



Ten Principles of the UNGC

Charter Hall offices, 1 Martin Place, Sydney NSW

Ten Principles of the United Nations Global Compact

Charter Hall Group became a signatory in March 2019 and is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. This report is our inaugural communication on progress. See pages referenced for more detail.

Principles	Actions	Page Reference
Human Rights		
Principle 1 Protection of Human Rights	<p>We have taken a proactive approach to determining the scope of our responsibility with respect to human rights. The Charter Hall Human Rights Policy, Employee Code of Conduct and Supplier Code of Conduct all outline Group-wide responsibilities for upholding human rights in our operations and supply chains, and set our expectations for employees and suppliers.</p> <p>In FY19, we developed a human rights framework – including a human rights policy, a supplier code of conduct and a modern slavery working group – to uncover and eliminate potential modern slavery risks throughout our operations and supply chains.</p> <p>We also joined industry colleagues on the Property Council of Australia’s Sustainability Roundtable to develop a supplier pre-qualification platform, and played a central role in elevating the prominence and efficacy of the Cleaning Accountability Framework pilot building certification scheme.</p>	34 – 38
Principle 2 No Complicity in Human Rights Abuses	<p>In the course of developing a human rights policy, a supplier code of conduct and a modern slavery working group over FY18 and FY19, no complicity in human rights abuses was identified.</p> <p>We uphold, protect and track our human rights performance through a number of policies and initiatives (as identified in Principle 1), and actively engage on this issue with NGOs, regulators, investors, employees, suppliers, tenant customers and industry colleagues.</p>	34 – 38
Labour		
Principle 3 Freedom of Association and Collective Bargaining	Freedom of association is enshrined under Australian and New Zealand law. In this context, Charter Hall respects the rights of all workers to join and form a trade union of their choice in accordance with national law. There are no employees on collective bargaining agreements at Charter Hall.	79, GRI Disclosure 102–41
Principle 4 Elimination of Forced and Compulsory Labour	Our human rights framework explicitly precludes the use of forced labour. A supplier risk assessment was undertaken in FY19 and no instances of forced and compulsory labour were identified. We continue to work with our industry partners and suppliers to address modern slavery.	34 – 38
Principle 5 Abolition of Child Labour	Our human rights framework explicitly precludes the use of child labour. A supplier risk assessment was undertaken in FY19 and no instances of forced and compulsory labour were identified. We continue to work with our industry partners and suppliers to address modern slavery.	34 – 38
Principle 6 Elimination of Discrimination	Charter Hall Group Diversity and Inclusion policy was updated in June 2019. We adopt a zero-tolerance stance towards harassment and discrimination in the workplace and regular training is provided on appropriate workplace behaviour. Our supplier code of conduct also seeks to extend our approach to our supply chain.	34 – 38

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Principles	Actions	Page Reference
Environment		
Principle 7 Precautionary Approach	We undertook a number of initiatives this year that reflected our systematic approach to managing environmental risk. This included quarterly meetings of the Audit Risk and Compliance Committee to oversee environmental risk management, conducting materiality assessment with wide-ranging stakeholder engagement, commencing a climate change risk analysis for our childcare portfolio, and undertaking a review of the TCFD framework.	14 – 23, 40 – 41
Principle 8 Environmental Responsibility	In FY19, Charter Hall promoted environmental responsibility through developing a range of new Environmental, Social and Governance targets and indicators (e.g. setting a target of 100% reduction in Direct (Scope 1 and 2) emissions by 2030, by updating our company values to reflect our commitment to long-term sustainable value creation, by adopting voluntary charters and practice through sector initiatives (e.g. NABERS, Green Star and WELL), and by tracking and communicating progress on incorporating sustainability principles into business practices (e.g. SDGs, TCFD).	14 – 23, 40 – 41
Principle 9 Environmentally Friendly Technologies	<p>We are committed to the implementation of environmentally sound technologies, and in FY19, increased our renewable energy footprint from 2.5MW, in 2018, to 5.2MW of solar PV across the portfolio, generating 7,598MWh of electricity per annum in green energy, or enough to power 507 homes. Stage 1 of our solar rollout program for retail is also underway with the installation of 13 MW generation capacity across 15 shopping centres, producing 18 GWh of electricity per annum, equivalent to powering 1,200 homes.</p> <p>Our introduction of the Comfy app has seen a cumulative energy saving of 14% across four buildings since 2018, equating to 250 tonnes of CO₂e. Comfy allows individuals to personalise the temperature of their wok zone and provides us with insights to understand preferences and fine tune building operations to suit. Comfy use will grow to 26 assets by the end of 2019.</p>	20, 22, 31
Anti-Corruption		
Principle 10 Work against Corruption	The Anti-Bribery, Fraud and Corruption Risk Management Policy governs our approach to corruption, as laid out in the Charter Hall Code of Conduct. All employees receive annual training in the Code of Conduct, and we periodically assess our exposure to bribery, fraud and corruption risk, including through annual operating risk reviews, internal and external audit planning and reporting, credit card expenditure monitoring, due diligence via on-boarding and the ongoing screening of employees and third parties, and an annual review of our approach by our Risk and Compliance function. See our Corporate Governance pages for more on policies and practices – charterhall.com.au/About-Us/corporate-governance .	34 – 38