
Modern Slavery Statement.

26 March 2021

1. Introduction & Reporting Entity Identification

Modern slavery and human trafficking are grave forms of human rights abuses. Knight Frank recognises the importance of respecting human rights which is part of our corporate social responsibility (CSR) strategy.

This is Knight Frank's first annual Modern Slavery Statement ("statement") pursuant to section 14 of the Modern Slavery Act 2018 (Cth) ("Act"). This statement sets out the steps Knight Frank has taken during the financial year ending 30 June 2020 to assess and address the risks of modern slavery in our operations and supply chains. This statement has been prepared by Knight Frank Australia Holdings Pty Ltd, Knight Frank Australia Pty Ltd and its subsidiaries.

Knight Frank in Australia is part of the global Knight Frank group headquartered in London. The global Knight Frank group has more than 480 offices across 57 territories, employs more than 20,000 people and operates in locations where our clients need us to be, providing a worldwide service that is locally expert and globally informed – one that allows Knight Frank to connect people and property, perfectly.

2. Structure, Operations and Supply Chains

Structure

Knight Frank Australia Holdings Pty Ltd ABN 28 114 923 938 and Knight Frank Australia Pty Ltd ABN 17 004 973 684 (together 'Knight Frank') are the joint reporting entities for the purpose of this Modern Slavery Statement. Knight Frank Australia Holdings Pty Ltd is 100% owned by KFR Investments Europe Limited and KF & R Limited which are owned by Knight Frank LLP.

The following trading entities are local subsidiaries of Knight Frank Australia Holdings Pty Ltd:

- Knight Frank Australia Pty Ltd ABN 17 004 973 684
- Knight Frank Occupier Services Pty Ltd ABN 34 116 268 565
- Knight Frank NSW Valuations and Advisory Pty Ltd ABN 48 631 678 503
(together 'Trading Entities').

These entities all trade under the name 'Knight Frank.'

In addition to the above Trading Entities, Knight Frank Australia Holdings Pty Ltd has 25 Australian non-trading subsidiaries incorporated in Australia and one trading subsidiary incorporated in New Zealand.

For the purposes of the Act, only Knight Frank Australia Holdings Pty Ltd and Knight Frank Australia Pty Ltd meet the threshold requiring an annual statement to be produced.

Knight Frank's registered office is located at Level 29, 120 Collins Street, Melbourne Victoria 3000.

No entity or practice operating under the name Knight Frank is liable for the acts or omissions of any other entity or practice operating under the name Knight Frank. Neither does it act as agent for nor have any authority (whether actual, apparent, implied or otherwise) to represent, bind or obligate in any way any other entity or practice that operates under the name Knight Frank.

Knight Frank does not currently have any involvement in joint venture business relationships.

Operations

In Australia, Knight Frank has 11 corporate offices and approximately 700 direct employees servicing capital cities and regional centers across the country.

In order to pursue our business objectives and strategy, Knight Frank offers a broad range of property services across all asset classes including property and facilities management, project management, building consultancy, sustainability consultancy, valuations, leasing, sales and acquisitions, transaction management and strategic consultancy.

Knight Frank's operations are fully located within Australia (with the exception of managing a franchise agreement for real estate agency services in New Zealand) and all services are performed within Australia with no offshore outsourcing.

Supply Chain

Knight Frank considers a supplier to be any contractor, consultant, supplier or other entity or individual which provides goods and/or services to Knight Frank either directly or indirectly.

Knight Frank's direct supply chain consists of approximately 750 suppliers providing a range of services and products to Knight Frank including such items as premises, professional consultancy services, office consumables, catering, travel services, software, marketing collateral, insurance and office equipment.

These direct suppliers are located within Australia. Arrangements with these suppliers can be either short-term and changeable or stable longer-term relationships dependent upon the service procured.

Knight Frank's indirect supply chain arises through contractual and agency appointments for property management and project management services which sometimes include the facilitation, procurement and management of services on behalf of our clients in accordance with the terms of authorisations given to Knight Frank by each client. This indirect supply chain consists of approximately 2,700 contractors providing a range of services including but not limited to mechanical and electrical engineering, hygiene services, pest control, janitorial, security, plumbing, landscape, fire services, plumbing, water treatment, waste removal, concierge and professional consultancy services.

Knight Frank proactively engages with these indirect suppliers in order to ensure that persons working within these organisations are protected from modern slavery practices. Where a client's modern slavery policy is aligned with that of Knight Frank, Knight Frank is able to influence these supply chains through the selection and management of contractors. Where practicable Knight Frank believes in developing a collaborative approach and long-term relationships with these indirect suppliers on behalf of our clients. However, the ultimate decision regarding their selection and engagement rests with Knight Frank's clients.

These indirect contractors are located within Australia, although a small percentage have operations within the USA. The majority of these contractors' source manufactured products or services from within Australia, whilst 30% source products or services from overseas.

The arrangements with indirect contractors tend to be more stable longer-term relationships depending upon client requirements.

3. Risks of Modern Slavery Practices

The 'risks of modern slavery practices' means the potential for Knight Frank to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains. In other words, the risks that Knight Frank may be involved in modern slavery.

Addressing and assessing modern slavery risks can be a complex and challenging process. For a large organisation such as Knight Frank, with different business lines and a diverse range of clients, this can be particularly difficult.

Modern slavery risks are generally regarded as being related to four key risk factors:

- Vulnerable populations;

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- Business models structured around high-risk work practices;
- High-risk product and service categories, often sector specific; and
- High-risk geographies.

Within the commercial real estate and property sector these can be transposed into risks associated with:

Direct & Indirect Procurement

- Migrant workers and labour practices used most commonly by janitorial, security and catering contractors.

Corporate Procurement

- Geographical location for the manufacture of merchandising such as employee uniforms and branded goods.
- International business travel including hotels and hospitality within high-risk geographies.

Knight Frank's due diligence process has confirmed that:

- All workers engaged by Knight Frank are directly employed under the requirements of federal and state employment law and are not at risk of modern slavery practices.
- There is no risk of contributing to modern slavery practices through Knight Frank's direct supply chain via omissions or incentives that may facilitate such practices.
- There is a minimal risk that Knight Frank may be linked to modern slavery practices via our business relationship with organisations within our direct supply chain with whom we have a contractual relationship. However, this risk is very low as Knight Frank does not set unrealistic cost targets and delivery timeframes for suppliers that can only be met by using exploited labour.
- There may be a risk that Knight Frank could be linked to modern slavery practices via our business relationship with contractors within our indirect supply chain. While Knight Frank does not have any contractual relationship with these contractors Knight Frank is involved in the procurement of these contractors on behalf of our clients.

Knight Frank therefore considers people within our supply chain to be at higher risk than our own employees.

Within Knight Frank's supply chain, we have identified that there are five areas of higher risk, namely the direct and indirect procurement of;

- Janitorial services.
- Security services.
- Catering.
- Employee uniforms.
- Electronic equipment.

The risks within these procurement areas are due to:

- Use of migrant labour and potential poor labour practices particularly within janitorial, security and catering services.
- Geographic origin for employee uniforms and electronic equipment.

Knight Frank has not experienced any occurrences to date of modern slavery within our own operations or supply chains.

4. Risk Assessment, Due Diligence & Remediation

Corporate Governance:

In order to combat the risks of modern slavery, Knight Frank has developed and implemented a governance structure within the framework of our day to day operations.

- **Knight Frank Board** - The Knight Frank Australia Holdings Pty Ltd Board has ultimate oversight and responsibility for compliance with modern slavery regulations.
- **Knight Frank Modern Slavery Committee** – Knight Frank established a Modern Slavery Committee ('the Committee') in December 2018. This committee includes members from Legal, Risk and Compliance, People & Culture, Corporate Finance and Asset Management Services. The Committee reports directly to the Board via the

Head of Legal, Risk and Compliance. The Committee meets regularly to review action items, monitor progress and implement the modern slavery roadmap.

- **National Risk & Compliance** – The National Risk & Compliance unit is part of the wider Knight Frank Legal, Risk & Compliance team. This unit is responsible for the performance of modern slavery risk assessment and due diligence review activities and communicates findings and concerns back to clients, through operational management and the Board via the Committee.

In order to address these potential modern slavery risks within our direct and indirect supply chain Knight Frank has implemented an extensive modern slavery program (See Figure.1) within the confines of this structure.



Figure.1 Knight Frank Modern Slavery Program

Risk Assessment:

The identification of risks in terms of individual organisations within the supply chain can be a lengthy, complex and time-consuming activity. Such initiatives can often place an undue administrative burden upon the supply chain. To ensure that this does not occur with Knight Frank's direct and indirect suppliers, Knight Frank subscribes to the Property Council of Australia (PCA) Informed365 platform. This web-based application permits a supplier to undertake a self-assessment questionnaire on their activities and then provide the answers to all the subscribed members on the platform. This reduces the need for suppliers working in the commercial property sector to have to complete multiple questionnaires from different clients and duplicating their answers which could be very time consuming. The questions consider social risk factors based on spend, industry sector and country of origin to provide an inherent risk rating for the supplier.

During this inaugural reporting period Knight Frank has concentrated its efforts on the assessment of risks relating to those industry sectors within the supply chain which Knight Frank has identified as being of higher risk of modern slavery practices. These included the providers of both janitorial and security services.

Currently Knight Frank has engaged a total of 834 direct and indirect suppliers on this platform.

The use of this risk assessment platform is being extended for the use of screening all new direct and indirect suppliers.

Due Diligence Review:

Where suppliers are identified with a risk level above the risk appetite of Knight Frank or our clients, a due diligence review of the information provided on the Informed365 platform is undertaken in order to establish what risk mitigation measures the supplier has implemented to combat modern slavery risks within their operations and supply chain.

However, Knight Frank has recognised that this does present some problems as the level of understanding of modern slavery is low within the small and medium enterprise community.

Actions:

Roadmap 2019/20:

The initial task of the Committee was to develop a modern slavery roadmap which outlined our strategy to assess and address the risk of modern slavery in our operations and supply chains. This roadmap is the due diligence framework which the Committee has adopted to manage, identify, prevent, mitigate and account for how Knight Frank addresses actual and potential adverse human rights impacts (including modern slavery) in our operations and supply chains.

In order to take appropriate actions to address the impacts of modern slavery a number of specific initiatives were implemented under this roadmap;

- **Anti-Slavery Policy** – The Knight Frank Australia Holdings Pty Ltd Board approved an Anti-Slavery Policy which applies to the whole organisation at a national corporate level. The purpose of the policy is to outline Knight Frank’s approach to ensuring that the organisation has robust frameworks and processes in place to minimise the risk of modern slavery in our business, operations and supply chains. The policy applies to all individuals working for Knight Frank including full time, part time, casual, permanent or temporary employees, contractors, third party suppliers, volunteers, interns, vocation and work experience placements and the Board of Directors.
- **Supplier Code of Practice** - Knight Frank has established a Supplier Code of Conduct (‘the Code’) which outlines our expectations of those contractors and suppliers working on our behalf or for our clients. This sets out Knight Frank’s expectations around issues such as modern slavery, child labour, employment relationships, discrimination, secure and safe workplaces and freedom of association. The Code, which is available to all suppliers on Knight Frank’s website and web-based Facilities Response Centre, provides a link to Knight Frank’s Anti-Slavery policy.
- **Supplier Contracts** - Knight Frank’s supplier contracts and supplier engagement processes are being updated to require suppliers to confirm that they will comply with the Code. For all new supplier contracts, Knight Frank’s policy is that suppliers must certify that they will comply with the Code before they are engaged and onboarded.
- **Education & Training** - The Knight Frank Legal, Risk & Compliance team presented a modern slavery seminar to all Asset Management Services staff in Australia in mid-2020. This was conducted online and is available on Knight Frank’s employee training platform, Learning Life. A mandatory modern slavery module is currently being developed for launch to all employees in 2021.

High Risk Suppliers:

Knight Frank has a low appetite for using direct suppliers which have been identified as representing a high risk of modern slavery practices. In most circumstances Knight Frank will not engage (either directly or indirectly) such suppliers. However, there may be circumstances where there are commercial reasons where such suppliers must be used. Where this occurs Knight Frank will engage directly with those suppliers to agree and develop specific improvement plans prior to their engagement. This must be approved and monitored by the Legal, Risk & Compliance team.

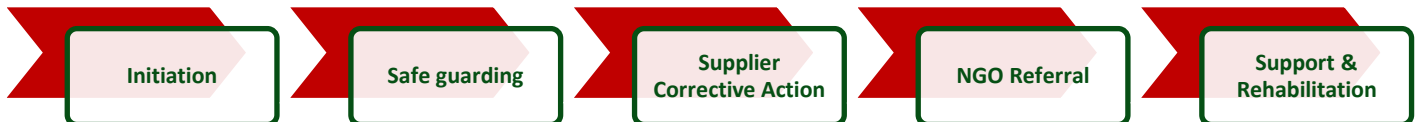
Where indirect high-risk suppliers are identified the client will be informed of the nature of the risk and improvement actions agreed with them prior to their engagement.

Remediation:

In line with the UN Guiding Principles, Knight Frank must respond to situations where it has caused or contributed to the adverse impacts such as modern slavery. A comprehensive remediation plan has been developed which provides a clear framework for our response and the cooperation in the remediation of such an impact. The remediation plan follows the key stages shown in Figure 2.

Initiation of the remediation process is commenced when the Legal, Risk and Compliance team is notified of an occurrence of modern slavery. Figure 2 sets out the stages of the remediation process which is set out in the remediation plan:

Figure.2 Knight Frank Remediation Stages



Our remediation plan has been communicated to all employees via the Knight Frank intranet and will form part of our mandatory modern slavery training scheduled for 2021.

Throughout each stage, the Legal, Risk & Compliance team will liaise directly with the Committee and the Board to ensure that the most beneficial outcome to all parties is achieved.

Speak Up Culture:

A key part in Knight Frank's remediation plan is to encourage a culture whereby people feel comfortable and not afraid to report potential occurrences of modern slavery within Knight Frank's operations and supply chain. The reporting of modern slavery concerns now forms part of Knight Frank's Whistleblower Policy and the use of Knight Frank's independent and anonymous whistleblowing hotline should encourage people to raise such concerns to the Knight Frank Legal, Risk & Compliance team.

5. Assessment of Effectiveness

Knight Frank has established several mechanisms to assess the effectiveness of the modern slavery program and its social impact.

Performance Measures:

Knight Frank has developed a number of quantitative key performance indicators to measure the engagement with employees and suppliers including;

- Number of employees trained
- Number of modern slavery incidents reported
- Number of suppliers engaged on the Informed 365 platform
- Number of suppliers who have completed the Self-Assessment Questionnaire
- Percentage of suppliers at a specific level of risk

The indicators are reported on a quarterly basis to the Committee and Board via the publication of a Modern Slavery Report.

Roadmap Progress:

Regular reviews of the progress of the actions identified on the Modern Slavery Roadmap are undertaken by the Committee during meetings.

Independent Third-Party Reviews:

Knight Frank engaged a third-party (Unchained) to evaluate this statement.

External Audits:

As the bulk of the modern slavery risk is considered to be with indirect suppliers, Knight Frank has decided not to engage third parties to undertake due diligence audits on the suppliers at this time. This decision will be reviewed on an ongoing basis by the Committee.

2019/20 Cases:

During the reporting period 2019/20 no cases of modern slavery were reported.

6. Consultation

This statement applies to Knight Frank and its Trading Entities. It does not apply to any Knight Frank franchisees which are all separate legal entities over which Knight Frank does not exercise any direct control.

All the Trading Entities of Knight Frank are wholly owned. Consultation and cooperation between these entities is guaranteed due to;

- All entities sharing the same shared services operations and following the same processes, including for procurement.
- All directors are employees of Knight Frank.
- The majority of corporate entities share the same directors and company secretary.

This statement was made available to the Board of Knight Frank Australia Holdings Pty Ltd for review and comment prior to obtaining approval.

Knight Frank is committed to the ongoing engagement and consultation with all of our clients, stakeholders and suppliers to continue to address the risks of modern slavery within our operations and supply chains.

7. Other Information

Further actions are planned for the 2020/21 reporting period to develop and enhance Knight Frank's response to modern slavery risks.

Roadmap 2020/21:

- Development of a contractor education program by June 2021.
- The delivery of mandatory online modern slavery training for all employees.
- Enhancement of the Knight Frank's supplier prequalification process.
- Increased engagement of the supply chain via the Informed 365 platform.
- Implementation of an internal audit process on the prequalification checks for suppliers to determine if mitigation measures have been consistently actioned.

8. Board Approval

This statement was approved by the Knight Frank Australia Holdings Pty Ltd Board on 26 March 2021.



Rod Leaver

Partner

Chief Executive Officer