

CBRE UK Modern Slavery and Human Trafficking Statement – 2023

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 and we conduct supplier screening on environmental, social and governance criteria. We have a zero-tolerance approach to modern slavery and are committed to consistently reviewing and strengthening our processes and systems to minimise the risk of human rights infringements anywhere in our supply chain.

This is CBRE Group, Inc.'s seventh annual statement relating to modern slavery, and covers the reporting period of January 1st, 2022, to December 31st, 2022, 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 slavery and human 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 are 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.

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

The organisation's structure, business and supply chains

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 (rank 135) and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2022 revenue). The company has approximately 115,000 employees (excluding affiliates) and serves real estate investors and occupiers in more than 100 countries. 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, the following trading entities are covered by this statement:

1. CBRE Managed Services Limited
2. CBRE GWS Limited
3. CBRE Limited
4. CBRE Investment Management Indirect Limited (CBRE IM Indirect) ¹

¹ CBRE Investment Management Indirect Limited (CBRE IM Indirect) is authorised and regulated by the UK's Financial Conduct Authority (FCA) and is also a registered investment adviser with the United States Securities & Exchange Commission (SEC).

The supply chains that CBRE engage are dominated by our large Facilities Management and Property Management operations for our clients, with significant 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 includes technology and data, marketing and HR services, professional services and travel.

CBRE IM Indirect's supply chain also consists of external fund administrators, external secondary trade brokers and other third-party service providers ancillary to real estate investment management. It also works with investment managers related to the funds and assets in which it invests on behalf of its clients.²

The CBRE UK entities listed in this statement operate within separate divisions. While 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 our reporting 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](#).

Policies in relation to slavery and human trafficking

CBRE is actively working to ensure that slavery and human trafficking are not taking place across our business and has policy documents in place to clarify what standards are expected of our employees and suppliers. Full details of the policy documents are embedded in 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 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 our 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
 2. CBRE will not do business with, tolerate, or associate with organisations or entities that condone or are engaged in the practice of coercing or imposing 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

2 CBRE IM Indirect invests in primary funds, secondaries, joint ventures, club deals and co-investments with underlying managers and operating partners (collectively "specialist managers") across the world.

- CBRE's [Supplier Code of Conduct \(updated in December 2022\)](#) sets out CBRE's fundamental ethical and business conduct requirements for its suppliers. It is available in 35 languages and clarifies 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
 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

In 2021 CBRE UK achieved Recognised Service Provider accreditation, working with the Living Wage Foundation to promote the real Living Wage. In achieving this accreditation, CBRE committed to providing a decent wage to our staff, who conduct vital work for many organisations, and therefore to always provide a Living Wage costed bid to all our clients. This allows clients to decide if the Living Wage is right for their organisation. We also pay the Living Wage to all staff in our head office and core functions. The real Living Wage is an independently calculated, voluntary rate of pay that is based on the cost of living. It is higher than the UK government's minimum and thousands of companies choose to pay these rates to their staff. In September 2022, the UK rate increased to £10.90, with a higher rate of £11.95 in London, reflecting the higher cost of living in the capital. 100% of all new work won in 2022 by the CBRE GWS business was Real Living Wage aligned; this equated to 107 new clients.

Due diligence processes in relation to slavery and human trafficking in 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 in 2022 to incorporate an external vetting process for our high-risk health and safety suppliers via Alcumus. SafeContractor Suppliers are onboarded only by invitation, with all suppliers expected to agree to CBRE's Supplier Code of Conduct and answer specific questions on modern slavery such as their policy positions and audit controls. CBRE IM Indirect's suppliers are required to comply with the CBRE Supplier Code of Conduct, and the specialist managers it engages with are required to affirm they have policies in place to deal with modern slavery and human rights abuses.

CBRE deployed a new Global Procurement Policy in 2022, integrating sustainability and diversity standard requirements. In addition to our assessment of suppliers to meet our business requirements, supplier selection criteria include their performance in relation to environmental impact, management of labor and human rights, and ethical, social and responsible procurement practices.

CBRE conducts 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. A centralised team reviews the screening results, and any items of concern are escalated for action. In 2022, this included approximately 130,000 checks across all CBRE business segments, with 91,828 checks performed on suppliers to our Facilities Management business. There were no escalations in 2022 that resulted in investigations of modern slavery or other human rights violations.

CBRE also partners with third-party screening and vetting solutions, such as Ecovadis, that support the assessment and ongoing review of our key suppliers' social and ethical performance, through supply chain risk screening, scorecards with actionable ratings, audit and improvement management. CBRE holds a “Platinum” rating with Ecovadis (in the top 1% of company scores). We educated our suppliers on the benefits of the Ecovadis assessment and 166 of our UK Supplier Partners have now completed the Ecovadis assessment with an average silver rating. This represents \$591m or 19% of CBRE's 2022 supplier spend in the UK. We will continue the roll this out to our wider supply chain.

Parts of business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps taken to assess and manage that risk

Our Property Management and Facilities Management teams 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

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 2022, we continued to liaise closely with our clients, for whom we are a key supplier, and contributed to various supply chain reviews and audits.

CBRE operates a [Global Ethics HelpLine](#) which provides a worldwide, anonymous reporting system available to all members of staff, suppliers and their employees, as well as members of the public. We encourage our stakeholders to bring issues forward if there is a concern that someone is, or may be, doing something that violates our values, policies or the law. 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 2022 Ethics HelpLine reports that led to substantiated violations of human rights or cases of modern slavery in our UK supply chain, our Compliance teams around the world continue to be engaged in various investigations and projects involving related labour issues. For example, CBRE has previously completed investigations into vendor compliance with local wage and employment entitlements in various territories. We have substantiated examples of under-paid wages, improper documentation, and/or working hours in excess of local requirements. Depending on the nature and extent of the violations, CBRE has terminated vendor relationships, required vendors to re-pay wages and entitlements due to employees, required vendors to submit to detailed social audits, and increased our monitoring of on-site working hours. Through these processes, we have kept in close contact with the relevant employees and clients.

Effectiveness in ensuring that slavery and human trafficking are not taking place in business or supply chains, measured against such performance indicators as considered appropriate

All Suppliers onboarded via the mySupplier or eLogbooks systems must confirm acceptance of our Supplier Code of Conduct. This is further reinforced through our Standard Purchase Order Terms and Conditions, where suppliers must comply with applicable laws prohibiting modern slavery and human trafficking, including the UK Modern Slavery Act 2015.

Within our CBRE GWS UK business, 99% of Supplier Partners have agreed to our Supplier Code of Conduct. The remaining will form acceptance via either our standard terms and conditions, or through CBRE's analysis and acceptance of the Supplier's own applicable Code. 99% of new CBRE GWS UK suppliers in 2022 acknowledged the Supplier Code of Conduct. In addition, our Supplier Relationship Management framework with our UK Strategic and key Preferred suppliers includes a review of ESG procurement policies (including modern slavery).

In November 2022, we held our annual Supplier Partner event attended by over 1,600 people from across our business, our clients and our supply chain. The Real Living Wage foundation was invited to exhibit at the event, supporting the organisation to further raise awareness.

Within our Property Management UK business, 100% of our Preferred Framework Suppliers acknowledged the Supplier Code of Conduct. Our Property Management business in the UK has worked with a number of key clients to implement the Real Living Wage across their UK portfolios and is looking continue this process in 2023.

CBRE is continuing to develop further key performance indicators to measure its effectiveness in addressing modern slavery risks. These will include establishing metrics across our business tracking progress with the following: reporting on the percentage of suppliers for our other UK entities that acknowledge the Supplier Code of Conduct, further roll-out of mySupplier, supplier responses to enhanced key questions on human rights / modern slavery, third-party supplier scorecard results, supplier adverse media and compliance screening protocols, supplier relationship management specific to modern slavery reporting across high-risk categories, and actions taken as a result of associated risks identified through the above. We will continue to develop and extend our tracking and reporting of these performance metrics.

A critical measure for the effectiveness of our programme 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.

Training about slavery and human trafficking available to 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. In 2022, 94.3% of employees completed the Standards of Business Conduct certification. Allowing for the timing of new hires and departures, Standards of Business Conduct training in 2022 approached 100% employee participation. By completing this certification, CBRE employees acknowledged CBRE's Human Rights Policy and their awareness of CBRE's commitment to Human Rights. The certification process provides the opportunity for staff to disclose any exceptions of which they were aware. In 2022, there were no employee 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 this, our CBRE GWS Supply Chain organisation has delivered both internal and supplier facing Modern Slavery and Living Wage training which was attended and/or accessed by over 350 people.

Our Global GWS ESG Director joined the UK Business Services Association (BSA) Modern Slavery Council in 2022 and is collaborating with its members to develop a Facilities Management Modern Slavery Toolkit which will be launched in 2023. The BSA Modern Slavery Council maintains a focus on tackling modern slavery in its members' operations and supply chains. The Council believes that competition is off the table when it comes to this critical issue. Amey, Balfour Beatty, CBRE GWS, OCS Group, Serco, and Sodexo form the Council's Steering Committee, and work alongside the Slave-Free Alliance and the BSA to represent the 17 organisations on the wider Council.

This statement, dated 29th June 2023, has been reviewed and approved by the Executive Leadership of the following CBRE UK Entities:

CBRE Managed Services Limited:

Name: Kevin Lynn
Role: Division President, GWS | LOCAL UK

Signature: 5F4F8EBB8383428...

CBRE GWS Limited:

Name: Kirsten Bradbury
Role: Chief Operating Officer, GWS Enterprise

Signature: 12C6216F52B846D...

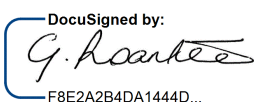
CBRE Limited:

Name: Ciaran Bird
Role: Divisional President, Advisory Services, CEO UK & Ireland

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CBRE Investment Management
Indirect Limited:

Name: Gill Roantree
Role: COO Real Estate

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