

# 2022



## 2022 MODERN SLAVERY STATEMENT



# A MESSAGE FROM THE CEO

At Ingenia, we seek to do business with ethically and socially responsible suppliers and to partner with them in a way that is consistent with the Group's values, purpose and strategy.

I am pleased to present the Group's third Modern Slavery Statement, which outlines the principles and approach we have adopted in dealing with the risk of modern slavery and the protection of human rights across our business and how we continue to build on our efforts in this important area.

While we seek to ensure we have strong corporate, ethical and engagement practices in place, we recognise that through our supply chain we may still be exposed to the risk of modern slavery.

Recognising the diverse nature of our business across different sectors and the regional location of our communities, we proactively seek to engage and support local businesses and to do so in a way that addresses the risk associated with modern slavery and other abuses of human rights. As we have increased in scale the diversity of our suppliers has increased, and we have sought to ensure that our practices and approach reflect this.

This year we undertook an external review of our current approach and further evolved our practices, with a focus on our procurement activities. We also made significant progress in engaging our teams and building their knowledge and understanding of the risk of modern slavery and our processes in response to this risk.

During FY23 we will work to further refine the Group's framework, to implement additional processes and enhance our reporting and transparency. We remain committed to working with our business partners and suppliers to ensure they meet our expectations and collaborating with them to safeguard employees, customers and suppliers within our sphere of influence.

## Approval of statement

This statement was approved by the Board of Directors of Ingenia Communities RE Limited on behalf of the reporting entities on 1 December 2022 and signed by:



**Simon Owen**

Chief Executive Officer,  
Ingenia Communities Group

Dated: 1 December 2022



As an owner, operator and developer of real estate across Australia, Ingenia Communities acknowledges the traditional custodians of the lands on which we operate.

We recognise their ongoing connection to land, waters and community, and pay our respects to First Nations Elders past, present and emerging.

# 01

## ABOUT OUR MODERN SLAVERY STATEMENT

This statement has been prepared pursuant to section 14 (1) of the Modern Slavery Act 2018 (Cth) (the Act) by Ingenia Communities Group (Ingenia or Group). The Group comprises Ingenia Communities Holdings Ltd, Ingenia Communities RE Ltd, Sungenia (a development Joint Venture between Sun Communities and Ingenia) and Eighth Gate (Fund management platform) and sets out the actions taken by the Group to address modern slavery risks in our business and supply chain over the financial year 1 July 2021 to 30 June 2022.

The International Labour Organization (ILO) acknowledges that some sectors are more exposed to the issue of forced labour and human trafficking including sourcing goods and services from abroad, which is relevant to Ingenia. Respect for human rights is a high priority for Ingenia. This statement outlines the Group's approach to ensuring that our business and supply chains are managed in a way that mitigates modern slavery risk. Across our operations and supply chain, we aim to ensure that we, along with our suppliers of goods and services and other business partners, operate in a way that is ethical, responsible and respectful of human rights.



# REPORTING CRITERIA FROM THE ACT

Key Initiatives	03
Identify the reporting entity and describe its structure, operations, and supply chain	05
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and entities it owns or controls	07
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	08
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	11
Describe the process of consultation with any entities the reporting entity owns or controls	12
Any other relevant information	13

# 03

## KEY INITIATIVES FY22

Engage external contractor to help establish a Modern Slavery Responsible Sourcing Framework



Supplier Code of Conduct approved and rolled out to the business



Ongoing review to understand the level of risk amongst suppliers



Ongoing engagement and screening of our supply chain



Cross business workshops to develop the Responsible Sourcing Framework



Development of Modern Slavery supplier questionnaire



Annual Modern Slavery training program rolled out to new and existing employees



# 05

## OUR BUSINESS AND OPERATIONS

Ingenia is a property and financial services organisation employing more than 1000 employees headquartered in Sydney, Australia and provides a range of lifestyle communities, holiday and residential solutions for residents, guests and visitors wholly within Australia.

The Group is controlled by a single executive committee comprised of experienced senior managers with specific functional responsibility, a CEO and a Board. Local Operations Managers operate the individual parks and communities. We also have a development team who manage the outsourcing requirements of construction in our communities.

As a leading operator of lifestyle communities and holiday accommodation, Ingenia offers innovative products and affordable housing options (typically for over 55's) in the form of locally constructed homes as well as mobile prefabricated buildings (cabins or homes) in our communities. Our holiday parks accommodation typically comprises a combination of locally manufactured homes and, caravan and camp sites. We operate more than 100 parks and communities across Australia, with the vast majority of those located on the east coast.

### Our core operations include:

- Development of our lifestyle parks and villages including installation and construction of new homes, roads and supporting infrastructure
- Tourist park operations and services for guests including provision of accommodation, recreational activities and some food and beverage services
- The acquisition of land and associated facilities
- Planning and development activities with local councils and government for development applications, local consultation and master planning
- Operating the physical assets, being the real property of the park or community and the fixed assets that require ongoing ground services and repair and maintenance
- Sales, marketing, and other head office functions including finance, IT, administration and human resources
- Fund management operations



# SUPPLY CHAIN

Ingenia seeks to do business with suppliers that have similar values and ethically and socially responsible business practices, including those related to human rights. Our aim is to ensure that human rights are understood, respected and upheld with all of our suppliers in all locations.

Recognising the diverse nature of the business and the regional locations of our communities and parks, we proactively seek to engage and support local businesses and we do so in a way that we seek to limit the risks associated with modern slavery and other abuses of human rights.

Our suppliers are from a range of sectors, including Information Technology, Property Services, Construction and providers of promotional materials. Most goods and services procured for our business are sourced from and provided by businesses located in Australia. Other than prefabricated buildings or building materials, 'goods' procured are typically consumable items that are incidental to our core business.

As a holiday and community village operator, the majority of operational procurement activity is service-based and covers areas such as information technology, grounds and maintenance, housekeeping, pool and facility cleaning, home and cabin maintenance, local development and construction, electrical, plumbing and garbage removal.

Where Ingenia does provide prefabricated cabins or homes for residents or for rental accommodation, these are sourced from domestic suppliers. The nature and scale of constructing prefabricated homes requires streamlined manufacturing processes to achieve economies of scale, including the use of a combination of contemporary automated and/or robotic equipment along with some manual labour.



A construction worker wearing a white hard hat, safety glasses, and a dark jacket is working on a ceiling structure. The worker is pointing upwards with their right hand. The background shows a grid of ceiling panels and a bright light source. The overall image has a blue tint.

# 07

## MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

As a property and financial services organisation based in Australia, Ingenia considers the risk of modern slavery within its direct business operations and workforce to be low where strict employer/employee regulations exist, however throughout its supply chain, it can be indirectly exposed to the risk of modern slavery by the supply of goods and services procured from third parties.

During the period, we undertook a detailed risk and opportunity assessment of the supply chain, with suppliers categorised according to their contribution, significance to the Group and by potential risk. This identified the following areas of concern for modern slavery primarily sat with domestic exposure through the employees of suppliers' potential infringement of:

- Labour rights (forced labour, work hours, wages and benefits); &
- Freedom of Association (including the right to form and join a trade union).

In addressing these potential risks, Ingenia employs a robust risk management and due diligence process.

# OUR ACTIONS TO ASSESS AND ADDRESS OUR MODERN SLAVERY RISKS

## Governance, policy and training

Ingenia does not tolerate slavery, human trafficking, forced or child labour or child exploitation of any kind and uses the same governance structure to manage its environmental, social and governance (ESG) risks and opportunities.

The ultimate responsibility of the oversight of governance of the Group rests with the Board. This includes responsibility for Ingenia's Modern Slavery risk management.

The Board has delegated operational responsibility to management and to ensure a consistent approach towards modern slavery responsibilities, Ingenia established a cross functional working group. The group is comprised of key executives from Ingenia, Sungenia and Eighth Gate and oversees and directs activities across the business. This includes continuous improvement, ongoing awareness, transparency and accountability and supply chain evaluation and management.

Day to day responsibilities for the implementation of these measures is carried out by Risk and Compliance in conjunction with the business.

Consistent with this Statement, Ingenia has a number of company policies which all employees must comply with that support the objectives of the Modern Slavery Act, including the following:

- Code of Conduct Policy
- Supplier Code of Conduct Policy
- Bribery and Anti-Corruption Policy
- Whistle-Blower Policy
- Grievance Policy
- Diversity and Inclusion Policy
- Outsourcing Policy
- Vulnerable Person Policy.

Ingenia understands that social and governance risks relating to suppliers will vary depending on their industry, the geographic location and company size and attempts to ensure risks are mitigated and business integrity is maintained through employee education, management training and employing an in-house Group Risk and Compliance function that is overseen by the Board through the Executive Group Risk Committee and the Board Audit & Risk Committee. Both Committees meet regularly.

Further information on the activities being undertaken to mitigate the risk of modern slavery across the Ingenia business were included in the 2021 Sustainability Report and were also addressed in the 2022 Sustainability Report.

Part of the function of the Group Risk and Compliance Manager is to ensure that employees are aware of all forms of modern slavery that Ingenia may be exposed to. We recognise that training and employee awareness is a key component in addressing the risk of modern slavery, both internally and within our supply chain.

The Group aims to continually raise awareness and educate all staff on the risk of modern slavery. During the period training was implemented and rolled out across all employees via our online learning platform to not only ensure they are educated on their own rights but also ensure key staff within our parks and communities are alert to potential risk and escalate any occurrences accordingly.

# 09

At 30 June 2022, 82% of staff had completed this mandatory training. This will complement the training already completed by the key leadership team.

To ensure ongoing awareness of modern slavery risks, all new starters will complete the Modern Slavery training module as part of their induction and all staff will be provided with refresher training annually.

In 2022, all relevant policies were reviewed, updated and approved by the Board as necessary and communicated to all relevant employees.

## Risk Management and Due Diligence

Our approach to detecting risk in our supply chain is based on our knowledge of and relationships with our suppliers, the geographic location of suppliers, the origin of the goods or services and the types of goods and services.

The following actions were taken to mitigate the risks associated with engaging with supplier(s):

- (i) Roll out and monitoring of our Supplier Code of Conduct which requires all new suppliers to declare they will comply with all applicable laws and regulations relating to the Modern Slavery Act
- (ii) Engagement of an external consultant to provide guidance on best practice, review current processes and identify opportunities to evolve the Group's approach to modern slavery and responsible sourcing
- (iii) Ongoing engagement with the working group dedicated to modern slavery

(iv) Further review and assessment of supply chain risks and opportunities, including identifying categories or individual suppliers with whom there may be a risk

(v) Continual review of policies and procedures associated with employee behaviour and standards, anti-corruption and bribery measures, and processes for engaging and validating suppliers.

As a result of our engagement with a specialist consultant, we have continued to refine the risk and opportunity assessment in relation to our suppliers. During the period we undertook a review of over 3800 suppliers which allowed us to categorise and prioritise according to four priority groups, identifying the suppliers which represent the greatest priority with respect to modern slavery.

The ongoing management of our supply chain will be integrated into existing business systems and processes to ensure the residual risk of modern slavery is monitored by key executives.

Prioritisation is integral to any risk process because it focuses on what matters most. Having detailed due diligence with all our suppliers consumes time and resources, therefore is important to prioritise our efforts addressing suppliers and categories with higher risk, influence and impact. The following table outlines the categorisation we have adopted for our suppliers.

Group	Spend Threshold	Category risk level	Level of impact
<b>PRIORITY 1</b>	Very high spend	Very high risk	Very high impact
<b>PRIORITY 2</b>	High spend	Very high risk	Very high impact
<b>PRIORITY 3</b>	Very high spend	Very high risk	High impact
<b>PRIORITY 4</b>	High spend	Very high risk	High impact

In order to continue to identify and mitigate any breaches of the high-risk areas of the business, relevant key executives also have personal responsibility for auditing suppliers and/or supplier agreements deemed to be in areas of risk.

The Head of Development and her direct reports are responsible for ongoing review of development and construction contracts. All new contracts now include a Modern Slavery clause to help manage the risks associated with this area of the business.

Whilst the majority of the Ingenia workforce are employed directly, the General Manager People and Culture, in conjunction with the General Manager Tourism and General Manager Residential Communities, are responsible for the spot annual review of domestic contractor service arrangements. They all personally conduct location reviews as part of the contractor review process. Reviews conducted to date have shown that all contractors used by our parks are typically a combination of small family run businesses or sole traders. When contractors are required, they are paid award or above award rates. There are no known instances or reports of any forms of exploitation, forced labour or any other Modern Slavery practices with our contractors.

## Remediation

In risk and opportunity assessments undertaken to date in relation to Ingenia's supply chain, no cases of modern slavery or human trafficking have been identified and thus no remediation has been required as yet. However, as a result of the risk and opportunity analysis referred to above, we have adopted a category audit approach to supplier risk management and found that the most likely area where modern slavery may occur for Ingenia is in cleaning services, which continues to be closely monitored.

Ingenia also has a number of policies referred to earlier including a Supplier Code of Conduct, Whistleblower Policy and a Grievance Policy. The Grievance Policy allows an employee to raise concerns of modern slavery, harassment, bullying and working under duress in a confidential manner.

The Whistleblower Policy allows a complaint to be made by a wider group of people including those external to Ingenia regarding misconduct or an improper

state of affairs or circumstances, directly to the Whistleblowing Reporting Officer. In addition to the Whistleblower Policy, Ingenia is currently in the process of implementing the Ingenia Speak Up Integrity hotline which allows a complaint to be reported anonymously through Ingenia's independent whistleblowing service provider, Core Integrity, with all the usual Whistleblower protections.

The remediation needs of a victim can greatly vary, as will the circumstances and context of the situation and the Group's overarching focus through the remediation process is protecting the victim and always acting in their best interests.



# 11

## ASSESSING THE EFFECTIVENESS

During the reporting period to 30 June 2022, Ingenia Communities did not receive any complaints nor identify any breaches of our Modern Slavery obligations through our domestic contractors or suppliers of goods and services.

Our business is committed to fostering strong collaborative relationships with our suppliers and therefore in accordance with the diverse nature of the business and the regional locations of our residential communities, we have developed close and long-standing relationships with local service providers at a local management level. Our employees and key suppliers are aware of our policies and procedures and the mechanisms for concerns or breaches to be raised and escalated.

In accordance with this, each month our Group Risk and Compliance Manager conducts an internal audit of breaches and notifications which includes notifications of whistleblowing and grievance lodgement. Where a breach is material, that detail is documented and escalated in the Risk & Compliance Report for review by the Audit & Risk Committee comprising 3 independent non-executive Board members.

# CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

As mentioned in the introduction, this statement covers the following Ingenia Communities Group entities and their subsidiaries:

- Ingenia Communities Holding Limited
- Ingenia Communities RE Limited as Responsible Entity for Ingenia Communities Management Trust and Ingenia Communities Fund
- Eighth Gate Capital Management Pty Ltd
- Eighth Gate Pty Ltd as Trustee and AFSL holder for Eighth Gate residences No.3-8
- Sungenia Land Co Pty Ltd as trustee for Sungenia Land Trust
- Sungenia Op Co Pty Ltd as trustee for Sungenia Operations Trust
- Sungenia Development Pty Ltd

Consultation with Eighth Gate and Sungenia has been undertaken throughout the reporting period through the working group which comprises executive members of all entities.

13







## COVID-19

The COVID-19 pandemic presented many challenges across both the operating business and our supply chain. In responding to the pandemic Ingenia's priority was to protect the health, safety and wellbeing of our employees, residents and guests as well as our wider stakeholder group.

We understand the pandemic and the resulting restrictions on travel, movement and economic activity may have had an adverse impact on people in our workforce who may already be vulnerable, including low skilled workers, women, migrant workers, people who are subject to discrimination for other reasons and those with underlying health issues.

During the pandemic Ingenia reviewed its vulnerable person policy and made sure the business was acting in accordance with that policy. All employees were regularly updated and encouraged to discuss and escalate any suspicious activity within their supply chain.

Management also worked through identifying new vulnerabilities including the health of employees, residents and guests as well as the possibility of any additional types of labour exploitation. Measures were put in place to manage the risk of infection, including hygiene, social distancing and identifying and managing the risk of any COVID-19 case that may occur. Security in our communities was increased and all specific PPE requirements were met.

# FUTURE PLANNING

## FY23 Objectives

During 2023 Ingenia will continue to work to further refine the Group's Modern Slavery Responsible Sourcing framework and to enhance the Group's approach to the important issue of modern slavery.

Ongoing communication regarding best practice and procurement methodologies, along with training to build internal capacity and due diligence will help continue to mitigate any exposure to and unintended involvement in modern slavery. We will continue to refine, implement, and embed practices across the Group with an initial focus on upskilling employees who deal with Priority 1 suppliers and continue the conversation with our suppliers around Ingenia's expectations, whilst collaborating with them to address any areas of concern.

To this end we continue to work on the following key initiatives.

FY21	FY22	FY23
<ul style="list-style-type: none"> <li>Establishment of Modern Slavery working group (MSWG)</li> </ul>	<ul style="list-style-type: none"> <li>Engage external consultant to review framework</li> </ul>	<ul style="list-style-type: none"> <li>Implement Modern Slavery Responsible Sourcing Framework</li> </ul>
<ul style="list-style-type: none"> <li>Understanding our Tier 1 suppliers through additional risk and opportunity assessments</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing review of the level of risk amongst suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Improve data capture and refinement of reporting around supplier prioritisation and categorisation</li> </ul>
<ul style="list-style-type: none"> <li>Development of Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Code of Conduct approved and rolled out to the business</li> </ul>	<ul style="list-style-type: none"> <li>Pre-qualification assessment and selection commencing with Priority 1 suppliers</li> </ul>
	<ul style="list-style-type: none"> <li>Development of Modern Slavery supplier questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Development and rollout of Modern Slavery supplier questionnaire</li> </ul>

FY21	FY22	FY23
<ul style="list-style-type: none"> <li>Ongoing engagement and screening of our supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Contract clauses added regarding Modern Slavery</li> <li>Continue to engage with key suppliers and contracts</li> </ul>	<ul style="list-style-type: none"> <li>Testing implementation of questionnaires to Priority 1 suppliers through the contractor management platform</li> </ul>
<ul style="list-style-type: none"> <li>Modern Slavery training program rolled out to key employees</li> </ul>	<ul style="list-style-type: none"> <li>Annual Modern Slavery training program rolled out to all employees</li> </ul>	<ul style="list-style-type: none"> <li>Embed supplier selection training for staff who deal with Priority 1 suppliers</li> </ul>
	<ul style="list-style-type: none"> <li>Cross business workshops with external consultant to enhance knowledge and continue to develop the Responsible Sourcing framework</li> </ul>	<ul style="list-style-type: none"> <li>Continue to focus on improving understanding through employee engagement and ongoing training</li> </ul>

## CONCLUSION

Understanding Ingenia’s broader supply chain is a complex process due to the diverse nature of suppliers required to support our business. Ingenia’s Modern Slavery working group will continue to develop our response towards the identification and monitoring of modern slavery within our operations and supply chain, and to monitor the effectiveness and promote continuous improvement through our actions moving forward.

As time goes by, we also expect supplier transparency and business practices external to Ingenia Communities to improve allowing us to continue to uphold our responsibility to not tolerate slavery, human trafficking, forced or child labour or child exploitation of any kind.



Ingenia

[ingeniacommunities.com.au](http://ingeniacommunities.com.au)