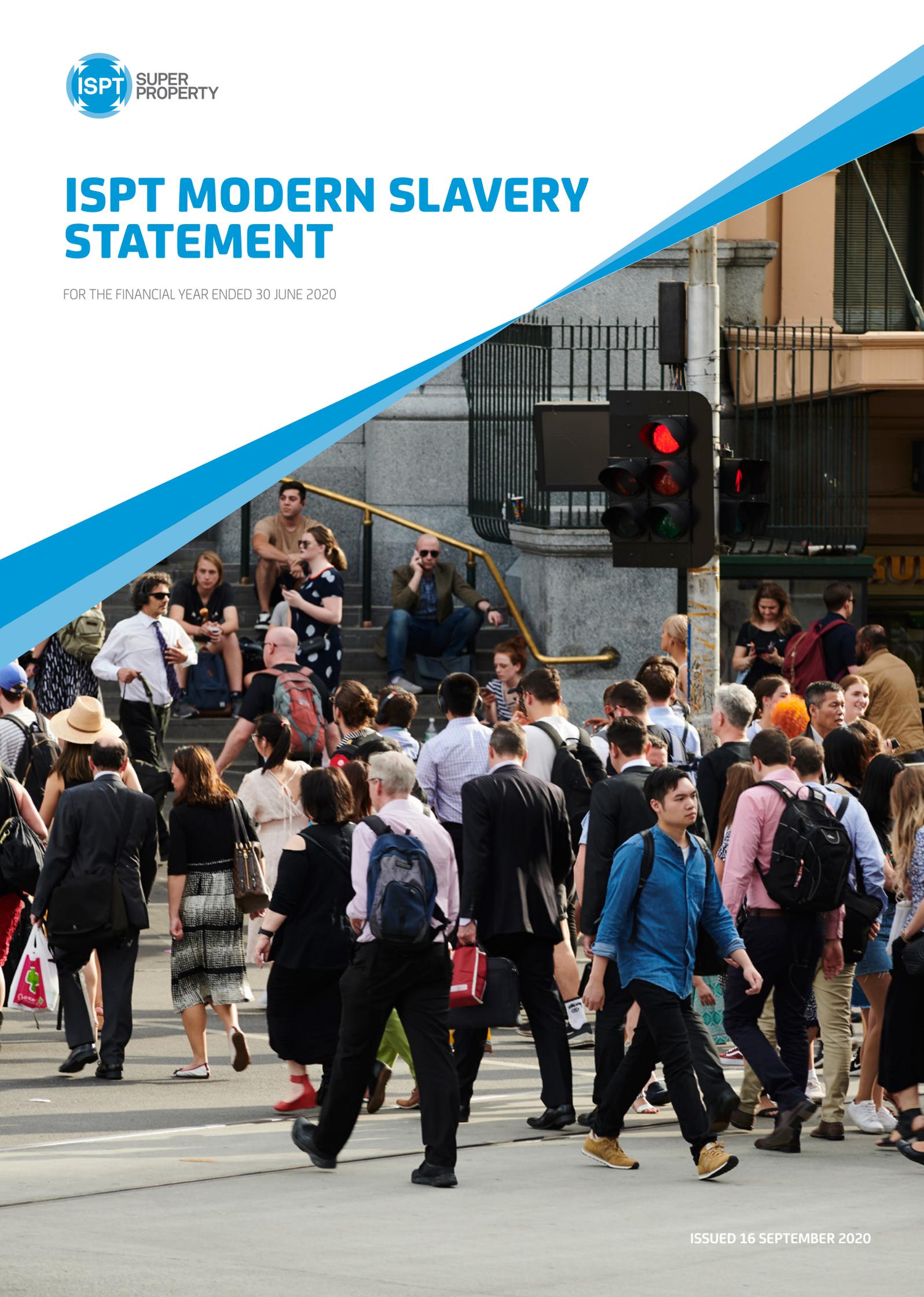


ISPT MODERN SLAVERY STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020



ABOUT THIS STATEMENT

MANDATORY CRITERIA FOR MODERN SLAVERY STATEMENTS		PAGES
Criterion 1 & 2	Identify the reporting entity and describe its structure, operations and supply chains	2, 6–10
Criterion 3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	11–13
Criterion 4	Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	13–18
Criterion 5	Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks	19–20
Criterion 6	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)	4
Criterion 7	Any other relevant information	21

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

This is an inaugural statement made on behalf of the ISPT Group for the financial year ended 30 June 2020.

ISPT Group 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 to as the ISPT Core Fund)
- ISPT 50 Lonsdale Street Property Trust
- ISPT Retail Australia Property Trust
- ISPT Development and Opportunities Fund No.2

This statement is submitted by ISPT Pty Ltd for the ISPT Core Fund, which is a reporting entity under the Modern Slavery Act. The other trusts and corporate entities do not qualify as reporting entities, but are reporting voluntarily under section 6 of the Modern Slavery

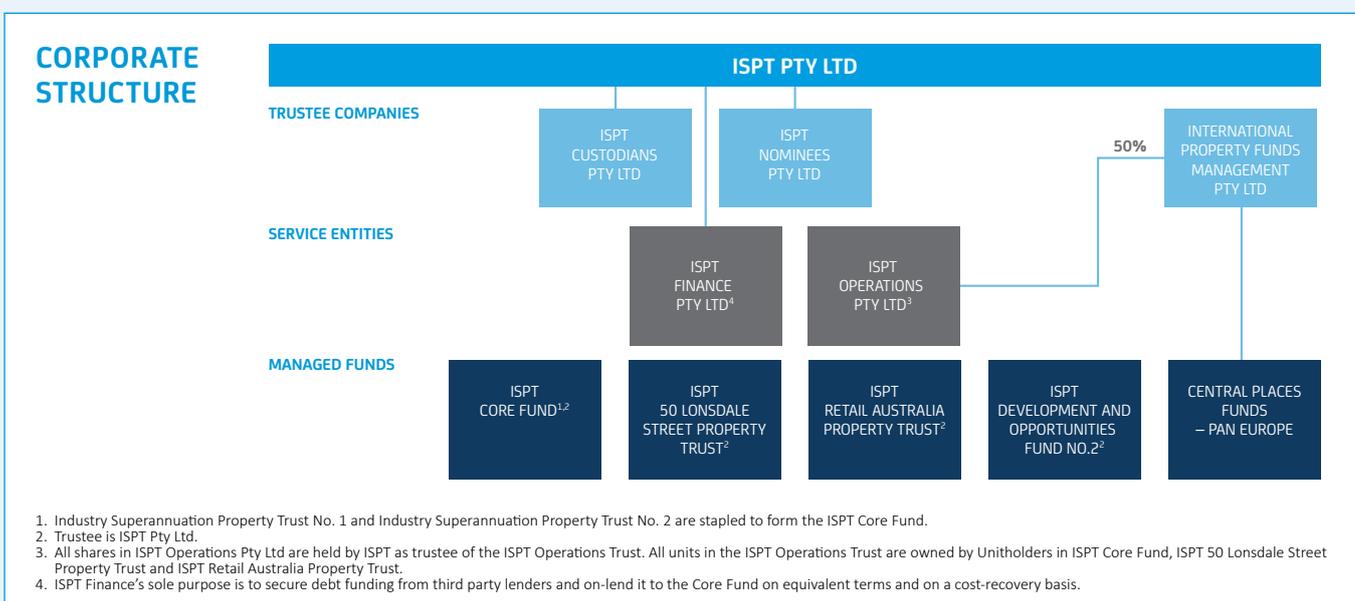
Act, as they form part of the ISPT Group and operate under the same policies and share a commitment to responsible business practices.

As trustee, ISPT Pty Ltd is the principal governing body of the above trusts and has consulted a wide range of internal stakeholders in preparing this statement. For the trusts for which ISPT Pty Ltd is not the trustee, ISPT Pty Ltd provided the boards of the relevant trustee companies with a draft of this statement prior to publication.

The Statement applies to joint venture (JV) arrangements where ISPT has operational control. The disclosures cover joint venture and co-venture activities and investments in which an ISPT entity has operational control, either under the relevant joint venture agreement or other governing document.

However, this Statement does not cover joint venture 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 including ongoing respect for human rights.

ISPT has not consulted with its joint venture 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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OUR APPROACH

Respect for human rights, including labour rights, is a priority area for ISPT and our stakeholders. We act ethically and responsibly, believing that socially and environmentally sustainable companies create long-term investment value for our stakeholders.

We are pleased to publish our first statement on modern slavery. It is an expression of our beliefs as a socially responsible business and an extension of our 'do no harm' investment and operating philosophy.

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 accessible.

Our statement provides an overview of the progress made towards identifying and addressing modern slavery risks within our operations and supply chains during the reporting period as well as planned activities for the year ahead.

While we are vigilant, modern slavery has the potential to exist within the business and through a variety of circumstances in our supply chains. In particular, the deeper layers of our supply chains can pose unknown risks of modern slavery as defined in the Modern Slavery Act, including forced labour, debt bondage, human trafficking, forced marriage and the worst forms of child labour.

We are committed to eliminating modern slavery in all of our business dealings. We believe to effectively minimise the potential for those risks in our systems and processes, we must prioritise the management and investigation of these issues throughout our operations and supply chains and take a coordinated approach.

In FY2019, we established an internal Modern Slavery Working Group (Working Group) comprising representatives from across our business and had expert advice from Pillar Two human rights consultants. This gives us a broad and multi-functional perspective as well as independent external expertise to combat a complex global issue that can creep into our evolving environment.

The purpose of the Working Group is to understand and assess the risks of modern slavery, and continuously evolve our strategy to address them.

HIGHLIGHTS IN FY2020

Our initial focus on compliance and risk assessment paved the way for many milestones for our business.

Throughout the financial year we implemented and reviewed a number of policies, processes and guidelines to strengthen our commitment to respecting human rights including managing our modern slavery risks, particularly in relation to sustainable procurement, suppliers' business conduct, human rights commitments and whistleblower protections.

We also went further to ensure our third party contracts incorporate obligations on our key suppliers and business partners to address modern slavery risks.

COLLABORATION DRIVES OUR PROGRESS

We attribute much of our progress during the year to multi-stakeholder collaboration, including with the Property Council of Australia (PCA), Cleaning Accountability Framework (CAF), industry peers, business partners, suppliers, investors and communities.

In addition to our own initiatives, we collaborated with other property industry stakeholders in delivering the PCA Supplier Engagement Platform. This has enabled the sector to effectively engage suppliers and address modern slavery through a common platform.

We are a leading advocate for reversing the trend of labour exploitation in the cleaning industry, which has been embodied in the work of CAF. In late FY2019, CAF was officially launched after seven years in the making. In this statement, we have detailed our journey with CAF, and the difference it is now making in the cleaning industry.

Partnership with suppliers has contributed to our goals in understanding, educating and improving labour practices in our supply chains. As we developed our policies and approach to modern slavery, we engaged with suppliers to gain their feedback and ensure these were clear and practical.

Our investors represent a significant share of Australia's superannuation industry. The relationship between ISPT and its owners and investors is forged on care for the rights of workers and an appreciation of our roles in one another's value chains. We have engaged investors regularly on the progress of our modern slavery initiatives which culminates in this statement for FY2020.

In 2020, Australia faced the most significant health and economic challenge of our lifetime. While the near-term economic challenges are yet to be fully evaluated, our values and practices have not changed during the COVID-19 outbreak and labour rights continue to be a priority area for ISPT.

While we are proud of our accomplishments, we recognise there is much more to be done. We will continue to expand our influence to improve the lives of workers and other stakeholders in Australia and beyond.

This statement was approved by the ISPT Pty Ltd Board on 16 September 2020.



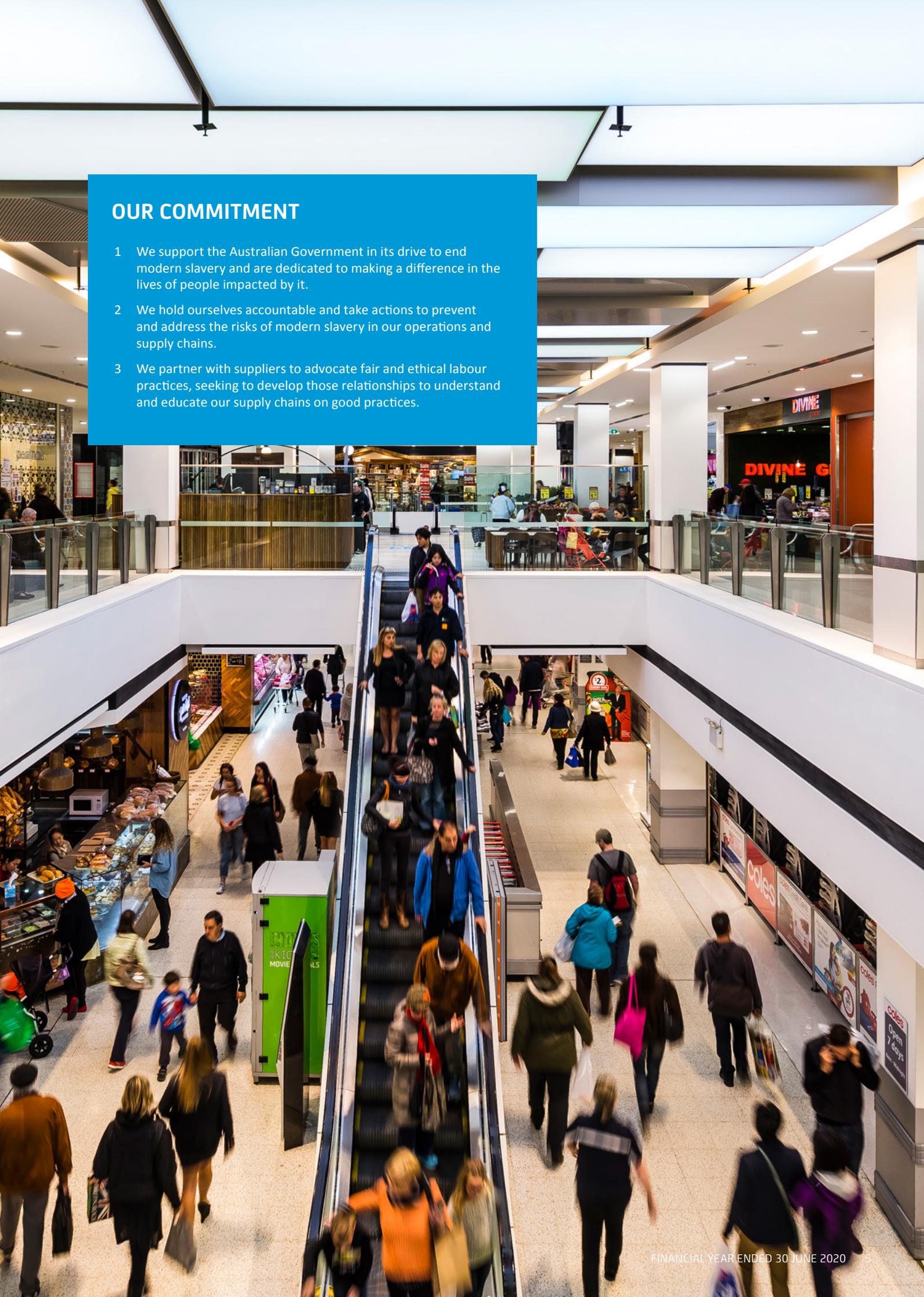
Rosemary Hartnett
Chair



Daryl Browning
Chief Executive Officer

OUR COMMITMENT

- 1 We support the Australian Government in its drive to end modern slavery and are dedicated to making a difference in the lives of people impacted by it.
- 2 We hold ourselves accountable and take actions to 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 practices.



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

ISPT is a leading Australian property fund manager, with high quality assets and funds under management of \$19.0B at 30 June 2020. We operate a unique profit-to-investor business model and 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 portfolio of real estate assets across the commercial, retail, logistics & warehousing, residential and education 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 available 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 the period we employed a workforce of 168, operating from Melbourne, Sydney, Brisbane and Perth, with the majority directly employed on individual contracts. We engage independent and temporary contractors via employment agencies at times for specific corporate projects and short-term business needs. Our workforce comprises predominantly professionals and managers performing corporate and investment management functions across the ISPT business.

Our investment is focused in Australia, and we currently do not own any international assets.

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.

RESPONSIBLE INVESTING

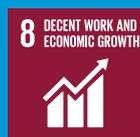
We act ethically and responsibly, believing that socially and environmentally sustainable initiatives create long-term value for our investors and customers, and ultimately, the communities we serve.

The principles of responsible investing, including respect for human rights, 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.

THE ISPT ESG STRATEGY

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

It is aligned with the 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 the SDGs to create a better future. We embrace the opportunity to play our part in achieving the goals by managing and mitigating our negative impacts, including on human rights, and identifying opportunities for positive impact, and driving long-term value for our people, investors, customers and the community.

OUR PRESENCE

We own some of the most recognisable real estate assets 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.

The ISPT Group as at 30 June 2020

ASSETS UNDER MANAGEMENT
\$19.0B

PROPERTY PORTFOLIO
\$18.7B

PROPERTIES
134

NATIONAL FOOTPRINT
2.6M SQM

CUSTOMERS
4,800+

COMMERCIAL
\$10.0B

RETAIL
\$6.7B

EDUCATION & OTHER
\$300M

LOGISTICS & WAREHOUSING
\$1.2B

RESIDENTIAL DEVELOPMENT
\$500M

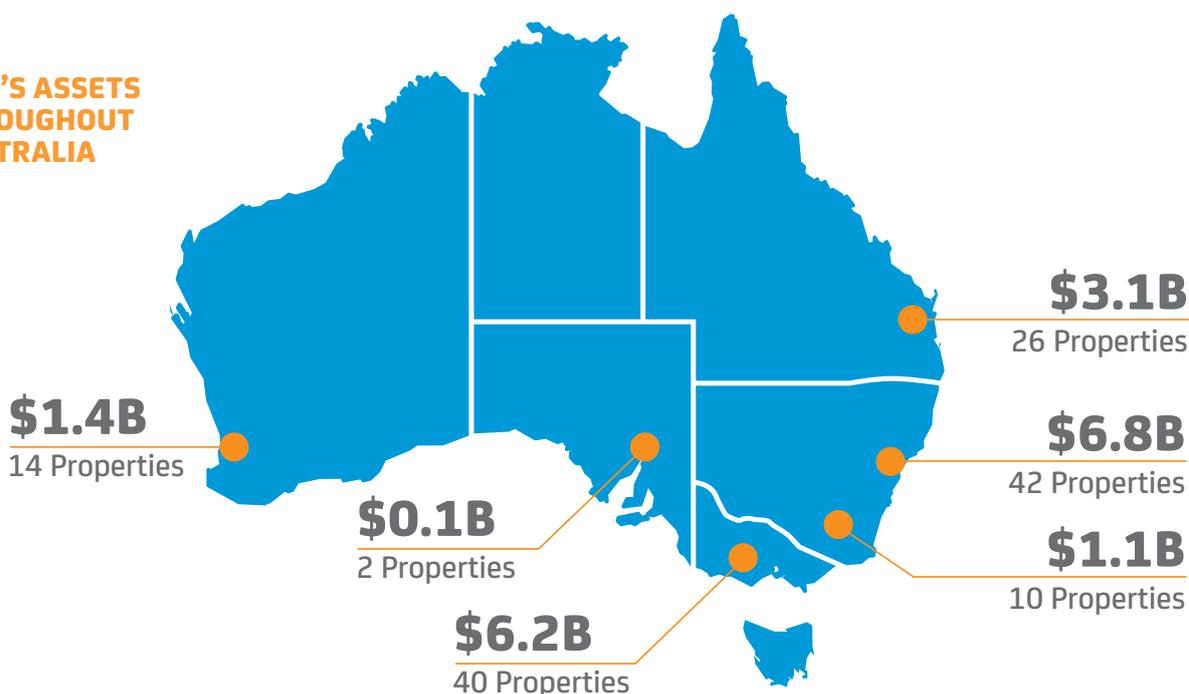
TEAM
168

ISPT OFFICES
4

INVESTORS
32

OWNERS
19

ISPT'S ASSETS THROUGHOUT AUSTRALIA



FUND AND INVESTMENT MANAGEMENT

Our core activity is investment management of our extensive property portfolios. This involves capital transactions such as asset acquisition, asset management and development and refurbishment.

This is overlaid with fund management capabilities involving pooled investor equity and externally sourced local and international debt facilities.

ACQUIRE AND SELL

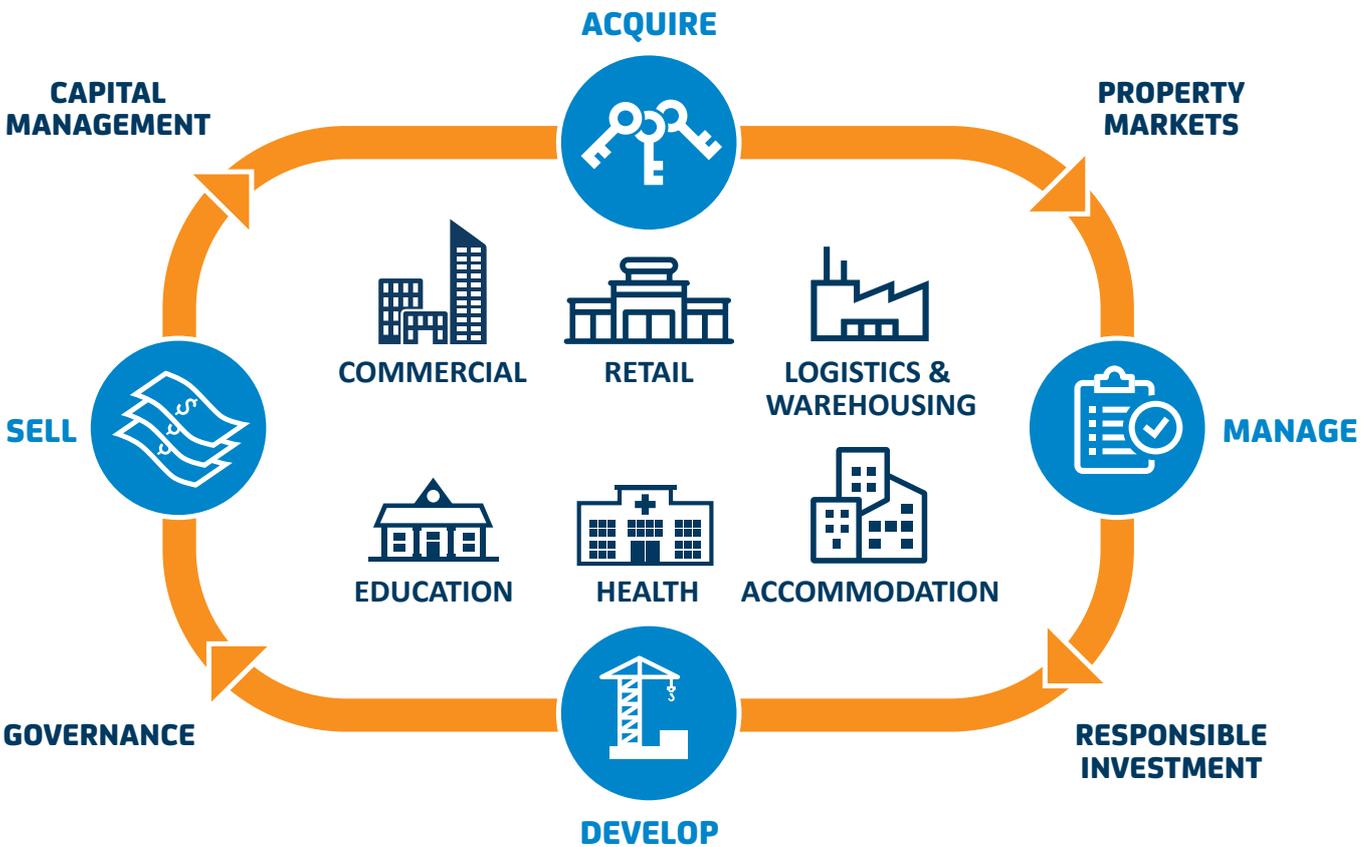
We utilise internal capital transaction expertise to source and identify acquisition opportunities and to execute divestments. Twenty of our assets are co-owned with a select group of joint venture investment and management partners.

DEVELOP

Our development program is designed to create and enhance investments for our funds. Where necessary, we establish partnerships and utilise specialist service partners enabling us to effectively deliver major developments.

MANAGE

A key part of driving value in our business is actively managing our assets and customer relationships. Leasing is key to investment management and we work with existing customers to renew their leases and with potential customers to sign new leases.



OUR SUPPLY CHAINS

We outsource key operational functions, including in the development, management and operation of our properties, to carefully selected suppliers and business partners. The outsourcing is overseen by the ISPT Operations team. These outsourced activities, together with corporate operations, account for our largest expenditure in goods and services procured externally.

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.

Our construction partners source a broad variety of services, components and materials from companies in Australia and globally on our behalf. While these goods are not sourced directly by us, they are required to be procured in accordance with the **ISPT Procurement Policy and Guidelines**.

PROPERTY MANAGEMENT

Property management is outsourced to property partners engaged through a Property Management Agreement. During FY2020, our property management partners included leading global organisations – Jones Lang LaSalle, Colliers International, CBRE and Knight Frank.

They are responsible for the delivery of day-to-day 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; however our property partners are responsible for day-to-day management of the supplier relationship. Our property partners are also responsible for managing suppliers' performance.

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.

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, communication and technology products and services, professional and financial services.



Casselden, 2 Lonsdale Street, Melbourne VIC

UNDERSTANDING THE RISKS OF MODERN SLAVERY

ISPT's Risk Management Framework sets out a comprehensive approach to identify, evaluate, manage and report our risks. We are continuously reviewing our modern slavery risks in line with our Framework.

Modern Slavery Working Group

We recognise the complexity and cross-functional nature of modern slavery risks in our business. In FY2019, our Working Group was established to lead the organisation in a process to understand, identify and address those risks across our operations and supply chains.

The Working Group is represented by major functions of the business comprising sustainability, procurement, investor relations, legal, risk and compliance, operations and development. The Working Group reports to the internal Business Management Team and the Board Environment, Safety and Operational Risk Committee.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

We have commenced an assessment of modern slavery risks in our supply chains, initially focusing on high-risk suppliers over a particular spend threshold. Over time, we aim to increase the scope of our assessment to include suppliers in other risk categories as well as the deeper layers of our supply chains.

OUR RISK ASSESSMENT

During the financial year, with the support of external experts, we undertook a preliminary high-level assessment of modern slavery risks in our operations and supply chains. This used 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.

The risk of modern slavery within our workforce of primarily office-based professional skilled labour has been assessed as low. However, we have assessed higher risks of modern slavery in our supply chains.

Due to our extended supply chains, understanding the risks of modern slavery that feature in our end-to-end supply chains (i.e. beyond our direct suppliers) will require more exploration.

Our immediate focus is on direct suppliers categorised as **High Spend – High Risk**, which include construction, cleaning, security and waste management services. Some suppliers from the **High Spend – Medium Risk** and **Low Spend – High Risk** categories have also been included in our assessment.

The Board and Board Committees have oversight of our risk management Framework, which includes risks in relation to modern slavery.

RESULTS OF OUR RISK ASSESSMENT

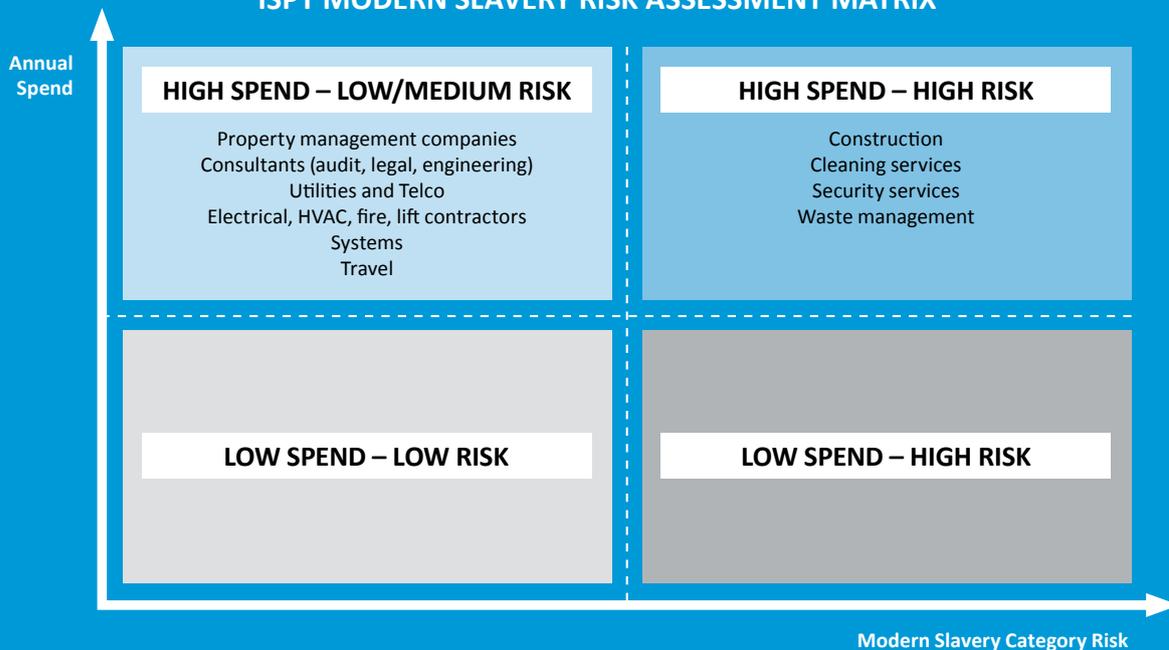
In relation to our supply chains, our risk assessment identified the following areas for further investigation and due diligence relating to modern slavery.

- Corporate expenses:** Our expenditure in this category is relatively low compared to the total expenditure. However, the production of electronics and promotional materials are considered at risk of modern slavery practices, particularly as the majority of the products are manufactured overseas in higher risk jurisdictions such as China and India.
- Property development:** While we only work with reputable head contractors, the complexity and lack of transparency in the remote links of the construction supply chain presents a high risk of modern slavery practices. Sub-categories identified that involve a higher risk include agency labour, prefabricated parts/structures/materials manufactured overseas, electronics and workwear.

We expect our contractors to be able to identify modern slavery risks, including such risks in relation to prefabricated parts/structures and construction materials, and to manage them.

- Property management and operation:** ISPT has established long-term relationships with reputable property management companies and business partners which are critical to the operation of our properties. While we value the work of our partners, we also recognise the higher risk of modern slavery in the categories of cleaning, waste management and security.

ISPT MODERN SLAVERY RISK ASSESSMENT MATRIX



Modern Slavery Category Risk

CLEANING ACCOUNTABILITY FRAMEWORK (CAF) PHASE 1 – OUR JOURNEY TO UNMASK EXPLOITATION

The global cleaning industry is known for its high susceptibility to modern slavery and other forms of labour exploitation. Australia is no exception.

For a long time, cleaners have been vulnerable to wage theft, wage stagnation, insecurity and poor working conditions which in some cases may also lay the foundations for modern slavery.

In 2006, United Voice, one of Australia's biggest unions, became a leading voice to combat this intractable issue with the launch of the Fair Deal for Cleaners campaign. This generated new momentum in achieving fairness, safety, respect, job security and higher wages for cleaners.

Within the property industry, our work to steer change would begin with an industry-wide collaboration. At a time of increasing urgency for business leaders to demonstrate leadership and social responsibility to prevent and address modern slavery, we positioned ourselves alongside like-minded peers.

In 2012, ISPT became one of the founders of the CAF, building our commitment to actively advocate for cleaners' rights.



OUR ACTIONS TO ASSESS AND ADDRESS OUR MODERN SLAVERY RISKS

ISPT’s corporate governance framework is robust and underpinned by several policies which are relevant to modern slavery. In FY2020, we took further actions to enhance our suite of policies, guidelines and key contracts to manage the risks of modern slavery in our operations and supply chains.

GOVERNANCE & POLICIES

The ISPT Board oversees our broader human rights program through 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 Business Management Team, the CEO, ESORC and the ISPT Board.

ISPT Responsible Investment Policy outlines the principles for the integration of ESG criteria, which includes human rights, into investment decision making. 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 (PRI).

ISPT Code of Conduct defines expected behaviours that reflect our core values and culture. It outlines our commitment to conduct business with honesty, integrity and trust.

In FY2020, we re-introduced policies dedicated to human rights and whistleblower protections. This enhanced earlier versions of the policies, bringing them more in line with our ‘do no harm’ investment and operating philosophy.

ISPT Human Rights Policy was introduced in December 2019 to formalise our commitment to identify, prevent and mitigate any actual and potential adverse impacts on human rights. It reflects 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 intolerance for child labour and modern slavery as defined in the Modern Slavery Act 2018.

ISPT Whistleblower Policy was updated in November 2019 and sets out a process for reporting illegal, corrupt or unethical conduct occurring in our business. It reflects our commitment to nurture a culture of openness and accountability to minimise the risk of illegal or unethical conduct, and to address it appropriately if it occurs.

SUSTAINABLE PROCUREMENT

We aim to source goods and services efficiently and fairly, engaging suppliers who share our beliefs in responsible supply chain management and demonstrate their commitment to ESG integration.

In FY2020, we introduced new guidelines on our key responsibilities in ESG issues throughout the investment lifecycle and updated our expectations of suppliers.

ISPT Sustainable Procurement Guidelines are our internal guide on sustainable procurement which embrace these social principles:

- Uphold 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.

ISPT Supplier Code of Conduct is a new external document that 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. In a true collaborative approach, it was developed by different areas of the business involving procurement, sustainability, operations, legal, risk & compliance and investor relations.

In addition, our suppliers are selected in accordance with the established **ISPT Procurement and Outsourcing Policy** and **Procurement Guidelines**. This may involve running a tender process, conducted with support from our procurement team.

Further information about our governance and policies is available on our website.

ADAPTATION OF MODERN SLAVERY CLAUSES WITHIN OUR BUSINESS DEALINGS

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

MODERN SLAVERY CLAUSES IN KEY CONTRACTS

We are progressively incorporating modern slavery clauses into key contracts, prioritising the highest-value outsourced functions (property management and construction) before downstream supply chains (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 Modern Slavery Act
- 3 leading market practice

WARRANTIES AND REPORTING

Our key procurement, construction, consultancy and property management contracts include explicit clauses to address ethical obligations and requirements of suppliers. These include the requirement for suppliers to provide certain warranties on ethical supply chains and assist us in meeting our modern slavery reporting obligations. This has been applied to new ISPT contracts from approximately 1 September 2019 and, where possible, existing contracts may be varied to include these provisions.

PROPERTY MANAGEMENT

Effective 1 July 2019, ISPT's property management agreements across our entire managed portfolio of wholly owned assets contain specific obligations regarding the Modern Slavery Act.

The clauses obligate our property management partners to adhere to ethical labour practices, including fair working conditions, diversity and gender equality in the workplace. They are also expected to comply with our Sustainable Procurement Guidelines, the ISPT Responsible Investment Policy, our commitment to PRI and applicable modern slavery legislation.

This marks a significant milestone for our supply chains, as property management is one of our largest outsourced functions in terms of cost and risk.

CONSULTANCY, SERVICE, MINOR WORKS, DESIGN AND CONSTRUCTION

We also expanded references to the Modern Slavery Act in new agreements for consultancy services, supply services, minor works, design and construction.

In our revised precedent building contracts, building companies appointed by ISPT must comply with applicable modern slavery legislation and all ISPT's policies, procedures and instructions relating to modern slavery.

Building companies are also responsible for ensuring their employees, sub-contractors, agents and suppliers comply with applicable modern slavery legislation. In addition, they must, at ISPT's election, insert a provision in relation to modern slavery legislation in their sub-contracts.

LEASING

Looking ahead in FY2021, we aim to include a modern slavery clause within our precedent leasing documents and ensure the provisions are included in all our new leases.

COLLABORATION

Generally, consultants, builders and property management companies have been accepting of our new modern slavery-related provisions.

Many of our large-scale business partners and suppliers (such as property companies, builders and engineering firms) will have to report under the Modern Slavery Act. As such, they are aware of the requirements and have been collaborating with us.

OUR APPROACH

Our modern slavery clauses are written in plain English and this approach has helped in getting our suppliers on board. In performing works for our assets, our business partners and 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





CAF PHASE 2 – ADVOCATING FAIR WORK FOR CLEANERS

In 2012, CAF was established as an independent not-for-profit entity committed to addressing the plight of cleaners, with ISPT as one of the initiative's founders.

CAF is represented by stakeholders across the cleaning supply chain, which include industry peers, many of our JV partners and suppliers.

This multi-stakeholder approach unites property owners, cleaning companies, facility managers, tenants and cleaners to prevent what had become a concerning industry practice of undercutting competitors by compromising the pay and welfare of cleaners.

In April 2019, CAF realised another important milestone with the official launch of its 3 Star Standard site certification scheme. This marked the start of a new movement to transform the cleaning industry and ensure its compliance with workplace laws and regulations. The launch was hosted by ISPT at our collaborative space, 'Foy's Arcade' at 246 Bourke Street Melbourne.

DUE DILIGENCE

PART A: ASSET ACQUISITION

ISPT's acquisition due diligence process examines environmental and social issues as key considerations within the acquisition process. It places equal emphasis on investment returns alongside environmental and social impacts. Through this process, our business strategy, culture and investment decisions are brought into alignment.

PART B: MANAGING TENDERS

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 an ISPT tender. We are in the process of incorporating a robust risk assessment for human rights including modern slavery in the tender process.

For development projects, the head contractor may be audited over the life of the project, assessing their compliance with both contractual responsibilities and ISPT's policies/procedures.

PART C: IDENTIFYING AND ASSESSING SUPPLIERS' MODERN SLAVERY RISKS

In 2020, we commenced a pilot phase to engage suppliers via the PCA Supplier Engagement Platform to collect information on the practices of our High Spend – High Risk suppliers.

About the PCA Supplier Engagement Platform

ISPT is a founding member of the PCA Supplier Engagement Platform, a collaboration of PCA, Informed 365, industry experts, and 15 leading property organisations, including ISPT.

Launched in 2019, the platform provides a systematic approach for supplier 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, streamlining the reporting process for businesses involved, reducing the reporting burden and facilitating suppliers to share information with property organisations.

Our assessment process

We invited suppliers to register for the pilot phase of the platform. To identify high risk countries/regions, industries and categories in our preliminary risk assessment with the PCA, we utilised internationally recognised resources such as the Global Slavery Index and the Business and Human Rights Resource Centre.

Suppliers were then invited to complete the PCA assessment, providing information on a range of indicators, including company policies and processes relevant to managing modern slavery risks.

The findings

Over 60 responses were received from our suppliers across construction and development, property management, cleaning and security services, waste management and property maintenance services.

93% are aware of modern slavery issues and the Modern Slavery Act

7% are not reporting entities under the Modern Slavery Act

39% do not use sub-contractors

61% utilise some form of sub-contracting in their supply chain

56% of those who engage sub-contractors do not appear to have visibility over their supply chain.

We plan to extend the PCA risk assessment process to a wider group of suppliers for the next phase.



INTEGRATION AND ACTION

Accountability for addressing human rights, including modern slavery risks, is cross-functional, and our internal business units work together to embed our initiatives and supporting processes.

SHARED RESPONSIBILITY

Collaboration is key to leveraging knowledge and influence from across the business to effectively address our modern slavery risks. This is demonstrated by the cross-functional Modern Slavery Working Group, which meets regularly to review and evolve our business practices in mitigating those risks.

The Working Group reports to the Business Management Team and Board Committee of ESORC.

VALUE CHAINS

Our joint venture partners are encouraged to operate in accordance with ISPT policies and guidelines.

We work across our value chain to promote continuous improvement and expect our business and joint venture partners to do the same – both within their operations and with their own business suppliers.

We comply with all applicable Australian laws and, where parts of our value chain operate overseas, we encourage them to follow the same approach.

TRAINING AND AWARENESS-RAISING

We have conducted modern slavery awareness training for staff as well as targeted awareness for our Board and Board Committee.

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.

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

BREACHES OF THE 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 of the Supplier Code of Conduct to ISPT, including significant allegations from third parties relating to the areas covered in the Code.

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

GRIEVANCE AND REMEDIATION

If we identify that we have caused or contributed to an adverse human rights impact, we will seek to mitigate the situation in line with our values, policies and standards.

WHISTLEBLOWER

The ISPT Whistleblower Policy was updated with a dedicated hotline in November 2019. The hotline allows anyone working on our behalf, and certain external parties, to report concerns about suspected illegal or unethical conduct, including modern slavery, with confidentiality and anonymity.

It operates as an independent third-party reporting facility, which can be contacted via the hotline or online.

During FY2020 we actively promoted the mechanism to our employees to raise awareness for this method of reporting concerns, and also communicated to workers in our supply chains through our partners.

CUSTOMERS

If a customer or tenant has a complaint, our property management partners are their first point of contact. The property managers should then notify ISPT of the incident.

In the event modern slavery issues are reported, they must be immediately referred to our General Counsel and General Manager, People and Culture.

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 identify we have caused or contributed to, in line with the UN Guiding Principles on Business and Human Rights.

We will continue to develop our response processes and escalation pathways for modern slavery incidents alongside the development of our supplier management framework.

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.

CAF PHASE 3 – A NEW INDUSTRY STANDARD

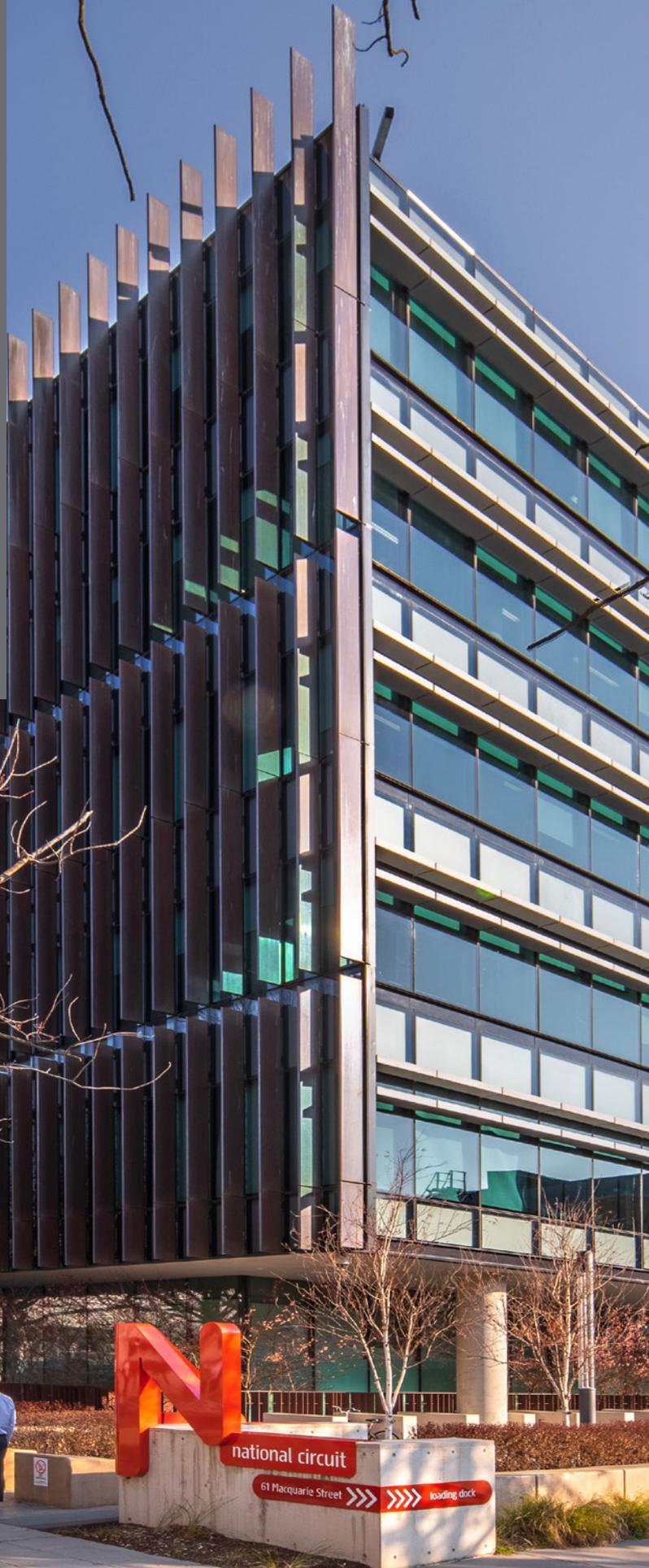
The launch of CAF brought new integrity to the cleaning industry.

From April 2019, the cleaning supply chain of a building could be assessed under a CAF certification scheme. The scheme independently assesses the cleaning supply chain against a rigorous 3 Star rating system. 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.

The scheme relies on the involvement of all stakeholders to ensure buildings meet minimum legal standards in cleaning services. This provides confidence that a cleaning contract is not merely delivering the required services but also ensuring cleaners are treated fairly and with respect.

As a participant of the CAF's pilot certification 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.

Today, we are proud that the cleaning supply chain of every CAF certified property, including our own, reflects the approved labour standards under the rigorous assessment of CAF.



HOW WE ASSESS OUR MODERN SLAVERY RESPONSE

We have set targets to assess our actions and align our processes to mitigate modern slavery risks. This will be supported by a disciplined process to identify and embed modern slavery risk management in various aspects of our operations.

WORK PLAN

The Working Group has prepared a work plan of our key activities and deliverables over the course of the next 12 months.

This plan aims to ensure we comply the Modern Slavery Act. It will also actively track how we mitigate modern slavery risks in our supply chains and demonstrate our performance to stakeholders and the rest of the industry.

Our plan involves two concurrent streams of activity:

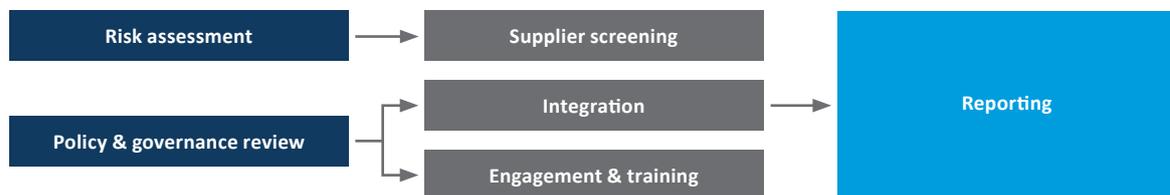
- **Risk assessment:** Continuously identify, understand and manage risks within ISPT’s supply chains.
- **Policy and governance review:** Further embed modern slavery risk management into ISPT systems, operations, reporting and management practices.

TRACKING OUR EFFECTIVENESS

The Working Group will regularly review actions and implementation against the work plan by:

- Identifying modern slavery-specific Key Performance Indicators and forward-looking targets and measure whether they are being met.
- Assessing controls on modern slavery risk as part of ISPT’s internal audit program.

At present, we are confident in our management and assessment of the low-risk exposure to modern slavery in ISPT’s operations. However, as we expand our scope, we expect further due diligence and improvements to our processes and procedures.



CAF PHASE 4 – THE POWERFUL IMPACT CAF IS MAKING TODAY

Our leadership through CAF exemplifies the impact of an industry-wide stakeholder collaboration, paving the way for other industries to follow.

Our cleaning companies are regularly audited under the CAF program and action items are tracked and closed out.

Since its launch, CAF has audited and certified 20 properties across Australia. Currently our CAF audit program has been interrupted due to the COVID-19 pandemic.

“CAF provides transparency and accountability for responsible contracting practices and ensures that cleaners are rewarded fairly for their work. Our customers value quality cleaning services when they are in an ISPT building. This leads to longer leases, and ultimately returns for our investors and the 50% of Australian workers these investors represent.”

Daryl Browning, CEO, ISPT

“As long-term supporters of CAF, ISPT is at the forefront of social sustainability by improving the conditions of cleaners in their supply chains. We recognise the important role ISPT has played through certification of their property assets and advocating industry-wide standards that promote decent work.”

Poonam Datar, CEO, CAF



A TRIBUTE TO OUR CLEANERS

We acknowledge the vulnerability of cleaners in supply chains globally and want to ensure the rights of every cleaner in an ISPT property are respected.

Cleaners are an important part of our service delivery team. At every ISPT property we work hard to ensure that all cleaners work in a safe environment, are fairly compensated for their work and receive their full entitlements.

During the COVID-19 pandemic, our cleaners have been delivering outstanding work to ensure the safety of the community and execute the Australian Government Department of Health's Environmental cleaning and disinfection principles.

We would like to thank our cleaners for their dedication and commitment in handling the demands of the pandemic.

CLEANERS' LIVELIHOODS DURING PANDEMIC

The shutdown of many shops and services has resulted in job losses for a high number of cleaners, including at shopping centres around the country. Many of those who have lost their jobs are migrant workers on temporary work visas who are ineligible for government income support.

This situation has been avoided at ISPT retail sites, where all cleaners in the portfolio have been able to retain their jobs.

"While many other retail sites have stood workers down or reduced hours, with many cleaners unable to access Government support, cleaners at ISPT sites have been treated with respect, working in safe environments with the jobs of cleaners protected during the coronavirus crisis. In comparison, cleaners at many other owners' portfolios are returning to work at malls that are at normal capacity but with significantly reduced cleaning hours. ISPT has demonstrated that they value cleaners and the work that they do to keep public spaces safe and hygienic." **Georgia Potter Butler, Spokesperson for United Workers Union**

"COVID-19 has not affected me or my co-workers financially or at our workplace. Our employer rostered us on the same hours as before COVID-19. We do some extra work and different duties, but we have enough time to finish everything. We have a safe environment, with hand sanitiser available, and stickers placed in toilets and on all floors to remind people about social distancing." **Sheryl Connett, Cleaner and CAF Representative**



THE YEAR AHEAD

ISPT will continue to build on our accomplishments and is committed to demonstrating leadership within the property sector on modern slavery risk management and reporting. Undertaking these activities is the right thing to do and core to the values of ISPT and our investors.

Over the coming year, our priorities will transition from risk assessment to embedding good labour practices in our operations and supply chains.

We have undertaken a number of foundational initiatives and adopted a targeted approach to address our salient modern slavery risks. In FY2021 we will continue to promote positive, collaborative and transparent business relationships with our partners. This approach has delivered mutually beneficial results for ISPT and our supply chains to date and will be advanced through our proactive management approach for future projects and contracts.

We will continue to investigate how we can best integrate important ESG issues into our investment process to deliver better outcomes for our investors and society. This includes ensuring that all forms of work in our own operations and supply chains associated with our projects and contracts are voluntary, and that the health, safety, security and wellbeing of all workers remains a priority.

FY2020

FY2021

	FY2020	FY2021
Policy commitment	Commenced development, communication and implementation of policies.	Refresh the ISPT Sustainable Procurement Guidelines to tackle modern slavery and related issues. Work with business partners and ISPT's Development Services to implement the ISPT Supplier Code of Conduct and ISPT Sustainable Procurement Guidelines.
Assessment of risk	Completed high-level assessment of modern slavery risks in our operation and supply chains. Assessed suppliers' information from the PCA Supplier Engagement platform.	Develop and implement a sustainable supply chain management framework, including modern slavery requirements, to identify and address human rights issues. Incorporate more robust risk assessment in the tender process for human rights, including modern slavery. Continue engagement with CAF and PCA to help drive improvement in our own processes and share our expertise and insight with other businesses.
Integration, training and awareness-raising	Formed internal Working Group with expert advice from Pillar Two human rights consultants.	Continue to increase the awareness of our people on modern slavery risk management, including seeking external expert input for guidance on our approach. Develop training on modern slavery for procurement, development, property management and leasing functions. Explore options to collaboratively work with suppliers and partners.
Tracking effectiveness	Incorporated discussions on modern slavery risk in supplier reviews.	Include modern slavery risk as part of internal audit program.
Reporting / communication	Defined reporting requirements to ESORC. Provided Board oversight.	Develop, review and provide transparency on grievance mechanisms.
Remediation	Accomplished workplan, including remediation processes and tasks.	Implement remediation process, including request for suppliers to provide modern slavery response plan specific to their contracts/project.
Grievance mechanisms	Finalised and distributed the ISPT Whistleblower Policy.	Work with key suppliers to develop joint grievance mechanisms and process.

CORPORATE DIRECTORY

TRUSTEE / MANAGER

ISPT PTY LTD
ABN 28 064 041 283
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 Development & Opportunities Fund No. 2

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