

# Modern Slavery and Human Trafficking



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Introduction

Jones Lang LaSalle Incorporated and its subsidiaries ("JLL") approves and issues this Modern Slavery and Human Trafficking Statement under Section 54(1) of the UK Modern Slavery Act 2015 (MSA). JLL carries on business in the UK through its UK based affiliates, including Jones Lang LaSalle Limited and LaSalle Investment Management, but our responsibilities and commitment to uphold the principles of the Modern Slavery Act extend across all of our operations.

Considered one of the world's leading professional services firms, JLL is known for its commitment to the highest ethical standards and to practices that enhance the welfare, safety, and well-being of our employees and wider communities. A Signatory to the United Nations Global Compact since 2009, JLL has embraced the U.N.'s Sustainable Development Goals, identifying and linking seven of those goals to JLL's Building a Better Tomorrow agenda, which aims to drive new ways of thinking across our services and into activities where we procure goods and services on behalf of our clients. Our vision to advance sustainability principles extends not only to providing safe and efficient buildings, but also to support the communities in which we do business.

This is JLL's second Modern Slavery and Human Trafficking Statement. In the year since our first statement, we have taken a number of steps to raise awareness of this serious issue within global management, as well as within our higher risk business units. While we have made progress toward improving our due diligence processes, particularly with respect to our global procurement structure, many challenges remain in managing and monitoring a complex supply chain. We continue to review our approach to human rights and modern slavery issues within our business and our supply chains and to search for solutions that will improve the lives of all workers.

#### About JLL

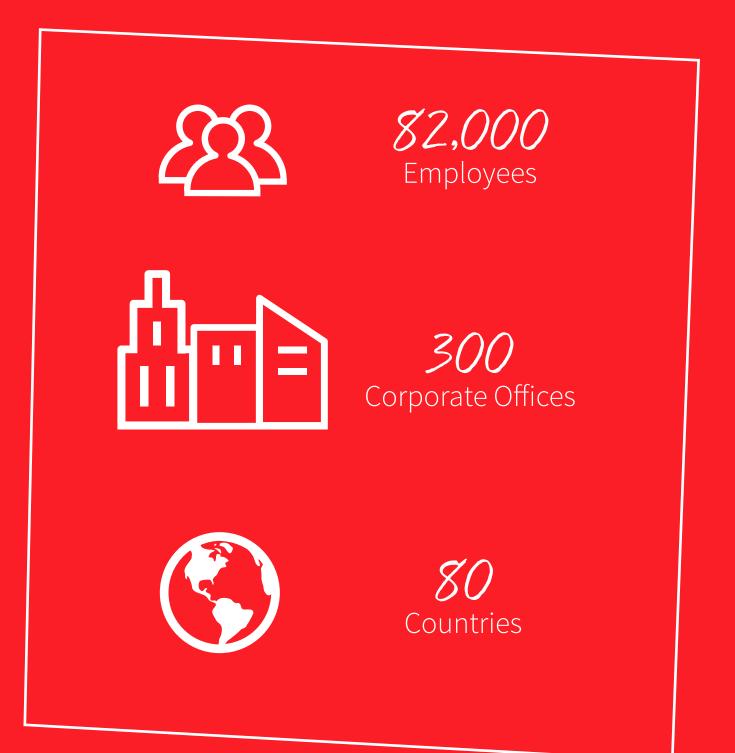
JLL is a Fortune 500 professional services and investment management firm specializing in real estate. We offer integrated services worldwide to clients seeking increased value by owning, occupying, developing, or investing in real estate. Globally, JLL's 82,000 employees serve clients in more than 80 countries, and we are an industry leader in property and corporate facility management services. In FY 2017, JLL's consolidated revenue exceeded \$7.9 billion

Ethisphere has recognized JLL for eleven consecutive years as one of the World's Most Ethical Companies. The company has achieved a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index and has been named as one of CR Magazine's 100 Best Corporate Citizens.

JLL's services and operations span three geographic business segments: the Americas; Europe, the Middle East and Africa; and Asia Pacific. Within this extensive global network, JLL's activities range from those having relatively low risk with regard to modern slavery, such as within LaSalle Investment Management, and activities that present more risk. For example, JLL procures a significant amount of goods and services on behalf of our clients, whose properties we manage. Among these business partners are suppliers in sectors identified as higher risk for modern slavery practices: construction, janitorial,landscaping and ground maintenance, food and drink, and security services.

For additional details about JLL's business and locations, see our <u>annual report</u>.

Our commitment to human rights extends to ensuring there is transparency in our own business and in our approach to preventing modern slavery from occurring anywhere in our supply chain. We therefore expect all of our contractors, suppliers and other business partners to embrace JLL's Core Values of Teamwork, Ethics and Excellence. Our due diligence and contracting processes highlight and reinforce JLL's strong commitment to ethical behavior by specifically prohibiting the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. Further, we expect that our suppliers will hold their own suppliers to the same high standards.



#### **Our Policies and Procedures**

JLL's Ethics Everywhere program embodies our commitment to a corporate culture that embraces and promotes strong principles of business and professional ethics at every level. In general, JLL's policies and procedures are designed to identify unethical business partners before we engage them and to monitor our suppliers to make sure they maintain ethical standards that match JLL's.

The principal document articulating JLL's core values of Teamwork, Ethics and Excellence is our <u>Code of Business Ethics</u>, published in multiple languages on our website.

Among other things, the Code of Business Ethics:

- / Requires compliance with applicable labour laws
- 2 Prohibits forced labour of any kind
- 3 Expresses our zero-tolerance approach to modern slavery and commitment to enforcing effective systems and controls to keep modern slavery out of our business and supply chains

Likewise, our <u>Vendor Code of Conduct</u> expresses our zero tolerance approach to modern slavery, requiring all suppliers and vendors to:

- / Use only voluntary labor
- 2 Not confiscate workers' identity papers
- 3 Comply with all local labour laws
- **4** Treat all workers with respect and not engage in physical discipline or abuse
- 5 Pay living wages

In addition, our Codes provide options for reporting violations or potential violations that are available to employees and to our suppliers, such as calling JLL's Global Ethics Helpline or using JLL's ethics reports website, contacting one of JLL's Ethics Officers, or sending a letter to JLL's Global General Counsel and Chief Ethics Officer.

JLL's Corporate Governance Policies include a separate policy addressing Anti-Slavery and Human Trafficking, which applies to all JLL employees and, through our Codes and contractual provisions, to suppliers and other third-party business associates worldwide. The policy identifies specific prohibited activities, and includes mechanisms

for employees to report violations or potential violations of the policy. We also have a Corporate Governance Policy devoted to Vendor Due Diligence that prohibits doing business with suppliers engaging in illegal practices or any questionable practices that may result in credit, reputation, or litigation issues for JLL. Recently updated to align with our procurement due diligence process, the Vendor Due Diligence Policy includes consideration of modern slavery activities in determining risk of retaining particular suppliers.



JLL's Supply Chain Management and Procurement's (SCMP's) Global Procurement Policy echoes our corporate zero-tolerance approach to modern slavery, and reiterates employees' obligation to ensure that suppliers do not engage in or participate in modern slavery in any form.

#### **Putting Our Anti- Slavery and Human Trafficking Policies to Work**

Supply Chain Management and Procurement Our Supply Chain Management and Procurement (SCMP) team has spent the last year building a global procurement policy and risk management framework to support a robust, risk-based due diligence and ongoing monitoring program that aims to achieve consistency in supplier standards and assist our businesses in identifying suppliers that share JLL's values. SCMP's technology platform uses the Walk Free Foundation's <u>Global</u> <u>Slavery Index</u> data to identify high-risk countries, and its prequalification process incorporates questions and documentary evidence concerning fair labour and human rights practices. We anticipate that, over time, the SCMP technology platform will be an important resource for testing the effectiveness of our efforts to combat modern slavery.

#### Our Corporate Solutions Business

JLL's Corporate Solutions business, which includes facilities management, project development and design / build services, among other advisory and technology activities, is one of our business lines with the highest risk for modern slavery. Suppliers servicing our Corporate Solutions business include those in the construction, food and drink, landscaping and janitorial, and security sectors. Throughout all of our global operations, these suppliers must attest in a pre-engagement questionnaire and in their contract with JLL that they do not engage in any of the activities comprising modern slavery, and must renew that attestation annually. SCMP's technology platform assists in the application of our Vendor Due Diligence and Compliance Program globally by allowing real-time communication and information sharing between suppliers, JLL's third-party independent compliance administrators, JLL's internal sourcing experts, and our individual client account teams.



Supplier Commitments	We require our suppliers to comply with all applicable modern slavery and labour laws and to comply with our Vendor Code of Conduct, which sets forth explicitly JLL's expectation that suppliers will act in accordance with human rights principles in employment and provides mechanisms for suppliers to report suspicions or incidents of breach, including through our Ethics Helpline which is available on a 24-hour basis in all major languages.
Contract Warranties	The ethics clause in all supplier contract templates includes a warranty specifically referring to the principles of the Modern Slavery Act.
<i>EcoVadis</i>	We subscribe to EcoVadis's Corporate Social Responsibility database and submit to annual assessments that benchmark JLL against other companies in several areas, including labour practices and human rights. Our human rights score has risen year over year, but there is more work to do, particularly in the area of benchmarking results and effectiveness of our program.
Responsible Business Alliance	Because many of our clients are in the electronics, retail, auto and toy sector, we have adopted the <u>Responsible Business Alliance Code of Conduct</u> , which incorporates labour standards prohibiting modern slavery and human trafficking, enterprise wide.
Vendor Due Diligence Policy	Our Vendor Due Diligence Policy, as reinforced by SCMP's due diligence framework, encourages our businesses to work with enterprises that share JLL's values, and to develop and maintain supplier relationships that are consistent with protecting JLL's overall interests.
Enterprise Risk Management	We included modern slavery as part of an ongoing company-wide enterprise risk management analysis, which will result in identifying key risk indicators



## Assessing Slavery and Human Trafficking Risks in JLL's Business

We operate in more than 80 countries around the world, including countries identified in the Global Slavery Index 2016 as having the highest proportion of their populations in modern slavery. In providing real estate services, we may engage suppliers in some sectors in which modern slavery is prevalent, including construction, janitorial, landscaping and ground maintenance, hospitality, and security services. JLL assesses and manages these risks through its zero-tolerance policy and the due-diligence processes identified above.

During the fourth quarter of 2017, we conducted a risk assessment involving all of the countries in which JLL provides services, using ratings from the Global Slavery Index, Freedom House, and the Trafficking in Persons Report (TIP). TIP also provided insight into high risk sectors in each country, which we compared to services our businesses provide in each country. Using this global viewpoint, we concluded that, given the scope of JLL's business (both business type and supplier spend) and the most vulnerable supplier sectors, our highest risk countries are China, India, Malaysia, Philippines, Singapore, Vietnam, Egypt, Kuwait, Qatar, United Arab Emirates, Brazil, Mexico, and the United States.

Phase two of this high-level risk assessment involves soliciting comments and additional information from our business people working in the countries, as one of our challenges is understanding risks in our decentralized and highly diverse corporate and business organization. Responses so far have helped us refine our assessment, and we have learned about current or planned initiatives to address the modern slavery issue, including those listed in the sidebar.

HL Initiatives

- Vendor certifications in contracts
- 2 Individual countries testing databases such as EcoVadis to assess effectiveness for supplier due diligence
- 3 Implementing pricing sheets to ensure transparency in labour costs
- Internal and external audits, as well as Labour Officer inspections in India
- 5 Supplier audits for major clients in the Middle East and Africa, seeking documentation from suppliers and input from suppliers'.

Case Study: JLL Business Team Supports the Cleaning Accountability Framework In Australia, JLL's Property and Asset Management team have worked extensively with the Cleaning Accountability Framework (CAF) to protect the rights of vulnerable and exploited workers. CAF is an industry-wide association formed to bring about change in an industry that was on a trajectory to ever decreasing employment conditions. CAF representatives include The Fair Work Ombudsman, Owners, Contractors, Property Managers and the cleaning Union.

Jobs such as cleaning have been an easy target for progressive cost cutting, leading to circumstances fostering worker exploitation by reducing pay rates, removing workers' legislated rights or reducing their ability to perform their work properly.

By standardizing building classification and pricing methodology, JLL has been able to benchmark the key metrics that can demonstrate proper contract pricing and allocation of resources to a property. The scale and volume of properties we manage means that JLL can bring true scale to pricing and resource allocation and easily identify when a contractor is pricing a contract in a way that compromises quality or employment conditions. The outcomes of this analysis enable us to demonstrate value to clients clearly and succinctly. Not only are these efforts undoing years of poor practices, but JLL is finding that the majority of CBD property owners are embracing proper employment practices and accepting the higher prices that these initiatives sometime entail.

# Our Effectiveness in Combatting Slavery and Human Trafficking

JLL's processes for engaging suppliers, as outlined above, are aimed at identifying and avoiding business associations with suppliers that engage in slavery and human trafficking practices, and our suppliers have ongoing compliance and reporting duties during the entire course of their business relationship with JLL. Through our ability to audit suppliers for contractual and legal compliance, we can investigate changed circumstances or suspected non-compliance.

We recognise that the complexity of our supply chain and lack of transparency can make audit challenging and our approach may not be effective in all cases, but we remain committed to progress in our journey of continued improvement.

Our SCMP platform will provide assistance in identifying potential risk situations through its qualification and monitoring capabilities. Supported by JLL's Global Internal Audit team, SCMP is developing a program to implement supplier audits on a planned schedule or when circumstances require. JLL's own workforce is subject to our Code of Business Ethics and an extensive global "Ethics Everywhere" program to foster a culture of ethical behavior that encompasses awareness of and adherence to basic human rights principles as well as our zero-tolerance approach to modern slavery. We continue to work toward incorporating specific anti-slavery and antihuman-trafficking content into our ethics training for employees and for suppliers in high risk sectors and geographies.

# **Training and Communications**

When we published our first Modern Slavery Statement in 2017, we publicized the event through an announcement to JLL's Global Operating Board and in JLL's regional newsletters, providing an information toolkit consisting of the Statement, our Corporate Policy on Anti-Modern Slavery and Human Trafficking, a short article for leaders to use for communications in their regions, and a link to our intranet page dedicated to modern slavery. The toolkit also was distributed to JLL's Global Sustainability Team, Country Compliance Coordinators, and Supply Chain Management and Procurement.

In early 2018, we featured Modern Slavery in JLL's Learning Loft, a regular feature that alerts JLL's global legal and risk management teams to training resources available on JLL's intranet. Included in the Learning Loft announcement were a short article about modern slavery, a short video and briefing note, and links to the Statement, Corporate Policy, and training slide decks with narration. Local legal and risk teams can assign the training to local business teams. Training has commenced with JLL's Global and EMEA and APAC Sustainability teams, our Ethics Liaisons, Country Compliance Coordinators, the SCMP Global Leadership team, the Americas region sourcing team, SCMP employees in our Asia- Pacific and EMEA regions, a client account leadership team, and the Americas Region Project and Development Services team. We have developed a training pack comprising slide decks, instructional materials, and communications that we will be using to train trainers in each region.

As we progress through phase two of our risk assessment, we expect to identify more clearly what kind of training is most appropriate for our business lines in particular geographical areas. In addition, our SCMP Legal function has developed a training deck which will be used to provide training for our suppliers with particular focus on the highrisk suppliers.



#### **Next Steps**

2017 was a year in which we sought out and forged relationships with agencies that are in the forefront of the fight to eradicate modern slavery. We continue to look to the Walk Free Foundation for guidance on how to improve our processes, and at their suggestion we responded to the Australian Joint Standing Committee on Foreign Affairs, Defense and Trade's Terms of Reference concerning whether Australia should adopt its own Modern Slavery Act.

We have had the opportunity to learn best practices from other sectors through participation in the Global Modern Slavery and Supply Chain Summit, which featured a keynote presentation by our Global Chief Corporate Responsibility Officer, the Innovation Forum London meeting on modern slavery, and a Bali Process Government and Business Forum Working Group Consultation. In addition, as our clients become increasingly concerned about their own supply chains, we have begun to engage in discussions aimed at collaborating on initiatives to monitor our supply chains and improve conditions for all workers. Thus far, these collaborations have occurred in major accounts operating in the Middle East, Africa, Turkey and Pakistan, where the supply chain has access to JLL's helpline and there are audit processes in place with one major client to check suppliers' compliance with human rights principles and laws. The audit process is being extended to suppliers engaged for other clients in the region.

Having to articulate JLL's efforts to eradicate modern slavery in our business and supply chain reveals steps in the right direction, but also challenges to overcome.

Our goals for the next year include the following:



Increase collaboration with clients and vendors

Step 2

Continue training and other awarenessraising activities in high-risk businesses



Step 4

Designate appropriate global governance group to oversee modern slavery program development

Work within real estate sector to share best practices and continue to watch developments in other sectors



Develop supply chain monitoring & auditing processes

Step b

Address challenges of mitigating / remediating illegal activities while protecting victims

Step 7 In

Implement and require transparent terms / conditions of recruitment

Step 8

Develop key performance indicators from SCMP database

# **Board of Directors Approval**

**Sheila A. Penrose** Chairman of the Board **Christian Ulbrich** Global Chief Executive Officer

