

# ISPT MODERN SLAVERY STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



## ABOUT THIS STATEMENT

MANDATORY CRITERIA FOR MODERN SLAVERY STATEMENTS		PAGES
<b>Criterion 1 &amp; 2</b>	Identify the reporting entity and describe its structure, operations and supply chains	2, 6–13
<b>Criterion 3</b>	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	14–16
<b>Criterion 4</b>	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	17–26
<b>Criterion 5</b>	Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks	27
<b>Criterion 6</b>	Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement and all reporting entities)	2, 4
<b>Criterion 7</b>	Any other relevant information	29

**This Modern Slavery Statement (Statement) is published for the purpose of reporting under the Australian *Modern Slavery Act 2018 (Cth)* (MSA).**

This Statement is made on behalf of ISPT for the financial year ended 30 June 2021.

ISPT includes ISPT Pty Ltd, ISPT Operations Pty Ltd, the relevant trusts for which ISPT Pty Ltd, ISPT Nominees Pty Ltd and ISPT Custodians Pty Ltd are trustee and other related bodies corporate of ISPT Pty Ltd within the meaning of the *Corporations Act 2001 (Cth)* (collectively referred to as **ISPT**).

ISPT Pty Ltd is trustee for the following main ISPT trusts:

- Industry Superannuation Property Trust No.1 and ISPT Industry Superannuation Property Trust No.2 (collectively referred as the ISPT Core Fund)
- ISPT 50 Lonsdale Street Property Trust
- ISPT Retail Australia Property Trust
- ISPT CIB Fund

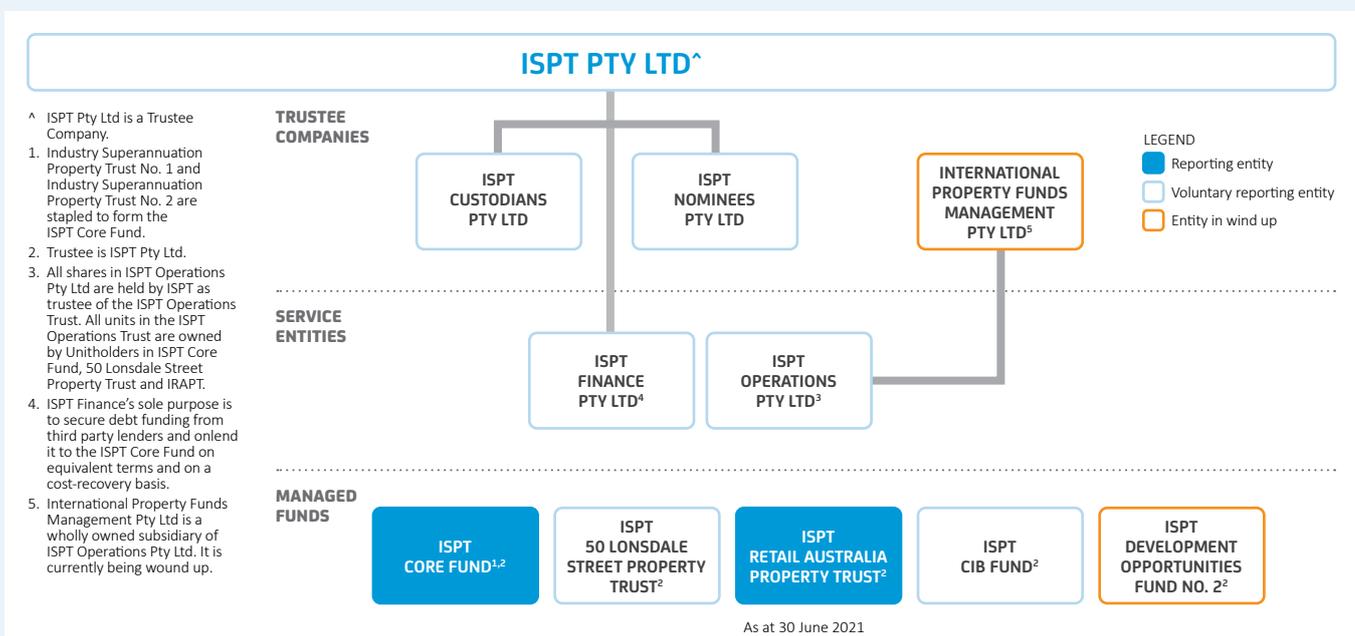
This Statement is submitted by ISPT for the ISPT Core Fund and ISPT Retail Australia Property Trust, both of which qualify as reporting entities under the MSA. ISPT Pty Ltd and the other trusts and corporate entities within ISPT listed above do not qualify as reporting entities, but are reporting voluntarily under section 6 of the MSA, as they operate under the same policies and management and share in ISPT’s commitment to responsible business practices.

As trustee, ISPT Pty Ltd is responsible for the above trusts and their assets, and ISPT Operations Pty Ltd provides investment management services to those trusts. ISPT has consulted a wide range of internal and external stakeholders in preparing this Statement. ISPT Pty Ltd has provided the boards of ISPT Operations Pty Ltd, ISPT Nominees Pty Ltd and ISPT Custodians Pty with a draft of this Statement prior to its publication. The directors of those entities are all either senior managers or directors of ISPT Pty Ltd. As such, the Boards of each of those entities were thoroughly consulted in the preparation of this Statement.

This Statement and its disclosures only apply to joint venture (JV) arrangements and co-venture investments in which an ISPT entity has operational control, either under the relevant JV agreement or other governing document.

This Statement does not cover JV and co-venture activities where an ISPT entity is an investor, without an active role in operational matters. In particular, it does not apply to any non-managed JV, although where possible we have set our expectations for alignment by our partners with our core standards, which include ongoing respect for human rights.

ISPT has not consulted with its JV and co-venture partners for the purpose of this Statement and does not make any representations about the supply chains, operations or governance of those entities.



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THE  
NATIONAL BANK  
OF AUSTRALASIA LIMITED  
AND  
PUBLIC SAFE DEPOSIT

## HIGHLIGHTS FY2021

It has been three years since we began work to evolve our approach to identifying modern slavery risks in our operations and supply chains, and their impact on our business and the communities in which we operate.

During this foundational phase, we have laid important groundwork for a targeted modern risk management strategy which we can now refine and build upon.

This FY2021 Statement builds on our FY2020 Statement. We are pleased to encapsulate our increasing scope of actions and another year of milestones in the *ISPT Modern Slavery Risk Management Strategy Snapshot* (page 12).

Our Strategy is pillared on four workstreams – Assess, Control, Integrate and Review – which work in tandem to support our cause. The structure of this Statement is aligned to these four workstreams.

### DIVING DEEP WHERE RISKS ARE THE HIGHEST

Our priority is to target the most critical risks within our supply chains, noting we consider our exposure to modern slavery risks to be higher in our supply chains than our operations. We have approached this by systematically building our understanding of various supplier groups.

Collaboration through the Property Council of Australia (PCA) Supplier Engagement Platform remains the key source of our insights. Instead of a broad-brush assessment on a larger group, we focused closely on high-risk supplier groups. This enabled us to apply differentiated strategies for the specific operating environment of each group. We are pleased to report that over 90% of our spend in high-risk categories is under assessment via the Platform. (*Our Supply Chains* on page 10)

This goes hand-in-hand with using our position in the industry to promote good labour practices. As an unequivocal supporter of cleaners' rights through the Cleaning Accountability Framework (CAF), we are strongly placed to influence the practice of cleaning companies.

Through our work with CAF, we are examining the labour practices of cleaning suppliers with a second layer of data analysis which can potentially evolve the way we detect modern slavery risks. (*Further Actions from FY2020 Assessment* on page 15)

### PREVENTING IDENTIFIABLE RISKS

Increasingly, we will be fortifying our relationships with those suppliers who prioritise good labour practices, ethical behaviour and capability in managing and minimising modern slavery risk management, in line with ISPT's own values.

Over the last two years, our teams have undertaken an extensive initiative to obligate our highest-risk downstream suppliers contractually to comply with modern slavery laws.

In addition to our focus on downstream suppliers, we have recently introduced new provisions in our leases. The clauses obligate new tenant customers in FY2022 to look into their own supply chains for modern slavery risks, encouraging our tenant customers to come into alignment with our expectations and values. (*Modern Slavery Clauses in Key Contracts* on page 17)

Elsewhere, we are also tightening our selection of potential suppliers by formalising further checks and controls during the tender process. (*Tender Evaluation* on page 18)

### REFINING BUSINESS CONTROLS AND TRAINING

Numerous business controls focused on modern slavery risk management have been integrated within our operations, which we continue to improve. With a comprehensive governance framework already aligned to key global standards, we recently ensured our policies and guidelines more specifically address property activities.

Our best defence against modern slavery starts from within. Pleasingly, modern slavery and related compliance training modules have been tailored for the entire workforce, with additional training for those with procurement and supplier management responsibilities. (*ISPT Team Training* on page 23)

This sets us in a good position to test how well we are equipped to identify and manage future detected risks.

### STAYING TRUE TO OUR VALUES

In the face of another challenging year for businesses and workers, our role in supporting economic productivity and the wellbeing of Australians becomes all the more critical.

Just as we have supported our customers through COVID-19 difficulties, we always look for opportunities to do the same for workers. Our achievements in supporting CAF have put us in good stead to explore similar initiatives for other high-risk sectors which are vulnerable to modern slavery.

FY2021 saw many long-running initiatives from prior years come to fruition, with some presenting new opportunities for refinement or investigation in the future.

The year ahead will see us continue the momentum and evolve our practices on the strong foundation we have built. We also look forward to becoming a stronger voice in shifting mindsets on modern slavery in our broader environment.

We are pleased to present this Statement, which was approved by the ISPT Pty Ltd Board on behalf of ISPT on 11 November 2021.



**Rosemary Hartnett**  
Chair



**Daryl Browning**  
Chief Executive Officer

This Statement is an expression of our beliefs as a socially responsible business and an extension of our 'do no harm' investment and operating philosophy.

Whilst only some of the entities within ISPT fall within the disclosure threshold of the MSA, we have taken an organisational approach to modern slavery, including reporting. We acknowledge the role we play as one of Australia's largest property businesses and understand key stakeholders will expect ISPT to be taking steps to prevent and address any involvement in modern slavery and ensuring our policies and practices are meaningful and effective.

## OUR COMMITMENT

1. We support the Australian Government in its drive to end modern slavery and we are dedicated to making a difference in the lives of people impacted by it.
2. We hold ourselves accountable in line with core international business and human rights standards and take actions to identify, prevent and address the risks of modern slavery in our operations and supply chains.
3. We partner with suppliers to advocate fair and ethical labour practices, seeking to develop those relationships to understand and educate our supply chains on good practice.

## OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

ISPT is a leading Australian property fund manager, with high quality properties and funds under management of \$19.6B (as at 30 June 2021). We operate a unique profit-to-investor business model and we are committed to responsibly placing investors' funds in the property sector to optimise returns, at relatively low cost.

### ABOUT ISPT

Established in 1994, ISPT owns a significant property portfolio across the commercial, retail, logistics & warehousing, education and social infrastructure property sectors.

ISPT manages a number of property trusts, including the ISPT Core Fund, the largest investor-owned wholesale fund and one of the largest multi-sector property investment vehicles in Australia.

For over 25 years, we have been creating value on behalf of our investors, and ultimately their members. Our investors include some of Australia's largest superannuation funds, public sector superannuation funds and investment funds, representing more than 50% of working Australians who have invested their retirement savings in those funds.

During FY2021, we employed a workforce of 186, operating from Melbourne, Sydney, Brisbane and Perth. At 30 June 2021, we employed 160 full-time, 19 part-time, 7 contracted/temporary workers across investment and development management, office support, operations, finance, legal and other functions.

Our investment is focused on Australia, and we currently do not have any international operations or own any international properties.

### CORPORATE GOVERNANCE

ISPT is committed to excellence in corporate governance, compliance and ethical behaviour. Our corporate governance framework is designed to protect and enhance investor value by ensuring we operate transparently.

The ISPT Board has overall responsibility for the effective governance of our business. As we are owned by our investors, ISPT Pty Ltd's Constitution provides that seven of our ten directors on the Board are either appointed or elected by our Member investors. We also have three independent directors, including the Chair.

We have established an internal Modern Slavery Working Group (**Working Group**) comprised of representatives from across our business. This gives us a broad and multi-functional perspective to understand and assess the risks of modern slavery and continuously evolve our strategy to address them. (*ISPT Modern Slavery Working Group* on page 23)

### RESPONSIBLE INVESTING

We act ethically and responsibly, believing that socially and environmentally sustainable initiatives create long-term value for our investors and customers, and ultimately, the communities we serve.

The principles of responsible investing, including respect for human rights (including freedom from slavery), are embedded throughout our investment processes. Our goal is to seek opportunities that deliver risk-adjusted returns throughout the property cycle while responsibly placing investors' capital in property.

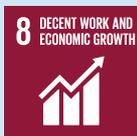
ISPT has a comprehensive internal due diligence framework to assess environmental and social considerations within the investment process. This bespoke framework places equal emphasis on investment returns as it does on environmental impact, energy efficiency, supply chain and community engagement, aligning ISPT's business strategy and culture through investment decision making.

### THE ISPT ESG STRATEGY

Our approach to responsible investment is underpinned by our commitment to environmental, social, governance (ESG) excellence with a 'do no harm' investment and operating philosophy.

Our ESG Framework represents the full scope of our ESG strategy. The Framework addresses the issues of greatest importance for our investors, customers, and communities, and helps us to monitor and manage our activities and achievements. It is aligned with the United Nations Sustainable Development Goals (SDGs), which lay out an ambitious pathway to end extreme poverty, fight inequality and injustice, and protect the planet.

ISPT shares the ambitions of SDG 8 to create a better economic future for all through an ethical supply chain. Specifically, SDG 8.7 directs our priority to address the most critical modern slavery risks identified in our supply chains.



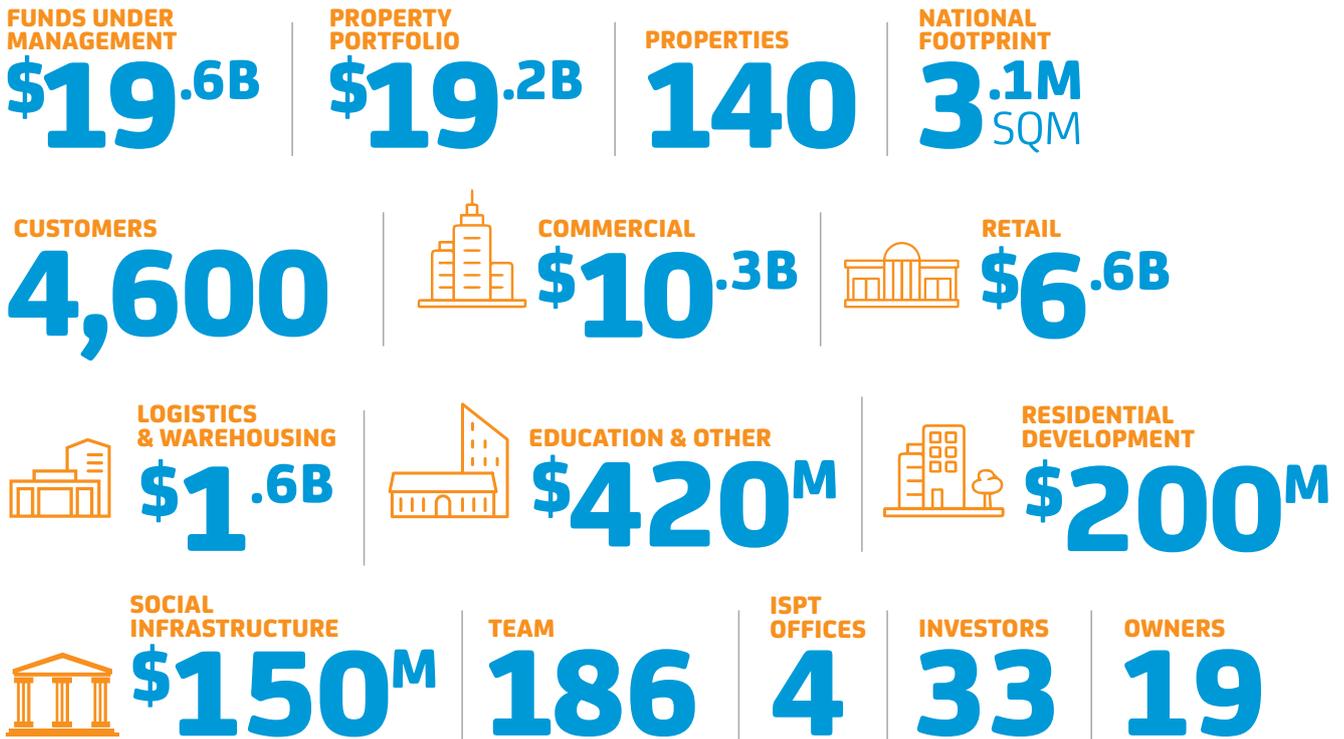
We embrace the opportunity to remediate our negative impacts, including on human rights, and to drive positive changes through our investment decisions and industry influence.



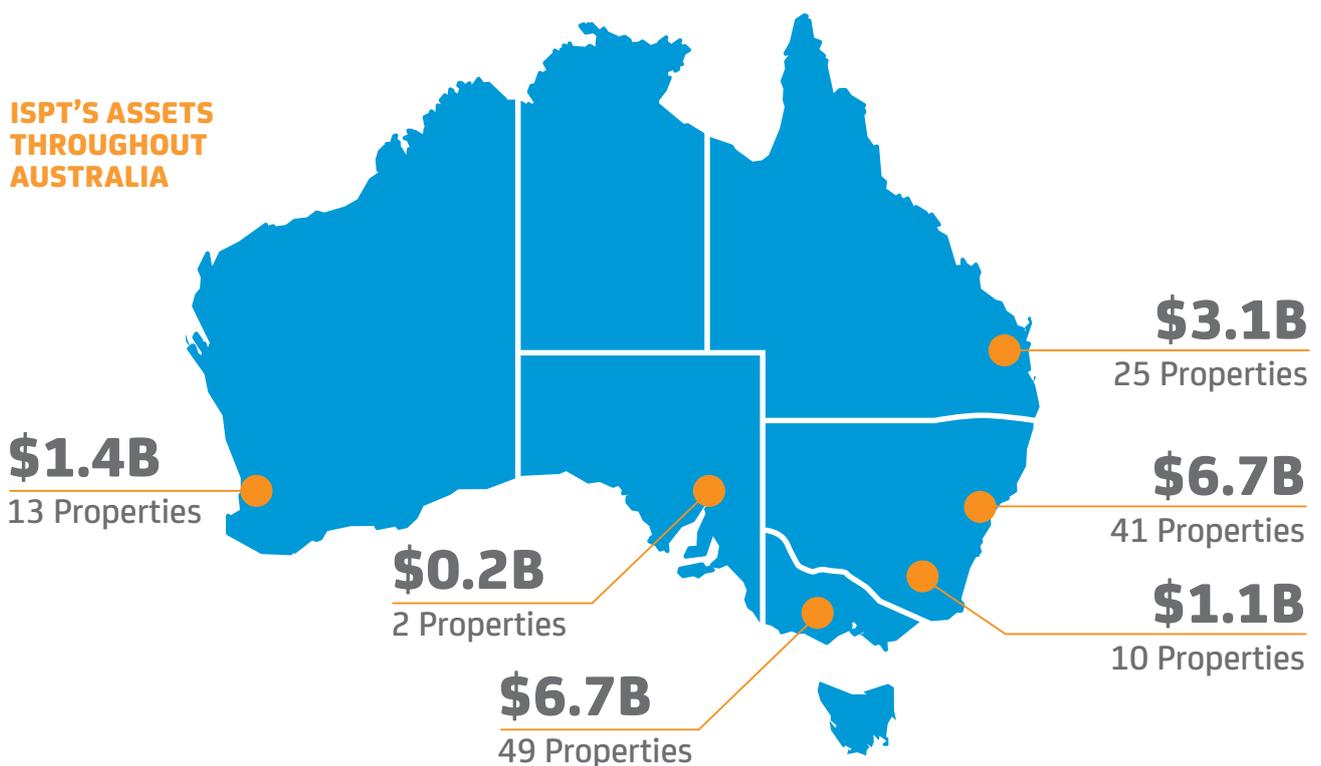
## OUR PRESENCE

We own some of the most recognisable properties in Australia. Our mission is to deliver high quality places that enable economic, social and environmental growth, where people thrive in their day-to-day activities. ISPT only invests in Australian property and currently does not own any investments or have any operations overseas.

ISPT as at 30 June 2021



### ISPT'S ASSETS THROUGHOUT AUSTRALIA

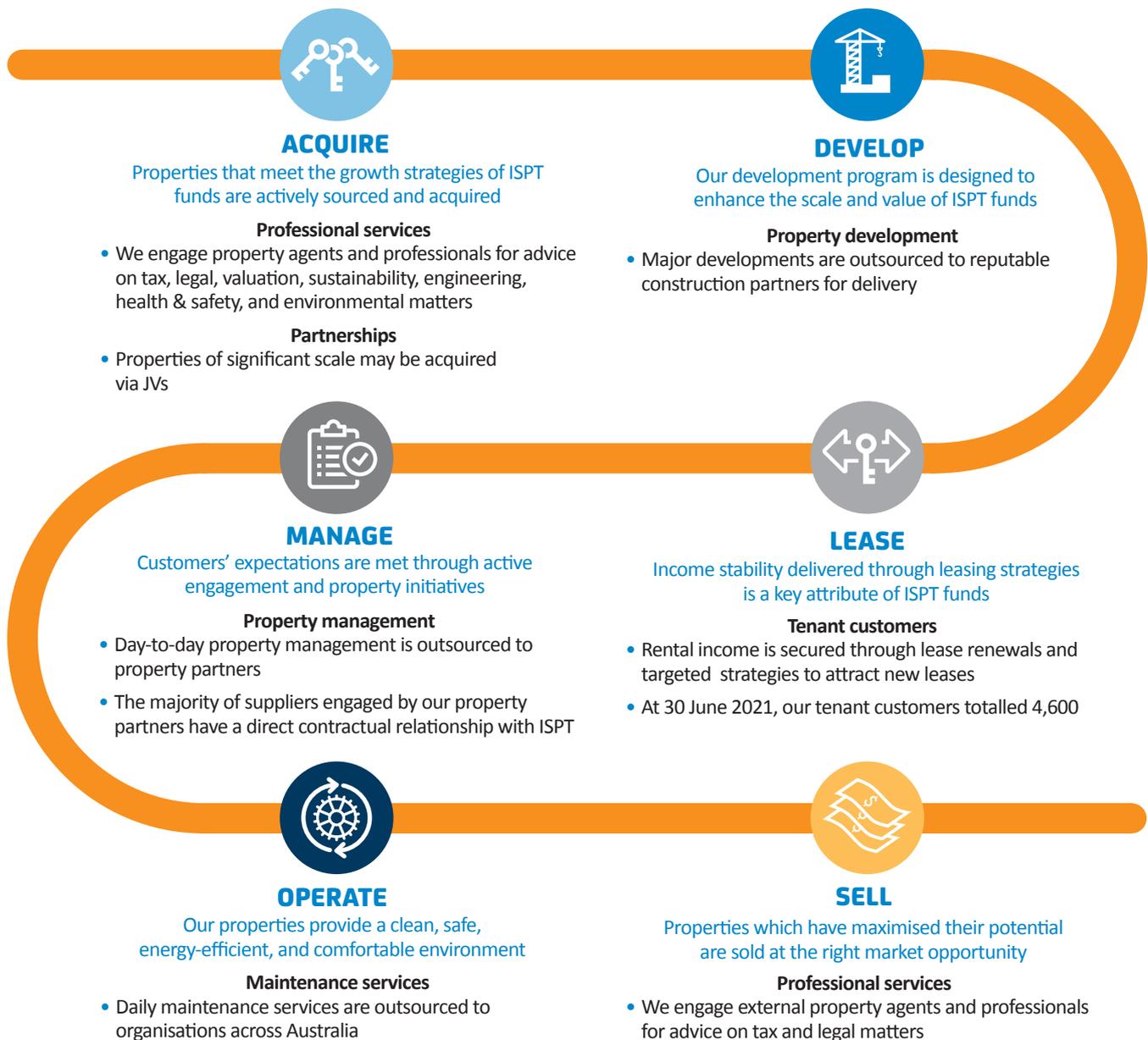


## FUND AND INVESTMENT MANAGEMENT

As a property fund manager for superannuation funds, we derive capital from the pooled investor equity, and debt facilities from Australian and international capital markets.

Our core activity is the investment management of our extensive property portfolios as shown in our value chain.

### VALUE CHAIN CREATED BY ISPT



The case study on 271 Spring Street shows how ISPT creates and manages its investments to create value for our investors, tenant customers and the community.

# CASE STUDY

## 271 SPRING STREET, MELBOURNE VIC

### ACQUIRE

271 Spring Street is a 16-level boutique office tower purpose-built by ISPT for Australian Unity in 2019. It is part of an entire city block acquired by ISPT in 1999 which is now known as our Spring Place Precinct.

### DEVELOP

Our collaboration with specialist design partners, in particular John Wardle Architects and Arup, were key to overcoming the design and engineering challenges presented by the presence of two double-stacked City Loop rail tunnels under the site and an underground electrical substation connected to two electrical easements bisecting the middle of the site. Our work with Trethowan Architecture was also integral to the design and development process regarding the two heritage-listed buildings and the significant archaeological digs which took place at the site.

The final physical delivery of 271 Spring Street by our head contractor Probuild completes our development vision for the Precinct which now serves a community of 10,000 workers. A major commercial and retail destination, the Precinct also comprises Casselden 2 Lonsdale Street, 50 Lonsdale Street, and Madame Brussels Lane – all developed by ISPT in prior years.

### LEASE

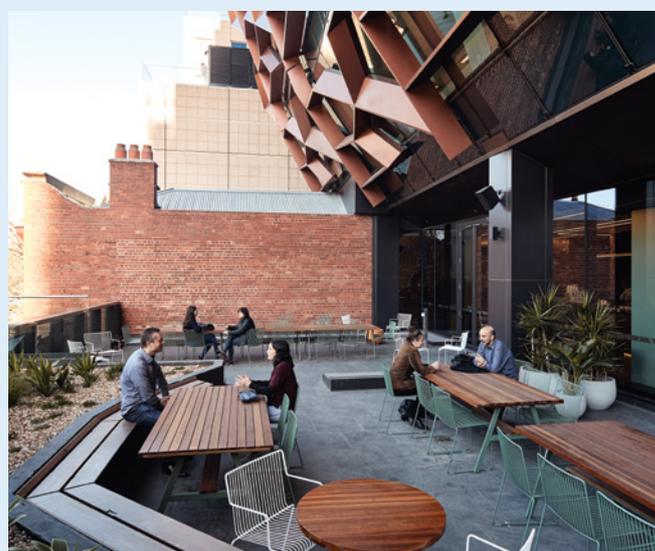
271 Spring Street is occupied by Australian Unity over a 15-year lease. This was facilitated by a partnership approach that resulted in a pre-lease agreement negotiated prior to the construction, to suit with the needs of Australian Unity over the long term.

### MANAGE

ISPT's property partner, CBRE, manages 271 Spring Street and our relationship with our tenant customer, Australian Unity, on a day-to-day basis. ISPT and CBRE have regular meetings to discuss contractors works, building performance property initiatives and any issues raised by Australian Unity. Modern Slavery awareness and prevention is a recurring agenda item at each meeting, where we collaborate to implement solutions to human rights risks at the property. ISPT has direct contracts with key suppliers providing services at 271 Spring Street, which are managed by CBRE on our behalf. Those direct contracts contain modern slavery related obligations expected to be met by our suppliers.

### OPERATE

The operation of 271 Spring Street is managed by CBRE's on-site team. CBRE oversees daily maintenance by local contractors, including cleaning services, to ensure performance standards are met. The building is CAF-certified achieving the highest rating of 3 Stars and continues undergoing annual CAF health checks on cleaners' conditions.



## OUR SUPPLY CHAINS

Our spending on these supplier categories below account for ISPT’s procurement spend on goods and services.

### 1. PROPERTY DEVELOPMENT

Delivery of major developments is outsourced to construction partners who are amongst the most expert and reputable names in the construction industry.

As head contractors, our construction partners are selected through a competitive process and formally appointed with an agreement. ISPT’s major construction partners include Multiplex, Probuild, FDC, Lendlease, Built, and Buildcorp. These companies are registered on the PCA Supplier Engagement Platform.

### 2. PROPERTY MANAGEMENT

The property management of ISPT’s properties is outsourced to professional property management companies (known as our property partners) engaged through a Property Management Agreement. During FY2021, our property partners included leading global organisations – Jones Lang LaSalle, Colliers, CBRE and Knight Frank.

Our property partners are responsible for the delivery of day-to-day property management services and key initiatives across our portfolio. Services provided also include the procurement of goods and services required for building operations and projects.

The majority of suppliers engaged by our property partners have a direct contractual relationship with ISPT. Our property partners are responsible for operational management of supplier relationships and suppliers’ performance.

### 3. PROPERTY OPERATIONS

#### Maintenance services

Daily maintenance services to keep our buildings clean, safe, and secure are outsourced to organisations across Australia under the **ISPT Services Agreement**.

Large expenditure categories include cleaning services, on-site security services, waste management, mechanical (heating, ventilation, air conditioning (HVAC)) services, electrical services, fire equipment maintenance and vertical transportation (lifts, escalators and travelators) maintenance.

Suppliers are not permitted to sub-contract the services without ISPT’s prior consent.

#### Professional services

Professional service suppliers are engaged to provide specialised expertise under the **ISPT Consultancy Services Agreements** or similar arrangements.

They include external consultants and professionals engaged both at asset and corporate levels to provide expert advice on areas, including tax, legal, valuations, sustainability, engineering, health, safety and environment, customer experience and wellbeing.

### 4. CORPORATE OPERATIONS

Where possible, we source goods and services from a wide network of Australian suppliers to support our corporate operations. This includes promotional goods, information and research, communication and technology products and services as well as professional and financial services.



Cleaners after worker engagement meeting hosted by CAF at 100 Pacific Highway, North Sydney (property in ISPT Core Fund), which remains compliant with CAF’s 3 Star Standard. (Photo courtesy of CAF)

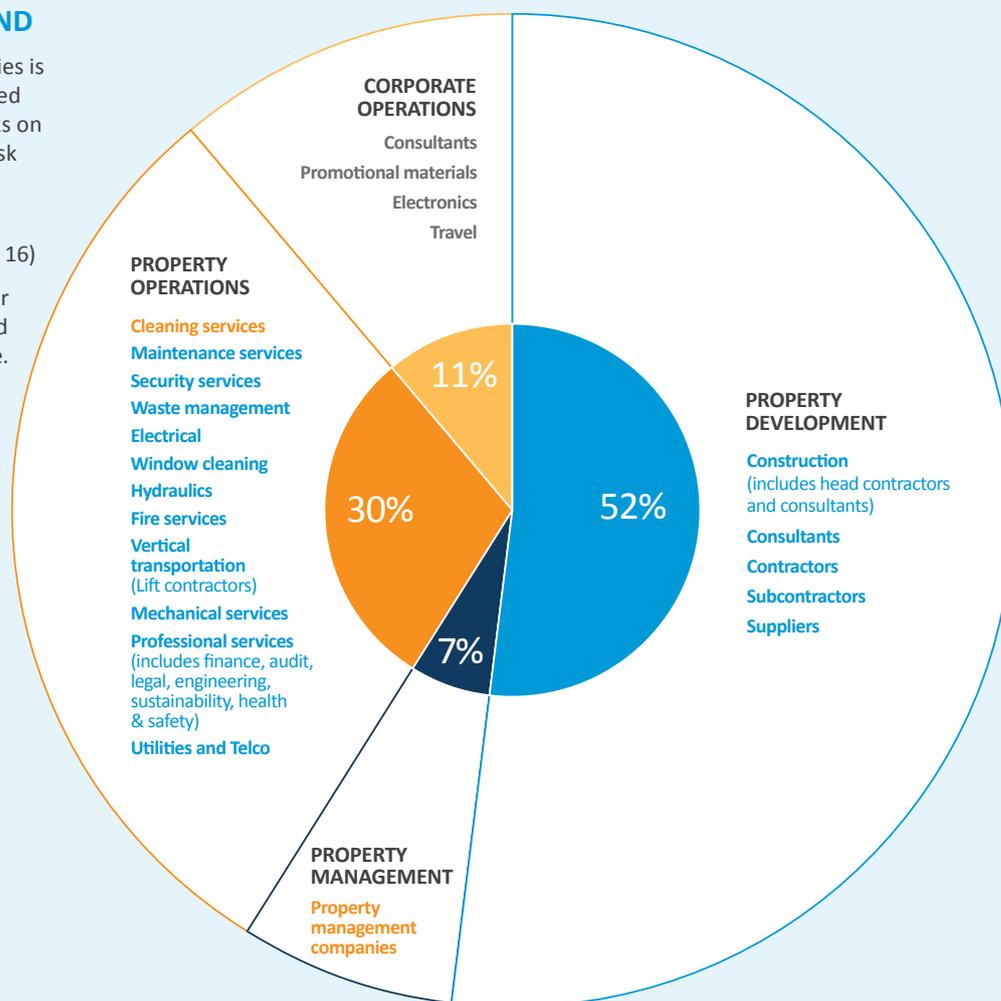
## PROCUREMENT SPEND

Our spend in these categories is one of the factors considered when mapping supplier risks on the ISPT Modern Slavery Risk Assessment Matrix.

(ISPT Modern Slavery Risk Assessment Matrix on page 16)

The diagram details the four supplier categories of spend and ISPT's level of influence.

**HIGH MEDIUM LOW**



## HOW WE ASSESS OUR ABILITY TO INFLUENCE SUPPLIERS' ACTIONS ON MODERN SLAVERY RISKS

LEVEL	OUR LEVERAGE
High	ISPT has contracts in place directly with local Australian suppliers and is an active member of industry certification scheme with worker engagement, such as CAF.
Medium	ISPT has contracts in place directly with local Australian suppliers and conducts regular meetings with management.
Low	ISPT may have either 1) purchased products from local Australian suppliers with the product being manufactured in risk countries such as China and India, or 2) a specialised consultancy with limited alternative suppliers. Both cases result in ISPT having less leverage to influence suppliers however suppliers may be subject to our industry influence.

# ISPT MODERN SLAVERY RISK MANAGEMENT STRATEGY SNAPSHOT

Our modern slavery risk management strategy is pillared on four workstreams, working in tandem in support of our approach to human rights.



## 01

### Assess

Conduct due diligence to understand the inherent modern slavery risks across our operations and supply chains.

## 02

### Control

Adopt appropriate strategies to address identified modern slavery risks and use industry influence to make positive impact.

## 03

### Integrate

Manage modern slavery risk by embedding appropriate risk management actions across the business.

## 04

### Review

Monitor and assess the effectiveness of modern slavery risk management processes against appropriate tracking mechanisms.

### Assessment & engagement

#### Key initiatives

#### METHODOLOGY

##### Risk Assessment Matrix

- Identified tier 1 suppliers and inherent risks

##### PCA Supplier Assessment

- 60 high-risk and low/medium risk suppliers

##### Workforce assessment

- Low risk

#### Suppliers' conduct

- New terms in key outsourced functions
- Training

#### Industry influence

- Launched PCA Supplier Engagement Platform
- Led CAF Certification Scheme

#### Governance

- Convened Modern Slavery Working Group

#### Policies

- ISPT Human Rights Policy
- ISPT Whistleblower Policy
- ISPT Supplier Code of Conduct

#### Grievance mechanisms

- Lifeworks Whistleblower Hotline
- Designated Whistleblower Protection Officer
- People & Culture

#### Workforce

- Training of Working Group Communication

#### Policies

- Re-adapted sustainable procurement guidelines for property
- Enhanced existing procurement and outsourcing policy

#### Workforce

- Accreditation
- Specialised training
- Mandatory online training
- New procurement headcount

#### Modern Slavery Risk Review

- Established process to review controls in place
- Conducted review with key stakeholders
- Modern slavery risk reviews were added to the Internal Audit Plan

FY 2020

FY 2021



## 01 ASSESS

We continue to build on our understanding of risks, with due diligence focused on the types of human rights risks that may exist in our operations and supply chains.

### RISK ASSESSMENT

We understand that modern slavery involves the exploitation of humans for personal or commercial gain. We will take care to assess our supply chain to understand the risk of any practices we inadvertently support, that may jeopardise human rights of people in Australia or overseas.

Our assessment of modern slavery risks covers real or potential adverse human rights impacts that may exist down our supply chains.

Our assessment of modern slavery risks is based on internationally recognised resources such as the Global Slavery Index and the Business and Human Rights Resource Centre to identify high risk countries/regions, industries, and categories.

We also adopted a modern slavery risk analysis conducted by Edge Environment for the PCA Supplier Platform, which showed inherent risks present in key procurement categories and countries. We then mapped this against our operations and supply chains to identify any elevated risks of modern slavery.

### INTERNAL OPERATIONS/WORKFORCE

The risk of modern slavery within our workforce has been assessed as low through an external evaluation, due to the professional nature of our workforce and location wholly in Australia.

ISPT's workforce comprises predominantly professionals and managers performing corporate and investment management functions across the business, mostly directly employed on individual contracts. We also engage independent and temporary contractors for white-collar work through employment agencies at times for specific corporate projects and short-term business needs.

All ISPT staff are employed in Australia, complying with Australian labour laws. Remuneration levels are reviewed annually with market remuneration rates provided by an independent external consultant, in accordance with the ISPT Remuneration Policy.

Our workplace culture empowers staff to perform their best from their diverse capabilities and community relationships. We have invested heavily in technology to embed flexibility in the way we work. At all times, our staff are encouraged to use the support and resources available through our Employee Assistance Program provided by LifeWorks for any work or personal issues.

This has enabled a smooth transition to remote working and virtual collaborations during COVID-19 lockdowns. During this time, the mental health and wellbeing of our people remained paramount. We put in place virtual health and wellbeing programs to support our team and checked in regularly with our teams to understand how they were coping with restrictions, workloads, and work-life balance.

### SUPPLY CHAINS

#### Assessment process

##### Risk management

Suppliers with high inherent risk for modern slavery (based on category and country risk) and/or an annual spend of more than \$200,000 are invited to the PCA Supplier Engagement Platform to complete a modern slavery questionnaire. Suppliers are asked to provide information on their modern slavery statements, policies, structures, and management of risks within their own supply chains.

##### Performance monitoring

Responses to the supplier assessments are checked for completion and a high-level analysis for gaps. Suppliers are also sent annual requests to update their questionnaire responses. Additional evidence-based analysis by a third party is undertaken if necessary.

#### FY2021 Assessment

The PCA Supplier Engagement Platform enables us to assess our suppliers through a common database and continues to be our key resource for analysis and risk identification. The FY2021 assessment built on the information we collected last year on suppliers' knowledge of modern slavery. Our focus was to uncover where modern slavery risks might lie, and the actions suppliers have in place to address them.

78 suppliers were invited for the FY2021 assessment:

- **New participants:** 18 suppliers, predominantly from fire services and HVAC (hydraulics) (medium risk), were invited as these suppliers met the criteria of being in a higher risk category.
- **Previous participants:** 60 suppliers from the FY2020 assessment group were asked to update their questionnaire for FY2021 to enable our continual assessment.

(Suppliers Invited to PCA Supplier Engagement Platform on page 15 provides information on suppliers assessed in FY2020 and FY2021.)

#### Key findings

- 96% are aware of modern slavery issues and the MSA (up from 93% in 2020).
- 36% are not reporting entities under the MSA (up from 7% in 2020, reflecting the fact that we have invited smaller suppliers to the platform, i.e. below the eligibility level of \$100M revenue).
- 33% do not use sub-contractors. Sub-contracting may pose modern slavery risks due to the challenges of monitoring employment conditions for subcontracted workers.
- 67% utilise some form of sub-contracting in their supply chains.
- 44% who engage sub-contractors do not appear to have visibility over their sub-contractors' supply chains.

During FY2022, our supplier assessment campaign will be expanded to include suppliers from the lower-risk categories identified (*Modern Slavery Risk Assessment Matrix* on page 16) and the results will be consolidated for analysis.

### Further actions from FY2020 Assessment

Results from our assessment in the last financial year have directed our focus on two groups of suppliers where we could steer better outcomes through targeted strategies in FY2021.

#### Cleaning (High Spend – High Risk)

We are undertaking further review on cleaning suppliers to trial an evidence-based approach that can better help us identify red flags of modern slavery in our supply chains.

The process involves a deep assessment of the practices of our cleaning suppliers, based on evidence such as training, human resource policies, code of conduct and outsourcing.

If proven feasible, this approach will provide more robust and comprehensive risk assessment. Bureau Veritas, a global specialist in Testing, Inspection and Certification has been appointed in FY2021 to undertake the assessment, which is now underway.

The process to understand the operations of our cleaning suppliers is also complemented by direct engagement of cleaners through our property partners and CAF.

(Building Awareness on page 18 and CAF Grievance Mechanism on page 24)

#### Property management (High Spend – Low/Medium Risk)

We analysed the responses from property management companies to the PCA questionnaire and followed up on any missing or outdated information regarding policies or processes. We also reviewed our property management companies' modern slavery statements.

No red flags were identified in human resource violations, corruption, criminal offence, and underpayment to employees. Overall, we have been satisfied with their approach and actions.

The presence of property partners at our properties avails us ongoing opportunities to utilise their resources to raise the awareness of modern slavery. This enables our initiatives to reach out to the workers of our suppliers, such as an awareness campaign currently underway. (Building Awareness on page 18) This also allows the campaign to be assessed effectively with direct feedback from the ground for future refinement.

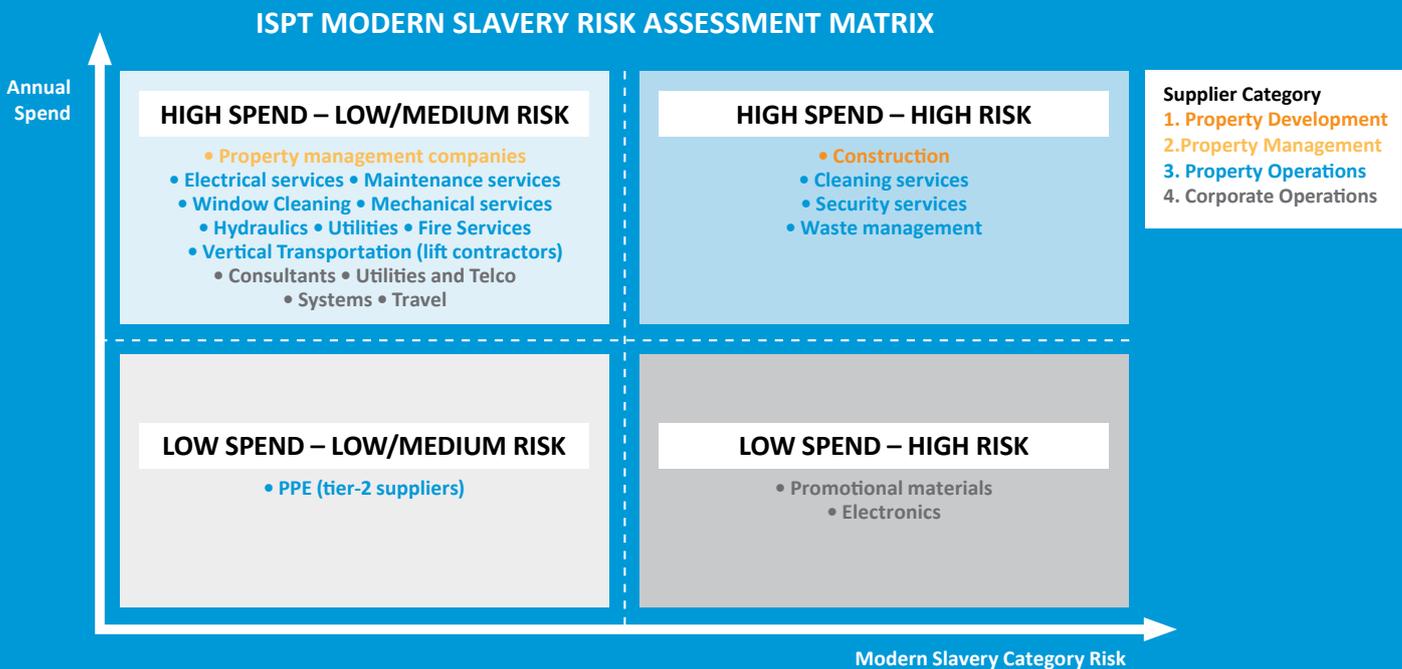
Collaborations like this provide a basis for our monthly meeting discussions with our property partners and enable further opportunities for various initiatives.

Suppliers are engaged systematically to facilitate our focus on groups most at risks of modern slavery.

### SUPPLIERS INVITED TO PCA SUPPLIER ENGAGEMENT PLATFORM



The ISPT Modern Slavery Risk Assessment Matrix is used to map procurement categories by annual spend and modern slavery risk. Spend does not impact risk rating, but we use it concurrently to support prioritisation. In FY2022, we plan to further refine the matrix and review category risk to stay up to date.



## FACTORS WE CONSIDER

### Operational environment

Unlike some other sectors, the property sector involves outsourcing and this can present challenges to understanding and managing supplier risks. Many of our suppliers may use contractors, particularly for construction. We are increasingly requesting relevant suppliers to provide information on their supply chain such as the countries from which they source goods, and their labour hire practices.

### COVID-19

We recognise COVID-19 restrictions may impact our modern slavery risk profile by increasing supply chain workers' vulnerability to modern slavery and by reducing oversight, due to travel and movement restrictions. Over time, our modern slavery risks may evolve (for better or worse), whether due to COVID-19 or other factors, such as changes in suppliers. We will need to adapt our plan to identify and address risks as appropriate.

## ACTIVITIES WE CONSIDER AT RISK OF MODERN SLAVERY

**Construction companies** source a broad variety of services, components and materials from companies in Australia and overseas for use in our projects. This may include labour hire, purchase of prefabricated parts, structures, materials and workwear manufactured overseas in risk countries such as China, India, parts of Europe and Turkey.

While these goods are not sourced directly by us, they are required to be procured in accordance with the **ISPT Procurement Policy and Guidelines**.

While we only use reputable construction companies as head contractors, the complexity and lack of transparency in the remote links of the construction supply chains may present

challenges to fully identifying and assessing modern slavery risks. We require our head contractors to be able to identify modern slavery risks in procurement, including such risks in relation to prefabricated parts/structures and construction materials, and to take steps to manage those risks.

In FY2021, solar panels were identified as higher risk due to reports on the forced labour of Uyghurs in China. We are taking steps to investigate the potential risks. The matter has also been discussed with the PCA Modern Slavery Working Group to be shared amongst all PCA members to raise awareness. We worked with our specialist consultant Pillar Two and reviewed the Global Slavery Index to categorise the following activities at risk:

**Property management companies** pose a higher risk of modern slavery through the supply of services which they manage on ISPT's behalf, and this includes cleaning, waste management and security services.

**Cleaning services** throughout ISPT's property portfolio are provided by local cleaning companies. However, as ISPT has direct contracts with cleaning companies and is an active member of CAF, we are therefore able to positively influence their labour practices.

**Security services** are in place throughout ISPT's property portfolio using local security companies. ISPT has direct contracts with security companies and therefore poses a certain level of influence on their labour practices.

**Waste management** is in place throughout ISPT's property portfolio using locally based companies. ISPT has direct contracts with waste companies and conducts quarterly meetings to monitor their performance.

**Promotional materials/electronics** purchased from local Australian suppliers are likely to comprise components manufactured in risk countries such as China and Malaysia.

## 02 CONTROL

We have adopted a number of strategies in our operations and supply chain which are designed to steer positive behaviour and contribute to industry efforts in addressing modern slavery.

### MODERN SLAVERY CLAUSES IN KEY CONTRACTS

We have taken concrete steps to enhance our supply chain management through legal clauses in our contracts with suppliers. Appropriate modern slavery obligations are already incorporated into our priority precedent contracts for downstream suppliers.

Since FY2019, we have progressively incorporated modern slavery clauses in key contracts, prioritising the highest-value outsourced functions (property management and construction) before downstream supply chains (i.e. those we appoint for goods/services).

We had external legal assistance to ensure the most appropriate drafting of our modern slavery clauses and their alignment with three key areas:

- 1 ISPT's values
- 2 The MSA
- 3 Market practice

Generally, our modern slavery- provisions have been well received by consultants, builders, and property management companies.

Many of our large-scale business partners and suppliers (such as property companies, builders, and engineering firms) are also required to report under the MSA. As such, they are aware of the requirements and have been collaborating with us on addressing modern slavery risks. (*Key Findings* on page 14)

### LEASING

In FY2021 we elected to exercise upstream supply chain influence by introducing a modern slavery clause into our precedent leases.

The modern slavery clause for ISPT's pro-forma leases for 100% owned properties was finalised at the end of FY2021 and implemented into new leases from July 2021.

While the clause may vary slightly through lease negotiations, in substance, the mutual clause obligates ISPT and its tenants to:

- Comply with relevant modern slavery laws
- Cooperate with respect to preventing or addressing any modern slavery risk in the buildings in which the lease exists
- Take steps to identify and eliminate modern slavery risks in supply chains, in accordance with applicable laws

ISPT will provide a further update on the progress of this action in our next Statement covering the period from July 2021.

### ADOPTION OF MODERN SLAVERY CLAUSES WITHIN OUR BUSINESS DEALINGS

FY2019	FY2020	FY2021
Procurement, construction, and development contracts	Consultancy, service, minor works, design, and construction contracts	New leases
Property management contracts across entire managed portfolio of wholly owned properties	Supplier warranties on ethical supply chains	

### OUR APPROACH

Our modern slavery clauses for suppliers are written in plain English and this approach has helped in getting our suppliers on board. In performing works for our properties, our business partners and downstream contractors agree to:

- not engage in modern slavery
- comply with all statutory requirements relating to modern slavery
- develop and maintain policies and procedures to avoid engaging in modern slavery
- notify ISPT promptly upon becoming aware of any complaint or allegation that a contractor has engaged in modern slavery



Photos courtesy of CAF

## TENDER EVALUATION

ISPT's standard tender evaluation templates incorporate an assessment of prospective suppliers' commitments to ethical work practices, particularly those related to the environment, health and safety, community, working conditions and fair payment.

We assess the policies and procedures of all organisations participating in ISPT tenders and we are increasingly raising our expectations on tenderers' conduct relating to modern slavery.

In FY2021, we made important changes to our tender process to assess potential suppliers' business practices to manage modern slavery risks.

## TENDERER'S DECLARATION

The ISPT tender response schedule now includes a newly added assessment criterion that requires all tenderers to submit a declaration of their actions on human rights, including modern slavery.

This requires tenderers to detail the preventive measures they have in place against modern slavery and provide their modern slavery statement (if applicable). The submissions are then assessed and designated a weighted score by key members of both our Sustainability and Procurement teams. The score will in turn influence our selection outcome.

In FY2021, the new practice was first implemented for the security services tender process as the contract was up for renewal. We will be extending it to our cleaning services tender when the contract is due for renewal in FY2022.

## PRE-SELECTION CRITERIA

In FY2021, we ran a pilot project for our development tenders which required shortlisted construction tenderers to respond to the PCA/Informed 365 modern slavery questionnaire.

The responses were then checked for any red flag warnings on outsourcing and labour practices, as well as their practices regarding modern slavery due diligence that they may have in place.

Should this prove effective and viable, we will look to implement this for higher-risk suppliers, particularly smaller, less sophisticated operators facing low competition.

## BUILDING AWARENESS

### WIDENING OUR REACH

We have adopted a pro-active strategy to raise awareness of modern slavery to workers at our properties through collaboration with our property partners. This enabled us to tap into our influence and relationships with our property partners to make a positive impact.

During FY2021, we widened our reach to the workers of suppliers, mainly cleaners and security suppliers at our properties. We anticipate increasing awareness on the issue for more workers as our property partners and peers make it a point of focus in their engagement with contractors.

#### Achieved outcomes:

- Contractual commitment of property managers to include modern slavery in their agenda at contractor meetings
- Posters on modern slavery displayed in facilities designated for the workers of contractors with information on the Whistleblower Hotline

- ISPT Whistleblower Policy User Guide was distributed to workers through approximately 50% of our property partners in FY2021. (We will continue to increase distribution through the rest of our property partners in FY2022)
- Sign-in systems on-site for contractors visiting our properties to acknowledge that they have read and understood the ISPT Whistleblower Policy User Guide
- Awareness on modern slavery and reporting channels are incorporated as part of a recurring induction program in conjunction with health and safety protocols for the workers (*Grievances and Remediation* on page 24)

## SUPPLIERS

### COMMUNICATION & TRAINING

We continue to reach out to an increasing number of suppliers through established channels. We seek to at every opportunity available through our engagement process and contractual negotiations, declare our stance on modern slavery and expectations for suppliers to address any associated risks.

In FY2021, all tier-1 suppliers engaged under new contracts or updated contracts were made aware of our ISPT Supplier Code of Conduct.

Building on this, we are preparing to roll out additional supplier training programs through webinars in FY2022.

## INDUSTRY INFLUENCE

ISPT is committed to promoting good labour practices through our industry presence and leadership.

## CAF

ISPT is one of the founding members of CAF which was established in 2012 as an independent not-for-profit entity to end exploitation in the cleaning industry. CAF is represented by stakeholders across the cleaning supply chain, which include industry peers, many of our JV partners and suppliers.

#### CAF Certification Scheme

In April 2019, CAF launched its 3 Star Standard site certification scheme. A CAF-certified building provides assurance that cleaning services at the premises are being procured, managed, and delivered in a manner that reflects respect for cleaners' labour rights, including the avoidance of modern slavery.

This marked the start of a new movement to transform the cleaning industry and ensure its compliance with workplace laws and regulations.

As a participant of the pilot scheme, seven ISPT properties were amongst the first in Australia to be certified with the highest rating of 3 Stars. Today, there are 20 CAF certified buildings in Australia.

The scheme is continuing to expand its influence in the industry. As a long-time supporter of CAF, ISPT has embarked on a new pilot program to scale up the CAF building certification program.

In the near future, this will see the launch of a new framework that will enable CAF to certify an entire portfolio of properties. The new scheme is anticipated to deliver a more efficient process, saving time and costs for property owners and other supply chain stakeholders.

Importantly, this initiative will ultimately benefit the cleaners working at our properties and deliver another new milestone for the cleaning industry.

Drawing from our successful endeavour in advocating for cleaners' rights through CAF, we will look to extend the CAF framework into other high-risk sectors.

Ongoing engagement with cleaners is a hallmark of CAF certification, setting it apart from a desktop audit.

A CAF certification is an attestation to the effectiveness of our policies and procedures being successfully implemented on the ground.

CAF building certification has recently received recognition within the Green Star – Performance rating tool. Green Star – Performance assesses the operational performance of existing buildings.

### PCA MODERN SLAVERY WORKING GROUP

As an active and long-standing member of the PCA, ISPT has long been at the forefront of many PCA's initiatives to promote leading practices for the property industry .

In 2018, ISPT became a founding member of the PCA Modern Slavery Working Group, which meets monthly.

Open to all PCA members, the PCA Working Group has led the property industry in a collaborative effort against modern slavery through the PCA Supplier Engagement Platform.

#### PCA Supplier Engagement Platform

The PCA Supplier Engagement Platform is a leading channel to help the property industry engage its supply chains in a systematic approach.

Launched in 2019, the Platform is an industry collaboration comprising PCA, Informed 365 (specialist in cloud-based supply chain management solutions), industry experts, and 15 founding property organisations, including ISPT. An additional 20 members have joined since its launch.

The Platform provides a systematic approach for suppliers' disclosure on their actions in managing modern slavery risks across their operations and supply chains.

It facilitates a consistent industry approach to understanding modern slavery risks across shared supply chains through streamlined reporting. This reduces reporting burden and facilitates suppliers to share information with different property organisations.

### ASPIRING TO BE A RECOGNISED VOICE IN THE INDUSTRY

Our goal is set on paving the way for leading labour practices and mindset changes that ultimately benefit workers. Our leadership through CAF is one example of how we are uniting stakeholders to raise practice standards in the cleaning industry across Australia.

We are privileged that our efforts through CAF and PCA have delivered results, allowing them to be shared amongst industry cohorts.

During FY2021, ISPT was given the opportunity to contribute at these events through invitation.

- Panel discussion in conjunction with the launch of Australasian Centre for Corporate Responsibility (ACCR)'s report – *Cleaning up their Act?: Modern Slavery Due Diligence in the Australian Property Sector*
- Joint webinar by CAF and PCA – *Remediation through collaboration: examples from the property sector*

CAF's rigorous assessment standards have given cleaners a voice in their welfare and work environment. We thank the CAF representatives who have stood together with us in their leadership to empower fellow workers on this meaningful journey.



*"I'm currently working with Assetlink at ISPT's Eastgate Bondi Junction and I am a CAF rep for the property. I worked closely with the previous CAF rep and have learnt a lot about CAF and how we as cleaners are going to benefit as well as how the union and CAF support lowly paid workers like us.*

*I believe in hard work and fairness and CAF is a great tool [sic] to work with in terms of fixing this industry's issues and protecting our rights at work as many times we face difficulties at our workplace.*

*Knowing about CAF really delighted me as it is so much helpful for us and as all of us want a better workplace, getting an opportunity to be a CAF representative motivates me in many ways."*

**Pritika Karmacharya, CAF Rep at Eastgate Bondi Junction, NSW (Property in ISPT Core Fund)**



*"As a representative of CAF, I am proud to be the voice of employees and being able to communicate their views to the employer that affect work-related matters. It helps to build open and trusting relationships between employers and their employees which can lead to organisational success. CAF representative could be the effective voice contributing to innovation, productivity, and organizational improvement. For employees, it often results in increased job satisfaction, improved work environment, and a greater proportion of influence and better development opportunities."*

**Diana Neira, CAF Rep at Wintergarden, Brisbane QLD (Property in ISPT Core Fund)**

## 03 INTEGRATE

We are committed to integrating human rights in our business practices, as outlined in the United Nations Guiding Principles on Business and Human Rights.

### ACCOUNTABILITY

Accountability for respecting human rights, including modern slavery prevention, is cross-functional. Led by the Working Group, our business units work together to ensure the appropriate initiatives are seamlessly embedded across the business.

### REPORTING STRUCTURE

The ISPT Board oversees our broader human rights program through the Board Committee known as the Environment, Safety and Operational Risk Committee (**ESORC**).

The Operations and Sustainability teams are responsible for the development and day-to-day implementation of our human rights program and supplier management program, including modern slavery initiatives.

Activities are regularly reported to the internal Business Management Team (**BMT**), the CEO, ESORC and the ISPT Board.

### SHARED RESPONSIBILITY

Collaboration across our business and with business partners is key to leveraging knowledge and influence from across the business to effectively address our modern slavery risks.

Our operational principles are embedded in our JV contracts, and we encourage our JV partners to operate in accordance with ISPT policies and guidelines.

We will continue to promote improvement across our value chains and expect our business and JV partners to do the same – both within their operations and with their own business suppliers.

However, we recognise that there is room for more collaboration with our JV partners and have included this in our forward agenda. (*Upcoming Actions* on page 27)

#### ISPT BOARD

The ISPT Board is ultimately responsible for approving our Modern Slavery Statement and for ensuring appropriate risk management and mitigation processes are in place

#### ESORC

ESORC assists the Board to oversee the health, safety and environment framework and risk management strategy for operational risk. ESORC also reviews and endorses the Modern Slavery Statement to the Board

#### CEO & BMT

The CEO and BMT is responsible for overseeing corporate and property-level projects and operations relating to supply chain, health & safety and governance. They also approve the projects and initiatives for modern slavery prevention

#### MODERN SLAVERY WORKING GROUP

The Working Group was established to lead the organisation in a process to understand, identify and address those risks across our operations and supply chains



**Nico Grau Molina**  
Procurement team



**Liz De La Mette (Chair)**  
Procurement team



**Warren Smith**  
Operations team



**Steven Peters**  
Sustainability & Technical Services team



**Violette Stewart**  
Risk & Compliance team



**David Chan**  
Development Services team



**Jay Norden**  
Retail Leasing team



**Jennifer Amy**  
Legal team



**Susannah Bourke**  
Investor Relations team

## GOVERNANCE FRAMEWORK

ISPT's corporate governance framework is robust and underpinned by key policies, which support our work to manage modern slavery risks.

### CORPORATE POLICIES [\(Click here to view\)](#)

**ISPT Code of Conduct** reflects our core values and culture, with emphasis on honesty, integrity, trust, and commitment to maintain a safe working environment. It applies to all directors, employees and independent contractors and is enforced through investigation of breaches by ISPT, which can result in a range of disciplinary actions.

**ISPT Human Rights Policy** expresses our respect for internationally recognised human rights as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, in line with the UN Guiding Principles on Business and Human Rights. This includes our zero-tolerance policy to inaction on the issue of child labour and other forms of modern slavery as defined in the MSA.

**ISPT Whistleblower Policy** sets out a process for reporting illegal, corrupt or unethical conduct (including modern slavery) occurring in our business. It highlights our commitment to nurture a culture of openness and accountability to minimise associated risks, and to address it appropriately. (*Whistleblower* on page 24)

**ISPT Supplier Code of Conduct** outlines our expectations of suppliers in the management of ESG risks – particularly across governance and ethics, human rights (including modern slavery), health, safety, and environment (HSE), community, diversity and data privacy. Our suppliers are expected to comply with the MSA, and all other applicable laws relating to modern slavery, respect workers' rights, and ensure fair remuneration and working conditions.

### POLICY AWARENESS

**Suppliers:** The policies are available on our website for suppliers. The ISPT Supplier Code of Conduct is presented during the tender process to suppliers for acknowledgement before their engagement, with requirements incorporated into services and consultancy contracts.

**Staff:** All new starters are required to read and acknowledge the ISPT policies available on the ISPT intranet and complete an online learning module on the ISPT Code of Conduct.

### INTERNAL GUIDES

**ISPT Responsible Investment Policy** outlines the principles for the integration of ESG criteria, which includes human rights, into our investment decisions. It is consistent with our fiduciary obligations to our investors and defines the minimum requirements for ESG management. This policy sets the framework of how ISPT operates, in alignment with the United Nations Principles for Responsible Investment.

**ISPT Procurement and Outsourcing Policy and ISPT Procurement Guidelines** set the selection criteria for suppliers, which has been refreshed for re-introduction in FY2022. (*Sustainable Procurement* in next section)

## SUSTAINABLE PROCUREMENT

As a socially responsible organisation, we take care in managing the social and environmental impacts in our supply chains.

We work with suppliers who share our beliefs in responsible supply chain management and demonstrate their ability to deliver sustainable outcomes through fair and ethical practices.

### Social Principles for Procurement

For many years, the **ISPT Sustainable Procurement Guidelines** has been our internal guide on sustainable procurement, embracing these social principles:

- Support the welfare, health and safety of our suppliers' labour forces and their extended supply chains
- Educate and empower supply chain labour forces in continuous improvement and innovation
- Promote diversity and inclusion in supply chains to ensure everyone has a 'fair go' with employment opportunities and staff engagement
- Uphold human rights in the workplace and supply chains, including ensuring workers' entitlements regarding remuneration, benefits and workplace conditions are compliant with relevant laws

### Review of our Sustainable Procurement Guidelines

During FY2021, we commenced the process of refining the ISPT Sustainable Procurement Guidelines to align them more closely with our property-related practices.

This review was conducted in line with ISO:20400 Sustainable Procurement – Guidance, which ensures our social principles are upheld by internationally recognised methodologies. ISO:20400 provides principles and best practice guidance for considering environmental and social themes (including human rights) in procurement practices.

### Enhancement of existing policy on procurement and outsourcing

In FY2022, relevant initiatives from the ISPT Sustainable Procurement Guidelines will be incorporated into the **ISPT Procurement and Outsourcing Policy** under a new criterion called Sustainable Procurement.

This change will consolidate our procurement expectations into a single document.

## BREACHES OF ISPT SUPPLIER CODE OF CONDUCT

We treat breaches of our Supplier Code of Conduct seriously and will take appropriate action to address breaches we have identified or that have been brought to our attention. The appropriate action will depend on the severity of the breach and, where possible, we will establish corrective action plans to support suppliers in developing their capabilities and improving their performance.

Suppliers are required to disclose breaches to ISPT, including significant allegations from third parties relating to the areas covered in the Supplier Code of Conduct.

ISPT may terminate its relationship with a supplier if the supplier violates the Supplier Code of Conduct and refuses to implement improvement plans.

In the near future, we have plans to implement an annual review of suppliers through checks on suppliers' conduct and their adherence to the Supplier Code of Conduct.

## ISPT MODERN SLAVERY WORKING GROUP

Our work to meet our modern slavery compliance obligations and to manage our modern slavery risks is steered by the Working Group, with specialist advice from one of Australia's leading business and human rights advisory firms, Pillar Two.

Since establishment in FY2019, the Working Group has been instrumental in increasing the visibility of modern slavery risks, not just within our business and supply chains, but also the property sector through PCA and CAF.

### MEMBERS

The Working Group is represented by major functions of the business comprising sustainability, procurement, investor relations, legal, risk & compliance, operations, leasing and development.

Members convene every month to resolve issues raised and ensure work plans are aligned with target milestones.

*"It has been a rewarding experience to be part of the Working Group. There is strong teamwork as we engage colleagues from all parts of the business for the common ISPT goal of acting responsibly and ethically in all our business dealings."*

Nico Grau Molina, Senior Procurement Manager

*"Collaboration within the Working Group has allowed me to learn more about the operations of our business and the relationships with our suppliers and business partners."*

Liz De La Mette, Procurement Business Partner

*"Being part of the Working Group has enabled the collective knowledge of the group to be shared amongst the development team and enabled deeper relationships with our building contractors."*

David Chan, Senior Development Manager

### ROLE

The Working Group reports to the BMT and ESORC. Updates are provided quarterly to the BMT and ESORC through a written report and presentation. (*Accountability* on page 20)

The Working Group is responsible for the ISPT Modern Slavery Management Strategy to meet the following goals:

- Compliance with the MSA
- Mitigation of the risks of modern slavery in our supply chains.
- Demonstration of leadership in addressing modern slavery within the property investment sector
- The preparation, finalisation and verification of the Modern Slavery Statement for review and endorsement by the BMT, ESORC and ultimately the Board

### ISPT TEAM TRAINING

We have conducted modern slavery training for our staff, Board and Board Committee, with focused training for teams which are directly involved in supply chain management. Working Group members have received more detailed modern slavery training, including aspects related to our due diligence and remediation processes, and how to recognise the red flags for modern slavery.

As part of our ongoing commitment to building maturity in understanding modern slavery compliance obligations, relevant senior staff have also attended specific human rights and modern slavery training.

In FY2021, we launched two online mandatory compliance training modules aimed at equipping our workforce with knowledge to identify and prevent modern slavery. The modules focused on the signs of modern slavery and the mechanisms available for the whistleblower. Developed in collaboration with Safetrac, a leading provider of risk and compliance training, the courses have been personalised to suit our business, risk areas and reporting channels.

The training is supported by written communications on our Human Rights Policy and actions on modern slavery to ISPT staff and investors.

TRAINING	ISPT TEAM MEMBERS
<b>Specialised</b> Modern slavery red flags Due diligence and remediation	Working Group
<b>Modern Slavery Awareness training</b>	ISPT Board ESORC
<b>Accreditation</b> Chartered Institute of Procurement & Supply (CIPS)	Procurement specialist
<b>FY2021 – Courses</b> University of Technology Sydney & Anti-Slavery Australia  CIPS Ethical Procurement & Supply (includes themes on labour rights, human rights and modern slavery)	Procurement specialist
<b>Live training</b> Risks and signs of modern slavery	Property Investment Managers, Leasing Managers, and Development Managers  ISPT 'frontline' team members who are involved in managing suppliers, contractors and public spaces (e.g. shopping centres and development sites)
<b>Online Compliance module – Awareness</b> Whistleblower Modern slavery	All ISPT staff  All ISPT staff (Introduced in FY2021 with completion due in FY2022)

## GRIEVANCES AND REMEDIATION

Our framework for grievance issues outlines how grievances, including matters relating to human right violations, can be reported and the steps that will be taken to resolve them.

If we identify that we have caused or contributed to an adverse impact on human rights, such as modern slavery, we will seek to remediate the situation according to the process stipulated.

## WHISTLEBLOWER

### Dedicated Hotline

The ISPT Whistleblower Policy introduced in FY2020 allows for the reporting of any concerns relating to illegal, corrupt or unethical conduct, including violations of internationally recognised human rights (which captures modern slavery as defined in the MSA).

The Whistleblower Hotline, activated in November 2019, is dedicated to handling reports on suspected misconduct, including modern slavery. It is provided by Lifeworks, an independent third-party based in Australia who facilitates reporting in 154 additional languages other than English.

Anyone working on our behalf, and any external person engaged to perform work related to ISPT, can report concerns about suspected illegal or unethical conduct, including modern slavery, with confidentiality and anonymity through the hotline. All reports are directed to ISPT's Designated Whistleblower Protection Officer, who is authorised to manage them.

### ISPT Whistleblower Policy User Guide

During FY2021, the ISPT Whistleblower Policy User Guide was made available to on the ISPT website to promote understanding of the support system in place for whistleblowers.

The User Guide outlines key information in the ISPT Whistleblower Policy in clear, simple language:

- Behaviours that constitute a misconduct under the ISPT Whistleblower Policy
- Persons who can report, the process of making a confidential report and the investigation process

- Support provided by ISPT and protection available under Australia's Whistleblower Protection Laws

The User Guide was provided to our property partners for distribution to visiting contractors as well as the workers of our cleaning and security suppliers at our properties to raise awareness on modern slavery. (*Building Awareness* on page 18)

### CAF Grievance Mechanism

As part of the CAF 3 Star certification framework, cleaners at our properties with CAF certification are checked on regularly by CAF through on-site engagement. These meetings avail cleaners with a safe environment to raise issues relating to health, treatment, and any other areas of concern, which could include potential concerns relating to modern slavery.

## UPCOMING – SHIELD ONLINE REPORTING PLATFORM

In FY2021, we launched SHIELD, an ISPT online portal available to staff and property partners, to report events related to health and safety, including incidents, near misses, hazards, and authority interactions.

SHIELD will be further enhanced in FY2022 to curate reports on modern slavery concerns, streamlining our ability to process, review and report on suspected cases of modern slavery.

## CUSTOMERS

If a customer or tenant has a complaint, our property partners are usually their first point of contact. The property managers will then notify the ISPT property investment or property operations team of the complaint as part of our reporting process.

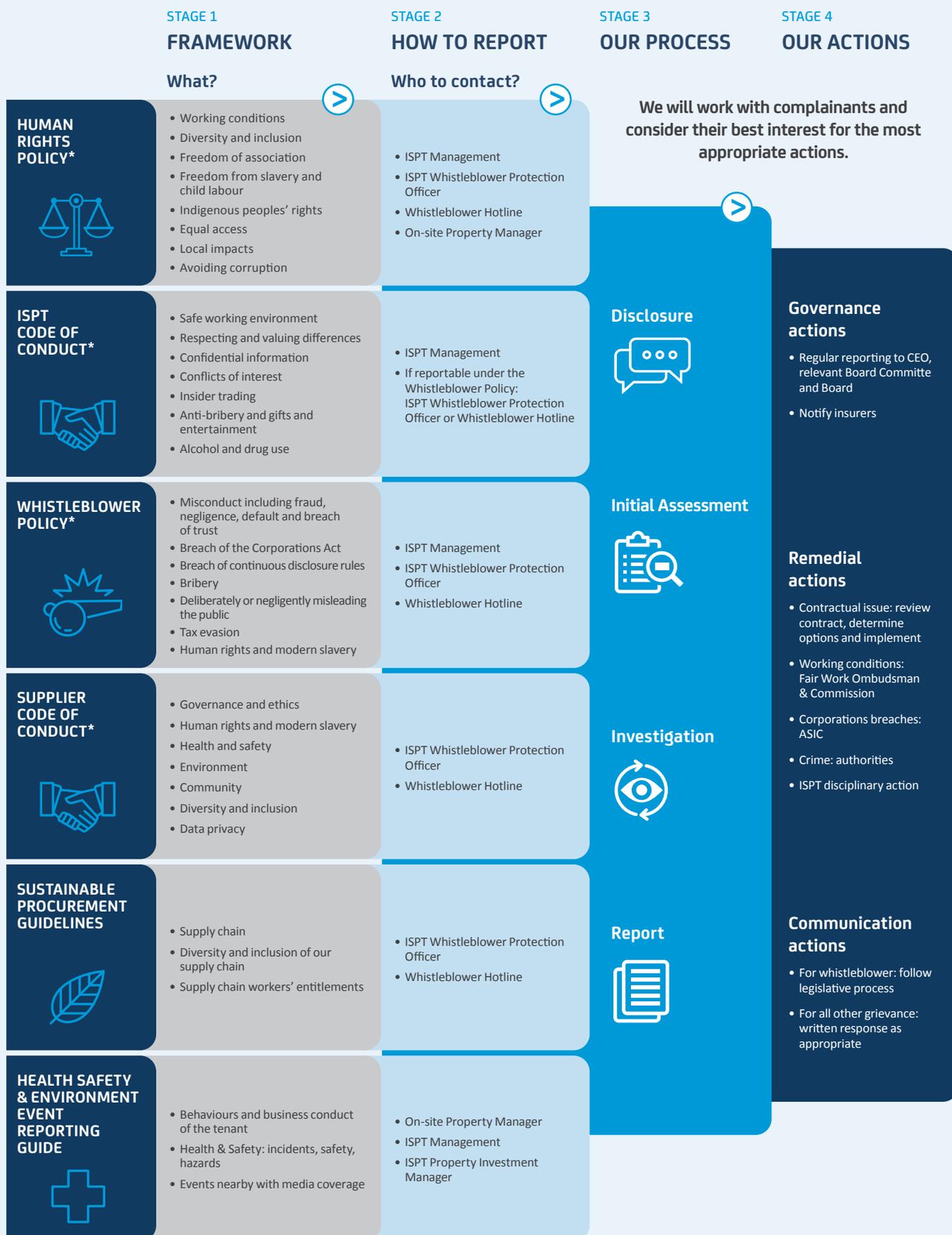
In the event the complaint is a modern slavery related issue, the property investment or property operations team must immediately refer the complaint to our ISPT General Counsel.

## CASES

Any concerning issues raised through any of the abovementioned channels will be reported to ISPT according to our framework for grievance issues.

Portlink Estate, 67 Horsburgh Drive, Altona

## FRAMEWORK FOR GRIEVANCE ISSUES



\*Available on ISPT website

## REMEDIATION PROCESS

In line with the ISPT Human Rights Policy, we recognise our responsibility to cooperate in the remediation of human rights harm, which we have caused or contributed to, according to the UN Guiding Principles on Business and Human Rights.

### FRAMEWORK

Our framework for grievance issues provides guidance on the avenues which reports may be made on issues impinging on human rights, ethics, employment welfare, misconduct, and health & safety.

We will continue to develop our response processes and escalation pathways for modern slavery incidents alongside the development of our supplier management framework, particularly as live issues arise.

We also encourage suppliers to provide and maintain their own grievance mechanism for their workers and suppliers to safely raise concerns and complaints without fear of retaliation through the ISPT Supplier Code of Conduct.

### ACTIONS TAKEN

We have not yet had any reported instances of modern slavery (within the meaning in the MSA) come through the grievance framework since it was established.

However, during FY2021, we conducted a request for tender for security services. During the process, we identified that security officers at some of our properties were paid below the industry rates under an Enterprise Bargaining Agreement.

This prompted our response to establish new contracts with a number of security companies, which require their security officers to be paid according to the Security Services Industry Award.

The Security Services Industry Award contains the minimum conditions of employment for employees in the security services industry, specifying minimum rates by security officer level, allowances, and rate type.

As a result, the wages of all security officers across our property portfolio are now aligned with the Security Services Industry Award.

To avoid a similar occurrence in other service contracts, we made necessary changes in new contracts or contracts due for renewals to ensure workers are not paid lower than the relevant industry award, if applicable.

Whilst underpayment is not, of itself, modern slavery within the meaning given in the MSA, this story demonstrates ISPT's commitment to and prioritisation of protecting the working rights of individuals in its supply chain.



## 04 REVIEW

Our approach to modern slavery risk management is an ongoing process, which will continue to be enhanced through regular and disciplined review.

### TRACKING OUR EFFECTIVENESS

We recognise the importance of assessing our effectiveness to understand what is working and where different approaches may be required.

As we mature in our understanding of modern slavery risks and ability to respond effectively, we aim to develop more meaningful ways to identify and prevent modern slavery incidents from occurring.

#### MODERN SLAVERY RISK REVIEW

The Modern Slavery Risk Review (**Review**) is our continual risk assessment process to evaluate both existing and arising modern slavery risks, the effectiveness of preventive controls within the business and if those risks require further mitigation or acceptance. The Review supports us in assessing the effectiveness of our actions to manage modern slavery risks by providing a mechanism to test whether our current response is fit for purpose.

Our key focus is to ensure for every possible risk of modern slavery identified, we respond with adequate controls which are most effective in combating those risks.

#### STAKEHOLDERS

Risk assessments are undertaken with key internal business unit stakeholders, facilitated by the Senior Manager, Risk and Compliance, who is a member of the Working Group.

Insights from the stakeholders, whose roles are also instrumental to ISPT's procurement and outsourcing, form the basis of the Review.

#### SCOPE OF ASSESSMENT

In FY2020, we completed a high-level Review to identify possible gaps within our operations and supply chains that might give rise to modern slavery risks. This resulted in actions to enhance our governance framework through policies, guidelines, and contracts to tighten our approach to managing those risks.

In FY2021, we delved deeper into the resilience of our controls, with comprehensive review of our day-to-day operations, including areas of improvement, where we might be missing controls or where new risks have arisen.

The review also considered our due diligence process and identified areas for it to be more robust and comprehensive.

### UPCOMING ACTIONS

Our existing controls are reassessed and reinforced through the Review, from which new controls may be developed as we gain more insights into their effectiveness.

We have identified new initiatives to enhance our existing controls, including new approaches to facilitate more reliable assessment of modern slavery risks in our supply chains.

#### In progress

- Test of an evidence-based approach is now underway on cleaning suppliers to test its viability to identify red flag warnings in our supply chains (*Further Actions from FY2020 Assessment on page 15*)

#### Under development

- Annual review of suppliers through checks on suppliers' conduct and their adherence to the ISPT Supplier Code of Conduct
- Survey the ISPT team to check the effectiveness of modern slavery training conducted in FY2021
- Governance framework for JVs to address modern slavery risks
- Key performance indicators for preventive controls

### ONGOING PROCESS

We regularly monitor, review, and assess our modern slavery risks to ensure a robust and effective control environment is maintained.

While we endeavour to be as vigilant and thorough as possible, we recognise that modern slavery risks can be hidden and may only be discovered through reported incidents. Should this occur, our framework for grievance issues will support us to undertake appropriate remedial actions and consider whether changes are needed to our existing modern slavery risk management strategy.



# THE YEAR AHEAD

Heading into FY2022, we will build on the insights gained and probe deeper into how our practices may be refined and reinforced. ISPT will continue to build on the accomplishments of the business and is committed to demonstrating leadership within the property sector on modern slavery risk management and reporting.

## FOUNDATIONAL PHASE

### FY2020

### FY2021

### FY2022

	FY2020	FY2021	FY2022
<b>Policy/ contractual commitment</b>	<p>Commenced development, communication and implementation of policies.</p> <p>Enhance supply chain management through legal clauses.</p>	<p>Refresh the ISPT Sustainable Procurement Guidelines to tackle modern slavery and related issues.</p> <p>Incorporate appropriate modern slavery obligations into priority precedent contracts for downstream and upstream suppliers.</p> <p>Work with business partners and ISPT's Development Services team to implement the ISPT Supplier Code of Conduct and ISPT Sustainable Procurement Guidelines.</p>	<p><b>Completed</b> Implementation scheduled in FY2022 (<i>Sustainable Procurement</i> on page 21)</p> <p><b>Ongoing</b> Modern slavery clause to be implemented into new leases from July 2021 (<i>Modern Slavery Clauses in Key Contracts</i> page 17)</p> <p><b>Ongoing</b> Future plan to review suppliers on their adherence to the ISPT Supplier Code of Conduct (<i>Breaches of ISPT Supplier Code of Conduct</i> on page 22)</p> <p>Launch of new sustainable procurement guidelines in FY2022 (<i>Sustainable Procurement</i> on page 21)</p>
<b>Assessment of risk</b>	<p>Completed high-level assessment of modern slavery risks in our operation and supply chains.</p> <p>Assessed suppliers' information from the PCA Supplier Engagement platform.</p>	<p>Develop and implement a sustainable supply chain management framework, including modern slavery requirements, to identify and address human rights issues.</p> <p>Incorporate more robust risk assessment in the tender process for human rights, including modern slavery.</p> <p>Continue engagement with CAF and PCA to help drive improvement in our own processes and share our expertise and insight with other businesses.</p>	<p><b>Ongoing</b> Expansion of assessment into new supplier categories (<i>Our Supply Chains</i> on page 10)</p> <p><b>Completed</b> (<i>Tender Evaluation</i> on page 18)</p> <p><b>Ongoing</b> PCA Modern Slavery Working Group initiatives</p> <p>Expansion and evolution of CAF Certification Scheme</p> <p>Investigation of a CAF-type initiative for other high-risk sectors (<i>Industry Influence</i> on page 18)</p>
<b>Integration, training and awareness- raising</b>	<p>Formed internal Working Group with expert advice from Pillar Two human rights consultants.</p>	<p>Continue to increase the awareness of our people on modern slavery risk management, including seeking external expert input for guidance on our approach.</p> <p>Develop training on modern slavery for procurement, development, property management and leasing functions.</p> <p>Explore options to collaboratively work with suppliers and partners.</p>	<p><b>Ongoing</b> Annual refresher course through online and live training for staff. (<i>ISPT Team Training</i> on page 23)</p> <p><b>Completed</b> (<i>ISPT Team Training</i> on page 23)</p> <p><b>Ongoing</b> Active engagement with suppliers to identify new initiatives and collaboration opportunities</p>
<b>Tracking effectiveness</b>	<p>Incorporated discussions on modern slavery risk in supplier reviews.</p>	<p>Include modern slavery risk as part of FY2022 internal audit program.</p>	<p><b>Ongoing</b> Internal audit review of modern slavery processes are scheduled to commence in February 2022.</p>
<b>Reporting / communication</b>	<p>Defined reporting requirements to ESORC.</p> <p>Provided Board oversight.</p>	<p>Develop, review, and provide transparency on grievance mechanisms.</p>	<p><b>Completed</b> (<i>Grievances and Remediation</i> on page 24)</p>
<b>Grievance mechanisms</b>	<p>Finalised and distributed the ISPT Whistleblower Policy.</p>	<p>Work with key suppliers to develop joint grievance mechanisms and process.</p>	<p><b>Ongoing</b> Evaluation will be undertaken with concrete plans to be updated in future</p>
<b>Remediation</b>	<p>Accomplished workplan, including remediation processes and tasks.</p>	<p>Implement remediation process, including request for suppliers to provide modern slavery response plan specific to their contracts/project.</p>	<p><b>Ongoing</b> Regular review and improvement of our grievance and remediation process (<i>Remediation Process</i> on page 26)</p>

## CORPORATE DIRECTORY

### TRUSTEE / MANAGER

ISPT PTY LTD  
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AFSL 247 280

### SERVICE ENTITY

ISPT OPERATIONS PTY LTD  
ABN 12 633 106 733

### TRUSTS

ISPT Core Fund  
ISPT Retail Australia Property Trust  
ISPT 50 Lonsdale Street Property Trust  
ISPT CIB Fund

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