

# ASX Announcement

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12 December 2022

## 2022 Modern Slavery Statement

Vicinity Centres (Vicinity, ASX:VCX) today released its 2022 Modern Slavery Statement as attached.

### Authorisation

The Board authorised this document to be lodged with the ASX.

**ENDS**

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#### About Vicinity Centres

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and \$24 billion in retail assets under management across 60 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 59 shopping centres (including the DFO Brisbane business) and manages 29 assets on behalf of Strategic Partners, 28 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 26,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit [vicinity.com.au](http://vicinity.com.au) or use your smartphone to scan this QR code.

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ABN 88 149 781 322  
As responsible entity for:  
Vicinity Centres Trust ARSN 104 931 928



VICINITY  
CENTRES



2022 MODERN SLAVERY STATEMENT



DISCLAIMER: This report contains forward-looking statements, including statements, indications and guidance regarding future performance. The forward-looking statements are based on information available to Vicinity Centres as at the date of this report (8 December 2022). These forward-looking statements are not guarantees or predictions of future results or performance expressed or implied by the forward-looking statements and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Vicinity Centres. The actual results of Vicinity Centres may differ materially from those expressed or implied by these forward-looking statements, and you should not place undue reliance on such forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), we do not undertake to update these forward-looking statements.



**ACKNOWLEDGEMENT OF COUNTRY**

Vicinity Centres acknowledges the Traditional Custodians of the land and pay respect to Elders past and present. As a business that operates across many locations across the nation, we recognise and respect the cultural heritage, beliefs, and relationship with the land, which continue to be important to the Traditional Custodians living today.

Aboriginal and Torres Strait Islander people are warned that this report may contain the images of deceased persons which may cause sadness or distress.

**OUR MODERN SLAVERY STATEMENT**

This is Vicinity Centres' (Vicinity) third Modern Slavery Statement (Statement) covering the Australian financial year from 1 July 2021 to 30 June 2022 (FY22) published in accordance with the Modern Slavery Act 2018 (Cth) (the Act).

Vicinity is a stapled group comprising Vicinity Limited (the Company) and Vicinity Centres Trust (the Trust). Shares in the Company and units in the Trust are stapled together and are traded collectively on the Australian Securities Exchange under the code 'VCX'.

This is a Joint Statement by the Company and the Trust, and it also covers all other mandatory reporting entities under the Vicinity Centres Group (collectively referred to as 'Vicinity Centres', 'Vicinity', 'Group', 'us', 'we' or 'our') in accordance with the reporting requirements under the Act, being:

- Vicinity Limited (ABN 90 114 757 783)
- Vicinity Centres Trust (ABN 72 680 499 767)
- Vicinity NVN Trust (ABN 43 813 342 348)
- Vicinity FIF Investment Trust (ABN 34 310 063 620)
- Vicinity Property Management Trust (ABN 83 026 144 869)
- Vicinity Holdings Limited (ABN 79 167 087 363).

In the process of preparing this statement, Vicinity's Chief Legal & Risk Officer, the Risk and Compliance Committee and the Board have reviewed and provided feedback on its content.

This Statement has been subject to limited assurance by KPMG, and their assurance report can be found on pages 23 and 24 of this document.

The Statement was approved by the Board of Directors of Vicinity Centres on 8 December 2022 on behalf of all reporting entities covered by this Statement.

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**Trevor Gerber**  
Chairman

## MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders

Vicinity is committed to respecting and promoting the human rights of our employees, suppliers and the communities in which we operate, consistent with the International Bill of Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the United Nations Guiding Principles on Business and Human Rights.

We acknowledge modern slavery is a complex issue that requires a coordinated and collaborative response within and across industries and supply chains, to ensure that the human rights of all people are protected.

This is our third Modern Slavery Statement and we continue to make good progress. In FY22, our risk assessments and due diligence processes continued to evolve as our knowledge of risk areas improved, including more extensive risk mapping of the Tiers in our supply chain and deep dives into higher risk categories.

Continuous improvement of our processes to identify and uncover issues around modern slavery remains important for Vicinity, as does the prevention and remediation of such issues.

As a participant to the United Nations Global Compact, we have committed to upholding human rights and submitted our first Communication on Progress against this commitment to the United Nations in FY22. We will continue to collaborate with our peers and progress our efforts in order to play our part in reducing this risk.

Our Board and Executive Committee remain focussed on ensuring transparency around our approach, processes, and challenges to enable shared learning and welcome constructive feedback from stakeholders on future action.

A handwritten signature in black ink, appearing to be 'T. Gerber'.

**Trevor Gerber**  
Chairman

## FY22 KEY ACTIONS



### Risk Assessment

2,447 of our direct (Tier 1) suppliers assessed for modern slavery risks



### Education

Modern Slavery Compliance Training delivered to 99% of our team members and 100% of our Board members



### Collaboration

Delivered our first Communication on Progress as part of our participation in the United Nations Global Compact and collaborated with our peers through multi-sector knowledge sharing



### Partnership

Partnered with human rights subject matter experts to analyse various elements of Vicinity's modern slavery processes to align with best practice



### Governance

Our Modern Slavery Working Group, chaired by our Chief Operating Officer, meets regularly to effectively identify and manage modern slavery risks and due diligence activities

Reporting Requirements of the Act		Page
<b>Requirements 1 and 2</b>	Identify the reporting entity and describe its structure, operations and supply chains	3, 6-9
<b>Requirement 3</b>	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and entities it owns or controls	10-13
<b>Requirement 4</b>	Describe the actions taken by the reporting entity and any entities that it owns or controls to assess and address these risks, including due diligence and remediation processes	8-9, 14-19
<b>Requirement 5</b>	Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	20
<b>Requirement 6</b>	Describe the process of consultation with any entities the reporting entity owns or controls	3, 22
<b>Requirement 7</b>	Any other relevant information	23-24

## OUR BUSINESS, OPERATIONS AND SUPPLY CHAIN

### OUR BUSINESS

Vicinity is a leading Australian retail property group with a fully integrated asset management platform.

As at 30 June 2022, Vicinity had 60 assets under management around Australia, including Midland Gate, WA, which Vicinity manages on behalf of fund management clients. We have over 6,800 retail partners, 23 strategic partners and manage \$23.7 billion of assets, of which \$9 billion is on behalf of third-party capital.

Vicinity's directly owned portfolio (**Direct Portfolio**) of 59 shopping centres is valued at \$14.5 billion, just over half of which comprises Vicinity's flagship portfolio, which includes Chadstone, seven premium CBD centres located across Australia's three largest cities, and Australia's leading outlet centre portfolio.

The majority of Vicinity's earnings are derived from rental income from our retail tenants. Vicinity also derives ancillary income from a variety of sources, including electricity on-selling to tenants, car parking and digital media assets.

Our portfolio provides access to significant parcels of developable land that is suitable for the creation of mixed-use precincts. After a period of capital conservation in the height of the COVID-19 pandemic, we have now transitioned to execution of our \$2.9 billion retail and mixed-use development pipeline, which will further strengthen the retail value proposition.

Our national office is located in Melbourne, Australia, with state offices in Sydney, Brisbane, Adelaide and Perth. We employ 1,266 people across centres and corporate offices nationwide.

For more information about our business, refer to our [2022 Annual Report](#).

**59** ASSETS UNDER MANAGEMENT

**6,874** TENANTS

**23** STRATEGIC PARTNERS

**\$23.7b**  
ASSETS UNDER MANAGEMENT

DIRECT PORTFOLIO VALUE  
**\$14.5b**

### OUR SUPPLY CHAIN

In FY22, Vicinity directly engaged with 2,641 suppliers to provide goods and services for our business, with an annual spend of \$731 million, distributed across three key activities that represent different aspects of our business.

DIRECTLY ENGAGED  
**2,641**  
SUPPLIERS

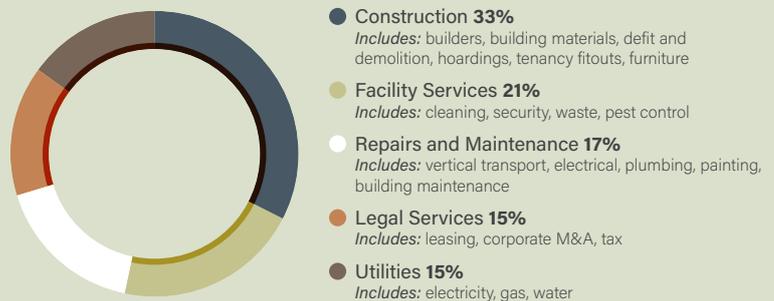
ANNUAL SPEND  
**\$731m**

Business Area	Examples of Spend Categories	Examples of Suppliers Engaged
<b>Operations</b>	<ul style="list-style-type: none"> <li>- Facility services</li> <li>- Utilities</li> <li>- Repairs and Maintenance</li> </ul>	Suppliers of facilities management services such as waste management, cleaning, security, mechanical, landscaping and maintenance, vertical transport and essential services such as energy, gas, heating and cooling, sewerage and water
<b>Developments and Refurbishments</b>	<ul style="list-style-type: none"> <li>- Construction</li> <li>- Consultants</li> <li>- Safety and Compliance</li> </ul>	Head contractors, civil contractors, materials suppliers, design consultants and tradespersons
<b>Corporate Offices</b>	<ul style="list-style-type: none"> <li>- Insurance</li> <li>- Legal Services</li> <li>- Marketing</li> </ul>	Suppliers of information and telecommunication services, professional service consultants, travel, accommodation, events and marketing

Vicinity's operations are solely based in Australia, and the majority of our Tier 1 suppliers are also based in Australia. In FY22, we identified 65 Tier 1 suppliers based overseas. These suppliers came from 17 countries including Australia, with over 60% in the IT industry and others in the consulting, finance, and workplace services industries.

We also recognise that some of our direct suppliers have operations, or engage sub-contractors (Tier 2 and beyond), in foreign countries, which operate under different governance and legislative systems for labour and human rights.

### FY22 TOP 5 CATEGORIES OF SPEND



### LOCATIONS OF OUR TIER 1 SUPPLIERS

- Australia
- Austria
- Canada
- China
- Cyprus
- England
- Germany
- Ireland
- Israel
- Italy
- Japan
- The Netherlands
- New Zealand
- Pakistan
- Singapore
- Sweden
- United States of America

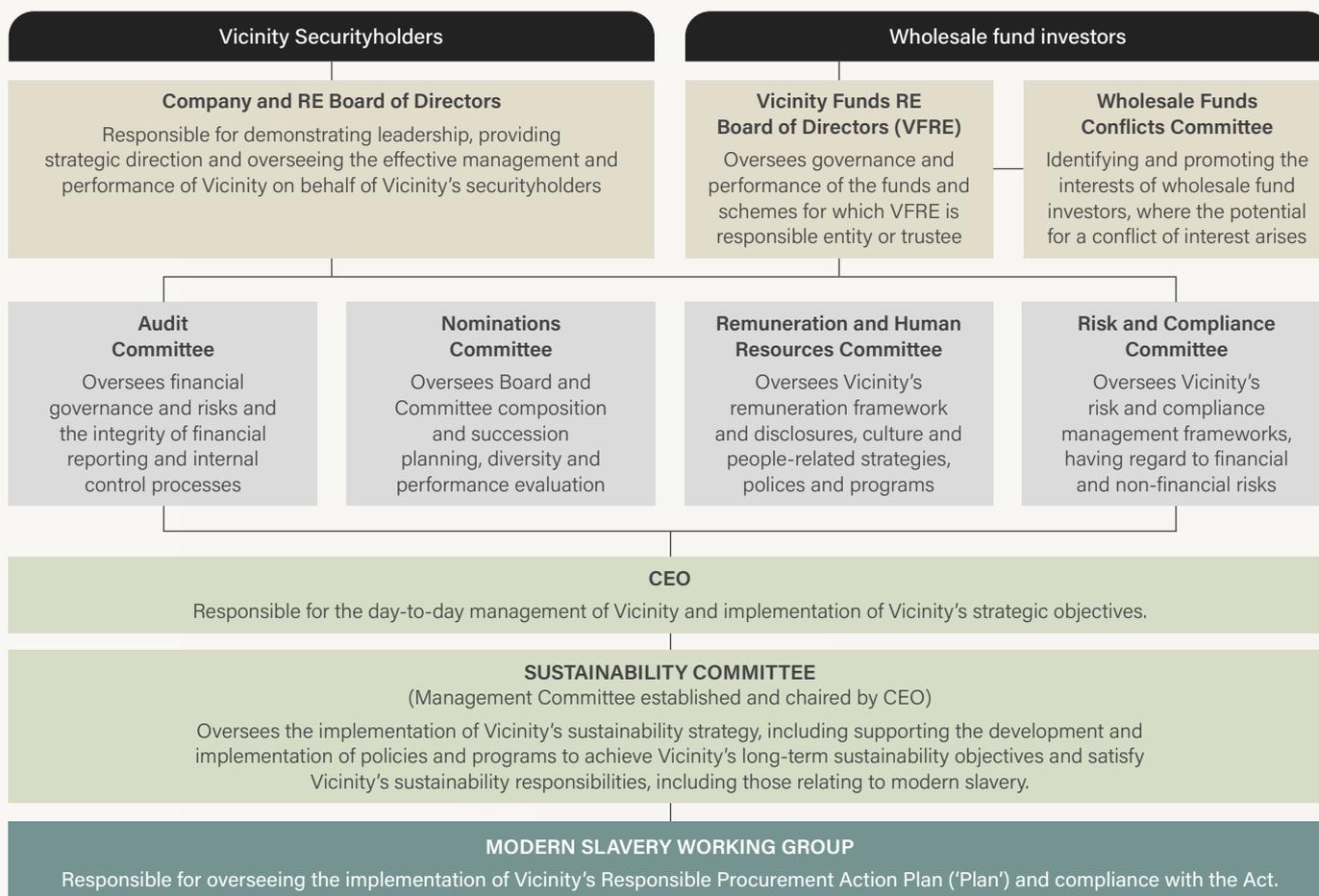


## OUR BUSINESS, OPERATIONS AND SUPPLY CHAIN CONTINUED

### GOVERNANCE AND POLICY

Vicinity's approach to assessing and addressing modern slavery risk continues to be managed via the same governance structure for managing Vicinity's material environmental, social and governance (ESG) risks and opportunities which is outlined in Figure 1 below. For further information on our corporate governance, refer to our [2022 Corporate Governance Statement](#).

Figure 1



Vicinity's Board holds the ultimate responsibility for overseeing our Sustainability strategy and policies. The Risk and Compliance Committee (RCC) of the Board oversees the implementation and effectiveness of Vicinity's risk, compliance and safety frameworks. The RCC is provided updates on Vicinity's program to assess and address modern slavery on a regular basis. Additionally, the Remuneration and Human Resources Committee of the Board oversees our people-related policies and strategies, including remuneration.

The Sustainability Committee (Committee), which forms part of our management committee structure, allocates responsibility for Vicinity's Sustainability agenda to the highest levels of the organisation. The Committee guides the direction of Vicinity's Sustainability programs and objectives, including those relating to modern slavery. It is chaired by our CEO and Managing Director, and includes our Chief Information and Innovation Officer, Chief Operating Officer, Chief Development Officer, Chief Legal & Risk Officer, Chief People & Organisational Development Officer, Chief Corporate Affairs Officer and a number of senior leader representatives, and meets on a quarterly basis.

Vicinity's Modern Slavery Working Group (Working Group), chaired by our Chief Operating Officer, meets on a quarterly basis and comprises representatives from Risk, Compliance, Procurement, Operations, Development, Legal, Security, People and Organisational Development and Sustainability.

The Working Group is actively involved in driving our overall modern slavery response. This includes developing and implementing Vicinity's modern slavery policies and practices across our direct workforce and supply chain and identifying and progressing opportunities to further strengthen Vicinity's modern slavery risk management.

In FY22, the Working Group was presented to by a number of experts in the modern slavery and human rights sectors. Following a presentation by Deloitte, we undertook a deep dive into the proposed Christmas decoration suppliers for the 2022 festive period.

**Policies and controls**

Vicinity has several policies in place relevant to modern slavery and human rights, all of which are approved by the Board or one of its committees. These are our:

- [Code of Conduct](#)
- [Human Rights Policy](#)
- [Sustainable Procurement Policy](#)
- [Whistleblower Policy](#)

Our governance structure and policies apply to all entities owned and controlled by the Group.

In FY21, we launched an updated [Supplier Code of Conduct \(Code\)](#), to incorporate our previous separate Sustainability Code of Practice into one overarching document.

During FY22, we made further amendments to the Code, including the imposition of stricter, more prescriptive requirements and expectations of our suppliers.

The Code continues to form an important component of Vicinity’s procurement processes and agreements with our suppliers. As part of our Supplier Assessment Questionnaire (**SAQ**), vendors are required to attest that they comply with the Code and must report any deviations from the Code to Vicinity.



**CASE STUDY**

**Vicinity Incident Response Plan – Modern Slavery and Worker Exploitation**

In our second statement we indicated we had commenced work on a Remediation Framework (**Framework**) guide for our people to respond to actual or suspected incidents of modern slavery, or a change in circumstances which may result in a materially increased risk of modern slavery occurring. During FY22, we appointed a human rights consultant to review the draft Framework and provide key recommendations.

After consultation, and the understanding that not all incidents may require remediation, we amended this Framework into a new plan, the Vicinity Incident Response Plan – Modern Slavery and Worker Exploitation (**the Plan**).

The Plan will apply to any incidents or allegations relating to modern slavery that involves Vicinity and covers both our operations and our entire supply chain, including our suppliers and their supply chain as well as our tenants. The Plan will also apply to any incidents or allegations relating to comparatively less serious forms of worker exploitation, such as underpayment or substandard working conditions (such as hazardous work or excessive working hours). Whilst these practices do not meet the threshold for modern slavery, we understand they can escalate into modern slavery or indicate modern slavery may also be occurring.

The Plan aligns with the UN Guiding Principles (**UNGP**) on Business and Human Rights and sets out a four-step framework to guide Vicinity’s response to a relevant incident or allegation that has been raised outside of our whistleblowing process. We created a small team of individuals as our Modern Slavery Response Team (**MSRT**), who will be responsible for the categorisation, verification and where required, remediation of an incident. All moderate or major allegations of modern slavery and worker exploitation will be reported to the RCC by a designated member of the MSRT unless raised as a whistleblowing matter, in which case they will be reported in accordance with the [Whistleblower Policy](#).

In order to test its validity prior to being finalised, our Plan was run through scenario testing to determine its application in hypothetical situations with our MSRT. We recognise the voice of the worker is also important when it comes to the Plan, and will seek further external feedback from this group as the Plan matures over time

In line with the UNGPs, our Plan aims to protect workers in both our direct operations and supply chain. In all instances, our priority will be to ensure the safety of the individual(s) experiencing any adverse impact, and cooperate with the appropriate stakeholders, including law enforcement, to prevent or mitigate harm and its recurrence. While detailed, this Plan recognises that flexibility should be exercised according to the specific circumstances of the reported matter, and the needs of each impacted stakeholder(s). The Plan is to be communicated to all team members during FY23.

## MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

We understand that human rights and modern slavery due diligence is an ongoing process of continuous improvement. Vicinity has had in place mechanisms to assess and address ESG risks in our supply chain for some time.

During FY22, we broadened the risk assessment of our supply chain, reviewing and updating our existing management practices where required, in order to systematically integrate modern slavery into the management of our supply chain.

Our focus has remained around evolving our own modern slavery risk management measures across our operations and supply chain, mapping the risks across 100% of our direct suppliers and providing targeted training to our team members and Board.

We believe in implementing a phased response each year, to iteratively assess and mitigate modern slavery risks in our supply chain, will create positive outcomes for both our business and the people in our supply chain.

### MODERN SLAVERY RISKS IN OUR DIRECT WORKFORCE

During FY22, we considered modern slavery risks within our direct operations and workforce as low. Our employees are primarily working in professional services exclusively within Australia, where employee-employer relations are strictly regulated by the Fair Work Act 2009 and relevant modern awards.

Modern slavery risks that relate to our operations and direct workforce, are assessed in the context of our health and safety and human resources policies and practices, ethical standards and behavioural conduct requirements, as per our [Code of Conduct](#), and legal and contractual obligations such as employment conditions.

Vicinity's employees are compensated above the Australian minimum wage, provided leave entitlements in excess of minimum legal requirements, and are free

to join or establish trade unions or other associations and take part in collective bargaining processes, where applicable.

Additionally, we understand that it is important our team members have a comprehensive understanding of modern slavery including how to raise concerns about associated risks. In FY22, we once again delivered modern slavery awareness training as part of our annual compliance program for all team members, including centre-based staff, to provide necessary information on how to recognise and report modern slavery concerns.

Robust policies, team member training, accessible grievance mechanisms and ongoing monitoring and reporting are key program controls we use to mitigate the risk of modern slavery in our direct workforce. A detailed breakdown of our workforce is available below and in our [2022 Sustainability Report](#).

Employees by region (FY22)									
	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Employees by employment type									
Full-time	0	121	0	64	36	8	647	101	977
Part-time	0	40	0	31	12	6	187	13	289
Employees by contract type									
Permanent	0	135	0	80	43	12	725	110	1,105
Temporary employees	0	8	0	3	2	0	47	4	64
Non-guaranteed hours employees	0	18	0	12	3	2	62	0	97
<b>Total workforce</b>	<b>0</b>	<b>161</b>	<b>0</b>	<b>95</b>	<b>48</b>	<b>14</b>	<b>834</b>	<b>114</b>	<b>1,266</b>

## MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN

### Identifying modern slavery risks in our supply chain

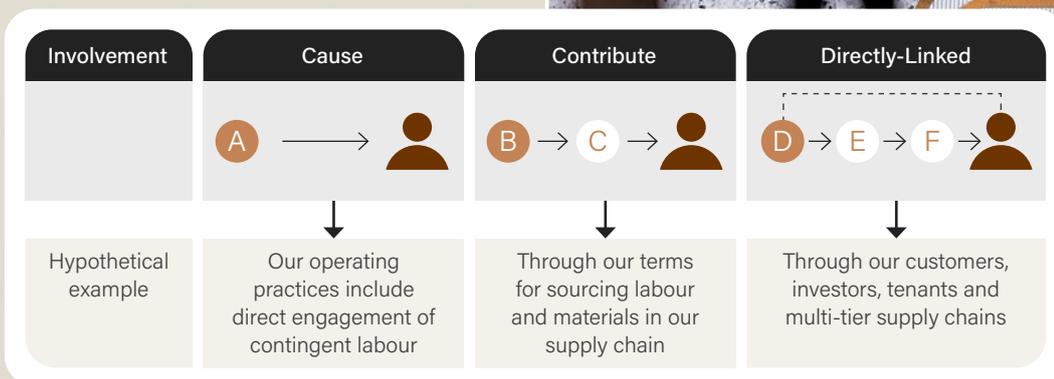
Identification of modern slavery risk spans both our own operations and our supply chain, with the methodology and results being reviewed regularly to ensure that we are capturing trends and realities as they continue to change and update.

We have also drawn on the UNGP to build our awareness program and remedial framework for our people, which assists in the process of identification of any potential risks.

The UNGP are the authoritative global standard for addressing modern slavery and other human rights harms associated with business activities. The UNGP explain that businesses can be at risk of being involved in modern slavery and other human rights harm in three ways:

1. By causing;
2. Contributing to; or
3. Being directly linked to the harm.

Adoption of this approach is as recommended by the Australian Border Force, as set out in the Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities.



**MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN CONTINUED**



In FY22, Vicinity once again engaged global business risk and sustainability solution provider Fair Supply to complete a detailed risk assessment of our supply chain. This risk assessment built on our FY21 assessment and resulted in the assessment of 2,447 of our Tier 1 suppliers, to identify any potential modern slavery risks.

The risk assessment process consisted of mapping and tracing economic inputs required to produce products and services sourced from our Tier 1 to Tier 10 suppliers within our supply chain. The supplier risk assessment was mapped according to country and industry ratings, and was used to understand and map our higher risk suppliers to categorise and prioritise each supplier into our updated risk matrix.

This risk assessment has provided a holistic review across each business unit, while also offering a basis for potential individual actions for specific suppliers identified (or supplier categories). The assessment also indicated that Vicinity has a heightened risk of modern slavery in Tiers 2 and 3 of our supply chain.

As determined through the assessment, our highest risk areas through which Vicinity could be directly or indirectly linked to potential modern slavery practices continue to be:

- Building contractors and materials suppliers for our development projects
- Critical suppliers for our shopping centre operations and maintenance, such as cleaning and security
- Suppliers of promotional goods and giveaways
- IT hardware and software for our corporate offices and centres
- Utilities including electricity and water supply
- Market research and other business management services
- Air conditioning
- Waste and sanitary disposal.

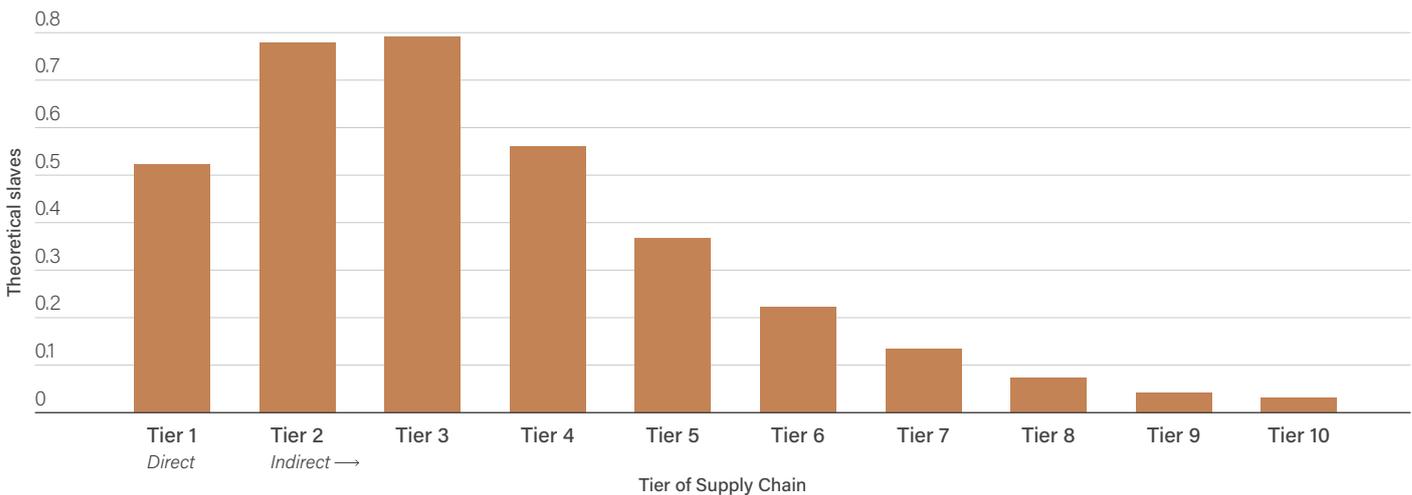
The assessment also flagged new potential areas of risk, not identified in our FY21 report:

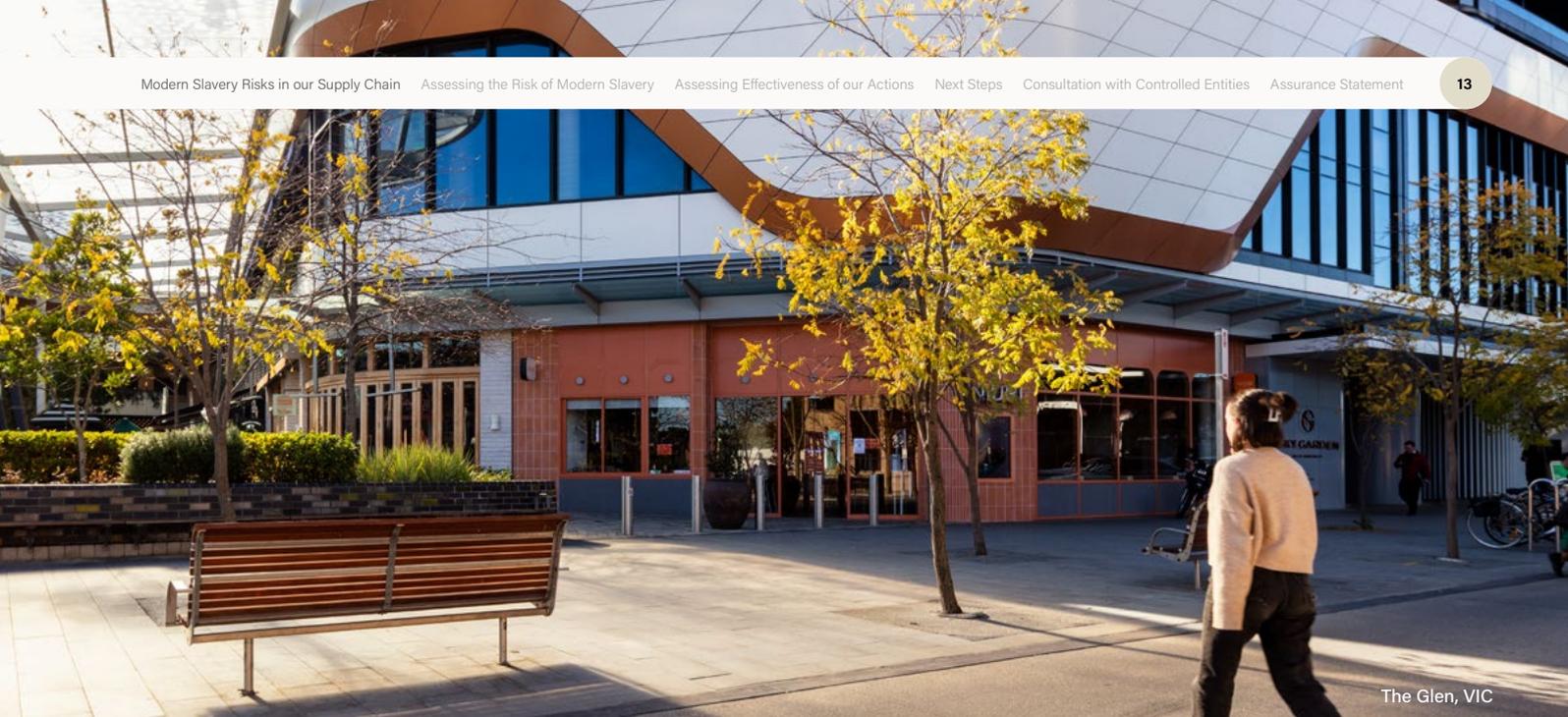
- Uniforms and textile-based products, and
- Consumables, including coffee, utilised in our corporate offices.

Our FY22 risk assessment allowed us to identify a high risk supplier based on their location and category of product. The supplier, based in Pakistan, provides textile-based products to Vicinity in the form of uniforms, a risk area we had not previously identified in our past statements. We issued the supplier with our SAQ to complete a desktop assessment. We identified through this process that the SAQ was not easily accessible to suppliers with English as a second language. Through direct engagement with the supplier, we initiated the process of a third party ethical audit through SEDEX Members Ethical Trade Audit.

The social audit, including visiting the suppliers factory, is due for completion in FY23 and will help us understand the working conditions at the site. Through sharing the findings of the assessment, we will look to discuss any identified areas of improvement with the supplier, including how to improve accessibility and ease of use of our SAQ.

**RISK BY TIER**





The Glen, VIC

### Modern slavery risks in development

During FY22, we announced our \$2.9 billion development pipeline, which sets out a comprehensive retail and mixed-use development program.

Vicinity is conscious that the construction industry supply chain carries elevated risks of labour exploitation and modern slavery practices. An estimated 18% of modern slavery victims are found in the construction industry. Significantly, at least 22% of forced labour victims are found in the manufacture and production of raw materials including in forestry, mining and quarrying – key suppliers for property and construction<sup>1</sup>. Furthermore, a single supply chain for a major contractor can consist of hundreds of sub-contractors, labour agencies and material suppliers with complex inter-relationships.

Our key risk factors in development continue to be:

- Demand for low-skilled and manual labour, including migrant workers
- The use of third-party recruitment/labour hire agencies and complex sub-contracting arrangements
- Long and complex supply chains for manufactured products and raw materials that stretch across high risk countries for modern slavery practices
- Poor visibility over indirect suppliers (Tier 2 and beyond).

In FY22, we continued to build awareness of modern slavery risks that can occur within our high risk categories, particularly with respect to our development projects. We integrated a return schedule in our tender proforma, which includes a detailed questionnaire on the head contractor's response to modern slavery within their business and supply chain. The responses provided by the contractor are reviewed and form part of the tender evaluation and scoring. Once appointed, head contractors report monthly through the respective Project Control Group (PCG) to confirm no deviation from their modern slavery program.

Moving forward, we will commence direct engagement with the appointed head contractors on our development projects, in order to understand current challenges and opportunities in managing modern slavery risk within their supply chains.

Key focus areas will include encouraging further engagement and risk assessments of suppliers within our head contractors' supply chain, and sharing learnings from our construction materials deep dive, as per our [2021 Modern Slavery Statement](#).

### Modern Slavery risks beyond Tier 1 of our supply chain

As indicated in the risk assessment completed through the Fair Supply platform, Vicinity has an enhanced risk of modern slavery in Tiers 2 and 3 of our supply chain (i.e., entities who are suppliers to our Tier 1 and Tier 2 suppliers).

While our primary focus in the first two years of reporting has been on our direct suppliers, in FY22 we commenced work on a roadmap to take into account key risks beyond our Tier 1 suppliers, as well as our tenants.

Once the roadmap and associated recommendations are complete, we will look to implementing these recommendations in FY23.

1. Human Rights Commission and KPMG Australia, 'Property, Construction and Modern Slavery Guide' 2020.

## ASSESSING THE RISK OF MODERN SLAVERY

In FY22, as part of our approach towards continuous improvement, we focused our efforts on deepening our understanding of the potential modern slavery risk exposure associated with our priority suppliers.

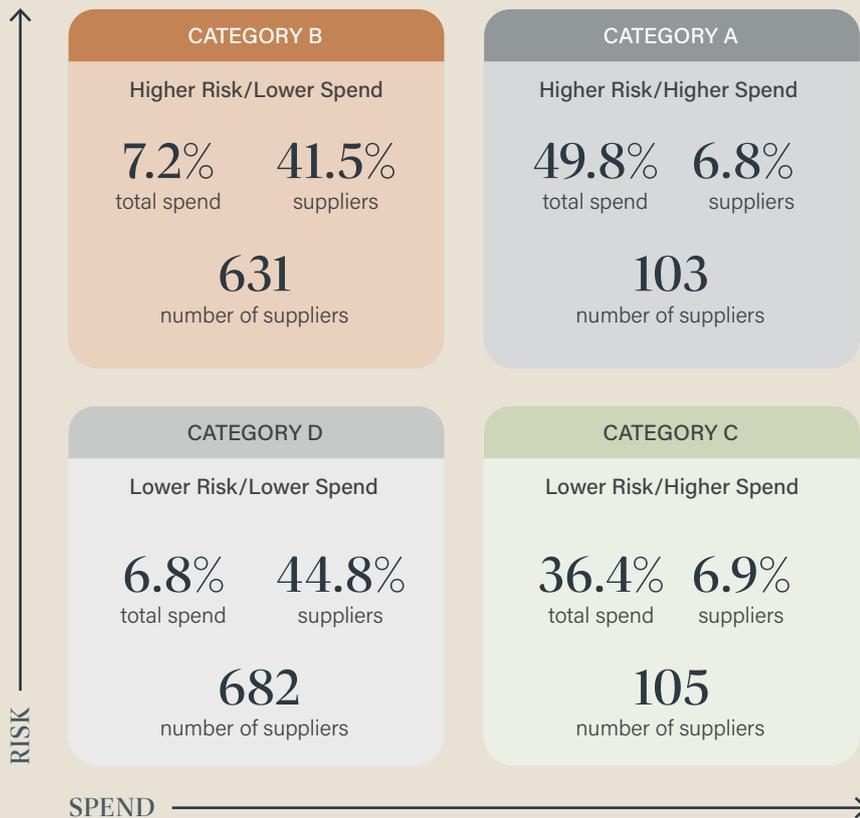
In conjunction with our Procurement team, we have updated our risk assessment methodology and matrix, categorising our suppliers into four segments based on two dimensions:

### 1. RISK

We assess the inherent risks of our suppliers based on their sourcing country and the types of products and services provided, through Fair Supply's modern slavery platform

### 2. SPEND

Suppliers where we have a higher spend can provide greater opportunities to influence change. Vicinity can also support them to identify and manage risk exposure



This risk assessment methodology and matrix enables us to prioritise our efforts where we can make the greatest impact. We recognise that our suppliers and the overall modern slavery risk landscape are dynamic, and continuously evolving as new risks come to light. We will continue to review and update our risk assessment process to capture these changes and ensure that it reflects the current operating environment.





Chadstone, VIC

**CASE STUDY**

**Modern slavery risk in global solar energy supply chain**

Solar remains a key component of our efforts to reduce our carbon emissions. In FY21, Vicinity identified that the procurement of renewable technology is considered a high risk industry for modern slavery, due to risks present within the supply chain, from sourcing raw materials such as cobalt, to the manufacturing of batteries and solar panels.

In our second Modern Slavery Statement, we outlined the enhanced risk of modern slavery in the global solar energy supply chain and our intention to develop a more comprehensive response to the findings of the Uyghur forced labour in global solar supply chains<sup>1</sup>.

Furthermore, during FY22 we invited Dr James Cockayne to present to our Working Group on the risks of forced labour in the global solar supply chain through the research undertaken by the University of Nottingham's Rights Lab. Dr Cockayne presented on a key element of the work undertaken, a new way of estimating the forced labour risk per kilowatt hour of solar energy that a country produces, accounting for all the risks earlier in the value-chain.

We have also taken steps to understand the level of risk posed to Vicinity as a result of solar, by engaging directly with our primary solar suppliers including suppliers from Tier 2 of our supply chain. All relevant suppliers have completed our SAQ and within FY22, we conducted a video conference with one of these suppliers to gain a better understanding of their approach and ongoing management of modern slavery risks, particularly in regards to the sourcing of polysilicon within their own supply chain.

In addition to this direct engagement, we are working with the Property Council of Australia as part of their Modern Slavery Working Group on an industry response and action plan. We will continue to monitor and engage with our suppliers as more information becomes available and materials traceability improves.

1. Murphy, L. and Elimä, N. (2021). 'In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains' Sheffield, UK: Sheffield Hallam.

## ASSESSING THE RISK OF MODERN SLAVERY CONTINUED

### EMBEDDING CONSIDERATION OF MODERN SLAVERY IN SUPPLY CHAIN MANAGEMENT

Since our first statement in FY20, Vicinity has continually enhanced the consideration of modern slavery risks into our procurement processes.

The mechanisms to assess and address modern slavery risk in our supply chain include:

- An SAQ to review practices of prospective suppliers as part of our sourcing process, with high-risk suppliers evaluated against additional specific criteria
- Inclusion of clauses in maintenance service agreements (including cleaning and security contracts) relating to sub-contracting practices, supplier audits, and compliance with modern awards as published by the Fair Work Ombudsman
- The Procurement team engaging with strategic operational suppliers via regular contract management meetings to discuss and monitor compliance with contractual obligations
- An annual routine audit program of cleaning and security suppliers through an independent workplace relations specialist organisation
- An updated Master Services Agreement to include modern slavery and other compliance provisions.

Within both our first and second statements, we detailed an intention to seek further information from our high risk suppliers. In updating our risk matrix which ranks our suppliers in terms of risk versus spend, we were able to focus our assessment on our priority Category A suppliers. We also commenced the migration of our SAQ into an online portal during FY22 to ensure greater accessibility and visibility over supplier responses.

Of the 103 suppliers identified in Category A from our most recent assessment, 48 of these have completed our SAQ within the reporting period. We then assessed a further 24 suppliers from high risk industries as well as one Tier 2 supplier in the solar industry through our SAQ during FY22.

We will focus our efforts in FY23, to ensure our risk matrix is updated annually based on the evolving risks in modern slavery and all Category A suppliers have been assessed and further due diligence actioned, including management action plans where necessary.

# 99%

of employees completed awareness training on human rights and modern slavery in FY22

### Training

Training is a fundamental part of our compliance framework and our strategy to identify and address modern slavery specific risks. Equipping our team members with a strong understanding of what Vicinity's expectations are, and of their roles and responsibilities, ensures that our commitment to upholding human rights is embedded across our business.

Our focus this year has been on continuing to deliver modern slavery training as part of our annual compliance training program for all staff, providing them with the tools on how to recognise and report modern slavery concerns. We completed targeted training with our Corporate Affairs team, as well as modern slavery incident response scenario training with our MSRT. We also provided the opportunity to our team members to receive high level updates on emerging modern slavery risk areas.

During FY22, we engaged a human rights expert to conduct modern slavery training specifically for our Board members. This training covered:

- An introduction to modern slavery
- Modern slavery in the asset management and retail industries, including high risk products and investments in their supply chains
- Vicinity's modern slavery requirements under the Modern Slavery Act 2018 (Act)
- Why it is important to understand, assess and address modern slavery within the supply chain
- Actions Vicinity can take to address modern slavery in the supply chain and mitigate risk, beyond what the business is already doing.



## CASE STUDY

### Christmas decoration deep dive

During FY22, we engaged Deloitte to complete a deep dive into a number of high risk supplier categories, as well as the known high risk categories of cleaning, security and solar.

The deep dive identified that over 60% of the world's Christmas decorations and accessories are produced in China, with 'The Anti-Slavery International' and the 'Walk Free Foundation' also listing Christmas decorations as being produced using forced labour in China. Additionally, there have been reports of child labour in the manufacturing of Christmas decorations, with a Sunday Times investigation exposing how a seven-year-old boy from Bihar, India was made to work 98 hours a week at a factory in a Delhi slum, making Christmas decorations for a British discount high street store.

Following the presentation of these findings by Deloitte to our Working Group, a cross functional team across Procurement, Sustainability, and Marketing undertook due diligence of the procurement of new Christmas decorations for the 2022 festive period.

The due diligence process included mapping out planned projects across the business and any identified preferred suppliers. Each supplier was then provided a request to complete our SAQ and further detailed information as to the location of manufacture of products to be procured within the specific scope of work for each centre. The SAQ's were assessed by the Working Group for any indications of risk in relation to the supplier's policies and procedures and the specific materials that were to be procured. The centres were then provided approval to move forward with the supplier.

Through this process, we did not identify, or otherwise become aware of, any actual or suspected incidences of modern slavery, however we did learn that each centre had a variance in the mix of products being procured, including lighting, ornaments, faux trees and other products. This meant that each procurement project needed to be assessed at a centre and project specific level, as opposed to pre-approving a supplier.

Pre-purchase screening measures, and approval of Christmas decoration suppliers through the confirmation of products being procured and sufficient supply chain visibility of these products, have been identified as process improvements which will be implemented as a result of this deep dive.



## ASSESSING THE RISK OF MODERN SLAVERY CONTINUED

### ASSESSING AND ADDRESSING MODERN SLAVERY THROUGH INDUSTRY COLLABORATION

We understand that eliminating modern slavery cannot be achieved by working alone. It is an issue that requires a coordinated and collaborative response within and across industries and supply chains. In FY22, we have continued to collaborate with our peers in order to strengthen our modern slavery response.

#### Property Council of Australia (PCA)

We continue to participate in the PCA's modern slavery program of work, which has been designed to provide a comprehensive industry response to address this complex and challenging issue.

Our participation in the PCA Modern Slavery Working Group, also includes participating in broader engagement research pieces as coordinated by the group.

During FY22, KPMG Australia, in collaboration with the PCA, developed a practical guide for businesses to better understand and address modern slavery in the property and construction sector – 'Listening and Responding to Modern Slavery in Property and Construction: A practical guide to human rights grievance mechanisms'.

As detailed in our second statement, Vicinity continued to utilise the PCA modern slavery questionnaire into our supplier due diligence assessment framework. The 29 suppliers we have engaged through the platform were requested to update their response during FY22, to understand if the risk level to their responses has changed.

In our second statement we indicated that an independent desktop audit of a segment of suppliers was in process through a collaboration of the PCA, Informed 365 and assurance firm, Bureau Veritas. The audit was completed during FY22, and resulted in a number of findings and observations with respect to the nominated suppliers, including a lack of formal grievance mechanisms, sourcing of products from overseas, an absence of processes to monitor, measure or assess the effectiveness of actions to find or prevent modern slavery in their supply chains, and the use of sub-contractors.

#### Cleaning Accountability Framework (CAF)

Business, union, government, academics and industry associations came together to form CAF as a whole-of-industry approach aimed at reducing the exploitation of cleaners. Vicinity was one of the first retail property companies to participate in CAF's pilot program.

In FY19, Northland, VIC, in collaboration with our incumbent cleaning services provider, achieved 3 Star Standard certification. We continue to maintain this certification with six monthly compliance checks and annual detailed audits including:

- Fair work conditions
- Payslip and timesheet checks
- Worker health and safety
- Induction and training
- Employee checks.

In FY22, we consulted with CAF on how to expand certification beyond our first centre at Northland. Through consultation, CAF has advised that whilst portfolio certification is not yet available to Vicinity, we can expand our certification at further individual centres. We have identified two further centres to be certified through CAF, with the audit process to be completed in FY23.

#### United Nations Global Compact (UNGC) Network Australia Modern Slavery Community of Practice

The UNGC Network Australia Modern Slavery Community of Practice includes peers across industries with the goal of sharing emerging best practice to build capabilities in addressing modern slavery among Australian businesses. The UNGC encourages companies to align their strategies and operations with its Ten Principles on human rights, labour, environment and anti-corruption, and to take actions that advance better societal outcomes through collaboration and innovation. Vicinity became Participants to the UNGC in FY21 and during FY22, we completed our first Communication On Progress, documenting our progress on these Principles.



## INCIDENTS AND REMEDIATION PROCESSES

### Incidents and audits

Vicinity did not identify, or otherwise become aware of, any actual or suspected incidences of modern slavery in its supply chain or operations during the reporting period. We were made aware of, and investigated, three grievances which were raised with us either directly or via our online whistleblower service. None of these grievances were identified as incidences of modern slavery.

Vicinity maintains an annual supplier audit program through which an independent workplace relations expert organisation assesses the compliance of our cleaning and security service providers with their obligations as employers on a rotating basis.

In FY22, two (from a total of eight) cleaning and security service providers underwent a detailed audit. The audit findings demonstrated compliance with obligations under the Cleaning Award and the Security Award (as applicable) with no remedial action required. A minor recommendation was made to improve the clarity of communication with security workers in relation to employee entitlements, following one instance of a worker misunderstanding role levels.

We recognise that cleaning and security providers are often at high risk of sub-contracting and therefore, in addition to the routine audits, we conduct random spot checks on our cleaning and security service providers where information gathered is compared with time and attendance reports to identify any non-compliance related to attendance, unapproved sub-contracting and to ensure all staff have relevant qualifications (e.g., security licences). These spot checks are unannounced and completed at varied times during the shifts.

Vicinity completed 12 of these spot checks in FY22. The spot checks did not identify any issues, with opportunities for process improvement identified in relation to staff sign ins and outs, resulting in the implementation of QR codes to allow for easy sign in and out.

## OUR REMEDIATION PROCESS

### Whistleblower Policy

Vicinity's *Whistleblower Policy* enables eligible people (which includes Vicinity employees, associates, as well as employees of current and former suppliers and tenants) to raise concerns about any unlawful, unethical, irresponsible or undesirable conduct involving Vicinity without fear of reprisal. Grievances can be reported directly to an internal Whistleblower Officer, or through an independently monitored external whistleblower service.

Reported grievances are investigated where appropriate, escalated, reported, and appropriate action is taken in line with this policy. All Vicinity employees receive training on our Whistleblower Policy as part of our annual compliance training program. To enhance awareness of the policy among workers in our supply chain, we have also designed and displayed signage in back-of-house areas at all centres.



## ASSESSING EFFECTIVENESS OF OUR ACTIONS

We acknowledge that modern slavery due diligence is an ongoing process of continuous improvement and that measuring the effectiveness of Vicinity's mechanisms to assess and address modern slavery risks is critical to improving risk management.

Our Modern Slavery Monitoring and Evaluation Program establishes clear accountabilities, performance metrics and reporting lines, to assess and report on progress and effectiveness of our actions throughout the year. We have continued to employ a number of processes to monitor the effectiveness of our actions to address modern slavery risk.

These include, but are not limited to:

Category	How we assess effectiveness
<b>Governance</b>	We provide regular updates to the Working Group, the RCC and the Sustainability Committee on our internal framework, including policies and programs that address modern slavery
<b>Risk Assessment and Management</b>	<p>We utilise a number of methods to assess the effectiveness of our risk assessment and management processes. These activities include, but are not limited to:</p> <ul style="list-style-type: none"> <li>- Engaging external subject matter experts to undertake a comprehensive risk assessment and supply chain mapping of suppliers</li> <li>- Conducting independent audits of employee shared services (including performance and reward functions) to ensure compliance with legislative and contractual obligations</li> <li>- Reviewing supplier responses to Vicinity's SAQ during the sourcing process and requesting additional information on policies and practices where necessary</li> <li>- Continued and expanded supplier engagement through the Fair Supply platform, including reviewing, validating and scoring supplier responses to the modern slavery questionnaire</li> <li>- Regularly engaging with our strategic operational suppliers via contract management meetings</li> <li>- Engaging independent external workplace relations experts to undertake regular auditing of our suppliers in high risk industries, such as cleaning and providing an understanding of the effectiveness of Vicinity's actions through the voice of the worker</li> </ul>
<b>Incident Reporting</b>	Incidents raised and investigated under the Whistleblower Policy are reported to the RCC
<b>Feedback from External Sources</b>	We engage with a human rights and responsible sourcing expertise for feedback on our approach
<b>Collaboration</b>	Continue to collaborate with industry partners through active involvement in the PCA Modern Slavery Working Group, CAF Modern Slavery Working Group and UNGC Network Australia Modern Slavery Community of Practice to share learnings and approaches

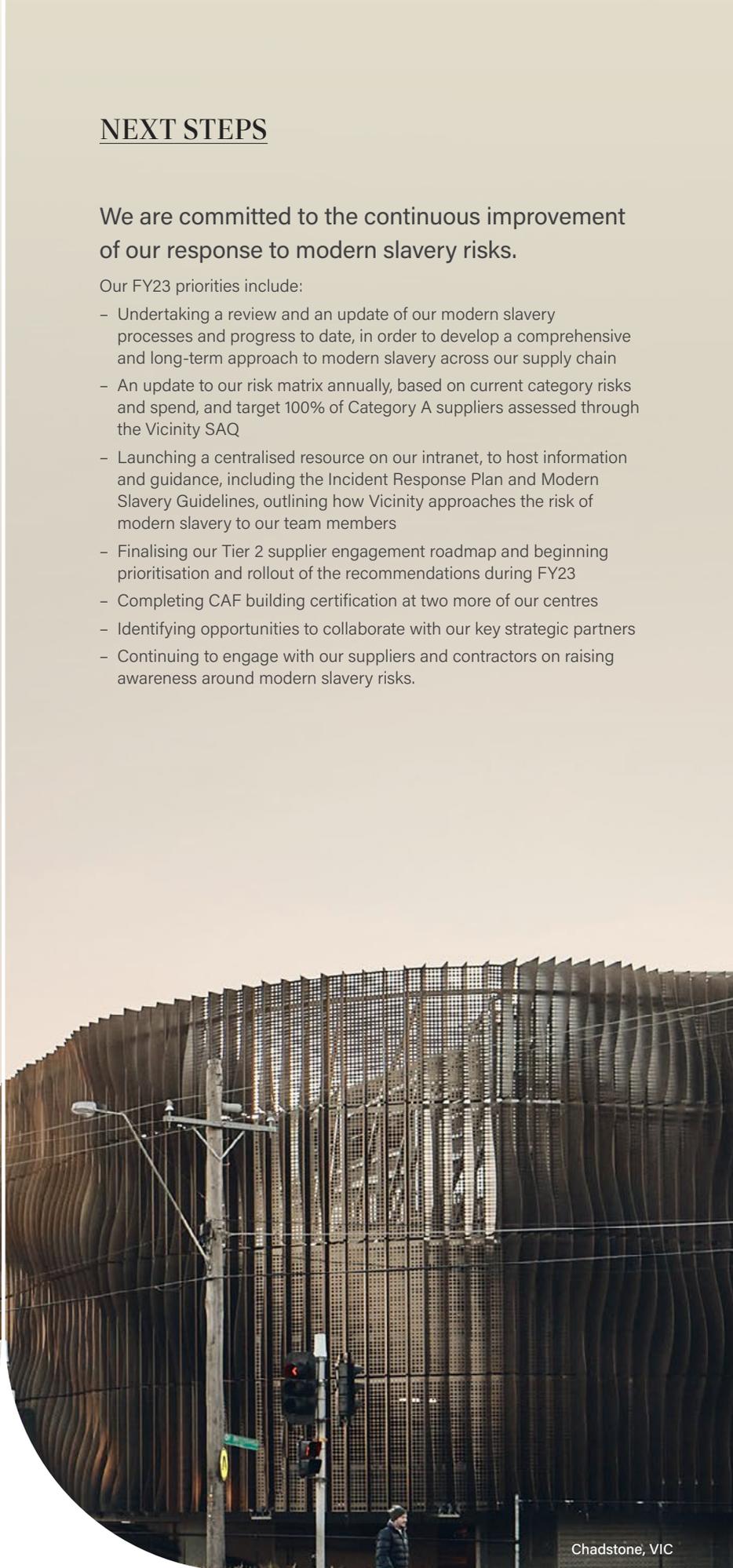


## NEXT STEPS

We are committed to the continuous improvement of our response to modern slavery risks.

Our FY23 priorities include:

- Undertaking a review and an update of our modern slavery processes and progress to date, in order to develop a comprehensive and long-term approach to modern slavery across our supply chain
- An update to our risk matrix annually, based on current category risks and spend, and target 100% of Category A suppliers assessed through the Vicinity SAQ
- Launching a centralised resource on our intranet, to host information and guidance, including the Incident Response Plan and Modern Slavery Guidelines, outlining how Vicinity approaches the risk of modern slavery to our team members
- Finalising our Tier 2 supplier engagement roadmap and beginning prioritisation and rollout of the recommendations during FY23
- Completing CAF building certification at two more of our centres
- Identifying opportunities to collaborate with our key strategic partners
- Continuing to engage with our suppliers and contractors on raising awareness around modern slavery risks.



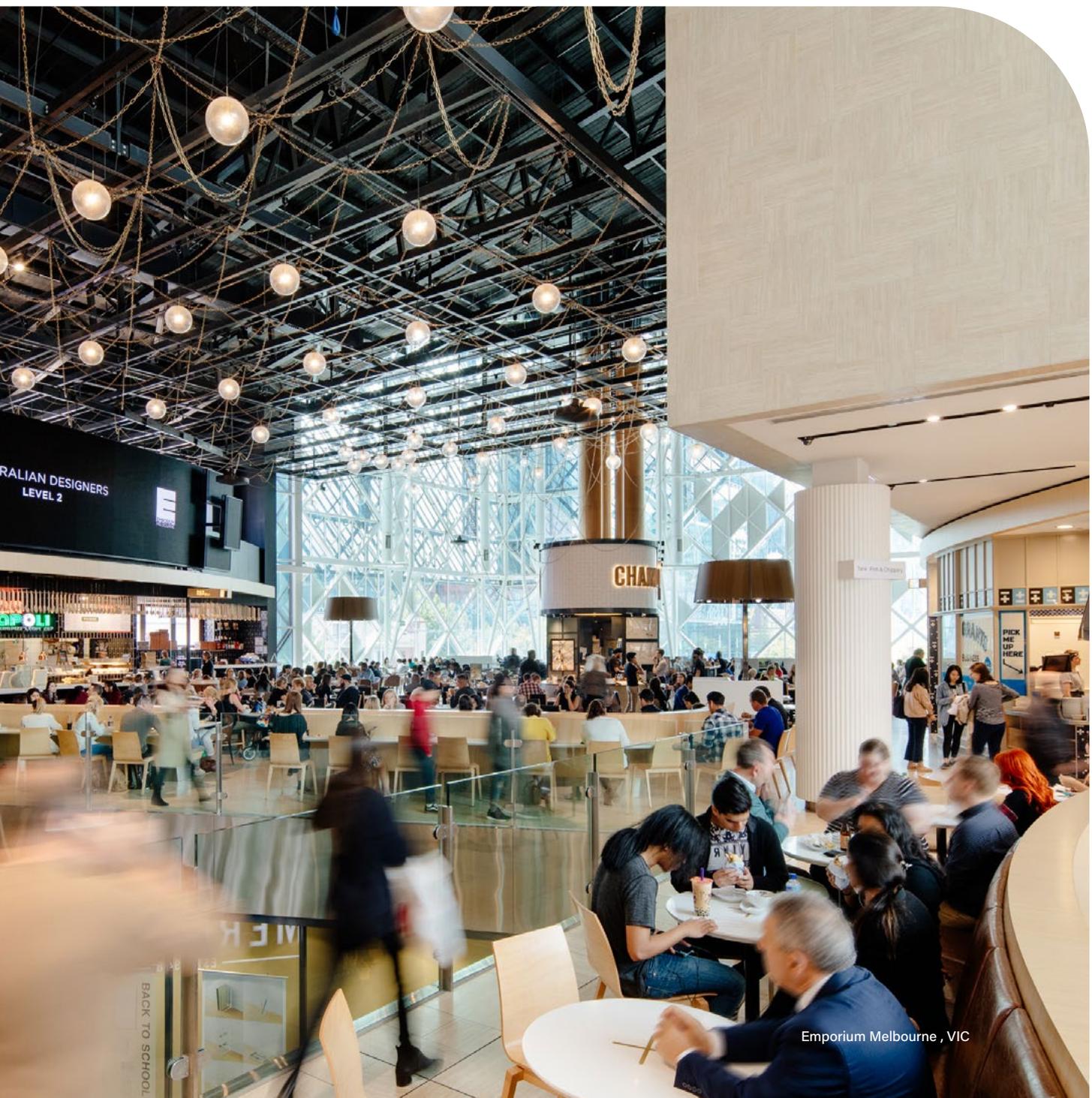
Chadstone, VIC

## CONSULTATION WITH CONTROLLED ENTITIES

During FY22, we have engaged in a full process of joint consultation in the preparation of this Statement, and in relation to our modern slavery response generally.

All risk assessment, due diligence, and remediation measures described in this Statement have equal application across both mandatory reporting entities. We have engaged representatives from all reporting entities in our Working Group to ensure our modern slavery response is inclusive of all aspects and operation of the Vicinity Group.

All necessary consultation and engagement with all owned and controlled entities, as listed in the 'Our Modern Slavery Statement' section (page 3) have occurred in relation to the modern slavery response as detailed in this Statement.



## ASSURANCE STATEMENT



Independent Limited Assurance Report to the Directors of Vicinity Centres PM Pty Ltd

### Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the presentation of the FY22 Modern Slavery Statement, which has been prepared by Vicinity Centres PM Pty Ltd's (Vicinity Centres) in accordance with *The Modern Slavery Act 2018* (cth) for the year ended 30 June 2022.

### Information Subject to Assurance

Vicinity Centres engaged KPMG to perform a limited assurance engagement in relation to Vicinity Centre's FY22 Modern Slavery Statement (Statement), of which this assurance report is attached to.

### Criteria Used

The Statement was prepared in accordance with the 'mandatory criteria for modern slavery statements' contained in Part 2, section 16 of the *The Modern Slavery Act 2018* (cth) ("the criteria").

### Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Statement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with management and other key personnel to understand the reporting process including representatives from compliance, internal audit, supply chain and development, customer experience, procurement, and risk and legal.
- Review of relevant documentation;
- Analytical procedures over the information in the Statement;
- Agreeing the information in the Statement to relevant underlying sources on a sample basis;
- Assessment of the suitability of disclosures, including that the Statement addresses the 7 reporting requirements of the Act; and
- Reviewed the Statement in its entirety to ensure it is consistent with our overall knowledge of Vicinity Centres.

### How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Vicinity Centres.

### Use of this Assurance Report

This report has been prepared for the Directors of Vicinity Centres for the purpose of providing an assurance conclusion on the Statement and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Vicinity Centres, or for any other purpose than that for which it was prepared.

## ASSURANCE STATEMENT CONTINUED



### Management's responsibility

Management are responsible for:

- determining that the Criteria is appropriate to meet their needs;
- preparing and presenting the Statement in accordance with the Criteria; and
- establishing internal controls that enable the preparation and presentation of the Statement that is free from material misstatement, whether due to fraud or error.

KPMG

Sarah Newman  
Director  
Melbourne  
1 December 2022

### Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Statement for the year ended 30 June 2022, and to issue an assurance report that includes our conclusion.

### Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.



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