

Modern Slavery Statement

Keyton Trust

Financial Year 2023



Keyton™

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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.

Transitioning.

Keyton (formerly Lendlease Retirement Living¹) 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 16,950 residents.

Although the Keyton Trust (formerly Lendlease Retirement Living Trust) operated as part of the Lendlease Group (Lendlease), through its trustee, Keyton Holding Pty Ltd (formerly Lendlease Retirement Living Holding Pty Ltd) throughout FY23, it has commenced and partially completed, the separation of many systems and contracts, and the insourcing of many functions it has previously sourced through Lendlease.

Significant milestones to note include:

Service	Status
Legal	Insourced July 2023
Treasury and Tax	Insourced July 2023
Risk and Insurance	Insourced July 2023
Safety, Sustainability and Wellbeing	Insourced July 2023
Procurement	Insourced July 2023
Finance	Estimated late 2023
Human Resources Information System	Estimated early 2024
Payroll	Estimated early 2024

¹ Lendlease Retirement Living rebranded as Keyton in June 2023

Whilst transitioning, the systems and processes of Lendlease's operations and supply chains were still accessed and utilised by the trustee for the benefit of the Keyton Trust's operations throughout FY23. This included all Lendlease 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 Modern Slavery Statement FY23 however, it is expected it will be the last Keyton Modern Slavery Statement to do so.

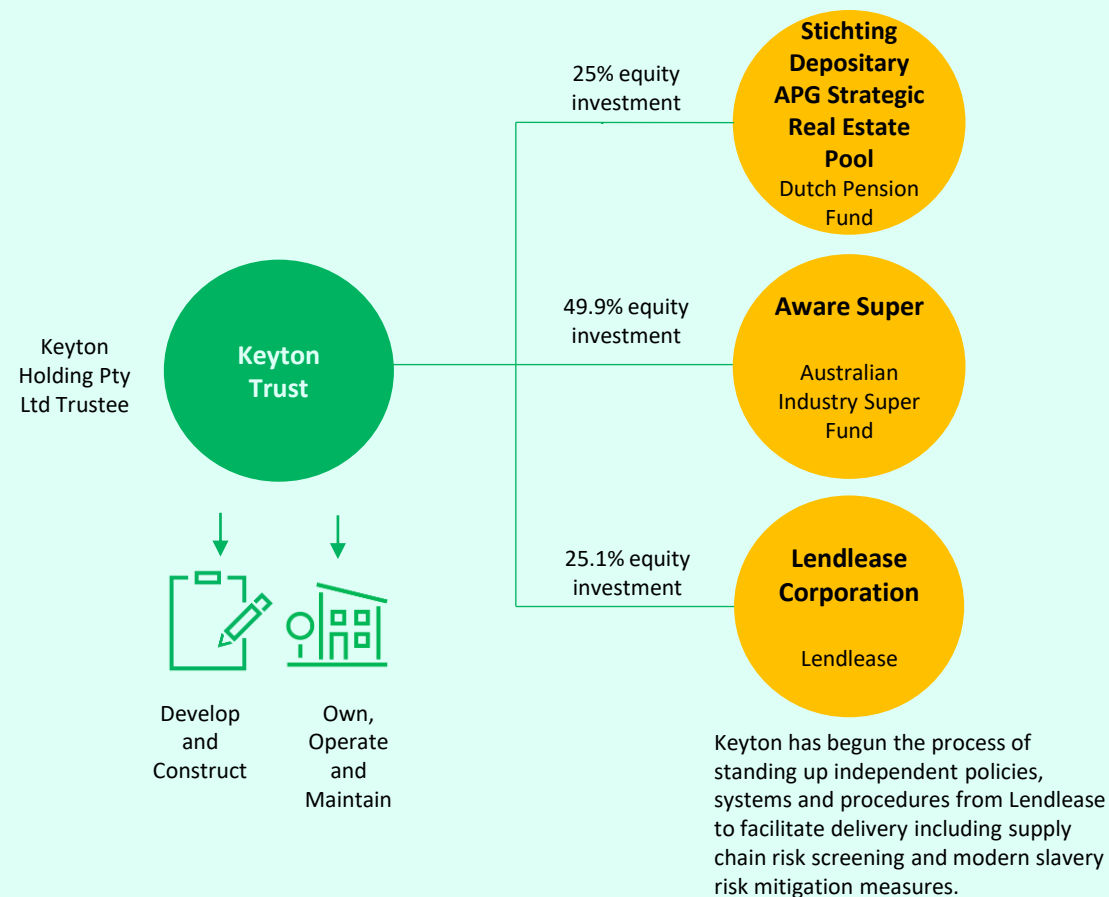


Ownership structure.

Although Keyton has partially completed its operational separation from Lendlease, there was no change to the ownership structure during FY23. As at 30 June 2023, Keyton Trust is:

- 25.1% owned by a Lendlease Group company. Keyton Trust remains a joint venture of Lendlease and is still accounted for as a material equity accounted investment. Refer to the [Lendlease Annual Report 2023](#).
- 25.0% 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 4.8million active and retired participants. APG manages pension assets of approximately €579 billion as at December 2023.
- 49.9% by Aware Super (**Aware**) an Australian complying superannuation fund with circa AUD160 billion assets under management and over 1 million members. Aware Super’s financial information is publicly available on its website <https://aware.com.au/about/governance-and-policies/company-reports-and-audit>.

The ownership structure of Keyton Trust and current relationship to the Lendlease is shown diagrammatically to the right.



*Trustee changed to AMAL Trustee Pty Ltd from August 2023.

Governance and policies.

Lendlease, APG, Aware and Keyton Trust continue to be committed to robust corporate governance policies and practices that are fundamental to the long-term success and prosperity of the Keyton business.

Keyton Trust relied on a number of policies prepared by Lendlease, which respond to modern slavery risks throughout FY23, and these are also outlined in Appendix 1 of the Lendlease Modern Slavery Statement FY23.

Keyton Trust has actioned the internalisation of most of these policies, whilst continuing to rely on some Lendlease policies during transition.

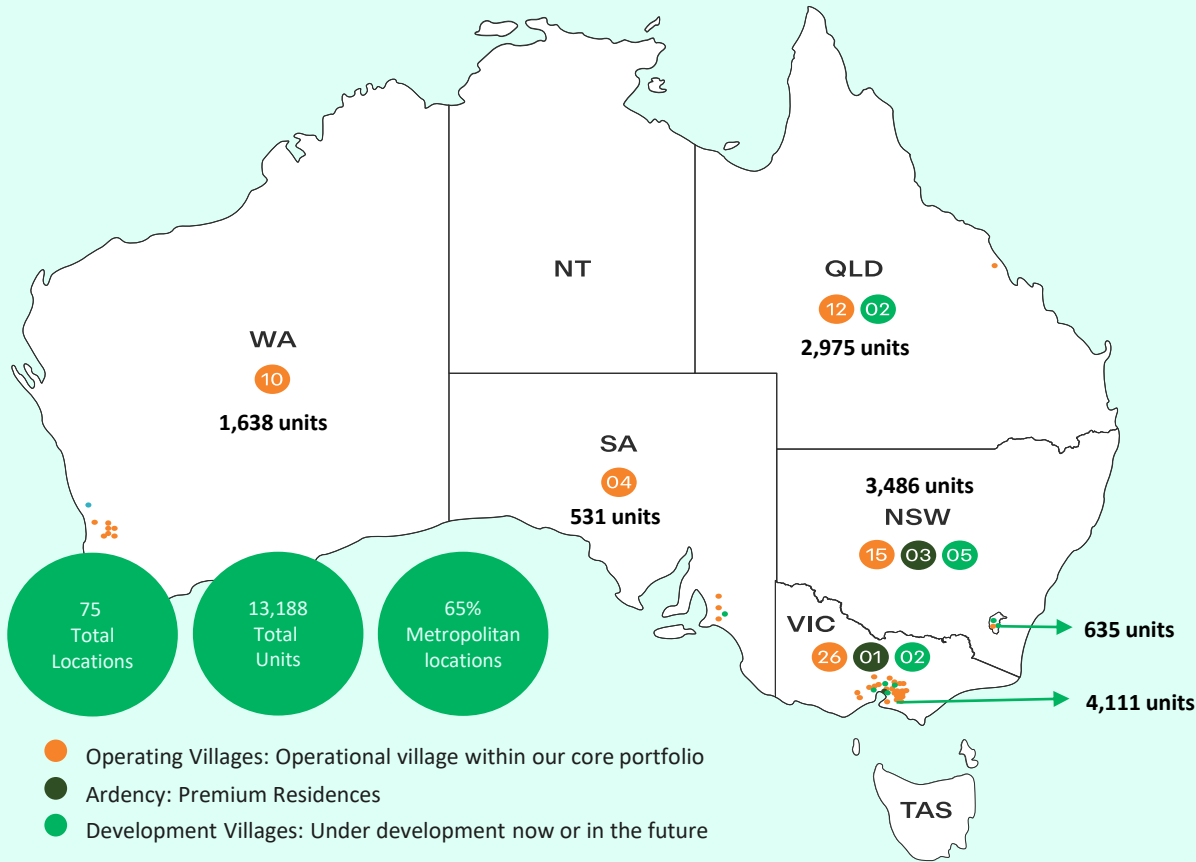
Keyton Trust continues to prepare and maintain its own policies that specifically relate to the Retirement Living industry, located on our intranet and accessible to all staff. Our staff are regularly advised of updates to policies.

Key Lendlease Policies	Description	Current Policy Status
Group Policy on Health and Safety	Sets up oversight and management of Health and Safety and embedment of Global Minimum Requirements	Keyton Safety, Sustainability and Wellbeing Policy can be accessed at the following link: https://keyton.com.au/Safety_Sustainability_And_Wellbeing
Lendlease Global Minimum Requirements (GMRs)	The GMRs operate as 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.	Keyton has assumed the Lendlease GMRs as their own and they can be found at the following link: https://keyton.com.au/Global_Minimum_Requirements However, a thorough review has commenced to determine the appropriateness and right size them for Keyton moving forward.
Supplier Code of Conduct	Sets out expectations of third-party suppliers, consultants and contractors (Suppliers).	Keyton Supplier Code of Conduct can be accessed at the following link: https://keyton.com.au/home/supplier-code-of-conduct
Group Conduct Breach Reporting Policy	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 Core Value, Employee Code of Conduct or Supplier Code of Conduct	Keyton Whistleblowing service, Stoplevel, can be accessed at the following link: https://keyton.com.au/home/whistleblower-policy Keyton Employee Code of Conduct can be accessed at the following link: https://keyton.com.au/Employee_Code_Of_Conduct
Diversity and Inclusion Policy	Sets out Lendlease’s commitment to workplace diversity and inclusion and conveys goals, measures and management approach	Lendlease Diversity and Inclusion policy is still being utilized at the time of writing and can be accessed at the following link: https://www.lendlease.com/globalassets/document-lists/sg/company/about-us/diversity-and-inclusion/2019/06/14/diversity--inclusion-policy/ Keyton policy expected early 2024.

Operations and people.

Our villages

Keyton Trust develops, constructs, owns and operates a geographically diversified portfolio of 75 retirement villages comprising 13,188 total dwellings (referred to as 'units') as at 30 June 2023 across Australia.



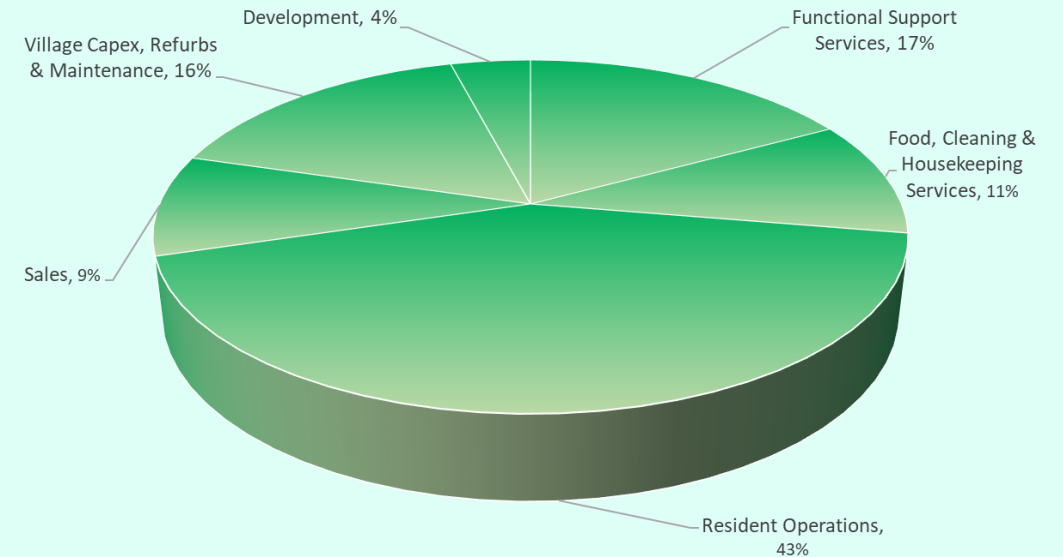
Our workforce

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

Employee Type ¹	Number	% of total workforce
Casual	88	11%
Fixed Term	25	3%
Permanent – Part time	212	25%
Permanent – Full Time	507	61%
Grand Total	832	100%

Less than 0.4% of Keyton Trust total national direct workforce comprises migrant² workers on visas.

The Keyton Trust workforce is engaged across numerous business activities, with the national workforce being distributed as follows:



Notes

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 Keyton, 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.

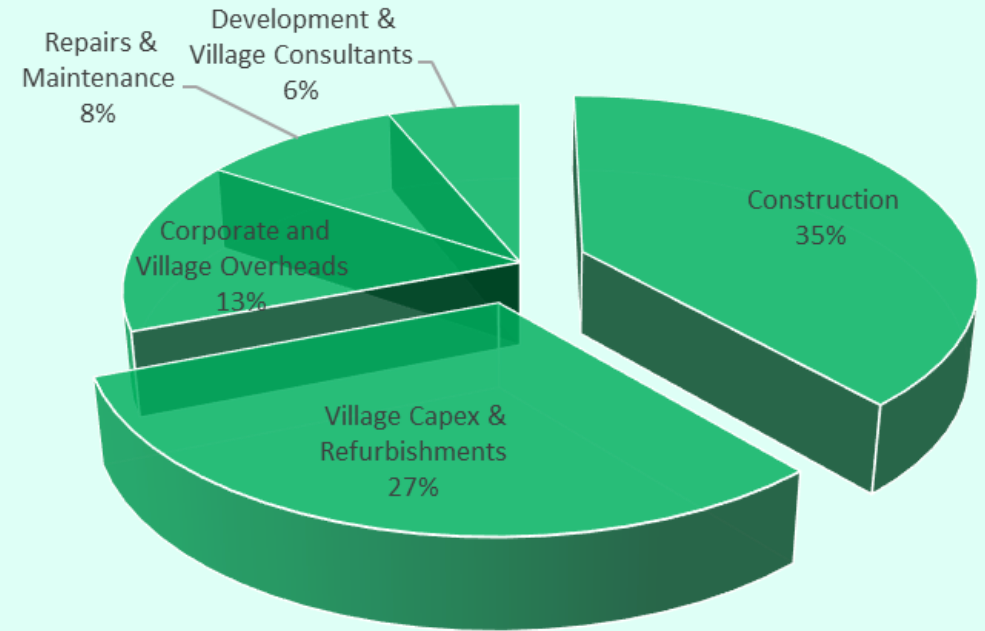
Supply chains.

Keyton Trust had more than 3,000 direct suppliers throughout FY23, with strategic supply partners, typically national contracts, comprising 15% of total annual spend. Our villages and resorts are geographically spread throughout Australia. Therefore, our villages and resorts have a reliance on local suppliers and existing relationships, our supplier base has remained reasonable static during FY23, and this is expected to remain so moving forward. Noting the Keyton procurement team is constantly looking at efficiencies in how we do business.

The majority of Keyton Trust's suppliers of services, including design consultants, catering and cleaning contractors are based in Australia, and several are contracted on a national basis.

Keyton Trust had limited access to the international supply chains of the Lendlease during FY23, in respect of materials and products utilised for construction, mechanical and electrical engineering, aspects of business and finance administration services, as part of Lendlease's strategic supplier partnerships. As the business transitions operationally away from Lendlease, this access and reliance will decrease further, lessening Keyton's exposure to international supply chains and the inherent risks prevalent.

The following pie graph shows annual direct spend breakdown for FY23 by top 5 spend categories. Overall spend levels have increased again year on year for FY23 from FY22 (up approximately 34%), demonstrating further recovery and expenditure catch up dented by COVID-19 in FY20-21. Construction-related costs, which include but are not limited to external works, foundation works, site establishment, and structure and design comprised c35% of total annual spend, comparable with FY22. Village capital expenditure, unit/apartment refurbishments on turnover, and repairs and maintenance comprise a further 35% of spend, while overheads (both village and corporate) represent 13% and external consultant advice incurred by our villages and development teams comprised 6%.



c70,000
Invoices



3,000+
Suppliers



c600
Projects

Key risks.

Keyton Trust has greater exposure to 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, key modern slavery risks centre around labour, either through:

- **Direct contracted labour** across our operations, including casual, self-employed or contracted 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 through:

Keyton Trust, as part of the Retirement Living sector, often has a need to source temporary labour from labour hire providers. Services such as cleaning (c\$2m annual spend), catering (c\$4m annual spend) and property maintenance (c\$33m annual spend), exist in price competitive low-margin markets, sometimes relying on low-skilled migrant labour for viability. Unfortunately, this may create preconditions for vulnerable workers to be exposed to a range of labour exploitation practices, including wage theft, underpayment, and unpaid entitlements.

Smaller suppliers may not have the capacity or resourcing to assess modern slavery risk in their supply chain and in turn, tough business conditions may render their workers (particularly casual workers) vulnerable to accepting informal work arrangements in terms of pay and conditions, which may not meet the minimum legal requirements. 29% of our suppliers have annual expenditure of less than \$20,000.

As Keyton Trust uses tier 2 builders for smaller scale construction projects, it may have broader exposure to the construction sectors longstanding demand for low-skilled, manual, often migrant labour. The indirect use of site labour utilising low skilled manual work recruited for sub-contractors through labour hire agencies, has been recognised as an area requiring greater transparency.

Modern Slavery Risks – Keyton & Retirement Living Industry



Actions and effectiveness.

Actions

Keyton Trusts priorities for FY23, were to focus on supply categories with elevated modern slavery / human rights risks, and to understand the modern slavery frameworks of our larger strategic suppliers, with our top 10 suppliers by expenditure accounting for 44% of total spend.

Our key actions included:

- Implementation of a retirement living specific contract management system (CMS) primarily for capital upgrades and construction, that includes Modern Slavery screening.
- Embedment 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 material external contractors to better understand their approach to modern slavery when working on Keyton Trust sites.
- Reviewing and understanding our suppliers own Modern Slavery statements to identify learnings, potential risks and mitigation strategies. It is estimated that 7% of our suppliers prepare their own statements, accounting for 46% of Keyton's total spend for FY23.

Transparency

Keyton Trust has begun the roll out of a CMS called Engage to manage suppliers working for Keyton Trust on development, capital expenditure and other corporate projects. Engage 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 and finally contractually.

Throughout the second half of FY23, our procurement team began to engage directly with many key suppliers formerly sourced through Lendlease, cementing relationships that will enable our business to delve deeper into their supply chains, to identify and understand modern slavery risks that may be prevalent or emerging.

Embedment

Key governance and policy frameworks previously accessed through Lendlease and addressed on page 5, have been studied and considered for their appropriateness for Keyton, and amended or replaced as deemed necessary. Keyton also continues to maintain its own industry specific policies and procedures

Keyton Trust continued to access the Lendlease processes for raising concerns through Ethics Point throughout FY23, a third-party confidential service for capturing concerns raised by employees and suppliers, and crisis management protocols for managing remediation. During the reporting period, no reports were logged through Ethics Point regarding modern slavery, categorised as 'labour rights violations', nor through other channels as far as we are aware.

As part of the separation from Lendlease, Keyton has now procured the services of Stopleveline, a whistleblowing service with over 20 years' experience, to replace Ethics Point. Stopleveline is accessible to our people via the Keyton intranet and available to our employees' families, contractors, suppliers and agents via the Keyton website.



Actions and effectiveness continued.

Engagement

Throughout FY23, Keyton Trust continued to closely engage with Lendlease and draw on its systems and processes 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.

Keyton Trust has also begun dialogues with major external contractors to better understand their approach to modern slavery risk mitigation, and what non-retaliatory grievance mechanisms and remediation they have in place. Engagement has focused on Principal Contractors and understanding their engagement with product and labour suppliers as part of the contractual arrangement with Keyton Trust.

Training

Keyton Trust continued to encourage the Modern Slavery awareness training program, involving completion of the Lendlease online modern slavery risk training for all staff down to Assistant Village Manager level. This online training continued to be supplemented with face to face targeted, scenario-based training. Online training will continue outside of Lendlease, provided by Keyton moving forward.

Effectiveness

Focus	Objectives	Action Taken	Status	Outcomes
Transparency	Extend the sight of Modern Slavery risks deeper into the supply chain at a project level	• Preliminary Risk Screening	✓ Implementation occurring	Pre-screening of all development and capex contractors via Engage roll-out
		• Direct Supplier Engagement	Ongoing	Greater understanding of our suppliers' supply chains through direct relationships
Embedment	Progress modern slavery risk mitigation through policies, procedures and business rules to all parts of the business	• Refreshed Governance and Policy frameworks	✓ Implemented and Ongoing	Initial updates on separation plus ongoing reviews for appropriateness as required
		• Updated Whistleblowing Service	Ongoing	Aligning Keyton with Stopline as a whistleblowing partner moving forward
Engagement	Assessment of supplier performance and engagement with external contractors to partner in tackling modern slavery risks	• Industry Engagement	Ongoing	Through contract negotiation (via modern slavery contract clause) and ongoing industry engagement
		• Supplier Engagement	Ongoing	Directly engaging with major suppliers to understand their supply chain risks and mitigation procedures
Training	Continued comprehensive targeted training across operations	• Awareness and Village based Training	✓ Implemented and Ongoing	Continued progress via the Lendlease online modern slavery risk training and village specific team talks (compliance at all 76 villages)

Looking ahead.

At Keyton, we continue to maintain our commitment to eliminating modern slavery risks from our operations and supply chains. This is an ongoing, ever improving process but will remain a top-line priority. Strategically it is very difficult to implement infallible procedures that will ensure modern slavery risks in our operations are fully mitigated, especially given the number of small, local suppliers within our village supply chains.

Based on Keyton essentially being in its infancy and evolving as its own entity, our key focus areas for FY24 are:



Large Suppliers

Placing additional focus on larger suppliers, with whom the majority of expenditure occurs, noting that 13% of expenditure in FY23 was with one large supplier and our top ten suppliers accounted for 44% of total spend.



Framework

Standing up both a fully independent, industry specific modern slavery statement and solidifying an independent, comprehensive modern slavery framework specifically for Keyton.



Training

Implementing standalone Modern Slavery training for all Keyton staff to create broader awareness of inherent risks and mitigation strategies across our organisation.



Contracts

Keyton is undertaking a review of its current contract suite to reflect unfair contract reforms being implemented in November 2023. Fairer contract terms may mitigate some supplier risk prevalent in very competitive market conditions.

Consultation process.

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

During the preparation phase, the Keyton Trust Executive Leadership Team, Unitholders and Keyton Holdings Pty Ltd as Trustee for the Keyton Trust considers the draft Statement and provides feedback. The Keyton Trust Executive Leadership Team and Joint Operating Committee for the Keyton Trust then recommends the final statement to the Keyton Trustee Board for approval and signing.

This Statement for financial year 2023 is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes Lendlease's Modern Slavery Statement. The Statement has been approved by the Board of Directors of Keyton Holding Pty Ltd, being the Trustee for Keyton Trust, who will review and update it as necessary.

Keyton Holding Pty Ltd as Trustee for the Keyton Trust



Signed

George Spiropoulos

Director Name

21-December 2023

Date of Approval
