

# Modern Slavery Statement 2022

REA Group Ltd (ACN 068 349 066)

realestate.com.au Pty Limited (ACN 080 195 535)

Mortgage Choice Pty Ltd (ACN 009 161 979)

## REA Group is a multinational digital advertising business specialising in property.

REA Group's purpose is to 'change the way the world experiences property' by:

- providing compelling property advertising services for real estate agents and property developers;
- providing digital tools, information and data for people interested in property; and
- helping property buyers and owners to finance their property needs.

This statement is a joint modern slavery statement (Statement) for the year ended 30 June 2022 covering REA Group Ltd (REA Ltd) and its wholly owned subsidiaries realestate.com.au Pty Limited (realestate.com.au) and Mortgage Choice Pty Ltd (Mortgage Choice), with REA Ltd, realestate.com.au and Mortgage Choice each being reporting entities under the Modern Slavery Act 2018 (Cth) (Act). This Statement is prepared for the purposes of, and in accordance with, section 14 of the Act.

As at 30 June 2022, REA Ltd was the ultimate holding company of 35 subsidiaries, <sup>[1]</sup> including realestate.com.au and Mortgage Choice (collectively, REA Group, We, Our or Us). This Statement sets out the steps that REA Ltd, realestate.com.au, Mortgage Choice (and where applicable, any entities owned or controlled by REA Ltd, realestate.com.au and Mortgage Choice) have taken to assess and address risks of modern slavery within REA Group's operations and supply chains. REA Ltd, realestate.com.au and Mortgage Choice have shared internal policies and procedures and shared procurement, finance, risk, people and culture and legal functions. Where this Statement describes steps taken by REA Group to assess and address modern slavery risks, those steps have been taken on behalf of all three reporting entities.

1. A full list of REA Ltd's controlled entities is set out at pages 105-6 of [REA Group's 2022 Annual Report](#) and annexed to this Statement. A simplified corporate structure chart is also annexed.

## Our commitment to human rights

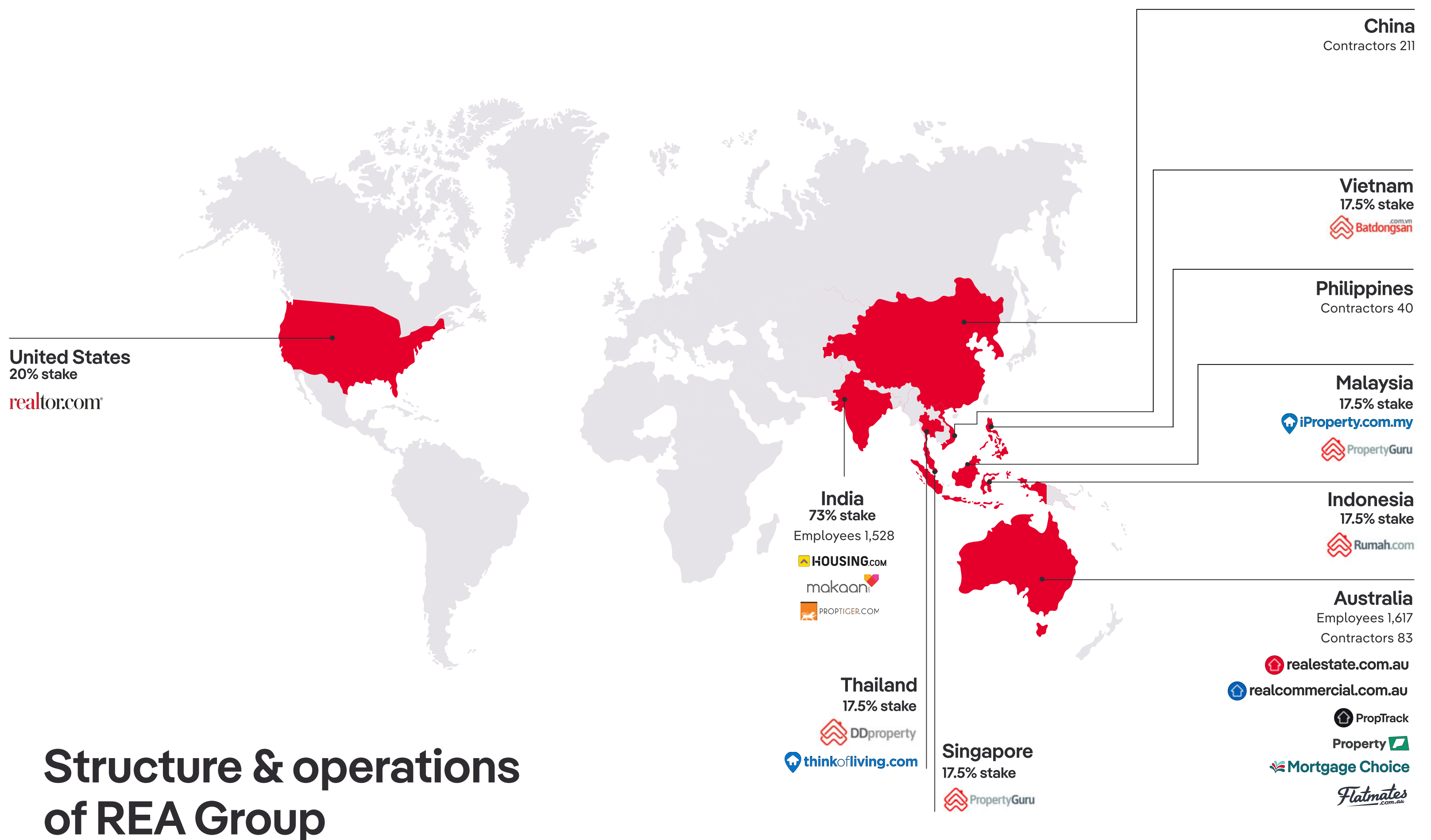
REA Group recognises the importance of combating modern slavery, which adversely affects workers and communities worldwide.

We are committed to respecting and promoting human and labour rights within our operations and supply chains. Doing business in a way that promotes the highest levels of business ethics and integrity is central to how we operate, and REA Group's value of "Do it with Heart" reflects the importance we place on caring for our workforce, customers, consumers and our broader community.

We have developed processes to ensure that we act responsibly and with care to protect against risks of modern slavery. REA Group is committed to taking action to identify, assess and address risks of modern slavery in our operations and supply chains.

# Contents

Section	Requirement	Reference in our statement
16(1)(a)	Identify the reporting entity	Introduction <b>page 01</b>
16(1)(b)	Describe the structure, operations and supply chains of the reporting entity	Structure & operations of REA Group <b>page 03</b>  REA Group's Supply Chains <b>page 05</b>
16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Overview of modern slavery risks <b>page 07</b>  Risks that we cause, contribute to or are linked to modern slavery practices through our operations or supply chains <b>page 08</b>
16(1)(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Actions taken by REA Group to assess and address modern slavery risks, including due diligence and remediation processes <b>page 09</b>  Supplier due diligence for higher risk suppliers <b>page 09</b>  Remediation processes <b>page 12</b>
16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions	Assessing the effectiveness of our actions <b>page 13</b>  Key performance indicators <b>page 14</b>
16(1)(f)	Describe the process of consultation with any entities that the reporting entity owns or controls	Consultation between REA Ltd, realestate.com.au, Mortgage Choice and their subsidiaries <b>page 14</b>
16(1)(g)	Include any other information that the reporting entity considers relevant	Other relevant matters - COVID-19 impacts <b>page 15</b>



## Structure & operations of REA Group

REA Ltd (ASX: REA) is an ASX listed public company with headquarters in Melbourne.

REA Ltd is the ultimate holding company of REA Group but does not directly operate any of the group's businesses. Realestate.com.au is the primary operating entity of REA Group and is responsible for operating the group's well known property advertising websites in Australia. Mortgage Choice is the franchisor for the Mortgage Choice broking franchise which has operations across Australia.

As at 30 June 2022, REA Group had direct business operations through subsidiaries in Australia and India. REA Group also holds minority shareholdings in Move, Inc, located in the United States and PropertyGuru Group Ltd, a NYSE listed entity which operates businesses in Malaysia, Singapore, Indonesia, Thailand and Vietnam.<sup>1</sup> A simplified corporate structure chart for REA Group is annexed to this statement.

### Our workforce

**Direct workforce:** REA Group's direct workforce consists of over 3,000 skilled employees, including software developers and engineers, digital product managers, marketing and sales staff, customer service, finance, risk, procurement, cybersecurity, human resources, and legal personnel. These employees are predominantly full-time employees who work from REA Group offices or at home under hybrid work arrangements.

96% of REA employees are on permanent contracts. The remaining 4% are predominantly fixed term roles covering parental leave or for short term projects.

During FY22, REA Group's subsidiary Smartline acted as the franchisor of a mortgage broking franchise which supported 320 Smartline franchisees. Mortgage Choice acts as the franchisor of a mortgage broking franchise which supports over 430 Mortgage Choice franchisees.

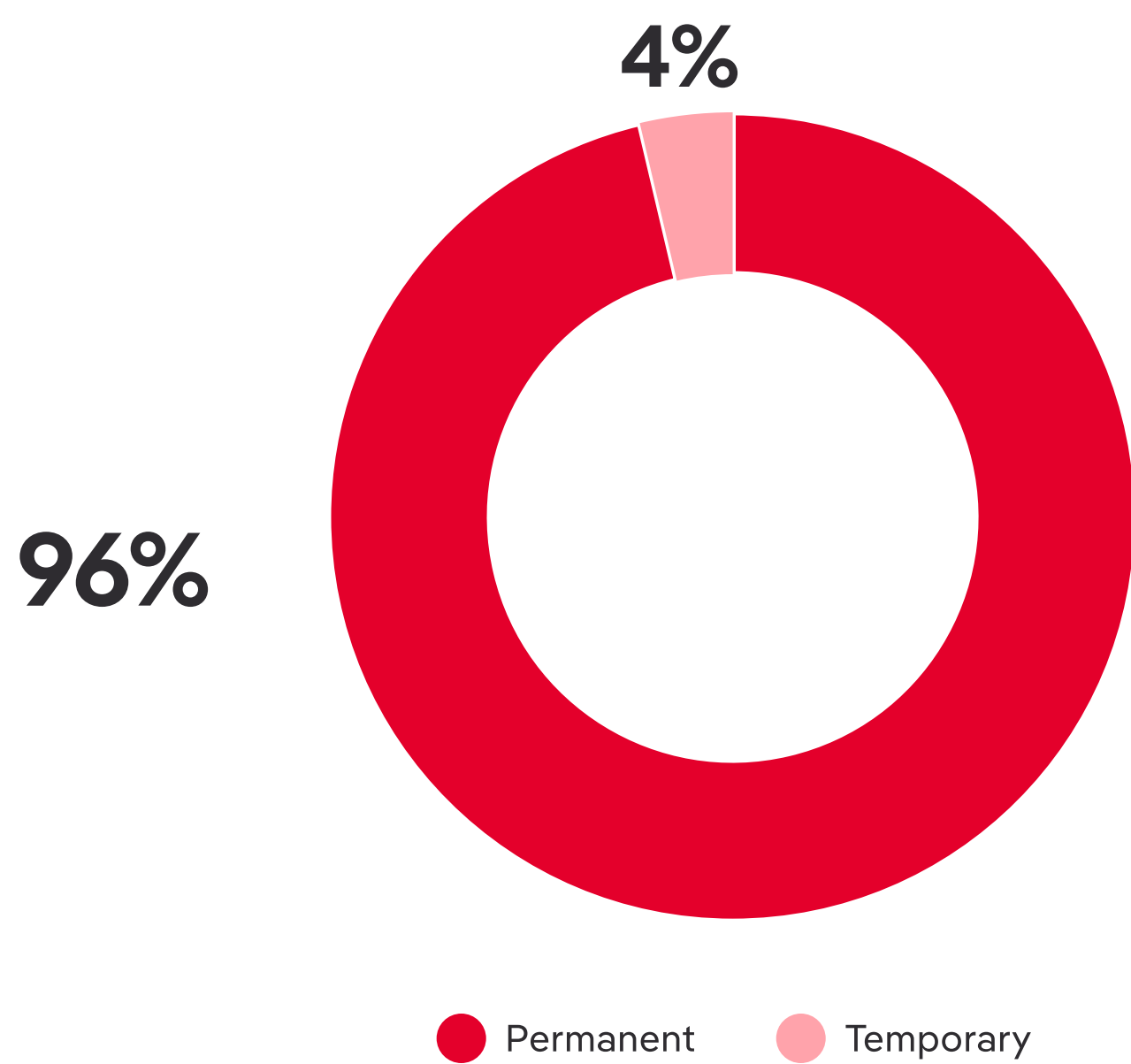
**Indirect workforce:** REA Group has an indirect workforce consisting of 211 skilled technology contractors based in Xian, China and 40 administrative contractors based in Manila, Philippines. These workers are engaged through consultancy companies based in Australia, with service delivery taking place from offshore offices of these consultancies.

### Main operating activities of controlled entities: Key brands

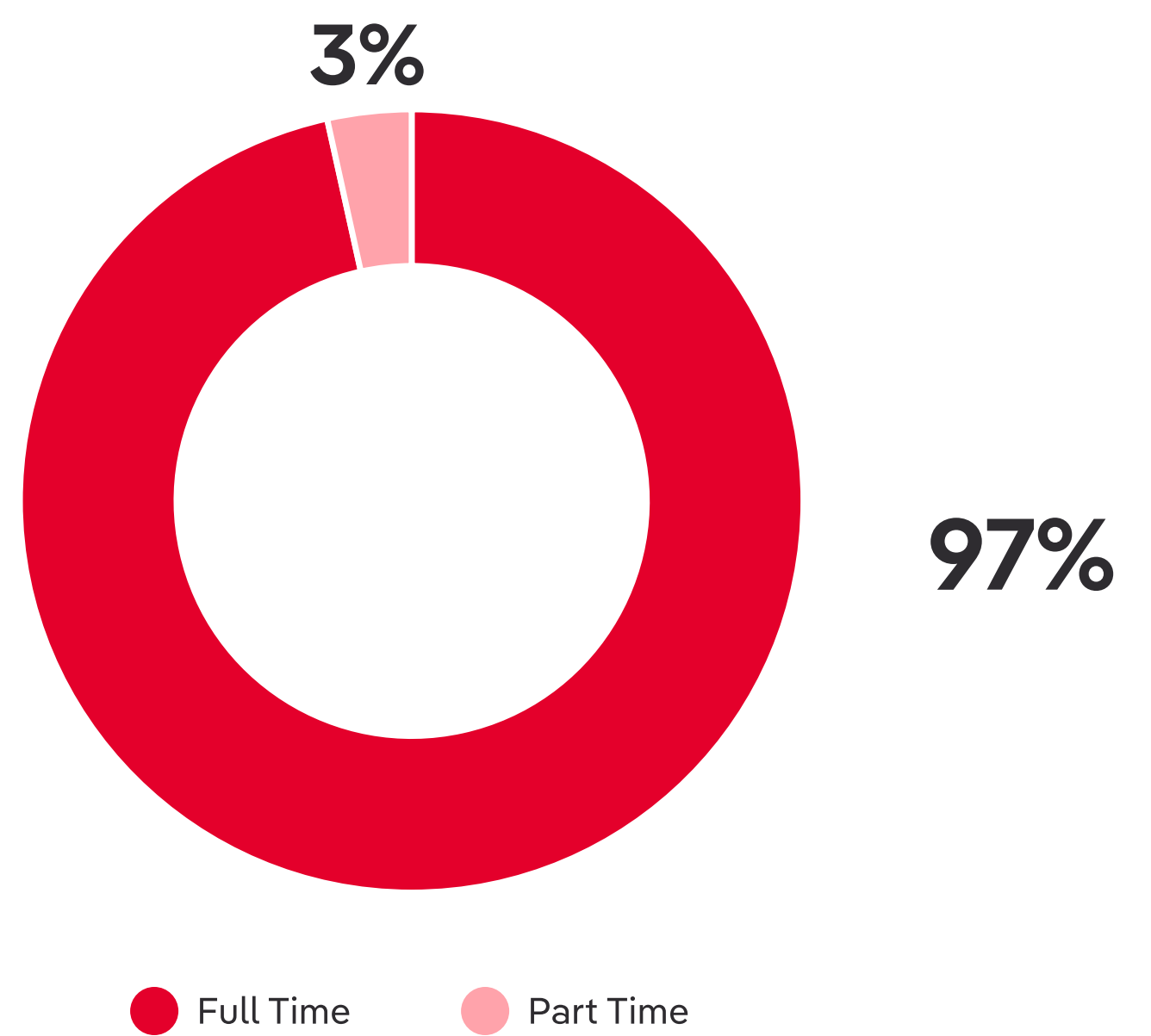
Development and operation of websites and mobile software applications for the advertising of real estate.	<b>Australia:</b> realestate.com.au, realcommercial.com.au, Flatmates, Property <b>India:</b> HOUSING.com, makaan, PROPTIGER.COM
Development and provision of digital tools and data services for the real estate industry.	<b>Australia:</b> PropiTrack, realestate.com.au
Provision of mortgage broking services through a network of franchisee brokers and a digital home loan experience.	<b>Australia:</b> Mortgage Choice, smartline

2. A full list of REA Ltd's subsidiaries is set out at pages 105-6 of REA Group's 2022 Annual Report and annexed to this Statement.

REA Group Employees by Contract Type



REA Group Employees by Role Type



### REA Group's investment activities

As at 30 June 2022, REA Group held a controlling 73.3% interest in REA India Pte. Ltd., formerly known as Elara Technologies Pte. Ltd (REA India), the operator of [makaan.com](#), [housing.com](#) and [proptiger.com](#) in India.

REA Group held minority stakes in a number of property advertising portals in overseas markets, including, as at 30 June 2022:

- a 20% interest in Move, Inc., the operator of [realtor.com](#) in the United States; and
- a 17.5% interest (undiluted) in PropertyGuru Group, which operates property advertising portals in Malaysia, Singapore, Thailand, Vietnam and Indonesia.

While REA Group generally holds board seats on companies in which it has minority interests, it is not involved in the day-to-day operations of these businesses.

REA Group also holds minority interests in the following Australian based real estate tech businesses:

- a 27.5% interest (undiluted) in Managed Platforms Pty Ltd, an Australian property management software platform;
- a 35.8% interest (undiluted) in Realtair Pty Limited, an Australian provider of workflow tools for real estate agents;
- a 29.8% interest (undiluted) in Campaign Agent Pty Ltd, an Australian provider of buy now pay later solutions for the real estate market; and
- a 35.2% interest (undiluted) in Simpology Pty Limited, an Australian business providing mortgage application and e-lodgement solutions for the broking and lending industries.



# REA Group's supply chains

## Operating Model

REA Group operates a central procurement team located in Melbourne that is responsible for high value or complex procurement of goods and services, on behalf of REA Group businesses. This team administers several of the key policies addressing supply chain risks, including modern slavery risks. Lower value procurement decisions are decentralised across REA Group's various business units and geographies.

The nature of REA Group's supplier relationships is highly variable. REA Group has written contracts with most suppliers, which are on a rolling 1-2 year contract cycle. Some supplier arrangements are subscription based and can be varied or terminated on a short notice period.

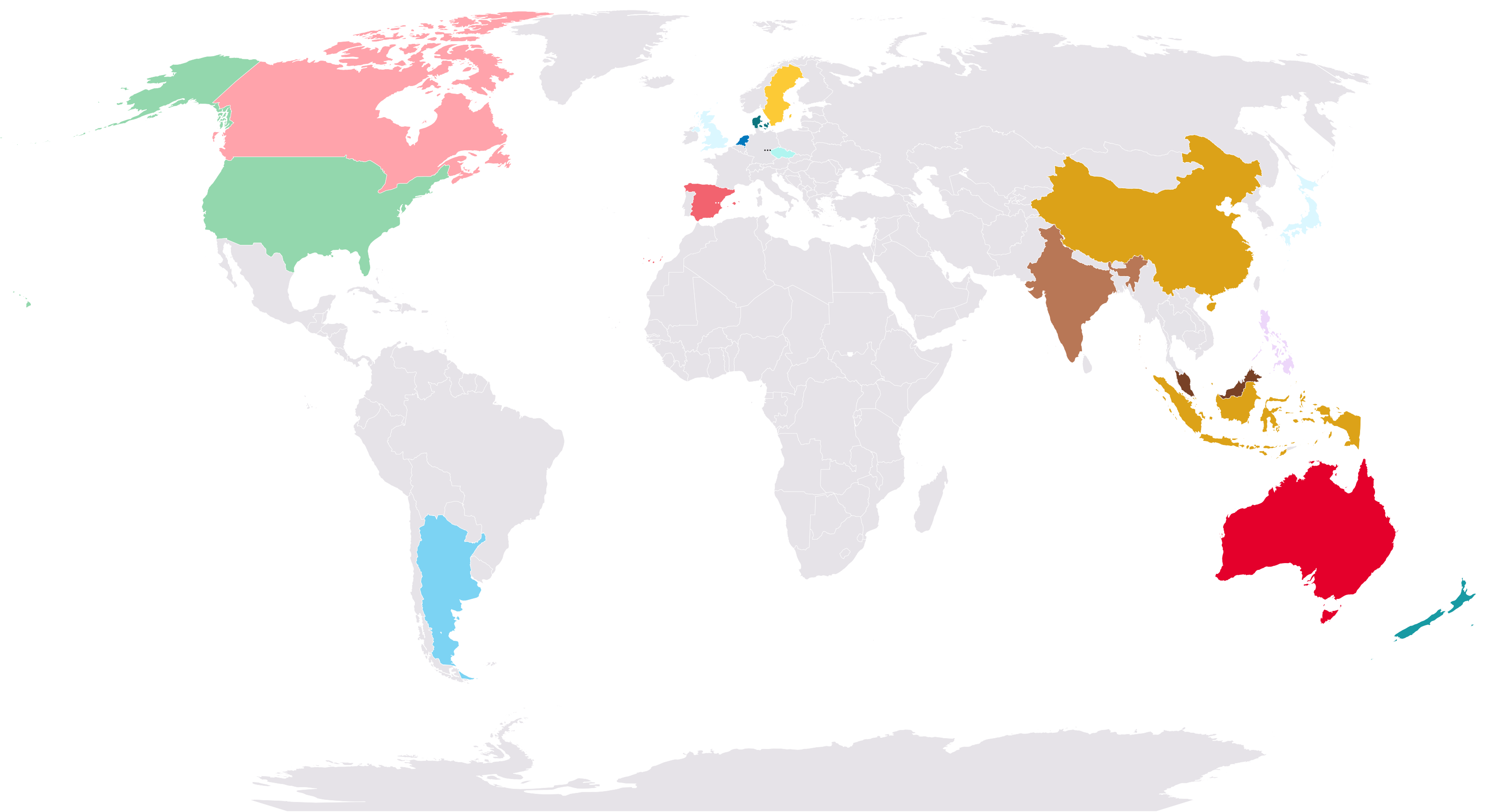
REA India, which became a controlled entity of realestate.com.au from December 2020, operates its own procurement, legal and risk management functions. REA India has been adopting policies and procedures which mirror those of REA Group Australia, with localisation as necessary to comply with local law or custom.

## Overview of REA Group supply chains

Total tier 1 suppliers:  
1,464

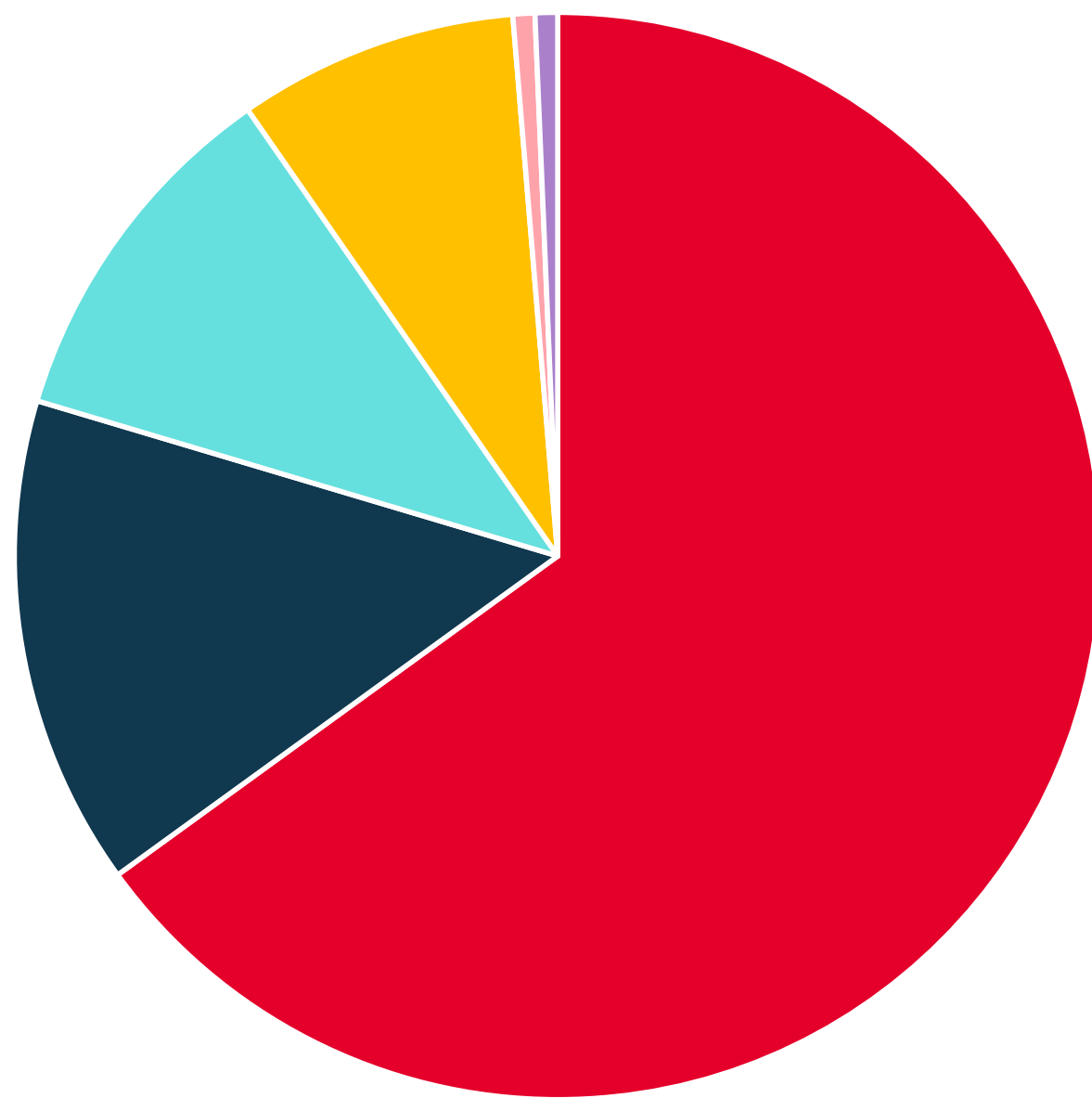
Total FY22 spend:  
AUD \$218.5m

## Location of Tier 1 Suppliers



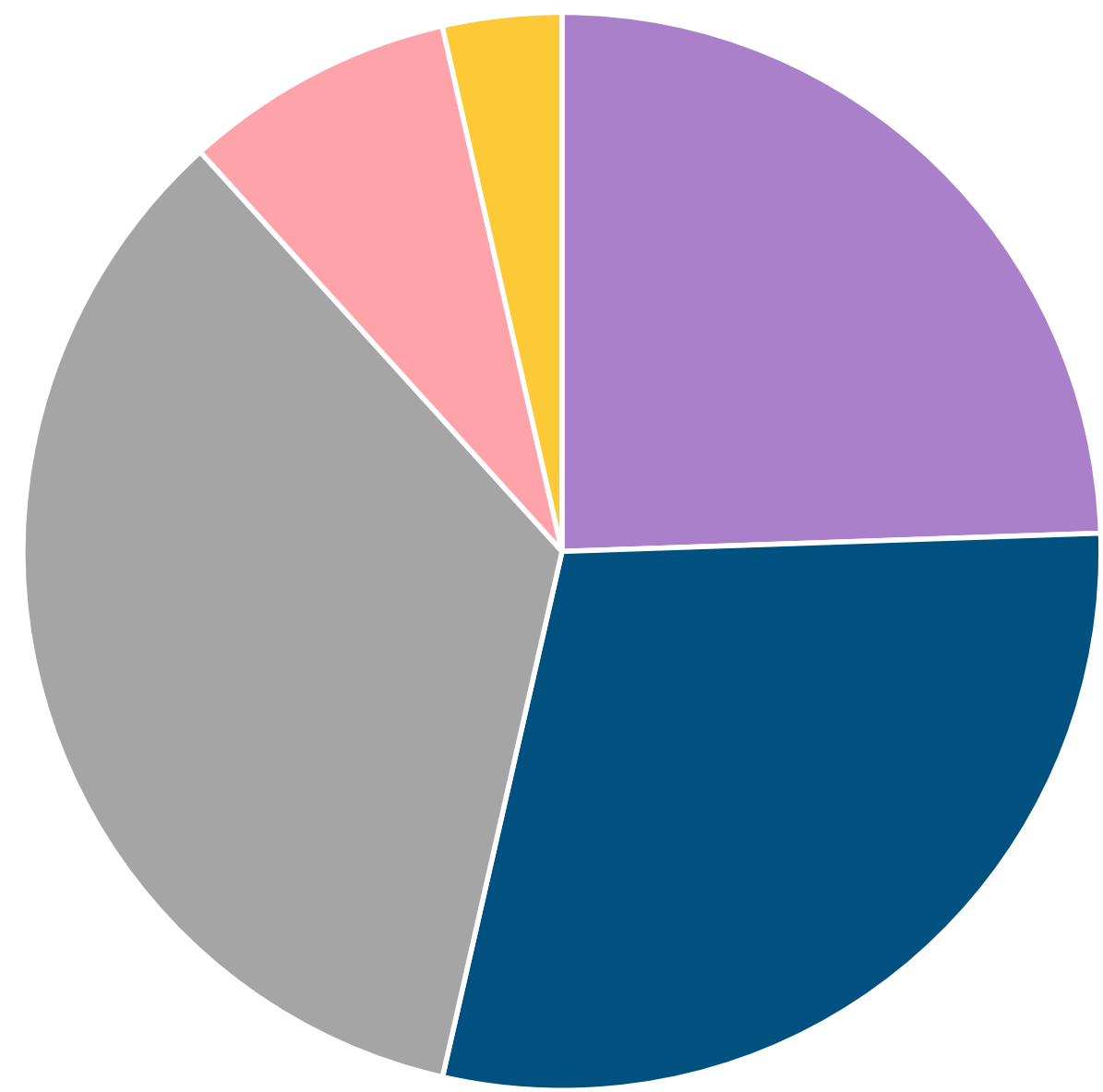
- |                      |                      |
|----------------------|----------------------|
| ● Argentina (1)      | ● Malaysia (1)       |
| ● Australia (1,077)  | ● Netherlands (4)    |
| ● Canada (3)         | ● New Zealand (4)    |
| ● China (4)          | ● Philippines (2)    |
| ● Czech Republic (1) | ● Singapore (3)      |
| ● Denmark (1)        | ● Spain (3)          |
| ● Hong Kong (4)      | ● Sweden (1)         |
| ● India (296)        | ● United Kingdom (6) |
| ● Macau (1)          | ● United States (52) |

**Tier 1 Supplier Spend by Country**



- Australia (65%)
- United States (15%)
- China (11%)
- India (8%)
- Philippines (<1%)
- Other (<1%)

**Spend by Procurement Category**



- Marketing (35%)
- Business Services (29%)
- Technology (24%)
- Facilities (8%)
- Other (4%)

**Spend Category**

**Examples of goods and services**

**Key sourcing countries**

Business services

- External contractors
- Technology consulting
- Accounting, audit and legal services
- Administrative support

Australia, China, Philippines

Technology

- Software licences
- Cloud infrastructure
- Hardware and data
- Analytics services

Australia, United States

Marketing

- Media and advertising
- Creative agencies
- Sponsorships
- Events
- Merchandise

Australia, United States, India

Facilities

- Rent
- Office fit out
- Cleaning and catering

Australia, India

Other

- Staff related expenses

Australia, India

# Overview of Modern slavery risks

We have carried out a risk assessment of the potential for modern slavery practices within the operations and supply chains of REA Group.

The assessment of modern slavery risks was carried out by representatives from REA Group's central procurement, risk and legal functions, based in Australia, and members of REA India's procurement function. These representatives form part of REA Group's modern slavery governance group.

## Risks in our operations

REA Group is a designer and developer of digital products and software experiences and a provider of mortgage broking services. Due to the nature of REA Group's services, their predominantly online distribution channels and the skilled workers that contribute to them, we consider that the inherent risk of modern slavery practices within our Australian operations is low.

REA India operates in a market which has a higher inherent risk of modern slavery practices due to weaker legal and governance standards. REA India has sought to address the risks of operating in this market by adopting robust policies and due diligence processes, in line with those adopted by REA Group Australia.

## Risks in our supply chains

We have assessed the inherent risk of modern slavery practices in our supply chains, having regard to:

1. the supplier's country of operation;<sup>3</sup>
2. the types of goods or services supplied;<sup>4</sup> and
3. propensity for use of unskilled, transient or migrant labour in the supplier's industry.

These risk factors were identified having regard to third party data sources, such as the Walk Free Global Slavery Index 2018.

Based on the risk assessment that was completed, we have determined that the inherent risk of modern slavery practices within REA Group's contracted supplier relationships is generally low. This is because REA Group's expenditure is weighted toward lower risk supplier categories such as technology (software, data and communications), business services and marketing.

REA Group's risk profile is further reduced because a large majority of REA Group's suppliers are based in developed economies with stronger labour laws and lower prevalence of modern slavery practices.

We have identified the following as procurement categories that may carry a higher inherent risk of forced labour, bonded labour or other modern slavery practices:

- **External contractors** – REA Group engages third party consultancies which provide REA Group with specialised software development services from an offshore delivery centre based in Xian, China as well as administrative support services from offices based in Manila, Philippines.
- **Merchandise and branded clothing** - REA Group sources branded clothing for its workers as well as merchandise (pens, notebooks, drink bottles, umbrellas, coffee cups, phone chargers and carry bags) which is distributed to REA Group customers. These goods are typically manufactured in China and may carry elevated modern slavery risks.
- **Cleaning services** – REA Group has contracted cleaning service providers at its offices in Australia and India. Those cleaners work from REA Group's offices but REA Group does not otherwise have direct oversight of their employment arrangements.
- **Computer hardware and peripherals** – REA Group purchases laptops, mobile phones and other computer peripherals through resellers based in Australia. These products may include components or minerals sourced from countries with higher prevalence of modern slavery.
- **General offices supplies** – REA Group purchases a range of general office supplies, including coffee, tea, foodstuffs, office furniture, printing materials and stationery which are purchased from generalist retailers. These goods may include materials or components that are sourced from or assembled in developing markets. REA Group has no visibility over these supply chains and limited capacity to conduct due diligence on these procurement categories because they represent a small spend category.

REA Group's geographic footprint has changed significantly over the last 18 months, with the divestment of our Malaysian and Thai operations in August 2021 and the closure of our Hong Kong and China operations in November 2021 and June 2022 respectively.

Given the imminent closure of some operations, REA Group focused on policy uplift and supplier due diligence within its continuing operations in Australia and India.

3. With emphasis in FY2022 being on suppliers with operations in countries with a higher vulnerability to modern slavery practices due to weaker governance and labour laws. These are countries with an overall risk rating of > 40.0 in the 2018 Walk Free Global Slavery Index.

4. With a focus on suppliers of electronics, clothing, branded merchandise, cleaning services, local drivers and security services.



# Risks that we cause, contribute to or are linked to modern slavery practices through our operations or supply chains

## Risks that we cause modern slavery practices through our operations

We consider the inherent risk that REA Group directly causes forced labour, human trafficking or other modern slavery practices through its operations is low.

REA Group's direct workforce in Australia and India consists primarily of highly skilled technology workers, product, sales and marketing staff and business support services staff. These employees are predominantly full-time employees who are employed in accordance with local labour laws, paid fairly at market rates and typically work during business hours from an office setting or at home under hybrid work arrangements.

We also consider the inherent risk of usage of underage or child labour within REA Group's operations to be low. In particular, due to the specialised nature of the digital products created by REA Group, employment candidates have typically completed tertiary study and significantly exceed the minimum working age.

## Risks that we contribute to modern slavery practices through our operations and supply chains

REA Group acknowledges that in the absence of suitable controls, it could contribute to modern slavery practices through:

- unrealistic pricing or delivery expectations for certain procurement categories (eg. branded merchandise and garments); and
- the usage of outsourced labour in developing markets over which REA Group has less control.

Some of the steps taken to address these risks are set out in the sections Ethical Procurement Training and Management of outsourced labour suppliers.

## Risks that we are linked to modern slavery practices through our operations or supply chains

### Our offshore operations:

While REA Group's overall risk profile is low, it is possible that REA Group could be linked to modern slavery practices through its minority and majority stakes in overseas property advertising portals. In particular, portals operating in India, Indonesia, Malaysia, Thailand and Vietnam have a higher inherent risk of being linked to modern slavery practices due to less stringent governance than the standards and processes applied in Australia and a higher prevalence of modern slavery practices in these territories.<sup>5</sup>

Due to the independent operation of the Indonesia, Malaysia, Thailand and Vietnam operations (of which REA Group holds only a minority interest) REA Group did not have direct oversight of the procurement decisions and some facets of the governance structures of these businesses during FY2022. REA Group is in the process of uplifting the governance processes and policies of the REA India business.

Notwithstanding that our offshore operations operate in higher risk jurisdictions, we consider that the risk within these operations is inherently low because their workforces consist of skilled professionals who work in an office setting and support the delivery of digital products, websites and mobile software applications.

Further, the procurement categories of these businesses are predominantly lower risk technology (software, data and communications), business services and facilities categories.

### Our indirect workforce:

As part of its operations, REA Group has an indirect workforce consisting of highly skilled technology contractors based in Xian, China and administrative contractors based in Manila, Philippines. These contractors are engaged through consultancy companies based in Australia, with service delivery taking place from offshore offices of these consultancies.

Given that REA Group does not directly employ these workers, set their working conditions, or manage the offshore delivery centres, there is a higher inherent risk of modern slavery amongst this workforce. Two of these suppliers completed third party social audits during FY2022 (see Supplier Due Diligence).

## Risk of supplier links to forced labour

REA Group sources a range of computer hardware, software and networking solutions from large multinational technology companies.

The Australian Strategic Policy Institute's 2020 Report: 'Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang' (ASPI Report) identified 27 Chinese factories linked to the use of Uyghur forced labour. The ASPI report names 82 well known global brands with links to these factories.

REA Group has cross referenced its supplier list with the brands named in the ASPI Report and has identified that the ASPI Report names seven of REA Group's tier one suppliers and two of REA Group's tier two suppliers.

During FY2022, REA Group conducted due diligence on seven of these suppliers, which supply REA Group with computer hardware or mobile phones. One of these suppliers was assessed based on their responses to REA Group's modern slavery supplier assessment questionnaire. Six of these suppliers were reviewed based on publicly available documentation in their supplier hubs, including modern slavery statements, human rights statements, codes of conduct and conflict minerals policies.

Based on these materials REA Group determined that the seven suppliers had adequate policies, due diligence and training practices to address the risk of forced labour and other modern slavery practices. Two further suppliers named in the ASPI report supply REA Group with software, cloud storage and networking solutions and were not initially assessed because they did not meet the risk assessment criteria described below (see Supplier risk assessments).

REA Group has since assessed these suppliers based on their publicly available modern slavery statements and related policies and determined that they have adequate policies, due diligence and training practices to address modern slavery risks in their operations and supply chains. One of these suppliers has publicly stated that it has severed ties with the factories mentioned in the ASPI report.

## Actions taken by REA Group to assess & address modern slavery risks, including due diligence & remediation processes

### Assessing modern slavery risks within REA Group's supply chains

#### Supplier risk assessments:

During FY2022, a high level risk assessment of REA Group's suppliers<sup>6</sup> was conducted based on the following criteria:

1. the supplier's country of operation;
2. the types of goods or services supplied; and
3. propensity for use of unskilled, transient or migrant labour in the supplier's industry.

These criteria were used to identify a shortlist of suppliers which had an elevated inherent risk of modern slavery practices. REA Group Australia shortlisted approximately 5% of its tier one suppliers that met one or more of the identified risk factors.

The suppliers flagged under the risk assessment included organisations with operations or supply chains in Australia, United States, China, India, the Philippines and Sri Lanka, with goods and services provided by those suppliers including cleaning services, administrative support, software development and consulting, electronics and merchandise sourcing.

REA India completed a similar risk assessment across its suppliers, with 10% of its tier one suppliers being shortlisted. This included suppliers providing outsourced labour, merchandise, IT procurement and electronics.

#### Supplier due diligence for higher risk suppliers:

REA Group has adopted further due diligence measures for suppliers assessed as having a higher inherent modern slavery risk.

Based on the risk assessment criteria above, in FY2022, a Supplier Assessment Questionnaire was sent to approximately 4% of REA Group Australia tier one suppliers.<sup>7</sup> The same questionnaire was sent to 10% of REA India suppliers. The questionnaire comprises 20 questions relating to the policies and procedures of the supplier, their supply chain visibility, modern slavery responsibility, training programs, response processes and employment conditions.

The questionnaire also requires explicit acceptance of the REA Group Supplier Code of Conduct and disclosure of any instances of non-compliance with the Code.



The completed Supplier Assessment Questionnaires were reviewed by members of REA Group Australia's legal and procurement teams and REA India's procurement team. The review did not reveal any indicators or instances of modern slavery practices within the shortlisted group of suppliers. However, the review did reveal some suppliers that had inadequate policies or procedures to assess modern slavery risks and a lack of awareness of modern slavery issues among some small suppliers in Australia and a number of suppliers in India.

REA Group takes a flexible approach to reviewing responses to questionnaires, having regard to the supplier's industry and size. REA Group looks for indicators of poor governance or exploitative labour practices across all questionnaire responses but does not expect small suppliers to have the same systems and frameworks as a large supplier. For example, we would not necessarily expect small suppliers to have a formal human rights or modern slavery policy or specific staff training programmes for modern slavery.

However, REA Group would expect that all suppliers have processes to check that they are not using child labour, that they are not retaining workers' documentation and that they provide their employees with pay slips and a contract of employment in a language they understand. For suppliers of goods, we would also expect there to be a level of visibility around the sourcing of products and a pathway toward increasing visibility of supply chains, including through due diligence programs.

6. The risk categories were determined by reference to the Walk Free Modern Slavery Index 2018.  
7. A further 1% of tier one suppliers were screened by REA Group Australia in FY2021.

## Results of supplier screening

	 REA Group	 REA India
Questionnaires sent	42	31
Suppliers cleared	34	19
Suppliers flagged	1	7
Withdrawn	1	3
Deactivated vendors	6	2

In Australia, REA Group sent questionnaires to 41 tier one suppliers and 1 tier two supplier. Of these, 26 suppliers were cleared based on questionnaire responses while 8 were cleared based on publicly available materials such as human rights statements, modern slavery policies, ethical sourcing and conflict minerals policies.<sup>8</sup>

Six suppliers declined to complete the questionnaire on the basis that they were no longer working with REA Group and these suppliers have been deactivated in vendor management systems. One questionnaire was withdrawn on the basis the supplier was a sole trader in the cleaning industry and had no staff or contractors. One supplier was flagged as having inadequate controls and policies and REA Group will be transitioning away from this supplier in FY23. Four suppliers were asked to complete an online modern slavery training module due to questionnaire responses that demonstrated inadequate internal policies or processes or a lack of accountable personnel.

REA India sent questionnaires to 31 suppliers, of which 26 responded. Two suppliers did not respond to the questionnaire and were deactivated in REA India's supplier management system. Three supplier questionnaires were withdrawn on the basis that the suppliers were sole traders with no staff or contractors. Of the suppliers that completed questionnaires, 7 suppliers were flagged as having inadequate mechanisms to assess and manage modern slavery risks, including due to a lack of accountable personnel, training, screening processes and relevant policies.

REA India has terminated agreements with 3 of these suppliers, where their services were no longer required. The remaining 4 suppliers have been requested to complete a modern slavery training module.

### **Supplier audits:**

In FY2022, REA Group engaged Elevate, a leading provider of sustainability and supply chain services, to conduct social audits of two suppliers based in China and the Philippines. The suppliers provide outsourced software development and outsourced administrative support for REA Group's Australian businesses respectively. The social audits were conducted in accordance with the Elevate Responsible Sourcing Assessment (ERSA) methodology.

The social audits made findings in relation to working hours and administrative and record keeping practices. These matters are being addressed through corrective action plans to be implemented during FY2023. The social audits did not identify any modern slavery risks or practices.

## Addressing modern slavery risks within REA Group's supply chains

### **Supplier Code of Conduct:**

REA Group's Supplier Code of Conduct sets out the minimum standards required of suppliers in the areas of workers' rights and human rights, anti-bribery and anti-corruption laws and other laws in relation to business integrity, privacy, health and safety, and environmental considerations. Suppliers must also have adequate policies and procedures in place to monitor compliance with these laws and must ensure that any authorised sub-contractors also comply with these minimum standards. REA India has adopted a similar Supplier Code of Conduct for its suppliers.

All new suppliers are sent the Supplier Code of Conduct as part of supplier onboarding.

In FY2022, REA Group continued to embed compliance with the Supplier Code of Conduct, and related audit obligations, into the contracts of certain suppliers that were deemed to carry an elevated risk of modern slavery practices based on our risk assessment criteria.

### **Case Study**

In FY2022, REA Group commenced negotiations with a supplier of apparel merchandise for an internal REA Group event. Prior to the supplier being engaged, they were required to complete REA Group's Supplier Assessment Questionnaire. The questionnaire response revealed that the apparel would be sourced from Bangladesh and China.

The supplier's response also revealed that they had robust internal policies including a detailed Supplier Code of Conduct as well as forced labour and child labour remediation procedures. The supplier disclosed that modern slavery risks were managed by their Head of Compliance, that key management staff receive specific modern slavery training and that the supplier completes factory audits through independent supply chain auditors.

The supplier also has grievance mechanisms and anonymous complaint boxes located in its offshore factories to escalate any worker concerns. Finally, the supplier agreed that it would comply with REA Group's Supplier Code of Conduct.

### **Contractual clauses:**

REA Group's standard form supplier agreements include appropriate modern slavery clauses requiring suppliers to comply with the REA Group Code of Conduct, take reasonable steps to identify, assess and address risks of modern slavery practices in their operations and supply chains and to promptly remediate any harm to impacted individuals which is uncovered as a result of these due diligence processes. Where REA Group is contracting on a supplier's standard contract terms, REA Group will negotiate appropriate modern slavery clauses where the supplier meets REA Group's risk criteria.

<sup>8</sup> A number of multinational hardware vendors either declined to complete the questionnaire or did not respond to requests, but were cleared based on publicly available policies.

### **Ethical Procurement Training**

In FY2021 and FY2022, REA Group's central procurement team all completed ethical procurement and supply training provided online by the [Chartered Institute of Procurement & Supply](#). Eleven members of the procurement team have completed this training since FY2021.

This important step was taken to ensure that REA Group procurement personnel can recognise indicators of modern slavery practices and that REA Group can address the risk that it could contribute to modern slavery practices through unrealistic expectations about the price or delivery timeframes to be met by suppliers. All members of the REA Group procurement team across Australia and India have now completed this training.

### **Annual employee compliance training**

In FY2022, REA India incorporated an interactive modern slavery training module into its annual compliance refresher course. The training was completed by 1,284 employees of REA India.

REA Group Australia intends to implement a similar module into annual compliance training and new employee onboarding in FY2023.

### **Supplier training**

REA Group requested that 8 suppliers complete a modern slavery training module in order to uplift their understanding of modern slavery issues. Four of these suppliers were located in India, with the remainder located in Australia. These requests were made in response to questionnaire responses which demonstrated a lack of accountable personnel, training programs and processes to assess and address modern slavery risks within a particular supplier's operations.

### **Management of outsourced labour suppliers**

REA Group has a number of practices which provide oversight of day to day working conditions for outsourced workers:

- realestate.com.au employees have regular video conferences with software developers at the Xian delivery centre;
- Smartline and Mortgage Choice mortgage brokers have direct 1:1 relationships with outsourced administrative support staff in the Philippines and communicate on a daily basis;
- REA Group's expenditure with the outsourced providers is in line with market rates; and
- REA Group completed onsite audits of one supplier in China and one in the Philippines during FY2022. Corrective action plans are currently being implemented for these suppliers (see Supplier Audits).

## **Addressing modern slavery risks within our operations**

### **REA Group Australia Policy Framework**

REA Group has a detailed governance and policy framework which significantly reduces the risk of modern slavery practices within REA Group's direct workforce and operations. This includes:

- REA Group's Modern Slavery Policy and Framework;
- the REA Group [Code of Conduct](#), Employment Handbook and Equality in Employment Policy which together set out the behavioural standards required of all REA Group employees. The Code of Conduct also applies to contractors, consultants and visitors working for REA Group;
- the REA Group [Risk Management Policy](#) which sets out the framework for identifying and managing strategic, operational, compliance and regulatory risk across REA Group's businesses;
- the REA Group Procurement Policy which sets out the process for engaging and onboarding new suppliers, including relevant management approvals;
- REA Group's Contract Approval Procedure which requires a business lead to obtain approvals from legal, risk, procurement and finance business partners before a new contract can be signed by management. This process assists in surfacing relevant key supplier risks to management, prior to a new supplier being onboarded;
- the Permanent Residency at REA Group Policy which sets out the circumstances in which REA Group will sponsor employees for permanent residency;
- REA Group's anti bribery and corruption program and its related policy; [Doing Business Ethically and with Integrity](#); and
- REA Group's [Whistleblower Policy](#).

This policy framework assists in embedding a strong culture of compliance across REA Group's operations. REA Group's policies and processes are periodically reviewed to ensure they remain fit for purpose.

Mortgage Choice, which became a controlled entity of REA Group during FY2022, has now been integrated with REA Group and all Mortgage Choice employees are subject to the policies above.

### **REA India Policy Framework**

REA India has its own localised policies, which closely align to the corresponding policy framework of REA Group Australia. This includes the:

- REA India Modern Slavery Policy and Framework;
- REA India Supplier Code of Conduct;
- REA India Whistleblower Policy; and
- REA India Employee Code of Conduct.

REA India has also adopted REA Group Australia's Risk Management Policy.

### **Employee onboarding controls**

REA Group has controls which reduce the risk that we could inadvertently employ individuals that are under the minimum working age.

In REA Group's Australian operations, an underage candidate would be identified through our new employee screening process, including through the interview stage, completion of tax authority forms or through photo identification provided by candidates.

In India, REA India's Human Resources Information System does not allow for the creation of profiles or release of employment offers to individuals aged under 18 years.

### **Assessing modern slavery risks within REA Group investments**

REA Group does not have processes for assessing modern slavery risks within businesses in which it holds only a minority interest.

Following integration completed during FY2022, REA India now utilises the same risk assessment processes and procedures as REA Group Australia.

### **Remediation processes**

#### **Whistleblower Policy**

REA Group's Whistleblower Policy allows for anonymous reports to be made by REA Group employees, officers, consultants, sub-contractors and suppliers and their employees (and all relatives, dependents and spouses of these individuals) in relation to conduct that is illegal, fraudulent, corrupt, unethical, or that entails unsafe work practices, abuse of authority or other acts that are inconsistent with REA Group values and behaviours, including modern slavery practices such as people trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment and child labour.

REA India retains its own Whistleblower policy covering the operations of the Indian businesses housing.com, proptiger.com and makaan.com. Reports can be made to the REA Group Executive Leadership Team, Chief Risk Officer or anonymously to the Chair of the Audit, Risk and Compliance Committee, via the independently operated Safecall whistleblower hotline (available in Australia and India) or by making a report online at [www.safecall.co.uk/report](http://www.safecall.co.uk/report) (available to individuals located in all regions).

Separate to the REA Group channels, individuals can also make disclosures to any of the individuals specified under the whistleblower protection laws (e.g. any director or company secretary of REA Ltd or a related body corporate, legal practitioners for the purposes of obtaining legal advice, auditors or regulatory bodies, amongst others).

The REA Group Whistleblower Policy and Safecall whistleblower hotline were brought to the attention of high risk suppliers through the Supplier Assessment Questionnaire as well as via an email communication sent to all REA Group suppliers in June 2021.

The Whistleblower Policy was also brought to the attention of REA Group employees and external contractors based in Xian, China via a blog post and newsletter published in June 2022.

REA Group has not received any reports of modern slavery risks or breaches of the Supplier Code of Conduct, via its whistleblower channels.

#### **Responding to reports of modern slavery**

REA Group will promptly investigate any reports through the above channels which relate to potential violations of labour laws or reports of forced labour, child labour or other modern slavery practices. REA Group will respect the privacy and communication preferences of any complainant during the investigation of any report, including by preserving anonymity of complainants where requested and following up with the complainant after any investigation.

#### **Responding to indicators of modern slavery or poor governance practices**

If REA Group's supplier due diligence reveals process deficiencies or areas of concern in a supplier's practices, we will work proactively with the supplier to improve its governance and practices. If areas of concern are not remedied, REA Group will reassess its future relationship with the relevant supplier, and outcomes may include suspension or termination of supplier relationships.

In FY2022, REA Group flagged one Australian supplier as having inadequate processes. The supplier is a cleaning contractor for a small office which will be closed in FY2023 and consequently REA Group will be ending the supplier relationship with the cleaning contractor in FY2023. REA India flagged seven suppliers as having inadequate risk assessment processes. Three of these supplier contracts have been terminated as the services are no longer required while the remaining four suppliers will be completing modern slavery training modules to uplift their awareness of modern slavery issues.

Where suppliers are flagged using REA Group's risk assessment criteria, but decline to complete REA Group's supplier assessment questionnaire, REA Group will endeavour to assess the supplier based on publicly available materials such as human rights statements, modern slavery policies, ethical sourcing and conflict minerals policies. Where this is not possible, REA Group will deactivate the supplier, so that new orders cannot be placed by employees until due diligence has been completed.

#### **Supplier feedback**

REA Group has made available a contact point for concerns or feedback concerning its Supplier Code of Conduct through its central procurement team. Some suppliers have indicated that they will comply with the standards of their own analogous code of conduct, instead of REA Group's Code. Otherwise, REA Group has received no notifications from any supplier in relation to their inability or refusal to comply with the Supplier Code of Conduct, since it was implemented in July 2019.

# Assessing the effectiveness of our actions

## **FY2022 KPIs**

In FY2022, REA Group formed a modern slavery governance group comprising representatives from its shared procurement, risk, legal and sustainability functions. The modern slavery governance group met nine times in FY2022 and included representatives of the REA Ltd, realestate.com.au, Mortgage Choice and REA India businesses.

The modern slavery governance group will continue to meet on a quarterly basis in order to monitor the effectiveness of our modern slavery risk management processes, including by reviewing the outcome of any future onsite audits of key suppliers.

Based on the criteria disclosed in REA Group's FY2021 Modern Slavery Statement, below is an update on REA Group's performance against its key performance indicators.

Key performance indicator		FY21	FY22
Training	The percentage of REA Group's central procurement team that have received ethical procurement and supply training	100% (5)	100% (6)
Supplier engagement	The number of Supplier Assessment Questionnaires issued	10	73
	The number of Supplier Assessment Questionnaires completed	10 (100%)	53 <sup>9</sup> (73%)
	The percentage of Supplier Assessment Questionnaires with governance concerns flagged	0%	11% (8)
	The number of modern slavery issues identified	0	0
Grievances	The number of whistleblower complaints related to modern slavery risks received each year	0	0
Remediation	The number of remediation actions taken with suppliers	0	0 <sup>11</sup>

## **FY2022 Action Plan**

REA Group also identified the following as intended actions during FY2022 and a status update on these commitments is provided below.

FY2022 Commitment	Status
Rollout of the REA Group Modern Slavery Policy, Supplier Code of Conduct, modern slavery risk assessment criteria and Supplier Assessment Questionnaire to the REA India business	Completed
Integrating the Mortgage Choice business with REA Group's procurement and supplier due diligence processes	Completed
Further embedding the Supplier Code of Conduct into the contracts of higher risk suppliers, as those contracts come up for renewal	Ongoing action
Undertaking modern slavery due diligence on an expanded group of REA Group suppliers	Completed

9. A further 8 multinational tech hardware suppliers were cleared based on publicly available materials, without completing the questionnaire.

10. 8 suppliers were flagged on the basis that their responses indicated that they did not have an accountable person to deal with modern slavery risks, had no relevant policies and/or conducted no screening of their suppliers.

11. No remediation actions were taken in relation to identified instance of modern slavery. However, REA Group engaged with 8 suppliers to complete additional training to uplift understanding of modern slavery issues.

### **FY2023 KPIs**

In FY2023 REA Group will assess the effectiveness of its modern slavery governance processes based on the following KPIs.

#### **Key performance indicator**

Training	<p>The percentage of REA Group and REA India's procurement team that have received ethical procurement and supply training.</p> <p>The number of REA Group Australia and REA India employees that have completed modern slavery compliance training.</p>
Supplier engagement	<ul style="list-style-type: none"><li>• The number of Supplier Assessment Questionnaires issued and completed each year;</li><li>• The percentage of Supplier Assessment Questionnaires with concerns flagged;</li><li>• The number of suppliers who complete a training module; and</li><li>• The number of suppliers audited.</li></ul>
Grievances	<p>The number of whistleblower complaints related to modern slavery risks received each year.</p>
Remediation	<p>The number of remediation actions taken with suppliers.</p>

### **FY23 Action Plan**

REA Group has identified the following as intended actions during FY2023:

- Further embedding the Supplier Code of Conduct into the contracts of higher risk suppliers, as those contracts come up for renewal;
- Consolidating offshore suppliers of administrative support services; and
- Expanding modern slavery training modules to higher risk suppliers.

## **Consultation between REA Ltd, realestate.com.au, Mortgage Choice and their subsidiaries**

In preparing this Statement, REA Group's modern slavery governance group consulted with procurement, risk, legal and sustainability representatives for REA Group's Australian businesses and with procurement and risk representatives from REA India. This included video conferences with responsible personnel in relevant REA Group business units, which was supplemented with written feedback.

The core modern slavery governance group comprises representatives of the REA Ltd and realestate.com.au entities as well as a finance representative for the Mortgage Choice business and a procurement representative of the REA India business.

# Other relevant matters

## COVID-19 impacts

The COVID-19 pandemic and associated government-imposed travel restrictions have limited the ability of REA Group personnel to visit offshore delivery centres in Xian, China and Manila, Philippines. Site visits are an important control in REA Group's oversight of the working conditions of its indirect workforce.

Due to difficulties in REA Group personnel conducting site visits, REA Group instead engaged Elevate to conduct on site social audits with two suppliers based in China and the Philippines during FY2022.

REA Group remains committed to identifying, assessing and addressing risks of modern slavery practices in its operations and supply chains. We will be continually monitoring the effectiveness of the steps set out in this Statement and improving practices to mitigate modern slavery risks.

The board of directors of REA Group Ltd, realestate.com.au Pty Limited and Mortgage Choice Pty Ltd have each reviewed and approved this Statement for the year ended 30 June 2022 on 6 December 2022.



**Hamish McLennan**  
Chairman  
REA Group Ltd



**Owen Wilson**  
CEO and Executive Director  
REA Group Ltd and  
realestate.com.au Pty Limited

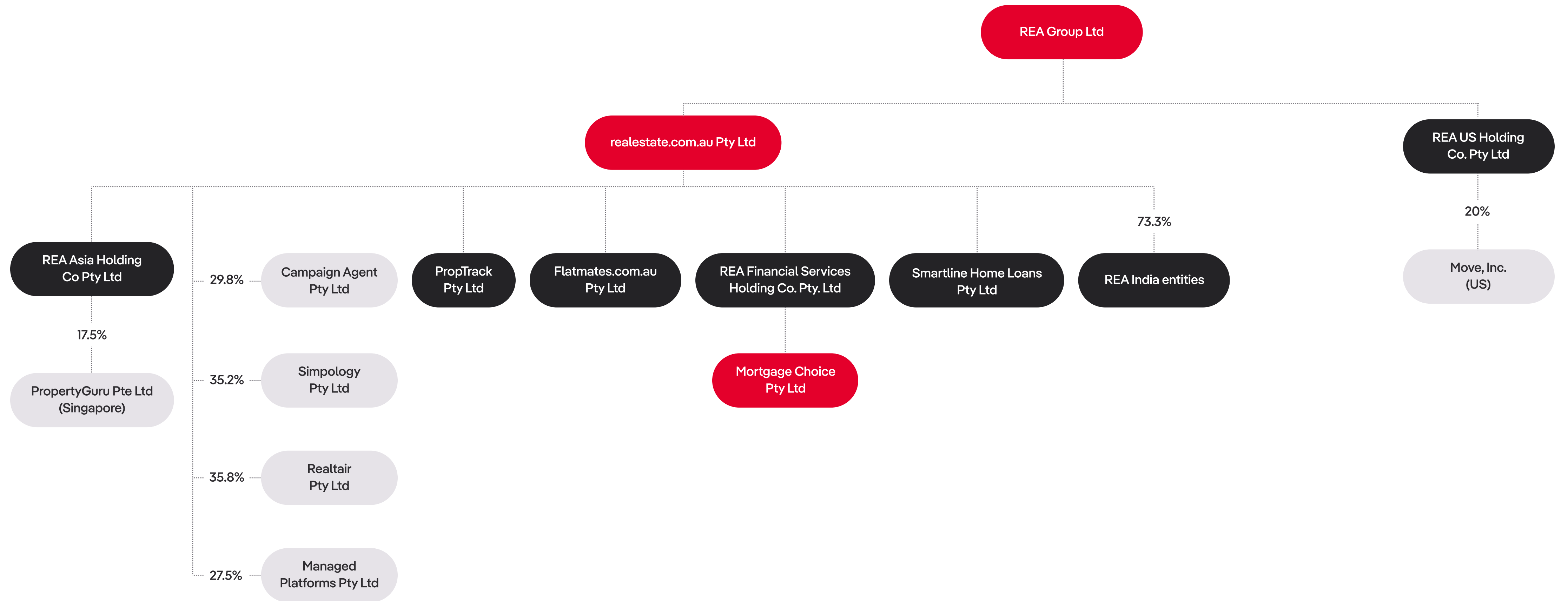
**Executive Director**  
Mortgage Choice Pty Ltd



## Annexure – REA Group subsidiaries

Name of entity	Country of incorporation	Equity Holding 2022 %	Equity Holding 2021 %
REA US Holding Co. Pty Ltd	Australia	100	100
realestate.com.au Pty Limited	Australia	100	100
1Form Online Pty Ltd	Australia	100	100
Flatmates.com.au Pty Ltd	Australia	100	100
PropTrack Pty Ltd	Australia	100	100
realestate.com.au Home Loans Mortgage Broking Pty Ltd	Australia	100	100
NOVII Pty Ltd	Australia	56.2	56.2
HomeGuru Finance Pty Ltd <sup>1</sup> (previously Ozhomevalue Pty Ltd)	Australia	56.2	56.2
REA Financial Services Holding Co. Pty Ltd	Australia	100	100
Mortgage Choice Pty Ltd (previously Mortgage Choice Limited)	Australia	100	100
FinChoice Pty Limited	Australia	100	100
Help Me Choose Pty Limited	Australia	100	100
REA Asia Holding Co. Pty Ltd	Australia	100	100
iProperty.com Events Sdn. Bhd.	Malaysia	100	100
Think iProperty Sdn. Bhd.	Malaysia	100	100
REA Hong Kong Management Co Limited	Hong Kong	100	100
GoHome H.K. Co. Limited <sup>2</sup>	Hong Kong	100	100
SMART Expo Limited <sup>3</sup>	Hong Kong	100	100
Big Sea International Limited	British Virgin Islands	100	100
GoHome Macau Co Ltd	Macau	100	100
REA Group Hong Kong Limited	Hong Kong	100	100
REA HK Co Limited	Hong Kong	100	100
REA Group Consulting (Shanghai) Co., Limited	China	100	100
Smartline Home Loans Pty Ltd	Australia	100	100
Smartline Operations Pty Limited	Australia	100	100
Austin Bidco Pty Ltd	Australia	100	100
iProperty Group Pty Ltd	Australia	100	100
iProperty Group Asia Pte. Ltd. <sup>4</sup>	Singapore	100	100
REA India Pte. Ltd. <sup>5</sup>	Singapore	73.3	60.8
Locon Solutions Private Limited <sup>7</sup>	India	73.3	60.8
Realty Business Intelligence Private Limited <sup>7</sup>	India	73.3	60.8
PropTiger Marketing Services Private Limited <sup>7</sup>	India	73.3	60.8
Aarde Technosoft Private Limited <sup>7</sup>	India	73.3	60.8
Makaan.com Private Limited <sup>7</sup>	India	73.3	60.8
Oku Tech Private Limited <sup>10</sup>	India	58.6	48.6
<b>Associates:</b>			
Move, Inc. <sup>11</sup>	United States	20.0	20.0
Managed Platforms Pty Ltd <sup>12</sup>	Australia	27.5	27.6
ScaleUp Media Fund 2.0 Pty Limited <sup>14</sup>	Australia	16.7	16.7
Realtair Pty Limited <sup>15</sup>	Australia	35.8	24.7
Campaign Agent Pty Ltd <sup>16</sup>	Australia	29.8	30.4
Simpology Pty Limited <sup>17</sup>	Australia	35.2	35.2
PropertyGuru Group Limited <sup>18</sup>	Grand Cayman	17.5	-

# Annexure – REA Group simplified corporate structure



- Entities make a joint statement under Modern Slavery Act 2018 (Cth)
- Entities covered by the REA Group Ltd, realestate.com.au and Mortgage Choice joint statement under Modern Slavery Act 2018 (Cth)
- Entities in which REA Group holds a minority interest (as at 30 June 2022)