

Modern Slavery Statement FY2023.

Australia

Foreword

FY2023 has been another difficult year for modern slavery compliance.

As part of its statutory review into Australia's Modern Slavery Act, that modern slavery reporting is not being taken seriously enough by many suppliers and contractors who are still hesitant to participate in the compliance process by adopting measures to address modern slavery risks within their businesses. While suppliers who need to comply with the reporting requirement will participate in the process, generally those who do not don't see the need.

Knight Frank acknowledge that use of the standard supplier surveys has contributed to the problem. While standard survey questions are appropriate for large corporate entities, they have presented a barrier and compliance burden to the majority of suppliers and contractors who are small to medium-sized entities.

To boost the level of participation of this cohort and the standard of modern slavery reporting, Knight Frank partnered with Cm3 in 2023 and is now using the Cm3 platform to deliver more relevant questions and greater clarity as to what suppliers must consider. This has resulted in an increased level of supplier engagement and permits a more accurate assessment of modern slavery risks in a supplier's operations and supply chains.

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1. Introduction & Reporting Entity Identification

Modern slavery and human trafficking are grave forms of human rights abuses. Knight Frank recognise the importance of respecting human rights, which is part of its Corporate Social Responsibility (CSR) strategy.

Knight Frank has prepared this 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 2023 to assess and address the risks of modern slavery in its 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 to provide a worldwide service that is locally expert and globally informed – one that allows Knight Frank to connect people and property, perfectly.

2. Structure, Operations & 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 KF & R Limited and KF Australia Holdings 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
- Knight Frank Licensing Pty Ltd ABN 11 103 147 191 (together ‘Trading Entities’)
(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 26 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 which are required to report.

Operations

In Australia, Knight Frank has 12 corporate offices and approximately 830 employees servicing capital cities and regional centers across the country.

To pursue its business objectives and strategy, Knight Frank offer 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, occupier advisory and strategic consultancy.

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

All employees and casual workers are provided with written employment agreements, undergo police background checks and have to provide evidence of the right to work within Australia.

Supply Chain

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

Direct Suppliers

Knight Frank's direct supply chain consists of approximately 700 suppliers and contractors who provide a range of services and products directly to Knight Frank, including such items as workplace premises, professional consultancy services, office consumables, travel services, recruitment, software, marketing collateral, insurance, office equipment, florists, wine merchants and local cafés and caterers (for property viewings and staff and client entertainment). These direct suppliers are located within Australia with the exception of some insurance providers who are located in England. Arrangements with these suppliers can be either short-term and flexible or stable longer-term relationships, dependent upon the service procured.

It was identified at an early stage that some smaller suppliers, such as local florists, wine merchants and cafés, will not directly engage in the completion of modern slavery questionnaires.

Indirect Suppliers

Knight Frank's indirect supply chain arises through contractual and agency appointments for property and/or facilities management and project management services, which may include the facilitation, procurement and management of services on behalf of its clients in accordance with the terms of authorisation given to Knight Frank by each client. This indirect supply chain consists of approximately 2,400 suppliers and 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.

Where appropriate, Knight Frank proactively engage with these indirect suppliers 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 its clients. However, the ultimate decision regarding their engagement rests with Knight Frank's clients.

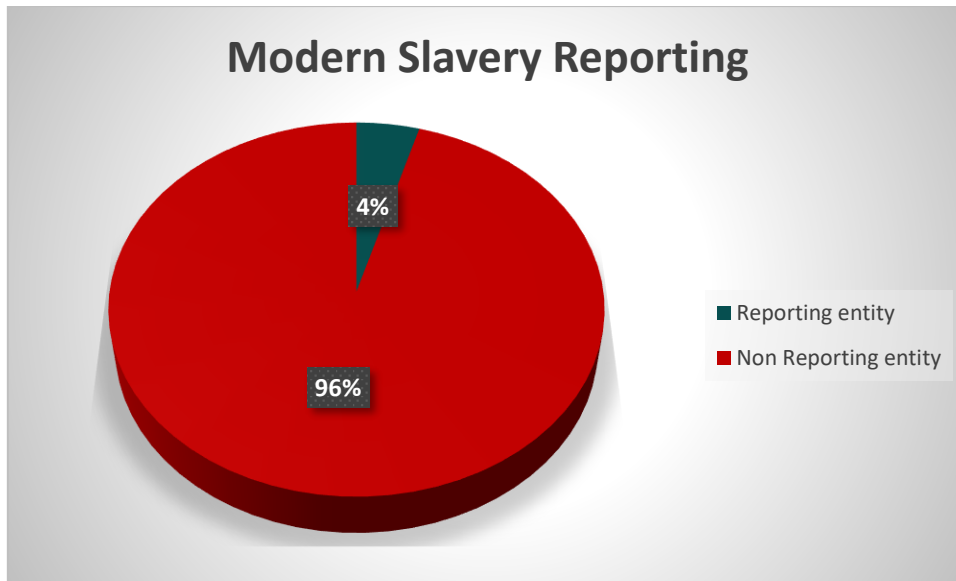


Figure 1 Indirect Supply Chain Reporting Entities

Most indirect suppliers Knight Frank engage with on behalf of our clients are not considered to be reporting entities within their own right (see Figure.1). This presents challenges as organisations that are not reporting entities do not tend to be strongly focused on modern slavery issues.

3. Risks of Modern Slavery Practices

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

Generally, addressing and assessing modern slavery risks is a complex and challenging process. For a large organisation such as Knight Frank, with different service 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:

1. Vulnerable populations;
2. Business models structured around high-risk work practices;
3. High-risk product and service categories, often sector specific; and
4. High-risk geographies.

Operations

Knight Frank has previously reviewed its own operations to identify any further areas of risk. This review confirmed that risk factors associated with Knight Frank's own operations are relatively low as:

- 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 minimal risk of contributing to modern slavery practices through Knight Frank's direct supply chain via omissions or incentives that may facilitate such practices, as this is not Knight Frank's procurement practice.
- To date, Knight Frank has not identified any occurrences of modern slavery within its operations or supply chains.

- There is a minimal risk that Knight Frank may be linked to modern slavery practices via its business relationships with organisations within its direct supply chain with whom we have a contractual relationship. However, this risk is very low due to the types of services procured as Knight Frank does not set unrealistic cost targets and delivery timeframes for suppliers that can only be met by using exploited labour.

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

Direct Suppliers

By their multifarious nature, supply chains can represent more of a risk as the procuring organisation may not always have full visibility of control over the supply chain. Knight Frank has therefore undertaken a baseline risk assessment of its direct supply chain. The purpose of this risk assessment is to establish which sectors and suppliers of goods and services represent the most significant risk for modern slavery based on the four key risk factors noted above.

This risk assessment was carried out on approximately 700 suppliers to identify and evaluate whether further due diligence activity was required to address any issues identified and understand the more in-depth risk.

This risk assessment used the four key risk factors (above) within a risk likelihood matrix (See Table.1) to determine which suppliers were more likely to engage in modern slavery practices.

Score	Descriptor	Criteria	
		Services	Raw Materials or Products
5	Almost Certain	<ul style="list-style-type: none"> • Low skills base • Migrant workforce • Workers low socio-economic, culturally & linguistically diverse • Traditional use of third party labour hire 	<ul style="list-style-type: none"> • Potential for sourcing in high-risk counties
4	Likely	<ul style="list-style-type: none"> • Low skills base • Migrant workforce • Workers low socio-economic, culturally & linguistically diverse 	<ul style="list-style-type: none"> • Potential for sourcing outside of Australia
3	Possible	<ul style="list-style-type: none"> • Migrant workforce / uncertain vulnerability of population 	<ul style="list-style-type: none"> • Uncertainty over country of origin
2	Unlikely	<ul style="list-style-type: none"> • Licensed skill base 	<ul style="list-style-type: none"> • Likely to be sourced within Australia
1	Rare	<ul style="list-style-type: none"> • Highly professional skill base 	<ul style="list-style-type: none"> • Rarely sourced outside of Australia

Table 1. Likelihood Matrix

The likelihood matrix was combined with an impact matrix and velocity scale to provide an overall level of risk.

Those supplier cohorts identified as high or extreme risk were then identified as requiring completion of a Self-Assessment Questionnaire via the Property Council of Australia (PCA) Informed 365 platform.

This initial screening identified the following risks as shown in Figure 2 below:



Figure 2 Direct Supplier Risk Factors

Although direct suppliers continue to be assessed via the PCA Informed 365 platform, we will consider alternatives during FY2024 in order to improve supplier engagement.

Current supplier completion of the Self-Assessment Questionnaire is only 29% of the sampled cohort. Knight Frank continue to review and enhance our supplier onboarding process to ensure the available resources are focused on the supplier cohort that need to be targeted to achieve the most significant benefit in addressing modern slavery risks.

Indirect Suppliers

Until recently, Knight Frank also utilised the PCA Informed 365 platform to perform due diligence on those suppliers and contractors within its indirect supply chain. This was found to be challenging as the Informed 365 question set utilised seems to be more aligned to corporate entities rather than small contractors (which make up the majority of indirect suppliers). As a result, Knight Frank enhanced its engagement with indirect suppliers during FY2023 via its partnership with Cm3. Cm3 has been engaged to perform an initial modern slavery screening of indirect suppliers and then further due diligence on those suppliers that are identified as being at risk during the initial screening.

This process has replaced our use of the PCA Informed 365 platform and has significantly improved indirect supplier engagement from 29% to 100%. The initial Cm3 screening has identified the following risk factors associated with indirect suppliers as shown in Figure 3 below:

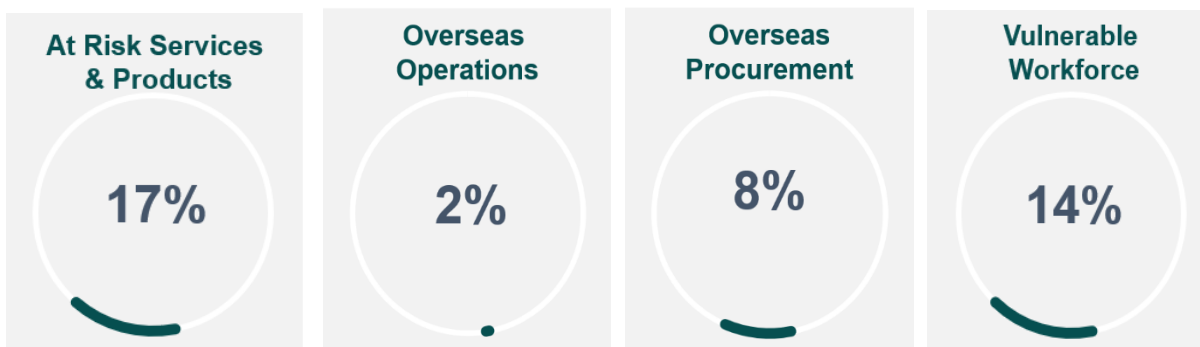


Figure 3 Indirect Supplier Risk Factors

Less than 0.1% of indirect suppliers indicated they had been involved in legal breaches of the Modern Slavery Act, however, 52% indicated they were unsure if they had been involved in legal breaches. This suggests that the completion of the modern slavery screening questionnaire is not reaching the required organisational level for completion.

During FY2024, these suppliers will be the subject of further engagement and/or assessment to determine if they have sufficient modern slavery risk mitigation measures in place.

Labour hire providers make up 10% of the total of indirect suppliers. These figures are significantly different from those reported during FY2022 as a result of the more accurate and enhanced supplier engagement.

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

4. Risk Assessment, Due Diligence & Remediation

Corporate Governance:

To combat the risks of modern slavery, Knight Frank has developed and implemented a corporate governance structure within the framework of its day-to-day operations (Figure 4).



Figure 4 Corporate Governance Structure

- **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 & Compliance, People & Culture, Asset Management Services, and Project Management. The Committee reports directly to the Board via the Head of Legal, Risk & Compliance. The Committee meets regularly to review action items, monitor progress and implement Knight Frank’s modern slavery compliance program.
- **Legal, Risk & Compliance:** The Legal, Risk & Compliance team coordinate and utilise the expertise of various subject matter experts within the various service lines and departments to carry out regular modern slavery risk assessments and due diligence. The team communicate findings and concerns back to clients through the Modern Slavery Committee and via operational management to the Board.

The planned merger of the Modern Slavery Committee into a wider Knight Frank Procurement Committee during FY2023 did not take place for operational reasons, however, membership of the Modern Slavery Committee is being expanded to capture representation from other service lines.

To address potential modern slavery risks within Knight Frank’s direct and indirect supply chain, Knight Frank has implemented an extensive modern slavery compliance program (Figure 5) within the above corporate governance structure.



Figure 5 Knight's 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 this does not occur with Knight Frank's direct and indirect suppliers, Knight Frank currently subscribe to the following third party platforms to assist us with this process.

Informed 365

For direct corporate suppliers, Knight Frank use the PCA Informed 365 platform. Knight Frank was the first commercial real estate agency in Australia to subscribe to the Informed 365 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.

Cm3

In April 2023, Knight Frank partnered with Cm3. The Cm3 platform screens and assesses indirect suppliers who primarily provide goods and services to Knight Frank's Asset Management Services clients. Cm3 was previously adopted in FY2022 to perform health and safety due diligence on indirect suppliers, so it was a logical step to use the Cm3 platform to also monitor modern slavery compliance for indirect supplier engagement to reduce the administrative burden on these suppliers.

Every indirect supplier is required to complete an ethical sourcing screening questionnaire. Once this has been completed, it allows Knight Frank to target at-risk suppliers with a shorter, simpler self-assessment that is focused on identifying the risk mitigation measures adopted by those suppliers. This approach has increased supplier engagement and allows Knight Frank to capture more accurate information regarding the operation and supply chains of these indirect suppliers.

During FY2023, Knight Frank engaged a dedicated procurement resource for indirect suppliers who is responsible for managing this due diligence process.

Due Diligence Review:

Where suppliers are identified as a concern either via initial screening on the Cm3 platform or via a risk level on the Informed 365 platform, a due diligence review of the information provided is undertaken 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 there are some limitations with this review due to the low level of understanding of modern slavery within small and medium-sized enterprises.

Although the Informed365 platform provides links to information and educational resources to assist and inform suppliers to understand the issues around modern slavery, suppliers need to engage on the platform to access this information. Since 2018 it has been our experience that supplier engagement has been relatively low and more education and training is required to better inform suppliers about modern slavery practices.

Where an indirect supplier has been identified as high-risk due to having inadequate modern slavery risk mitigation measures in place, Knight Frank's client is informed of the nature of the risk and client direction is obtained prior to the continued engagement of the contractor.

Improvement Plan:

During the FY2021 reporting period, Knight Frank established a modern slavery improvement plan, which was then reviewed during the FY2023 reporting period. This improvement plan involved the establishment of several key initiatives to move Knight Frank's anti-modern slavery agenda forward. During FY2023, Knight Frank instigated an improved methodology for engaging with smaller indirect contractors via the use of the Cm3 platform, which uses a more targeted and relevant question set.

Additional initiatives and areas of focus for the Knight Frank Modern Slavery Committee include:

- Further engagement with existing indirect contractors through the due diligence process based on levels of client spend targeting the most at-risk industry sectors such as cleaning and security suppliers.
- Improve the methodology for indirect contractors by be bound by and confirm they will adhere to the Knight Frank Supplier Code of Conduct, including processes for capturing data and reporting on compliance.
- Review and enhance the Knight Frank Supplier Code of Conduct to focus on specific areas of concern that impact modern slavery so as to improve its use as an assessment tool.

A new improvement plan has been established for FY2024, which includes the following:

- Review and enhance the Knight Frank Supplier Code of Conduct to focus on specific areas of concern that impact modern slavery.
- Develop an improved methodology for engaging with direct suppliers who find the Informed 365 question set onerous. Knight Frank's objective through this initiative is to improve engagement with direct suppliers and provide a tool for the assessment of modern slavery.
- Develop an improved methodology for the investigation and recording of suspected cases of modern slavery.

Call Out Culture:

A key part of Knight Frank's remediation plan is to encourage a culture whereby people feel comfortable to report potential occurrences of modern slavery within Knight Frank's operations and supply chain. The reporting of modern slavery concerns now form part of Knight Frank's Whistleblower Policy and the use of Knight Frank's independent and anonymous whistleblowing hotline aims to encourage people to raise such concerns with the Knight Frank Legal, Risk & Compliance team.

Details of how to call out instances of modern slavery are communicated to the workers of contractors who attend properties under Knight Frank management. This is achieved by the provision of this information within the Knight Frank contractor induction module. This provides guidance to contractors' workers on how to raise modern slavery issues with both Knight Frank and the relevant authorities. As part of our FY2024 plan, the Modern Slavery Committee intends to develop some marketing collateral, posters and information sheets that can be displayed at Knight Frank

managed properties (with client consent). The objective of this is to raise awareness and educate contractors about modern slavery, where it occurs, the risk factors, and how to identify the signs and potential red flags.

Remediation:

In line with the UN Guiding Principles, Knight Frank must respond to situations where it has caused or contributed to the adverse impacts of modern slavery. A comprehensive remediation plan has been developed which provides a clear framework governing how to respond and cooperate in the remediation of such an impact. The remediation plan follows five key stages (see Figure 6).

Initiation of the remediation process is commenced when the Legal, Risk and Compliance team is notified of an occurrence of modern slavery. The remediation process and supporting information is detailed within a documented remediation plan which ensures victims are supported, where appropriate, and improvement actions are undertaken to prevent future occurrence.

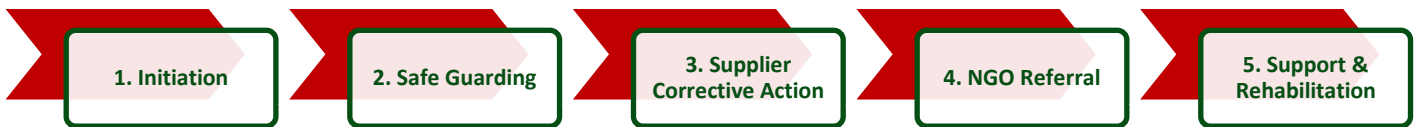


Figure 6 Knight Frank Remediation Stages

Knight Frank’s remediation plan has been communicated to all employees via the Knight Frank intranet, as well as induction processes for new employees, and forms part of its mandatory modern slavery training program.

Throughout each stage of the remediation process, the Legal, Risk & Compliance team must liaise directly with the Modern Slavery Committee and the Board to ensure the most beneficial outcome for all parties is achieved.

Knight Frank has had no occurrence or incident during this reporting period that required the implementation of the remediation plan.

5. Assessment of Effectiveness

Knight Frank has established several mechanisms to assess the effectiveness of its modern slavery compliance program and measure its social impact. This includes the use of performance measures, incident reporting and investigation, and a modern slavery process audit.

Knight Frank decided not to engage a third party to undertake an audit of its indirect suppliers during this reporting period. Although some interest from clients is being generated in relation to the performance of social audits, many clients are concerned over the costs associated with the process.

Performance Measures:

In FY2020, Knight Frank introduced several quantitative key performance indicators to measure the effectiveness of the modern slavery initiatives that have been undertaken in relation to its operations and supply chains. These performance indicators cover three categories – education, engagement and incidents – against which individual performance measures have been established; see Figure 7.

Performance against these indicators continued to be tracked in FY2023 and reported to the Modern Slavery Committee on a quarterly basis via the publication of a Modern Slavery Report.

Key Performance Measures	
Category	Performance Measure
Education	Number of new employees trained
	Number of contractors' workers trained / re-trained
Engagement	% direct suppliers completing the Informed 365 Self-Assessment Questionnaire
	% indirect suppliers completing the Cm3 screening questions
	% indirect suppliers assessed that require further assessment
Incidents	Number of incidents reported & investigated

Figure 7. Key Performance Measures

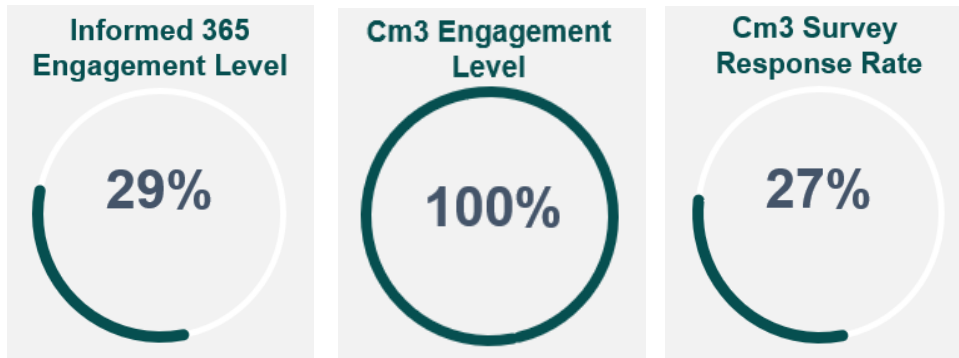
Current performance against these key performance indicators for the period FY2023 is shown below.

Education:



Employee engagement in the provision and undertaking of mandatory modern slavery training continues to be a primary focus for Knight Frank. All Knight Frank employees are required to undertake this training, which is delivered online using the Knight Frank Learning Management System. During FY2023, Knight Frank required all employees to also undergo refresher training, with 90% of employees completing this training module so far. All contractor employees attending a Knight Frank managed property are required to complete modern slavery training as part of their annual site induction process. This training includes information around modern slavery risks and how to raise any particular concerns. In FY2023, 20,799 contractor employees completed this site induction process.

Engagement:



Knight Frank is pleased to report there has been an increase in the number of suppliers engaged in the modern slavery due diligence process. This process centres around the completion of a self-assessment questionnaire by the supplier. During FY2023, there was a 5% improvement in the number of engaged suppliers fully completing the self-assessment questionnaire. The Informed 365 platform provides a risk level based on suppliers' responses to the self-assessment questionnaire question set. Previously only inherent risk was reported but now the risk levels reported include the mitigated risk. The majority of suppliers responding to the self-assessment questionnaire fall into the medium risk category.

Incidents & Investigation:

Knight Frank continue to monitor the occurrence of modern slavery within its supply chains and operations, including via its whistleblowing hotline. This is managed by an independent third party to ensure impartiality and objectivity. The existence of the whistleblowing hotline is communicated to all workers, including indirect suppliers, via the Knight Frank Facilities Response Centre platform induction module and the Whistleblowing Policy is publicly available on the Knight Frank Australia website.

During the reporting period FY2023, Knight Frank received notification of one suspected case of modern slavery within its indirect supply chain via the Knight Frank franchise network. This was discussed and investigated directly with both the supplier concerned and the complainant. The initial investigation found insufficient evidence to warrant further investigation. The remediation plan was therefore not required to be implemented in this instance.

No actual cases of modern slavery were identified during FY2023.

Modern Slavery Process Audit:

The performance of an annual internal audit on the supplier due diligence process is now embedded in Knight Frank's risk and compliance activities. A second audit was performed on this due diligence process in FY2023, which also included a review of Cm3's performance and effectiveness as a reporting tool. This identified further opportunities for improvement that will be developed during FY2024.

The audit report is circulated to members of the Modern Slavery Committee.

Independent Third Party Reviews:

During FY2020, Knight Frank engaged a third party consultant (Unchained) to evaluate its Modern Slavery Statement. During FY2023, no third party review was undertaken.

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.
- Most 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 ongoing engagement and consultation with all clients, stakeholders and suppliers to continue to address the risks of modern slavery within its operations and supply chains.

7. Other Information

No other information is considered to be relevant.

8. Board Approval

This statement was approved by the Knight Frank Australia Holdings Board on 20 December 2023.



James Patterson
Partner & CEO
December 2023