

Modern Slavery Statement

November 2021

Introduction

This Modern Slavery Statement (“Statement”) is published by IFM Investors Pty Ltd and all related corporate entities (“IFM”). This includes the following IFM Investors entities that are subject to the requirements of the Modern Slavery Act 2015 (UK):

- IFM Investors (UK) Ltd;
- IFM Global Infrastructure (UK) GP Ltd;
- IFM Infrastructure (UK) General Partner, LLP

This statement reflects IFM’s ongoing commitment to preventing modern slavery in our supply chain and investments. Beyond the ethical imperative to prevent modern slavery, we recognise the potential business and investment risks associated with a failure to protect the labour and human rights of working people. We seek to act in the best interests of our investors and the members and beneficiaries – millions of working people around the world – that they represent.

This Statement is for the reporting period 1 July 2020 to 30 June 2021. It is approved and endorsed by the IFM Group Board, IFM’s principal governing body.

A handwritten signature in black ink, appearing to read 'Greg Combet', written in a cursive style.

The Hon. Greg Combet AM
IFM Investors Chair
24 November 2021

» Background – About IFM Investors

IFM was established more than 25 years ago with the aim to protect and grow the long-term retirement savings of working people.

Owned by a group of Australian pension funds, the organisation has AU\$172bn under management as of 30 June 2021. Because IFM is owned by industry pension funds, we prioritise the interests of more than 550 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community.

As a signatory to The United Nations-supported Principles for Responsible Investment, IFM actively engages on environmental, social and governance (ESG) issues with the companies in which it invests with the aim of enhancing their net performance while minimising investment risk.

IFM has consistently stood against any forms of human rights breaches, and we are committed to identifying and preventing modern slavery in our supply chains and investments.

We have prepared and published an annual statement displaying our commitment to managing modern slavery risks since 2016/2017 in accordance with the UK's Modern Slavery Act 2015 and, more recently, Australia's Modern Slavery Act 2018.

This Statement details how we are addressing modern slavery risks in our business operations and supply chains, and our investments. It also outlines our future goals that reflect our continuing focus on identifying and reducing modern slavery risks.

This Statement is a joint statement which includes the reporting entities as listed in Appendix 1.

This Statement addresses:

- modern slavery risks in our operational supply chain and investments;
- how we assess and address these risks;
- our progress in FY21;
- our plans for the future; and
- how we measure the effectiveness of our actions.

Our business and operations

Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, New York, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure, debt, listed equities and private equity assets.

Our four asset classes are supported by specialist

teams in Commercial, External Relations, Finance, Global Relationship Group, Operations, People and Culture and Risk and Compliance. IFM Investors has a total workforce of over 600 employees globally, all working to protect and grow the long-term retirement savings of our members.



» Our Supply Chain

As a global organisation, IFM engages with a range of worldwide goods and services vendors to support our operations.

In FY21, our external supplier spend (particularly on goods) was reduced due to the impact of COVID-19. Most of our global offices were closed for some or all of the year, business travel all but ceased and our consumption of goods was negligible. However, our identified spend increased as a result of a business decision to broaden our recognised spend to include both our corporate operating costs as well as costs associated with managing our investments.

Therefore, our supply chain spend for FY21 was represented as:

- A\$98.4m of spend on goods and services;
- 735 suppliers, many of which were one-off suppliers; and
- 12 spend categories.

Of IFM's total spend, only 1.7% was spent on goods and the remaining 98.3% on services, including services that produced a capital output. This is a significant decrease on the previous financial year where 8.5% of the supply chain spend was made on goods. The principal reduction in spend on goods was the result of a reduction in office furniture and general office fit-out spend, as we had updated London and New York offices in FY20. The high proportion of spend on services is consistent with the changes associated with remote working conditions over the past year, as well as the knowledge-based nature of our organisation, as opposed to being a producer of goods,

Assessing and addressing modern slavery risks in our operations and investments

As a responsible asset manager, we are committed to understanding, identifying and mitigating modern slavery risks in our business operations and supply chain, and investments.

We recognise that failing to protect the labour and human rights of working people poses investment risks through unsustainable business models, reputation impacts and regulatory costs.

An independent assessment of modern slavery risks across our operations and investments was undertaken in FY20 by FairSupply. It provided a foundation for our ongoing knowledge and understanding of the issue to support a continued focus on building our risk management and mitigation activities.

Modern slavery risks in our investments

The insights gathered from the independent risk assessment undertaken on our investment portfolios continues to inform the ongoing management of modern slavery risk in our portfolio companies.

In particular, we remain focused on engaging with our privately held portfolio companies where a higher risk of modern slavery has been determined based on location, industry, supporting industries and spend. The industries with more significant exposure include iron and steel manufacturing, oil and gas mining, construction, air travel and transportation and wholesale trade.

This analysis also highlighted areas of significant exposure where investment spend was relatively low; however, risk was heightened in other areas, including business services (energy, gas and water distribution); supporting and auxiliary transport services (cargo transportation, travel agency and supporting services); and pipeline services.

It is recognised that certain privately held assets in Australia will be required to report under the Australian Modern Slavery

Act 2018 (Cth). As at the date of this Statement, we have confirmed with the entities captured under the legislation that they are aware of their reporting obligations. This will assist in understanding their processes for addressing modern slavery risks in their supply chains.

Additionally, we recognise the responsibility and opportunity we have to drive improved management of modern slavery risk in our other asset classes. Engaging with listed companies on modern slavery and human rights matters, as well as embedding modern slavery assessment into our Private Equity portfolio remains a key consideration in investment decision making.

Modern slavery risks in our operations

Each year we review our spend to determine our risk profile against the analysis provided by our independent advisor in FY20. We can report that our identified risk profile has not materially changed over this financial year. Indeed, some risks have decreased with reductions in the use of industries such as hotels and various facilities maintenance services, such as cleaning. Where spend has increased, it has been in lower risk areas such as Software as a Service (SaaS) and professional services.

IFM only made one direct purchase of product that was manufactured in a higher risk category and country. Before placing the order, our Procurement and People and Culture teams undertook an evidence based assessment of the supplier and their supply chain. The assessment encompassed the manufacturing site and use of materials, employment practices, and their bespoke policies and processes. This was a materially different assessment to what we have undertaken historically, demonstrating IFM's willingness to exclude non-compliant suppliers from the opportunity and make a selection decision that was not price driven.

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As we aim to move towards a more business-as-usual environment, acknowledging that this will happen at different speeds across our global offices, we will continue to increase our monitoring of suppliers and purchasing decisions. It is particularly pertinent that we remain

committed to selecting suppliers on a broad criteria that does not lend itself to decisions being only price driven, but, instead, feeds into both our regulatory responsibilities and the expectations we have of ourselves to be a global leader across ESG issues, including modern slavery.

Our approach

IFM recognises that we play an important role as a global asset manager, investing in a wide range of sectors and doing business with many vendors in our operational supply chain.

IFM's investment decisions are guided by core beliefs that say a healthy environment, inclusive society and strong governance are necessary for the sustainable growth and prosperity of economies and communities globally. These beliefs have informed our approach in addressing modern slavery in our business. Our procurement protocols incorporate checks when engaging with vendors to understand any risks of modern slavery.

We continue to determine appropriate action based on the following principles:

- **Prioritisation:** focus first where the greatest risks of modern slavery have been identified in our operational supply chains and those of our investments.
- **Influence:** use our global platform and expansive sector reach to spread knowledge and drive greater advancement in managing modern slavery risks.
- **Collaborate:** work together with like-minded businesses, investors and stakeholders to continually learn about this issue and reduce the risk and occurrence of modern slavery.

We have a number of policies and procedures in place that incorporate the management of modern slavery risk. These are reviewed annually to ensure that appropriate due diligence and consideration of modern slavery risks is undertaken, and include:

- IFM Group Corporate Environmental Social & Governance Policy;
- IFM Group Policy for the Engagement of External Advisors;
- IFM Group Outsourcing Policy,
- IFM Group Whistleblower Policy; and
- IFM Group Human Resources Guidelines.

Where there is evidence of a failure to adhere to standards when it comes to preventing acts of modern slavery and human trafficking, IFM will take appropriate action that is consistent with our approach to engage, rather than divest. We would seek to put a remediation plan in place with suppliers and investments where any incidents of modern slavery are identified for ongoing tracking, management and reporting.

Progress to Date – FY21

IFM has addressed action points outlined in our inaugural 2020 Modern Slavery Statement, and we are pleased to report on our FY21 progress.

We continue to evolve our goals and approaches to reducing modern slavery in our operations and investment. Our progress in the following areas demonstrates our commitment to continuous improvement to embed and advance modern slavery risk management and mitigation across our business.

Learning and training

Over the last 12 months, we have focused on educating our people about modern slavery risks and increasing the capabilities of key team members who can play an active role in driving outcomes in our portfolio companies and their supply chains, in particular directors of our Infrastructure and Private Equity portfolio company boards. This follows a guidance note provided to directors in FY20.

- We have developed a tailored training program for our Private Equity and Infrastructure team in collaboration with an external training provider. The purpose of

this training is to equip company directors with an understanding of the indicators of modern slavery risk in infrastructure and private equity assets to help improve engagement and management of modern slavery in these businesses. The training includes asset class case studies, modern slavery indicators, and questions that aim to support improvements in managing modern slavery risks and assessing company specific risk during the due diligence process.

- During FY21, we hosted a 'Learning Cafe' for all employees, which included a presentation from a senior social justice advocate who focused on raising awareness and understanding of modern slavery and its impact on people and investment, as well as its relevance to IFM. IFM's approach to modern slavery risk management was also covered.

Supply chain management

The assessment undertaken by our independent advisor continues to inform how we map, identify and address key vulnerabilities in our supply chain, enhance our procurement

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» strategies, and prioritise activity in this space. The ongoing development of a procurement framework that has supported this activity includes:

- A continued build-out of a centralised procurement function, which offers tools, templates and guidance to enable business units to make sourcing and supplier management decisions in alignment with IFM’s cultural values, including ethical procurement.
- Sourcing processes now include more values-based evaluation criteria, with issues relating to modern slavery, environment, sustainability and governance, all being mandatory criteria that preclude suppliers from bidding for work with IFM without demonstrated capability in these areas.
- Vendor management is evolving to include ESG within key performance indicators (KPIs) to ensure they are monitored on an ongoing basis. A supplier performance framework that goes beyond KPIs, is in the process of being implemented. IFM is also reviewing collaborative technology to support improved monitoring of suppliers, including modern slavery risks.

Collaboration and engagement

We continue to work together with like-minded businesses, investors and stakeholders to evolve our understanding of the issue of modern slavery, with a goal to reduce the risk and occurrence of modern slavery in our business, supply chain and our investments.

- We collaborate with our industry peers through initiatives such as Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC), an investor-led initiative convened to

promote effective action among companies to find, fix and prevent modern slavery, labour exploitation and human trafficking in their value chains.

- Through this initiative, we have led engagement with various large retailers, and we acknowledge their high level of understanding, governance and expertise in this area. However, there is a need to address factors limiting businesses with shared supply chains to collaborate on this issue. Despite this, across the sector, work is being done to improve understanding of worker rights to help identify incidents of modern slavery and to increase the capability and deployment of independent auditors, which has been impacted by COVID-19.

Integration

As responsible stewards on behalf of our investors, and their members and beneficiaries, we also continue to embed ESG considerations, including modern slavery, into our investment decision making processes. This is inclusive of our Listed Equities engagement and proxy voting activities. We believe that proactive company engagement and voting is critical to encouraging responsible management of ESG risks and opportunities. It is through these active stewardship activities that we seek to build value in pursuit of our purpose, which is to protect and grow the long-term retirement savings of working people.

We are uniquely placed to leverage our size and shareholder influence to help improve the performance of the companies we invest in. Promoting fair and equitable standards for working people is a key stewardship theme for IFM, encompassing modern slavery and, more broadly, human rights.

Collaborating to address human rights and modern slavery issues

In response to media reports highlighting forced labour and human rights abuses in the global polysilicon supply chain, the Solar Energy Industries Association (SEIA) issued a Forced Labour Prevention Pledge, which was signed by many large solar companies.

During FY21, our Infrastructure Debt Team reviewed a potential investment in a company that owns and operates photovoltaic (PV) solar projects in Chile. We requested that the company amend its supplier list to only include SEIA pledge signatories, or alternatively, agree to a “best efforts” approach in ensuring it used suppliers that are free of forced labour.

The company confirmed its intent to source PV panels only from suppliers on the SEIA list to the extent that it is commercially feasible. This included future solar panels purchased from the loan proceeds. It also committed to providing regular updates on new PV-panel supply contracts it enters.



» Our focus for the future – FY22 and beyond

We will continue to evolve and update our plans to match the changing global context and developments in the identification and management practices of leading experts and businesses addressing modern slavery.

Some of the key activities planned across our priority areas include:

Learning and training

- Tailored training modules will be made widely available to employees across IFM to build a greater awareness and understanding of modern slavery to increase our capability to identify and remediate incidents.
- We are looking at ways to integrate modern slavery training into our learning and development program for investment team members.

Supply chain management

- Detect, investigate and address modern slavery risks in our supply chains. Prioritise these high risk suppliers and design an appropriate grievance mechanism to evaluate, monitor and direct suppliers. Continued refinement of our tracking and reporting systems of investment life-cycles to ensure we can identify and track any risks or occurrences of modern slavery. Robust risk assessment tools are to be developed and integrated into IFM's procedures.
- Collaborate with suppliers to develop improved remediation practices and guide future modern slavery statements. Continue to monitor and assess any risks in our operations and investment supply chains.

- Development of a new vendor engagement form which states requirements for companies to advise on their supply chain risks or to provide their policies on modern slavery.

Collaboration and engagement

- We will continue to evolve our engagement with companies across our investment portfolio as well as with like-minded investors and stakeholders that we can take collective action with on this important issue – particularly where shared value chains exist.

Integration

- Build on our progress and further integrate modern slavery in our operations and investment lifecycle, guided by advancements and improvements to best practices in this space
- We will advance an action planned in 2021 to conduct a review of due diligence processes and documentation across all asset classes to incorporate modern slavery risks, as well as continuing escalation pathways and life cycle monitoring.
- Addressing Modern Slavery in the Investment Solution Committee, which reviews, among other things, investment business cases and include ESG related issues as an evaluation criteria.
- Continue to evolve our voting guidelines on labour, human rights and modern slavery in line with our ESG principles through engagement with experts and evaluations of available research.

Effectiveness of our approach

We recognise that our modern slavery management practices and activity need to be continually reviewed and adapted to match the changing global context and developments.

IFM's approach to modern slavery in its supply chain is ongoing and is subject to refinement and improvement. With the changing global economic climate, IFM understands it must be vigilant to change as we progress with our modern slavery policies and remediation strategies. Continuous evaluation of our policies, identifying key vulnerabilities in our processes and planning for situations where corrective action is needed.

We are monitoring the effectiveness of our approach and the earlier case study is an example of how we are capturing risks early and actioning them. However, we expect the effectiveness of our approach to improve over time as we

capture more data points to understand the impact we are having. Our supply chain is relatively low risk given our purchases and given no supplier was identified as having an issue to remedy. Our approach, while consistent with peer organisations, has not had encounters that truly test effectiveness.

Engagement across asset classes to share learnings and integration with investment processes will enable IFM to continually evolve and improve the impact of our due diligence and risk management processes.

We continue to assess and improve our processes by actively seeking feedback from our employees in relation to training and the accessibility of information, and by working with independent third parties to ensure our methods are in line with best practice.

Consultation

In preparing this statement, the following consultation has been undertaken;

- IFM Investors Working Group, which comprises members from the Responsible Investment and Procurement teams;
- IFM's Responsible Investment, Commercial, Risk and

Compliance and Legal functions have provided support to all members of the company structure identified in Appendix 1.

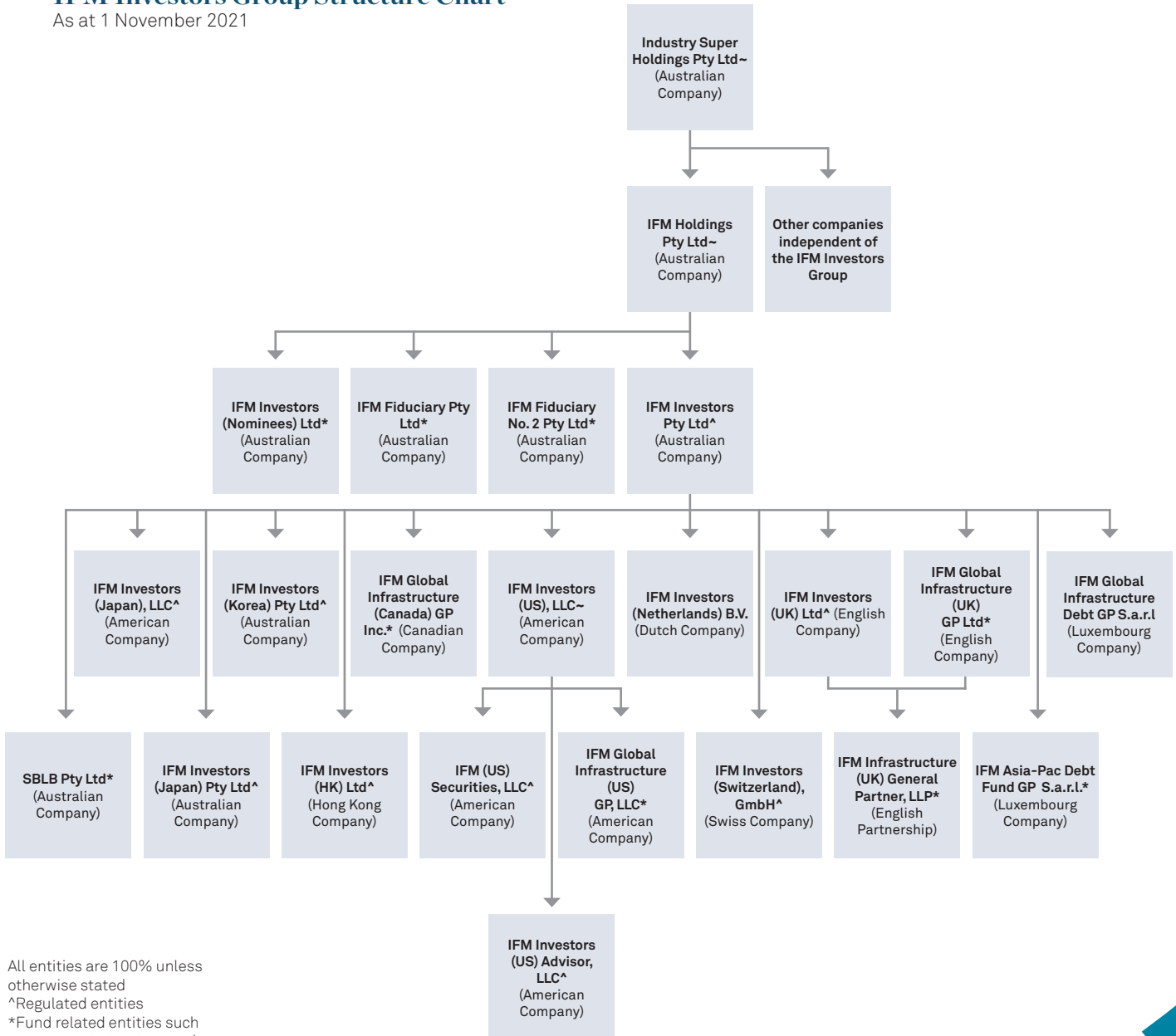
- Reviewed by our IFM Board Responsible Investment and Sustainability Committee

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» Appendix 1

IFM Investors Group Structure Chart

As at 1 November 2021



All entities are 100% unless otherwise stated

^Regulated entities

*Fund related entities such as corporate trustees and general partners

~Holding company



HEAD OFFICE

Level 29 | Casselden | 2 Lonsdale Street | Melbourne | VIC 3000
+61 3 8672 5300 | www.ifminvestors.com | investorrelations@ifminvestors.com

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