



Modern Slavery Statement

Financial Year
31 December 2021

ESR Real Estate (Australia) Pty Ltd

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Our Commitment

Respect for human rights is of the highest priority to ESR Australia and its stakeholders. ESR Australia is dedicated to operating its business in a way that maintains the highest ethical environmental, social and governance standards and practices. ESR Australia is intolerant of all the practices that fall under the term 'modern slavery' and is committed to taking steps to ensure modern slavery has no place in its operations or supply chain.

ESR Australia is part of the ESR Group, the Asia-Pacific region's largest logistics real estate group. ESR's market-leading position and scalable business model requires it to maintain an assertive, risk-based approach to identify and address modern slavery risks proactively.

In June 2021, ESR Australia published its first Modern Slavery Statement as required under the *Modern Slavery Act 2018* (Cth). This Modern Slavery Statement builds on that document. It provides an overview of ESR Australia's approach to modern slavery and the progress made towards identifying and addressing modern slavery risks within its operations and supply chain during the reporting period, as well as key areas of focus for the year ahead.

In the process of developing this Modern Slavery Statement, ESR Australia management made the Statement available for review and comment by the Boards of ESR Real Estate (Australia) Pty Ltd, ESR Asset Management (Australia) Pty Ltd, ESR Developments (Australia) Pty Ltd and CIP Constructions (Australia) Pty Ltd.



Philip Pearce
CEO
ESR Australia

Overview

This Modern Slavery Statement (Statement) is made by ESR Real Estate (Australia) Pty Ltd (ESR Australia) and its subsidiaries, including:

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

Reference to ESR Australia in this Statement is a reference to ESR Australia and the entities listed above.

A subsidiary of ESR Cayman Limited, ESR Australia was established in 2018, and is now a leading manager of industrial and business park real estate with a robust development pipeline.

Headquartered in Hong Kong, ESR Cayman Limited, a listed entity on the Hong Kong Stock Exchange, is a leading logistics real estate platform with a network spanning major economies across the APAC region, including the People's Republic of China, Japan, South Korea, Singapore, Australia and India.

In Australia, ESR's global standards are paired with local expertise to develop and manage a strong portfolio of assets.

A fully integrated industrial real estate platform, ESR Australia has market leading capabilities in development, investment and asset management.

Develop

ESR Australia develops strategic land assets, greenfield and brownfield development sites delivering premium logistic facilities.

Invest

ESR Australia invests in assets through direct ownership and the funds it manages, and creates investment opportunities for its capital partners.

Manage

ESR Australia actively manages assets, adding long term value for customers and investors.



US\$140.2 bn*

Total ESR Group assets under management



39.8sqm**

Gross Floor Area



2000+

Inhouse Industry Experts

*Includes the AUM of associates (Cromwell and Kenedix)

**Excluding assets managed by associates

@31 December 2021

Identify the Reporting Entities

Reporting Entities

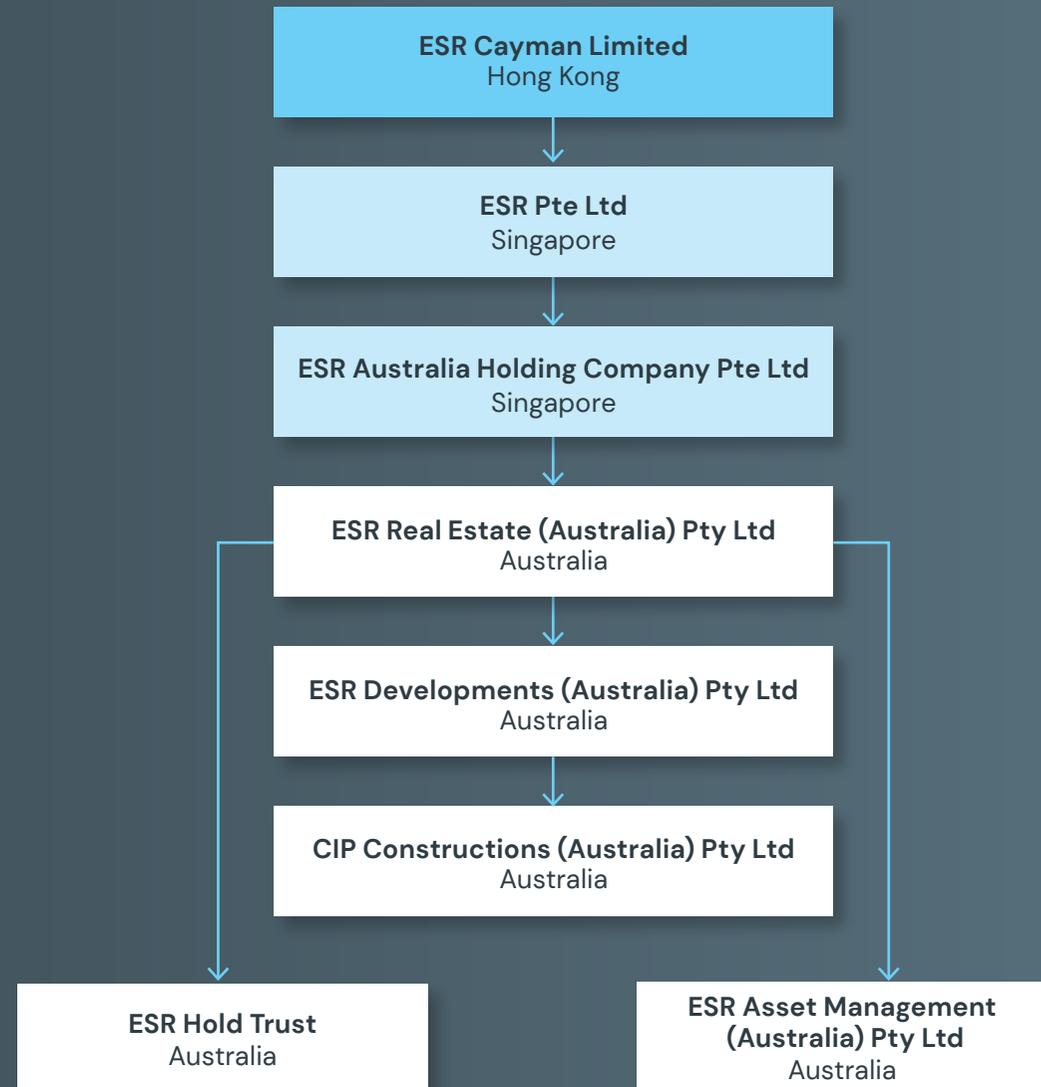
ESR Real Estate (Australia) Pty Ltd and its subsidiaries, including ESR Asset Management (Australia) Pty Ltd, ESR Developments (Australia) Pty Ltd and CIP Constructions (Australia) Pty Ltd, jointly prepared this Statement in accordance with Section 16 of the *Modern Slavery Act 2018* (Cth) (the **Act**). ESR Cayman Limited is the ultimate holding company of the ESR Group.

Purpose

ESR Australia recognises that modern slavery is a serious violation of human rights and can occur in various forms such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking.

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

In accordance with the Act, this Statement includes reference to actions undertaken in the FY2021 reporting period to identify and address the risk of modern slavery practices in ESR Australia's operations and supply chain.



Our Approach and Progress

ESR Australia is dedicated to embedding its commitment to human rights and modern slavery into its policies, systems and processes which are essential for identifying and mitigating modern slavery risks in its operations and supply chain.

Governance

Key ESR Australia policies, procedures and templates that address modern slavery are reviewed annually, or more frequently as required, to ensure that they are aligned with applicable legislation and ESR Australia's focus on modern slavery and human rights.

Code of Conduct & Business Ethics

ESR Australia has adopted the ESR Group Code of Conduct & Business Ethics. ESR is firmly committed to conducting business with the highest integrity and in compliance with the letter and spirit of the law. The Code embodies these fundamental principles and covers a wide range of business practices and procedures, and emphasises and advances the principles of good conduct, professionalism, loyalty, integrity and cohesiveness, that are critical to the success and wellbeing of the ESR Group.

The Code defines the behaviours, standards, expectations and actions required of all ESR directors, officers and employees. ESR Australia employees are required to provide annual attestations that they have read and acknowledged the Code.

Supplier Code of Conduct

ESR Australia has adopted the ESR Group Supplier Code of Conduct. The Code defines the standards the ESR Group expects its suppliers to comply with while conducting business with and/or on behalf of ESR entities.

Reporting & Incident Management

Modern slavery breach reporting is included within the scope of the ESR Australia Whistleblower Policy. The Policy encourages the reporting of improper and unethical conduct. Concerns can be raised in a number of ways, including anonymously through online platform Complysci.

Enhancement of awareness of who to contact in the event of a concern or grievance was achieved through employee training.

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

To date no concerns have been received, including via whistleblowing mechanisms, in relation to modern slavery or human rights issues in ESR Australia's operations or supply chain.

Knowledge & Capability

In FY2021 ESR Australia provided training on modern slavery through presentations and e-learning modules to raise awareness among employees and support them to identify and report modern slavery risks in ESR Australia's direct operations and supply chain.

Environmental, Social & Governance (ESG)

In FY2021, ESR Australia appointed Simon Carter as Acting Head of ESG to assist in progressing commitments to ESG matters across the ESR Australia business. In November 2021, the 2021-2023 foundational ESG Plan was launched, which will be led by the Australian ESG Committee. Key areas of focus include:

- Safety, Health and Wellbeing
- Diversity and Inclusion
- Talent Attraction Retention and Training
- Stakeholder Engagement

Supply Chain Engagement

ESR Australia does not tolerate modern slavery and will not knowingly engage in, or deal with any suppliers that engage in modern slavery. As part of ESR Australia's procurement process, third parties are:

- issued with the ESR Group Supplier Code of Conduct; and
- screened via ComplianceDesktop software where the value of the transaction is \$10,000 or more.

The ComplianceDesktop software includes an internal due diligence questionnaire to be completed by the ESR Australia requestor, following which a third party screening will be triggered, screening the third party against four main categories of sources covered by ComplianceDesktop's World-Check database, including sanctions, regulatory enforcement, law enforcement and political exposure.

Managing Modern Slavery Risks

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

Stage	Processes & Procedures
Review	<ul style="list-style-type: none"> Review ESR Australia's business unit operations and supply chain annually.
Identify & Evaluate	<ul style="list-style-type: none"> Record key operations and supply chain for each business unit. Each business unit completes an annual modern slavery risk assessment on their operations and supply chain which includes a core set of questions. Assign responsibility for each risk to a Risk Owner.
Mitigate	<ul style="list-style-type: none"> Utilise risk rating matrix to assess and rate risks, and record current controls. Implement and/or update policies and procedures to mitigate risks identified. Issue the ESR Group Supplier Code of Conduct to new third-parties. Undertake ComplianceDesktop checks on new third-parties for transactions with a value of \$10,000 or more. Refresh checks biennially.
Report	<ul style="list-style-type: none"> ESR Australia Board reviews and approves the Statement. Statement lodged in accordance with the Act.
Knowledge & Capability	<ul style="list-style-type: none"> Make available to ESR Australia employees and stakeholders modern slavery and whistleblower policies and resources. Provide training on modern slavery through presentations and e-learning modules to raise awareness among ESR Australia employees and support them to identify and report modern slavery risks.

Risk Indicators

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

ESR Australia recognises that a strong risk management system is fundamental to informing business decision making and assessing, and where necessary, minimising exposure to risk. ESR Australia is committed to integrating risk management into the culture of the organisation.

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

Key extracts from the *Modern Slavery Act 2018 (Cth)* – Guidance for reporting entities (Table of risk indicators)

Sector & Industry Risks	Product & Services Risks	Geographic Risks	Entity Risks
<ul style="list-style-type: none"> • Use of unskilled, temporary or seasonal labour • Use of short-term contracts and outsourcing • Use of foreign workers or temporary unskilled labour to carry out functions not immediately visible such as security or cleaning 	<ul style="list-style-type: none"> • Products produced with short delivery timeframes (requiring suppliers to engage in excessive working hours) • Products or components of products are made in countries where there is a high risk of labour exploitation 	<ul style="list-style-type: none"> • Products are sourced from countries that have a high prevalence of modern slavery or labour rights violations • Products are sourced from countries with inadequate protection for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards 	<ul style="list-style-type: none"> • Entity's procurement and sourcing processes appear poorly managed or inefficient • Entity has complex or opaque supply chain • Entity has previously been reported as non-compliant with human rights or labour standards
Examples	Examples	Examples	Examples
<ul style="list-style-type: none"> • Cleaning services use illegally trafficked workers • Sub-contracted tradesmen use severely underpaid labour 	<ul style="list-style-type: none"> • Steel manufacturers for construction projects use forced labour 	<ul style="list-style-type: none"> • Cheap materials are sourced from countries with a high risk of labour exploitation to cut costs 	<ul style="list-style-type: none"> • Engaging builders with poor procurement and sourcing processes or poor workplace protections and entitlements

Operations and Supply Chain

Operations

ESR Australia has identified its areas of operation as follows:

- Development / Construction
- Asset Management
- Investment
- Corporate Operations

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

Supply Chain

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

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

Key Modern Slavery Risks

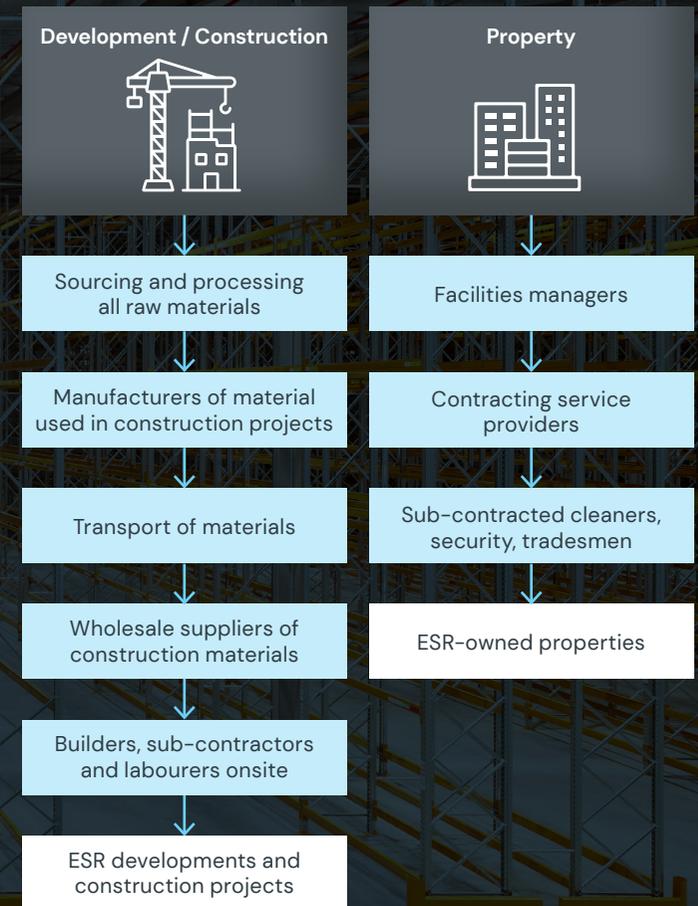
ESR Australia's business units identified the following areas of key modern slavery risks:

- Cleaning and maintenance workers
- Subcontracting and hired labour supply
- Sourcing of construction materials
- Corporate service firms

FY2021 Assessment of Operations & Supply Chain

In FY2021 ESR Australia business units completed their annual modern slavery risk assessment on their operations and supply chain. The items identified during that review were consistent with the FY2020 review.

Example of ESR Supply Chain



Risk of Modern Slavery Practices in Operations and Supply Chain

Asset Management

Asset Management delivers and implements Strategic Asset Plans for assets under management, with the aim of maximising net income for the property, taking into consideration the objectives of each Fund, where relevant.

Development/Construction

Development focuses on the development of greenfield and brownfield sites into modern warehouse and industrial facilities.

Corporate Services

Our Corporate division includes our Legal, Marketing, Finance, IT and Human Resources units. These units are all diverse and have individual supply chain; however, they all engage with suppliers who provide physical or online services.

Key supply chain includes:

- Third party consultants (various contractors)
- Facility management

- Construction companies and subcontractors
- Direct and indirect customers (3PL providers)
- Consultants

- Marketing suppliers
- Corporate advisory firms
- Information technology products and platforms

Examples of risks identified & current controls in place:

Risk Description	Category	Control	Risk Description	Category	Controls	Risk Description	Category	Controls
Cleaning and maintenance workers in assets with contractors engaging sub-contractors with informal labour arrangements	Medium Risk	Conduct due diligence and compliance checks, ensure contract clauses are in place that meet modern slavery standards	Procurement practices of contracted construction companies	Medium Risk	Conduct due diligence and compliance checks, including assessment of covenant and operations	Corporate advisory firms have overworked staff	Medium Risk	Conduct due diligence and compliance checks, review third party outsourcing arrangements and monitor
			Construction contractors engaging sub-contractors and/or trades engaging labour hire with informal labour arrangements	Major Risk	Conduct due diligence and compliance checks, pre-qualification and procurement process	Product manufacturing in high-risk countries	Medium Risk	Conduct due diligence and compliance checks, ensure contract clauses are in place that meet modern slavery standards

Risk Mitigation, Due Diligence and Remediation Processes

- Anti-slavery clauses included in ESR Australia supplier contracts, leases and other template contracts across the business
- ComplianceDesktop software used to conduct due diligence on and screen new third party suppliers
- Issue ESR Group Supplier Code of Conduct to new third party suppliers

Due Diligence Controls

Prioritise Medium/High Risk Areas

- Conduct additional due diligence screening on all medium and high risk third parties we propose to engage
- Ensure pre-qualification forms are completed by contractors, including a review of their procurement processes
- Implement and/or update policies and procedures as required to mitigate modern slavery risks identified

- Conduct quarterly compliance monitoring with relevant employees, Heads of Departments and the Senior Management Team
- Report identified and potential modern slavery risks to the ESR Australia Board
- Review and update risk registers at least annually, including measures taken to mitigate modern slavery risks identified

Compliance Monitoring

Whistle Blowing Resources

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

Continuous Improvement

Risk Management

ESR Australia is committed to ensuring modern slavery standards and practices are upheld as it develops and grows. In preparing this Statement, heads of business units were engaged to consider modern slavery risks in their respective business unit operations and supply chain.

Knowledge and Capability

Education and awareness are key controls to address the risk of modern slavery. ESR Australia sets clear expectations that its employees should be alert to possible instances of modern slavery.

In line with ESR Australia's dedication to improve overall awareness of modern slavery throughout its operations, ESR Australia employees were required in FY2021 to complete compulsory training on modern slavery risks, incident management and whistleblower procedures.

Responsible Supply Chain Engagement

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

- Use of ComplianceDesktop software to conduct risk assessments and due diligence screening of third parties it engages with.
- Working closely with facility manager CBRE to ensure all third-party suppliers are screened thoroughly through an approved due diligence platform.
- Issuing the ESR Group Supplier Code of Conduct to third party suppliers.

COVID-19

Throughout the pandemic, ESR Australia continued to focus on:

- Identifying and mitigating modern slavery risks
- Upholding its commitment to protect the health and safety of its employees, customers and supply chain, and to ensure that assistance was provided where required.

Specific measures undertaken by ESR Australia during the pandemic include:

- Aiding customers/tenants and suppliers where possible.
- Encouraging government income support programs to be sought where possible.

- Implementation of management plans with respect to the access of contractors onto construction sites, including digital registration and temperature checking (site specific), in line with guidelines.
- Installing hand sanitiser and hygiene awareness signage in lobbies, amenities, kitchen and food preparation areas (site specific), inline with authority guidelines.
- Implementing the Uprise Employee Assistance and Wellbeing Program to provides tools and resources to support ESR Australia employees.

Next Steps

In FY2022 ESR Australia will:

- Continue to roll out compulsory education for all employees.
- Track any complaints and/or grievances reported via the whistleblower mechanism.
- Launch new online platform 'speeki', an enhanced complaints and/or grievance reporting mechanism.

All enquiries to be directed to

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