



Managed by
HMC Funds Management Limited
(ACN 105 078 635; AFSL 237257)
as responsible entity of the
HomeCo Daily Needs REIT (ARSN 645 086 620)

ASX RELEASE

28 October 2024

MODERN SLAVERY STATEMENT 2024

HomeCo Daily Needs REIT (ASX: HDN) provides the attached Modern Slavery Statement for the year ended 30 June 2024.

This announcement is approved for release by the Board of the Responsible Entity.

For further information, please contact:

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About HomeCo Daily Needs REIT

HomeCo Daily Needs REIT (HDN) is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. HDN aims to provide unitholders with consistent and growing distributions.

HDN is Australia's leading daily needs REIT with total assets of approximately \$4.8bn spanning approximately 2.5 million square metres of land in Australia's leading metropolitan growth corridors of Sydney, Melbourne, Brisbane, Perth and Adelaide. HDN is also a strategic investor in the Last Mile Logistics (LML) unlisted fund, a complementary mandate which targets core plus transition assets with upside via repositioning into essential last mile real estate infrastructure.

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**Home
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Daily Needs REIT

HomeCo Daily Needs REIT
ARSN 645 086 620

2024

Modern Slavery Statement.

Modern Slavery Statement.

Introduction

The HomeCo Daily Needs REIT (ARSN 645 086 620) (**HDN**) is subject to the *Modern Slavery Act 2018* (Cth) (**Act**) which requires reporting entities subject to the Act to produce an annual modern slavery statement.

This Modern Slavery Statement is prepared on behalf of HDN, together with the entities it owns and controls (together, the **Group**), and describes the steps taken by the Responsible Entity (as defined below) and the Group to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain, and how we evaluated the effectiveness of our actions, during the reporting period 1 July 2023 to 30 June 2024 (**FY24**).

This is the third Modern Slavery Statement for HDN and has been approved by HMC Funds Management Limited as the responsible entity (**Responsible Entity** or **RE**) of HDN on 23 October 2024. 'Our', 'we', and 'us' in this Modern Slavery Statement refer to the Responsible Entity and the Group.

We understand the important role we can play in addressing and preventing modern slavery throughout our directly controlled operations and supply chain. We will never knowingly participate in modern slavery practices and will continuously seek to ensure our governance structures are appropriate to respond to the challenges posed by modern slavery. We look forward to continuing to report transparently on our progress.

This statement is signed by David Di Pilla in his capacity as a director of HMC Funds Management Limited and by Sid Sharma in his capacity as HDN Chief Executive Officer on 28 October 2024.



David Di Pilla
Director



Sid Sharma
HDN Chief Executive Officer

28 October 2024

Acknowledgement of Country

HDN acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of Country throughout Australia and celebrates their diverse culture and their connections to land, sea and community. We pay respect to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Our structure

The HomeCo Daily Needs REIT is an Australian Real Estate Investment Trust listed on the ASX (ASX: HDN) with a mandate to invest in convenience-based assets across the subsectors of Neighbourhood Retail, Large Format Retail and Health & Services.

HDN is externally managed by HMC Capital Limited (ACN 138 990 593) (**HMC Capital** or **HMC**) through HMC Investment Management Pty Ltd (ACN 644 510 583) and HMC Property Management Pty Ltd (ACN 644 510 707), as its investment and property managers, respectively. Both are wholly-owned subsidiaries of HMC Capital.

The Responsible Entity of HDN, HMC Funds Management Limited, is also a wholly owned subsidiary of HMC Capital.

HDN's head office is located at Level 7, Gateway, 1 Macquarie Place, Sydney, NSW, Australia.

Information about HDN's wholly-owned subsidiaries is detailed on pages 48 to 50 of HDN's FY24 Annual Report.

Our operations and property portfolio

HDN's business is only conducted within Australia. HDN owns all property via wholly owned sub-trusts. The centres operate under the HomeCo brand in the locations where they are situated.

HDN's revenue is primarily derived from rental income.

As at 30 June 2024, HDN owned:

Centres across Australia

51

Valued at circa

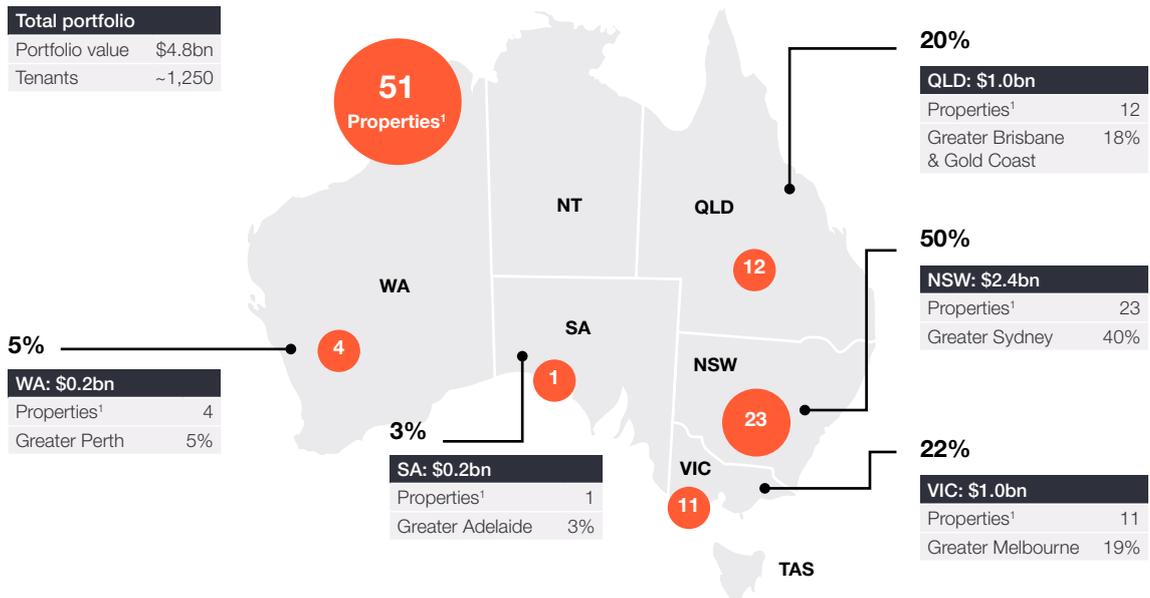
\$4.8 billion

Occupancy is approximately

99%

HDN does not have any direct employees and HMC Capital employees provide services to it. See pages 6 to 7 for further information.

For more information about HDN operations and structure, please refer to the HDN Annual Report available under "Announcements and Reports" at <https://www.hmccapital.com.au/investment-strategies/real-estate/homeco-daily-needs-reit/>.



HDN has a leading strategic network of sites located across metropolitan growth corridors

Notes: All FY24 metrics (except for portfolio value) as at 30 June 2024, include McGraths Hill and Menai Marketplace on a 100% basis (\$55.0 million and \$176.0 million with 25.3% and 50.1% owned by HDN respectively) and excluding ROU assets at Caringbah (\$0.2 million).

1. Richlands parcels (108 Pine Road and 159-177 Progress Road) and Armstrong Creek pad site and land parcel (Lot C) are consolidated into the adjacent head property.

Fund strategy

HDN's portfolio construction seeks to diversify across geography, sub-sector and tenants resulting in consistent and growing distributions.

Strategic locations	Sub-sectors	Tenants
<ul style="list-style-type: none"> Geographically diverse national footprint 85% metro-located portfolio Exposed to markets with above average population growth 	<ul style="list-style-type: none"> Target Model Portfolio allocated between three core subsectors of 50% Neighbourhood, 30% Large Format Retail and 20% Health and Services Low correlation to traditional retail and property sectors No exposure to department stores and minimal exposure to discretionary retail and fashion 	<ul style="list-style-type: none"> 3 largest tenants include Woolworths, Wesfarmers and Coles >83% ASX-listed and/or national retailers Top 10 tenants represent approximately 34% of income

Our supply chains

As at 30 June 2024, HDN had:

4

Total direct suppliers

HDN, through its suppliers, undertakes property development, property management (including asset management and property leasing), investment management and portfolio integration services.

All suppliers that HDN engaged during FY24 were based in Australia. The types of suppliers engaged are outlined below.

Direct suppliers

The Responsible Entity has responsibility for the governance and oversight of operations of HDN. The Responsible Entity has entered into stable and long-term material contracts with the following four entities for the following services:

1. **Investment management services** – the Responsible Entity has engaged HMC Investment Management Pty Limited ACN 644 510 583 (as **Investment Manager**). The Investment Manager has been delegated the day-to-day control over HDN and its portfolio of assets, subject to the supervision and control of the Responsible Entity and the terms of its engagement.
2. **Property management services** – the Responsible Entity has engaged HMC Property Management Pty Ltd ACN 644 510 707 (as **Property Manager**) to act as the property manager of HDN's properties. The Property Manager has been delegated all powers necessary to carry out its obligations to manage HDN's properties, including each property in the portfolio, by providing property management services and development management services. The Property Manager provides the services subject to the supervision and control of the Responsible Entity and the terms of its engagement.
3. **Custody services** – the Responsible Entity has engaged Equity Trustees Limited (as **Custodian**) to provide custody services for HDN.
4. **Registry services** – the Responsible Entity has engaged Link Market Services Limited to provide registry services for HDN.

Both the Property Manager and Investment Manager are wholly owned subsidiaries of HMC Capital.

Indirect suppliers

The Property Manager and Investment Manager may engage external third-party service providers.

In FY24, the Property Manager and Investment Manager engaged external third-party service providers in relation to the following business categories:

- **Property management services** – including services such as cleaning, security, waste management, air conditioning, landscaping and maintenance services, vertical transport and essential services such as energy, sewage and water.
- **Development activity services** – including services such as builders, contractors, materials, suppliers, design consultants and tradespeople.
- **Centre and corporate offices** – including services such as office supplies, corporate projects, employment and training of staff, external legal advice, leasing services, IT infrastructure and support services and travel, which are all provided through external management agreements.

Given HDN's business is only conducted within Australia and the nature of the services provided by the external third-party service providers, the external third-party service providers only provide their services to HDN within Australia.

Of the third-party service providers, property facilities management firm, Knight Frank Australia Pty Ltd (**Knight Frank**), was HDN's most material indirect supplier. Knight Frank undertakes on site management of 100% of assets in the HDN portfolio.

The risks of modern slavery practices in our operations and supply chains

Modern slavery risks in operations

We will never knowingly participate in modern slavery practices in our directly controlled operations.

During FY24, the Responsible Entity considered the extent to which the Group may contribute to or be linked to modern slavery risks in its operations.

The Responsible Entity has assessed that the risk of modern slavery practices within the Group's day-to-day operations is low, as there are no direct employees, all business is conducted within Australia and the majority of property is wholly-owned by the Group.

Accordingly, the Responsible Entity considers that the Group's greatest risk of involvement in modern slavery is being indirectly linked to it through its supplier relationships. Therefore, our actions have focused on identifying potential modern slavery risks in our supply chain.

Modern slavery risks in supply chains

During FY24, the Responsible Entity considered the risks of modern slavery in the Group's supply chain. The following indicators were the primary source used to identify and assess potential supplier risk: sector and industry risk, product and services risk, entity risk and specific signs that may indicate a person is in a situation of modern slavery.

The Responsible Entity considers that the risk of modern slavery in the Group's supply relationships was low during FY24 as:

- HMC staff who provided services to HDN are primarily working in property management and ancillary professional service roles exclusively within Australia; and
- the Group's key property and facilities manager, Knight Frank, is subject to modern slavery reporting under the Act. The Responsible Entity reviews the Modern Slavery Statements published by Knight Frank, and continues to work collaboratively with Knight Frank to support each other's initiatives to reduce the risk of modern slavery.

In relation to the risk of exposure to modern slavery practices in the type of real estate held in the Group's portfolio, the risk is considered greater with certain indirect supplier services, such as in relation to cleaning and janitorial services, security services and repair services engaged by Knight Frank that are required in the Group's day-to-day operations. Such risks include the risk of there being a vulnerable workforce (e.g. low-skilled occupations and migrant workforce) and risks associated with the business model (e.g. tight deadlines, subcontracting, and casual labour).

The Responsible Entity understands that Knight Frank undertakes internal audits on the supplier due diligence process and, together with the Property Manager, engages with Knight Frank to understand the outcomes of their audit process and to ensure that any modern slavery issues relevant to the Group's supply chains are rectified to the extent possible.

The actions taken to assess and address these modern slavery risks including due diligence and remediation processes

During FY24, the following actions were taken to better assess and address potential modern slavery risks in the Group's operations and supply chain.

Due diligence and supplier engagement

Since FY22, the Responsible Entity has undertaken due diligence to determine what actions the Group must take to assess and address the risks of modern slavery practices occurring in its operations and supply chains. As a result of this due diligence, the Responsible Entity notes that the Group's greatest risk of involvement in modern slavery continues to be through its supplier relationships. In FY24, we continued to focus on this aspect and worked with Knight Frank to understand and aim to influence the processes that they have in place to reduce the risk of any modern slavery practices occurring. We intend to continue focusing on this area in FY25 by working with Knight Frank to understand the systems and partnerships they have in place to assess their supplier relationships.

During FY24:

- the Responsible Entity, together with the Property Manager and Investment Manager (as relevant), continued to work with external property, asset and facilities service providers to review existing and new indirect suppliers and ensure that they are appropriately reviewed and screened specifically for modern slavery risks; and
- the Responsible Entity continued to assess the potential modern slavery risks in the Group's operations and supply chains with emphasis on high-risk geographical locations and business transactions.

Adoption of guiding principles

In FY24, HMC Capital confirmed to HDN that it remained a signatory of the United Nations Global Compact (**UN GC**). HMC Capital, including the Responsible Entity and the Group, remain committed to upholding the UN GC's 10 key principles related to human rights, labour, environment and anti-corruption.

In FY24, we continued our journey of understanding and adopting the United Nations Guiding Principles on Business and Human Rights, including understanding the principles and identifying their application to HDN's business. In FY25, we intend to continue our work on this so that we can play a part in preventing, mitigating and accounting for actual or potential adverse human rights impacts in our operations and supply chains, and specifically modern slavery.

HMC Capital – Update to Code of Conduct

As HDN does not have any direct employees and HMC Capital staff provide services to it, the HMC Capital Code of Conduct (**Code of Conduct**) applies to HDN and all contractors of the Group. It requires the contractors to comply with both the spirit and the letter of all laws which govern the operations of the Group, which includes the Act.

During FY24, HMC Capital confirmed to HDN that the Code of Conduct was reviewed and updated to include specific references to HMC Capital's policy in relation to respecting human rights and preventing modern slavery. Although HMC Capital has always supported the modern slavery reduction initiatives of HDN, the Code of Conduct now contains specific requirements for all employees of HMC Capital to:

- create and maintain a work environment that respects human rights;
- conduct business in accordance with human rights, and modern slavery standards, and report any human rights or modern slavery concerns to the HMC Group General Counsel and Company Secretary; and
- support the efforts of HMC Capital and any entity, body corporate or trust managed or controlled by HMC Capital (**HMC Capital Group**) to reduce the potential for labour and human rights issues in the HMC Capital Group's operations and supply chains, including its modern slavery risk management processes. The Code of Conduct provides that the HMC Capital Group will not tolerate suppliers or contractors who engage in exploitative behaviours or modern slavery.

HMC Capital – training and governance arrangements

As HDN does not have any direct employees and HMC Capital staff provide services to it, HDN is reliant on HMC Capital's training and governance arrangements.

HMC Capital confirmed to HDN that it will continue to support the modern slavery reduction initiatives of HDN. The structure, operations and direct workforce of HMC Capital are managed through its policies and practices, the ethical standards and behavioural conduct requirements that HMC Capital exhibits in all its dealings, both internal and external, and in accordance with the HMC Code of Conduct, and other relevant HMC governance policies. In FY24, HMC Capital confirmed to HDN that it trained all HMC staff, which includes staff who provided services to HDN, on modern slavery risks and reduction initiatives relevant to HDN.

Remediation

The Group's modern slavery program is complemented by our governance and operational policies, as well as the governance and operational policies of HMC Capital applicable to the Group. These policies provide for our directors and suppliers to report concerns about suspected or actual improper conduct, including in relation to modern slavery, and for us to remediate the impact of modern slavery in the Group's operations and supply chains. Modern slavery practices will not be tolerated by HDN.

Our approach to remediation of modern slavery risks is summarised in Table 1. Key policies which are directly relevant to our modern slavery program include:

- The Code of Conduct, which applies to HDN and any contractors of the Group. The Code of Conduct is designed to assist with the practical implementation of the stated values of the HMC Capital Group. It is a fundamental principle of the HMC Capital Group that its business affairs will be conducted legally, ethically and with the highest standards of integrity and propriety. This includes always acting in a manner that is in compliance with all applicable laws and regulations, including those that deal with modern slavery. In addition, under the Code of Conduct, employees are required to report any human rights or modern slavery concerns to the HMC Group General Counsel and Company Secretary. Compliance with the Code of Conduct is mandatory and failure to comply may lead to disciplinary action, including termination.
- The HDN Whistleblower Policy, which further highlights HDN's commitment to the highest standard of conduct and ethical behaviour in its business activities and to promoting and supporting a culture of corporate compliance and honest and ethical behaviour. The Whistleblower Policy relates to the protection of those 'speaking-up' about misconduct. Reports may be made anonymously and may be made by persons including employees, contractors, and suppliers.
- The HDN Anti-Corruption Compliance Policy, which sets out HDN's commitment to conducting its business and operations with honesty, integrity and to the highest standards of personal and professional ethical behaviour in Australia. The policy states HDN's zero tolerance for bribery and corruption in any form and sets out key obligations for reporting violations or suspected misconduct.

The Group's core governance policies on our website under the 'Corporate Governance' tab: <https://www.hmccapital.com.au/investment-strategies/real-estate/homeco-daily-needs-reit/>.

Table 1: Remediation process overview

 Identification	 Responses may include
If HDN itself has caused or contributed to adverse modern slavery impact	'Making good' the adverse impact by aiming to restore the victim to the situation they would be in if the adverse impact had not occurred
If HDN identifies modern slavery practices or risks in our supply chain	Working with the relevant supplier entity that caused the impact to prevent or mitigate the harm and aim to prevent its recurrence
If HDN considers there is an unacceptable risk that modern slavery practices may be present in our supply chain	Ending the business relationship with any entity if we determine continued, unremediated unacceptable risk of modern slavery practices

How HDN assessed the effectiveness of its actions

The Group strives to improve its modern slavery risk program. Below, we have outlined how we assessed the effectiveness of our actions in addressing the risk of modern slavery during FY24.

Governance and oversight

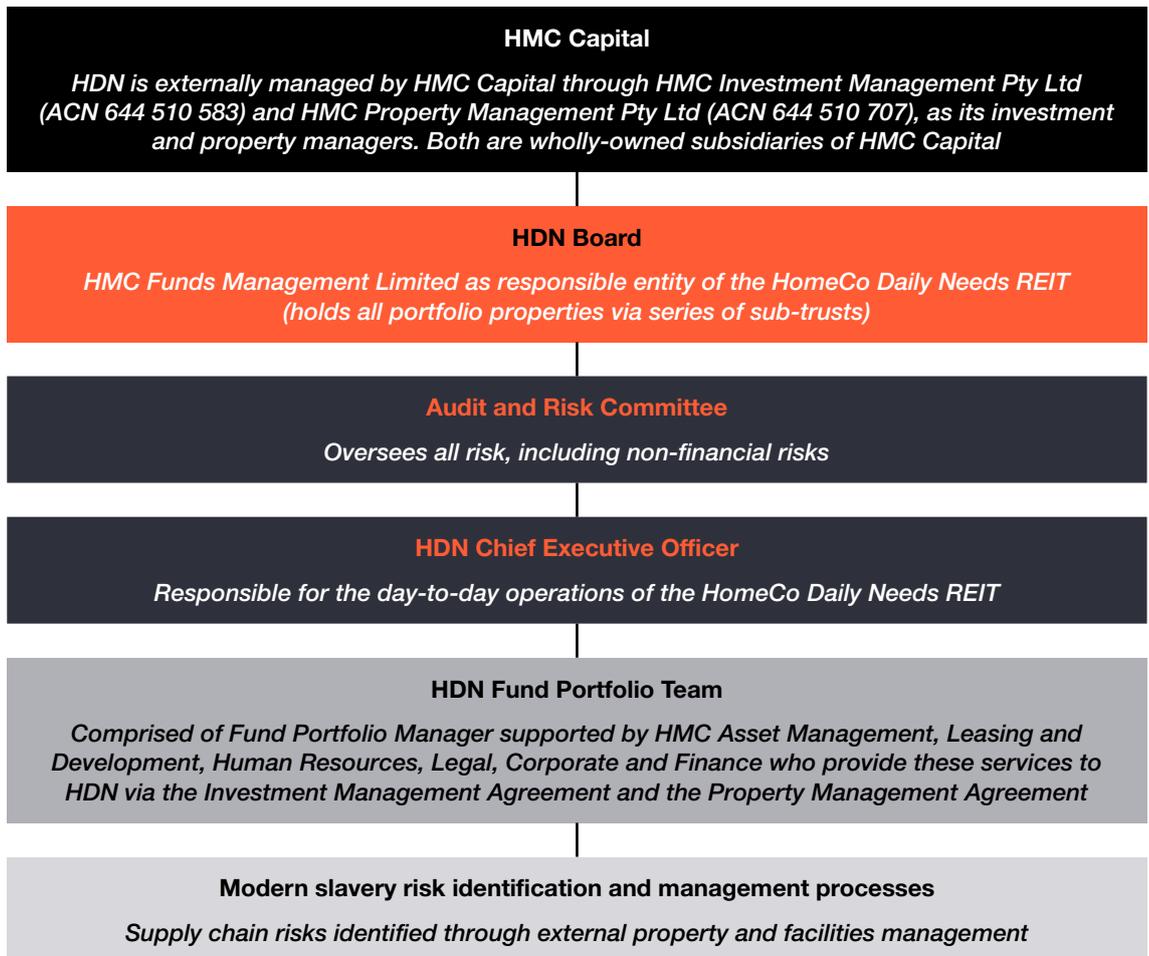
The governance arrangements in relation to how HDN oversees its modern slavery risk program is outlined in Table 2 below.

The Responsible Entity completes a detailed review of HDN's response to modern slavery risks on an annual basis. In 2024, these processes included:

- engaging with HMC Capital to ensure the Code of Conduct was reviewed and updated to include HMC Capital's policies with respect to modern slavery;
- enhancing our risk assessment processes to ensure they remain up-to-date and to ensure there are appropriate triggers to identify when an update to a risk assessment is required;

- implementing various processes to provide regular engagement and feedback within HDN's operations;
- tracking actions and measuring impact in relation to service provider and employee engagement, and levels of awareness; and
- investigating partnering with an industry group to undertake an independent review of its actions.

Table 2: Modern slavery risk oversight – ownership and governance structure



Consultation

The Group takes a coordinated approach to managing modern slavery risks across the business, including through consultation and collaboration with key functions. Consistent with this approach, we undertook a detailed consultation process to develop this statement.

The development of this statement was led by the Group's legal, governance, compliance and risk function, which consulted directly with senior management heading the relevant functions across the Group, including the fund portfolio management function, contracting and procurement function, and sustainability function. These senior management personnel assisted with both drafting and reviewing the statement.

The statement was then reviewed by members of the Executive Leadership Team, including the HMC Group Managing Director and Chief Executive Officer, the HDN Chief Executive Officer, the HMC Group Chief Financial Officer and the HMC Group General Counsel and Company Secretary.

Following this, the statement was put to the Board of Directors of the Responsible Entity for final review and approval.

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