

SCA PROPERTY GROUP

MODERN SLAVERY STATEMENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021

Introduction

This Modern Slavery Statement (**Statement**) is made in accordance with section 16 of the *Australian Modern Slavery Act 2018* (Cth) (the **Act**). This is an inaugural statement of Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851) (**SCP****RE**) and the entities that it owns or controls, Shopping Centres Australasia Property Retail Trust and Shopping Centres Australasia Property Management Trust (collectively, **SCA** or **SCA Property Group**) for the financial year ending 30 June 2021.

This Statement sets out the steps SCA Property Group has taken from 1 July 2020 to 30 June 2021 to address modern slavery in its business and supply chains. This Statement has been approved by the SCPRE Board.

SCA firmly believes that all work should be done voluntarily and without slavery, servitude, forced or compulsory labour or the involvement of human trafficking. We take the risk of modern slavery occurring in our business and our supply chain seriously and view relationships with our suppliers as an opportunity to encourage behaviour and practices that are consistent with our own ethical practices.

FY21 Highlights

During the reporting period, SCA:

- Introduced a new purpose for the organisation being “*Together we build thriving communities through local convenience*”;
- Completed the transition of Tenancy Coordination Management Services to an internal business function to control and monitor lessor tenancy construction works, tenancy deficits, modifications to base building services and tenancy hoardings;
- Reviewed our risk map of active suppliers to various risk categories in order to determine the inherent modern slavery risk in SCA’s Tier 1¹ supply chain;
- Monitored adherence to our Supplier Code of Conduct designed specifically to assist with the management of modern slavery risks;
- Developed our supplier engagement contract templates to address modern slavery risks within contractual arrangements with suppliers and service providers;
- Provided all employees with modern slavery awareness training;
- Shared our expectations of supply chain and contractor behaviour to eliminate modern slavery with all relevant suppliers; and
- Sought voluntary responses from entities beyond our Tier 1 supply chain, in particular cleaning, security and building services contractors managed by our property management partners.

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

Overview of SCA Property Group

SCA Property Group's structure

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

SCA Property Group's operations

Since listed on the ASX in 2012, SCA has completed a number of acquisitions and divestments, and at 30 June 2021 owned 92 convenience-based shopping centres with a total value of \$4,000.0m (SCA Annual Report, Investor Presentation). At 30 June 2021 SCA had 111 major anchor tenants including 74 Woolworths Group Limited anchor tenants, 30 Coles Group Limited anchor tenants and 8 Wesfarmers Limited anchor tenants. Major anchor tenants accounted for 48% of SCA's gross rent for the year ended 30 June 2021, with specialty tenants accounting for 52%.

SCA'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.

SCA employs approximately 60 people, all of whom are based in Australia.

SCA Property Group's supply chain

SCA relies on a large number of suppliers to execute its business activities. Our supply chain is comprised of products and services generally grouped into the following categories:

- **Property Operations** – external service providers provide a range of operational services including external property management and facilities management services, tenancy delivery, property financial reporting, sustainability, workplace health and safety management services, cleaning, security and office equipment.
- **Corporate** – external service providers provide 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.
- **Property development** – external service providers provide a range of services including development management, design and construction.

Risks of modern slavery in SCA Property Group's operations and supply chain

Operational risks

SCA has assessed the risk that may result in SCA 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. SCA has a small workforce of less than 60 people operating exclusively in Australia. There is no direct exposure to modern slavery key risk areas.

SCA acknowledges the following risks in relation to the management of employees:

- Deficient employee grievance mechanisms could reduce SCA's opportunity to identify and remediate modern slavery risks; and
- Inadequate modern slavery training could reduce the effectiveness of SCA's policies and grievance mechanisms to manage the risk of exploitation.

Supply chain risks

SCA considers that there will be people in its supply chain who are at higher risk of modern slavery than its direct workforce. We quantify the direct engagement of 16 suppliers with an annual spend of \$1.57m.

In FY21, SCA completed a risk assessment of its critical and key suppliers and invited other participants in our supply chain (beyond Tier 1) to complete our 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:

- **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.
- **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.
- **Supplier relationship** which included the consideration of the duration of the relationship, the level of oversight, and the value of the contract.
- **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.

As part of that risk assessment, SCA 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 Social Responsibility Alliance's Global Slavery and Trafficking Risk Template which are known to have significant risk of human trafficking.

Suppliers identified as having a potentially significant modern slavery risk were primarily in the cleaning, security and facilities management industry sectors, with these risks most likely occurring at Tier 2 and below supplier level.

Measures taken to assess and address risks of modern slavery in SCA's business

Preventing modern slavery in SCA Property Group's operations

SCA is committed to respecting the rights of its employees through its internal employment policies and practices. The rights of all employees are addressed in SCA'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.

In all Australian States and Territories in which SCA has employees, SCA complies with relevant employment laws, and awards. Under these laws, SCA is obliged to ensure that employees meet specified age requirements, and this is supported by pre-employment screening checks SCA undertakes on each employee. SCA does not hire individuals under the age of 18 ensuring there is no risk that SCA will be

associated with child labour in its operations. In addition, SCA undertakes remuneration reviews with an external legal provider to ensure all employees are paid in accordance with the relative awards and legislative requirements.

SCA's culture supports open communication and the reporting of concerns at all levels. Due to the small size of SCA'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.

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.

Modern slavery training is provided to all employees through SCA's online training modules. Training is also provided to employees in relation to, amongst other things, SCA's Code of Conduct Policy, Whistleblower Policy, Workplace Health and Safety Policy and Diversity and Inclusion Policy. Completion of training is reported and monitored by SCA.

While the risk of modern slavery in SCA'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 SCA's Whistleblower Policy where required.

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 permitted to take equipment and technology home to ensure that they could continue working effectively. Videoconferencing was used extensively to maintain contact between team members, with a strong management focus on employee wellbeing, resilience, and mental health. Whilst outside of the reporting period, employees were also provided with additional training on resilience and mental health.

Preventing modern slavery in SCA Property Group's supply chain

During the reporting period, SCA undertook a review of its Outsourcing Policy, 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.

SCA's Outsourcing Policy requires that a procurement review be undertaken at the initiation of a project or identification of the need to engage a third-party supplier or procure a product or service for all but the lowest risk and lowest spend purchases. SCA's Outsourcing Policy is complemented by SCA's Procurement Policy.

SCA's supplier selection process is not limited to cost competitiveness, but incorporates and requires consideration of environmental sustainability, social responsibility, workplace health and safety standards and certification and modern slavery.

Prior to entering into a new third-party supplier relationship, the employee designated as the Responsible Person (as defined in the Outsourcing Policy) must initiate due diligence on the potential 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 determines the appropriate level of ongoing monitoring.

We have identified the risk of Modern Slavery in asset operational procurement and consequently have scheduled this issue as per our Internal Audit plan.

Once a contract with a third-party supplier is in place, the Responsible Person is responsible for the supplier relationship. The responsibilities of the Responsible Person include:

- Monitoring the supplier against the terms of the contract and service level agreements; and
- Documenting, maintaining and reporting legal and other issues or incidents.

The level of oversight imposed on the supplier varies with the supplier's risk assessment.

SCA's Procurement Policy sets out the process pursuant to which suppliers are engaged. This includes the requirement for suppliers to be engaged using SCA's standard supplier engagement template contracts. These contracts were updated during the reporting period to include robust modern slavery provisions, and also to require adherence with SCA's Supplier Code of Conduct. The minimum requirements set out in these contracts include a prohibition on modern slavery, a right for SCA 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 SCA to potentially be a high 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.

SCA's Supplier Code of Conduct was updated during the reporting period and sets out SCA'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:

- Adopt sound labour practices and treat its workers fairly in accordance with laws and regulations;
- Refrain from using forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise;
- Refrain from engaging in any act of modern slavery;
- Take commercially reasonable steps to prevent its own subcontractors and suppliers from engaging in any acts of modern slavery; and
- Notify SCA if any such supplier identifies any instance of modern slavery on its part or on the part of any of its sub-contractors.

SCA's Supplier Code of Conduct can be found at www.scaproperty.com.au.

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

Concurrently with the updates made to the Supplier Engagement Matrix, SCA 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 our suppliers' approaches to modern slavery across their businesses. Responses were received from more than 80% of surveyed suppliers which were analysed by SCA as part of its modern slavery risk assessment process. Suppliers that have not responded have been sent subsequent requests. The suppliers that have provided statements from FY20 believe they are low risk and are likely in the process of preparing their own FY21 statements. In future reporting periods, SCA will continue to engage appropriately with its suppliers in accordance with the Supplier Engagement Matrix to ensure that SCA 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.

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

- did not terminate any key supplier contracts;
- did not seek or obtain discounts from suppliers;

- encouraged the retention of security guards through 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
- 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.

Assessing effectiveness

We are responsible for the continuous improvement of our processes and procedures implemented to address modern slavery risks within our operations and supply chain, acknowledging that this is an ongoing process.

SCA measures its effectiveness by:

- Conducting annual reviews of our modern slavery approach and the effectiveness of our Supplier Engagement Matrix;
- Monitoring suppliers in accordance with the terms of our Outsourcing Policy to improve supplier performance, including any corrective actions;
- Tracking ongoing engagement with suppliers, beyond the initial risk assessment, to identify potential process improvements.

Specific outcomes included:

Training employees on modern slavery	Completed in FY21
Inclusion of modern slavery clauses in all supplier engagement contracts	Included in all renewals and new supplier engagements in FY21
Identify all Tier 1 suppliers to SCA	Completed in FY21
Preliminary assessment of all Tier 1 suppliers to identify and prioritise potential modern slavery risk	Completed in FY21
Invited contractors and suppliers, beyond Tier 1, to participate in our Modern Slavery response including questionnaires and/or evidence of Modern Slavery Statements	Completed in FY21
Encouragement of prompt reporting of incidents and modern slavery concerns in SCA's operations and supply chain	Ongoing – no incidents observed or reported in FY21
SCA's Whistleblower Policy offers protections to individuals to raise modern slavery concerns directly with SCA	Ongoing – no incidents observed or reported in FY21

Consultation

As SCPRE and the two stapled Trusts operate as one corporate mind, all actions taken in this reporting period were taken by and on behalf of SCA as a group. This will continue as we seek to achieve our FY22 objectives.

Action plan for future reporting periods

SCA recognises that modern slavery issues are complex and fluid in nature, and SCA strives to maintain practices and policies that fulfil our commitment to promoting and respecting human rights. SCA acknowledges that this must be a continuing effort, with ongoing work to reassess our practices and approach in light of changing global circumstances and an evolving global policy environment. SCA is committed to engaging with a range of stakeholders on these important topics.

SCA's FY22 objectives include:

- Ongoing review and improvement of Supplier Engagement Matrix;
- Continued identification and assessment of supply chain risk;
- Continued engagement with suppliers to raise awareness of the risk of modern slavery; and
- Providing ongoing staff training on the risk of modern slavery and what it means in practice.

The purpose of the Statement is to provide general information only as required by the Act and is correct as at the date of publication.

This Statement was approved by the Board of Shopping Centres Australasia Property Group RE Limited, the responsible entity of the Shopping Centres Australasia Property Retail Trust, and Shopping Centres Australasia Property Management Trust, on 9 December 2021.



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Philip Marcus Clark AO
Chairman

13 December 2021
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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 1 Introduction
Describe the reporting entity's structure, operations and supply chains	Pages 1 – 2 Overview of SCA Property 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 2 – 3 Risks of modern slavery in SCA Property Group'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 3 -6 Measures taken to assess and address risks of modern slavery in SCA's business
Describe how the reporting entity assesses the effectiveness of these actions	Pages 6 – 7 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 7 Consultation
Provide any other relevant information	Page 1 - 2 Introduction