



Knight Frank Australia

Modern Slavery Statement.

19 December 2022

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 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 2022 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 its clients need it 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

Knight Frank Licensing Pty Ltd ABN 11 103 147 191 (together ‘Trading Entities’).

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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.

Operations

In Australia, Knight Frank has 11 corporate offices and approximately 783 employees servicing capital cities and regional centers across the country.

To pursue its 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, 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) and all services are performed within Australia with no offshore outsourcing.

Supply Chain

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

Knight Frank's direct supply chain consists of approximately 700 suppliers and contractors providing a range of services and products to Knight Frank, including such items as workplace premises, professional consultancy services, office consumables, catering, travel services, software, marketing collateral, insurance, and office equipment. These direct suppliers are located within Australia with the exception of some insurance providers located in England. Arrangements with these suppliers can be either short-term and flexible or stable longer-term relationships dependent upon the service procured.

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 3,876 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.

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 its clients. However, the ultimate decision regarding their engagement rests with Knight Frank's clients.

To increase the oversight of this supply chain Knight Frank has recently employed a dedicated full-time procurement professional within its Asset Management Services department.

The majority of direct and indirect suppliers reside within Australia with only 1% indicating they are not an Australian resident. Some of these suppliers (approximately 7%) maintain overseas operations that contribute to the delivery of products or services, although a significant percentage (37%) source products or services overseas via their supply chains, that contribute to the delivery of products or services.

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

Most of the combined direct and indirect suppliers are not considered to be reporting entities within their own right (see figure.1). This presents challenges within Knight Frank's supply chain, as those organisations that are not reporting entities do not tend to be strongly focused on modern slavery issues.

A large proportion of the indirect supply chain (76%) are privately run organisations whilst sole traders account for only four percent. The remaining 20% are a mixture of public companies, partnerships, and trusts.



Figure.1 Reporting entities

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 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:

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

In this reporting period, Knight Frank has conducted a review of its own operations to identify any further areas of risk. This review confirmed that risks associated with Knight Frank's own operations are relatively low due to the following:

- 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, as this is not Knight Frank's procurement practice.
- Knight Frank has not experienced any occurrences to date 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 relationship with organisations within its 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.

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

Supply chains can, by their multifarious nature, 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 both its direct and indirect supply chains. This supply chain risk assessment was reviewed in FY2022 to ensure that it remained valid and appropriate.

The purpose of this risk assessment is to establish which suppliers represent the most significant risk based on the four key risk factors noted above. The reason for this is to understand where Knight Frank resources need to be applied within the due diligence process, recognising that these resources are not unlimited. Only suppliers that are identified as being most at risk of the occurrence of modern slavery practices are then put through the due diligence process.

In terms of categories of suppliers considered most at risk of modern slavery practices the risk assessment identified that the following products and service categories require a more focused review as part of the procurement process:

- Janitorial services.
- Security services.
- Employee uniforms.
- Electronic equipment sale/lease.
- Travel agency.
- Non-skilled building trades.
- Recruitment agencies.
- Catering providers.
- Waste disposal.

This ensures that the available resources are focused on the supplier cohort that needs to be targeted to achieve the most significant benefit in addressing modern slavery risks. To date Knight Frank has engaged 32% of indirect and direct suppliers within this due diligence process, either through direct invitation or via the sharing of information within the Property Council of Australia Informed 365 platform.

This focused supplier engagement has identified the following information in relation to supply chain risks:

Building maintenance and repair services, cleaning and janitorial services and security services represent the largest category of suppliers within the supply chain (see figure.2)

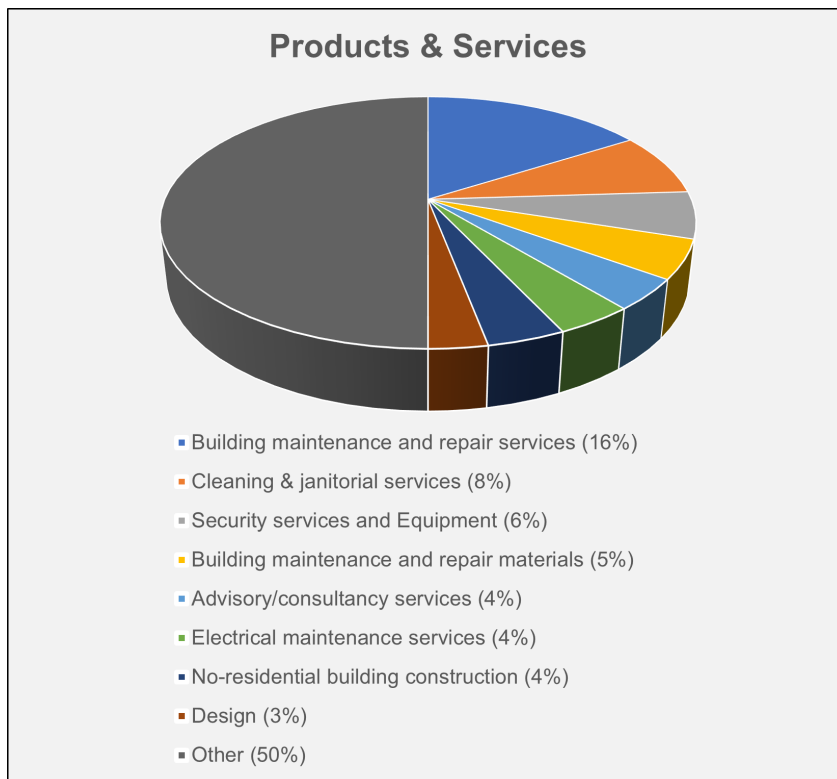


Figure. 2 Products and Services

Predominantly these suppliers have Australian based operations with only 13% confirming that they had operational sites outside of Australia.

Only 8% of the supplier’s assessed disclosed that they recruited migrant or overseas workers.

A total of 908 of those suppliers have completed the modern slavery due diligence process. However, 28% of all suppliers engaged within this process failed to complete the Self-Assessment Questionnaire (SAQ).

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.3)

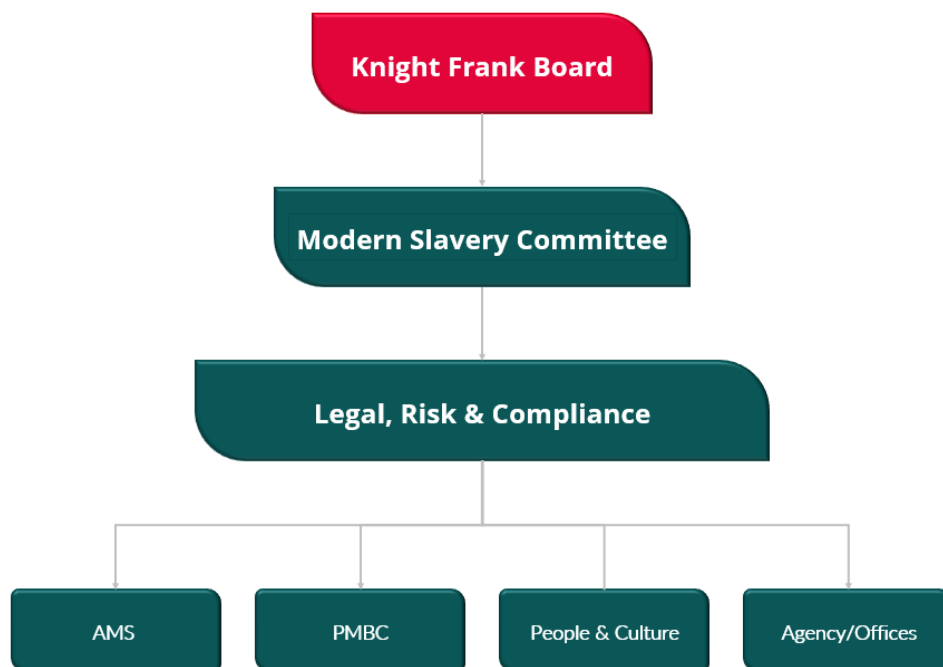


Figure.3 Corporate Governance Structure

- **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 and Compliance, People & Culture, Asset Management Services, Agency and Project Management. 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 Knight Frank’s modern slavery compliance program.
- **Legal, Risk & Compliance** – The Legal, Risk and 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 communicates findings and concerns back to clients, through the Modern Slavery Committee and operational management and to the Board.

To address these potential modern slavery risks within Knight Frank’s direct and indirect supply chain Knight Frank has implemented an extensive modern slavery compliance program (figure.4) within the above corporate governance structure.

Risk Assessment

The identification of risks in terms of individual organisations within the supply chain can be a lengthy, complex, and a 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) Informed 365 platform. Knight Frank was the first commercial real estate agency in Australia to subscribe to the Informed 365 platform and since subscribing, Knight Frank has worked collaboratively with Informed 365 and other PCA members to continuously develop and contribute to the enhancement of the platform and the self-assessment questionnaire.

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 provides an inherent risk rating for the supplier.

During this FY2022 reporting period, Knight Frank has concentrated its efforts on the suppliers who fall within the at-risk categories as identified by the base line risk assessment conducted in FY2022. To facilitate this process Knight Frank has provided a dedicated resource within its risk and compliance team who is responsible for managing the modern slavery assessment process and engaging with Informed 365 and suppliers. This has allowed Knight Frank to implement a modern slavery assessment process for all new suppliers who are onboarded directly or indirectly on behalf of clients.

This process means that supplier engagement on modern slavery occurs from the initial contact point with suppliers which ensures that they are more responsive to this engagement. This dedicated resource is also responsible for progressing the due diligence review of historical data regarding direct and indirect suppliers. Due to the number of historical contractors this will be an ongoing focus point for Knight Frank’s modern slavery compliance program during the reporting period FY2023.

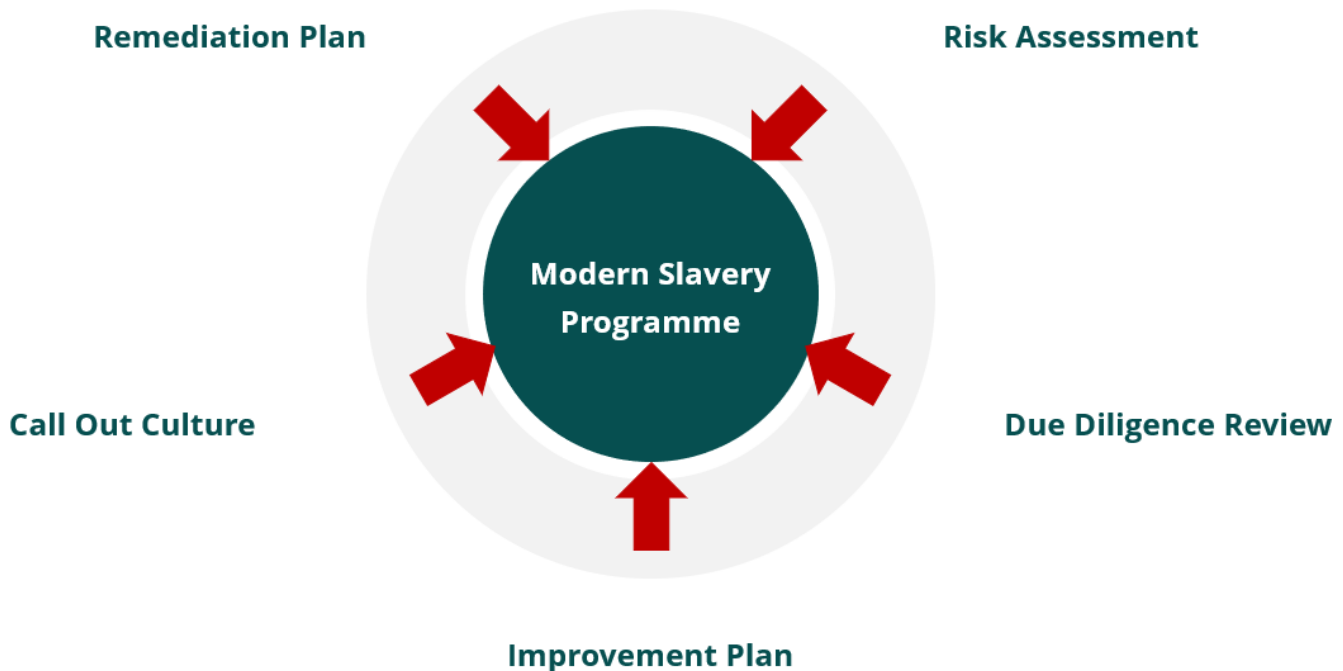


Figure.4 Knight Frank Modern Slavery Program

Due Diligence Review

Where suppliers are identified with a risk level above the risk threshold of Knight Frank or its clients, a due diligence review of the information provided on the Informed 365 platform 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 that this can sometimes be problematic given 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 in order to assist with suppliers understanding the issues around Modern Slavery, suppliers need to engage on the platform in order to access this information.

Where indirect suppliers are identified as high risk due to inadequate risk mitigation measures, as expected from their industry sector, then Knight Frank's client is informed of the nature of the risk and a client direction is obtained prior to the engagement of the contractor or their continued use.

Improvement Plan

During the FY2021 reporting period Knight Frank established a modern slavery improvement plan, known within its business as the 'Modern Slavery Roadmap'. This plan was reviewed in the FY2022 reporting period. This improvement plan involved the establishment of several key initiatives to move forward Knight Frank's-Antimodern Slavery Agenda. including:

Supplier Engagement

Encouraging those suppliers who have been engaged via the Informed 365 platform to complete their assigned self-assessment questionnaires whilst focusing on those industry sectors considered to be more at risk. In the FY2022 reporting period, this has remained a challenge with a large percentage of suppliers engaged failing to complete the Self-Assessment Questionnaire (SAQ). It is perceived that the cause relates to the complexity of the question set which is not focused on smaller trade contractors. The completion of the SAQ can therefore appear to be daunting, largely not applicable and cumbersome for these contractors.

Self-Assessment Verification:

Implementing an independent verification program on suppliers that complete self-assessments via the use of the Informed 365 verification service. During FY2022 it was decided to change direction self-assessment verification due to the high percentage of non-engagement by suppliers on the Informed 365 Platform. Therefore, independent verification has not yet been instigated.

Internal Audit:

Performing an internal audit on the supplier due diligence process to confirm that all relevant high-risk suppliers are being captured and to confirm the effectiveness of the process. An internal audit was performed on the due diligence process. This identified opportunities for improvement which will be further developed during FY2023 as part of the Modern Slavery Roadmap FY2023.

Enhance Committee Participation and Membership:

Enhancing and formalising the operation of the Knight Frank Modern Slavery Committee through the development of a Committee Charter and establishment of a periodical meeting diary. Although the Modern Slavery Committee continues to operate and progress, it has become evident that a wider approach to procurement across Knight Frank's business is needed due to related competing factors, such as the ESG agenda and Knight Frank's Reconciliation Action Plan. Therefore, a decision has been made to merge the Modern Slavery Committee into a wider Knight Frank Procurement Committee during FY2023.

Training

Although not part of the Modern Slavery Roadmap FY2022 Knight Frank continues to provide all employees and contractors attending properties under Knight Frank management with Modern Slavery Awareness training.

Call out 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 aims to encourage people to raise such concerns to the Knight Frank Legal, Risk and 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.

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.5).

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.5 Knight Frank Remediation Stages

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

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

Knight Frank has had no occurrence or incident during this reporting period which 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.

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 the supply chain. These performance indicators cover three categories including education, engagement, and incidents, against which individual performance measures have been established, see figure.6.

Performance against these indicators continues to be tracked in FY2022 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 Contractor's Workers Trained/Re-trained |
| Engagement | Number of Suppliers Engaged |
| | % Of Suppliers Completing Self-Assessment Questionnaire |
| | % Risk levels of Cohort completing Self-Assessment Questionnaire |
| Incidents | Incidents reported via Whistleblowing Hotline |

Figure.6 Key Performance Measures

Current performance against these key performance indicators for the period 2021/22 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. Similarly, 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.

Engagement

There has been an increase in the number of suppliers engaged in the due diligence process. This process centres around the completion of a self-assessment questionnaire (SAQ) by the supplier. During FY2022 there has been a 5% improvement in the number of engaged suppliers fully completing the SAQ. The Informed 365 platform provides a risk level based on the suppliers' responses to the SAQ 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 SAQ fall into the medium risk category.



Incidents

Knight Frank continues 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 now 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 FY2022 no suspected cases or actual cases of modern slavery were reported.

Modern Slavery Roadmap Progress

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

Independent Third-Party Reviews

During FY2020 Knight Frank engaged a third-party consultant (Unchained) to evaluate its Modern Slavery Statement. During FY2022 no third-party review was undertaken.

External Audits

As Knight Frank has assessed that the bulk of the modern slavery risk is with indirect suppliers, Knight Frank decided not to engage a third party during this reporting period to undertake an audit on its indirect suppliers.

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 the 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

Further actions are planned for the FY2023 reporting period to develop and enhance Knight Frank's response to identifying and addressing modern slavery risks. The program for FY2023 will continue to focus on supplier engagement with a view to making the processes simpler for indirect trade contractors and extending the due diligence process to capture existing contractors.

Modern Slavery Roadmap FY2023:

- Further engagement with existing indirect contractors through the due diligence process based on levels of client spend targeting the most at-risk industry sectors.
- Seek an improved methodology for engaging with smaller contractors who find the PCA Informed 365 SAQ question set daunting. Knight Frank's objective through this initiative is to improve engagement with smaller contractors.
- Improve the methodology for indirect contractors to be bound by and confirm that they will adhere to the Knight Frank Supplier Code of Conduct.
- Review and enhance the Knight Frank Supplier Code of Conduct to focus on specific areas of concern which impact modern slavery, so as to improve its use as an assessment tool.

8. Board Approval

This statement was approved by the Knight Frank Australia Holdings Board on 19 December, 2023.



James Patterson,
Partner and CEO

Our Locations.



Knight Frank Australia acknowledges the Traditional Owners of the land where we work and live. We pay our respects to Elders past, present and emerging. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander Elders of all communities who also work and live on this land.

Our Services.

Commercial

Sales, Acquisitions & Investments

Agribusiness, Development Sites, Healthcare & Life Sciences, Hotels & Hospitality, Industrial, Institutional, Living & Education Sectors, National Portfolio Investments, Office, Retail

Leasing

Industrial, Office, Retail

Asset Management Services

Asset Management Advisory, Facilities Management, Facilities Response Centre, Flexible Working Operations, Property Accounting, Sustainability Consulting, Property Management, Retail & Centre Management

Professional Services

Environmental, Social and Governance (ESG), Insolvency & Restructuring Property Solutions, Research & Consulting, Workplace Advisory

Occupier Services

Global Portfolio Solutions, Industrial Tenant Representation, Tenant Representation

Project Management & Development

Development Monitoring, Project Management,

Building Consultancy

Building Defects, Capex, Make Good, Repairs & Maintenance, Schedules of Condition, Sustainability, Technical Due Diligence

Town Planning

Client Representation, Development Feasibility Advice, Due Diligence, Government Liaison Statutory Planning, Strategic Planning

Valuation & Advisory

Advisory, Agribusiness, Childcare, Commercial Mortgage, Health & Aged Care, Hotels & Hospitality, Industrial, Infrastructure, Marinas, Office, Retail, Residential Development, Student Accommodation

Residential

Buying & Selling

Residential, Residential Development Sites Rural & Lifestyle Estates

Project Marketing

Local & International Project Marketing, New Homes

Property Management & Renting

Landlords, Tenants

Professional Services

Research & Consulting, Valuation & Advisory