



## Modern Slavery & Human Trafficking Policy

Overview	This statement sets out Castleforge’s actions to understand potential modern slavery risks related to its business and to put in place steps aimed at ensuring that there is no slavery or human trafficking in our own business or supply chains.
Policy Objectives	<ol style="list-style-type: none"> <li>1. To ensure any risks in our business and supply chains are appropriately assessed and mitigated so that the opportunity for modern slavery and human trafficking are eradicated in our activities and the wider real estate industry.</li> <li>2. To ensure compliance with relevant laws and regulations, such as the UK Modern Slavery Act 2015. By adhering to legal requirements, the company aims to uphold its commitment to ethical business practices and protect the rights of individuals.</li> <li>3. To ensure our team, suppliers and operating partners are aware of their responsibility in abiding by this policy statement and achieving its aims.</li> </ol>
Scope	<p>Internal Operations: The policy applies to all aspects of the company's internal operations, including its employees, contractors, and business practices. It ensures that the company itself does not engage in or contribute to modern slavery, forced labour, human trafficking, or child labour.</p> <p>Supply Chains: The policy extends to the company's supply chains, which encompass suppliers, contractors, and business partners. It aims to identify and address any potential risks of modern slavery, forced labour, human trafficking, or child labour within these chains.</p> <p>Stakeholders: The policy engages our stakeholders; investors, tenants, and community partners, to promote awareness and prevent human rights violations related to modern slavery, forced labour, human trafficking, and child labour.</p>
Policy Owner	Lauren Brownlow Head of People / ESG Committee
Policy Approver	Julian Feldman Partner / ESG Committee
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### Castleforge

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## Introduction

This statement sets out Castleforge's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

As a key player in the private equity real estate sector, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking.

Castleforge is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

## Organisational structure and supply chains

This statement covers the activities of Castleforge:

Castleforge is a London based investment firm, managing £1b of asset value throughout the UK and Europe. Our capital is sourced from a diverse institutional base. Our investments span multiple asset classes in several geographies, primarily consisting of commercial assets in London and UK regional cities and Europe, residential assets in regional UK cities and hotels in city destinations.

We are a vertically integrated organisation. We are responsible for the full lifecycle of our investments, including identification, underwriting, diligence, acquisition, development management, asset management, leasing, financing, investor reporting and disposition. Our team remains in constant contact with local agents, occupiers and key market participants. Our supply chain includes development contractors, property managers and operating partners.

## Countries of operation and supply

We currently operate in the UK and Europe.

## Risk Assessment Process

The following is the process by which Castleforge assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

1. **Research and Identify Relevant Factors:** Conduct research to identify factors that contribute to a higher risk of slavery or human trafficking. These factors may include the prevalence of these issues in certain industries, geographic regions, or specific activities associated with real estate development or operations.
2. **Evaluate Industry and Supply Chains:** Assess the industries and supply chains that are connected to real estate activities. Examine the potential risks associated with

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suppliers, contractors, or service providers involved in the development or operation of the properties. This evaluation may involve reviewing suppliers' policies, practices, and transparency regarding labour rights and human rights issues.

3. **Review Country-Specific Risks:** Analyse the risk factors associated with specific countries or regions where our real estate investments are planned. This assessment may include examining the country's legal framework, enforcement mechanisms, political stability, corruption levels, and prevalence of human rights violations. Additionally, we may consider reports or indices provided by international organisations, non-governmental organisations (NGOs), or government agencies that assess slavery or human trafficking risks at a country level.
4. **Engage with Stakeholders:** Engage with relevant stakeholders such as local communities, NGOs, industry associations, or human rights organisations to gain insights into local risks and challenges related to slavery and human trafficking. These interactions can provide valuable information to assess the risks associated with specific activities or countries.
5. **Mitigation Strategies:** As risks are identified and prioritised, develop mitigation strategies to address and manage those risks. This may include setting specific criteria for selecting suppliers, conducting thorough due diligence on partners and contractors, establishing contractual obligations regarding human rights, and regularly monitoring and auditing the supply chains to ensure compliance.
6. **Ongoing Monitoring and Reporting:** Establish a system for ongoing monitoring and reporting to track the effectiveness of the mitigation strategies and identify any emerging risks. Regular reporting on the progress made in addressing slavery and human trafficking risks may be communicated to stakeholders, investors, or included in Castleforge's sustainability or corporate responsibility reports.

## High-risk activities

The following industry relevant activities may be considered to be at high risk of slavery or human trafficking:

- **Construction and Renovation Projects:** Development projects involving construction or renovation, especially when subcontracting is involved, can be high risk due to the potential for exploitative practices within the construction industry.
- **Cleaning and Maintenance Services:** Outsourced cleaning and maintenance services within properties or hotels may involve vulnerable workers who could be at risk of exploitation, particularly if subcontracting arrangements are prevalent.
- **Hospitality and Catering:** The hotel and hospitality sector, including restaurants, bars, and event venues, can have high risks of forced labour and human trafficking, particularly in areas with a high demand for cheap labour or in regions with weak labour protections.
- **Supply Chain for Facilities Management:** Supply chains for facility management services, including maintenance, security, and cleaning supplies, should be carefully assessed as they may involve multiple subcontractors or suppliers that could introduce slavery and human trafficking risks.

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- **Landscaping and Gardening Services:** Outsourced landscaping and gardening services can involve seasonal or migrant workers who may be susceptible to exploitation due to their vulnerable employment status.
- **Property Maintenance and Refurbishment:** Maintenance and refurbishment works within properties may involve subcontracting and temporary workers, who may be more vulnerable to exploitation if proper due diligence and monitoring processes are not in place.
- **Recruitment and Staffing Agencies:** Utilising recruitment or staffing agencies for hiring temporary or contract workers can carry risks if these agencies do not have robust procedures to prevent trafficking and forced labour.

## Due diligence

We undertake due diligence when considering taking on new suppliers, and regularly review existing suppliers. Our due diligence and reviews include:

- mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- evaluating the modern slavery and human trafficking risks of each new supplier;
- contractually obliging suppliers to meet minimum standards as set out by law and our supplier code of conduct; and
- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

## Responsibility and relevant policies

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations.

- **Employee Engagement.** All employees work with Castleforge of their own volition and are free to terminate their contract at their discretion. We provide clear statements of terms and conditions of employment to all employees. Such terms reference payments above the London Living Wage, working hours and breaks, the right to data privacy, the right to time off and internal disciplinary and grievance procedures. Employees are free to join trade unions, we provide working environments that meet the standards described by the Health and Safety Executive. All employees are employed in the UK and U.S. and protected at a minimum by employment legislation in those regions.
- **Employee code of conduct.** Our employee code and company values makes clear to employees the actions and behaviour expected of them when representing our organisation. We strive to maintain the highest standards of employee conduct and ethical behaviour in all operations and in managing our supply chain, which includes an expectation of freedom from any form of bullying, harassment or discrimination.

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- **Supplier/Procurement code of conduct.** We are committed to ensuring that our suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions as necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. We currently operate exclusively in the UK and Europe where compliance with health and safety and employment legislation enforce the minimum standard for all working engagements. Serious violations of our supplier code of conduct will lead to the termination of the business relationship.
- **Whistleblowing policy.** We encourage all our employees to report any concerns related to the direct activities, or the supply chains of, our organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.
- **Recruitment/Agency workers policy.** We use only specified, reputable employment agencies to source labour and always verify the practices of any new agency before accepting workers from that agency. Agency staff are paid directly in most cases or with a minimum of the national living wage being paid to the agency worker. All employees and agency workers are vetted with appropriate right to work and background checks.

## Awareness-raising

We continue to raise awareness of modern slavery issues by circulating emails to staff. Such communications explain:

- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within our organisation; and
- what external help is available, for example through the Modern Slavery Helpline.

## Board approval

This policy was approved by our board of directors who review and update it biennially.

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