



GDI Property Group

Modern Slavery Statement

GDI Property Group comprises GDI Property Group Limited ACN 166 479 189 (the Company) and its subsidiaries and GDI Property Trust ARSN 166 598 161 (the Trust) and its subsidiaries. The responsible entity of the Trust is GDI Funds Management Limited ACN 107 354 003, AFSL 253 142, a wholly owned subsidiary of the Company.

Introduction

This Modern Slavery Statement (Statement) has been prepared and approved by GDI Property Group Limited. Shares in GDI Property Group Limited are stapled to units in GDI Property Trust to form the GDI (“GDI”, “us”, “we”). This Statement covers GDI Property Group Limited, GDI Property Trust and all their consolidated subsidiaries. GDI is listed on the Australian Securities Exchange (ASX code: GDI) and the registered office is Level 23, 56 Pitt Street, Sydney.

This Statement sets out the steps we have taken during the period 1 July 2022 to 30 June 2023 to prevent modern slavery in our business and supply chain.

As our annual revenue is less than \$100.0 million, we are not required to prepare a Statement nor to perform any of the actions required when reporting, including assessing modern slavery risks in our supply chain, taking actions to address those risks, and reviewing the effectiveness of those actions. However, in practice we have always performed all of the above, some with oversight at a Board or Committee level as part of our regular review of our risks, and others in a more informal manner.

This statement is voluntary and has not been lodged with Australian Border Force’s Online Modern Slavery Register.

MANDATORY CRITERIA FOR MODERN SLAVERY STATEMENTS		
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Criteria 5	Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks	Page 5
Criteria 6	Describe the process of consultation with any entities that the reporting entity owns or controls and, for joint statements, the entity giving the statement	Page 6
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Overview

About GDI

GDI is a fully integrated, internally managed property and funds management group with capabilities in ownership, management, development, refurbishment, leasing, and syndication of properties. GDI has staff in Sydney and Perth and its head office is located in Sydney.

GDI specialises in providing income and value-add property trusts to listed and wholesale investors. In addition to GDI Property Trust, GDI also manages seven unlisted, unregistered managed investment schemes on behalf of over 1,500 high net worth investors. Total assets under management of both GDI Property Trust and the seven, unlisted, unregistered managed investment schemes is over \$1.3 billion.

GDI acquires under-valued properties generally for between \$25.0 million and \$250.0 million with strong upside potential. When acquiring properties, key selection criteria include significant potential to realise increased income and value, excellent locations, good natural light, easily divisible floor plates, and potential for improving a property’s environmental credentials. GDI then implements the individual strategy for the building, which

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typically includes refurbishment and repositioning, services upgrades, resetting leases and ultimately selling to realise profits.

Approach

GDI understands that it has a role as well as a responsibility to generate awareness and take steps to ensure that it upholds human rights, as well as minimising the risk of modern slavery practices within its operations and supply chains.

GDI's approach to modern slavery has been developed at a group level and applies to all entities that it owns or controls. Our commitment to our investors and stakeholders is to take pro-active steps to prevent modern slavery within our business and ensure legislative compliance.

GDI considers the risks of modern slavery acts to mean the potential for an entity to cause, contribute to or be directly linked to modern slavery. To this end GDI intends to:

- Identify and assess the risks within our business and supply chains;
- Prioritise higher risk activities and, if required, implement changes;
- Educate employees and suppliers on their own responsibilities to avoid modern slavery breaches; and
- Collaborate with suppliers to enhance our program, including identifying further areas where we can collaborate in the future.

Structure, Operations and Supply Chains

Our structure

GDI comprises the stapled entities GDI Property Group Limited and GDI Property Trust. GDI Funds Management Limited, a wholly owned subsidiary of GDI Property Group Limited, is the responsible entity of GDI Property Trust. The Boards of GDI Property Group Limited and GDI Funds Management Limited each have common membership. GDI Investment Management Pty Limited, a wholly owned subsidiary of GDI Property Group Limited, is the Investment Manager of GDI Property Trust.

GDI Funds Management Limited and GDI Investment Management Pty Limited, either directly or through wholly owned subsidiaries, also act as trustees and Investment Managers of the unlisted unregistered managed investment schemes operated by GDI. These entities are included in the consolidated financial statements and presented in the GDI Annual Financial Report.

Our operations

GDI currently has two divisions, a Property Division and a Funds Business. The Property Division owns a portfolio of office properties, carparks and a 50% interest in a Co-living mining accommodation business (Co-living JV) and generates returns through rental income (including parking and from mining accommodation) and capital growth. The Funds Business manages seven unlisted, unregistered managed investment schemes and generates returns through co-investment stakes and funds management fees. Across both the Property Division and the Funds Business GDI undertakes four core activities:

Investment and divestment

GDI owns and manages property. GDI is an active investor, creating value through astute property selection, carefully researching for value-add commercial property opportunities that meet strict investment criteria including:

- excellent locations;
- good natural light with easily divisible floor plates;
- upside potential through releasing, refurbishment, or redevelopment;
- markets that we believe will outperform due to an expectation of limited supply and strong demand; and

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- at a price that management believes is substantially below replacement cost.

Over time, GDI may divest some properties, if in the opinion of the Board and management, the value has been maximised or it no longer meets the investment criteria of the trust that owns it.

Development, redevelopment and refurbishments

Most assets that GDI owns and manages have value add opportunities, including:

- selective capital improvements including to improve a property's sustainability credentials;
- releasing, or recalibrating existing leases, to improve a property's operating cashflows; and
- development or redevelopment opportunities, including adaptive re-use options.

Asset management

As an owner and manager of property, asset management is core to what GDI does. Asset management involves setting the strategies for each property, including capital expenditure plans, leasing strategies, and outgoings management. GDI outsources the property management function to experienced property managers.

In the case of GDI's carpark assets, we engage the services of a specialist carpark operator to manage the carpark business on our behalf.

Funds management

Not only does GDI manage GDI Property Trust, part of the stapled GDI entity, it also manages seven unlisted, unregistered managed investment schemes on behalf of approximately 1,500 high net worth investors. In some funds GDI Property Trust co-invests.

Our supply chain

GDI sources a wide range of goods and services across the life cycle of its Australian based real-estate assets. This includes products and services sourced domestically or internationally and extends beyond direct suppliers. As owners and managers of property assets, the greatest expenditure and exposure that GDI has to modern slavery practices rests in the supply chains of our service providers, and the goods supplied to them in the maintenance, care and operation of those properties.

In FY22 and again in FY23 a committee composed of key management personnel commenced a risk assessment of modern slavery risks in our supply chain by splitting suppliers into:

- Tier 1 – Directly contracted by GDI to provide goods and services to GDI
- Tier 2 – Suppliers subcontracted by Tier 1 supplier

Although service providers like cleaners, security and maintenance contractors at our properties are usually engaged by us as the owner, these functions are overseen by our property managers. Accordingly, in our first year of voluntarily reporting on Modern Slavery, we characterised those service providers as Tier 2 suppliers, and the property managers as Tier 1. However, in FY23 we re-characterised these suppliers as Tier 1 suppliers if either of the below was true:

- the supplier provided over \$500,000 of services to GDI over an 18-month period ended 31 December 2022; or
- the supplier was in a high-risk industry and provided over \$100,000 of services over an 18-month period ended 31 December 2022.

GDI considered cleaning and security as high risk industries.

In total, 22 suppliers were identified as being Tier 1 suppliers.

Actions to identify, assess and address our Modern Slavery Risks

During FY22 GDI adopted a Sustainable Procurement Policy, which supplemented our Outsourcing Policy. The Sustainable Procurement Policy established expectations on Tier 1 suppliers relating to the governance of their business, to uphold and respect fair labour practices and human rights, to comply with all relevant laws and regulations that relate to workplace health and safety and the environmental, and to align their Tier 1 suppliers (GDI's Tier 2) to GDI's sustainable procurement expectations. This Sustainable Procurement Policy was discussed and shared with those identified Tier 1 suppliers.

During FY23 GDI updated its Sustainable Procurement Policy and introduced for the first time a Human Rights Policy which, in addition to addressing human rights in the workplace, extends to human rights within the supply chain.

Operations

Investment and divestment

GDI engages the use of third parties to assist it with its due diligence investigations when buying properties, agents when selling properties and lawyers for both acquisitions and divestments. As these organisations are service providers of highly skilled and trained professionals, GDI does not consider it has a material risk of modern slavery in this component of its operations.

However, often when purchasing properties existing service contracts are novated to the incoming owner. Detailed due diligence is required in this instance to ensure that there is no pre-existing modern slavery risk.

During FY23, GDI entered a Joint Venture with Tulla Group to own, manage and syndicate co-living mining accommodation (Co-living JV). Tulla Group operated one village at Norseman, WA, and the Co-living JV purchased a second complex in South Hedland, WA. During the due diligence period, GDI spent considerable time considering the risks of Modern Slavery, particularly as several staff that are employed at the villages are on working visas. Notwithstanding our considerations, the assets and operations of the Co-living JV are not under the operational control of GDI.

Development, redevelopment and refurbishment

Most of GDI's assets are located in Perth and during FY23 underwent some form of material development, redevelopment, or refurbishment. For such services GDI only employs high quality suppliers, many of whom have a long track record of working with GDI and/or already report on modern slavery. For those suppliers who currently report on modern slavery within their supply chain, GDI ensured that their inbuilt processes, such as induction procedures and supplier code of conduct, are robust and applied to all contractors on GDI sites.

Where we have engaged with a supplier for many years, and that supplier does not currently report on modern slavery, GDI took a more collaborative approach and worked with that supplier to ensure that they were aware of the risks within their business and ways to approach the risks.

All Tier 1 suppliers that provided development, redevelopment and refurbishment services were sent a Modern Slavery questionnaire that was developed to assist GDI and our Tier 1 suppliers to identify and assess possible modern slavery risks, identify mitigation efforts to combat the risk of modern slavery, and foster collaboration between GDI and our Tier 1 suppliers to address these risks. Tier 1 suppliers were also asked to acknowledge that they had read GDI's Sustainable Procurement Policy and Human Rights Policy and understand GDI's expectation that we act honestly and with integrity in all of our dealing and that they will communicate these policies to facility managers, suppliers and contractors that work on GDI assets.

Asset Management

All assets under GDI's operational control are managed by externally contracted property managers. All but one has corporate policies specifically regarding the Modern Slavery Act, although all (including that one) ensure that questions in regard to modern slavery, social and environmental responsibilities are included in the induction process before suppliers (cleaning, security, maintenance) are allowed onto GDI sites. GDI is working with the other to ensure that their policies specifically incorporate the Modern Slavery Act.

Notwithstanding, as discussed above, during FY23 we re-classified a number of what were previously considered Tier 2 suppliers to Tier 1 suppliers. All Tier 1 suppliers that provided assets / property management services were sent a Modern Slavery questionnaire that was developed to assist GDI and our Tier 1 suppliers to identify and assess possible modern slavery risks, identify mitigation efforts to combat the risk of modern slavery, and foster collaboration between GDI and our Tier 1 suppliers to address these risks. Tier 1 suppliers were also asked to acknowledge that they had read GDI's Sustainable Procurement Policy and Human Rights Policy and understand GDI's expectation that we act honestly and with integrity in all of our dealing and that they will communicate these policies to facility managers, suppliers and contractors that work on GDI assets.

Funds Management

GDI believes that it is at a low risk for modern slavery within its funds management operations. This function is carried out by either directly employed GDI staff who are all located in Australia with minimum entitlements for these staff exceeding the National Employment Standards as set out in the Fair Work Act 2009, or by institutional third-party contractors (like Custodians, Registry Services) who are also considered to be at low risk of modern slavery.

Training and awareness

During FY23 all key management personnel and asset facing staff were trained in all aspects of the Modern Slavery Act and our Sustainable Procurement Policy.

Remediation and Grievance

GDI's Whistleblower policy was amended to explicitly include references to modern slavery complaints. When a concern is raised, or we otherwise become aware of an individual in our supply chain that may be impacted by modern slavery, we investigate and take appropriate action, which in all cases will focus on assisting the individual experiencing the impact.

No complaints were raised during FY23.

Assessing our Response

GDI's response to modern slavery risks is in its infancy. We have now established procedures and will set key performance indicators on our asset managers to gauge the effectiveness of our actions to assess and address modern slavery risks.

These key performance indicators (KPIs) include checking current risk assessment processes regularly to ensure that they remain effective. These KPIs will evolve as GDI increases the data gathered in regard to modern slavery risks and increases its depth of investigation and assessment to smaller Tier 1 suppliers and Tier 2 suppliers. In future years this will also extend to lower tier suppliers.

Consultation

GDI takes its responsibilities for the prevention of modern slavery across its operations and supply chain seriously. GDI Property Group Limited has consulted and collaborated with GDI Funds Management Limited, the responsible entity of GDI Property Trust, and all other consolidated entities in relation to the prevention of modern slavery.