

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 affiliates there, but our responsibilities and commitment to uphold the principles of the UK Act extend across all 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 six 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 supporting communities in which we do business.

During the past year, we have continued to enhance our program and raise awareness of our modern slavery risk within global management and our higher risk business units. Clients and potential clients have also driven efforts to raise awareness, as our businesses increasingly receive client questionnaires and RFPs requesting information about JLL's approach to modern slavery and human rights issues. We continue our efforts to partner with our larger clients to learn about and evolve smart strategies to reduce the risk of modern slavery risk in our supply chains. We are proud of JLL's reputation for maintaining the highest ethical standards and engaging in practices that enhance the welfare, safety and well-being of our employees and wider communities.



90,000 employees



80+ countries we operate in



4.6 billion square feet in property and integrated facility management services worldwide



200,000 suppliers in our global supply chain

About JLL

JLL is a Fortune 500 professional services and investment management firm specializing in real estate. A publicly listed company incorporated in the United States with headquarters in Chicago, IL, JLL offers integrated services worldwide to clients seeking increased value by owning, occupying, developing, or investing in real estate. Globally, JLL's 90,000 employees serve clients in more than 80 countries from nearly 300 corporate offices, and we are an industry leader in property and corporate facility management services. In FY 2018, JLL's consolidated revenue was \$16.3 billion.

Ethisphere has recognised JLL for twelve 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 regions: 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 our Capital Markets brokerage business or 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, and among these business partners are suppliers in sectors identified as higher risk for modern slavery practices: construction, janitorial, landscaping and ground maintenance, hospitality, 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 activities and in our approach to preventing modern slavery from occurring 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</u>. <u>Ethics</u>, published in multiple languages on our website.

In addition, our Codes communicate mechanisms for reporting violations or potential violations that are available to employees and to our suppliers, such as calling JLL's Global Ethics Helpline, submitting a report to jll.ethics.com or contacting one of JLL's Ethics Officers or our International Director of Global Ethics and Compliance.

We have adopted the Responsible Business Alliance Code of Conduct as one of our Corporate Governance

Policies, confirming our commitment to labour standards prohibiting modern slavery and human trafficking to which our technology clients adhere. We also have a separate corporate 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. Our Corporate Governance Policy devoted to Vendor Due Diligence 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 reiterates employees' obligation to ensure that suppliers do not engage in or participate in modern slavery in any form.

JLL's Code of Business Ethics:

- 1. Requires compliance with applicable labour laws
- 2. Prohibits forced labour of any kind
- 3. Prohibits modern slavery in all forms and expresses our commitment to enforcing effective systems and controls to keep modern slavery out of our business and supply chains

These principles are transposed into our supply chain through our <u>Vendor Code of Conduct</u>, which prohibits any form of forced labour, including modern slavery and human trafficking. We require all suppliers and vendors to:

- 1. Use only voluntary labour
- 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 wages that meet, at a minimum, applicable local legal requirements

Anti-Modern Slavery and Human Trafficking Focus at JLL

Supply Chain Management and Procurement

Because a major risk for JLL lies in the suppliers we engage on behalf of our clients, our Supply Chain Management and Procurement (SCMP) team has developed a risk-management framework to enforce our Vendor Due Diligence Policy and support a robust, risk-based due diligence and ongoing monitoring program to achieve consistency in supplier standards and assist our businesses in identifying suppliers that share JLL's values.

SCMP's technology platform incorporates a prequalification process that includes a questionnaire which assesses the policies, practices and management systems on key risk areas such as labour compliance, human rights, working conditions, freedom of association and non-retaliation, equalities, forced labour and child labour. JLL will not engage suppliers unless they can demonstrate commitment to ensuring that no modern slavery exists in their operations. If JLL finds evidence of modern slavery, we will require the supplier to remediate the situation or will terminate the supplier's services.

In addition, our supplier contracting process requires every supplier to certify that they will abide by <u>JLL's Vendor Code</u> of Conduct, which prohibits modern slavery, forced labour and human trafficking. Further, as part of SCMP's initiative to implement consistent processes throughout our global businesses, suppliers servicing our facilities management business must attest in their contract with JLL that they do not engage in any of the activities comprising 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 our business line facing the highest risk of modern slavery. Suppliers servicing our Corporate Solutions business include those in the construction, hospitality, landscaping and janitorial, and security sectors. Throughout all of our global operations, these suppliers must attest in SCMP's 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. JLL is continually looking for opportunities to further strengthen our processes and contract provisions relating to human rights and modern slavery, as well as to verify and ensure global use of the correct templates.

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.

Case Study

Client account initiative to assess wage compliance and spot potential modern slavery issues

Late last year, one of our largest clients discovered that JLL's cleaning supplier in a high-risk country failed to increase total compensation for cleaning staff as required by a statutory change, but was offsetting allowances to facilitate a minimum wage increase. While this practice complied with the law, JLL deemed it unethical. The discovery prompted the JLL account team to undertake a global thematic review of minimum wage and Modern Slavery Act compliance to confirm that procedures and controls are in place and operating as intended to ensure minimum wage compliance as well as identify any potential modern slavery risks.

Using a risk-based approach to select 25 suppliers across ten countries located in Asia, the Middle East / Africa, Latin America and Europe, the account team collected information via questionnaire addressing compliance with labour laws and recourse available to supplier employees to raise concerns; conducted negative media searches; reviewed contracts to ensure regulatory clauses were complete; examined supplier wage practices (covering wages and deductions) through sample checks of pay stubs. The team then reviewed another 30 suppliers across 12 countries where minimum wage requirements recently had changed to confirm that suppliers were passing the rate increases through to the employees as of the effective date. The JLL team gained a high level of assurance through over 1,000 checks conducted; they identified isolated exceptions and are in the process of remediating them in collaboration with the suppliers. We will use lessons learned from this review to strengthen processes across other client account supply chains we manage.

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

JLL operates in more than 80 countries around the world, including countries identified in the 2018 Global Slavery Index as having the largest estimated absolute numbers of people in modern slavery, such as Pakistan, India, China, the Philippines and Russia. In providing real estate services, we engage suppliers in 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 global anti-modern slavery policy and the due diligence processes performed by SCMP and our businesses.

Based on supplier spend in 2018 alone, JLL's facilities management and Project and Development Services businesses may face higher risk in Australia, Canada, France, Hong Kong, India, Singapore, the UK and United States. Consideration of other factors, such as rankings on the Global Slavery Index and high-risk supplier sectors that JLL may engage on behalf of clients, indicate that the top countries for JLL risk are China, India, Singapore and the United States. Other high-risk countries where JLL spends a significant amount on suppliers are Mexico, Brazil, Malaysia and the Philippines.

We completed a high-level risk assessment in late 2017, which we updated in 2018 to reflect changes in the Global Slavery Index, Freedom House ratings and the Trafficking in Persons Report. This assessment helped define the external risks we face in certain geographies (geopolitical factors and vulnerable work sectors) as well as the internal risks generated from the scope of JLL's business (both in terms of business type and supplier spend). Increasingly, we collaborate with our clients to share our approach and learn from their best practices.

Certain ad hoc initiatives to address activities that disadvantage vulnerable workers have increased awareness in our businesses that modern slavery is not confined to the retail and agriculture sectors. For example, JLL's Property and Asset Management team in Australia continue their work on the Cleaning Accountability Framework Board, and within their business have standardised building classification and pricing methodology so that they have objective data to drive security and cleaning procurement decisions. This methodology helps JLL identify when contractors are pricing a contract in a way that compromises quality or employment conditions, and provides clients concrete evidence that there is value in proper employment practices. Efforts such as these demonstrate that, while we remain far from achieving full awareness and implementation of consistent local practices, we are making progress.

Our Effectiveness in Combating Modern Slavery and Human Trafficking

JLL's processes for engaging suppliers, 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 contractual rights to audit suppliers for contractual and legal compliance, we can investigate changed circumstances or suspected non-compliance.

Like many companies striving to manage the challenges of complex supply chains and lack of transparency, JLL continues to develop more effective ways to uncover areas in our supply chains where the risks of modern slavery are greatest.

We are increasingly attuned to identifying red-flag issues such as adherence to minimum-wage laws and jurisdictions that require migrant workers based in labour camps to relinquish passports to their employers. Issues such as these have spurred our Corporate Solutions account teams to take a closer look at suppliers and their practices, with the goals of preventing abuse of workers' rights, maintaining our clients' trust and honouring our reputation as one of the World's

Most Ethical Companies.

A new initiative in 2018, JLL's Global Internal Audit team began incorporating modern slavery reviews in its work program, recently completing a review of our Project and Development Services business in the Middle East and Northern Africa region. The audit findings revealed a lack of consistency in our contracting process, which resulted in a number of contracts being issued without the required anti-modern slavery provisions. We used this finding to evaluate and strengthen our current contract provisions and begin a review of practices in our other high-risk businesses.

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 plans to develop a program to implement periodic supplier audits or audits when circumstances require.

Training and Communications

We accompanied the posting of our 2018 Modern Slavery Statement with communications to our employees as well as articles in JLL's regional newsletters that direct employees to our dedicated Modern Slavery intranet site, which includes our information and training toolkit.

We continue to provide training opportunities tailored to our various businesses, and our SCMP Legal function has begun offering training for our suppliers, focusing on suppliers in high-risk sectors and geographies.

In preparation for implementation of Australia's Modern Slavery Act, JLL's Australian Sustainability team, working in collaboration with our Global Ethics & Compliance team, have developed a Modern Slavery Fact Sheet to begin the process of educating our Australian businesses regarding our obligations under the new Act. This coming year, we plan expanded training and communications with our businesses in Australia, including developing a network of Modern Slavery Champions to promote awareness and best practice.

Looking Ahead

Modern slavery is illegal in every country, and yet the signs are often very difficult to identify. JLL recognizes that collaboration with clients, suppliers and NGO's will help strengthen our ability to mitigate that risk in an effective way. Our efforts to collaborate on modern slavery issues and share an open, transparent dialogue with our clients and similar businesses are progressing, and we are beginning to see tangible benefits. Our engagement with Accenture, one of our key clients, has allowed us to gain a better understanding of our respective risks, share best practices and develop smart strategies to address this complex area. The benefit of this collaboration has been recognized by both Accenture and JLL and we share a commitment to respecting human rights, including the elimination of slavery and human trafficking in our supply chains and business operations.

We continue to look for other opportunities to partner with our clients and key suppliers to address risks in our supply chains and develop best practices for ongoing monitoring and remediation.

Our Global Chief Corporate Responsibility Officer continues to participate in modern slavery forums, including the Bali Process Government and Business Forum Working Group Consultation. These contacts give us a valuable opportunity to learn from companies in other sectors and to share our own stories.

As such, our goals for the next year are to continue what we have begun, to raise awareness, evolve best practices and enhance consistency in our approach for our businesses facing the most risk, and to make eradicating modern slavery as much a part of our business as our sustainability efforts generally.

Our goals for the next year include the following:

- 1. Continue and strengthen collaboration with clients and vendors
- 2. Continue education and other awareness-raising activities in high-risk businesses
- Designate an appropriate global governance group to oversee modern slavery program development
- 4. Work within the real estate sector to share best practices and continue to monitor developments in other sectors

- Continue to develop supply chain monitoring and auditing processes with client accounts, SCMP and internal audit
- 6. Address challenges of mitigating / remediating illegal activities while protecting victims
- 7. Implement and require transparent terms / conditions of recruitment
- 8. Develop more sophisticated key risk indicators for modern slavery as part of JLL's ongoing company-wide enterprise risk management analysis.

Board of Directors Approval



Sheila A. PenroseChairman of the Board



Christian UlbrichGlobal Chief Executive Officer

