

# Progressing Transparency

## Modern Slavery Statement

Lendlease  
Retirement  
Living Trust

**Financial Year  
2022**





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## Acknowledgement of Country

As an owner of assets on land across Australia, we pay our respects to the traditional owners, especially their elders past and present, and value their custodianship of these lands.

# Introduction

Lendlease Retirement Living is a leading operator of retirement villages across Australia, with a commitment to exceptional service through the delivery and management of lively and engaging communities. Our portfolio comprises a range of independent living and serviced apartment options for over 17,000 residents.

The Lendlease Retirement Living Trust (LLRL Trust) currently operates as part of the Lendlease Group, through its trustee, Lendlease Retirement

Living Holding Pty Ltd. This means the systems and processes of the Lendlease Group's operations and supply chains are currently accessed and utilised by the trustee for the benefit of the LLRL Trust's operations. This currently includes all Lendlease Group enterprise level measures, group minimum requirements for safety, training and engagement relating to the management of supply chain risks including Modern Slavery risks.

This Statement therefore cross references the [Lendlease Group Modern Slavery Statement FY2022](#). If at any time the LLRL Trust ceases to operate as part of the Lendlease Group, appropriate policies and procedures will be adopted, and an updated statement prepared.

The last year has seen LLRL Trust operate with a continued focus on understanding and mitigating Modern Slavery risks across our operations. Although COVID-19 has continued to impact our business, our progress has included:

- Development of a business specific supplier management system including screening of suppliers
- Participation in Lendlease Group supply chain due diligence and audit programs, prioritising categories of suppliers with elevated Modern Slavery risks
- Roll out of Modern Slavery Awareness Training across the business including all village-based teams
- Engagement with external contractors to better understand their approach to Modern Slavery when working on LLRL Trust sites



## Impact of COVID-19

LLRL Trust continues to ensure all sites prioritise the health, safety and wellbeing of our residents and workers. We continue to respond to COVID-19 outbreaks in the community in line with Australian Government guidelines. Our customers and residents, however, are particularly vulnerable to COVID-19.

### LLRL Trust Operations

We have implemented additional specific controls and measures to those of Lendlease Group, across the LLRL Trust portfolio. These have included:

- Mandatory influenza vaccinations for all staff and contractors and other visitors working within the village environment. Influenza vaccination has been introduced as a pre-employment condition and implemented with existing staff and contractors with minimal exceptions and only granted where mitigations are possible
- Mandatory for all staff to remain "up to date" (as defined by the Australian Technical Advisory Group on Immunisation (ATAGI)) with COVID-19 vaccinations
- Mandatory for contractors and suppliers engaged by LLRL and who attend a LLRL village (excluding emergency services and delivery personnel) to have their primary (dose 1&2) COVID-19 vaccination
- LLRL Trust management strongly encourage all visitors to our retirement villages and resorts to be COVID-19 vaccinated. Management also encourage all visitors to undertake the following risk mitigations when working or visiting a village or resort:

- Wearing a mask when indoors in communal areas
- Social distancing (1.5m)
- Good hand hygiene
- Staying home when feeling unwell

- Up to two-weeks special paid leave where casual employees were required to self-isolate and unable to work from home
- Ongoing activities to promote good mental health and wellbeing have continued across the portfolio. This has included activities to promote social engagement where lockdowns are in place

### LLRL Trust Supply Chains

LLRL Trust expects all subcontractors, consultants and suppliers comply with the government public health advice and guidance.

On development and capital works projects, LLRL Trust is encouraging all subcontractors to develop a risk management plan that addresses the potential impact of the COVID-19 on their workforce, the workplace and their supply chain. We also continue to work closely with our clients on the best way to support our employees, contractors and suppliers.

Overall, like Lendlease Group, our supply chains continue to remain resilient. We have continued to navigate the supply chain related impacts of COVID-19 through proactive communication with our suppliers and in particular, collaborative engagement with our strategic supply partners and logistics partners.

Further specific commentary is provided within 'Actions Taken and Effectiveness' section of this Statement.

# Structure and governance

## Structure

Until 31 March 2022, LLRL Trust was:

- 50% owned by the Lendlease Group
- 25% owned by Perpetual Corporate Trust Limited as trustee of the Viventi Investments Holding Trust, a wholly owned subsidiary of Stichting Depository APG Strategic Real Estate Pool duly represented by APG Asset Management N.V. (“APG”). APG is an asset manager for Dutch pension funds and their 4.7 million active and retired participants. APG manages pension assets of approximately €559 billion as at the end of August 2022
- 25% by Aware Super (“Aware”) an Australian complying superannuation fund with circa AUD150 billion assets under management and over 1 million members. Aware’s financial information is publicly available on its website <https://aware.com.au/about/governance-and-policies/company-reports-and-audit>

Lendlease Group sold 24.9% of its interest in LLRL Trust to Aware effective 31 March 2022.

LLRL Trust is a joint venture of the Lendlease Group, and is accounted for as a material equity accounted investment. Refer to the Lendlease Group Annual Report 2022.

The Structure and relationship to the Lendlease Group is shown diagrammatically below.

## Governance

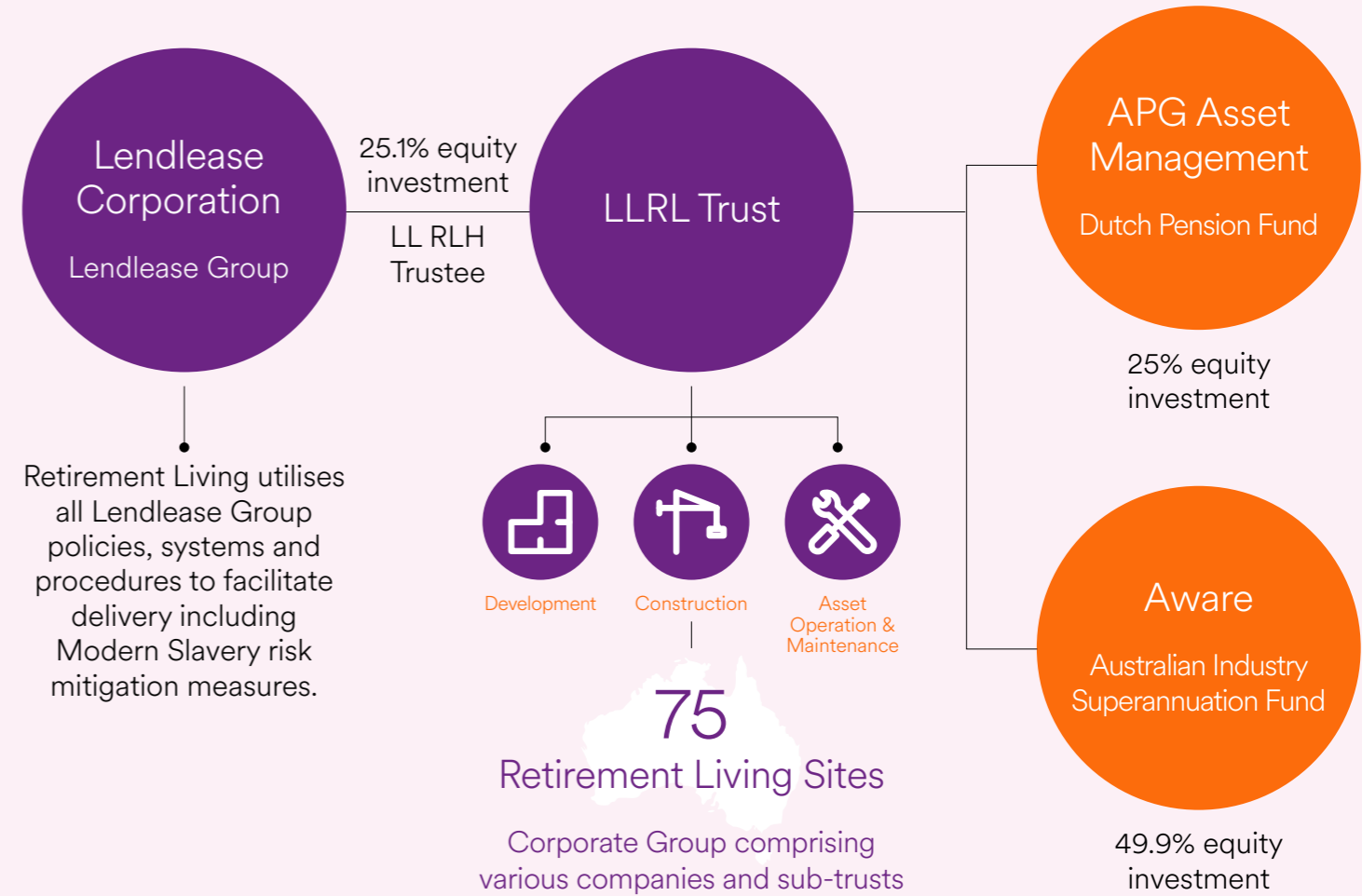
Lendlease Group, APG, Aware and LLRL Trust are committed to robust corporate governance policies and practices that are fundamental to the long-term success and prosperity of the Lendlease Retirement Living business.

LLRL Trust rely on a number of policies prepared by Lendlease which respond the Modern Slavery risks. These are outlined on p. 23 of [Lendlease Group Modern Slavery Statement FY2022](#) and an extract included below.

LLRL Trust has adopted and prepared its own policies that specifically relate to the Retirement Living industry, located on our intranet and accessible to all staff. Our staff are regularly advised of updates to policies.

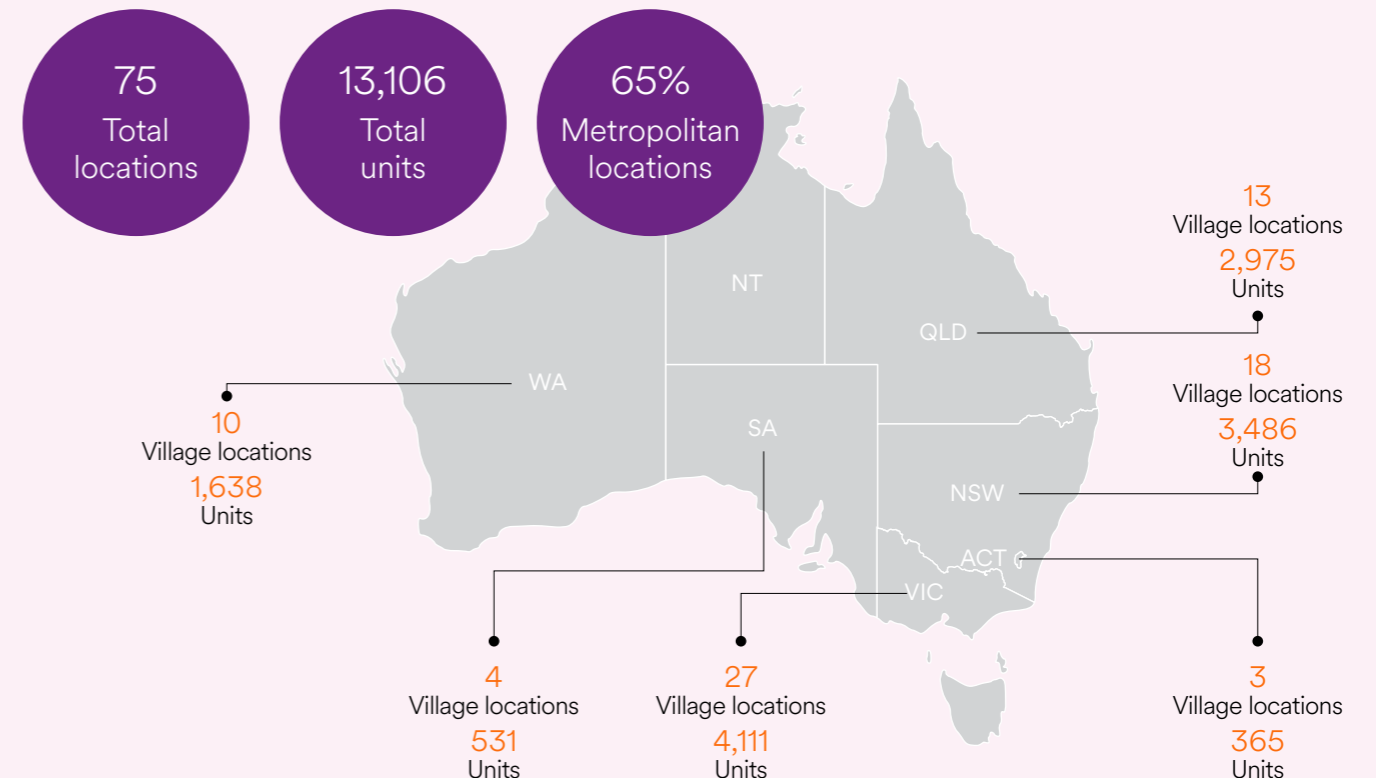
## Operations

LLRL Trust develops, constructs, owns and operates a geographically diversified portfolio of 75 retirement villages comprising 13,106 total dwellings (referred to as ‘units’) as at 30 June 2022 across Australia.



Key Lendlease policies	Description
<a href="#">Group Environment Health and Safety Policy</a>	Sets up oversight and management of Environment Health and Safety and embedment of Global Minimum Requirements
<a href="#">Lendlease Global Minimum Requirements (GMRs)</a>	The GMRs operate as our minimum Environment Health and Safety standards for how we operate anywhere in the world. All suppliers and their supply chains are required to observe these policies when working on our projects.
<a href="#">Supplier Code of Conduct</a>	Sets out our expectations of our third-party suppliers, consultants and contractors (Suppliers).
<a href="#">Group Conduct Breach Reporting Policy</a>	Enables employees (including their families), contractors, suppliers and agents to speak up and report illegal or improper conduct occurring in the Lendlease business, including behaviour that does not accord with our Core Values, Employee Code of Conduct or Supplier Code of Conduct.
<a href="#">Diversity and Inclusion Policy</a>	Sets out Lendlease’s commitment to workplace diversity and inclusion and conveys goals, measures and management approach.
<a href="#">Anti-Bribery Anti-Corruption Policy</a>	All Lendlease directors, employees and third parties are to observe all applicable anti-bribery and anti-corruption legislation wherever they operate and requires third parties, including suppliers, to have undergone compliance processes for screening and due diligence checks.

## Village Locations



# Our operations



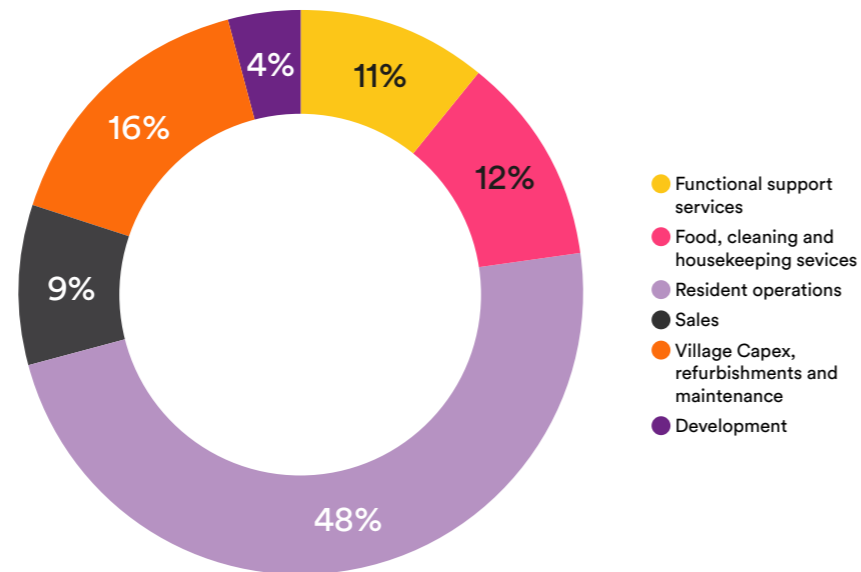
## Workforce

LLRL Trust workforce is geographically spread across Australia. The national workforce comprises of the following breakdown:

Employee type <sup>1</sup>	Number	% of total workforce
Casual	107	13.39%
Fixed Term	31	3.88%
Permanent – Part time	421	52.69%
Permanent – Full Time	240	30.04%
<b>Grand Total</b>	<b>799</b>	

Less than 0.3% of LLRL Trust total national direct workforce comprises migrant<sup>2</sup> workers on visas.

The LLRL Trust workforce is engaged across a number of business activities. The national workforce is distributed as follows:



<sup>1</sup> Employment Type: 'Casual' are non-permanent workers engaged under an enterprise award with minimum rates of pay and allowances for base-skilled administrative work. Fixed Term employees are engaged for a defined term with a specified end date for project-related work. <sup>2</sup> Migrant workers are direct employees of Lendlease, engaged on a permanent basis who have a visa attached to their employment and have been recruited for specific professional expertise that cannot be sourced locally.

# Our supply chain

LLRL Trust had more than 2,700 direct suppliers from whom invoices were received during the reporting period. Strategic supply partners, typically national contracts, comprised 15% of total annual spend during the reporting period. This percentage is expected to remain relatively static, given the villages' reliance on local suppliers due to geographical spread and existing relationships. There is also extensive engagement of small business enterprises, given the decentralised locality of the villages, for local access to property maintenance and repairs, and catering services.

Most of LLRL Trust's suppliers of services, including design consultants, catering and cleaning are based in Australia, and as mentioned above, several are contracted on a national basis. LLRL Trust also has access to the international supply chains of the Lendlease Group, in respect of materials and products utilised for construction, mechanical and electrical engineering, aspects of business and finance administration services, as part of Lendlease Group's strategic supplier partnerships.

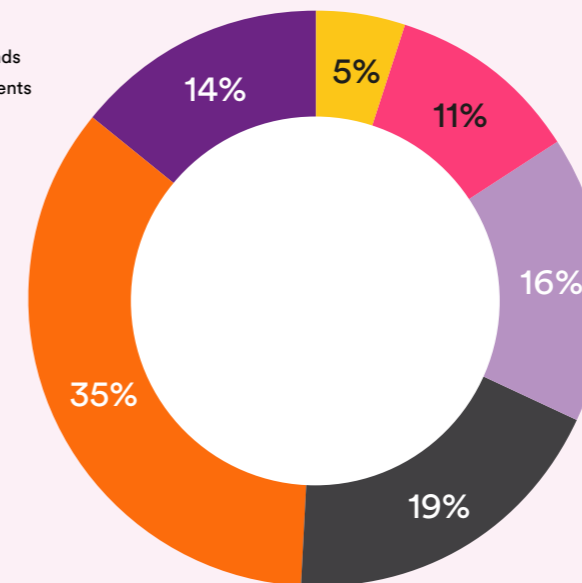
The following graph shows annual direct spend breakdown for FY22 by top 5 spend categories. Overall spend

levels have increased year on year for FY22, reflective of recovered activity levels from COVID-19 disruptions in FY21. Construction-related costs, which include but are not limited to external works, foundation works, site establishment, and structure and design comprised around 35% of total annual spend, comparable with FY21. Village capital expenditure, unit/apartment refurbishments on turnover, and repairs and maintenance comprise a further 30% of spend, while overheads (both village and corporate) are 16% and utilities (electricity, gas & water), and council rates and taxes incurred by our villages comprise 5%.

## Retirement Living Trust

### Top Five Spend Categories FY22

- Utilities, rates and taxes
- Repairs and maintenance
- Corporate and village overheads
- Village Capex and refurbishments
- Construction
- Other



- ~60,000+ Invoices raised
- ~2,700+ Suppliers
- ~800+ Delivery projects



## Modern Slavery risks in our operations and controlled subsidiaries

In the course of its operations, LLRL Trust is able to draw on the systems and processes of the Lendlease Group's Modern Slavery risk supplier assessment and mitigation measures in operations. Refer to the [Lendlease Group Modern Slavery Statement](#) for further details.

There are however some Modern Slavery risk issues specific to the Retirement Living sector.

As Retirement Living is an operations management and development/capex project-based business, in line with our industry and sector, Modern Slavery risks centre around labour, either through:

- **Direct contracted labour** across our operations, including casual, self-employed or engaged through our contractors, sub-contractors or in our corporate operations.
- **Indirect labour** in our supply chains used in production of materials and products or contracted for our development and capex projects.

The Australian construction sector has experienced longstanding demand for low-skilled, manual, often migrant labour. It has been recognised, the indirect use of site labour utilising low skilled manual work recruited for sub-contractors through labour hire agencies, is an area requiring greater transparency. This is particularly relevant within Retirement Living as opposed to other areas like office or apartments, given the more likely use of tier 2 builders for smaller scale construction projects.

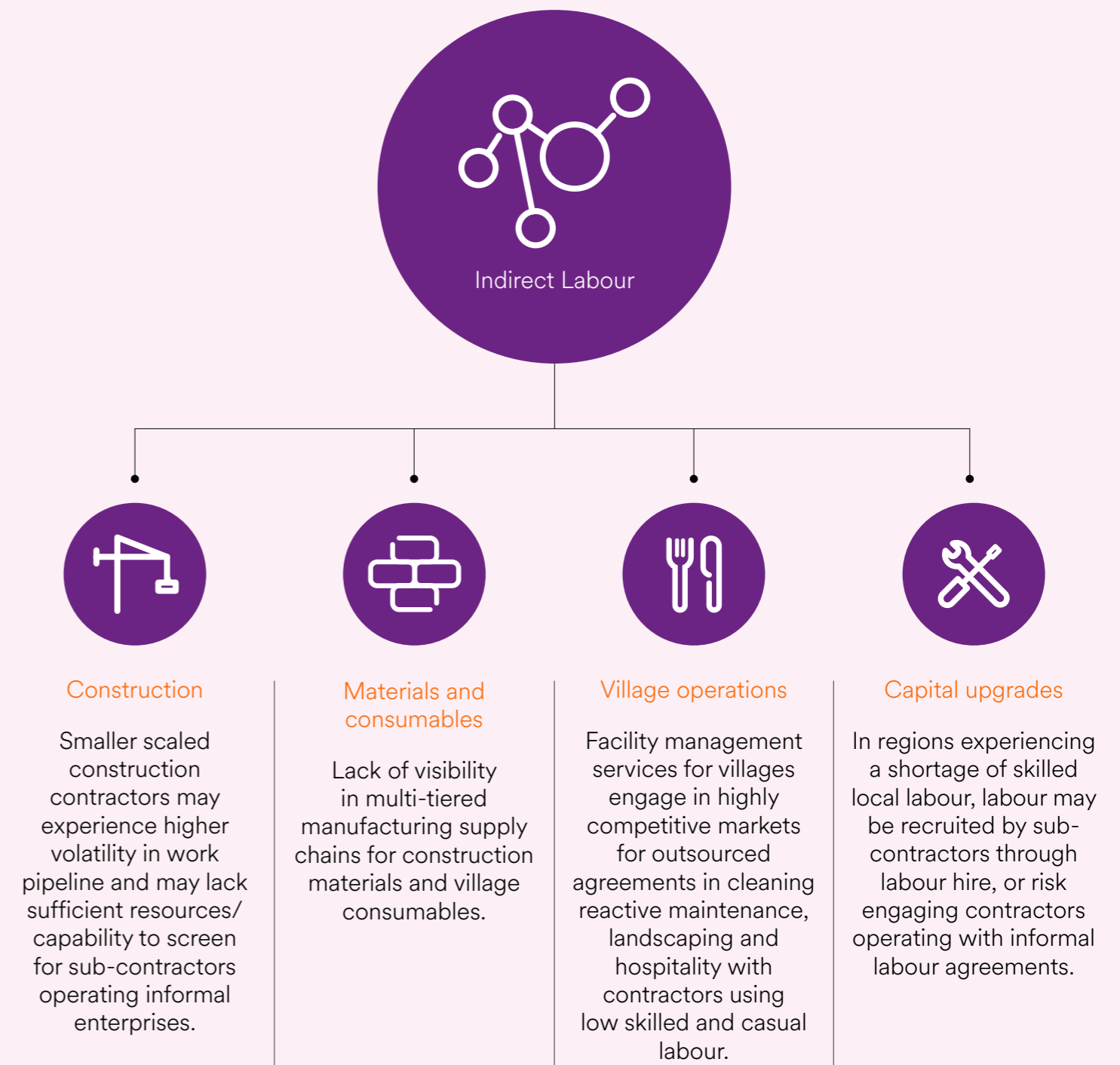
Intense industry competition, tight cashflow and profit margins experienced by smaller, localised contractors may render workers (particularly casual workers) vulnerable to accepting informal work arrangements in terms of pay and conditions, which may not meet the minimum legal requirements. There may also be limited resources and capacity for those small businesses in turn to appropriately risk assess and monitor for Modern Slavery risks across their own supply chain.

A key feature of the retirement living services sector often involves sourcing temporary labour from labour hire providers. For retirement village operations, soft and hard services such as cleaning, catering and property maintenance, exist in a price competitive low-margin market, sometimes relying on low-skilled migrant labour for viability. This creates preconditions for vulnerable workers to be exposed to a range of labour exploitation practices, including wage theft, underpayment, and unpaid entitlements.

In light of some of the supply chain and operational challenges across this sector, LLRL Trust has rolled out Modern Slavery awareness training to all relevant employees including all village-based teams. In addition, engagement with high-risk contractors through the Lendlease Group heat mapping initiatives have also been prioritised.

The following diagram identifies key areas vulnerable to Modern Slavery risks.

## Modern Slavery Risks – Retirement Living Trust





# Actions taken and effectiveness

## Actions

LLRL Trust focused on developing key Modern Slavery governance frameworks and actions specifically tailored to our business. The priority has been to focus on supply categories with elevated Modern Slavery/human rights risks and strategic suppliers, prioritised by category risk profile.

Our key actions included:

- Development of a retirement living specific contract management system for capital upgrades and construction that includes Modern Slavery screening
- Implementation of an extensive training program to develop a shared awareness and understanding of Modern Slavery risk through online training, ‘train the trainer’ and ‘case study’ based training
- Engaging with external contractors to better understand their approach to Modern Slavery when working on LLRL Trust sites

## Transparency

LLRL Trust has approved and begun development of a contract management system (CMS) to manage suppliers. The system will become a pre-requisite for suppliers working for LLRL Trust on development and capex projects. The CMS will facilitate preliminary Modern

Slavery risk screening. More detailed Modern Slavery risk screening and due diligence occurs as suppliers progress through to processes such as pre-qualification tendering.

In addition, Lendlease Group supply team embarked on targeted supply chain (labour rights) audits for strategic suppliers. This included the audit of several LLRL Trust suppliers.

## Embedment

LLRL Trust has consolidated documentation to establish minimum standards for governance and management of our supply chain, and foundational principles for sustainable procurement.

In addition, the refreshed Lendlease Group Global Minimum Requirements Framework (GMRs) have continued to be integrated into the LLRL Trust. This EHS management tool incorporates a

## Engagement

LLRL Trust continues to closely engage with the Lendlease Group to implement Modern Slavery risk mitigation actions. This includes industry engagement through subscription to the Property Council of Australia’s Supplier Platform for Modern Slavery risk screening and the Cleaning Accountability Forum.

LLRL Trust has also begun dialogues with major external contractors to better

understand their approach to Modern Slavery risk mitigation. Engagement has focused on Principal Contractors and understanding their engagement with product and labour suppliers as part of the contractual arrangement with LLRL Trust.

LLRL Trust is asking its suppliers, through our Modern Slavery risk due diligence processes, what measures they have in place for non-retaliatory grievance mechanisms and remediation. LLRL Trust also has access to the Lendlease Group processes for raising concerns through Ethics Point, a third-party confidential service for capturing concerns raised by employees and suppliers and crisis management protocols for managing remediation.

## Training

During the reporting period, LLRL Trust implemented a staff awareness training program. This involved compulsory completion of the Lendlease Group online Modern Slavery risk training for all staff down to Assistant Village Manager level. The online training was supplemented with face to face targeted, scenario-based training. In addition, all village-based staff were taken through a Modern Slavery team talk which was targeted and relevant learning for the village environment.

# Effectiveness

Focus	Objectives	Action Taken	Status	Outcomes
<p>COVID-Safe</p>	Continue to operate responsibly – safeguard our customers and suppliers	Mandatory Influenza vaccination at villages	Complete	Annual process May-October each year
		Mandatory COVID-19 vaccination for staff and COVID-19 safe protocols for all contractors	Complete	Ongoing monitoring of this policy in response to changes in the COVID-19 landscape
		Focus on employee wellbeing	Ongoing	Monitored via annual employee survey
<p>Transparency</p>	Extend the sight of Modern Slavery risks deeper into the supply chain at a project level	Preliminary Risk Screening	System build complete and implementation occurring FY23	Pre-screening of all development and capex contractors
		High Risk Category Audits	Ongoing	Implemented in partnership with Lendlease Supply Chain
<p>Embedment</p>	Progress Modern Slavery risk mitigation through policies, procedure and business rules to all parts of the business	Supply Chain Management Policy & Standard	Implemented	With the Lendlease Supplier Code of Conduct provides a robust framework for supplier selection and behaviour  Reliance on the Lendlease Global Minimum Standards for safety
		Refreshed Global Minimum Standards	Implemented	
<p>Engagement</p>	Assessment of supplier performance and engagement with external contractors to partner in tackling Modern Slavery risks	Industry Engagement	Ongoing	Through contract negotiation (via moderns slavery contract clause) and ongoing Modern Slavery audits  We are asking our suppliers through the moderns slavery audits what measures they have in place. More work is being done on this approach during FY23
		Supplier Engagement	Ongoing	
		Remediation	Ongoing	
<p>Training</p>	Progress roll-out of comprehensive targeted training across operations	Awareness Training	Implemented	Major focus of FY22 via the Lendlease Group online Modern Slavery risk training and village specific team talks (compliance at all 75 villages)
		Village based Training	Implemented	

# Looking ahead

Although implementation of key initiatives continues to be interrupted by COVID-19, our commitment to eliminating Modern Slavery risks from our operations and supply chains is an ongoing process but will continue to remain a top-line priority.

The focus for FY23 will be standing up an independent LLRL Trust, industry specific Modern Slavery statement.

LLRL Trust will progress its focus on the following areas for FY23:



### COVID Safe Operations

Continue to operate responsibly – safeguard our customers and suppliers



### Supply Chain Transparency

Extend the sight of Modern Slavery risks deeper into our supply chain at a project level particularly through roll out of CMS



### Embedment Policies & Procedures

Progress Modern Slavery risk mitigation through business specific policies, procedures, and business rules to all parts of the business



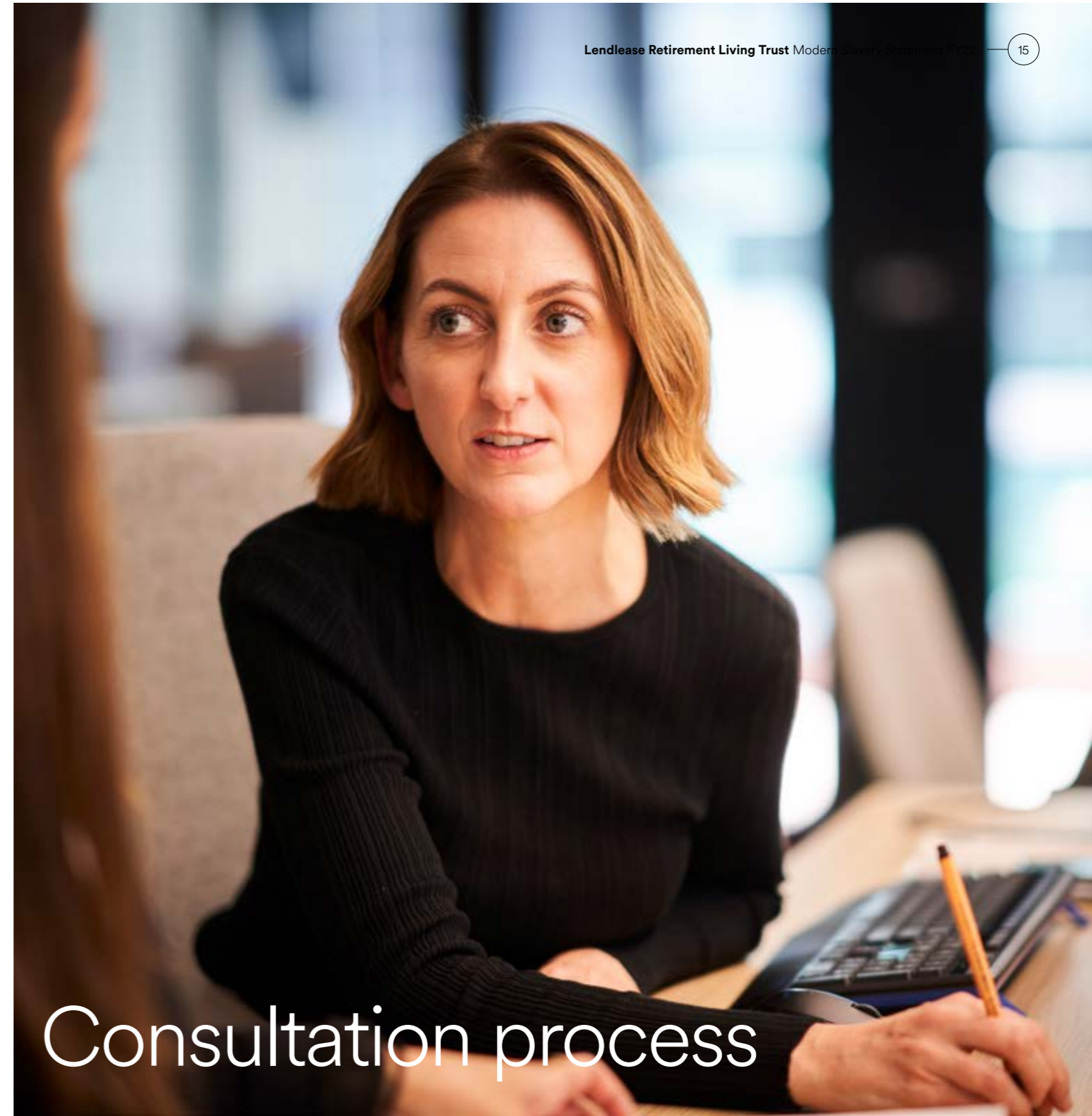
### Engagement with Suppliers

Assessment of supplier performance and engagement with external contractors to partner in tackling Modern Slavery risks



### Business Leader Training

Targeted training for leaders to increase business understanding



## Consultation process

Development of this Statement has involved engagement with a range of stakeholders across the LLRL Trust business and operations. This has been undertaken on a one-on-one basis with key decision makers.

During the preparation phase, the LLRL Trust Executive Leadership Team, Unitholders and Lendlease Retirement Living Holdings Pty Ltd as Trustee for the Lendlease Retirement Living Trust considers the draft Statement and provides feedback. The LLRL Trust

Executive Leadership Team and Joint Operating Committee for the LLRL Trust then recommends the final statement to the LLRL Trustee Board for approval and signing.

The Lendlease Group Supply Chain Risk team also provided guidance and support in the development of this Statement including engagement with the LLRL Trust Executive Leadership Team in their consideration and approval of this Modern Slavery statement.



This Statement for financial year 2021 is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes Lendlease Group's Modern Slavery Statement.

The Statement has been approved by the Board of Directors of Lendlease Retirement Living Holding Pty Ltd, being the Trustee for LLRL Trust, who will review and update it as necessary.

**Lendlease Retirement Living Holding Pty Ltd as Trustee for the Lendlease Retirement Living Trust**

Signed: 

Director name: George Spiropoulos

Date:<sup>8</sup> 16 December 2022

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