

CBRE UK MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT - 2020

Context

CBRE's multi-billion-dollar global supply chain is critical to our success. We require all our suppliers to provide services in a responsible manner. We have a zero-tolerance approach to modern slavery and are committed to consistently reviewing and strengthening our processes and systems to minimize the risk of human rights infringements anywhere in our supply chain.

This is CBRE Group, Inc.'s fourth annual statement relating to Modern Slavery and covers the reporting period of January 1st 2019 to December 31st 2019. This statement has been written in accordance with the requirements of the UK Modern Slavery Act 2015 ("The Act"). The Act requires that businesses with a turnover of more than £36 million disclose information regarding their policies and actions over the financial year to eradicate modern human slavery and trafficking from their operations and supply chain. This statement applies to CBRE's UK businesses with a reporting obligation under the Act, but also provides commentary on CBRE Group's global efforts to address the risk of Modern Slavery and Human Trafficking in our supply chain.

This statement provides details on the following:

1. The organisation's structure, its business and its supply chains;
2. Its policies in relation to slavery and human trafficking;
3. Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
4. The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
5. Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and
6. The training about slavery and human trafficking available to its staff.

Due to the exceptional circumstances of 2020 and the disruption created by COVID-19 CBRE has used the six-month extension option made available by the UK Government. This statement is therefore published 31st December 2020 rather than 30th June 2020.

The following sections of this statement detail how CBRE is addressing each of the sections listed above.

The organisation's structure, its business and its supply chains;

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2019 revenue). The company has more than 100,000 employees (excluding affiliates) and serves real estate investors and occupiers through more than 530 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services.

In CBRE's UK business activities the following trading entities are covered by this statement.

- CBRE Managed Services Limited
- CBRE GWS Limited
- CBRE Limited

The supply chains that CBRE operates are dominated by our large Facilities Management and Property Management operations with high levels of spend in hard and soft services such as maintenance, cleaning, security, utilities and catering services. In addition to these main spend areas CBRE's supplier spend profile also includes technology and data, marketing services, HR services, professional services and travel.

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The three CBRE UK entities listed in this statement operate within separate divisions and whilst much of the governance and reporting is standardised across the group, separate processes and systems are prevalent in each entity. To this end, CBRE's statement in relation to points 1 and 2 of the reporting requirements are universally applicable to all three entities, whereas the activities and actions listed in CBRE's response to points 3 through to 6 are not at this stage addressed across all entities. CBRE recognises that more work is required to standardise the approach to points 3 through to 6.

In addition to those entities listed above, the CBRE Group acquired Telford Homes in 2019. The Modern Slavery Statement for Telford Homes has been published separately and can be found [here](#).

Its policies in relation to slavery and human trafficking;

CBRE is actively working to ensure that slavery and human trafficking is not taking place across its business and has policy documents in place to make it clear what standards are expected of our employees and our suppliers. Full details of the policy documents can be found in the embedded links below and a summary of the key points is provided as follows.

- CBRE's [Standards of Business Conduct](#) set out the ethical standards which must be upheld by all staff across our wide-ranging business activities. The document acknowledges that CBRE exists and succeeds due to the trust that has been earned for integrity and fair dealing. CBRE's RISE value of Integrity requires that the business always "takes the high road" and deals fairly and honestly with all employees, business partners, communities and society at large.

As such, no one representing CBRE will take unfair advantage of anyone through manipulation, fraudulent inducements or concealment, abuse of confidential or privileged information, interference with a known contractual relationship or any other unfair dealing.

No monetary benefit is worth conducting business in this manner. Any profit or gain based on disregarding our values is temporary and causes more harm in the long run. We respect the contracts and commitments we have made and strive to go beyond minimum compliance with the rules governing our business and to operate with the utmost reliability and transparency.

- CBRE's [Human Rights Policy](#) commits the business to respect human rights in its operations, to promote an appropriate example and make a positive global impact. The policy includes four key elements with respect to modern slavery and human trafficking.
 1. CBRE respects the free choice of all persons and strictly prohibits forced or compulsory labour for any employees.
 2. CBRE will not do business with, tolerate, or associate with organizations or entities that condone or are engaged in the practice of coercing or imposing of work with little or no freedom of choice.
 3. CBRE endorses the UN Guiding Principles on Business and Human Rights and will work to raise awareness within our employee population of our responsibility to protect Human Rights.
 4. CBRE commits to cooperate with law enforcement authorities to address any such instances that come to the attention of the Company.
- CBRE's [Supplier Code of Conduct](#) sets out CBRE's fundamental ethical and business conduct requirements for its suppliers. It makes clear that a CBRE supplier is responsible for ensuring their directors, officers, employees, agents, representatives, suppliers, subcontractors, and other business partners understand, and comply with, the requirements set forth in the Code. The requirements include CBRE's position on [Anti-Bribery and Corruption](#), Unfair Business Practices and a specific section pertaining to Labour standards, including:
 1. Child Labour

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2. Human Trafficking, Slavery and the Right to Voluntary Labour
3. Freedom Against Prejudice and Discrimination
4. Safe and Secure Workplace
5. Working Hours and Wages
6. Freedom of Association

Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;

CBRE has different supplier onboarding tools in place in our separate UK businesses. Our largest supplier onboarding tool by volume in the UK is called mySupplier and supports our risk management and compliance processes in our Facilities Management Business. The tool was further enhanced during 2019 and our plan is to continue the roll out into other CBRE businesses in 2020 and beyond to include our own corporate spend. Suppliers are onboarded only by invitation, with all suppliers expected to agree to CBRE's Code of Conduct and answer specific questions on Modern Slavery such as their policy positions and audit controls.

CBRE carries out systematic screening of our supply chain for adverse media and broader compliance risks. We utilize a globally recognised compliance screening platform to screen all new suppliers as part of the onboarding process. We also re-screen all suppliers in our Europe, Middle-East and Africa operations at least annually. Screening results are reviewed by a centralized team and any items of concern are escalated for action. In 2019 this included 43,000 individual checks, none of which resulted in investigations of modern slavery or other human rights violations.

The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;

In 2019 we included a specific Human Rights survey in our annual Ethics & Compliance Risk Assessment. This was completed by over 500 senior managers globally and was used to highlight the nature of the modern slavery risk to our business leaders and to identify their perceptions of this risk in their areas of responsibility. While the majority of respondents did not perceive any risk exposure, at least 43% of respondents considered there was at least some exposure in their business areas.

These results were broadly in line with expectations, as our Property Management and Facilities Management businesses have an extensive supply chain, whereas many other services provided by CBRE tend not to work regularly with suppliers.

Our PM and FM services engage various hard and soft services such as maintenance, cleaning, security, utilities and catering services across a wide range of countries. We believe that services reliant on relatively low-paid labour are our greatest risk areas for abusive and exploitative practices in the supply chain. Examples of the risks we are aware of are:

- **Cleaning** - Subcontracting of old or inappropriate vendors, compliance with minimum wage requirements, excessive hours, poor documentation and no proof of back pay / holidays, risks of non-compliance with social security commitments.
- **Catering** – Undisclosed subcontractors, workers working under student visas, workers deprived of normal employment benefits, excessive working hours, vulnerable to visa conditions, poor command of local language.
- **Security** – Underpayment, overtime rates not in line with contract, preventing staff from taking sick leave or annual leave.

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Using reporting from organisations such as the Global Slavery index we recognise that the highest risk areas are outside the UK and that collaboration throughout the supply chain is needed to prevent such issues from arising. In 2019, we liaised closely with our clients, for whom we are a key supplier and contributed to their supply chain reviews of high-risk territories. For example, in 2019 we worked with two different global clients on deep-dive projects concerning modern slavery risks. This involved sharing practices and information on supplier review processes. Where applicable these projects led to action plans to improve local practices in the onboarding and monitoring of suppliers.

CBRE operates a [Global Ethics Helpline](#) which is available to all members of staff, suppliers and members of the public. All reports to the Ethics Helpline are independently recorded by an external third party and are vetted and overseen by our corporate Ethics & Compliance team. Whilst we did not receive any 2019 Ethics Helpline reports that led to substantiated violations of human rights or cases of modern slavery in the supply chain, our Compliance teams were engaged in various related investigations and projects, including:

A supplier audit returned allegations that hospitality and catering vendor staff were working in excess of their contracted hours, not receiving their full entitlements and allowances, and also potentially breaching student visa conditions. A review of working hours confirmed violations, and CBRE Compliance completed a detailed investigation. CBRE worked with the client to identify and confirm that the affected workers were ultimately placed into substitute positions with a new vendor.

Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;

CBRE is developing key performance indicators to measure its effectiveness in addressing modern slavery risks. These will include establishing metrics across our business incorporating measures such as:

Progress with the roll-out of mySupplier, Supplier responses to key questions on Human Rights / Modern Slavery, % of suppliers affirming the Supplier Code of Conduct, Supplier adverse media and compliance screening protocols, and action taken as a result of red-flags identified through the above. We will continue to develop and extend our tracking and reporting of performance metrics.

A critical measure for the effectiveness of our program will be the completion of awareness training for our broader employee population, and/or for targeted groups of professionals in specific service lines, support functions or geographies.

The training about slavery and human trafficking available to its staff.

The annual Standards of Business Conduct certification is the cornerstone of CBRE's commitment to ethical business practices. All CBRE staff are required to certify they understand and will abide by our Standards of Business Conduct and core global policies. CBRE's Human Rights Policy is incorporated into this mandatory process. In 2019 over 107,000 staff and contractors completed this certification – approximately 95% of our entire workforce – and by doing so acknowledged their awareness of CBRE's position on Human Rights. The Certification process provides the opportunity for staff to disclose any exceptions they were aware of. There were no disclosures with respect to the Human Rights Policy that led to substantiated violations of human rights or cases of modern slavery in the supply chain.

In addition to the above, mandatory eLearning on Modern Slavery was completed by c 15,000 EMEA employees in 2019. The selected training module provided an overview of forced labour, slavery, and human trafficking in the global supply chain. It explained the wider issue of modern slavery, identified potential risk areas for individuals and companies, outlined the applicable laws and regulations, and informed staff of how to respond when they modern slavery red flags.

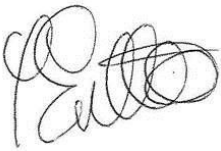
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Finally, to mark Anti-Slavery Day in the UK, CBRE circulated a communication to all employees on October 18th 2019. In this communication CBRE highlighted the global challenge posed by Modern Slavery, and raised awareness by sharing relevant articles, links to documentaries and talks on the nature of Modern Slavery, and informing what our employees can do to respond to modern slavery risks within the business.

This statement, dated 31 December 2020, has been reviewed and approved by the Boards of Directors of the following CBRE UK Entities:

CBRE Managed Services Limited


CBRE GWS Limited



Ian Entwisle

CEO GWS | Local

CBRE Limited



Ciaran Bird

Divisional President, Advisory Services, UK & Ireland