



Cedar Pacific

Modern Slavery Statement

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Modern Slavery Statement 2021

Introduction

In 2018, the Australian Government passed the Modern Slavery Act 2018 (Cth) (the Act), following the UK (2015) and California (2010). The Act focuses on transparency, requiring companies generating more than \$100 million in annual revenue to disclose their modern slavery risks, their actions to mitigate those risks, and the effectiveness of those actions. Companies can report voluntarily in accordance with the Act.

Cedar Pacific Investment Management Pty Ltd (Cedar) voluntarily elected to comply with the Act in 2019. This is our second Modern Slavery Statement (MS Statement), reflecting the portfolio as at 31 December 2021.

This MS Statement was approved by the Cedar Board on 29 June 2022.



Bernard Armstrong

CEO

Acknowledgment of Country

We acknowledge the Traditional Owners and custodians of the land in which we conduct business. We pay our respect to Elders past, present and emerging.

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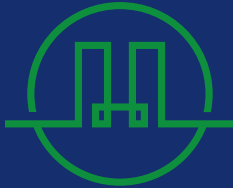
Cedar Pacific - Overview

Cedar is a leading speciality investment manager founded by Pamoja Capital. Founded in 2015, Cedar delivers long-term capital growth and yield to its equity partners through a disciplined active management strategy that emphasises operational performance and risk mitigation.

Cedar's current real estate portfolio spans two distinct areas of the property sector: asset operation and asset development. These areas each have known modern slavery risks, though the risk profile of each differs. Cedar manages 13 assets across 2 countries. The operational assets are operated by UniLodge, and often cater for retail and office tenants on lower levels, making them multi-purpose buildings.

Whilst Cedar does not have the influencing power of larger development groups and fund managers, it takes Modern Slavery risk seriously and aims to make a difference.

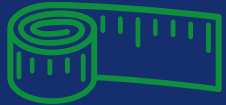
Cedar engaged a specialist firm to assist with a modern slavery risk assessment to identify key modern risks in Cedar's operations and supply chain and proposed recommendations to further strengthen Cedar's existing measures.



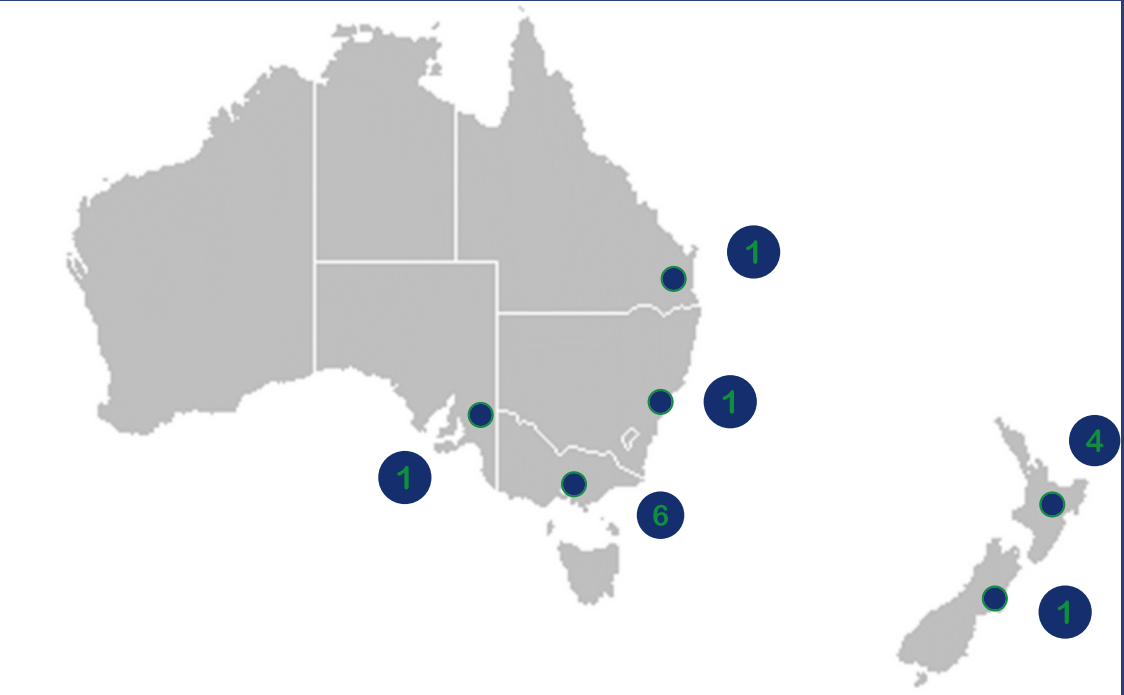
10
Operational
Assets



3
Properties
under
Development



228 809
Sqm of
properties



8608
No. of beds



\$1.5
billion + AUM



20+
scholarships
awarded in FY21

Executive Summary

➤ Cedar has exposure to modern slavery risks by virtue of high-risk sectors (construction, property) it operates within. Given its highly qualified staff cohort, Cedars' risks exist predominantly or entirely within its supply chains.

➤ Cedar's assets under development provide its main source of modern slavery risks. These require extensive use of labour and materials, some involving high modern slavery risk factors. Cedar relies heavily on the efforts and safeguards of its head contractors to mitigate its supply chains risks.

➤ Cedar's largest modern slavery risk within operational assets are the cleaning suppliers contracted by its asset operator, UniLodge. Cleaning also comprises a significant percentage (51.8%) of procurement spend per asset, giving UniLodge commercial leverage to ensure its suppliers adhere to requirements and appropriately mitigate their risks.

➤ As a privately-owned company, Cedar is not required to comply with the Act, though it has voluntarily elected to report.

➤ Cedar's current head contractors for assets under development have both issued Modern slavery Statements in compliance with the Act.

➤ There is both scope and justification for Cedar to support and require its head contractors (and to a smaller extent, UniLodge) to continue to deepen their understanding and mitigation efforts on modern slavery, and to report more thoroughly and regularly back to Cedar on the results of these efforts.



Executive Summary

Cedar has undertaken the following actions since its last MS Statement:

- Risk assessment by a third party on its operations and supply chains
- Educated itself further on modern slavery risk factors and known cases within industries it has exposure to
- Uncovered the highest risk industries within its respective supply chains
- Alerted its operator (UniLodge) and the individual property managers, as well as its head contractors its keen interest in understanding and protecting against modern slavery within its supply chains
- Mapped – to Tier 2 level – its supply chains for 7 fully operational assets and 2 assets under development, by industry and spend
- Received recommendations on how to improve our safeguards against modern slavery, primarily within our supply chain, where our greatest risks lie.



Section 16 - Reference Guide

No.	Item	Reference in Report
(16(1)(a))	Identify the reporting entity	Page 3
(16(1)(b))	Describe the structure, operations and supply chains of the reporting entity	Page 3
(16(1)(c))	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Pages 10, 12 & 16
(16(1)(d))	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Pages 10, 13, 14 & 16
(16(1)(e))	Describe how the reporting entity assesses the effectiveness of such actions	Pages 17-18
(16(1)(f))	Describe the process of consultation: any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14—the entity giving the statement	Page 7
(16(1)(g))	Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Page 4, 5 & 8
(16(2))	Provide the details of approval by the principal governing body of the reporting entity	Page 20

Consultation with Reporting Entities

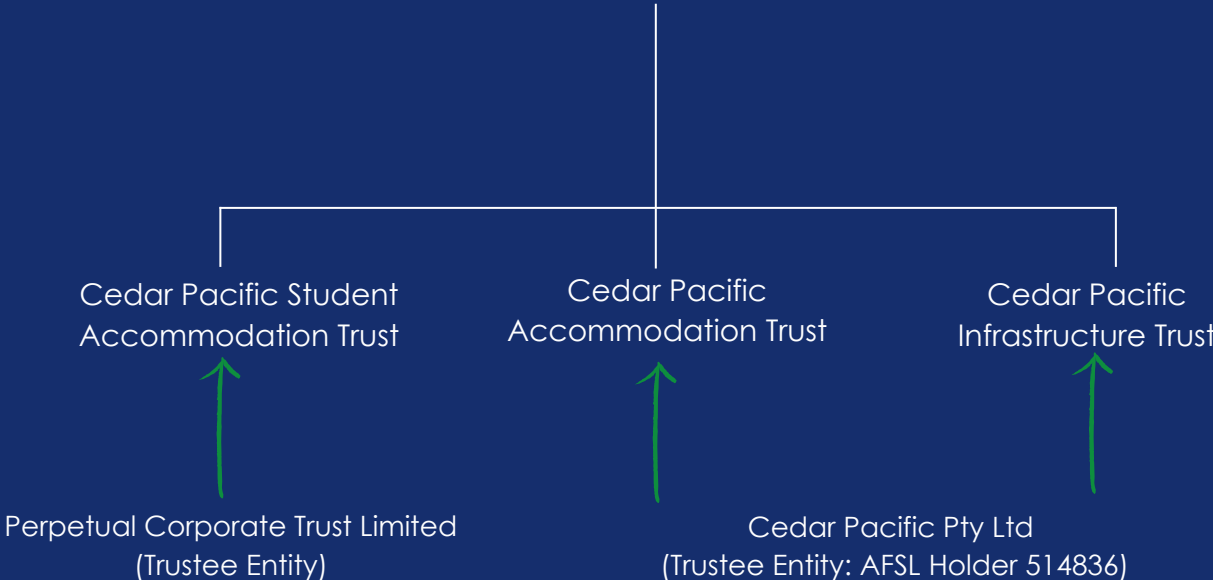
In 2021, Cedar continued to deploy its approach to reducing modern slavery risks in each of its funds.

Each fund has its own governance structure as set out in the governing documentation. The governance structure determines the decision-making for the assets within the fund. The funds are supported by the executive committee and Environmental, Social and Governance Committee (ESG Committee) who provide quarterly updates to the Board.

The ESG Committee was established in 2019 to facilitate structured and focused attention is applied to establishing and implementing sustainability practices across the Company. The ESG Committee oversees Cedar's implementation of the ESG Policy and Modern Slavery Policy across all relevant entities.

The ESG Committee includes key representatives from critical business units who are actively involved with all funds and reporting entities.

REPORTING ENTITY
Cedar Pacific Investment Management Pty Ltd is the Investment Manager of the funds below



Modern Slavery Milestones

- The Act came into effect on 1 January 2019.
- Cedar elected to voluntarily report
- Modern Slavery Policy and register prepared and approved by the Board

- Cedar's first Modern Slavery Statement was successfully submitted to the Australian Border Force and is available on the public registry.
- A risk assessment was conducted to determine any gaps in Cedar's mitigation strategies regarding its supply chain in both the operation and construction space.

- Annual review of supplier and service provider registers.
- Annual review of mitigation strategies.
- Annual Modern Slavery Statement submission.

2019

2020

2021

2022

2023

- Measurers were implemented including mandatory contract clauses in key contracts such as design and construction contracts and other services contracts.
- Suppliers and service providers were required to complete questionnaires on their own Modern Slavery mitigation strategies and supply chain.

- Cedar is implementing the recommended strategies to strengthen its mitigation strategies.
- Cedar's second Modern Slavery Statement submission.



Head Office Risk Assessment

Addressing Modern Slavery Risks
in the Workplace

Head Office Risk Factors

Cedar's head office direct employees are all located in Australia, office-based, highly-skilled and paid above award wages. Additionally, employment agreements comply with industrial relations laws and regulations.

As a result of the above factors, the residual risk of modern slavery within Cedar's head office operations is extremely low.

Despite this extremely low residual risk, Cedar has the following measures to eliminate any risk of modern slavery within its organisation:

- As part of the on-boarding process, new employees must read all company policies. This includes the Modern Slavery Policy, Procurement Policy and Whistle-blower Policy;
- Anonymous employee surveys are distributed to all staff to assess employee satisfaction; and,
- Annual training performance plans with the relevant manager to discuss working conditions, responsibilities and challenges.

Cedar's Chief Operating Officer (COO) is the owner of the company's Modern Slavery Policy. The COO is to be immediately notified if an instance of modern slavery was discovered within Cedar's supply chain and an action plan would be agreed between Cedar and the relevant parties involved.

Risk Mitigation





Operations Risk Assessment

Addressing Modern Slavery Risks
in Cedar's Operational Assets

Operational Risk Factors

Based on known modern slavery cases in Australia and New Zealand, the highest risk industries for Cedar's operational assets include commercial cleaning, security and other general maintenance (all onshore) (KPMG and Australian Human Rights Commission, 2020). These industries are designated highest risk because they are characterised by base-skilled, sub-contracted labour and because cases of modern slavery have been discovered within both Australia and New Zealand.

One factor in guiding Cedar's response to its modern slavery risks is the proportion of procurement spend each asset dedicates to industries with known risks. To map Cedar's supply chain for operational assets, head office's Legal and Compliance team requested data on procurement spend from the operator. Of the total reported spend, 51.8% was spent on the cleaning industry, one of the highest risk industries for modern slavery within Cedar's operational assets.



Cleaning was also typically the highest spend for each asset from the adjusted total spend. Of the six different cleaning suppliers noted across the portfolio, three reportedly have modern slavery policies in place, although this information was not consistently known across UniLodge property managers. Security is potentially a second high risk industry. In comparison to cleaning, the magnitude of the spend on security is much lower, providing lower leverage.

Additionally, the supply chain of operational assets has also been mapped – with relative completeness – to tier two level. This informs Cedar's efforts to understand its modern slavery risks. Given the small size of the annual spend per assets, it seems unlikely there is much scope for subcontracting to occur, suggesting that this level of mapping is sufficient for gauging – and where necessary, responding – to Cedar's risks.

Operational Risk Mitigation



Cedar recognises the importance of leveraging its procurement function to mitigate its modern slavery risks in the Modern Slavery Policy. Actions undertaken by Cedar to address these risks include:

- Engagement of a specialist firm to assist with a modern slavery risk assessment to identify key modern slavery risks in Cedar's operations and supply chain;
- Commission of a modern slavery gap analysis to assess opportunities for improving current policies and processes. Based on the recommendations of the report we are currently undertaking the following:
 - Development of a tailored modern slavery training program for all property managers is in progress;
 - Consideration of the following initiatives to safeguard against modern slavery risks in commercial cleaning:
 - The Cleaning Accountability Framework
 - Training
 - Mid-contract precautions (verifying employment conditions);
 - Establishment of a grievance mechanism available to any visiting contractor on site is in progress;
 - Establishment of a supplier database to be maintained by the property manager's is in progress;
 - Database to notify Cedar of new contractors; and,
 - Streamlining of the supplier selection process. See details regarding the supplier selection process on the following page.

Operational Risk Mitigation



In addition to these measures, Cedar is streamlining its supplier selection process:

Service Contracts include specific requirements of suppliers in relation to modern slavery.

A supplier's compliance with Cedar's Modern Slavery and Procurement Policy influences engagement.

Suppliers are to provide copies of their Modern Slavery Policy to Cedar as requested.

All current or future providers/suppliers with high-risk supply chain activities will be expected to engage in a questionnaire process as stipulated by Cedar.

Suppliers to acknowledge a Supplier Expectation Statement/Code of Conduct as a condition of engagement.

Suppliers will complete Cedar's modern slavery supplier and services provider questionnaire during the vendor process.



Development Risk Assessment

Addressing Modern Slavery Risks
in Cedar's Assets under
Development

Development Risk Factors

Risk Mitigation

The construction industry is considered to be a high-risk sector for modern slavery. Accordingly, Cedar's assets under development provide its main source of modern slavery risks. These risks can be categorised as onshore risks, including extensive labour hire and subcontracted or base skilled construction jobs, and offshore risks, including the sourcing of raw materials and manufactured goods that use base skilled labour such as bricks, clay, lime, cement and textiles. As a hands-off owner of assets under development, Cedar relies heavily on the anti-slavery safeguards of its head contractors to ensure its supply chains risks are mitigated.

Cedar recognises the importance of leveraging its procurement function to mitigate its modern slavery risks in the Modern Slavery Policy. Actions undertaken by Cedar to mitigate these risks include:

- Engagement of a specialist firm to complete a modern slavery risk assessment to identify key modern slavery risks in Cedar's operations and supply chain;
- Mandatory inclusion of modern slavery clauses in key construction and development contracts;
- Directing project managers to track and monitor completion of modern slavery questionnaires and responses. Cedar's Supplier Questionnaire, updated in 2021, is informed by the Australian Government's Supplier Questionnaire;
- Active engagement with development project managers;
- Head Contractors are required to undertake risk assessments for all Cedar's developments. Risk assessments should identify high-risk industries, by spend, and include key details from each supplier (i.e. proportion of migrant workers, number of base-skill workers, key materials sourced from high risk geographies, etc.). These results should be reported to Cedar; and,
- Establishment of a grievance mechanism for contractors in progress (this is in addition to Cedar's existing Whistle-blower policy).



A wooden mannequin hand is shown holding a magnifying glass. The hand is positioned as if it is about to inspect something. The magnifying glass has a black frame and a clear lens. The background is a solid, light blue color. The overall image conveys a sense of scrutiny and investigation.

Assessing the effectiveness of Cedar's actions

Assessing Effectiveness of Actions





Corporate Governance

Modern Slavery Governance Framework

Feedback and communication maintained through regular reporting

Cedar Pacific Investment Management Board

Approves the Modern Slavery Statement, Modern Slavery Policy and other key governance documents

Risk and Compliance Committee

Oversees all risks including modern slavery risks.

Chief Operating Officer

Cedar's COO is the owner of the company's Modern Slavery Policy. The COO would be immediately informed if an instance of modern slavery was discovered within Cedar's supply chain, and an action plan would be agreed between Cedar and the relevant parties involved (Unilodge or the head contractor).

Executive Management Committee

Implements all policies and programs, including the Modern Slavery Policy and other key governance documents.

ESG Committee

Meets on a quarterly basis at a minimum to discuss Cedar's progress in achieving its ESG goals, targets and strategy. The ESG Committee considers any modern slavery risks and assesses the effectiveness of current safeguards. The ESG Committee, where relevant, will assess new actions or safeguards that should be implemented with the view to mitigate exposure to modern slavery risks.

Key Governance Documents

Modern Slavery Policy This document sets out Cedar's commitment to eliminating the risk of modern slavery occurring within its own business via its supply chains or through any other business relationship.

ESG Policy This document sets out Cedar's principles, objectives and commitments in relation to Environmental, Social and Governance factors.

Procurement Policy This document sets out the Procurement Policy which interlates with the Modern Slavery policy

Delegations of Authority Manual The Delegations of Authority Manual (DAM) sets out the authorising environment of Cedar and the circumstances under which the Board may delegate its responsibilities.

Supplier Code of Conduct This document sets out Cedar's expectations of all suppliers with reference to ESG factors including specific Modern Slavery reporting.

Corporate Governance Framework

Cedar has an established Corporate Governance Framework comprising the principles and objectives by which decisions are made and how those in control are held to account.

The Framework is informed by the ASX Corporate Governance Councils 'Corporate Governance Principles and Recommendations' 4th edition 2019 and has been designed by the board of directors to ensure accountability, fairness, and transparency in Cedar's relationship with all its stakeholders, reflecting its commitment to ensuring key stakeholders are at the center of focus, effectively discharging its fiduciary duties with their interests appropriately prioritised.

Cedar is governed by a series of policies, procedures, best practices and guidelines, rooted in sound ethics.

The corporate governance framework comprises the principles and objectives by which decisions are made and how those in control are held to account. It is underpinned by a 'matrix' of policies, legislation and accounting standards which have the force of law and other voluntary self-regulatory codes of practice

Cedar Pacific's key governance policies include, but are not limited to, the following:

- *Advisory Committee Charter*
- *AFSL - Adequate Financial Resources Policy*
- *AFSL - External Communication Checklist*
- *AFSL Compliance Plan*
- *AFSL FACTA/CRS Policy*
- *AFSL Training Policy*
- *AML Program Part A & B*
- *Anti-Corruption and Anti-Bribery Policy*
- *Board Charter*
- *Business Continuity Plan*
- *Code of Conduct*
- *Conflicts of Interest Policy*
- *Corporate Governance Framework*
- *Cyber Security Policy*
- *Delegation of Authority Manual*
- *Due Diligence Policy*
- *Employee Referral Program*
- *ESG Policy*
- *Fraud Control Plan*
- *Gifts and Benefits Policy*
- *Hedging Policy*
- *Incident Management and Breach Reporting Policy*
- *IT Capability Statement*
- *Leave Policy*
- *Modern Slavery Policy*
- *Outsourcing Policy*
- *Parental Leave Policy*
- *Privacy Policy*
- *Procurement Policy*
- *Remuneration Policy*
- *Risk Management Policy & Guide*
- *Risk Register & Appetite Statements*
- *Sexual Harassment Policy*
- *Travel Policy*
- *Treasury Policy*
- *Valuation Policy*
- *Whistle-Blower Policy*
- *Workplace Health & Safety Policy*

CONTACT US

We would love to hear from you with any questions or feedback.

All enquiries can be directed to:



Cedar Pacific Investment Management

PO Box 15145
City East QLD 4002



www.cedarpacific.com



info@cedpac.com

Disclaimer

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This Report contains certain “forward-looking statements. The words, “anticipate”, “believe”, “expect”, “project”, “opinion”, “predict”, “outlook”, “guidance”, “intend”, “should”, “could”, “may”, “target”, “plan”, “project”, “consider”, “forecast”, “aim”, “will” “committed” “dedicated” and similar expressions are intended to identify such forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements in this Report are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.