

SUSTAINABLE SOURCING FRAMEWORK





Introduction

Goodman Group ('Goodman')'s supply chain involves thousands of suppliers in the many countries in which we operate, spanning a diverse range of services and materials across our Own Develop Manage business lines. We aim to influence and drive significant change in Environmental, Social, and Governance ('ESG' – together referred to as sustainability) initiatives among our suppliers where it is possible and practical to do so. Further details are in the ['Supply Chain'](#) section of this document.

Goodman believes that a responsible and sustainable approach to business makes good business sense. We acknowledge our role as providers of essential infrastructure for the digital economy which drives us to act responsibly to reduce our environmental impact and support the long-term viability of the communities we operate in, and our business. Our [2030 Sustainability Strategy](#) captures our sustainability priorities of our global business. Its three pillars cover:

- + Sustainable properties and places
- + People, culture, and community
- + Corporate governance and performance.

Our Sustainable Sourcing Framework guides our procurement practices to align with our Sustainability Strategy, so that they are achievable, and lead to sustainable outcomes. Through our Sustainable Sourcing Framework, we aim to create awareness and engage with suppliers who share our values, and prefer to partner with suppliers with aligned social, environmental, and human rights related values and commitments. By acting ethically and responsibly within our supply chain, we aim to promote trust among our suppliers, people, customers, investment partners, and security holders. We prefer to collaborate with businesses that have similar ambitions, believing that a sustainable and collaborative approach leads to positive economic, environmental, and social outcomes benefiting our business, community, and society.

Our Sustainable Sourcing Framework is supported by various mechanisms including our [Statement of Business Ethics \('BES'\)](#), which incorporates safety, environment, human rights, modern slavery, labour practices, and anti-bribery and corruption.

Despite the varied legal and cultural environments of our suppliers, we believe sharing our Sustainable Sourcing Framework will enhance understanding of our objectives and lead to broader positive change.

Sustainable Sourcing Framework strengthens Goodman's sustainability priorities through commitments in:

Environment: carbon strategy, climate resilience, energy efficiency, waste management, water management

Social: human rights, fighting modern slavery, labour protection, equal opportunity, social benefit

Governance: whistleblowing, supply chain processes, risk management.

Goodman's sustainability strategy is aligned with nine of the 17 Sustainable Development Goals ('SDGs'), which were identified as most material to our global business and stakeholders. Sustainable Sourcing Framework aligns with the following SDGs:



Our Supply Chain

Goodman's supply chain is made up of three categories:

Asset management supply chain

Key suppliers that support the asset management part of our business include maintenance, cleaning, security, plumbing, HVAC, fire, landscaping, building and construction. By volume of transactions, the asset management part of our business has the highest number of individual engagements within our supply chain.

Development supply chain

Key suppliers that support the development part of our business include suppliers involved in sourcing properties, for example real estate brokers and agents, service providers who assist with master planning, architecture, design, and project management, as well as general building contractors and the various specialist subcontractors and material suppliers who work with them. Goodman does not undertake construction in its own right. The design and construction of our developments are outsourced to our preferred General Contractors and by value this is the most significant area of our supply chain.

Operational and corporate supply chain

Key suppliers that support Goodman's operating and corporate functions include providers of office space, information technology and support, office materials, outsourced back-office providers, and professional services such as lawyers, accountants, recruiting agents and so on.

Our commitment

We are committed to working with our extensive global supply chain to develop an overall approach to align our procurement practices with our Sustainability Strategy including addressing needs to mitigate risks around modern slavery, labour protection, climate impacts and lead to sustainable outcomes.

Our aim is to create awareness, engage and develop partnerships with suppliers that operate with aligned values and standards by considering social, environmental, and human rights-related factors in our procurement decisions.

Governance

Goodman's overall governance framework includes several mechanisms to implement its policy objectives:



Sustainable Sourcing Framework ('SSF')

The SSF has been created to address two of Goodman's material sustainability priorities:

1. Demonstrating Goodman's values and promoting diversity, inclusiveness, and social equity
2. Influencing the sustainability practices of our value chain.

Through our SSF, we believe that we can positively influence outcomes by:

- + Encouraging environmental and social outcomes within our global supply chain whilst ensuring we achieve a balanced economic outcome, which includes overall value, capability, and quality of service
- + Encouraging our suppliers to adopt similar sustainability commitments and goals as Goodman
- + Raising awareness of sustainable sourcing with suppliers through workshops, training sessions and other materials
- + Ensuring that the products and services in our supply chains are sourced in accordance with legal obligations and community expectations while working with suppliers to improve their social and environmental practices
- + Utilising our relationships within our global supply chain spend to achieve positive outcomes for our stakeholders and our communities
- + Creating meaningful partnerships with suppliers, that create positive social value and support communities through our sourcing decisions
- + Setting clear expectations for our suppliers on what we expect of them as part of our supply chain
- + Complying with legal and regulatory obligations across our global operations.

By integrating environmental considerations and social impact into our procurement decisions, Goodman's Sustainable Sourcing Framework strives to create a more sustainable and responsible supply chain. This approach not only benefits the environment but also addresses social issues, promotes transparency, and enhances the overall sustainability performance of the organisation.

It is our preference that all Goodman suppliers comply with the minimum standards set out in our BES and policy / contractual frameworks. These standards are shared with our preferred suppliers, and we expect all our suppliers to constantly monitor their own compliance to these standards.

Components of SSF

SSF includes three key components:

Environmental sustainability

Goodman is mindful to environmental sustainability and acknowledges the impact of its procured products and services. We aim to minimise unnecessary consumption and consider environmental effects in our procurement decisions.

Environmental impact shall be considered, in accordance with local laws and regulations, across the following key areas:

- + Carbon emissions including upfront embodied, operational and end of life carbon
- + Electricity, gas
- + Water
- + Waste, end of life waste (circular economy), recycling
- + Climate change, extreme weather events and associated resilience
- + Biodiversity.



Modern slavery and labour protection

Goodman respects human rights and workplace rights.

Goodman faces a risk of involvement in modern slavery in our supply chains where coercion, threats or deception may be used to exploit victims and deprive people of their freedoms, rights, and access to safe and fairly compensated employment.

Our approach to respecting human rights, workplace rights and managing modern slavery risk includes:

- + Working within local laws and regulations and requiring our suppliers to comply with all labour and applicable health and safety laws, discrimination laws, applicable wages, and benefits laws.
- + Requiring suppliers to take reasonable steps to identify and assess risks of modern slavery practices in operations and supply chains, and source services, materials, and products from ethical suppliers.
- + Fostering open dialogue with our suppliers and actively encouraging awareness of modern slavery and human rights issues for suppliers within our supply chain by tailoring our implementation approach across different regions. Some of the approaches include:
 - Undertaking onboarding and/or periodic due diligence reviews
 - Training of our staff to be aware of potential risk
 - Incorporating modern slavery content onto local procurement policies, contractual documentation, and other mediums where possible
 - Engagement with suppliers, sharing best practices, and collaborating on solutions to address the issue of modern slavery within their supply chain
- + Mitigating risks that services undertaken directly or indirectly include child labour, or any forced or abuse of labour practices.
- + Providing potential victims an appropriate mechanism to report and communicate such events.
- + Setting minimum operational and supplier standards within our 'Modern Slavery Standards' document that will help with:
 - Identifying modern slavery risks in our global operations and supply chains.
 - Implementing actions to assess and address modern slavery risks including due diligence, grievance mechanism, and remediation.
 - Assessment of the effectiveness of our actions.

For more information on actions undertaken by Goodman, please see our [FY23 Modern Slavery Statement \(update for FY24 pending\)](#)



Social procurement

Goodman recognises that procurement outcomes can also benefit society. At Goodman, Social procurement involves using procurement processes and our purchasing power to generate positive social outcomes.

Our approach encourages regions to consider their specific requirements, including local economy, cultural differences, regulatory frameworks, and community needs, and to incorporate social benefits such as:

- + **Local sustainability:** Strengthening the local economy for both financial and environmental sustainability.
- + **Social inclusion:** Advocating for openness and equal opportunity for underprivileged community members and supporting the growth of local suppliers such as small businesses, social enterprises, and other diverse businesses.
- + **Employment and Training:** Generating local job opportunities for underprivileged groups in collaboration with our suppliers.

Incorporating social benefits involves encouraging existing and new suppliers to deliver social impacts. This approach also ensures a diverse pool of suppliers can participate in the tender process, specifically those whose organisational focus or structure emphasises delivering social impacts.

While the following table is a high-level list of suppliers (diverse or committed to driving social value) that we aim to encourage within our procurement processes, we understand that each of our regions may have their own interpretation of what constitutes a diverse supplier, which may include some of the following. In addition, there is flexibility for regions to identify additional minority groups that can further strengthen their social procurement initiatives:

CATEGORY	DEFINITION
Indigenous owned business	An indigenous owned business is defined as a business that is at least 51% owned and controlled by an indigenous person/people
Minority owned business	A minority owned business is defined as a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group
Social enterprise	A Social Enterprise is defined as a business that exists to drive social and environmental change, derives its income from trade and reinvests 50% or more of its annual profits to achieving its social purpose such as firms supporting disabilities, fostering social welfare, and creating employment opportunities while delivering local social impacts
Remote/migrant workers	In some of our countries our contractors deploy workers from distant regions and provinces
Women owned business	A Women Owned Business is defined as a business that is at least 51% owned and controlled by women
Disability enterprise	A Disability Enterprise is defined as an enterprise designed for supported employment of People with a Disability
B Corporations	B Corporations are defined as businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose
LGBTIQ business enterprise	A LGBTIQ owned business is defined as a business that is at least 51% owned, operated, and controlled by a person who identifies as LGBTIQ
Veteran Owned business	A veteran owned business is defined as a business that is at least 51% owned and controlled by one or more veterans
Small businesses	Regions are expected to create local definitions of small businesses relevant to their regional markets

Goodman believes that by providing goods and services through such suppliers, we can directly or indirectly achieve positive social outcomes.

Implementation

Our implementation approach of Sustainable Sourcing Framework is to:

- + Work with our regional stakeholders collaboratively to share our values, to encourage understanding and embed SSF onto existing procurement processes.
- + Assist Goodman to meet its legal and regulatory obligations in the jurisdictions which Goodman operates and create a framework whereby our contractors and suppliers also operate in compliance to local laws and regulations.
- + Identify and manage risks associated with breaches to our guidelines and local regulatory obligations, which includes operating with due diligence throughout the procurement and contractor management phases.
- + Develop procurement toolkits to focus on promoting high standards of social, ethical, and environmental performance, including fair and just labour standards, human rights and fair treatment of employees, and a commitment to minimising environmental impacts.
- + Conduct regular training of key stakeholder groups to transfer knowledge, engage on expectations, and ensure consistency of approach.
- + Engage with our contractors and supply chain to raise awareness of our sustainable sourcing framework.

Our SSF implementation timeline adopts a phased and methodical approach ensuring the integration of the SSF across procurement lifecycles while fostering transparency, accountability, and measurable impact in sustainable and inclusive procurement practices across regions within Goodman.

Performance measurement and monitoring

Regions are encouraged to incorporate Key Performance Indicators ('KPIs') most relevant to their procurement processes reflecting their maturity in their sustainable sourcing endeavours. Regular monitoring and annual review of these KPIs will be conducted to track progress, identify areas for improvement, and ensure accountability across all regions.

Validation, breaches, and remediation

Goodman's SSF approach involves developing a preferred supplier base that is screened according to our sourcing principles. Occasionally, Goodman may validate suppliers to ensure compliance with our policy, address potential breaches, or as part of agreed audit arrangements, sometimes with the assistance of third parties. If a breach is identified or suspected, our focus is on remediation through direct engagement or independent third-party intermediaries, depending on the severity and legality of the issue. For more severe breaches, Goodman will liaise internally with the Board and senior stakeholders and take necessary actions in accordance with applicable regulations.

Governance and reporting

Goodman Corporate Services has governance oversight of our Sustainable Sourcing Framework. We will review SSF annually to ensure it aligns with our values and the expectations of our stakeholders, and more frequently as required to respond to any regulatory developments.

The reporting of instances of unethical or improper conduct by Goodman or by any member of its supply chain from our supply chain partners or the general community is encouraged, and can be initiated via the Goodman website or emailed anonymously to ethicalconcerns@goodman.com.