



Modern Slavery Statement for the financial year ending 30 June 2022



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1. Introduction

- (a) This Modern Slavery Statement (Statement) is made in accordance with Section 16 of the *Australian Modern Slavery Act 2018* (Cth) (the Act). Region comprises Region Management Trust, Region Retail Trust (together, Trusts), Region RE Limited (“**Region RE**”) and any entities owned and/or managed, either beneficially or legally, by the Trusts or Region RE (“**Region**”) for the financial year ending 30 June 2022.
- (b) This Statement sets out the steps Region has taken from 1 July 2021 to 30 June 2022 to address modern slavery in its business and supply chains. This Statement has been approved by the Region Board.
- (c) Region firmly believes that all work should be done voluntarily and without slavery, servitude, forced or compulsory labour or the involvement of human trafficking. It takes the risk of modern slavery occurring in its business and its supply chain seriously and views relationships with its suppliers as an opportunity to encourage behaviour and practices that are consistent with its own ethical practices.

2. FY22 Highlights

During the reporting period, Region:

- (a) continued to build on its organisation’s purpose “*Together we build thriving communities through local convenience*”;
- (b) continued to build and develop its internalised Tenancy Coordination Design and Delivery Management function to control and monitor lessor tenancy construction works, tenancy deficits, modifications to base building services and tenancy hoardings;
- (c) reviewed its risk map of active suppliers to various risk categories in order to determine the inherent modern slavery risk in Region’s Tier 1¹ supply chain;
- (d) monitored adherence to its Supplier Code of Conduct designed specifically to assist with the management of modern slavery risks;
- (e) developed its supplier engagement contract templates to address modern slavery risks within contractual arrangements with suppliers and service providers;
- (f) provided all employees with modern slavery awareness training;
- (g) shared its expectations of supply chain and contractor behaviour to eliminate modern slavery with all relevant suppliers; and
- (h) sought voluntary responses from entities beyond its Tier 1 supply chain, in particular cleaning, security and building services

¹ Tier 1 suppliers are those suppliers contracted directly to provide goods and/or services to Region, and with whom Region has a direct payment relationship.

contractors managed by its property management partners.

3. Overview of Region

3.1 Region's structure

Region comprises two registered managed investment schemes: Region Management Trust (ARSN 160 612 626) and Region Retail Trust (ARSN 160 612 788). The units in each Trust are stapled to form the stapled listed vehicle, Region Group. Region Group is listed on the Australian Securities Exchange (ASX) under the code "RGN". Region Group is internally managed, which allows alignment of management interests with the interests of unitholders. Region RE is the responsible entity of Region Management Trust and Region Retail Trust. Region RE is a wholly owned subsidiary of Region Management Trust.

3.2 Region's operations

- (a) Since listed on the ASX in 2012, Region has completed a number of acquisitions and divestments and, at 30 June 2022, owned 91 convenience-based shopping centres in Australia with a total value of \$4,460.9m. At 30 June 2022, Region had a combined total of 92 Woolworths Group Limited and Coles Group Limited anchor tenants. Major anchor tenants accounted for 47% of Region's gross rent for the year ended 30 June 2022, with specialty tenants accounting for 53%.
- (b) Region's operations include the acquisition, management, leasing, development and disposal of retail shopping centres undertaken by an in-house team of asset, facilities, finance analyst, property, sustainability and legal professionals.
- (c) Region employed 86 people as at 30 June 2022, all of whom are based in Australia.

3.3 Region's supply chain

Region relies on a large number of suppliers to execute its business activities. It quantifies the direct engagement of 31 suppliers with an annual spend of \$16,342,800.00 excluding GST for the year ended 30 June 2022. Region's supply chain comprises products and services generally grouped into the following categories:

- (a) Property Operations – external service providers providing a range of operational services including external property management and facilities management services, tenancy delivery, property financial reporting, sustainability, cleaning, security and office equipment.
- (b) Corporate – external service providers providing a range of professional services including unit registry services, banking and financial services, information technology, payroll, property valuation, travel, recruitment, audit, compliance, sustainability, custodial services and specialist advice such as legal and tax.
- (c) Property development – external service providers providing a range of services including development management, design and construction.

4. Risks of modern slavery in Region's operations and supply chain

4.1 Operational risks

- (a) Region has assessed the risk that may result in it causing, contributing to or being directly linked to modern slavery. It has assessed the risk in its direct operations as low, and no instances of modern slavery have been identified. Region has a small workforce of 86

people operating exclusively in Australia.
There is no direct exposure to modern slavery key risk areas.

- (b) Region acknowledges the following risks in relation to the management of its employees:
- (i) deficient employee grievance mechanisms could reduce Region's opportunity to identify and remediate modern slavery risks; and
 - (ii) inadequate modern slavery training could reduce the effectiveness of Region's policies and grievance mechanisms to manage the risk of exploitation.

4.2 Supply chain risks

- (a) Region considers that there will be people in its supply chain who are at higher risk of modern slavery than its direct workforce.
- (b) In FY22, Region completed a risk assessment of its critical and key suppliers and invited other participants in its supply chain to complete its Modern Slavery Questionnaire or alternatively provide evidence of their own Modern Slavery Statements. Drawing on guidance published by the AS ISO 20400 Sustainable Procurement Standard, suppliers were assessed against four drivers of risk:
- (i) **Location of product or service** which included the consideration of the right of freedom of association, health and safety procedures, occurrence of discrimination and average living conditions.
 - (ii) **Industry sector** which included the consideration of recruitment practices and the termination of employment, employment profile (reliance on low-

skilled and/or migrant workers), living wage and existence of grievance mechanisms.

- (iii) **Supplier relationship** which included the consideration of the duration of the relationship, the level of oversight and the value of the contract.
 - (iv) **Existing information** which included the consideration of suppliers having an ethics/whistleblower policy, existence of a code of conduct, non-compliances with policies and other factors that are indicators of modern slavery, and media or non-governmental organisation reports indicating possible problems with labour standards.
- (c) As part of that risk assessment, Region grouped the selected suppliers into industry sectors, and then allocated a modern slavery risk (either low or significant) by reference to the industries listed in the Social Responsibility Alliance's Global Slavery and Trafficking Risk Template which are known to have significant risk of human trafficking.
- (d) Suppliers identified as having a potentially significant modern slavery risk were primarily in the cleaning, security and facilities management industry sectors.

5. Measures taken to assess and address risks of modern slavery in Region's business

5.1 Preventing modern slavery in Region's operations

- (a) Region is committed to respecting the rights of its employees through its internal employment policies and practices. The rights of all employees are addressed in Region's Code of Conduct, Human Resources Handbook, Workplace Health and Safety Policy and Diversity and Inclusion Policy. Employees are made aware of their rights through a variety of channels including employment contracts, induction and ongoing training.
- (b) In all Australian States and Territories in which Region has employees, Region complies with relevant employment laws and awards. Under these laws, Region is obliged to ensure that employees meet specified age requirements and this is supported by pre-employment screening checks Region undertakes on each employee. Region does not hire individuals under the age of 18 years, ensuring there is no risk that it will be associated with child labour in its operations. In addition, Region undertakes remuneration reviews with an external legal provider to ensure all employees are paid in accordance with the relevant awards and legislative requirements. On occasion, Region provides work experience learning opportunities for high school students, at their request. These students are not employees but are managed in a manner to prevent exploitation.
- (c) Region's culture supports open communication and the reporting of concerns at all levels. Due to the small size of Region's workforce, all employees have direct access to the senior management team, including the CEO, CFO and General Counsel, and any issues or concerns can be discussed with the members of the senior management team directly.
- (d) All employees, as well as third parties, have access to an authorised 24-hour hotline where they can raise any concerns in relation to improper conduct, including unethical business practices, in confidence and without fear of recrimination.
- (e) Modern slavery training is provided to all employees through Region's online training modules. Training is also provided to employees in relation to, amongst other things, Region's Code of Conduct, Whistleblower Policy and Procedure, Workplace Health and Safety Policy and Diversity and Inclusion Policy. Completion of training is reported and monitored by Region.
- (f) While the risk of modern slavery in Region's operations is low, remediation of harm (if required) would be addressed through the relevant internal employment policy. This would include formal investigations in accordance with Region's Whistleblower Policy and Procedure where required.
- (g) During the COVID-19 pandemic, employees were required to work from home, however the Sydney head office remained open for those employees deemed "essential workers" to continue working from head office. Employees were provided with equipment and technology to take home to ensure that they could continue to work effectively.

Video conferencing was used extensively to maintain contact between team members with a strong management focus on employee wellbeing, resilience and mental health. Employees were also provided with additional training on resilience and mental health during the pandemic period.

5.2 Preventing modern slavery in Region's supply chain

- (a) During the reporting period, Region reviewed its Outsourcing Policy and Procedure, Procurement Policy, Supplier Code of Conduct and supplier engagement template contracts (together, Supplier Engagement Matrix) to address modern slavery risks within contractual arrangements with suppliers.
- (b) Region's Outsourcing Policy and Procedure requires that a procurement review be undertaken at the initiation of a project or identification of the need to engage a key third-party supplier.
- (c) Region's supplier selection process is not limited to cost competitiveness but incorporates and requires consideration of issues relating to environmental sustainability, social responsibility, workplace health and safety standards, required certifications and licences and modern slavery.
- (d) Prior to entering a new third-party supplier relationship pursuant to the Outsourcing Policy and Procedure, the employee designated as the Responsible Person (as defined in the Outsourcing Policy) must initiate due diligence on the potential key supplier, which includes a review of the supplier's compliance with applicable laws and regulations, including those that impose ethical standards on suppliers. A subsequent risk management assessment of the supplier is required to determine the appropriate level of ongoing monitoring.
- (e) The risk of modern slavery has been identified in asset operational procurement, therefore once a contract with a third-party supplier is entered into, the employee with responsibility for the supplier relationship is accountable for:
 - (i) monitoring the supplier against the terms of the contract and service level agreements; and
 - (ii) documenting, maintaining and reporting legal and other issues or incidents.
- (f) The level of oversight imposed on the supplier varies with the supplier's risk assessment.
- (g) Region's Procurement Policy sets out the process pursuant to which suppliers are engaged. This includes the requirement for suppliers to be engaged using Region's standard supplier engagement template contracts. These contracts were updated during the reporting period to enhance the modern slavery provisions and also to require adherence with Region's Supplier Code of Conduct. The minimum requirements set out in these contracts include a prohibition on modern slavery, a right for Region to request information, an obligation to be notified of any breach of contract by the supplier and a right to terminate for non-compliance. A number of the more major works and services template contracts go further and also require suppliers determined by Region as being of potentially higher modern slavery risk to develop and implement appropriate policies and processes to detect and deal with modern slavery and provide reasonable

programs and training for the supplier's personnel relating to modern slavery.

(h) Region's Supplier Code of Conduct was reviewed during the reporting period and sets out Region's expectations for suppliers on a range of issues and includes the need to promote and respect human rights by working to prevent child or forced labour and human trafficking in their operations and supply chains. The Supplier Code of Conduct includes a specific reference to the Act and requires suppliers to meet the following minimum requirements:

- (i) adopt sound labour practices and treat its workers fairly in accordance with laws and regulations;
- (ii) refrain from using forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise;
- (iii) refrain from engaging in any act of modern slavery;
- (iv) take commercially reasonable steps to prevent its own subcontractors and suppliers from engaging in any acts of modern slavery; and
- (v) notify Region if any such supplier identifies any instance of modern slavery on its part or on the part of any of its sub-contractors.

(i) Region's Supplier Code of Conduct can be found at www.regiongroup.au.

(j) If a supplier is found to be in breach of its contract with Region, including in breach of the terms of the Supplier Code of Conduct, Region may look to exercise its contractual rights against that supplier and/or engage with the supplier to remediate the breach.

(k) For the reporting period, Region sent its critical and key suppliers a due diligence questionnaire to assess whether they were required to submit modern slavery statements under the Act and to ascertain the suppliers' approaches to modern slavery across their businesses. Responses were received from more than 80% of surveyed suppliers which were analysed by Region as part of its modern slavery risk assessment process. Suppliers that have not responded have been sent subsequent requests. Of those Region has statements from for FY21, it believes they are low risk and are likely in the process of preparing their own FY22 statements. In future reporting periods, Region will continue to engage appropriately with its suppliers in accordance with the Supplier Engagement Matrix to ensure that Region mitigates the risk of modern slavery, by encouraging suppliers to adopt their own measures to minimise the risk of slavery and trafficking occurring within their own organisations and supply chains.

(l) Supporting Region's suppliers has been a priority during the COVID-19 pandemic in FY22 to ensure disruptions to operations were minimised and critical relationships maintained as Region's centres remained open. Despite Region being required to grant rent relief and deferrals to its tenants, which negatively impacted Region's earnings, Region:

- (i) did not terminate any key supplier contracts;
- (ii) did not seek or obtain discounts from suppliers;
- (iii) encouraged the retention of security guards and supported increased security presence to manage panic

buying and increased foot traffic at supermarkets, in lieu of a general centre security presence where specialty tenancies were closed; and

- (iv) encouraged the retention of cleaners through adjustment to cleaning scopes, to reflect increased touchpoint cleaning, in lieu of demand for common area cleaning where specialty tenancies were closed.

5.3 Assessing effectiveness

- (a) Region is responsible for the continuous improvement of its processes and procedures implemented to address modern slavery risks within its operations and supply chain, acknowledging that this is an ongoing process.
- (b) Region measures its effectiveness by:
 - (i) conducting annual reviews of its modern slavery approach and the effectiveness of its Supplier Engagement Matrix;
 - (ii) monitoring suppliers in accordance with the terms of its Outsourcing Policy and Procedure to improve supplier performance, including any corrective actions; and
 - (iii) tracking ongoing engagement with suppliers, beyond the initial risk assessment, to identify potential process improvements.

- (c) Specific outcomes included:

Training employees on modern slavery	Completed in FY22
Inclusion of modern slavery clauses in all	Included in all renewals and new supplier

supplier engagement contracts	engagements in FY22
Identify all Tier 1 suppliers to Region	Completed in FY22
Preliminary assessment of all Tier 1 suppliers to identify and prioritise potential modern slavery risk	Completed in FY22
Invited contractors and suppliers, beyond Tier 1, to participate in its modern slavery response including questionnaires and/or evidence of Modern Slavery Statements	Completed in FY22
Encouragement of prompt reporting of incidents and modern slavery concerns in Region's operations and supply chain	Ongoing – no incidents observed or reported in FY22
Region's Whistleblower Policy and Procedure offers protections to individuals to raise modern slavery concerns directly with Region	Ongoing – no incidents observed or reported in FY22

5.4 Consultation

As Region RE and the two stapled Trusts operate as one corporate mind, all actions taken in this reporting period were taken by and on behalf of Region as a group. This will continue as it seeks to achieve its FY23 objectives.

5.5 Action plan for future reporting periods

- (a) Region recognises that modern slavery issues are complex and fluid in nature and Region



strives to maintain practices and policies that fulfil its commitment to promoting and respecting human rights. Region acknowledges that this must be a continuing effort, with ongoing work to reassess its practices and approach in light of changing global circumstances and an evolving global policy environment. Region is committed to engaging with a range of stakeholders on these important topics.

- (b) Region's FY23 objectives include:
 - (i) ongoing review and improvement of the Supplier Engagement Matrix;
 - (ii) continued identification and assessment of supply chain risk;
 - (iii) continued engagement with suppliers to raise awareness of the risk of modern slavery; and
 - (iv) providing ongoing staff training on the risk of modern slavery and what it means in practice.
- (c) The purpose of this Statement is to provide general information only as required by the Act and is correct as at the date of publication.
- (d) This Statement was approved by the Board of Region RE Limited, the responsible entity of Region Management Trust and Region Retail Trust on 8 December 2022.

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Steven Crane
Chairman

22 December 2022
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Date

Appendix

The below table identifies where each mandatory reporting criterion set out under the Act is disclosed within this Statement.

Identify the reporting entity	Page 3 Introduction
Describe the reporting entity's structure, operations and supply chains	Page 4 Overview of Region Group
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 4-5 Risks of modern slavery in Region's operations and supply chain
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 6-9 Measures taken to assess and address risks of modern slavery in Region's business
Describe how the reporting entity assesses the effectiveness of these actions	Page 9 Assessing effectiveness
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 9 Consultation
Provide any other relevant information	Page 3 Introduction