allowing us to readily identify and promote use of sustainable suppliers within our supply chain.





Monitor

We continue to implement and introduce measures within our procurement processes to stay ahead of risks within our supply chain.

Supplier Certification

Our supplier certification process enables us to assess supplier performance on managing modern slavery risks and instances. To achieve a 'certified' status, suppliers are required (annually if supplying to our PM line of business, and at the time of onboarding if supplying to our GWS line of business) to complete CBRE's modern slavery questionnaire. The questionnaire also requires suppliers to provide an attestation confirming that there is no undisclosed subcontracting and that they comply with CBRE's Global Supplier Code of Conduct.

Our modern slavery questionnaire is rolled out to new suppliers as part of the onboarding process, and existing suppliers through our supplier onboarding and data management platforms MySupplier and PulseConnect. Through the questionnaire responses, any minor, major and critical non-conformances are identified and required to be resolved following our responsible sourcing response procedure.

In 2021, we focused on certifying our Priority 1 suppliers.

certified
93%
of suppliers by spend
across 4 high risk categories.

certified
3000+
suppliers
equating to 47% of our total supplier base.



No critical or major non-conformances identified in 2021 through our supplier certification process.

ESTABLISHING A PANEL OF CLEANING SERVICE PROVIDERS

Through our risk assessment methodology, we identified cleaning as our highest risk category for potential instances of modern slavery. To mitigate these risks and achieve broader operational efficiencies, we undertook a significant activity in 2021 to establish a preferred panel of cleaning providers.

1. 35 suppliers were invited to tender, and 30 submissions were received.
2. As part of the evaluation process, we conducted an extensive risk assessment, which included a review of the suppliers' labour rates, and in many instances employee payslips, to ensure their conformity with the relevant modern award and local laws, a review of their overhead cost including profit margin to ensure sustainable business practices, a financial assessment, sanctions and adverse media screening.
3. This robust due diligence process identified labour rights risks within the operations of some panel tenderers, and as a result, these tenderers were not selected as part of the final panel.
4. In total, 19 suppliers were awarded the status of 'CBRE preferred supplier' and form our cleaning panel.

As part of their contractual obligations, all preferred cleaning suppliers are required to complete the EcoVadis questionnaire annually and to be independently audited on modern slavery at least every three years, either through CBRE's ethical audit program (commencing in 2022) or an equivalent audit program conducted by a third-party social auditor, ideally certified by the Association of Professional Social Compliance Auditors (APSCA).





Compliance Tools

We have a number of compliance tools in place to assist us in monitoring supplier performance and ensure that we identify labour and human rights issues early where they arise. In 2021, we introduced two new compliance mechanisms.

Wage Compliance Calculator

Our compliance calculator, developed by our procurement team, is designed to:

- Compare labour rates and pricing provided by suppliers against modern award wages to ensure that workers are being paid fairly and in line with awards
- Assess if on-cost percentages are in line with industry
- Assess if profit margins outlined by suppliers are sustainable in the long term

The tool has been designed for ease of use and is being utilised within our business by our operational teams. Through both the tendering process and with existing suppliers, our teams have been able to identify instances in which supplier workers would not be paid in line with award wages.

Where these suppliers are currently working within our supply chain, we have taken immediate remediation steps in accordance with our Remediation Framework. Where these instances have been identified as part of the tendering process, feedback on tender submissions have been provided to prospective suppliers.

Contractual Compliance

As part of the legal and regulatory framework, our standard legal precedent documents for suppliers include clauses requiring suppliers to observe and comply with modern slavery legislation and applicable laws, including the Modern Slavery Act 2018 (Cth) and laws which prohibit slavery-like practices.

This includes service order terms and conditions and supplier agreements, where suppliers are now required to acknowledge acceptance of the updated Global Supplier Code of Conduct to ensure they are aware of their obligations, as well as confirming that they understand our expectations in relation to managing modern slavery risks.

Auditor Panel (APSCA Certified)

In 2021, we established our auditor panel. Recognising the unique skillset of a social compliance auditor, we ensured that 4 out of 5 of the final audit firms selected as part of our panel are certified by APSCA. This means that the auditors we select are experienced and skilled specifically in identifying adverse social impacts and engaging with vulnerable workers.

Our auditor panel will be engaged in the delivery of our ethical audit program, which will commence with selected Priority 1 suppliers in 2022. The program ensures that we maintain a greater level of due diligence for our high-risk preferred suppliers, enabling us to better identify modern slavery risks, and provide remedy where human or labour rights issues are identified.



Mitigate

Where we identify high potential risks of modern slavery and labour rights issues within our supply chain or operations, we take steps to mitigate these risks.

Responsible Sourcing Response Procedure

Our Responsible Sourcing Response Procedure outlines actions to address potential and actual non-conformances identified within our supply chain and includes an escalation process.

In 2021, 627 suppliers in our GWS supply chain and 1,673 suppliers in our PM supply chain were flagged through our certification process as requiring further review. These suppliers were engaged further to clarify questionnaire responses, and minor non-conformances identified were addressed using our response procedure. No major or critical non-conformances were identified through our supplier certification process.

We recognise that some of our suppliers may require support to meet our high social and ethical standards, and we make every effort to support suppliers in achieving compliance. However, where suppliers are unwilling or unable over time to demonstrate improvement, we reserve the right to terminate supplier contracts in accordance with termination clauses.

Supplier Training

We are fellows of the [Supply Chain Sustainability School \(SCSS\)](#), a platform which provides educational resources, training and tools to support and enable socially, environmentally and economically sustainable supply chains for organisations across Australia and New Zealand.

The SCSS training covers modern slavery and human rights through 3 eLearning modules (beginner, intermediate and advanced). The platform also includes other tools and resources related to modern slavery and human rights such as presentations, webinars and publications that can be accessed by users. As part of our Responsible Sourcing Response Procedure, we direct suppliers that require upskilling to the school, where they can

complete the modern slavery eLearning modules to better understand the topic, the Commonwealth legislation, where potential risks may occur, and how to identify potential instances of modern slavery.

47 of our Priority 1 suppliers completed the SCSS eLearning modules in 2021.

This training will continue to be rolled out to Priority 1 and selected Priority 2 suppliers in 2022.



Employee Training

Over and above our involvement with SCSS, CBRE developed modern slavery training materials tailored to employees under an internal program which required all Property Management employees and key stakeholders from across the GWS and corporate services business lines to attend a tailored one-hour workshop chaired and presented by the Ethics and Compliance Team and Senior Procurement Directors. This practical session raised awareness among employees and supported them to identify and know how to report modern slavery risks in our direct operations and supply chain. This was delivered virtually in November 2021 and recorded for new employees to view when they join CBRE.

Upholding Human Rights in our Workplaces

CBRE's approach to human rights in our direct operations focuses on confirming individuals' rights to work in the relevant country/jurisdiction and maintaining a safe, healthy and inclusive workplace. We maintain high standards for human rights in our workplace to ensure we minimise the likelihood of labour and human rights issues.

Key activities to uphold human rights in our workplace include:

-  Building an inclusive and diverse workplace that is free from discrimination, bullying and harassment, and that offers equal employment and career opportunities.
-  Focusing on employee health and safety through risk management initiatives.
-  Supporting mental health and well-being through employee initiatives that comprise CBRE's 'Be Well Programme'.
-  Confirming identity and visa status checks during the recruitment process. Any material issues such as a candidate's inability to evidence their right to work will lead to ceasing the potential employment.
-  Providing leave entitlements in accordance with statutory requirements and other benefits, enabling employees to enjoy the right to family, recreation and work-life balance.
-  Ensuring all CBRE employees earn wages in line with or above legal minimum requirements in the relevant country/jurisdiction.

Grievance Mechanisms

We support and encourage concerned stakeholders to raise genuine grievances about human rights, modern slavery or labour rights, whether identified by, or affecting them. We also encourage our people and suppliers to report any instances that suggest that there is a potential or actual risk of human rights, modern slavery, or labour rights abuses occurring in our supply chain or operations, or within our broader value chain. Concerns can be raised through several avenues:

- Directly with a member of CBRE's compliance team or via the Compliance team emails at compliancepacific@cbre.com
- Through [EthicsPoint](#), our whistle-blower hotline. All reports to the hotline are independently recorded by an external third party and are vetted and overseen by our Ethics and Compliance team. Eligible whistle-blowers are protected under CBRE's Whistle-blower Policy, that provides protection of identity, and protection from victimisation and detrimental conduct

We take all reports very seriously, and follow the process set out in both our Modern Slavery Policy and Whistle-blower Policy to investigate and address these. Findings are then reported through to the appropriate internal and external stakeholders, including clients where relevant. Where grievances relate to our supply chain, we ensure that actions are undertaken to ensure that suppliers comply with local legislation, and our policies and procedures.

Grievances in 2021

9 cases of non-compliance relating to labour rights were reported to us and investigated during 2021

relating to our supply chain, with further action required in 8 of the reported cases.

0 cases of modern slavery were reported or identified

relating to our operations or supply chain in 2021.



Report

We report on our performance internally to our Modern Slavery Committee, who provide oversight and governance of the Modern Slavery Framework and program. We assess our performance against a range of key metrics.

Assessing Our Effectiveness

CBRE has a zero-tolerance approach to modern slavery and is committed to consistently reviewing and strengthening our processes and systems to minimise the risk of human rights infringements anywhere in our operations or supply chain. In 2021, we undertook two key activities to enable us to assess the effectiveness of our program:

A Modern Slavery gap analysis for operations

This reviewed our current operation specific policies, systems, and processes to identify any gaps and opportunities for improvement in our approach to addressing modern slavery risks. Actions for improvement were identified and will be implemented in 2022.

The development of a robust Modern Slavery Scorecard

with qualitative and quantitative KPI's, to enable us to measure our performance and progress year on year. The Modern Slavery Scorecard will be reported quarterly to the Modern Slavery Committee.

Our Modern Slavery Scorecard

KPIs – QUANTITATIVE	
Program Implementation	#/% of Suppliers Certified
	#/% of Suppliers Audited (Desktop/On Site Social Compliance Audit)
Management of Non-Conformances and Grievances	# of identified non-conformances
	% of closed non-conformances
	# of grievances raised relating to labour rights/modern slavery
Capability Development	% of grievances resolved relating to labour rights/modern slavery
	#/% CBRE employees who have undertaken modern slavery training
	#/% of suppliers/external partners who have undertaken training
KPIs – QUALITATIVE	
Program Benchmarking	Annual benchmarking and review of Modern Slavery Program against competitors, peers, and international and country best practice methodologies (e.g., Corporate Human Rights Benchmark)
Program Implementation	Results of supplier audits conducted and key themes
Management of Non-Conformances and Grievances	Examples of Modern Slavery/labour rights internal investigations, including sector, type of issue substantiated etc.
Capability Development	Training needs and content analysis, including review of training provided and audience selection



2022 Focus

Our 2022 priority is to ensure continued operationalisation of the Modern Slavery Framework across the CBRE business.

This involves the following:

- Continue supplier certifications with 98% of Priority 1 suppliers by spend to be certified, and 70% of all suppliers by number to be certified in 2022, focusing on remaining Priority 1 (catering) and selected Priority 2 categories (landscaping and waste, pest control, fire, HVAC, marketing services) and our project management business (general contractors).
- Developing supplier panels to better manage risk through supply chain consolidation for selected Priority 1 and 2 categories (security, pest control, landscaping, waste, consumables, fire, HVAC).
- Rollout of our ethical audit program to preferred Priority 1 suppliers (cleaning and security).
- Review and update the Responsible Sourcing Response Process and develop a process to improve tracking of non-conformance.
- Focus on employee and supplier training and development, reviewing current internal and external training mechanisms and revising our training strategy.
- Continued collaboration with our clients, suppliers and broader industry to share learnings and identify best practice in managing modern slavery risks.



Related Activities

As part of the world’s largest commercial real estate services firm, we recognise why our pillars of corporate responsibility are key to providing industry leadership that grows our business in socially responsible ways. This includes regularly engaging in human rights and community initiatives, such as:

Property With Purpose

CBRE’s strategic framework that guides and strengthens our social obligations in Australia and New Zealand. It aligns with key areas of focus that we believe present the biggest opportunities for us to make a meaningful contribution. This framework governs not only our legal responsibilities but has been enhanced further to support our mission to give back to the communities in which we operate, how we employ and the support we offer our people.

Domestic and Family Violence Response Framework

CBRE is committed to providing a safe workplace, supporting victims/survivors of domestic violence through crisis support and the prevention of domestic violence through gender equality.

Career Trackers

CBRE partners with Career Trackers, an organisation that creates paid internship opportunities for Indigenous students to build a brighter future.

Australian Workplace Equality Index

CBRE has proudly obtained Silver Accreditation for the Australian Workplace Equality Index - the definitive national benchmark on LGBTQI+ workplace inclusion and the largest and only national employee survey designed to gauge the overall impact of inclusion initiatives on organisational culture as well as identifying and non-identifying employees.

United Nations Global Impact

CBRE has been a member of the UN Global Compact since 2007.



Appendix

Capital Markets and the Advisory & Transaction Services

The Capital Markets and the Advisory & Transaction Services business lines are brokerage businesses operating under the entities CBRE Pty Ltd, CBRE (V) Pty Ltd and CBRE (C) Pty Ltd, specialising in the sale and leasing of commercial property, hotels and development sites predominantly across the industrial and logistics, retail and office markets in Australia and New Zealand. We also provide advisory services across these same sectors, with a focus on workplace strategy, supply chain optimisation, retail analytics and structured transactions. All properties are located in Australia and New Zealand.

The Capital Markets and the Advisory & Transaction Services business lines work across 18 offices in NSW, Victoria, Queensland, South Australia and Western Australia and New Zealand. Its supply chain is predominantly serviced based suppliers related to marketing and the sale and leasing of property. The majority of these suppliers are on-going, long-term contracts, offering services including media bookings, creative services and marketing support to sell property. The other remainder are on shorter-term relationships of a transient service nature i.e., photography, printing and design.

Debt and Structured Finance (DSF)

The DSF business line operates under the entity CBRE Capital Advisors (Asia Pacific) Pty Limited, which holds an Australian Financial Services Licence, and provides real estate investors and developers with complete funding solutions from a wide range of domestic and international capital sources. It also provides loan administration and management services to capital issuers in the Pacific region, predominately in Australia, including assisting with sourcing, structuring, and arranging debt facilities; assisting with capital raising via share divestments and joint venture partnerships; and providing loan administration and asset management services to commercial mortgage lenders. The DSF business employs 13 employees over 3 offices in Australia being Sydney, Brisbane and Melbourne and 1 office in NZ being Auckland. DSF's supply chain spend consists of the procurement of daily, real time market rate data.

Valuations & Advisory Services (VAS)

CBRE's VAS business in the Pacific (Australia and NZ) operates under four separate company entities:

- Residential (Australia) (single unit residential) VAS work is performed under the entity CBRE Residential Valuations Pty Ltd.
- All other VAS work (Australia) (commercial work etc) is performed under the entity CBRE Valuations Pty Ltd.
- Building, Depreciation and Cost Consultancy (BDCC) services are performed under the CBRE (A) Pty Ltd entity.
- VAS work (New Zealand) is performed under CBRE Limited.

CBRE is one of the largest providers of valuation and advisory services throughout the Pacific region, with the Pacific team comprising more than 360 professionals completing over 320,000 assignments annually. Our areas of focus spans across five sub-sectors being; residential, commercial, agriculture/rural, hotels and retirement and healthcare. We have offices and operations in NSW, Victoria, South Australia, Queensland, Western Australia, ACT, Tasmania and New Zealand. The CBRE office in Manila provides back-end support to VAS operations throughout the Pacific region. The CBRE office in Manila is owned and operated by CBRE.

The BDCC business occasionally employs sub-contractors, who provide various professional building consulting services (e.g., environmental assessment, fire safety, building cladding assessments). The remainder of the VAS business rarely employs sub-contractors. The VAS supply chain consists predominantly of goods suppliers and service-based suppliers, relating to general office supplies, as well as the provision of data services, to assist valuation requirements. Approximately 30% of these suppliers are on-going long-term contracts, offering services including the provision of data to assist valuation requirements, file storage services, phone systems and other general office requirements. The balance are shorter-term relationships of a transient service nature and typically include refreshments, consumables and stationery for office staff.

Residential Projects

Residential Projects is a national brokerage business operating under the CBRE RP Pty Ltd entity, specialising in the provision of sales and marketing campaigns for residential apartments, predominantly off-plan in Australia. Properties are located in Australia and sales predominately originate within Australia making up the majority of the total sales. The balance of sales come from Hong Kong and Mainland China purchasers, but this is a very small percentage.

The Residential Projects business line employees 150 employees over 4 offices in Sydney, Melbourne, Brisbane and Gold Coast. There are small teams located in Hong Kong and China managed by the CBRE UK Residential team who assist with sales to buyers in their country, together with a network of over 30 third party onshore real estate agents who sell the same residential apartments.

The Residential Project supply chain is predominantly serviced based suppliers related to marketing and sales of property. The majority of these suppliers are on-going long-term contracts offering services including media bookings to sell property. The other remainder are shorter-term contracts of a transient service nature for example photography, printing.

Global Workplace Solutions (GWS)

The Global Workplace Solutions (GWS) business line operates under the entities CBRE (GCS) Pty Limited, CBRE (FM) Pty Ltd and CBRE (GWS PJM) Pty Ltd, and primarily provides facilities management and project management solutions to a range of Australian and international corporate tenants. The key areas of spend relate to hard and soft facilities management services, as well as project management.

- Facilities Management – including cleaning, security, waste management, pest control, HVAC, fire protection, electrical, mechanical, hydraulic, vertical transport, fire protection and landscaping.
- Project Management – including construction, building infrastructure and fabric upgrades, and interior fit out.

- Corporate – including technology, data, IT hard & software, marketing services, professional services, HR services, stationary, consumables and PPE.

The supply chain of GWS is predominately represented by serviced based suppliers in Australia and its focus in 2021 was on the risk areas associated with cleaning, security and catering. GWS employs 674 employees across 121 CBRE and client offices in New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania and the ACT.

Property Management

CBRE's Property Management provides property management, facilities management, real estate accounting, sustainability and customer experience to commercial property owners spanning office, retail, industrial, public realm, residential, mixed-use and tertiary education sectors. With over 900 professionals across Australia and New Zealand, the team oversees the safety and management of 24.1 million square metres of real estate and over 18,000 tenants on behalf of over 530 clients, ranging from private owners to multi-national Real Estate Investment Trusts. Property Management operates under the following entities; CBRE Pty Limited, CBRE (V) Pty Limited and CBRE (C) Pty Limited.

We manage the following supply chain categories on behalf of our clients:

- Facilities Management – including cleaning, security, waste management, pest control, HVAC, fire protection, electrical, mechanical, hydraulic, vertical transport, fire protection and landscaping.
- Project Management – including fabric upgrades and interior fit out.
- Corporate – including technology, data, IT hard & software, marketing services, professional services, HR services, consumables and PPE.

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