

Modern Slavery Statement

Lendlease
Retirement Living
Trust

**Financial Year
2021**





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Acknowledgement of Country

As an owner, manager, and developer 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 16,700 residents.

The Lendlease Retirement Living Trust (LLRL Trust) 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 accessed and utilised by the trustee for the benefit of the Trust's operations. This 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 FY2021](#).

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:

- Access to the Lendlease Group global Supplier Portal for registration and screening of suppliers.
- Participation in Lendlease Group supply chain due diligence and audit programs, prioritising categories of suppliers with elevated modern slavery risks.

- Adoption of Lendlease Group measures incorporating modern slavery risk mitigation into existing enterprise risk mitigation policies and procedures, including the refreshed LL Group Global Minimum Requirements Framework (GMRs), which set out the minimum environment, health and safety standards designed to control risks associated with our operations.
- Promotion of internal awareness through the development of training programs.
- 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 a particularly vulnerable group 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 (only granted where mitigations are possible).
- COVID-19 vaccinations have been publicly encouraged by management. LLRL Trust is exploring ways to make the vaccine more accessible to staff and residents. Given supply issues during FY21, this will be further developed over the next reporting period.
- Up to two-weeks special paid leave where casual employees were required to self-isolate and unable to work from home
- Additional cleaning regimes across the portfolio. This included disinfection up to three times per day and regular cleaning of 'high touch' areas in between, during peak periods of the pandemic.

- Provision of PPE to all staff and visitors where required. Products sourced by LLRL Trust procurement team are TGA approved. Responsible sourcing practices and behaviours were employed as part of the procurement process. This included communication of specific requests to capable suppliers. In some cases, larger suppliers were identified to meet demand and not put undue pressure on smaller operators.
- Screening in place at villages for staff, contractors, suppliers and visitors, who are asked to complete a declaration with questions regarding health, places they have been in the last 14 days, and during peak periods of the pandemic, temperature checking.
- Ongoing activities to promote good mental health and well-being has continued across the portfolio. This has included activities to promote social engagement where lockdowns are in place.

LLRL Trust Supply Chains

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

During the reporting period, our demand for cleaning services and Personal Protective Equipment (PPE) significantly increased particularly for sanitiser, masks and gloves. LLRL Trust engaged with larger operators to procure these goods and services in order to meet business demand. We also engaged with our key national

suppliers to ensure no undue pressure was placed on the supply chain.

In addition, LLRL Trust broadened its supply chain engagement by procuring food and personal hygiene items which are not normally purchased in the ordinary course of business. This was necessary to support residents who were confined to their homes either by government regulations or for health protection reasons. We procured these items from national suppliers and again, in spite of the urgency of demand, we made effort to ensure no undue pressure was placed on the supply chain.

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.

Overall, like Lendlease Group, our supply chains continued to remain resilient. We have continued to navigate the supply chain related impacts of COVID 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' [section of this Statement].

Structure and governance

Structure

Until 1 March 2021, LLRL Trust was 75% owned by the Lendlease Group and 25% by Viventi Investments Holding Trust, an entity managed by APG Asset Management N.V. (APG), a manager for Dutch pension funds with approximately €630 billion in assets under management (as at August 2021). Lendlease Group sold 25% of its interest in LLRL Trust to Aware Super (Aware) effective 1 March 2021. Aware is one of Australia's largest public offer funds with more than AU\$140 billion funds under management.

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 2021](#).¹

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

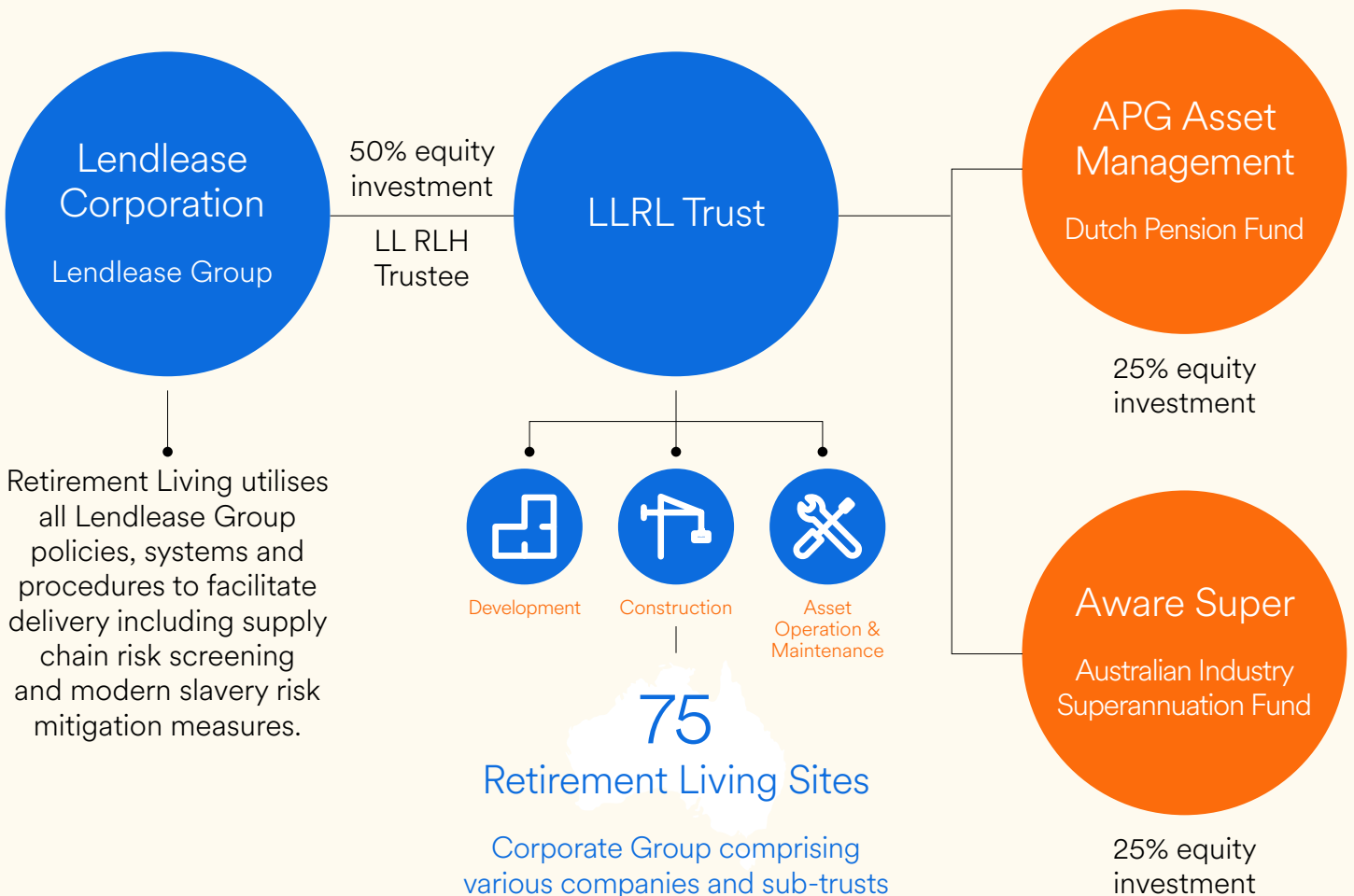
Governance

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 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 12,983 total dwellings (referred to as 'units') as at 30 June 2021 across Australia.



1. Refer to Section B: Notes to the Consolidated Financial Statements pp.152-156.

Village Locations



Operations

Workforce

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

Employee type ¹	Number	% of total workforce
Casual	118	17.05%
Fixed Term	17	2.46%
Permanent – part time	216	31.21%
Permanent – full time	314	49.28%
Total	692	

Less than 4% of LLRL Trust total national direct workforce comprises migrant² workers on visas.



Portfolio statistics as at 30 June 2021. 1. 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. 2. 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.



Supply chain

LLRL Trust had approximately 2,500 direct suppliers from whom invoices were received during the reporting period. Strategic supply partners, typically national contracts, comprised 17% 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.

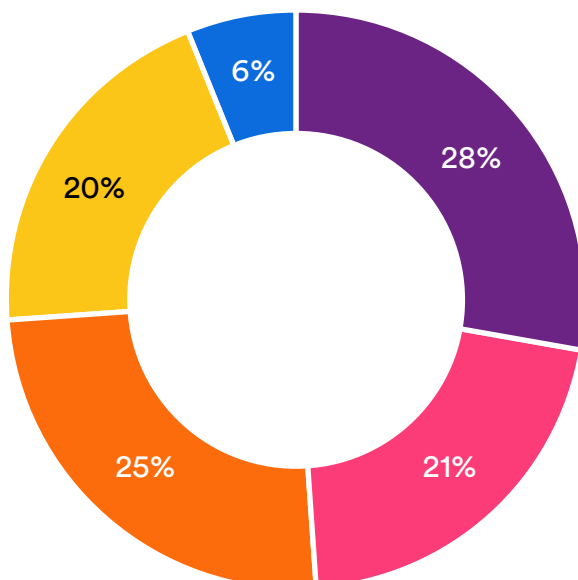
The following graph shows annual direct spend breakdown for FY21 by our business' top five spend categories. The graph shows a proportionate breakdown, with spend levels for FY21 reflective of COVID-19 disruptions, though otherwise largely in line with FY20 spend. Construction-related costs, which include external works, foundation works, site establishment, structure and design, and consultants comprised around 50% of total annual spend. Costs of running and maintaining the assets, including village and property related costs (capital expenditure, unit upgrades etc) along with village maintenance and utilities, comprised around 25% of total annual spend during the reporting period.



Retirement Living Trust

Top Five Spend Categories FY21

- Construction
- Professional fees
- Village costs
- Operating costs
- Other



~60,000+
Invoices
raised



~2,500+
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 pages 19 to 23 of the [Lendlease Group Modern Slavery Statement FY21](#) for further details.

There are however some modern slavery risk issues specific to the Retirement Living sector, shown in the graphic opposite and outlined below. These remain consistent from FY21.

Indirect labour (Supply Chain) / casual workforce is a key modern slavery risk for LLRL Trust through:

- Engagement of small construction contractors.
- Exposure to small contractors or sole traders with informal enterprise or labour arrangements for maintenance and capital upgrades.
- Production of materials and consumables sourced for construction and operation of retirement village site.
- Provision of cleaning, care and hospitality services through labour hire providers.

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.

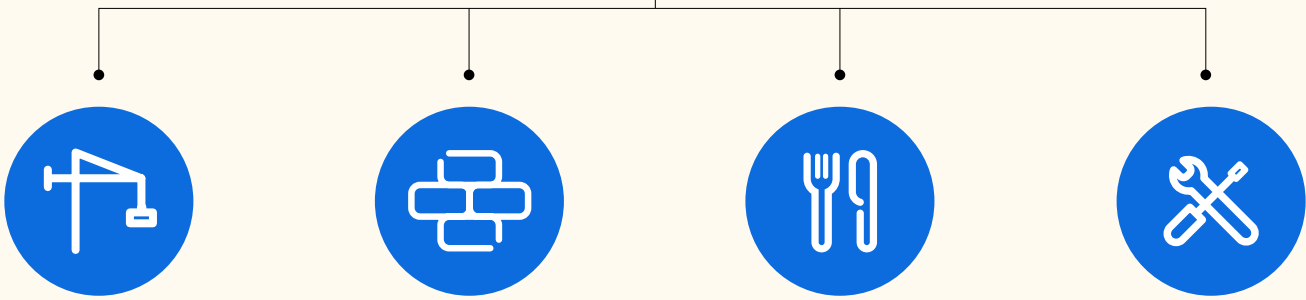
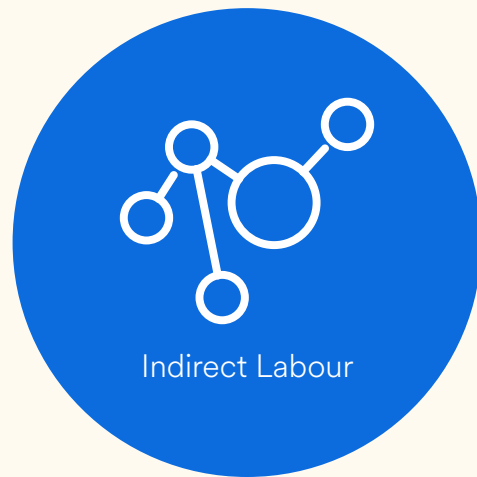
Intense industry competition, tight cashflow and profit margins experienced by smaller, localised contractors may render workers (particularly casual workers) vulnerable to accepting informal work arrangements in terms of pay and conditions, which may not meet the minimum legal requirements. There may 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 identified training of staff who are onsite where works are taking place as a high priority. 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



Construction

Smaller scaled construction contractors may experience higher volatility in work pipeline and may lack sufficient resources/capability to screen for sub-contractors operating informal enterprises.

Materials and consumables

Lack of visibility in multi-tiered manufacturing supply chains for construction materials and village consumables.

Village operations

Facility management services for villages engage in highly competitive markets for outsourced agreements in cleaning reactive maintenance, landscaping and hospitality with contractors using low skilled and casual labour.

Capital upgrades

In regions experiencing a shortage of skilled local labour, labour may be recruited by sub-contractors through labour hire, or risk engaging contractors operating with informal labour agreements.





Actions taken and effectiveness



COVID-Safe

Operate responsibly – safeguard our customers and be mindful of supply chain impacts of COVID-19 on our suppliers.



Data Analytics

Progress targeted business-specific data analysis of key suppliers to better understand our risks.



Embedding

Progress embedding Lendlease Group modern slavery risk due diligence and mitigation processes as well as employee training.



Assessing

Targeted screening and assessment of key suppliers and supply chain categories – eg. through CAF certification.



Engaging

Engage suppliers, property services providers, investors and tenants on education collaboration and awareness raising to jointly tackle modern slavery risks.

LLRL Trust has participated in key actions undertaken by Lendlease Group, but with specific tailoring for our business. Lendlease Group actions can be found in pages 19 to 23 of their [Modern Slavery Statement](#). 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:

- Implementation of the Lendlease Group global Supplier Portal for registration and screening of suppliers.
- Participation in the supply chain due diligence and audit program, prioritising Strategic Suppliers and categories with elevated modern slavery/human rights risks.
- Planning extensive training to align a shared awareness and understanding of modern slavery risk through 'train the trainer' and 'case study' based training. As well as providing input to the Lendlease global modern slavery e-learning tool.
- Engaging with external contractors to better understand their approach to modern slavery when working on LLRL Trust sites.

COVID-Safe

Refer to section
'Impact of COVID-19'.

Scorecard

Mandatory Influenza
Vaccination at Villages

✓ Implemented

Prioritisation of Resident
Safety via screening and
cleaning at Villages

→ Ongoing

Employee Wellbeing

→ Ongoing

Data Analytics

Registration on the Lendlease Group Supplier Portal is a pre-requisite for suppliers working for LLRL Trust. The Portal facilitates 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, or additional screening where a risk flag alert is raised by a supplier's response to questions within the Supplier Portal.

The information captured via the Supplier Portal contributes to an aggregated view of a supplier's risk profile which is being progressively rolled out within LLRL Trust.

The portal is being further developed with the addition of an information portal which will inform procurement decisions to create supplier lists and conduct performance reviews and periodic evaluations of suppliers. This is a tool being implemented by Lendlease Group so that LLRL Trust will have the benefit of viewing global feedback on common suppliers.

Scorecard

Supplier Registration Portal

→ Ongoing

Supply Chain
Information Portal

→ Ongoing

Embedding

LLRL Trust has contributed to a Lendlease Group initiative to create a new global Supply Chain Management Policy and associated business standard to assist the business to implement the policy. These documents establish minimum standards for governance and management of our supply chain, including the embedment of processes and tools such as the Supplier Code of Conduct, Supplier Portal and foundational principles for sustainable procurement.

In addition, a refresh of Lendlease Group Global Minimum Requirements Framework (GMRs) was adopted by LLRL Trust. This EHS management tool is applied to all LLRL Trust operations and developments. During the reporting period, the GMRs were refreshed to incorporate specific requirements relating to Modern Slavery.

Also, LLRL Trust agreed to including a modern slavery risk clause into all key template supplier contracts.

Scorecard

Supply Chain Management
Policy & Standard

+ Developed

Refreshed Global Minimum
Standards

✓ Implemented

Modern Slavery contract clause

✓ Implemented

Assessing

LLRL Trust participated in the Lendlease Group modern slavery risk heatmapping initiative targeting high risk products and materials with strategic suppliers. The tool is currently in its pilot phase. Once complete, a project specific assessment will be initiated.

Several LLRL Trust suppliers were included in the information gathering phase completing a modern slavery questionnaire to better understand their processes.

In order to improve supply chain transparency, Lendlease Group embarked on a series of audits that included key LLRL Trust suppliers. This included high risk category audits (capturing cleaning, and labour hire contractors for the Trust) and due diligence questionnaires to high risk and strategic suppliers.

Scorecard

Strategic Suppliers Heat Mapping Pilot
→ Ongoing

High Risk Category Audits
→ Ongoing

Engaging

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.

During the reporting period, LLRL Trust began the first phase of staff training. This phase focuses on awareness raising and includes access to the Lendlease Group online modern slavery risk training, team talks and posters. In addition, a more tailored approach will be undertaken for on-site staff to enable broad rollout, including ‘train the trainer’ program for modern slavery awareness training for regional co-ordinators and focused workshops, including scenario-based case studies for project managers who have direct onsite engagement with contractors.

Scorecard

Industry Engagement
→ Ongoing

Supplier Engagement
→ Ongoing

Modern Slavery Awareness Training
→ Ongoing

Remediation

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.

Further work will be undertaken to refine our management approach in this area during FY22.

Looking ahead

Although implementation of key initiatives continues to be interrupted by COVID-19, our commitment to mitigating modern slavery risks in our operations and supply chains is an ongoing process, but will continue to remain a priority.

LLRL Trust will progress its focus on the following areas for FY22:



COVID-Safe

Continue to operate responsibly – safeguard our customers and suppliers.



Transparency

Extend the sight of modern slavery risks deeper into our supply chain at a project level.



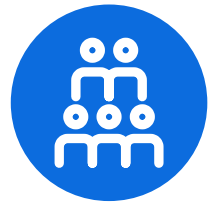
Embedment

Progress modern slavery risk mitigation through policies, procedures, and business rules to all parts of the business.



Engagement

Assessment of supplier performance and engagement with external contractors to partner in tackling modern slavery risks.



Training

Progress roll-out of comprehensive targeted training across operations.



Consultation process



Development of this Statement has involved engagement with a range of stakeholders across 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 and Board considers the draft Statement and provides feedback. The LLRL Trust Executive Leadership Team then recommends the final statement to the 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 Board and 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: Matthew Alan Mears

Date of approval: 21 December 2021

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