



Managed by
HMC Funds Management Limited
(ACN 105 078 635; AFSL 237257)
as responsible entity of the
HomeCo Daily Needs REIT (ARSN 645 086 620)

7 November 2022

Dear Stakeholders,

HomeCo Daily Needs REIT: FY22 Modern Slavery Statement

This is HDN's first Modern Slavery Statement and has been approved by HMC Funds Management Limited as the Responsible Entity of the HomeCo Daily Needs REIT.

HDN will never knowingly participate in modern slavery practices in its directly controlled operations and is committed to respecting and promoting the human rights of our people, suppliers and the communities in which we operate.

We are proud to present our first statement and commit to building on the commitments contained within it. Continuous improvement of our processes to identify and uncover issues around modern slavery will be a focus in FY23, as will the prevention and remediation of such issues.

A handwritten signature in black ink, appearing to be "Sid Sharma". The signature is stylized with loops and a long horizontal stroke at the end.

Sid Sharma
HDN CEO

HomeCo
Daily Needs REIT

ARSN 645 086 620



Modern Slavery Statement

2022

Modern Slavery Statement

Introduction

The HomeCo Daily Needs REIT (**HDN**) is subject to the *Modern Slavery Act 2018* (Cth) ('Act') which requires reporting entities subject to the Act to produce an annual modern slavery statement.

This is the first Modern Slavery Statement for HDN and has been approved by HMC Funds Management Limited as the Responsible Entity of the HomeCo Daily Needs REIT.

This Modern Slavery Statement sets out the following information in compliance with its obligations under the Act, to:

- identify the reporting entity
- describe the structure, operations and supply chains
- describe the risks of modern slavery practices in operations and supply chains
- describe the actions taken to assess and address those risks, including due diligence and remediation processes
- describe how the reporting entity will assess the effectiveness of such actions
- describe the process of consultation with any entities that the reporting entity owns or controls
- include any other information that we consider relevant

The Reporting Entity

The reporting entity is the HomeCo Daily Needs REIT.

The HomeCo Daily Needs REIT is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the subsectors of Neighbourhood Retail, Large Format Retail and Health & Services.

HDN is externally managed by Home Consortium Limited (ACN 138 990 593) (t/a **HMC Capital**) through HMC Investment Management Pty Ltd (ACN 644 510 583) and HMC Property Management Pty Ltd (ACN 644 510 707), as its investment and property managers. Both are wholly owned subsidiaries of HMC Capital. The Responsible Entity of HDN, HMC Funds Management Limited, is also a wholly owned subsidiary of HMC Capital.

HDN structure, operations and supply chains

As at 30 June 2022, HDN owned

53

CENTRES ACROSS AUSTRALIA VALUED AT CIRCA

\$4.6 billion

VIA WHOLLY OWNED SUB-TRUSTS. HDN'S REVENUE IS SOLELY DERIVED FROM RENTAL INCOME.

For more information about HDN operations and structure please refer to the HDN Annual Report available in the Investor Centre at <https://www.hmccapital.com.au/our-funds/homeco-daily-needs-reit/>

TABLE 1: STRUCTURE, OPERATION AND SUPPLY CHAINS – OVERVIEW




 STRUCTURE	 OPERATIONS	 SUPPLY CHAINS
<p>ASX Listed Real Estate Investment Trust</p> <hr/> <p>HDN owns all property via sub-trusts</p> <hr/> <p>The centres operate under the HomeCo brand in the locations where they are situated</p> <hr/> <p>HMC Funds Management Limited as responsible entity for the HomeCo Daily Needs REIT</p> <hr/> <p>Level 7 Gateway 1 Macquarie Place Sydney NSW 2000</p>	<p>Ownership of real property</p> <hr/> <p>See Annual Report for list and description of assets</p> <hr/> <p>53 centres located in NSW, Qld, Vic, SA and WA</p> <hr/> <p>The responsible entity has entered into four key material contracts to conduct the operations of HDN as a listed REIT for investment and property management services, registry services and custodial services.</p> <hr/> <p>The registered office of HDN is located in the head office of HMC Capital.</p>	<p>All land located in Australia</p> <hr/> <p>Freehold Title</p> <hr/> <p>HDN properties are managed by external property manager. External property manager engages Knight Frank Australia as its third party asset and facilities management services provider.</p> <hr/> <p>Some supply arrangements are managed by HMC Capital and comprise long term operational type supplies and office rental. All property and development supplies are overseen by the external property and asset manager.</p>

TABLE 2: OWNERSHIP & GOVERNANCE STRUCTURE

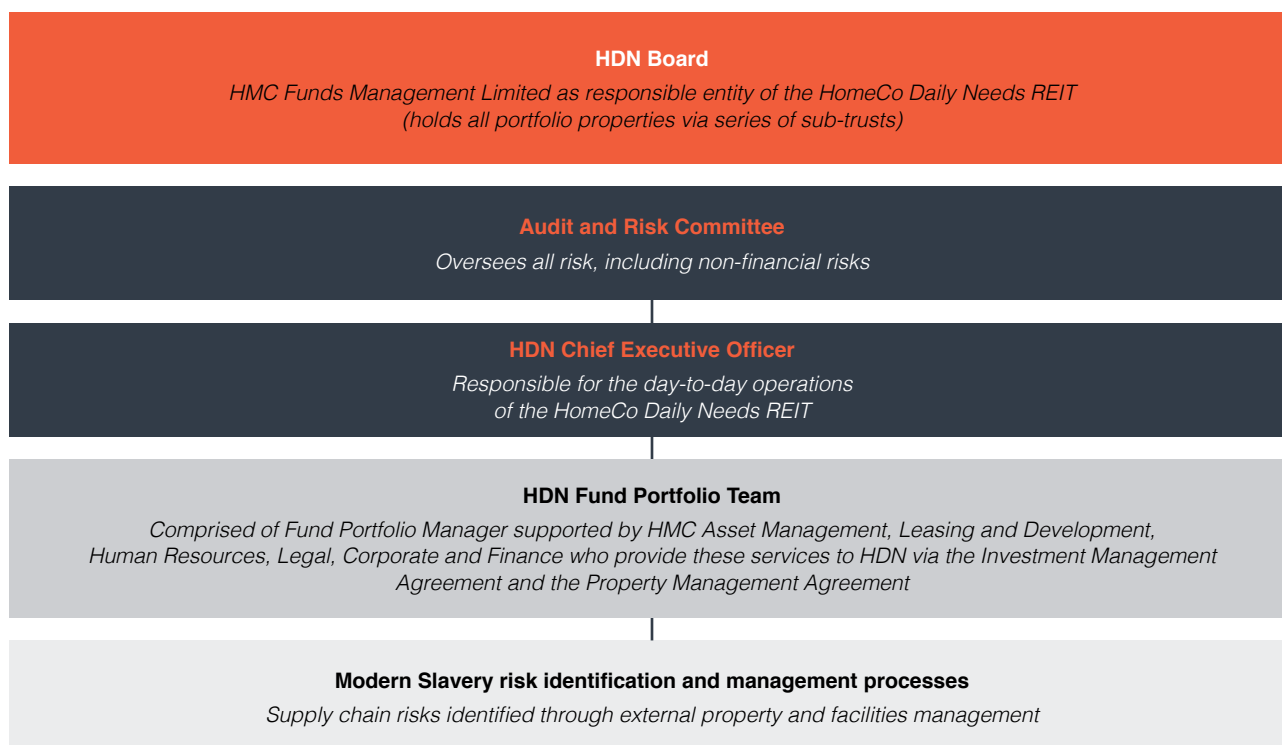


TABLE 3: SUPPLY CHAIN

KEY BUSINESS CATEGORIES	TYPES OF SUPPLIERS ENGAGED
Centre Management and Operations	<p>External property and facilities management agreement in place for all assets.</p> <p>All suppliers of property management services such as cleaning, security, waste management, air conditioning, landscaping and maintenance services, vertical transport and essential services such as energy, sewage and water are provided through the external management agreements.</p>
Development activity	<p>External development management agreement in place for all assets.</p> <p>Builders, contractors, materials suppliers, design consultants, and tradespeople managed through the external management agreements.</p>
Centre and corporate offices	<p>External property and facilities management agreement in place for all centre and corporate offices.</p> <p>Office supplies, corporate projects, employment and training of staff, external legal advice, leasing services, IT infrastructure and support services and travel all provided through the external management agreements.</p>

The risks of modern slavery practices in the operations and supply chains

HDN will never knowingly participate in modern slavery practices in its directly controlled operations.

HMC Funds Management Limited as the responsible entity of HDN has assessed that the risk of modern slavery practices within its day-to-day operations is low, as there are no direct employees and all HMC staff that are providing services to HDN are primarily working in property management and ancillary professional service roles exclusively within Australia. HDN's key property and facilities manager, Knight Frank Australia (KFA) is subject to the Modern Slavery Act and HDN has reviewed the KFA Modern Slavery Statement. HDN will work collaboratively with KFA to support each other's Modern Slavery initiatives.

In relation to the risk of exposure to modern slavery practices in the type of real estate held in the portfolio, the risk is considered greater with certain services that are required in the day-to-day operations. In particular, cleaning contractors have been an area of increased focus and awareness. It has been shown that this industry is more likely to employ lower paid foreign, unskilled workers who are potentially at a heightened risk of exploitation and we have made this an area of focus. We will be focusing on this area with KFA and understanding the processes in place to prevent any modern slavery practices from occurring.

HMC is also committed to ensure that it will support the modern slavery initiatives of HDN. The structure, operations and direct workforce of HMC Capital are managed through its policies and practices, the ethical standards and behavioural conduct requirements that HMC Capital exhibits in all its dealings, both internal and external, and always in accordance with the HMC Code of Conduct, and other relevant policies which are approved by HMC Capital. HMC Capital will also commit to ensuring that all relevant staff who provide services to HDN receive appropriate training around modern slavery awareness.

The actions taken to assess and address these risks including due diligence and remediation processes

In FY22, HDN has commenced determining what actions it must take to assess and address the risks of modern slavery practices occurring in its operations and supply chains. To that end, it is adopting the UN Guiding Principles on Business and Human Rights with respect to undertaking human rights due diligence. In FY23, it will apply these to assist it to identify, prevent, mitigate and account for how HDN addresses actual or potential adverse human rights impacts in its operations and supply chains, and specifically modern slavery.

Further, we will also adopt the UN Guiding Principles with respect to remediation.

This approach is summarised in Table 4 below:

TABLE 4: DUE DILIGENCE & REMEDIATION

a. Due Diligence




 DUE DILIGENCE	 OPERATIONS	 SUPPLIERS
<p>Identifying and assess actual and potential human rights impacts by screening all new suppliers for modern slavery risks</p> <hr/> <p>Integrate the findings and identify appropriate action to address impacts</p> <hr/> <p>Tracking performance to check whether impacts are being addressed</p> <hr/> <p>Publicly communicate what HDN is doing</p>	<p>All such practices illegal and will not be tolerated in its operations</p> <hr/> <p>Share findings of screening process and introduce specific training to relevant HMC employees</p> <hr/> <p>Assessing competencies to identify risk of modern slavery practices</p> <hr/> <p>Increasing employee awareness of modern slavery risks</p>	<p>Working with external property, asset and facilities service providers to review existing and new suppliers and ensure that they are reviewed and screened specifically for modern slavery risks</p> <hr/> <p>Enforcing response to any adverse findings through mechanisms contained in supplier codes of conduct or ceasing engagement</p> <hr/> <p>Completing audit of supplier screening processes</p> <hr/> <p>Annually publishing Modern Slavery Statement and making public responses where necessary</p>

TABLE 4: DUE DILIGENCE & REMEDIATION

b. Remediation Steps

 <p>IDENTIFICATION</p>	 <p>RESPONSE</p>
<p>The entity itself has caused or contributed to adverse impact such as modern slavery</p> <hr/> <p>Modern slavery practices are discovered within supply chain</p> <hr/> <p>Unacceptable risk that modern slavery practices may be present in supply chain</p>	<p>'Make good' the adverse impact by restoring the victim to the situation they would be in if the adverse impact had not occurred</p> <hr/> <p>Work with the relevant entity that caused the impact to prevent or mitigate the harm and prevent its recurrence</p> <hr/> <p>Ending the business relationship with any entity if we determine unacceptable risk of modern slavery practices</p>

How HDN assesses the effectiveness of actions being taken to assess and address modern slavery risks

In FY23, HDN will broaden the review to develop a greater understanding of potential exposures, and:

- Continue to assess the potential modern slavery risks in HDN's operations and supply chains with emphasis on high-risk geographical locations and business transactions;
- Review all company policies and identify those that may be impacted by modern slavery considerations; and
- Review all key service supplier contracts to ensure they contain terms that are consistent with the Act.

HDN will establish the following processes in FY23 to commence the assessment of the effectiveness of its actions:

- Establish a process to regularly review the actions it takes by establishing an annual review of HDN's response to modern slavery;
- Check its risk assessment processes to ensure they remain up-to-date and that there are triggers to identify when an update to a risk assessment is required;
- Set up a process to provide regular engagement and feedback within HDN's operations;
- Conduct audits on key service providers to assess and address modern slavery risks to determine if mitigation measures have been consistently actioned;
- Track its actions and measuring impact in relation to service provider and employee engagement, and levels of awareness; and
- Investigate partnering with an industry group to undertake an independent review of its actions.