

# Modern Slavery Statement

Year ending 30 June 2020





## Contents

- 4 Introduction
- 5 Our Structure
- 7 Our culture
- 9 Our Operations and Supply Chain
- 11 Assessment of modern slavery risk
- 13 How we are addressing the issue
- 15 Grievances and Remediation Processes
- 15 Measuring effectiveness

## Message from MD

From the beginning, Lifestyle Communities has been a business for purpose. At our heart is our values-based culture, developed to inspire our people to innovate and create memorable customer experiences. Lifestyle Communities was born with a purpose to be socially responsible in creating affordable, homeowner-centric communities for Australians over 50.

I am very proud to be signing the first Modern Slavery Statement for Lifestyle Communities. I am confident that the steps outlined below will help inform our approach to prevent and address modern slavery across our supply chains. We will continue to progress this global issue within our business and in partnership with others.

*James Kelly*



## Introduction

Lifestyle Communities Limited and its subsidiaries (Group) are opposed to slavery in all its forms, including slavery, servitude, forced or compulsory labour, human trafficking, debt bondage and child labour. Lifestyle Communities also supports transparency in commercial supply chains so that the commission of Offences can be more easily detected and prevented.

This statement has been prepared in accordance with the reporting requirements of the Modern Slavery Act 2018 (Cth) (Act) and associated guidelines. It sets out the actions taken by the Group to address modern slavery risks in our business and supply chain for the financial year ending 30 June 2020.

This is our first statement. It describes the journey that we have been on in developing our approach to addressing the risk of modern slavery in our business and supply chain. We will continue to develop and improve our efforts and monitor and report on our progress over time through future statements.

This statement has been approved by the Board of Lifestyle Communities Limited and is made on behalf of the Group<sup>1</sup>, some of whom qualify as reporting entities under the Act.

<sup>1</sup>Lifestyle Communities Limited  
Lifestyle Investments 2 Pty Ltd  
Lifestyle Developments 2 Pty Ltd  
Lifestyle Management 2 Pty Ltd  
Lifestyle Communities Investments  
Cranbourne Pty Ltd

Lifestyle Investments 1 Pty Ltd  
Lifestyle Management 1 Pty Ltd  
Lifestyle Developments 1 Pty Ltd  
Brookfield Village Management Pty Ltd  
Brookfield Village Development Pty Ltd

# Our Structure

**Lifestyle Communities builds, owns, and operates land lease communities which provide affordable housing options to Australians over 50.**

Developed as an affordable housing solution for Australia's ageing population, Lifestyle Communities' land lease model allows working, semi-retired, and retired people over 50, to downsize from their family home to free up equity in retirement. Our communities include facilities such as pools, gyms, clubhouses, cinemas, lawn bowls, tennis and more.

Lifestyle Communities Limited is an ASX listed company (ASX:LIC), headquartered in Melbourne. The listed parent company has majority control over all entities in the Group. The Group is managed by a single executive leadership team, uses common policies, and all operations are undertaken under the Lifestyle Communities brand.

Consultation between the Group entities in developing this statement has been through the leadership team.



**22 Communities** – 15 in operation and 7 in planning or development



**Australian-based Board**  
50% female Directors  
50% male Directors



**100 employees**  
65% female  
35% male



**2,500+ affordable homes**  
under management



**3,600+ homeowners**  
live in our communities



**4,494 total homes**  
in our portfolio



# Our Culture

At Lifestyle Communities, we recognise that we have a duty of care to our homeowners, employees, agents, investors, and the wider community to ensure that our communities are appropriately managed.

At the forefront of our approach is our culture. We are passionate about providing a workplace where the highest standard of professional and personal conduct is maintained, and everyone is treated with dignity, courtesy and respect.



## Our Operations and Supply Chain

Lifestyle Communities' operations are solely based in Victoria, Australia. 100% of our employees are based in Australia. We use predominantly local and Australian based suppliers.

Our operations and supply chain can be broken down into two categories:

Development, design and construction of new communities	Operation & Management of Completed Communities
Development, design and construction consultants and advisers	Onsite management
Construction contractors and sub-contractors	Landscaping
Suppliers of goods, services, and materials for all stages of the construction cycle	Repairs, maintenance, cleaning and other contractors
Suppliers of plant and machinery	Refurbishments
Suppliers of sales and marketing collateral	Suppliers of operations and marketing collateral



# Assessment of modern slavery risk

In FY20, a senior executive was assigned to take responsibility for compliance with the Act and undertook an assessment of the risk of modern slavery within our own operations and the broad areas of risk within our supply chain. We further began a review of specific contractors and suppliers and commenced a risk assessment exercise across our tier 1 supply chain.

These reviews complement our formal policies designed to promote ethical and legally compliant business conduct and contribute to our commitment to prevent violations of human rights. Such policies include our Employee Code of Conduct, Procurement Policy and Whistleblower Policy, which provide a mechanism through which issues can be identified.

## Our Operations

All employees are engaged under contracts that comply with national employment standards and are regularly reviewed for alignment with all relevant awards. Employees remain free to leave their employment at any time on provision of appropriate notice.



## Our Contractors

Our desktop risk assessment found that the Group may have exposure to modern slavery supply chain risks in two broad areas:

### Contractors

The Group use contractors in the construction and cleaning sectors. These two sectors are among the sectors identified at risk of forced labour in the Global Slavery Index country profile for Australia on account of the prevalent use of migrant labour.

### Procurement of Goods and Materials

We procure goods and materials directly through our own activities, and indirectly through our contractors under work agreements. The Global Slavery Index has identified a shortlist of 15 imported products common in G20 countries, such as Australia, which present a risk of forced labour. The Group potentially has exposure to the products on the short list as per the table below:

Products at risk of Forced Labour	Group Exposure
Electronics	<b>Direct:</b> IT equipment (computers and accessories)
Cotton and Apparel	<b>Direct:</b> Uniforms and workwear, and raw materials used in manufacturing them
Bricks, Timber and Carpets	<b>Indirect:</b> Construction and building materials

## How are we addressing the issue?

Lifestyle Communities use predominantly local and Australian based contractors who are subject to national employment standards for their employees. Our project and operations teams work closely with our major contractors, and have a degree of contact with their local employees.

Having said that, we acknowledge that many of our suppliers have procurement chains that can extend outside of Australia. While our local supplier base presents a low risk of direct incidences of Offences relative to other geographies, the nature of the global materials markets mean that modern slavery may exist within the broader supply chains used by our suppliers.

In FY21, we intend to complete our supplier risk assessment from which we will develop a roadmap comprising additional mitigation measures that we believe necessary to further reduce the risk of modern slavery in our supply chain.

### Activities may include for example:

**Educate & Inform** – train our team to identify and address modern slavery risks, and request that our suppliers provide formal confirmation of their employment practices.

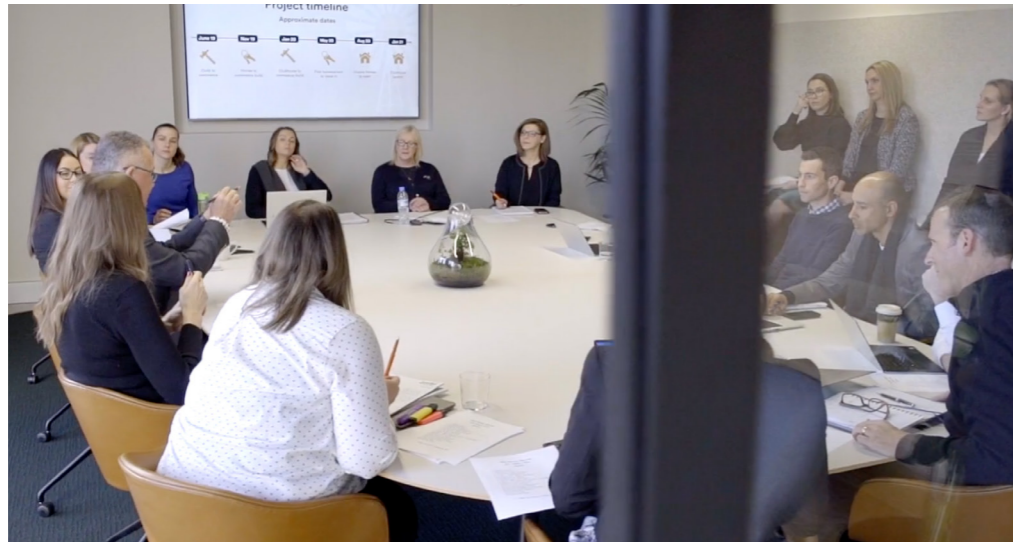
**Develop & Define** – develop a formalised supplier code of conduct to define our expectations of our suppliers and our commitment to promote ethical and legally compliant business conduct, and develop due diligence processes for the selection of new suppliers as part of procurement practices.

**Integrate** – integrate modern slavery due diligence and remediation into our supplier appointment and management activities.

**Our evaluation and risk management approach will evolve as we engage more deeply with our suppliers over time.**







## Grievances and Remediation Processes

We have established reporting procedures and mechanisms through which employees and third parties can report concerns regarding unethical or illegal conduct such as modern slavery. Employees can report to their manager, or if they wish to remain anonymous, employees and third parties are able to report through our Whistleblower process.

Issues will be investigated, and if substantiated, appropriate action will be taken. Further information on our investigation process is available in our Whistleblower Policy on the investor section of our website: [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au)

## Measuring effectiveness

We will track the effectiveness of our program through the degree of engagement displayed by our key suppliers, and by monitoring trends in the reporting and remediation of issues identified.

Our approach to addressing modern slavery will continuously evolve and will incorporate a regular executive level review of our response to ensure progress. The Board will review our approach at least annually, and approve our yearly Modern Slavery Statement for lodgment.

*Lifestyle*  
COMMUNITIES