



Australian Leisure and Entertainment Property Management Limited

MODERN SLAVERY STATEMENT

The term modern slavery is used to cover a broad range of exploitive practices, including, but no limited to: slavery and servitude, forced labour, debt bondage, child exploitation, child labour and other slavery like practices, including human trafficking, forced marriage, deceptive recruiting and sexual offences.

ALE Property Group (ALE or the Group) opposes slavery in all its forms. ALE conducts its business to high levels of ethical and professional standards and is committed to addressing the risk of modern slavery in its business, supply chains and investments. During FY22 ALE will commence developing its approach to managing modern slavery risk and to identify and understand the nature and extent of modern slavery risk in its supply chain.

About this statement

ALE is not required to report under the Modern Slavery Act 2018 (Cth) (the Act) and has not lodged this statement with the Commonwealth Government Modern Slavery Statements Register. However, ALE is committed to understanding and managing its risk to modern slavery. This is the first statement prepared and includes references to the actions undertaken to date.

Our Structure, Operations and Supply Chain.

ALE Property Group (Group or ALE) is a listed stapled security comprising Australian Leisure and Entertainment Property Management Limited and a registered managed investment scheme Australian Leisure and Entertainment Property Trust (ARSN 106 063 049) (ALEPT).

ALE Property Management Limited is responsible entity for the ALE Property Trust and holds AFS licence 230742.

The Group owns over 80 pub properties throughout Australia (NSW, VIC, QLD, SA and WA). The property portfolio has significant value (\$1.2 billion at June 2021).

Our Values

ALE Property Group Board is guided by the following key core values.

- Honesty
- Transparency
- Integrity
- Respect
- Responsibility

Respecting the human rights of others is a natural extension to our values and we are committed to understanding modern slavery risk and contributing to global efforts to end modern slavery.

Our Board

The Board of the ALE Property Group is comprised of a majority of external non-executive directors responsible for ensuring the Group is managed in a way that protects and enhances the interests of securityholders and takes into account the interests of suppliers, lenders and the wide community.

The Board is responsible for overseeing the response to modern slavery risk, the approval of ethical sourcing stands and this statement. The Group's approach to modern slavery risk management is reviewed by the Audit, Compliance and Risk Management Committee. Complaints and incidents of modern slavery are required to be reported to the Board.

Our workforce

ALE Property Group has a small workforce of five team members primarily located in its office in Sydney. The team members are required under the terms of appointment to comply with the ALE policies and procedures including its Code of Conduct, Anti-Bribery and Corruption Policy and Whistle-Blower Policy.

The team members are responsible for operating the responsible entity and the registered scheme, supervising leases, property management, capital management and finance as well as risk management and corporate and compliance functions of an ASX listed entity operating in the financial services section under an AFS licence. ALE's financial services are limited to providing general advisory services and no individual private client advisory or asset management services are provided.

Our office

The team occupies a corporate office footprint of approximately 150 square meters leased within the Australia Square building in George Street, Sydney.

ALE procurement requirements are minimal. It has cloud-based IT services and communication services provided by external services providers. Cleaning services for its office are provided by the Landlord.

Our investments

The Group owns over 80 pub properties, throughout Australia and these are predominantly leased to a single tenant Australian Leisure & Hospitality Group Pty Ltd (ALH) who operates pubs under long-term triple net leases.

Under the terms of the lease arrangements with ALH, the tenant is responsible for maintaining, controlling and operating the licensed premises, along with complying with workplace health and safety obligations as well as all liquor, and gaming licence obligations. The pub operations include bar sales, entertainment, gaming machines, food and beverage service, retail liquor sales and accommodation. ALE regularly meets with ALH to discuss operational property matters and compliance with its lease obligations.

Our supply chain

Due to the nature of ALE's business and the absence of operational interventions required of ALE as landlord, we have a relatively small number of direct suppliers (around 100 in total) compared to many entities required to report under the Modern Slavery Act. ALE will work closely with its suppliers to ensure they adhere to high level of professional and ethical standards.

ALE operates only in Australia, and as a result, the vast majority of its suppliers are Australian businesses operating primarily in Australia. The products and services provided by our supply chain are generally limited to a range of professional services such as share registry services, custody services, IT services, banking and financial, property valuations, legal, corporate advisory, travel, compliance, tax and audit.

Risks of Modern Slavery practices in ALE operations and supply chains

Modern slavery risk in ALE's operations

ALE management has assessed the risk of modern slavery in ALE operations as negligible to none. Our employees and skilled professionals operate exclusively in Australia. There is no direct exposure to child labour, forced labour or other modern slavery key risk areas.

We have a small workforce of five team members who operate out of the Sydney office. All team members are directly employed on individual contracts that confer minimum pay and entitlements and typically provide for consultation regarding significant operational changes.

Due to the size of our workforce, all team members have direct access to the Managing Director and any issues or concerns individuals may have can be discussed with the Managing Director directly. Team members' safety and well-being is of highest importance at ALE. Team members have considerable flexibility to structure their work commitments around their personal and family commitments resulting in a high workforce job satisfaction and retention rate.

The rights of all personnel are addressed under the ALE Code of Conduct and Diversity Policy. All new employees participate in induction procedures and training to ensure they understand their rights and the rights of those they deal with in their work environment.

Modern slavery training is provided to our employees through in-house training and additional self-education opportunities.

Modern slavery risk in ALE's supply chains.

We consider there may be people in ALE's supply chain who may be at a higher risk of modern slavery than our direct workforce. Our risk assessment focused on tier 1 suppliers. Over time our aim will be increase the scope of risk assessment to include suppliers at tier 2 (entities that supply tier 1 suppliers) and ultimately tier 3 (entities that supply tier 2 suppliers) levels.

The following risk factors have been identified as having the potential to be directly linked or may contribute to modern slavery in our supply chains from time to time:

- Use of low-skilled, contract or migrant labour
- Subcontracting and use of third-party labour-hire agencies.

ALE's is in the process of developing minimum standards expected of suppliers. These standards will be approved by the ALE Board and will be published on the ALE website. All new tier 1 suppliers will be provided with a copy of the minimum stands and asked to confirm that their practices are compliant with these expectations.

Remediation

ALE recognises our responsibility to provide or participate in remediation of any identified human right impact that we have caused or contributed towards. ALE has a Whistle-blower policy, which includes transparent grievance mechanisms available to stakeholders, including individuals who supply goods and services to ALE or an employee of a person who supplies goods and services to ALE.

No reports were received during 2020-21 from whistle-blowers with worked-related grievances from within or from outside our operations.

Where a concern is raised, or we otherwise become aware that an individual in our supply chain is impacted by modern slavery, we will investigate the matter and take appropriate action. The action we take will be determined by the circumstances of the impact. In all cases, the focus will be in mitigating the risk to the individual affected and may involve our working with the supplier entity to encourage a change of practice or continuous improvement in their practices.

All grievances, incidents and concerns are required to be reported to the Board.

Assessing effectiveness

We will assess the effectiveness in 2021-22 by tracking our actions and outcomes, which include:

- updating or adding to our governance documents;
- building our internal knowledge and understanding of modern slavery;
- identifying all of our direct suppliers, preliminary engagement with our suppliers; and
- establishing the groundwork that will allow us to better identify, analyse, assess and , if required, report and /or remediate incidences of modern slavery in our supply chains.

Looking ahead

This is ALE first modern slavery statement. We acknowledge that we are at the start of our journey and that there is much we can learn from observing the actions taken by other entities who are further along the journey.

We will continue working with our suppliers and other stakeholders; our aim being to ensure that no individual is subjected to modern slavery or related labour exploitation with our supply chains.

Looking ahead, specific focus areas include

Governance

- Investigate opportunities to expand our modern slavery expectations into other contractual documentation.
- Raise existing suppliers awareness of modern slavery and our Minimum Standards

Improved systems and process

- Commence mapping of modern slavery risk at tier one level suppliers
- Review and improve the integration of our governance documents such as relevant policies, standards, contractual terms and conditions and make any required updates.

Training and capability development

- Research existing supplier education materials that can be adapted to ALE's requirements
- Continue with internal education practices to further develop employee awareness and understanding of modern slavery and what it means in practice
- Review peer entities' reported actions and case studies to improve our understanding of modern slavery risks in our industry and identify proven systems and processes that make a positive difference.

ALE supports the following globally recognised declarations, principals and goals:

- Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights;
- United Nations Global Compact
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work
- United Nations Women's Empowerment Principles
- United Nations Sustainable Development Goals

Consultation and approval

There are no entities owned or controlled by ALE requiring consultation on the content of this Statement.

This statement was approved by the Board of ALE Property Management Limited on 3 August 2021.

A handwritten signature in blue ink, appearing to read 'Guy Farrands', with a stylized flourish extending upwards and to the right.

Guy Farrands
Managing Director
ALE Property Management Limited
Responsible Entity for the ALE Property Trust.