



# 2023 Modern Slavery Statement



Supporting better communities  
through life's essentials.

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## Reporting Entity

The Reporting entity of this Modern Slavery Statement is Region Group ("**Region**") which 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 for the financial year ending 30 June 2023. It also includes reference to some actions which have occurred after 30 June 2023. Where such actions have been included, the timing has been noted.

## Letter from the CEO

At Region, our purpose is supporting better communities through life's essentials. This drives us to make positive change in our communities and influences our approach to modern slavery.

Modern slavery is a complex issue across supply chains, industries, and geographies where there are vulnerable people. 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 seriously the risk of modern slavery occurring in its business and its supply chain and views relationships with its suppliers as an opportunity to encourage behaviour and practices that are consistent with its own ethical practices.

During the reporting period, Region:

- reviewed its risk map of active suppliers to various risk categories in order to determine the inherent modern slavery risk in Region's Tier 1<sup>1</sup> supply chain;
- monitored adherence to its Supplier Code of Conduct designed specifically to assist with the management of modern slavery risks;

- has maintained its 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 its expectations of supply chain and contractor behaviour to not engage in any activity that constitutes or involves modern slavery in the performance of obligations.

This year's Modern Slavery Statement details our efforts to build our capability and sets foundations for future action. This statement builds on our previous statements and provides insight into our potential modern slavery risks across our operations and supply chain, and the actions we have taken to respond to these.

<sup>1</sup> 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.



*A. Mellowes*

**Anthony Mellowes**  
Chief Executive Officer

# Region’s Structure, Operations and Supply Chain

## 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 securities 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 security holders. 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.

Region RE as Responsible Entity of Region Retail Trust owns 20% of SCA Metro Convenience Shopping Centre Fund (a joint venture with Singaporean sovereign wealth fund, GIC)

## REGION’S OPERATIONS

Region’s core strategy is to invest in a geographically diverse portfolio of convenience-based retail properties. The portfolio is focused on the non discretionary retail sector and is anchored by long term leases to quality tenants. Region’s operations include the management, leasing, acquisition, development and disposal of retail shopping centres undertaken by an in-house team of property professionals.

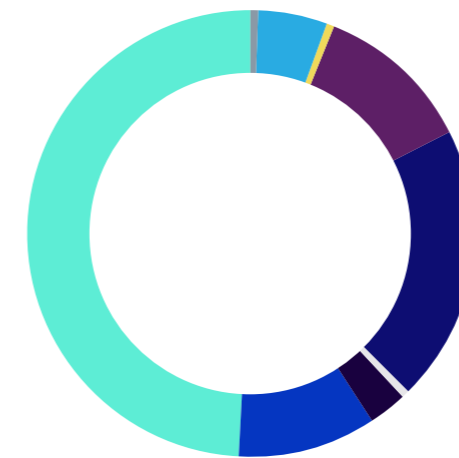
Since listing on the ASX in 2012, Region has completed a number of acquisitions and divestments and, at 30 June 2023, owned 95 convenience-based shopping centres in Australia with a total value of \$4,411.6m. At 30 June 2023, Region had a combined total of 105 Woolworths Group Limited and Coles Group Limited anchor tenants. Major anchor tenants accounted for 48% of Region’s gross rent for the year ended 30 June 2023, with specialty tenants accounting for 52%. Region also manages the Metro Fund which oversees properties with a total value of \$341.6m.

## REGION’S SUPPLY CHAIN

Region relies on a large number of suppliers to execute its business activities of which the vast majority operate in Australia. Region’s supply chain comprises products and services generally grouped into the following categories:

- **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.
- **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.
- **Property Development** – external service providers providing a range of services including development management, design and construction.

## TOTAL SPEND BY CATEGORY



Information Technology	0.6%
Insurance	5.0%
Office and Supplies	0.7%
Professional Services	11.3%
Staff Costs	20.1%
Travel	0.4%
Asset Management	2.9%
Statutory Charges	10.1%
Subcontracted Services	48.9%



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

## OPERATIONAL RISKS

Region has assessed the risk that may result in it causing, contributing to or being directly linked to modern slavery. As in the prior year, it has assessed the risk in its direct operations as low, and no instances of modern slavery have been identified.

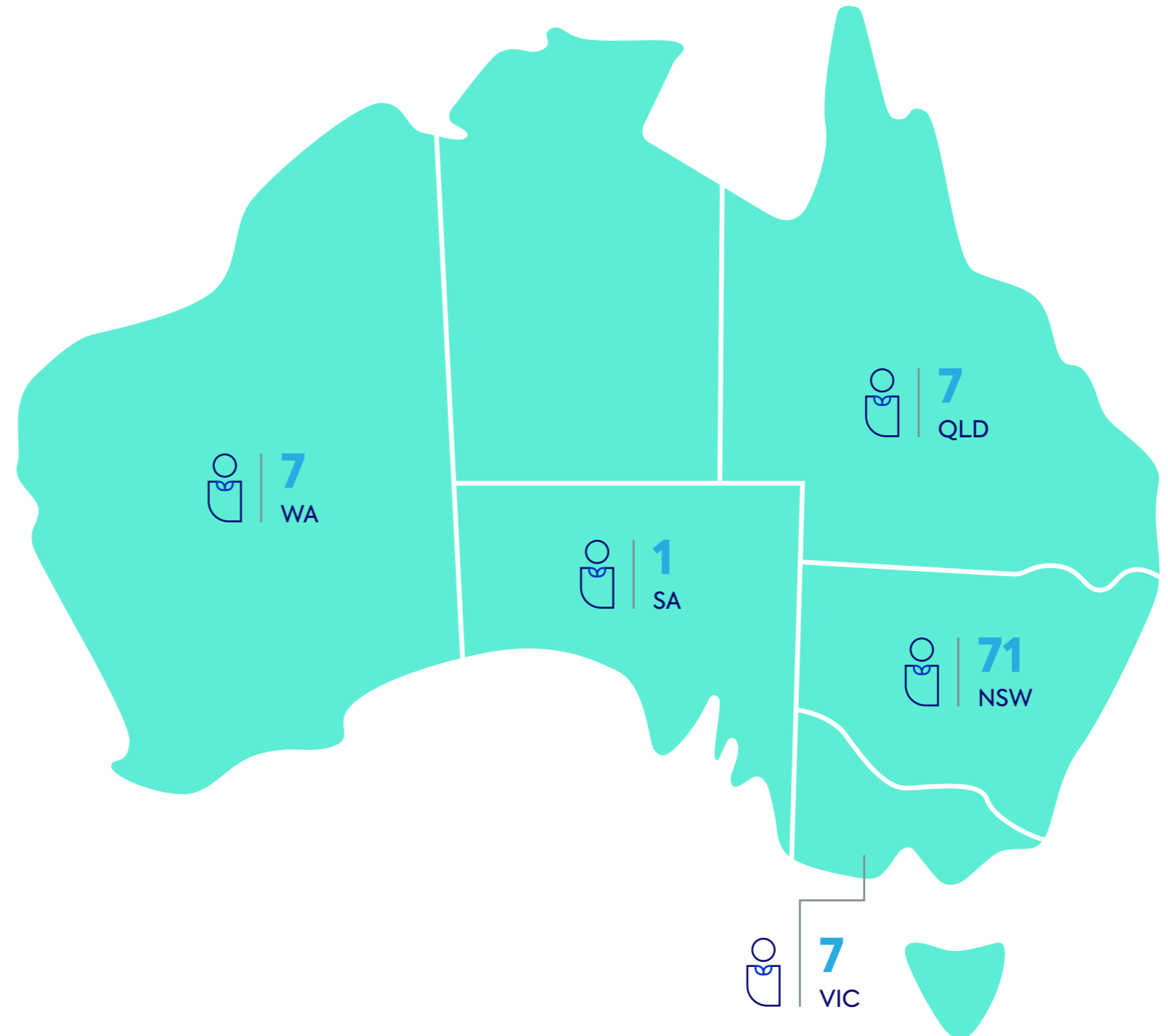
Region has a small workforce of 93 people operating exclusively in Australia and all staff are employed in accordance with Australian workplace law. We have offices in New South Wales, Victoria, Queensland and Western Australia. Each of these jurisdictions have strong employment workplace health and safety and anti-discrimination laws which Region must comply with. The majority of its workforce is in the corporate office in New South Wales.

Region's workforce is predominantly made up of trained professionals with 95% permanently employed, 4% contractors and 1% casual employees.

There is no direct exposure to modern slavery key risk areas.

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.



## SUPPLY CHAIN RISKS

Region considers that there will be people in its supply chain who are at higher risk of modern slavery than its direct workforce.

Region has 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:

- **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, 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.

For suppliers who did not respond, a high-level risk assessment was carried out to evaluate the reasons for their lack of response. Further follow-up was carried out where appropriate.

Suppliers identified as having a potentially significant modern slavery risk were primarily in the cleaning, security and facilities management industry sectors.

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

### PREVENTING MODERN SLAVERY IN REGION'S OPERATIONS

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.

Under the relevant employment laws that apply to it, Region is obliged to ensure that employees meet specified age requirements and this is supported by the pre-employment screening checks that 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.

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.

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. 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.

While the risk of modern slavery in Region's operations is low, Region is aware of the need to have an effective grievance mechanism in place. The 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. The Whistleblower Policy is available on the Region website and is therefore accessible to all suppliers to utilize.

### PREVENTING MODERN SLAVERY IN REGION'S SUPPLY CHAIN

- During the reporting period or in July 2023, 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.
- 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.
- 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.



- 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.
- 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:
  - monitoring the supplier against the terms of the contract and service level agreements; and
  - documenting and reporting legal and other issues or incidents.
- The level of oversight imposed on the supplier varies with the supplier's risk assessment.
- 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 enhance the modern slavery provisions and also 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.

- 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:
  - 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 Region if any such supplier identifies any instance of modern slavery on its part or on the part of any of its sub-contractors.
- Region's Supplier Code of Conduct can be found at [regiongroup.au](http://regiongroup.au).
- 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.
- 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. Suppliers that

have not responded have been sent multiple subsequent requests. Of those suppliers for which Region has statements for FY22, it believes they are low risk and are likely in the process of preparing their own FY23 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.



## Assessing effectiveness

- 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
- Region measures its effectiveness by:
  - conducting annual reviews of its modern slavery approach and the effectiveness of its Supplier Engagement Matrix;
  - monitoring suppliers in accordance with the terms of its Outsourcing Policy and Procedure to improve supplier performance, including any corrective actions; and
  - tracking ongoing engagement with suppliers, beyond the initial risk assessment, to identify potential process improvements.

SPECIFIC OUTCOMES INCLUDE	STATUS
Training employees on modern slavery	Completed in FY23
Inclusion of modern slavery clauses in all supplier engagement contracts	Included in all renewals and new supplier engagements in FY23
Review of all Tier 1 suppliers to identify and prioritise potential modern slavery risk	Completed in FY23
Encouragement of prompt reporting of incidents and modern slavery concerns in Region's operations and supply chain	Ongoing – no incidents observed or reported in FY23
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 FY23

## Consultation

Region RE and the two stapled Trusts consult on Modern Slavery. All actions taken in this reporting period were taken by and on behalf of Region RE and the Trusts as a group. This will continue as Region seeks to achieve its FY24 objectives.



## Action plan for future reporting periods

- 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.
- Region’s FY24 objectives include:
  - Join the Informed 365’s Property Council of Australia’s shared Modern Slavery application which will give us access to supplier self-assessment questionnaires;
  - Review procurement strategy for inclusion of supply chain accountability frameworks and consider roadmap for implementing;
  - ongoing review and improvement of the 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 this 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 Region RE Limited, the responsible entity of Region Management Trust and Region Retail Trust on 12 December 2023.



  
**Steven Crane**  
 Non-Executive Chair

## 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 2 Reporting Entity
Describe the reporting entity’s structure, operations and supply chains	Page 4 Region’s Structure, Operations and Supply Chain
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 6–8 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 9–11 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 12 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 13 Consultation
Provide any other relevant information	Page 3 Letter from CEO



