



Modern Slavery Statement

Modern Slavery Statement of REA Group Ltd (ACN 068 349 066)
and realestate.com.au Pty Limited (ACN 080 195 535)



About REA Group

REA Group is an ASX listed multinational digital advertising business specialising in property. As at 30 June 2020, REA Group had direct business operations through subsidiaries in Australia and South East Asia as well as minority shareholdings in businesses operating in Singapore, Indonesia, India and the United States.

This statement is a joint modern slavery statement (Statement) for the year ended 30 June 2020 covering REA Group Ltd (REA Ltd) and its wholly owned subsidiary realestate.com.au Pty Limited (realestate.com.au), with both REA Ltd and realestate.com.au 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 2020, REA Ltd was the ultimate holding company of 36 subsidiaries¹, including realestate.com.au (collectively, REA Group, We, Our or Us). This Statement sets out the steps that REA Ltd and realestate.com.au (and where applicable, any entities owned or controlled by REA Ltd and realestate.com.au) have taken to assess and address risks of modern slavery within REA Group's operations and supply chains.

REA Ltd and realestate.com.au 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 both reporting entities.

REA Group's business can be broadly categorised into the following segments:



Property advertising

This segment is the core business of REA Group and includes the well known property advertising websites and mobile applications; realestate.com.au, realcommercial.com.au, spacely.com.au and flatmates.com.au in Australia, iproperty.com.my in Malaysia, squarefoot.com.hk in Hong Kong, myfun.com in China and thinkofliving.com and prakard.com in Thailand. REA Group was also the owner of iproperty.com.sg in Singapore and rumah123.com in Indonesia until March 2020 when those businesses were acquired by 99 Group.

As at 30 June 2020, REA Group also held minority interests in Move, Inc. which operates realtor.com in the United States, Elara Technologies Pte. Ltd. which operates housing.com, proptiger.com and makaan.com in India and 99 Group Pte. Ltd., which owns 99.co in Singapore and since March 2020, the iproperty.com.sg portal in Singapore and rumah123.com in Indonesia.



Financial services

This includes the Smartline mortgage broking franchise, and the realestate.com.au Home Loans mortgage broking franchise in Australia. The two mortgage broking networks were merged under the Smartline brand in April 2020.



Property data and other services

This includes the real estate data business PropTrack (formerly Hometrack) and the rental tenancy application platform 1form in Australia as well as a range of platforms that support the core property advertising business.



 [realestate.com.au](https://www.realestate.com.au)

 [realestate.com.au Home Loans](https://www.realestate.com.au/home-loans)

 [realcommercial.com.au](https://www.realcommercial.com.au)

Flatmates
.com.au

 [spacely](https://www.spacely.com)

 [smartline](https://www.smartline.com.au)
personal mortgage advisors

 [PropTrack](https://www.proptrack.com)



 [PROPTIGER.COM](https://www.proptiger.com)

 [HOUSING.COM](https://www.housing.com)

[makaan](https://www.makaan.com) 

 [买房 myfun.com](https://www.myfun.com)

 [iProperty.com.my](https://www.iproperty.com.my)

 [iProperty.com.sg](https://www.iproperty.com.sg)

 [squarefoot.com.hk](https://www.squarefoot.com.hk)

 [SMARTExpo](https://www.smartexpo.com)
Investment & International Property Expo

 [rumah123.com](https://www.rumah123.com)
Situs Properti No.1 di Indonesia

 [thinkofliving.com](https://www.thinkofliving.com)

 [Prakard.com](https://www.prakard.com)



[realtor.com](https://www.realtor.com)

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.

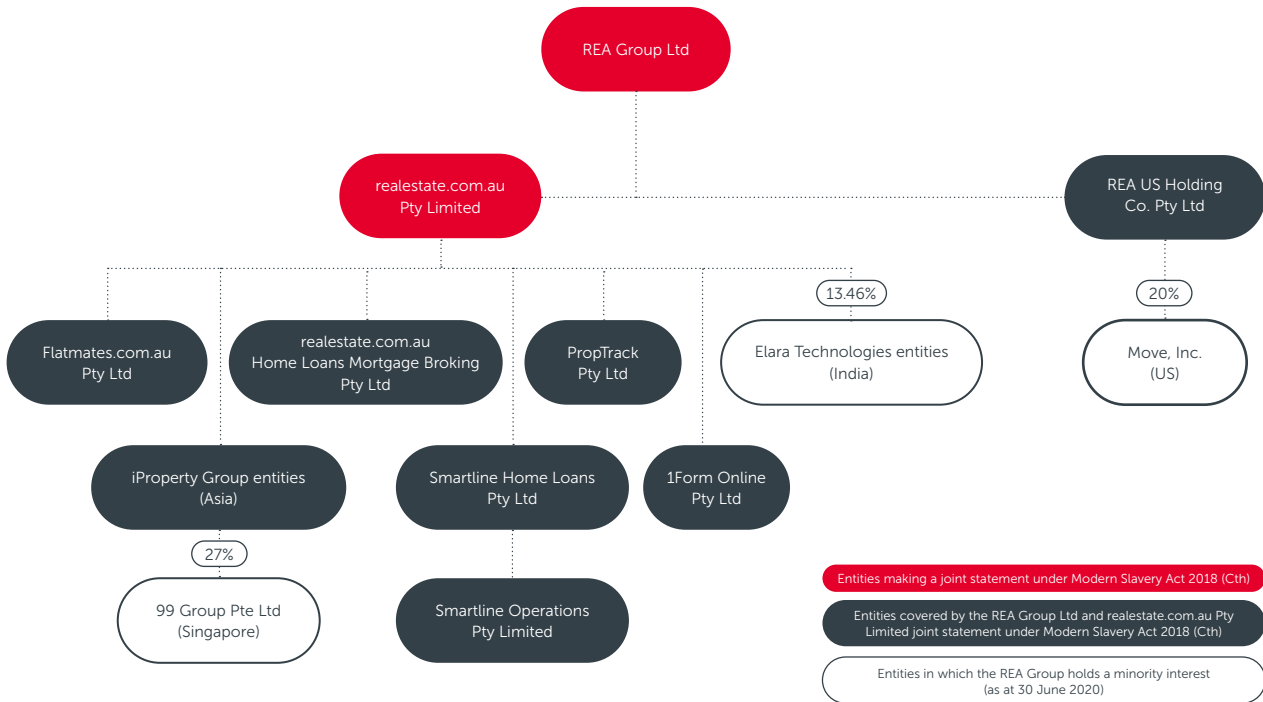
We have developed processes to ensure that we act responsibly and with care to protect against risks of modern slavery. REA Group is committed to taking action to identify, assess and address risks of modern slavery in our operations and supply chains.



Structure, operations and supply chains of REA Group

REA Ltd is a public company, listed on the Australian Securities Exchange. 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. A simplified corporate structure for REA Group is set out below.



As at 30 June 2020, REA Group had over 1,400 employees across Australia and Asia. All employees (including migrant employees on working visas) are employed in compliance with local labour laws in each jurisdiction where REA Group operates. REA Group remunerates its workforce fairly, relative to their contribution and associated market value.

Our operations

REA Group undertakes a diverse range of activities in pursuit of its business objectives and strategy. REA Group's property advertising and property data businesses employ the majority of REA Group's direct workforce across offices in Australia and Asia.

These workers include the software developers and engineers who build and maintain REA Group's advertising websites, mobile applications and data products, as well as the marketing and sales staff who promote and sell REA Group's advertising and data products to real estate agents, real estate developers and in the case of data products, to financial institutions. REA Group also has a large workforce of

support services, including customer service, finance, risk, procurement, security and legal staff. The Smartline and realestate.com.au Home Loans mortgage broking franchisors provide a range of corporate, administrative, technology and marketing services to their network of franchisees.

The operations of the franchisees primarily relate to the provision of residential home loan mortgage broking services to home owners. In April 2020, realestate.com.au Home Loans mortgage brokers were migrated to the Smartline franchise network. The Smartline franchisor employs a small number of corporate staff in Australia to support the franchisee network.

In pursuing its objectives, REA Group also makes strategic investments in property advertising businesses globally, including its minority interests in companies operating advertising portals in Singapore, Indonesia, India and the United States. 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's Supply Chains

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 implemented to manage supply chain risks, including modern slavery risks.

REA Group's major third party suppliers include:

- Suppliers of outsourced labour, including; temp and contract staff for various roles in Australia, outsourced software developers and engineers located in Xian, China and outsourced administrative workers based in Manila, Philippines;
- Suppliers of cloud computing infrastructure and software solutions – these suppliers are typically either large multinationals or smaller software suppliers based in Australia, the US or Europe;
- Suppliers of data, analytics and information services – these suppliers are typically based in Australia, the US or Europe;
- Suppliers of digital, TV, radio and outdoor advertising – these suppliers are typically large multinationals or large Australian media companies and publishers; and
- Suppliers of professional services (accounting, audit and legal services), property and facilities, cleaning and maintenance services, IT hardware, telecommunications, travel related expenditure, financial services and creative and marketing services in each of the territories where REA Group does business.

Risks of modern slavery practices in the operations and supply chains of REA Group

We have carried out a risk assessment of the potential for modern slavery practices within the operations and supply chains of REA Group and consider that the risk that REA Group causes or contributes to modern slavery practices is low.

Modern slavery risks in our operations

REA Group's direct workforce primarily consists of highly skilled technology workers, product, sales and marketing staff and support services staff. These employees are predominantly full-time employees who are employed in accordance with local labour laws and paid fairly at market rates. Given the policies and support structures in place

as part of REA Group's recruitment processes, we consider that the risk that REA Group directly causes modern slavery practices through its operations is low. As at 30 June 2020, REA Group had minority shareholdings in companies operating real estate advertising portals in Singapore, Indonesia, India and the United States. REA Group is not involved in the day-to-day operation of these businesses and does not have direct visibility of their supply chains (with the exception of the iproperty.com.sg and rumah123.com businesses in Singapore and Indonesia which were wholly owned by REA Group until March 2020).

Modern slavery risks in our supply chains

REA Group has carried out an assessment of its supply chains to identify areas that may carry a heightened risk of modern slavery practices, with a particular focus on suppliers that may be located in higher risk geographies or that may use low skilled or migrant labour.

We have identified the following as the highest risk areas for modern slavery within REA Group's direct supplier relationships:

- realestate.com.au's use of software consultancy services provided by software developers and engineers located in Xian, China;
- Smartline's use of an offshore staffing solutions provider which supplies administrative support services to Smartline mortgage brokers in Australia. These administrative support services are provided from an office based in Manila in the Philippines;
- the use of local cleaning companies to provide cleaning services for REA Group's offices in Australia, Hong Kong, Malaysia, Thailand and until March 2020, REA Group's offices in Singapore and Indonesia; and
- the use of local drivers for staff in REA Group's Asian offices.

While REA Group has no evidence to suggest that modern slavery practices are occurring within these supply chains, they are identified as REA Group's highest risk areas based on the industries and geographies in which they operate.

In particular, cleaning and driving services may have an overrepresentation of temporary or migrant workers and be more prone to insecure work arrangements.

Modern slavery risks in our extended supply chain

REA Group does not have a detailed record of its extended supply chain, beyond our direct suppliers. Consequently, there is a risk that REA Group could contribute to modern slavery practices through manufacturers or suppliers with which REA Group has no contractual relationship.

The following goods and services used by REA Group may have elevated modern slavery risks, given that the manufacture or supply of these goods and services is more likely to use unskilled or temporary labour, or because they are imported from higher risk jurisdictions.

Goods

Coffee, tea and foodstuffs
Computer equipment and peripherals
Office furniture and fit-out
Branded merchandise and clothing
Printing, consumables and stationery

Services

Cleaning services
Maintenance services
Office fit-out services
Offshore and remote consulting and administrative services

REA Group manages the modern slavery risks in its extended supply chains by communicating to suppliers that they must comply with our [Supplier Code of Conduct](#) and to ensure their authorised subcontractors comply with the same standards.

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

Managing modern slavery risk within REA Group's operations

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

This includes:

- 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 on boarding new suppliers, including relevant management approvals;
- REA Group's anti bribery and corruption program and its related policy; [Doing Business Ethically and with Integrity](#);
- REA Group's [Whistleblower Policy](#); and
- the Permanent Residency at REA Group Policy which sets out the circumstances in which REA Group will sponsor employees for permanent residency.

This policy framework assists in embedding a strong culture of compliance across REA Group's operations.

REA Group has controls in place to ensure that REA Group employees receive their lawful employment entitlements. For example, in FY2020, REA Group conducted an internal payroll audit of all Australian employees who were subject to Modern Awards, to assess for any award underpayments. The audit did not reveal any instances of underpayment.

Managing modern slavery risk within REA Group's supply chains

REA Group's management of modern slavery risks in its supply chains is underpinned by the relevant policies above, as well as additional supplier specific policies and controls detailed below.

Supplier Code of Conduct

On 1 July 2019, REA Group implemented its first [Supplier Code of Conduct](#), which 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. The Supplier Code of Conduct applies to suppliers of all REA Group entities, including REA Ltd and realestate.com.au.

In FY2020, REA Group sent its Supplier Code of Conduct to all Australian suppliers with which it has commercial dealings of AUD \$1,000 or more, and all REA Group Asia suppliers with which it has commercial dealings of AUD \$20,000 or more. New suppliers are sent the Supplier Code of Conduct as part of supplier onboarding.

Supplier due diligence measures

REA Group has identified several areas where key suppliers could expose the business to material financial and/or non-financial risks.

These include:

- Suppliers receiving access to personal or highly confidential information;
- Suppliers that may expose REA Group to material financial risk (> AUD \$2 million in REA Group Australia and >AUD \$20,000 in REA Group Asia);
- Suppliers that may expose REA Group to material reputational risk; or
- Suppliers or systems that may present a risk of infringement of third party intellectual property rights.

In these instances, REA Group requires that the supplier complete a six-page due diligence questionnaire. Suppliers are asked to complete the questionnaire either when they are initially onboarded or, if it was not carried out at that time, during a subsequent contract renewal cycle.

Among other things, the questionnaire addresses supplier practices in relation to matters such as sub-contracting of labour, affiliations with government owned enterprises, anti-bribery and anti-corruption practices and since the start of FY2021, has required the supplier to provide an express acknowledgement of the terms of REA Group's [Supplier Code of Conduct](#).

Contract Approval Procedure

REA Group's Contract Approval Procedure 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.

Review of external supplier relationships in REA Group Asia

REA Group acquired the iProperty business in FY2017, with operations in Hong Kong, Indonesia, Malaysia, Singapore and Thailand.

In FY2019, REA Group undertook a review of all supplier arrangements for the iProperty business, with a particular focus on ensuring that informal arrangements for low skilled work had appropriate contracts and met minimum wage entitlements.

This included a review of supply arrangements for services such as cleaning contractors and drivers. While no modern slavery issues were identified as part of the review, contracts were put in place with external cleaning contractors in Singapore, Thailand and Malaysia to ensure that informal arrangements were properly documented and in compliance with local labour laws.

Management of outsourced labour suppliers

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

- realestate.com.au's Offshore Delivery Manager visits the Xian delivery centre operated by its outsourced consultants, on a quarterly basis. Other REA Group procurement and engineering staff visit the Xian delivery centre on an ad-hoc basis. In person visits to the Xian delivery centre have been placed on hold since the outbreak of COVID-19;
- realestate.com.au has open video links with the Xian delivery centre on a daily basis as well as regular ad-hoc video conferences between Australian and Xian software developers;
- Smartline mortgage brokers have direct 1:1 relationships with outsourced administrative support staff in the Philippines and communicate on a daily basis; and
- REA Group's expenditure with the outsourced providers is in line with market rates.

Assessing the effectiveness of actions taken to assess and address modern slavery risks

REA Group has made available a contact point for concerns or feedback concerning its Supplier Code of Conduct through its central procurement team. REA Group received no notifications from any supplier

in relation to their inability or refusal to comply with the Supplier Code of Conduct, after it was implemented in July 2019.

REA Group's [Whistleblower Policy](#) allows for anonymous complaints to be made by REA Group employees, officers, consultants, sub-contractors and suppliers and their employees 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 discrimination, bullying, sexual harassment or dishonest conduct.

Complaints 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 report to the independently operated SAFECALL whistleblower hotline. REA Group has received no complaints concerning modern slavery risks, through its whistleblower service. REA Group's policies and processes are periodically reviewed to ensure they remain fit for purpose.

Future Measures

REA Group intends to continue strengthening the measures outlined above by further embedding the Supplier Code of Conduct into the contracts of higher risk suppliers, as those contracts come up for renewal. REA Group may also undertake more detailed supplier assessments, where appropriate, having regard to the industry and region in which a supplier operates and other risk factors such as whether a supplier is likely to use temporary or migrant labour.

Consultation between REA Ltd, realestate.com.au and their subsidiaries

REA Group's shared procurement, finance, risk and legal functions operate on a business partnering model, with dedicated representatives supporting different business units within REA Group.

In preparing this Statement, REA Ltd and realestate.com.au consulted with members of these shared functions, including specific business partners for the owned or controlled entities described in this Statement.

REA Group implemented its Supplier Code of Conduct, with collaboration between its global procurement team, legal counsel based in Australia and regional legal counsel based in Malaysia and with input from REA Group's risk & assurance and finance teams.

This included tailoring the communication of the Supplier Code of Conduct to suit local systems and translating the Code into Thai for suppliers of REA Group's Thai business.

REA Group's due diligence process for high risk suppliers is managed by its global procurement team, with input from stakeholders in legal, risk & assurance, security, enterprise technology services and finance.

Further steps

REA Group is 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 and the board of directors of realestate.com.au Pty Limited have each reviewed and approved this Statement for the year ended 30 June 2020 on 11 March 2021.



Hamish McLennan
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REA Group Ltd



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