



**CROMWELL**  
PROPERTY GROUP

# MODERN SLAVERY STATEMENT

This is a joint Statement on behalf of:

**CROMWELL CORPORATION LIMITED**

and

**CROMWELL DIVERSIFIED PROPERTY TRUST**

the responsible entity of which is Cromwell Property Securities Limited

**For Financial Year Ending 30 June 2020**



# 1. ABOUT THIS STATEMENT

The Modern Slavery Act 2018 (Cth) (the “**Act**”) requires entities over a \$100 million annual consolidated revenue threshold that are either classed as an Australian entity or a foreign entity carrying on business in Australia during the reporting period, to prepare and publish an annual Modern Slavery Statement (“**Statement**”). This Statement has been prepared and approved pursuant to Section 14 of the Act, by Cromwell Property Group (“**Cromwell**”, “**we**”, “**us**”) on behalf of the reporting entities:

- Cromwell Corporation Limited; and
- Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited “**CPSL**”),

Any reference to Cromwell in this Statement is a reference to the reporting entities jointly. Cromwell Property Group is listed on the Australia Securities Exchange (ASX code: CMW) with headquarters in Brisbane. Its registered office is located at Level 19, 200 Mary Street Brisbane QLD 4000. For further information, please visit [www.cromwellpropertygroup.com](http://www.cromwellpropertygroup.com)

This Statement covers the financial year ending 30 June 2020 and sets out the process taken by Cromwell to identify, assess and address the risks of modern slavery in our operations and supply chains as defined by the Act.

## THE MSA MANDATORY REPORTING CRITERIA

## SECTION

Identify the reporting entity	1
Describe the structure, operations and supply chains of the reporting entity	4
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	4
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	5
Describe how the reporting entity assesses the effectiveness of such actions	6
Describe the process of consultation with any entities that the reporting entity owns or controls & in the case of a reporting entity covered by a statement under a joint Modern Slavery Statement – the entity giving the Statement	3
Any other information that the reporting entity considers relevant	7&8

# 2. APPROVAL OF STATEMENT

This Statement was approved by the Board of Directors of Cromwell Corporation Limited on behalf of the reporting entities on 14 December 2020 and is signed by:



Paul Weightman  
**Chief Executive Officer, Cromwell Corporation Limited**

Date of Signature:  
 14 December 2020

# CONTENTS

## 3. OUR APPROACH 04

- 3.0 Approach
  - 3.1 FY20 Highlights
- 

## 4. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS 07

- 4.0 Our Structure
  - 4.1 Our Operations
  - 4.2 Our Supply Chain
- 

## 5. OUR ACTIONS TO IDENTIFY, ASSESS AND ADDRESS OUR MODERN SLAVERY RISKS 15

- 5.0 Our Operations
    - 5.0.1 Recruitment Services
    - 5.0.2 Temporary or unskilled labour
    - 5.0.3 Training & Awareness
    - 5.0.4 Remediation & Grievance
- 

## 6. HOW WE ASSESS OUR MODERN SLAVERY RESPONSE 21

- 6.0 Measuring Effectiveness of our Actions
    - 6.0.1 Framework
    - 6.0.2 Internal Working Groups
    - 6.0.3 Continuous Improvement & Grievance Mechanisms
    - 6.0.4 Case Study on LDK Risk Assessment
- 

## 7. THE YEAR THAT WAS: COVID 27

- 7.0 Operations
  - 7.1 Supply Chain
- 

## 8. THE YEAR AHEAD 28

- 8.0 FY21 Objectives
- 8.1 Conclusion

# 3. OUR APPROACH

## 3.0 APPROACH

Cromwell acknowledges the role and responsibility it has in generating awareness and implementing steps to uphold human rights and minimise the risk of modern slavery practises in its operations and supply chains. This Statement provides a summary of the progress that has been made by collaborating with peers across the property industry, improving the understanding and awareness of our employees, strengthening policies and implementing new practices to address modern slavery risk. Our aim is to assist our stakeholders to improve their understanding, due diligence processes and performance in the area of human rights while maintaining legislative compliance and upholding our own corporate values.

As a 'values led' organisation we engage with stakeholders that will uphold our corporate beliefs and encourage a culture that supports human rights. Cromwell's approach to modern slavery has been developed at a group level and is applied to all entities it owns or controls.

The consultation required for the purpose of this publication is provided by way of review by the Chief Sustainability Officer, Chief Financial Officer and responsible members of the reporting entities' (and the entities controlled by the reporting entities) principal governing bodies in conjunction with independent external advisors. Cromwell has consulted both direct and indirect stakeholders regarding the development of this Statement and the associated activities. This is evident through extensive involvement in industry initiatives, development of employee training and internal working groups across our platform and engaging in supplier collaboration.

In this Statement, we consider the risks of modern slavery practices to mean the potential for an entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains. We realise that in many supply chains, there can be multiple and complex layers including raw material extraction, production, assembly, transportation and installation, and that modern slavery practices may therefore be deeply embedded, concealed and often misunderstood by stakeholders.

Cromwell's approach therefore is to:

1. Identify and assess the risks of modern slavery in our operations and supply chains;
2. Prioritise higher risk activities where we have the opportunity to implement change and make a difference;
3. Educate our employees and suppliers on their own responsibilities in order to drive positive outcomes;

4. Collaborate with our peers to progressively promote awareness throughout our industry; and
5. Continuously improve our internal capabilities to respond to modern slavery risks.

Given the significant challenges presented by COVID-19 we have accounted for the disruption that our suppliers may be experiencing, particularly where their capacity to engage with Cromwell has been affected by local employment restrictions, lockdowns or other challenges. The focus for FY20 has therefore been based on identifying and prioritising areas of high risk and developing a due diligence framework to assess and address these risks, as business practises stabilise.

During FY21 Cromwell will formally introduce a tiered risk assessment process that enables us to broaden our engagement and encourage and support our smaller, less sophisticated suppliers, to develop their own supply chain evaluation processes. We will also continue to expand our inclusion of suppliers identified as having a higher risk and capability, to submit to the detailed Property Council of Australia ("PCA") Supplier Platform.

## 3.1 FY20 HIGHLIGHTS

- Launched the industry-based Supplier Platform in collaboration with the Property Council of Australia;
- Risk mapped all 1438 active Cromwell Australian suppliers to 40 risk categories to determine the inherent modern slavery risks in our tier 1 supply chains;
- Identified 45 key high risk, high value suppliers representing over 40% of high risk Australian expenditure to participate in the pilot and introduction of the PCA Supplier Platform modern slavery questionnaire;
- Introduced a Supplier Code of Conduct, designed specifically to assist management of modern slavery risks, which was retrospectively issued to over 1400 suppliers;
- Partnered with a key construction contractor to appoint consultants to undertake mapping of supply chain risks for a major project including guidance on construction and fit out works assessments, to better understand the risks associated with specific goods, services, labour and materials; and
- Provided all employees globally with Modern Slavery Awareness training and implemented ongoing training into all mandatory governance refreshers.





### Principled

We are principled. We set the standards and have the courage to do what is right, when we think it is right



### Respectful

We are respectful of others. We are humble and empathetic, working collegiately to look after our stakeholders



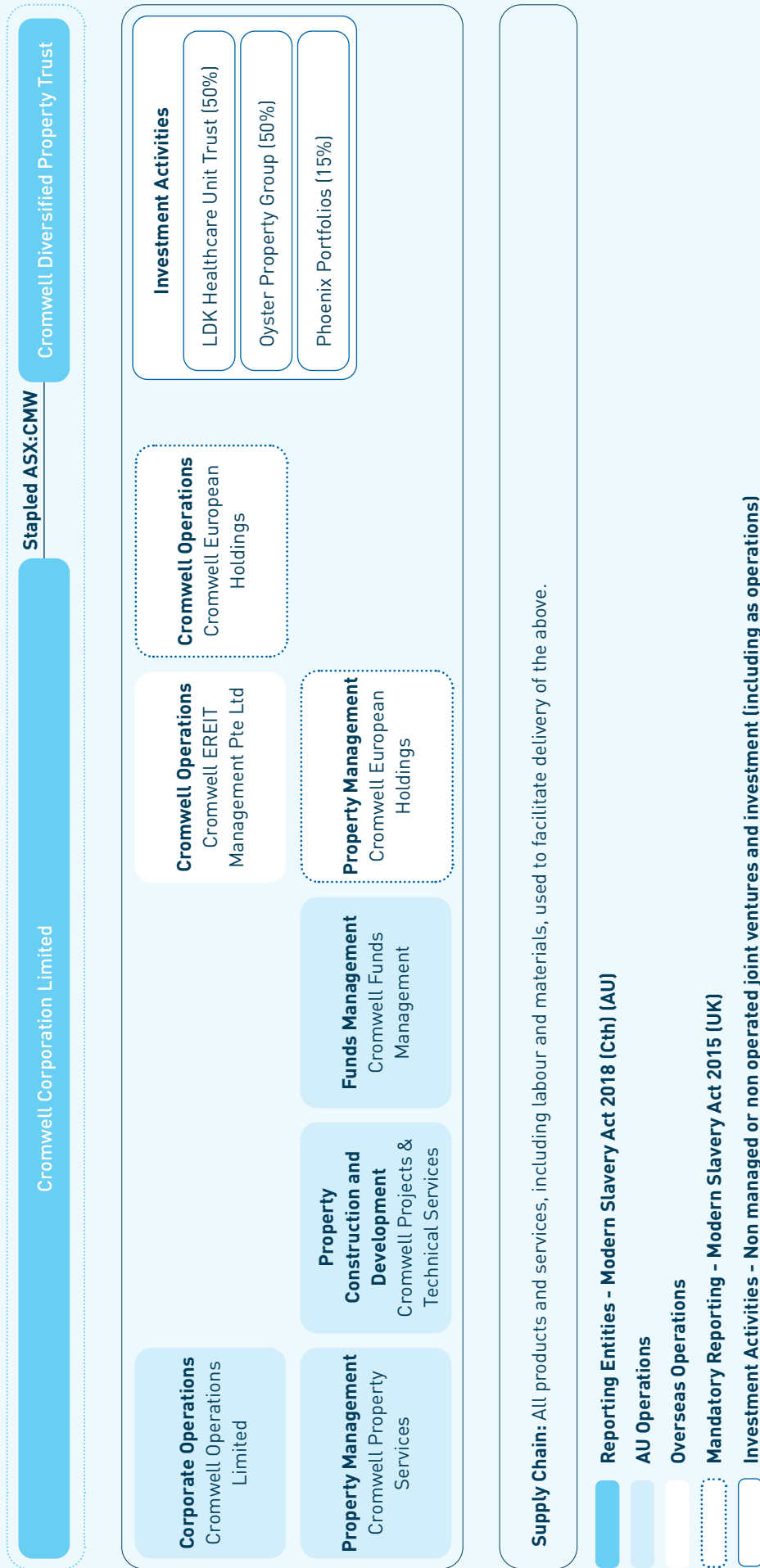
### Responsible

We are accountable to our stakeholders. We are diligent and committed to continuous improvement and building a sustainable and resilient business

**WE  
ARE**



Figure 1 - Structure Diagram



# 4. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

## 4.0 OUR STRUCTURE

Cromwell is an internally managed Australian Real Estate Investment Trust, listed on the Australian Securities Exchange, and is a stapled enterprise consisting of Cromwell Corporation Limited ABN 44 001 056 980 (“the Company”) and Cromwell Diversified Property Trust ARSN 102 982 598 (“the Trust”), the responsible entity of which is Cromwell Property Securities Limited ABN 11 079 147 809 (“the Manager”). This structure is shown on the left hand page Figure 1.

Cromwell has adopted a global approach to modern slavery and supply chain management and responds locally to statutory requirements, including under the UK Modern Slavery Act (2015). Unless otherwise stated, the actions discussed in this Statement are applied on a global scale in relation to the operations and supply chains of Cromwell and its controlled entities<sup>1</sup>. For further information specifically relating to our overseas operations, please refer to our UK Modern Slavery Statement.

## 4.1 OUR OPERATIONS

As a global real estate investor and manager, our operations encompass the acquisition, management, administration, leasing, development and disposal of property assets with our operations undertaken by an in-house team of legal, asset, facilities, project, finance, analysts and property professionals.

For the purpose of this Statement, ‘operations’ means the activities undertaken by Cromwell, or an entity owned or controlled by Cromwell, to pursue business objectives and strategy both in Australia and overseas, and includes the direct employment of workers as shown in section 4.1 for the purpose of facilitating delivery of the Products and Services described in Figure 3 - Products & Services:

In accordance with Commonwealth guidelines, we have excluded investment activities that relate to non-managed or non-operated joint ventures from the reporting boundary, except to the extent that they are applicable as an operational activity. Cromwell will continue to leverage opportunities to influence corporate partnerships to further mitigate the risks associated with modern slavery. Where Cromwell does not have operational control, we will continue to encourage best practice and maintain our

standards in accordance with our Code of Conduct. For further information about how Cromwell manages these partnerships, refer to our case study with construction partner FDC in Section 6.0.4.

## 4.2 OUR SUPPLY CHAIN




For the purpose of this Statement, ‘supply chain’ means the products and services (including third-party labour) that contribute to Cromwell’s products and services, as shown in Figure 3. This includes products and services sourced domestically or overseas and extends beyond direct suppliers. As managers of property assets, the greatest expenditure and exposure to modern slavery practises rests in the supply chains of the service providers, and the goods and materials supplied by them, in the construction, maintenance, care and operations of these properties. Cromwell has over 1,400 tier 1 suppliers in locations across Australia, Europe and Singapore. We procure a wide range of goods and services from our tier 1 suppliers, examples of which are included in Table 1.

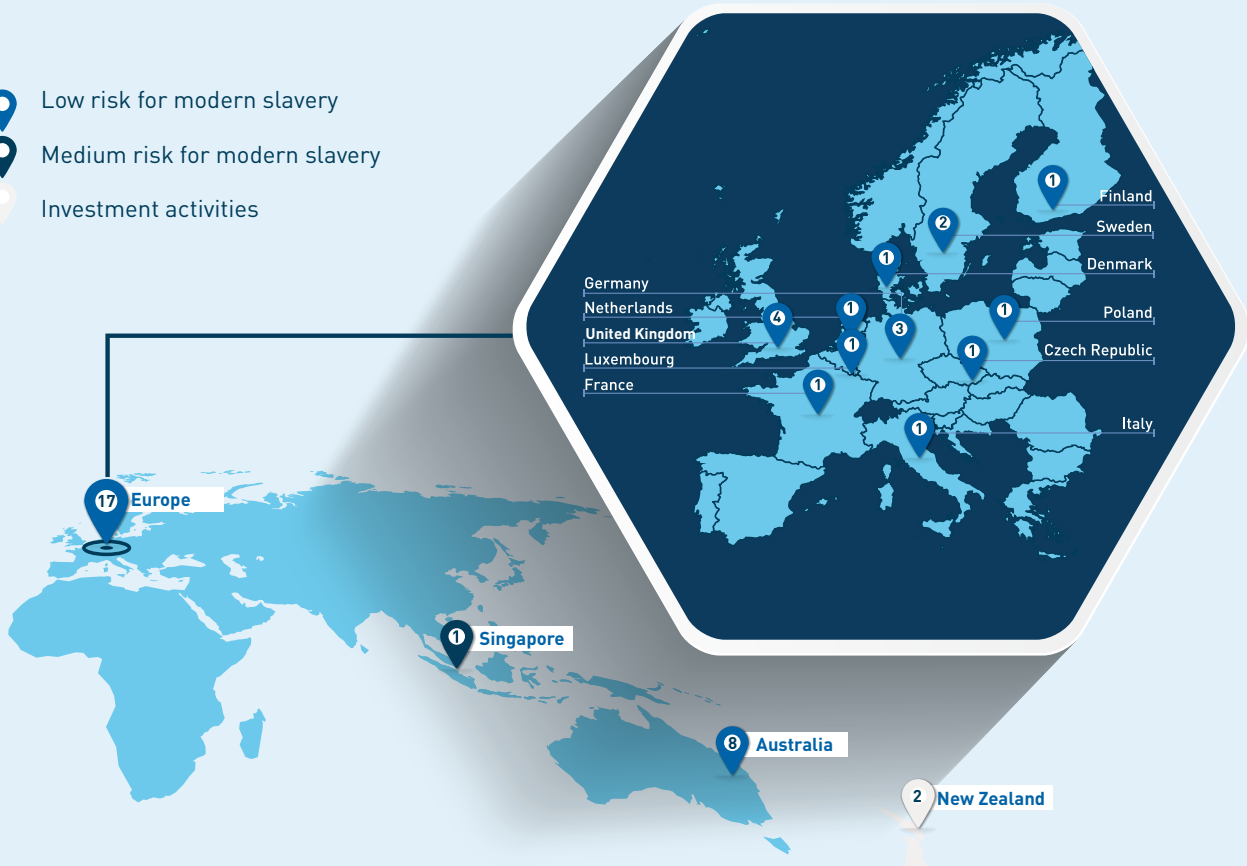
Over the course of FY20, consultants were engaged to assist in categorising our suppliers by industry and risk exposure to modern slavery practices. The methodology used is discussed further in section 5. Based on the results of this assessment, the primary focus of our engagement and evaluation has been directed towards the identified suppliers of highest risk and expenditure across both our property management and development and construction supply chains. An overview of these sectors is included in Table 1 which describes the supply chains of the reporting entities, including the supply chains applicable to entities owned or controlled by the reporting entities, both within Australia and globally.

Our approach for FY20 was to conduct a holistic review of the inherent risk of modern slavery in our supply chains. As shown below, the inherent modern slavery risks considered indicators relevant to exploitation by industry and country. The assessment did not extend to further analysis of which particular types of exploitation may be present in each supply chain segment or geography.



**Figure 2 - Operations**

-  Low risk for modern slavery
-  Medium risk for modern slavery
-  Investment activities



<sup>1</sup> Refer to pages 124 and 125 of FY20 Annual Report for a comprehensive list of the controlled entities and countries of registration

 **AU\$ 11.5 BILLION** / **€ 7.1 BILLION**  
ASSETS UNDER MANAGEMENT

 **220**  
PROPERTIES

 **3,000**  
TENANTS

 **3.4M**  
SQM

 **460+**  
PEOPLE

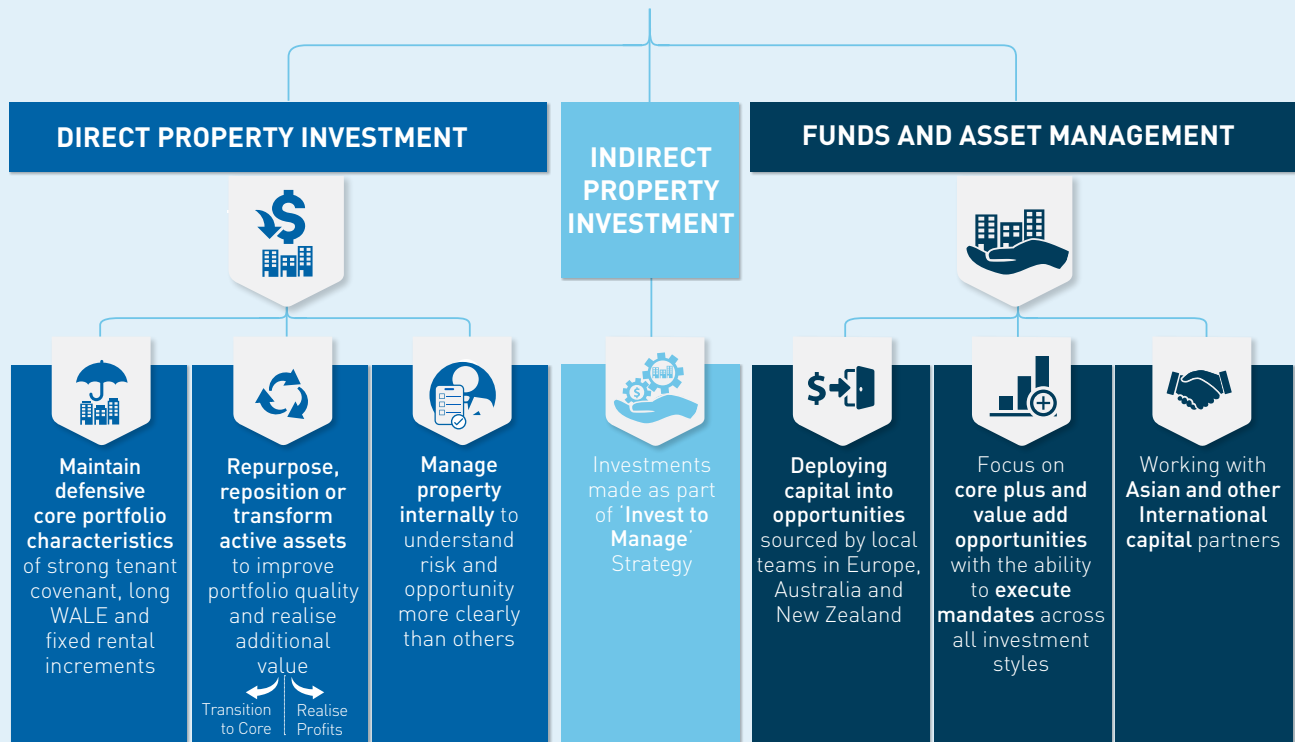
 **28**  
OFFICES

 **14**  
COUNTRIES

\* As at 30 June 2020



Figure 3 - Products & Services



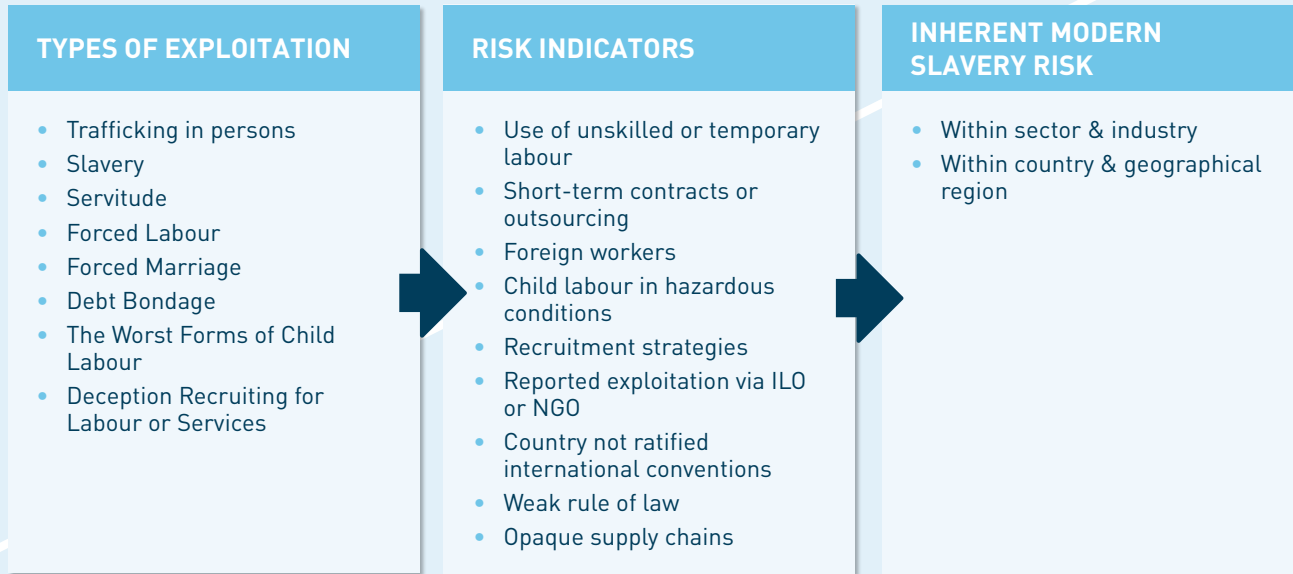
- PRODUCTS**
- Wholesale Funds
  - Club Deals and Joint Ventures
  - Retail Funds
  - Asset Management Mandates
  - Separate Accounts
  - Bank Workouts

- SERVICES**
- Funds Management
  - Risk Management
  - Legal and Compliance
  - Tax and Structuring
  - Accounting and Reporting
  - Investor Relations
  - Transactional Services
  - Asset Management
  - Project Management
  - Property Management
  - Leasing
  - Facilities Management





**Figure 4 - Modern Slavery Risks**



In addition to the indirect suppliers explicitly stated in Table 1, it is noted that any goods or services procured by a tier 1 supplier may incur a high-risk rating. The suppliers of these goods and services to our Tier 1 suppliers are currently considered outside of the direct sphere of influence and will be indirectly addressed as part of the tier 1 supplier engagement process.

From the risk evaluation of our supply chain, we have identified that whilst there are high risk exposures identified in our tier 1 suppliers, these are predominantly related to the risk associated with raw materials contained within goods purchased, rather than services provided by them. The majority of our corporate operational

expenditure relates to low risk professional services, with the greatest expenditure being accounted for in our directly employed property management teams.

Cromwell maintains a 'customer focused approach' to supplier engagement. This involves actively engaging with key identified groups to better understand industry specific risks and opportunities and how to effectively develop our supplier relationship to reduce the risk of modern slavery. This approach is supported by encouraging stable, long-term relationships with reputable suppliers, who are evaluated and monitored on an ongoing basis, particularly with regard to the risk indicators highlighted in Table 2.

Table 1 - Cromwell Property Group Supply Chain

Reporting entity	Activities	Supply Chain Overview	High Risk (for the modern slavery risks or risk indicators noted in Table 2)		
			Tier 1 – Direct Suppliers	Indirect Suppliers	Products & Services used by indirect suppliers in the supply chain
Cromwell Diversified Property Trust	<p><b>Corporate Operations</b> <i>Corporate operations not otherwise specific to a specific business activity</i></p> <p><b>Property Management</b> <i>Applicable where appointed to maintain operational control</i></p>	<p><i>Includes a summary of the supply chain applicable to operations associated with the activity</i></p> <p>Corporate costs of operating the business, including direct employees, consultants and advisors of professional services.</p> <p>Suppliers of services including cleaning, security, landscape, building maintenance, waste collection, utilities, materials, consumables, construction and fit out.</p>	<p><b>Products provided by suppliers</b></p> <p>IT Equipment Office supplies Consumables</p>	<p><b>Services provided by suppliers</b></p> <p>IT Services Catering Cleaning &amp; janitorial Travel and Accommodation</p>	<p>Building maintenance and repair materials</p>
			<p>Building maintenance and repair materials Construction supplies</p>	<p>Cleaning &amp; janitorial services Security Services Telecommunications</p>	<p>Building maintenance and repair materials</p>
Cromwell Corporation Limited	<p><b>Funds Management</b> <i>Applicable where appointed to manage the investment vehicle</i></p>	<p>Corporate costs of operating the business, including direct employees, consultants and advisors of professional services.</p>	<p>Refer to Corporate Operations above</p>		
	<p><b>Property Construction and Development</b> <i>Applicable where appointed to manage or partner for the delivery of a specific capital project</i></p>	<p>Major refurbishments and construction, including joint ventures.</p>	<p>Refer to Corporate Operations above</p>		





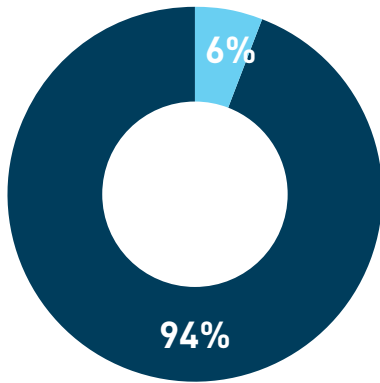
**Table 2 - High Risk Category Indicators**

Risk Type	High Risk Category	Indicators
<b>Product &amp; Services Risk</b>	<b>IT Equipment</b>	<ul style="list-style-type: none"> <li>• Use of unskilled, temporary or seasonal labour.</li> <li>• Use of short-term contracts and outsourcing.</li> <li>• Use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible because the work is undertaken at night time or in remote locations, such as security or cleaning.</li> <li>• Use of child labour in hazardous conditions, such as underground, with dangerous machinery or tools, in unhealthy environments (including where they are exposed to physical or sexual abuse), or for long hours.</li> <li>• Recruitment strategies by suppliers, their agents or labour hire agencies target specific individuals and groups from marginalised or disadvantaged communities.</li> <li>• The sector involves direct engagement with children, including through orphanage tourism and other forms of 'voluntourism' (including through companies' social investment and corporate social responsibility programs).</li> </ul>
	<b>Office supplies</b>	
	<b>Consumables</b>	
	<b>IT Services</b>	
	<b>Building maintenance and repair materials</b>	
	<b>Construction supplies</b>	
	<b>Telecommunications</b>	
<b>Sector &amp; Industry Risk</b>	<b>Catering</b>	<ul style="list-style-type: none"> <li>• Cost requirements or delivery timeframes might require suppliers to engage in excessive working hours, make cost savings on labour hire or rapidly increase workforce size.</li> <li>• The development of the product or delivery of the services has been reported as involving labour exploitation by international organisations or NGOs.</li> <li>• Children are often used in the development of the product or delivery of the service, such as carpet weaving.</li> <li>• The product or components of the product are made in countries where there is a high risk of labour exploitation reported by international organisations or NGOs.</li> <li>• The services are provided in countries where there is a high risk of labour exploitation reported by international organisations or NGOs.</li> <li>• The product is made from materials or using services reported to involve a high risk of labour exploitation by international organisations or NGOs.</li> </ul>
	<b>Cleaning &amp; janitorial</b>	
	<b>Travel and Accommodation</b>	
	<b>Cleaning &amp; janitorial services</b>	
	<b>Security Services</b>	
	<b>Building maintenance and repair services</b>	



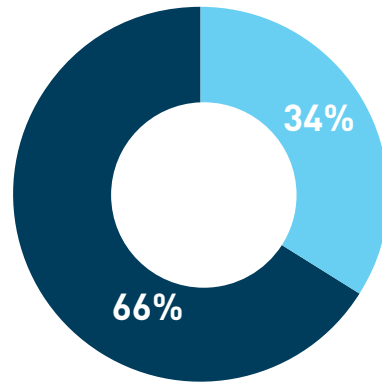
## HIGH RISK EXPENDITURE - AUSTRALIA

### HIGH RISK CORPORARE EXPENDITURE



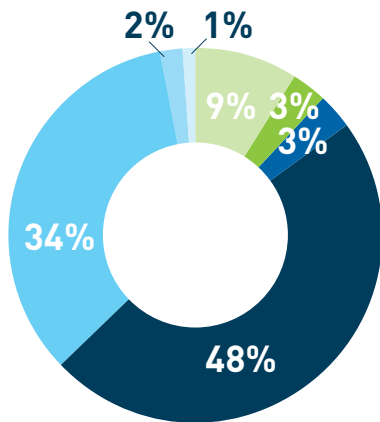
- All other expenditure
- High Risk

### HIGH RISK PROPERTY EXPENDITURE



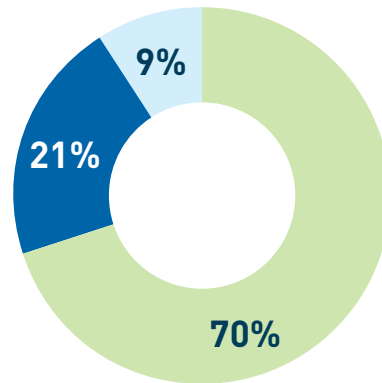
- All other expenditure
- High Risk

### HIGH RISK CORPORARE EXPENDITURE BY INDUSTRY



- IT Equipment & Services
- Office Supplies
- Restaurants and catering
- Security Services
- Building maintenance and repair services
- Telecommunications
- Cleaning & Janitorial Services

### HIGH RISK PROPERTY EXPENDITURE BY INDUSTRY



- Security Services
- Building maintenance and repair services
- Cleaning & Janitorial Services





# 5. OUR ACTIONS TO IDENTIFY, ASSESS AND ADDRESS OUR MODERN SLAVERY RISKS

## 5.0 OUR OPERATIONS

We conducted a high level risk assessment of our operations, applying the inherent risk metrics in Figure 4 to identify and assess the risk of modern slavery within our operations. On this basis, as shown in Figure 2, our corporate operations are consistently considered low risk in the countries in which we operate and no instances of modern slavery have been identified. Notwithstanding, we acknowledge the following risks exist in regard to the recruitment and management of staff in our corporate operations:

### Risks

1. Inadequate due diligence in appointment of recruitment agencies, increasing risk of deceptive recruitment practices.
2. Inadequate modern slavery training, reducing the effectiveness of policies, procedures and controls to manage risk of exploitation.
3. Inadequate grievance mechanisms, reducing identification of breaches to enable remediation.

To address these risks, a number of controls and due diligence activities are in place as a matter of best practice, both in the recruitment process and ongoing employment of staff.

### 5.0.1 Recruitment Services

- Maintaining exclusive partnerships with top tier recruiters;
- Obtaining acknowledgement of Cromwell's Supplier Code of Conduct prior to engaging with any external recruiter;
- Ensuring all candidates are capable of interpreting the terms and conditions of employment; and
- Conducting all necessary searches to ensure personnel are legally entitled to work in Australia.

### 5.0.2 Temporary or unskilled labour

- Temporary staff are appointed directly through agencies and considered for permanent positions. 5% of current Australian based employees were offered permanent roles following work as agency temps, casual shifts or fixed term contracts.
- Interns are all paid on award rates and no unpaid work experience is permitted, unless in accordance with an established agreement between Cromwell and a tertiary provider.

### 5.0.3 Training & Awareness

- All new staff receive modern slavery awareness training as part of the induction process.
- All new staff receive information relating to our whistleblowing policies and modern slavery grievance mechanisms as part of the induction process.
- All staff inductions include an overview of the rights and entitlements of staff and where to obtain further information and support, including access to Cromwell's Employee Assistance Program provider, Assure Programs.
- Mandatory ongoing training is included in annual governance training.

### 5.0.4 Remediation & Grievance

While the risk of modern slavery within Cromwell's operations is low, remediation of harm (if required) would be addressed through relevant People and Governance policies, as shown in Figure 6. This includes formal investigations in accordance with the Whistleblowing Policy. Cromwell will continue to follow best practice recommendations in regard to remediation processes and grievance mechanisms.

## PROPERTY COUNCIL OF AUSTRALIA'S SUPPLIER PLATFORM



## 5.1 SUPPLY CHAINS

### 5.1.1 Supplier Platform – Industry Involvement & Collaboration

The economic and cultural complexities of ethical sourcing are extensive. A collective and ongoing industry effort is critical to support the transition from a reliance on forced labour in high risk regions without increasing the risk of harm to vulnerable existing workers.

In response to these challenges, Cromwell committed as 1 of 15 founding members to the development of the Property Council of Australia’s Supplier Platform. The collaboration allows platform partners to assess and report on their supply chain networks through a single online supplier evaluation tool that collects, compares and enables access to data on all suppliers. This ensures consistency across the industry, streamlines the reporting process, reduces the reporting burden and makes it easier for suppliers to share information with leading property organisations.

The platform was completed in late 2019 and rolled out as an initial pilot through early 2020. As part of the initial implementation, Cromwell identified 26 suppliers in high risk categories (based on country and industry sector) to participate in the evaluation tool.

#### Cromwell Property Group Supplier Participation

Active Tier 1 Suppliers	PCA Survey Complete	Coverage of High Risk Expenditure
1,434 suppliers	26 suppliers	47%

### 5.1.2 Cromwell Property Group Supplier Insights

Cromwell will continue to support the development of the Supplier Platform to track, monitor and engage with suppliers and assess the effectiveness of improvement measures. As at 30 June 2020, data indicates:

- 41% provide human rights & modern slavery training to employers or suppliers;
- 19% indicate that they are required to report under applicable modern slavery legislation; and
- A further 34% indicate that they intend to submit a voluntary Statement within the next 12 months.

We are currently liaising with the platform providers to establish a format for the inclusion of overseas supply chains. This will support a global approach to supply chain management and human rights.

### 5.1.3 Risk Assessment Methodology – Independent Consultation

On broader review of the responses in the Supplier Platform, it was determined that the maturity of modern slavery awareness, engagement and responsiveness varied substantially across industry participants. Accordingly, Ernst & Young (“EY”) were engaged to support the development of a new procurement process aimed at categorising a supplier into 1 of 4 tiers based on the inherent risk of modern slavery, compared to Cromwell’s capacity to influence the engagement (Figure 5 – Vendor Risk Assessment).

The presence of modern slavery risk indicators associated with the provision of goods and services was considered across over 270 categories. Sources considered included:

- Sector & industry risks caused because of characteristics, products and processes;
- Products and service risks caused by the way they are produced, provided or used;
- Geographic risks caused by poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty; and
- Entity risks due to poor management, processes and records of human rights violations.

This initial risk assessment has been integrated into the new supplier due diligence process outlined in the new Group Procurement Policy, which was developed over the course of FY20. The policy specifies the requirements of suppliers and expectations of staff in investigating, mitigating and managing the risks of modern slavery in our supply chain.

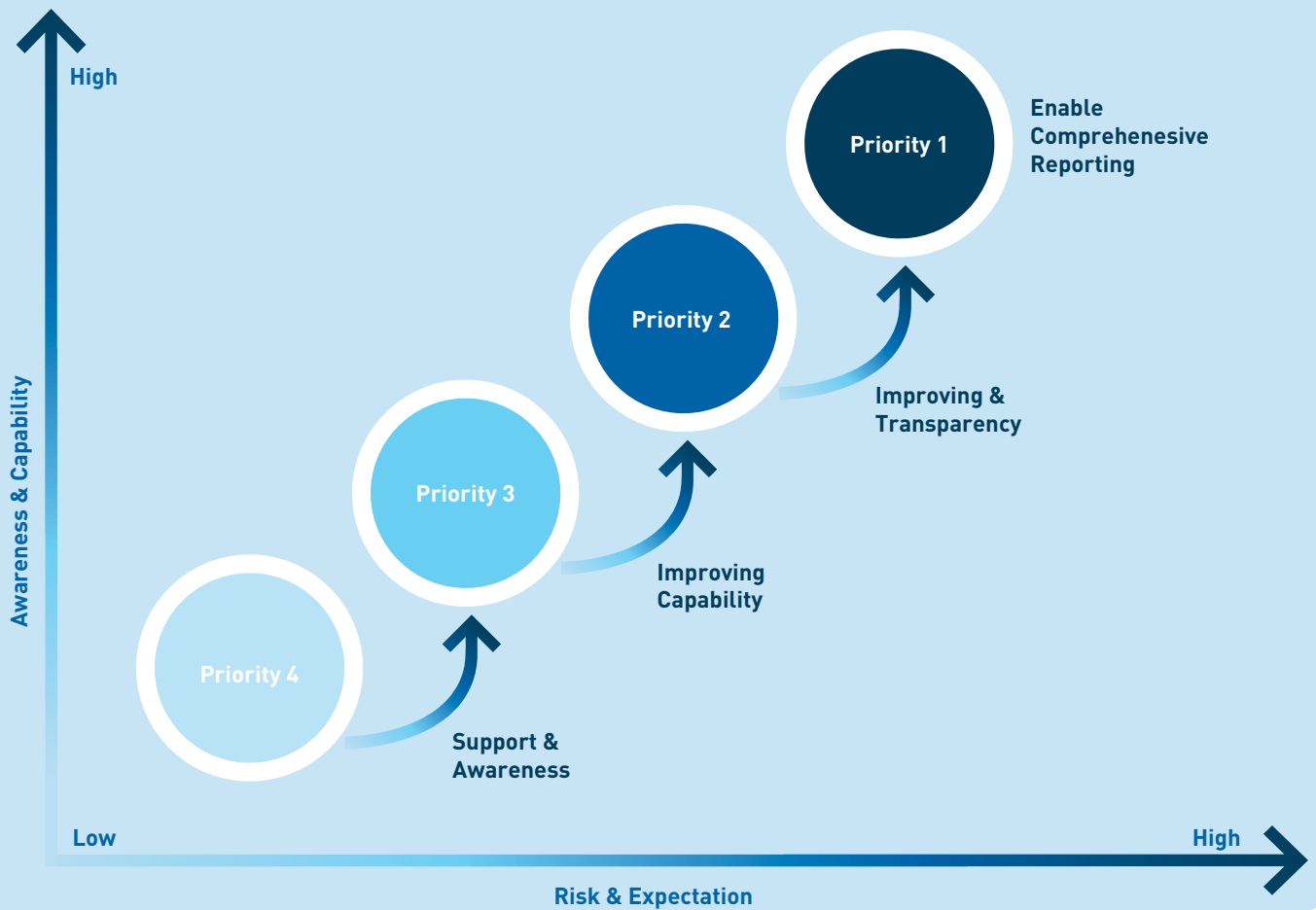
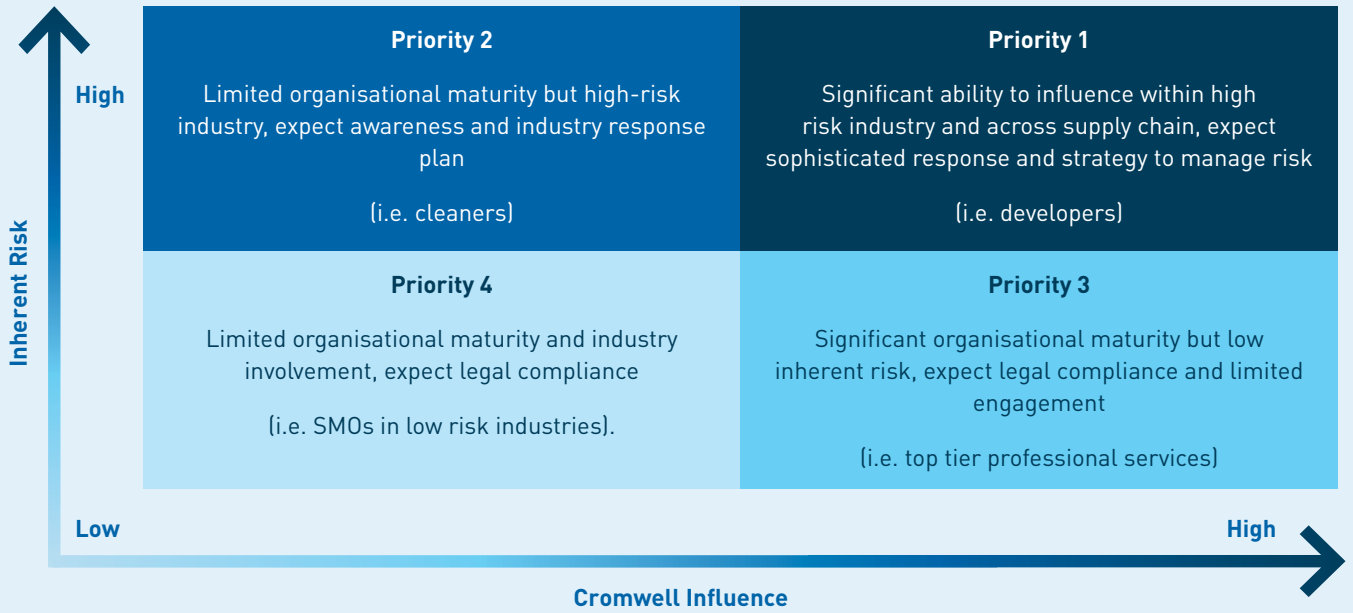
### 5.1.4 Due Diligence – Supplier Questionnaires

By prioritising suppliers based on industry, expenditure and capacity to influence the supply chain, resources are focused on where they can add most value. As the inherent risk and capacity to influence increase, so does the expectation of suppliers to complete comprehensive enquiries into their own supply chain practices.

To support suppliers outside of the high-risk range, Cromwell has developed a modern slavery questionnaire to increase awareness and capacity building prior to



**Figure 5 - Vendor Risk Assessment**





formal engagement with the PCA Supplier Platform. The modern slavery questionnaire assesses the following criteria:

- General understanding of the concept and risks of modern slavery and human rights;
- Current approach to supply chain management;
- Supplier details including subcontracting and use of foreign labour in operations;
- Recruitment practices;
- Worker dialogue;
- Education, training & partnerships;
- Policies & procedures;
- Level of engagement & supply chain visibility; and
- Performance, remediation & effectiveness.

The questionnaire is included for distribution to prospective suppliers as part of the due diligence process and results inform the ongoing monitoring and engagement.

### 5.1.5 Remediation & Grievance

No instances of modern slavery have been identified in connection with our suppliers to date. Where modern slavery practices are identified, Cromwell will engage directly with NGOs, regulators and government to establish the appropriate remedial action, considering the nature and severity of the practices.

In Australia, Cromwell and its employees are prohibited under the *Fair Work Act 2009* (Cth) from taking adverse action against employees or contractors because they exercised or propose to exercise any workplace rights. The *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* (Cth) extends the protections available to eligible whistleblowers under the *Corporations Act 2001* (Cth) to include suppliers of goods and services of regulated entities. Cromwell supports the principles of this Act across the jurisdictions under which we operate.







# 6. HOW WE ASSESS OUR MODERN SLAVERY RESPONSE

## 6.0 MEASURING EFFECTIVENESS OF OUR ACTIONS

### 6.0.1 Sustainability Framework

Our business' focus to date has been in establishing due diligence systems to identify, assess and address our business' risks of modern slavery. Cromwell's sustainability framework as overseen by the Audit & Risk Committee, provides the foundation for effective supply chain and operational risk management by setting ongoing objectives which align with the principles of sustainable procurement and operations. This ensures:

- Legislative obligations are observed and maintained as regionally required in accordance with our Enterprise Risk Management Framework;
- Consultants are engaged as required to support compliance and provide advice on continuous improvements ;
- Integrated and transparent risk management;
- Testing of adherence to established processes for all functions;
- Reviewing documentation and processes on a regular basis;

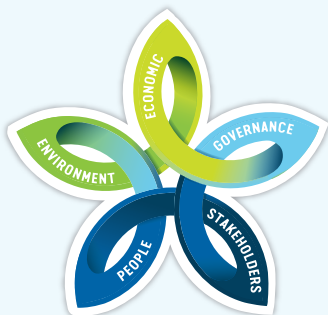
- Designing processes to meet industry accepted or best practice;
- Maintaining appropriate insurance coverage; and
- Dedicated internal and external resources to conduct audits and review processes with a focus on risk management and continuous improvement.

The policies and procedures which form part of these objectives, collectively demonstrate our approach to ensuring that we act as a transparent, responsible and ethical business, including through reliance on the following controls to mitigate the risk of modern slavery in our operations and supply chains as shown Figure 6.

### 6.0.2 Internal Working Groups

To ensure a consistent approach to managing our risk of modern slavery, internal working groups comprising of representatives from all business functions were established in FY20. The groups were tasked with developing and integrating a dynamic procurement framework, which increases the awareness, transparency and accountability of procurement practices and supply chain evaluation and management.

Group	Purpose	Frequency
Supply Chain Working Group	Manage risk metrics, minimum requirements, reporting and budget	Quarterly
Procurement Working Group	Manage the implementation, education & continuous improvement initiatives	Monthly
Procurement Champions	Maintain departmental compliance & enquiries	Quarterly



**SUSTAINABILITY**  
EVERYTHING IS CONNECTED



### 6.0.3 Continuous Improvement & Grievance Mechanisms

In future years, we will look to formalise systems to measure the effectiveness of our due diligence systems and actions by:

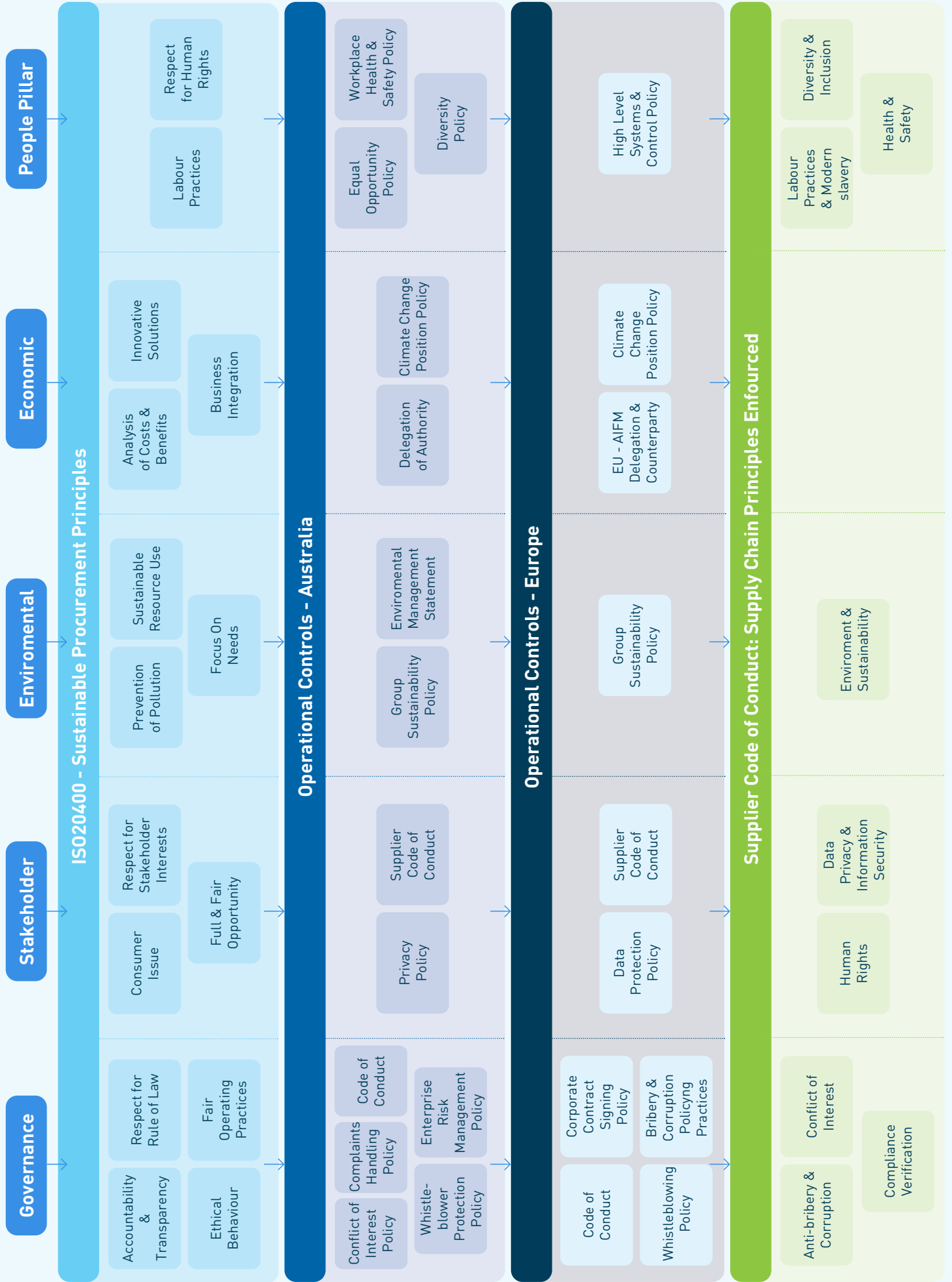
- Establishing a baseline on supplier appointment, from which to measure goals and indicators;
- Continuing to monitor, assess and improve supplier performance, including any corrective actions;
- Continuing to engage with internal and external stakeholders on best practice guidelines; and
- Benchmarking suppliers against industry peers.

To enable us to manage this assessment process, we recognise the necessity of transparent and accessible grievance mechanisms which support stakeholders. In line with best practice, we ensure that remediation measures are:

- Based on engagement, dialogue and mediation;
- Legitimate, accessible and easy to understand;
- Safe and predictable;
- Equitable and transparent; and
- Rights-compatible and focused on continuous improvement.



Figure 6 - Sustainability Framework & Modern Slavery Risk Controls



### 6.0.4 Case Study on LDK Risk Assessment

As the largest portion of high risk expenditure within our supply chain relates to development and construction activities, a risk assessment was commissioned by Cromwell and our construction partner, FDC Construction, as a case study on our Greenway Views senior living project in Canberra.

**Project** LDK Seniors Living: Greenway Views

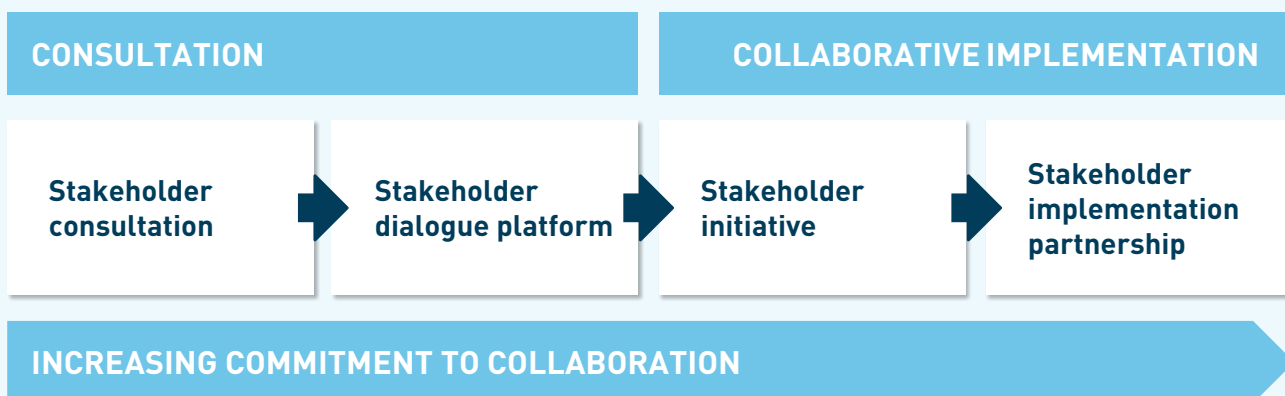
**Parties** FDC & Cromwell Property Group

**Project** During the course of 2019 and 2020, Cromwell engaged the services of FDC Group Holdings Pty Ltd (FDC) to convert the existing commercial campus-style office buildings into a multi-use Seniors Living village. Stage 1 of the village (blocks 1 to 3 of 5) included an initial total of 214 apartments as well as accommodating various other associated services.

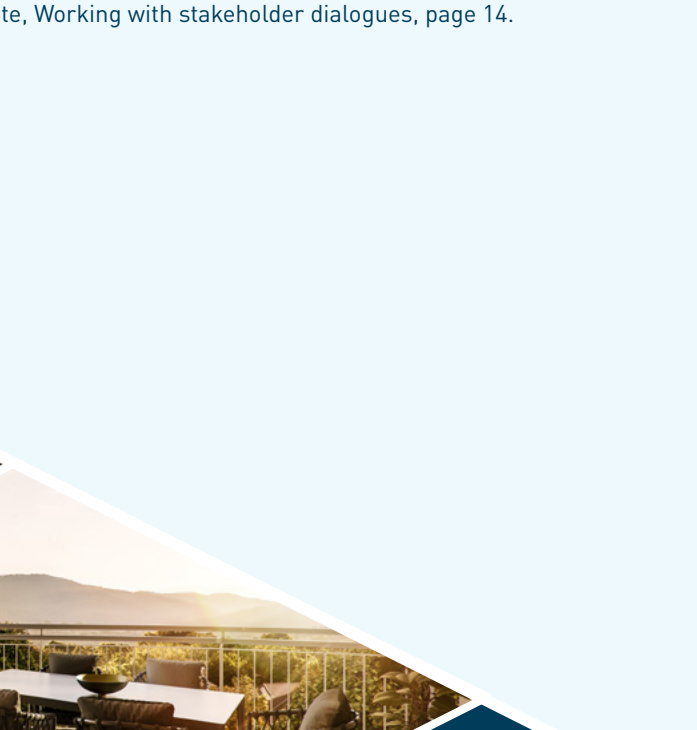
As a significant project for each group Cromwell and FDC collaborated to determine the risks of modern slavery that may exist within the supply chain.

A third-party expert was engaged to assist in this endeavour. The results were used to inform the ongoing labour and materials choices for the development as well as procurement decisions for future stages of the project.

**Risks** Construction Materials & Labour



Forms of stakeholder dialogues; from Collective Leadership Institute, Working with stakeholder dialogues, page 14.





### How did the modern slavery assessment help you understand MSA risks in the project?

*'The modern slavery assessment conducted on the LDK Seniors Living project involved the active participation of a broad range of FDC personnel. This included the involvement of the A.C.T General Manager, the Project Manager and other members of the project team, directly involved in the procurement, management and delivery of the project.'*

*'The assessment was successful in focussing all team members on the obvious and less obvious risks of modern slavery, that may exist in the supply chains in which we are involved. The assessment made it clear that all aspects of the supply chain carry some risks of modern slavery existing. It also successfully highlighted those higher risk areas, deserving of greater vigilance.'*

---

### Did the assessment change any of the labour or materials decisions which were made?

*'The risk assessment was conducted retrospective of the procurement decisions having already been contracted for the project.'*

*'Subcontractors engaged on this project were assessed as being of sufficiently high quality so as to minimise the risks of modern slavery existing in the projects supply chain. However, in the interests of best practice and contributing to the broader awareness of the industry, FDC ensured that all subcontractors were made aware of the FDC Modern Slavery Charter for Suppliers and Service Providers and the terms and conditions under which they are expected to operate.'*

*'FDC reserves the right to query and investigate any of our subcontractors should we suspect any instances of modern slavery, or human rights breaches occurring.'*

*'FDC also conducted an awareness campaign for new inductees to our site, involving a site specific educational video presentation, highlighting the risks of modern slavery that may exist on this project and in our industry.'*

---

### Has the assessment impacted how FDC procure for other projects?

*'Yes. The lessons learned by those involved in the risk assessment, have been shared amongst other members of their teams and the broader FDC organisation. This has provided a greater internal awareness of the risks and issues involved in modern slavery in our industry and is intended to ensure that we make better and more informed procurement decisions on future FDC projects. We understand that this is an ongoing process of knowledge and improvement. It has also reiterated the importance that FDC places on good corporate and social governance and human rights practices, as a condition of being engaged by us.'*

---

### How can principles help assist contractors to manage the risks of MSA in major developments?

*'It is incumbent on contractors such as FDC to remain vigilant of the risks of MSA that may exist amongst our suppliers and service providers. This involves contributing to greater industry awareness of these risks, undertaking more detailed due diligence in supplier selection, expecting more of our suppliers and participating in initiatives that go beyond the first tier of risk. FDC is looking to continually increase its knowledge and improve our practices with regard to modern slavery and human rights practices within our very varied supply chains.'*







# 7. THE YEAR THAT WAS: COVID

## 7.0 OPERATIONS

Cromwell acted swiftly to implement a number of changes to protect employee health and safety during the COVID outbreak. Risk assessments were conducted, and appropriate controls were put in place including employee education, improved hygiene practices and social distancing.

As the risk continued to increase, all non-essential employees were moved to full working from home and provided with support to make this as effective as possible including education on safely and effectively working from home and IT hardware assistance.

In order to provide safe and productive office space for our people to return to, a number of COVID safe controls were put in place including:

- Social distancing, including when seated at desks and when using facilities;
- Improved Hygiene measures and the provision of Hand Sanitiser and cleaning products;
- Heightened cleaning rosters;
- Contact tracing;
- Elimination of non-essential visitors; and
- Corporate travel bans.

Despite disruptions to business operations, Cromwell was proud to maintain the following over the course of FY20:

- No redundancies; and
- Ongoing physical and mental wellbeing initiatives.

## 7.1 SUPPLY CHAIN

Cromwell acknowledges the adverse impact of the COVID pandemic on modern slavery and the increased risk to vulnerable personnel. The Workplace Readiness Guide was created and distributed to key property services personnel to manage risks for stakeholders, including our employees, contractors and building occupants. The document outlines practical information necessary to ensure health and safety is retained during the pandemic, including:

- Worker Safety, including PPE protocols;
- Stakeholder engagement, including in regard to wellbeing;
- Risk Mitigation Plans;
- Best practice guidance from SafeWork Australia and local regulatory providers; and
- Supporting resources for distribution.

Supporting our suppliers during COVID has been a priority to ensure disruptions to operations are minimised and critical relationships are maintained. Despite reductions in building occupancy, Cromwell has maintained the following:

1. No contracts terminated;
2. No excessive discounts obtained;
3. All major suppliers contacted to discuss any necessary support or trading implications;
4. Extensions granted without penalty where necessary to facilitate delivery; and
5. Encouraging retention of cleaners through adjustments to cleaning scopes to reflect increased touchpoint cleaning in lieu of demand for tenancy area cleaning.





# 8. THE YEAR AHEAD

## 8.0 FY21 OBJECTIVES

- Launch the Group Procurement Policy to ensure consistent risk assessments
- Develop supplier engagement plans, considering the sphere of influence and industry risks
- Continue to apply procurement best practice to business-critical systems and controls
- Double participation rates for Cromwell nominated companies within the PCA Supplier Platform
- Provide suppliers access to awareness training to promote best practice procurement activities, including the identification and assessment and management of modern slavery
- Upskill key staff in sustainable procurement and modern slavery risks
- Manage adherence to policy expectations and continuous development of the framework to identify, manage and monitor modern slavery risks associated with suppliers
- Develop a compliance plan to maintain functional independence in the internal audit of key procurement processes

FY19	FY20	FY21
<ul style="list-style-type: none"> <li>• Supply Chain Working Group established</li> <li>• Supplier Code of Conduct drafted</li> <li>• Modern Slavery Training released</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Working Group established</li> <li>• Supplier Code of Conduct translated to 11 languages</li> <li>• Tier 1 risk assessment conducted</li> <li>• Property Council Australia Supplier Platform launch</li> <li>• Developed Modern Slavery Supplier Questionnaire</li> <li>• Collaborated with major supplier to conduct risk assessment on development</li> </ul>	<ul style="list-style-type: none"> <li>• Formal launch of Procurement Policy</li> <li>• Refine procurement objectives based on industry insights</li> <li>• Further align new vendor due diligence with ISO20400</li> <li>• Remediation plans integrated into vendor management</li> </ul>



## 8.1 CONCLUSION

By prioritising suppliers through the application of the risk-based approach, resources have been focused on identifying and managing stakeholders that have the most significant opportunity to influence. The ongoing management of suppliers is integrated with business systems and processes to ensure that the residual risk of modern slavery is monitored and managed by key staff.

The Group Procurement Policy is in the process of being implemented across business-critical applications, to manage the onboarding and performance of suppliers and manage any remediation plans necessitated in accordance with the risk evaluation. As we engage with suppliers and assist in increasing their understanding and capability, our expectation is that supplier transparency and business practices will also improve.

We will continue to address our current suppliers to increase the participation in the PCA Supplier Platform and to increase our evaluation of the outcomes and learnings this will provide. As transparency in human rights reporting evolves, Cromwell will continue to monitor best practice guidance and industry recommendations to assist inform improvements to supplier management and risk mitigation.

## FURTHER INFORMATION

The Cromwell website provides a comprehensive range of information on the Group, Sustainability framework and Governance practices. The website address in [www.cromwellpropertygroup.com](http://www.cromwellpropertygroup.com).

Requests for further information about the Group and our approach to modern slavery, may be directed to:

### Company Secretary

#### Cromwell Property Group

GPO Box 1093  
Brisbane QLD 4001 Australia

TEL: +61 7 3225 7777

FAX: +61 7 3225 7788

EMAIL: [governance@cromwell.com.au](mailto:governance@cromwell.com.au)

OR

### Chief Sustainability Officer

#### Cromwell Property Group

GPO Box 1093  
Brisbane QLD 4001 Australia

TEL: +61 7 3225 7777

FAX: +61 7 3225 7788

EMAIL: [sustainability@cromwell.com.au](mailto:sustainability@cromwell.com.au)







**CROMWELL**  
PROPERTY GROUP

