



Knight Frank Australia

Modern Slavery Statement.

2020/2021

1. Introduction and Reporting Entity Identification

Modern slavery and human trafficking are grave forms of human rights abuses. Knight Frank recognises the importance of respecting human rights which is part of our corporate social responsibility (CSR) strategy.

Knight Frank has prepared this annual Modern Slavery Statement (“statement”) pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (“Act”). This statement sets out the steps Knight Frank has taken during the financial year ending 30 June 2021 to assess and address the risks of modern slavery in our operations and supply chains. This statement has been prepared by Knight Frank Australia Holdings Pty Ltd, Knight Frank Australia Pty Ltd and its subsidiaries.

Knight Frank in Australia is part of the global Knight Frank group headquartered in London. The global Knight Frank group has more than 480 offices across 57 territories, employs more than 20,000 people and operates in locations where our clients need us to be, providing a worldwide service that is locally expert and globally informed – one that allows Knight Frank to connect people and property, perfectly.

2. Structure, Operations and Supply Chains

Structure

Knight Frank Australia Holdings Pty Ltd ABN 28 114 923 938 and Knight Frank Australia Pty Ltd ABN 17 004 973 684 (together ‘Knight Frank’) are the joint reporting entities for the purpose of this Modern Slavery Statement. Knight Frank Australia Holdings Pty Ltd is 100% owned by KFR Investments Europe Limited and KF & R Limited which are owned by Knight Frank LLP.

The following trading entities are local subsidiaries of Knight Frank Australia Holdings Pty Ltd:

- Knight Frank Australia Pty Ltd ABN 17 004 973 684
- Knight Frank Occupier Services Pty Ltd ABN 34 116 268 565
- Knight Frank NSW Valuations and Advisory Pty Ltd ABN 48 631 678 503
- Knight Frank Licensing Pty Ltd ABN 11 103 147 191 (together ‘Trading Entities’).

These entities all trade under the name ‘Knight Frank.’

In addition to the above Trading Entities, Knight Frank Australia Holdings Pty Ltd has 25 Australian non-trading subsidiaries incorporated in Australia and one trading subsidiary incorporated in New Zealand.

For the purposes of the Act, only Knight Frank Australia Holdings Pty Ltd and Knight Frank Australia Pty Ltd meet the threshold requiring an annual statement to be produced.

Knight Frank’s registered office is located at Level 29, 120 Collins Street, Melbourne Victoria 3000.

No entity or practice operating under the name Knight Frank is liable for the acts or omissions of any other entity or practice operating under the name Knight Frank. Neither does it act as agent for nor have any authority (whether actual, apparent, implied, or otherwise) to represent, bind or obligate in any way any other entity or practice that operates under the name Knight Frank.

Knight Frank does not currently have any involvement in joint venture business relationships.

Operations

In Australia, Knight Frank has 11 corporate offices and approximately 750 direct employees servicing capital cities and regional centers across the country.

To pursue our business objectives and strategy, Knight Frank offers a broad range of property services across all asset classes including property and facilities management, project management, building consultancy, sustainability consultancy, valuations, leasing, sales and acquisitions, transaction management, occupier advisory and strategic consultancy.

Knight Frank’s operations are fully located within Australia (except for managing a franchise agreement for real estate agency services in New Zealand) and all services are performed within Australia with no offshore outsourcing.

Supply Chain

Knight Frank considers a ‘supplier’ to be any contractor, consultant individual or other entity which provides goods and/or services to Knight Frank either directly or indirectly.

Knight Frank’s direct supply chain consists of a range of suppliers providing services and products to Knight Frank including such items as workplace premises, professional consultancy services, office consumables, catering, travel services, software, marketing collateral, insurance, and office equipment.

These direct suppliers are located within Australia. Arrangements with these suppliers can be either short-term and flexible or stable longer-term relationships dependent upon the service procured.

Knight Frank’s indirect supply chain arises through contractual and agency appointments for property and/or facilities management and project management services which may include the facilitation, procurement, and management of services on behalf of our clients in accordance with the terms of authorisation given to Knight Frank by each client. This indirect supply chain consists of approximately 2,700 contractors providing a range of services including, but not limited to, mechanical and electrical engineering, hygiene services, pest control, janitorial, security, plumbing, landscape, fire services, plumbing, water treatment, waste removal, concierge, and professional consultancy services.

Knight Frank proactively engages with these indirect suppliers in order to ensure that persons working within these organisations are protected from modern slavery practices. Where a client’s modern slavery policy is aligned with that of Knight Frank, Knight Frank is able to influence these supply chains through the selection and management of contractors. Where practicable Knight Frank believes in developing a collaborative approach and long-term relationships with these indirect suppliers on behalf of our clients. However, the ultimate decision regarding their engagement rests with Knight Frank’s clients.

These indirect suppliers are located within Australia, although a small percentage have operations within the USA. The majority of these indirect suppliers’ source manufactured products or services from within Australia, however 30% source products or services from overseas.

The arrangements with indirect suppliers tend to be more stable longer-term relationships depending upon client requirements.

Most of the combined direct and indirect suppliers are not considered to be reporting entities within their own right (see figure.1). This presents challenges within Knight Frank’s supply chain, as those organisations that are not reporting entities, they do not tend to be strongly focused on modern slavery issues.

A large proportion of the supply chain (77%) are privately run organisations whilst sole traders account for only four percent of the supply chain. The remaining 19% are a mixture of public companies, partnerships, and trusts.



Figure.1 Reporting entities

3. Risks of Modern Slavery Practices

The 'risks of modern slavery practices' mean the potential for Knight Frank to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains. In other words, the risk that Knight Frank may be involved in modern slavery.

Generally, addressing and assessing modern slavery risks is a complex and challenging process. For a large organisation such as Knight Frank, with different service lines and a diverse range of clients, this can be particularly difficult.

Modern slavery risks are generally regarded as being related to four key risk factors:

- Vulnerable populations;
- Business models structured around high-risk work practices;
- High-risk product and service categories, often sector specific; and
- High-risk geographies.

Knight Frank has also reviewed its own operations to identify any further areas of risk. This review confirmed that risks associated with Knight Frank's own operations are relatively low due to the following:

Modern slavery risks are generally regarded as being related to four key risk factors:

- All workers engaged by Knight Frank are directly employed under the requirements of federal and state employment law and are not at risk of modern slavery practices.
- There is no risk of contributing to modern slavery practices through Knight Frank's direct supply chain via omissions or incentives that may facilitate such practices, as this is not Knight Frank's procurement practice.
- Knight Frank has not experienced any occurrences to date of modern slavery within our operations or supply chains.
- There is a minimal risk that Knight Frank may be linked to modern slavery practices via our business relationship with organisations within our direct supply chain with whom we have a contractual relationship. However, this risk is very low as Knight Frank does not set unrealistic cost targets and delivery timeframes for suppliers that can only be met by using exploited labour.

Accordingly, Knight Frank considers people within our supply chain to be at higher risk than our own employees.

Supply chains can, by their multifarious nature, represent more of a risk as the procuring organisation may not always have full visibility of control over the supply chain. Knight Frank has therefore undertaken a baseline risk assessment of both its direct and indirect supply chains.

The purpose of this risk assessment has been to establish which suppliers will represent the most significant risk based on the four key risk factors noted above. The reason for this is to understand where Knight Frank resources need to be applied within the due diligence process, recognising that these resources are not unlimited.

In terms of categories of suppliers considered most at-risk of modern slavery practices the risk assessment identified that the following products and service categories require a more focused review as part of the procurement process:

- Janitorial services;
- Security services;
- Employee uniforms;
- Electronic equipment sale/lease;
- Travel agency;
- Non-skilled building trades;
- Recruitment agencies;
- Catering providers; and
- Waste disposal.

During 2020/21 this has allowed for the refocusing of supplier engagement activities from an initial engagement of 834 direct and indirect suppliers to a more focused cohort of 278 suppliers. This cohort falls within the product and service categories identified above.

This ensures that Knight Frank’s available resources are focused on the supplier cohort that needs to be targeted to achieve the most significant benefit in addressing modern slavery concerns. This focused supplier engagement has identified the following information in relation to supply chain risks:

Building maintenance and repair services, cleaning and janitorial services and security services represent the largest categories of suppliers within indirect the supply chain (see figure.2)



Figure. 2 Products and Services

Predominantly these suppliers have operations which are Australian based with only 13% confirming that they had operational sites outside of Australia.

Only 8% of the supplier’s assessed disclosed that they recruited migrant or overseas workers.

4. Risk Assessment, Due Diligence and Remediation

Corporate Governance:

To combat the risks of modern slavery, Knight Frank has developed and implemented a corporate governance structure within the framework of our day-to-day operations (figure.3)

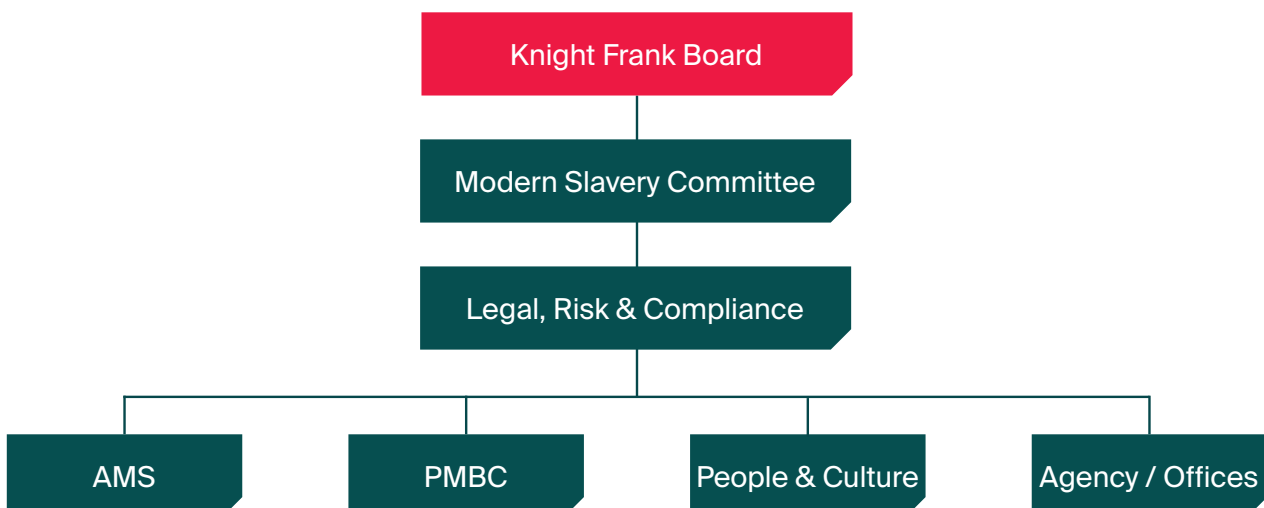


Figure.3 Corporate Governance Structure

- **Knight Frank Board** - The Knight Frank Australia Holdings Pty Ltd Board has ultimate oversight and responsibility for compliance with modern slavery regulations.
- **Knight Frank Modern Slavery Committee** – Knight Frank established a Modern Slavery Committee (‘the Committee’) in December 2018. This committee includes members from Legal, Risk & Compliance, People & Culture, Corporate Finance, Asset Management Services and Project Management. The Committee reports directly to the Board via the Head of Legal, Risk & Compliance. The Committee meets regularly to review action items, monitor progress, and implement Knight Frank’s modern slavery compliance program.
- **Legal, Risk & Compliance** – The Legal, Risk & Compliance team coordinate and utilise the expertise of various subject matter experts within the various service lines and departments to carry out regular modern slavery risk assessments and due diligence. The team communicates findings and concerns back to clients, through the Modern Slavery Committee and operational management and to the Board.

To address these potential modern slavery risks within our direct and indirect supply chain Knight Frank has implemented an extensive modern slavery compliance program (figure.4) within the above corporate governance structure.



Figure.4 Knight Frank Modern Slavery Program

Risk Assessment:

The identification of risks in terms of individual organisations within the supply chain can be a lengthy, complex and a time-consuming activity. Such initiatives can often place an undue administrative burden upon the supply chain. To ensure that this does not occur with Knight Frank’s direct and indirect suppliers, Knight Frank subscribes to the Property Council of Australia (PCA) Informed365 platform. Knight Frank was the first commercial real estate agency in Australia to subscribe to the Informed365 platform and since subscribing, Knight Frank has worked collaboratively with Informed365 and other PCA members to continuously develop and contribute to the enhancement of the platform and the self-assessment questionnaire.

This web-based application permits a supplier to undertake a self-assessment questionnaire on their activities and then provide the answers to all the subscribed members on the platform. This reduces the need for suppliers working in the commercial property sector to have to complete multiple questionnaires from different clients and duplicating their answers which could be very time consuming. The questions consider social risk factors based on spend, industry sector and country of origin to provides an inherent risk rating for the supplier.

During this 2020/21 reporting period Knight Frank has concentrated its efforts on suppliers who fall within the at-risk categories as identified by the base line risk assessment conducted in the prior reporting period. To facilitate this process Knight Frank has provided a dedicated resource within its risk and compliance team who is responsible for managing the modern slavery assessment process and engaging with Informed365 and suppliers. This has allowed Knight Frank to implement a modern slavery assessment process for all new suppliers who are onboarded directly or indirectly on behalf of clients.

This process means that supplier engagement on modern slavery occurs from the inaugural contact point with suppliers which ensures that they are more responsive to this engagement. This dedicated resource is also responsible for progressing the due diligence review of historical data regarding direct and indirect suppliers. This will be one of the primary focus points for Knight Frank’s modern slavery program during the next reporting period.

Due Diligence Review:

Where suppliers are identified with a risk level above the risk threshold of Knight Frank or our clients, a due diligence review of the information provided on the Informed365 platform is undertaken to establish what risk mitigation measures the supplier has implemented to combat modern slavery risks within their operations and supply chain.

However, Knight Frank has recognised that this can be problematic given the low level of understanding of modern slavery within small and medium sized enterprises. Whilst the Informed365 platform does provide links to information and educational resources, our due diligence review has identified that only a small percentage of small to medium size enterprises access this information. Therefore, Knight Frank has focused efforts in this reporting period to ensure that those employees who are directly involved in procuring products and services, either for Knight Frank or clients, are provided with relevant information and training regarding modern slavery risks to enable them to support and educate these suppliers as appropriate.

Where indirect high-risk suppliers are identified with inadequate risk mitigation measures, the client is informed of the nature of the risk and their direction is obtained prior to their engagement or continued use of the supplier.

Improvement Plan:

During the 2019/20 reporting period Knight Frank established a modern slavery improvement plan, known within the business as the 'Modern Slavery Roadmap'. This improvement plan involved the establishment of several key policies, codes of practice and the provision of initial awareness training for specific employees. This included but was not limited to:

- The establishment of an Anti-Slavery Policy which has been approved by the Knight Frank Australia Holdings Pty Ltd Board.
- The development and publication of a Supplier Code of Practice which outlines Knight Frank's expectations of those contractors and suppliers working on our behalf or for our clients. The Supplier Code of Conduct has been published on the Knight Frank Australia website.
- Incorporation of the Supplier Code of Conduct into Knight Frank's procurement documents and procedures.

A commitment was made for the 2020/21 period to further enhance the Modern Slavery Roadmap with the addition of five of key initiatives.

Development of a contractor education program – This was completed via an update to the Knight Frank Facilities Response Centre online Induction Module. This now includes a short modern slavery overview and information on reporting any concerns to Knight Frank or the relevant authorities.

- The delivery of mandatory of online modern slavery training for all employees – A new module was created and implemented on the Knight Frank Learning Management System. This new training has been successfully completed by 95% of employees, and it is now allocated to all new starters.
- Enhancement of Knight Frank's supplier prequalification process – During 2020/21 a dedicated resource from the Risk & Compliance Team was employed to aid the coordination of the modern slavery element of the supplier prequalification process. A new process was developed and communicated to the relevant stakeholders.
- Increased engagement of the supply chain via the Informed365 platform – The implementation of the new prequalification process and the review of the existing suppliers on the platform against the base line risk assessment has increased the percentage of suppliers completing the Informed365 assessment.
- Implementation of an internal audit process – Unfortunately this was not achieved during 2020/21 due to resource constraints impacted by the COVID-19 pandemic. However, this is now a priority in the 2021/22 Modern Slavery Roadmap.

Call Out Culture:

A key part in Knight Frank’s remediation plan is to encourage a culture whereby people feel comfortable and not afraid to report potential occurrences of modern slavery within Knight Frank’s operations and supply chain. The reporting of modern slavery concerns now forms part of Knight Frank’s Whistleblower Policy, and the use of Knight Frank’s independent and anonymous whistleblowing hotline should encourage people to raise such concerns to the Knight Frank Legal, Risk & Compliance team.

During 2020/21 Knight Frank raised the bar on our call out culture further, by including details of how to call out instances of modern slavery to the workers of contractors who attend properties under Knight Frank management. This has been achieved by updating our contractor induction module to provide guidance to contractors’ workers on how to raise modern slavery issues with both Knight Frank and the relevant authorities.

Remediation:

In line with the UN Guiding Principles, Knight Frank must respond to situations where it has caused or contributed to the adverse impacts of modern slavery. A comprehensive remediation plan has been developed which provides a clear framework for how to respond and cooperate in the remediation of such an impact. The remediation plan follows five key stages (see figure.5).

Initiation of the remediation process is commenced when the Legal, Risk & Compliance team is notified of an occurrence of modern slavery. The remediation process and supporting information is detailed within a documented remediation plan which ensures victims are supported, where appropriate, and improvement actions are undertaken to prevent future occurrence.



Figure.5 Knight Frank Remediation Stages

Our remediation plan has been communicated to all employees via the Knight Frank intranet and forms part of our mandatory modern slavery training program.

Throughout each stage, the Legal, Risk & Compliance team must liaise directly with the Modern Slavery Committee and the Board to ensure that the most beneficial outcome to all parties is achieved.

5. Assessment of Effectiveness

Knight Frank has established several mechanisms to assess the effectiveness of its modern slavery program and its social impact.

Performance Measures:

In 2019/2020 Knight Frank introduced several quantitative key performance indicators to measure the effectiveness of the modern slavery initiatives that have been undertaken in relation to its operations and the supply chain. These performance indicators cover three categories including education, engagement, and incidents, against which individual performance measures have been established, see figure.6.

Performance against these indicators is tracked and reported to the Modern Slavery Committee and the Knight Frank Australia Board on a quarterly basis, via the publication of a Modern Slavery Report.

Key Performance Measures	
Category	Performance Measure
Education	Number of Employees Trained
	Number of Contractor's Workers Trained
Engagement	Number of Suppliers Engaged
	% of Suppliers Completing Self-Assessment Questionnaire
	% Risk levels of Cohort completing Self-Assessment Questionnaire
Incidents	Incidents reported via Whistleblowing Hotline

Figure.6 Key Performance Measures

Current performance against these key performance indicators for the period 2020/21 is shown below:

Education:



Employee engagement in the provision and undertaking of mandatory modern slavery training has been very positive which has increased the knowledge and awareness of modern slavery within Knight Frank. All Knight Frank Employees are required to undertake this training which is delivered online using the Knight Frank Learning Management System.

Engagement:



The high number of suppliers representing a High/Very High inherent risk is to be expected as Knight Frank has concentrated its efforts on those suppliers most likely to be at risk of modern slavery practices due to their industry sector and vulnerable populations.

Incidents:

Knight Frank continues to monitor the occurrence of modern slavery within its supply chains and operations via its whistleblowing hotline. This is managed by an independent third-party entity to ensure impartiality and objectivity. The existence of the whistleblowing hotline is now communicated to all workers from indirect suppliers via the Knight Frank Facilities Response Centre platform Induction module and the Whistleblowing Policy is publicly available on the Knight Frank Australia website.

During the reporting period 2020/21 no suspected cases or actual cases of modern slavery were reported.

Modern Slavery Roadmap Progress:

Regular reviews of the progress of the actions identified on the Modern Slavery Roadmap are undertaken by the Committee during monthly meetings.

Independent Third-Party Reviews:

During 2019/2020 Knight Frank engaged a third-party consultant (Unchained) to evaluate its Modern Slavery Statement. A third-party review was not undertaken during this reporting period.

External Audits:

As Knight Frank has assessed that the bulk of the modern slavery risk is with indirect suppliers, Knight Frank decided not to engage a third party to undertake a due diligence audit on its the suppliers during this reporting period. Knight Frank has committed to implementing a supplier verification process via the Informed365 platform during the period 2021/22.

6. Consultation

This statement applies to Knight Frank and its Trading Entities. It does not apply to any Knight Frank franchisees which are all separate legal entities over which Knight Frank does not exercise any direct control.

All the Trading Entities of Knight Frank are wholly owned. Consultation and cooperation between these entities is guaranteed due to.

- All entities sharing the same shared services operations and following the same processes, including for procurement.
- All directors are employees of Knight Frank.
- Most corporate entities share the same directors and company secretary.

This statement was made available to the Board of Knight Frank Australia Holdings Pty Ltd for review and comment prior to obtaining approval.

Knight Frank is committed to the ongoing engagement and consultation with all our clients, stakeholders, and suppliers to continue to address the risks of modern slavery within our operations and supply chains.

7. Other Information

Further actions are planned for the 2021/22 reporting period to develop and enhance Knight Frank's response to identifying and addressing modern slavery risks. The program for 2021/22 will focus on supplier engagement, verification, and enhancement/formalisation of the Modern Slavery corporate governance structure.

Modern Slavery Roadmap 2021/22:

- Encourage those suppliers who have been engaged via the Informed365 platform to complete their assigned self-assessment questionnaires whilst focusing on those industry sectors considered to be more at risk.
- Implement an independent verification program on suppliers completed self-assessments via the use of the Informed365 verification service.
- Perform an internal audit evaluation on the supplier due diligence process to confirm that all of the relevant suppliers at risk are being captured and to confirm the effectiveness of the process.

Enhance and formalise the operation of the Knight Frank Modern Slavery Committee through the development of a Committee Charter and establishment of a periodical meeting diary.

8. Board Approval

This statement was approved by the Knight Frank Australia Holdings Board on 16 December, 2021.



James Patterson
Partner and CEO

Your partners
in property.



Our Locations.



Knight Frank Australia acknowledges the Traditional Owners of the land where we work and live. We pay our respects to Elders past, present and emerging. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander Elders of all communities who also work and live on this land.

Our Services.

Commercial

Sales, Acquisitions & Investments

Office, Retail, Industrial, Development Sites, Hotels & Hospitality, Health, Agribusiness

Leasing

Office, Retail, Industrial

Asset Management Services

Asset Management Advisory, Sustainability Consulting, Property Management, Flexible Working Operations, Retail & Centre Management, Property Accounting, Facilities Management, Facilities Response Centre

Professional Services

Research & Consultancy, Insolvency & Distressed Assets, Portfolio & Workplace Advisory

Occupier Services

Tenant Advisory, Industrial Tenant Advisory, Portfolio Management

Project Management & Development

Project Management, Development Monitoring

Building Consultancy

Technical Due Diligence, Make Good, Schedules of Condition, Capex, Repairs & Maintenance, Building Defects

Town Planning

Statutory Planning, Due Diligence, Strategic Planning, Development Feasibility Advice, Government Liaison, Client Representation

Valuation & Advisory

Advisory, Agribusiness, Childcare, Commercial Mortgage, Health & Aged Care, Hotels & Hospitality, Industrial, Infrastructure, Marinas, Office, Retail, Residential Development, Student Accommodation

Residential

Buying & Selling

Prestige Residential, Residential, Rural & Lifestyle Estates, Residential Development Sites

Project Marketing

New Homes, International Project Marketing

Property Management & Renting

Landlords, Tenants

Professional Services

Research & Consulting, Town Planning, Insolvency & Distressed Assets, Valuations



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