

SCA PROPERTY GROUP

MODERN SLAVERY STATEMENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2020

1. 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) (**SCPRES**) 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 2020.

This Statement sets out the steps SCA Property Group has taken from 1 July 2019 to 30 June 2020 to address modern slavery in its business and supply chains and has been approved by SCA's Board (see below).

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 values.

FY20 Highlights

During the reporting period, SCA:

- Risk mapped its active suppliers to various risk categories in order to determine the inherent modern slavery risk in SCA's Tier 1¹ supply chain;
- Introduced a Supplier Code of Conduct designed specifically to assist with the management of modern slavery risks;
- Introduced a Procurement Policy, and updated its Outsourcing Policy, to assist with the management of modern slavery risks;
- Introduced new supplier engagement contract templates to address modern slavery risks within contractual arrangements with suppliers; and
- Provided all employees with modern slavery awareness training.

2. 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.

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

SCA is listed on the Australian Securities Exchange (ASX) under the code "SCP".

SCA Property Group's operations

In late 2012 Woolworths Group Limited transferred its ownership of its shopping centres to SCA, which was then listed on the ASX as a separate independent real estate investment trust in December 2012. Woolworths does not have any ownership interest in SCA.

Since its creation, SCA has completed a number of acquisitions and divestments, and now owns and manages a portfolio of quality sub-regional and neighbourhood shopping centres focused on convenience retailing across Australia. At 30 June 2020 SCA owned 85 shopping centres, with 111 major anchor tenants including 72 Woolworths, 28 Coles and 7 Wesfarmers anchor tenants. Major anchor tenants accounted for 48% of SCA's gross rental collections at 30 June 2020, with specialty tenants accounting for 52%. At 30 June 2020, SCA's portfolio was valued at \$3,138.2m.

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 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 suppliers provide a range of operational services that complement and support our in-house asset and facilities management expertise, including property management and facilities management, property financial reporting, workplace health and safety management, cleaning, security, repairs and maintenance, and office equipment.
- **Corporate** – external service providers provide a range of professional services including unit registry services, banking and financial services, payroll processing, property valuation, travel, recruitment, audit, compliance, 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.

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

Operational risks

SCA has assessed the risk of modern slavery 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 employment policies, processes and procedures governing the risks associated with the management of employees, including the provision of minimum employee entitlements as prescribed by law, and workplace health and safety; and
- Inadequate staff training could reduce the effectiveness of SCA's policies, processes and procedures governing the risks associated with the management of employees.

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.

During the reporting period, SCA completed a risk assessment of its Tier 1 suppliers. Drawing on guidance set out in 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 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 policy, 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 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 the Tier 2² (and below) supplier level. The steps taken by SCA during the reporting period to address modern slavery risks as regards to those identified suppliers are set out in section 4 below.

4. 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.

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.

² Tier 2 suppliers are those suppliers that subcontract with SCA's Tier 1 suppliers

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 asked to work from home, however the Sydney head office remained open for those employees who wished 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 with 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 of 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 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.

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. A greater level of oversight is imposed on those Tier 1 suppliers SCA has identified as having the potential for significant modern slavery risk using Social Responsibility Alliance's Slavery and Trafficking Risk Template, being cleaning, security and facilities management suppliers.

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. Several of the more major works and services template contracts go further and require suppliers determined by SCA to potentially be a significant 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 identified 15 of its Tier 1 suppliers as having the potential for significant modern slavery risks in their operations using Social Responsibility Alliance's Slavery and Trafficking Risk Template. SCA sent those identified suppliers a due diligence questionnaire to assess whether they were required to submit modern slavery statements under the Act, and to ascertain their 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. 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.

5. Assessing effectiveness

Management oversight

SCA’s Sustainability Steering Committee, comprising senior leaders from across our core business functions, oversees sustainability, including modern slavery, across our business. The Sustainability Steering Committee will regularly review the effectiveness of our processes and procedures implemented to address modern slavery risks within our operations and supply chain using the measures set out below. The Sustainability Steering Committee provides a forum for engagement and collaboration across core business functions as regards to the assessment and prevention of modern slavery across SCA’s operations and supply chain.

Board oversight

SCA’s Audit, Risk Management and Compliance Committee will receive and review reports on our actions, and the effectiveness of those actions, in addressing the risks of modern slavery in SCA’s operations and supply chain.

Measuring effectiveness

Effectiveness will be measured 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; and
- Benchmarking our suppliers against industry peers where possible.

Specific outcomes identified during the reporting period included:

Development of Supplier Engagement Matrix that addresses modern slavery risk in SCA’s operations and supply chains	Completed in FY20 and ongoing in FY21
Training employees on modern slavery	Completed in FY20 and ongoing in FY21
Inclusion of modern slavery clauses in all supplier engagement contracts	Completed in FY20 and ongoing in FY21 as supplier contracts come up for renewal, or new suppliers engaged
Identify all Tier 1 suppliers to SCA	Completed in FY20
Preliminary assessment of all Tier 1 suppliers to identify and prioritise potential modern slavery risk	Completed in FY20 and ongoing 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 FY20
SCA’s Whistleblower Policy offers protections to individuals to raise modern slavery concerns directly with SCA	Ongoing – no incidents observed or reported in FY20

6. 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 FY21 objectives.

7. 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 FY21 objectives include:

Further review and improvement of Supplier Engagement Matrix	Workstream commenced in FY20 and ongoing in FY21
Continuation of staff training on the risk of modern slavery and what it means in practice.	Workstream commenced in FY20 and ongoing in FY21
Inclusion of modern slavery clauses in all supplier engagement contracts	Workstream commenced in FY20 and ongoing in FY21 and beyond as supplier contracts come up for renewal, or new suppliers engaged
Further assessment of Tier 1 suppliers to identify and prioritise potential modern slavery risk	Workstream commenced in FY20 and ongoing in FY21
Additional engagement with suppliers to raise awareness of the risk of modern slavery	Workstream commenced in FY20 and ongoing in FY21
Encouragement of prompt reporting of incidents and modern slavery concerns in SCA's operations and supply chain	Workstream commenced in FY20 and ongoing in FY21

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 as the responsible entity of the Shopping Centres Australasia Property Retail Trust, and Shopping Centres Australasia Property Management Trust, on 17 March 2021.



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Philip Marcus Clark AO
Chairman

APPENDIX

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

Identify the reporting entity	Section 1 Introduction
Describe the reporting entity's structure, operations and supply chains	Section 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	Section 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	Section 4 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	Section 5 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)	Section 6 Consultation
Provide any other relevant information	Section 1 Introduction