

Modern Slavery Statement

Exemplar Health (Frankston) Pty Limited
(ACN 649 172 985) as trustee of the
Exemplar Health (Frankston) Trust

Financial Year
2024

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1. Identifying the entity

This Modern Slavery Statement (**Statement**) is prepared by Exemplar Health (Frankston) Pty Limited (ACN 649 172 985) as trustee of the Exemplar Health (Frankston) Trust (**Exemplar**).

Exemplar is a Reporting Entity for the purposes of the *Modern Slavery Act 2018* (Cth). Exemplar is committed to having processes in place to minimise the risk of modern slavery in its business operations and supply chain.

This Statement is for the financial year ending 30 June 2024 and has been prepared as at 30 June 2024. References to Lendlease are to the Lendlease Group.¹ (ABN 32 000 226 228).

2. Structure, operations and supply chains

2.1 Structure

Exemplar is a special purpose vehicle, formed to enter into a Project Deed with the Minister for Health on behalf of the Crown in right of the State of Victoria (**the State**) to deliver the Frankston Hospital Redevelopment Project in Frankston, Victoria (**Project Deed**). Exemplar is held by its two equity investors in equal shares:

- Aware Super Pty Limited (ACN 118 202 672) as trustee for Aware Super; and
- Lendlease Infrastructure Investments Pty Limited (ACN 137 452 567).

Exemplar does not own or control any other entities and does not have any employees. Exemplar has engaged Capella Management Services Pty Limited (ACN 127 727 842) (**CMS**) to provide various services to Exemplar including contract administration services and staff.

Exemplar's CEO and staff are employed by Capella Capital Lendlease Pty Limited and seconded to Exemplar pursuant to secondment agreements (**Secondment Agreements**). Exemplar's CEO reports to the Board, which is made up of Directors from each of the equity investors. The Exemplar staff, in turn, report to the Exemplar CEO.

The Secondment Agreements require the CEO and Exemplar staff to comply with various Lendlease Group and Exemplar procedures and policies. Exemplar therefore draws on the systems and processes of the Lendlease Group, including in relation to supply chain risk assessment and modern slavery risk mitigation measures.



2.2 Our operations and supply chains

Exemplar has been contracted by the State to design and construct the redevelopment of the Frankston Hospital under a public-private partnership (**PPP**) framework including:

- design, financing, construction and commissioning of the Works, including a new 12-storey clinical services tower and six-storey clinical services podium, increasing patient beds by 130;
- a new main entrance as well as infrastructure to connect the new and existing facilities; and
- facilities maintenance of the new facilities and some of the existing facilities.

More information regarding the Frankston Hospital Redevelopment Project can be found at Frankston Hospital redevelopment | [VHBA](#).

Exemplar is party to the following key agreements (**Key Agreements**). The

counterparts to the Key Agreements are based in Australia, and the Key Agreements are the primary mechanisms through which Exemplar operates.

- **D&C Contract with Lendlease Construction (Southern) Pty Limited** (ACN 002 625 130) (formerly named Lendlease Building Contractors Pty Ltd) (**the D&C Contractor**) to deliver the Development Activities (which include the design, manufacture, supply, construction, installation, commissioning and completion of the Works);
- **Services Contract (Hard FM)** with Honeywell Limited (ACN 000 646 882) to carry out the Services (other than the Reviewable Services) over the Operational Phase (a 25 year term anticipated to commence in January 2026);
- **Services Contract (Soft FM)** with Compass Group Healthcare Hospitality Services Pty Ltd (ACN 114 320 615) to carry out the

Reviewable Services (cleaning, waste management, grounds and gardens maintenance, pest control and security) over the Operational Phase;

- **Management Service Agreement** with CMS under which CMS provides services to Exemplar including:
 - procurement of staff for secondment to Exemplar;
 - financial reporting including preparation of monthly reporting, annual financial reports and tax return preparation;
 - recruitment, establishment of business systems, IT systems and bank accounts, and arranging office space; and
 - executive and compliance support.
- Exemplar procures very few services or goods outside of the Key Agreements, and accordingly has very limited direct supply chain exposure.



3. Modern slavery risks in our operations and supply chains

The key modern slavery risk areas for Exemplar are set out below:



D&C Contract Risk

Exemplar understands there may be elevated exposure to modern slavery risks in the D&C Contractor's supply chain as the D&C Contractor is both subcontracting works and procuring materials through a complex supply chain.

The construction sector has a history of using low-skilled, manual, often temporary migrant labour, which increase its exposure to the risks of modern slavery-type practices. The risk of modern slavery in this sector is essentially related to labour in the supply chain, and or labour engaged in the construction process. Transparency of labour practices in the fabrication of materials and components used in construction offshore is challenging, with long and diverse supply chains, not readily visible to the end product user, distributor or installer.

For direct operations, while much of the construction labour used in Australia is unionised, and a licensing regime operates for labour hire providers in Victoria under the Labour Hire Licensing Act 2018 (Vic), the indirect use of site labour, utilising low skilled casual manual workers recruited by smaller sub-contractors either informally or as a result of the general contractor remains an area of priority. Having the requisite oversight to ensure due diligence in labour recruiting processes are carried through by a principal contractor is a high priority risk to monitor and includes monitoring:

- lawful methods for sourcing, engaging and paying workers in accordance with industry awards and related entitlements;
- workers are of minimum legal age, and legally permitted to work;
- conditions of work that are formally and clearly conveyed to workers whose first language is not English or whose knowledge of employment rights may be limited;
- evidence of appropriate documentation showing workers' correct pay rates and any entitlements, including pay slips, frequency of pay and employment contract; and
- a non-retaliatory grievance pathway for workers to raise concerns confidentially and a process for remediation.



Services Contractor Risk

Services Contractor risk is currently minimal given the operations phase has not yet commenced and the Services Contractors' role is limited to the provision of advisory services.

We note that the provision of some services, such as cleaning, asset maintenance and security, exist in a price competitive low margin market, potentially leading to a reliance on low-skilled migrant labour for viability. Accordingly, the engagement of these types of service providers by the Services Contractors will be prioritised to undergo targeted risk screening during the engagement process.



Management Services Risk

Under the Management Services Agreement, CMS provides management services to Exemplar. These include financial management of Exemplar (financial reporting, payment of invoices and accounts receivable), financial modelling and the employment of Exemplar staff. These services are provided directly by employees of the Lendlease Group (all employees being domiciled and employed in Australia under National Employment Standards).

Suppliers engaged in supporting delivery of these services are engaged in accordance with the relevant procurement and due diligence processes operating within the Lendlease Group.

In this reporting period the Project activities were focussed on design development, structural works including finalisation of piling and in ground works. Services fit out works commenced near the end of the reporting period and will commence and ramp up through the next period. This increased construction activity is reflected in an increase in procurement activities by the D&C Contractor, across both material and labour resources.

Exemplar continues to perform periodic risk assessments of its Key Agreements, factoring in the following key risk factors:

- the industry sector of its operating supply chain;
- the types of products and services provided; and
- the business models of its key contractors.

Exemplar's risk assessments continue to identify a low risk in relation to Exemplar, primarily due to Exemplar's limited direct supply chain, which is almost entirely comprised of large Australian-based entities which are themselves reporting entities under the *Modern Slavery Act 2018* (Cth). Exemplar is multiple steps removed from the direct manufacture of raw material inputs that are utilised for the Frankston Hospital Redevelopment Project. Due to this, Exemplar's position in the contractual structure and its counterparties, Exemplar relies to a significant degree on the risk screening due diligence, risk control mechanisms and declarations of our direct suppliers to confirm their management of upstream modern slavery risks.

Risk assessments undertaken by Exemplar identified the following risk areas.



Artist's impression

4. Actions taken to assess and address modern slavery risks, including remediation

During the reporting period, Exemplar worked with the D&C Contractor and Services Contractors (together the **Key Contractors**) to assess their approaches to the mitigation of modern slavery risk, including through the completion of questionnaires. Exemplar also undertakes ongoing assessment of risks related to the D&C Contractor by monitoring the monthly reporting related to the use of resources, industrial relations and workplace health and safety standards.

The questionnaires have confirmed that, as reported in their respective Modern Slavery Statements, each of the Key Contractors takes a risk-based approach to this process.

The Modern Slavery Questionnaire will continue to be utilised with the Key Contractors to:

- identify and assess potential elevated modern slavery risks in Exemplar's supply chain;
- identify mitigation efforts to combat the risk of modern slavery in Exemplar's supply chain; and
- foster collaboration between Exemplar and its Key Contractors in relation to supply chain issues, including understanding supplier verification procedures and internal policies and procedures including workers' labour conditions and workplace practices.

The Questionnaire will also assist in identifying specific risks or subcontractor engagement process which require further targeted risk screening.

Exemplar staff are required to comply with the following Lendlease Group policies which respond to modern slavery risks:

Key Lendlease Group Policies	Description
Environment Health and Safety	Sets up oversight and management of Environment Health and Safety and embedment of Global Minimum Requirements
Lendlease Global Minimum Requirements (GMRs)	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.
Employee Code of Conduct	The Code explains the standards the Company expects in the conduct of its operations and supports the Core Values, especially Integrity (which "is not negotiable").
Conduct Breach Reporting Policy	Enables employees (their families), contractors, suppliers and agents to speak up and report illegal or improper conduct occurring in the Lendlease Group business, including behaviour that does not accord with our Core Values, Employee Code of Conduct or Supplier Code of Conduct.
Diversity and Inclusion Policy	Sets out Lendlease's commitment to workplace diversity and inclusion and conveys goals, measures and management approach.
Anti-Bribery Anti-Corruption Policy	All Lendlease Group directors, employees and third parties are to observe the UK Bribery Act 2010 wherever they operate, and for third parties, including suppliers, to have undergone compliance processes for screening plus due diligence checks.

Remediation

We recognise there is not a 'one size fits all' approach to providing remedy, and that a legitimate remediation response is tailored to the particular facts of a situation.

Each of the Key Contractors has non-retaliatory grievance mechanisms and remediation in place, and seek information from their own suppliers and subcontractors on their implementation approach and level of process embedment.

Exemplar will investigate any report of potential occurrences of modern slavery taking place in its operations or supply chain, and will take all appropriate steps to rectify any confirmed incidents. Exemplar will work collaboratively with our Key Contractors to achieve this goal.



5. Assessing effectiveness of actions taken for mitigating modern slavery risks

Exemplar has considered modern slavery risk issues in its risk framework to ensure accountability and oversight of mitigation approaches by its legal and commercial team and the Exemplar Board.

On an annual basis, Exemplar will review the effectiveness of the actions taken to address Modern Slavery risk in Exemplar's operations and supply chain. Exemplar has developed a Modern Slavery Risk Management Plan as well as implementing the Modern Slavery Questionnaire above.

The Modern Slavery Risk Management Plan will be reviewed annually by Exemplar's commercial team to identify and assess any new risks that may emerge in the course of Exemplar's direct operations and supply chain, with findings of the review to be presented to the Exemplar Board for response, monitoring and corrective action.

6. Governance in managing modern slavery risks

The following modern slavery risk governance process has been implemented by Exemplar, which provides the Exemplar Board oversight of Exemplar's modern slavery risk mitigation measures.

- All of the Exemplar legal and commercial representatives to complete Lendlease's modern slavery e-learning training module.

- A working group consisting of Exemplar's CEO and legal and commercial representatives to effectively manage modern slavery risk, and will focus on the development of the Modern Slavery Risk Management Plan and Modern Slavery Questionnaire.

- The working group will report concerns arising from the Modern Slavery Questionnaire process to the Exemplar Board.

7. Consultation and additional information



This Statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement for Exemplar.

The Statement has been prepared by the Exemplar CEO and was approved by the Exemplar Board on 11 November 2024.

Signed:

Director name: Sarah Neaves
Chair of Exemplar Health (Frankston) Pty Limited

Date: 20 November 2024

