



Modern Slavery *Statement*

Reporting Period: 1 July 2024 to 30 June 2025

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About us

The Lutheran Homes Group (“LHG”, “we”, “our”, “us”) story began almost 100 years ago. Throughout that time, we have strived to become a leader in the provision of home and community support, retirement living, and residential care services across South Australia, prioritising the well-being of residents and staff.

At Lutheran Homes Group, we are continually excited by the changing environment in which we operate and have made listening to and working with our community a priority.

That way, we can successfully anticipate and respond to the wishes and requirements of those that we serve.

During the FY25 reporting period, we became a reporting entity under the *Modern Slavery Act 2018 (Cth)* (“Act”). Therefore, this is our first modern slavery statement. Accordingly, this modern slavery statement outlines the initial steps that we have undertaken throughout the reporting period to assess and address the modern slavery risks in our operations and supply chains.



Criteria 1: Identify the reporting entity

This modern slavery statement is for the reporting period of 1 July 2024 to 30 June 2025 and is made by Lutheran Homes Group Incorporated ABN 58 113 769 710.

Lutheran Homes Group does not have any subsidiaries or other entities that it owns or controls.

Criteria 2: Describe the structure, operations and supply chains of the reporting entity

Structure

LHG is a not-for-profit incorporated association and a registered charity on the Australian Charities and Not-for-profits Commission (ACNC). The Corporate Office is located at Level 2, 100 Pirie Street, Adelaide SA 5000. As outlined above in Criteria 1, LHG does not own or control any other subsidiaries or entities.

In 2022, two entities, LHI Retirement Services and Fullarton Lutheran Homes became one entity: Lutheran Homes Group. Through this combined structure, LHG has been able to sustainably grow their home and community support, retirement living, and residential care services across South Australia.

Currently, LHG employs approximately 1,000 staff and volunteers across our South Australian operations. The number of staff and volunteers from our newly acquired Victorian sites will be reported on in our FY26 Modern Slavery Statement.

LHG's Executive Team leads the day-to-day operations of the organisation, while governance and compliance obligations are overseen by a Board of Directors. The General Manager, Commercial and Procurement, is responsible for overseeing LHG's modern slavery compliance and for reporting updates on modern slavery and broader Environmental, Social and Governance (ESG) compliance to the Board.

Operations

LHG is a home and community support, retirement living and residential care provider that has been operating in South Australia for over 100 years, providing services for approximately 1,600 South Australians.

- **Home and Community Support**

Our home and community support services are available to residents in our retirement villages as well as those living in the wider community. We can assist with a wide range of tasks including personal care (such as dressing and bathing), meal preparation, cleaning and laundry, gardening and home maintenance, transport, nursing, and allied health.

- **Retirement Living**

We offer a broad selection of retirement living options across multiple locations. Our 1, 2, or 3 bedroom units are for people who require little or no support with daily tasks but want the benefits that come with living in a retirement village.

- **Residential Care**

We provide a wide range of residential care options to ensure that our residents receive the specific care and support that they require. This includes palliative care and memory support for those living with dementia. Our dedicated residential care staff assist with a variety of day-to-day activities including cooking, cleaning, laundry, dressing and showering. Respite care is also available at our residential care homes.

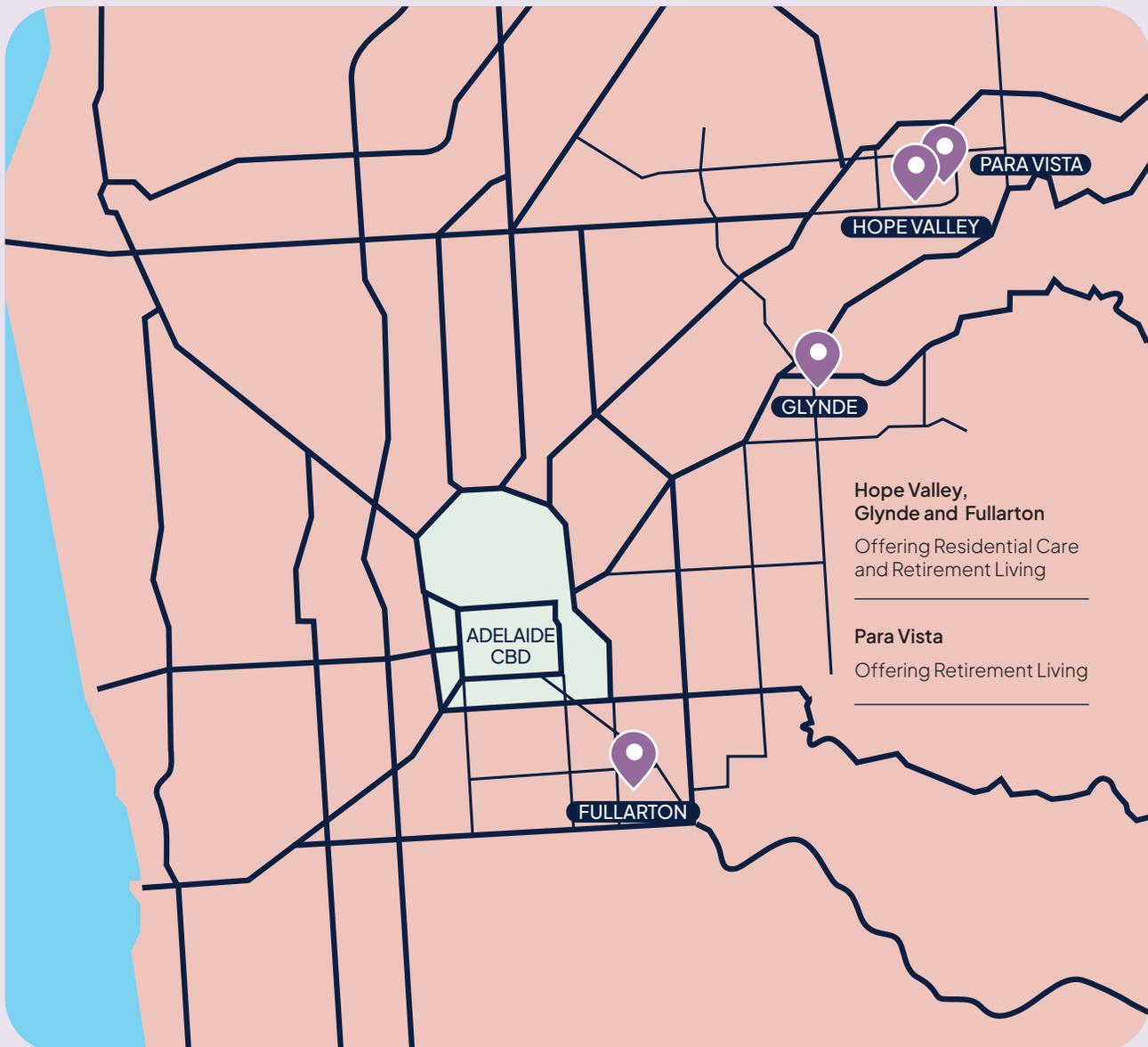


Our Sites

Our current operations are based in Adelaide, South Australia with sites located in the suburbs of Fullarton, Glynde, Hope Valley, and Para Vista.

During the reporting period, Lutheran Homes Group completed the purchase of two (2) residential care facilities and two (2) retirement living villages in regional Victoria.

In the next reporting period, we will include the operational and supply chain risks for these locations once the organisation has operationally taken over these new sites.



Supply Chains

Our suppliers are critical stakeholders who assist in the provision of services to residents across our home and community support, retirement living, and residential care offerings.

During the reporting period, approximately 853 Tier 1 suppliers¹ were engaged. The key supplier categories involved in delivering services to our residents are as follows:

- Catering and food suppliers
- Nursing agencies (labour hire)
- Cleaning
- Healthcare professionals - for example, Chiropractors, Physiotherapists, Occupational Therapists, Doctors and Dental
- Medical consumables and equipment
- Contractors - for example, electricians, security, plumbing
- Construction

LHG primarily engages with Australian based suppliers. Three (3) of these suppliers are based in the United States and one (1) supplier is based in the United Kingdom. This means that 99.64% of the suppliers that LHG engages with are based in Australia.

¹Tier 1 suppliers are the suppliers that LHG engages directly and enters into contractual relationships with.



Criteria 3: Risks of modern slavery in operations and supply chains

LHG has undertaken the first assessment of the modern slavery risks present in our operations and supply chains.

To conduct the risk assessment, LHG has utilised the UN Guiding Principles on Business and Human Rights (“**UNGP’s**”) and the *cause, contribute to and directly linked to* framework. Using this framework, we have been able to assess whether the organisation could be deemed to *cause, contribute, or be directly linked to* modern slavery risks or instances of modern slavery.

	DESCRIPTION AND EXAMPLES OF UNGP
Cause	<p>Modern slavery instances and/or modern slavery risk factors that a reporting entity causes through its business activities or omissions, which result in harm to individuals.</p> <p>Example: engaging child labour to undertake cleaning services for the organisation.</p>
Contribute to	<p>Business activities or omissions which act to facilitate, enable or incentivise harm to individuals through instances of modern slavery and/or modern slavery risk factors.</p> <p>Example: placing demands on a supplier such as unreasonable lead times, which results in child labour being engaged to fulfill demands.</p>
Directly linked to	<p>Links to harm (instances of modern slavery and/or modern slavery risk factors) through the purchase or provision of goods/services and business relationships with stakeholders.</p> <p>Example: engaging a supplier who is later found to use child labour in their production factory.</p>

LHG acknowledges that the assessment of modern slavery risks within our operations and supply chains is a continuous undertaking. Our risk assessment process will be revisited in each reporting period to ensure that LHG has adequate oversight over modern slavery risks and is undertaking actions to address and mitigate these risks.

Operational Risks

LHG currently operates in South Australia. The residential care, retirement living and home care industry in which it operates is highly regulated, particularly given the changing operational and governance requirements under the *Aged Care Act 2024* (Cth), which are effective 1 November 2025.

As a result, LHG has strong internal governance, including leadership structures that provide stringent oversight over its governance generally. A key example of this is LHG's modern slavery compliance, driven on the ground by the General Manager, Commercial and Procurement, and the wider Procurement Team, with broader oversight and reporting lines up to the Board.

A key function of our strong internal governance structures is the policy and procedure framework that applies across our operations, ensuring compliance with our legal and operational requirements.

Furthermore, LHG employees are paid in accordance with Australian laws and other legal instruments, and has the following offerings in place for employees and stakeholders:

- **Employee wellbeing programs**

LHG has an Employee Assistance Program (EAP) which is a confidential counselling service which employees can access to work through problems and concerns such as emotional stress, work related difficulties and interpersonal conflicts.

- **Robust training frameworks**

A key operational modern slavery risk for LHG is the use of labour hire. LHG engages labour hire for nursing and carer services, which is commonplace in the aged care industry to fill staffing shortages and provide critical services to our residents.

Labour hire carries heightened modern slavery risks due to the short-term nature of the engagement, as well as the limited oversight entities have over the operations of the labour hire providers.

Notwithstanding the above, we consider our operational modern slavery risks to be low, given the robust governance structures surrounding our operations.

Supply Chain Risks

To assist in assessing its supply chain risks, LHG utilises a risk matrix which assesses suppliers against the following risk factors:

JURISDICTION RISKS	INDUSTRY RISKS	PRODUCT / SERVICES RISKS	ENTITY RISKS
For example, China is a higher risk country for modern slavery, compared to countries like Australia and New Zealand.	For example, the cleaning industry carries heightened modern slavery risks, compared to professional services such as legal and accounting.	For example, linen and PPE carry heightened modern slavery risks, compared to software solutions.	For example, factories in isolated locations carry heightened modern slavery risks, compared to multi-national professional service firms.

The sources of information that form the basis of the risk factors in the risk matrix are outlined in Criteria 4 below. LHG considers the following supplier categories as carrying the highest modern slavery risks:

INDUSTRY	LINKAGE TO RISK	DESCRIPTION OF RISK
Cleaning	Directly linked	<p>The cleaning industry employs a large number of temporary workers. Generally, these roles have low skill requirements, making them attractive to migrant workers, who are increasingly vulnerable to exploitation due to their limited English proficiency and financial vulnerability.</p> <p>There is also a high prevalence of practices such as debt bondage and deceptive recruitment in the industry, where, for example, workers are required by their employers to lodge identity documents with the employer and are forced to work to get their identity documents back.</p>
Uniform and Linen Suppliers	Directly linked	<p>Raw materials such as cotton, wool, silk and leather contain heightened modern slavery risks. These raw materials are particularly high risk when linked with jurisdictions such as the Xinjiang Uyghur Autonomous Region (Xinjiang) in China.</p> <p>LHG relies heavily on uniform and linen supply chains to provide its services to its residents.</p> <p>Uniform and linen supply chains are incredibly complex, with many layers and tiers of suppliers. The complexity of these supply chains, in conjunction of the inherent risks associated with these raw materials, make uniform and linen suppliers high risk for LHG.</p>

Supply Chain Risks Continued

INDUSTRY	LINKAGE TO RISK	DESCRIPTION OF RISK
Medical Equipment and Personal Protective Equipment	Directly linked	<p>Medical equipment, and the componentry that makes up medical equipment, is often manufactured overseas in high-risk jurisdictions such as China.</p> <p>Furthermore, the production of PPE has known modern slavery risks which were heightened in jurisdictions such as Malaysia after the COVID-19 pandemic. Given LHG's reliance on these suppliers to provide critical services and care for our residents, this supply chain is a high-risk area for the organisation.</p>
Food Suppliers	Directly linked	<p>Certain food commodities carry heightened modern slavery risks. Examples of high-risk food commodities include fish and tomatoes, particularly when sourced from jurisdictions such as China, Thailand and the Philippines.</p>
Construction	Directly linked	<p>Construction is a high-risk industry for modern slavery, in Australia and globally, largely because of the prevalence of migrant and vulnerable workers in the industry. There are also risks associated with certain raw materials used in construction projects such as steel and bricks.</p>

We understand that the most prevalent modern slavery risks for the organisation lie deeper in our supply chains, beyond the Tier 1 suppliers that we engage with directly.

As an example, our suppliers of uniforms and other linen materials used in our operations (as outlined in our risk assessment above) are high risk, largely due to the modern slavery risks present in the production of the cotton to make these products.

We are committed to continuously improving our understanding of the modern slavery risks in our supply chains, including taking steps to dive deeper into risks beyond Tier 1 suppliers, as our modern slavery compliance matures.

Criteria 4: Actions undertaken to assess and address modern slavery risks in operations and supply chains

As outlined above, this is LHG's first modern slavery statement. We have utilised this reporting period to establish initial due diligence processes for our suppliers, understand the modern slavery risks present in our operations and supply chains, and establish the governance framework to surround our modern slavery compliance.

- **Development of an ESG Strategy**

When we became aware that the organisation could reach the reporting threshold requiring us to comply with and report under the Act, we took this opportunity to obtain external advice around what is required to meet the requirements of the Act and how the organisation could implement a strategy that surrounds our broader ESG obligations.

We engaged external advisors to conduct an ESG Workshop to assess our legal requirements, as well as non-legal focus areas that we may want to incorporate into an ESG Strategy as part of our corporate social responsibility obligations.

- **Action Plan for Modern Slavery Compliance**

The external advisors engaged by LHG to conduct the ESG Workshop also assisted in preparing an Action Plan to guide progress on our modern slavery compliance during the FY25 (Financial Year 2024–25) reporting period.

Developing this Action Plan was critical to understanding what was required to establish a solid foundation for our modern slavery compliance, particularly the steps necessary to gain an initial understanding of our operational and supply chain risks.

- **Supplier Code of Conduct**

During the reporting period, we implemented and rolled out a Supplier Code of Conduct. This Code outlines our expectations for suppliers and subcontractors in relation to modern slavery and their role in assisting us with our compliance. In addition, this Code outlines the expectations for suppliers to report any concerns, including those related to regarding modern slavery, to us.

The Supplier Code of Conduct is issued to suppliers alongside our modern slavery questionnaire. We have outlined further information about the suppliers that were issued with the questionnaire below. All suppliers who receive and complete the questionnaire are required to read and agree to abide by the Supplier Code of Conduct.

- **Inclusion of ESG in Procurement Decisions**

Through the development of our ESG Strategy, the role of procurement and the decision-making process of who we choose to engage to supply goods and services were identified as key priority areas. The suppliers that we engage can have an impact on the social (S) risks (for example, modern slavery and broader human rights risks) and the environmental (E) risks that LHG faces as an organisation.

As an organisation, we have taken steps to ensure that ESG is considered in our procurement choices. This will continue to be built on in future reporting periods as we mature in this space.

- **Initial Risk Assessment of Supply Chains**

We have undertaken an initial risk assessment of our suppliers using a risk matrix developed by our external advisors. The matrix considers industry risk, jurisdiction risk, goods/services risk and entity-specific risks. The risk matrix utilises data from sources such as:

- the Global Slavery Index
- the Ten principles of the UN Global Compact and the Universal Declaration of Human Rights
- the NSW Government Procurement Guidance and Risk Management Framework
- the US Department of Labour – List of Goods Produced by Child Labour and Forced Labour

The risk matrix allowed us to undertake the first assessment of our supply chain risks. Using this risk assessment, we were able to narrow down our list of suppliers and issue modern slavery questionnaires to those considered to pose the highest risk to the organisation.

- **Questionnaires**

During the reporting period, LHG issued 98 suppliers with modern slavery questionnaires. As outlined above, these suppliers were selected based on being assessed as high risk in accordance with our risk matrix.

The modern slavery questionnaire was developed with our external advisors to assist us in gaining insight into our suppliers' understanding of their operational and supply chain modern slavery risks and what, if any, due diligence our suppliers have been undertaking.

A breakdown of some of the key categories of the questions asked in our modern slavery questionnaire are as follows:

- **Operating locations**
Understanding all operating locations of our suppliers is critical information to enable us to have a fulsome location-based risk assessment of our suppliers.
- **Auditing and certifications**
We have asked our suppliers about whether they have undertaken any third-party ethical audits on their own operations and have requested copies of these ethical audits, if they have been undertaken. The findings of ethical audits, in particular any non-compliances that have been identified, can provide insight into how an entity operates and any risky practices that the entity undertakes, which could increase the risk profile of the supplier and warrant further due diligence.
- **Worker information**
A key aspect of the questionnaire was around the types of workers employed by the supplier (for example, seasonal workers, labour hire and migrant workers), and worker conditions, such as how the suppliers verify the ages of their workers.

CASE STUDIES

Case Study 1: High risk response to a modern slavery questionnaire

LHG issued a modern slavery questionnaire to a supplier who provides the organisation with medicines and other medical consumables. The industry of medical consumables, combined with the suppliers operating in overseas jurisdictions such as China, resulted in the supplier being assessed as high risk under the organisation's risk matrix.

The supplier answered that they require employees to lodge deposits of money or identity documents. Separately, the supplier also answered that they engage migrant workers. This was noted as a high-risk questionnaire response. LHG has undertaken additional due diligence by issuing further correspondence to the supplier, querying their response and seeking more detail about the answers provided in the questionnaire.

Case Study 2: ESG awareness impacting purchasing decisions internally

LHG issued modern slavery questionnaires to two (2) cleaning suppliers. Cleaning is a high-risk industry for modern slavery as outlined in Criteria 3 above. These cleaning suppliers refused to complete the modern slavery questionnaire. LHG no longer uses these cleaning companies. Whilst the refusal to complete the modern slavery questionnaire was not the main reason for why these cleaning companies are no longer used, it was a contributing factor in the decision to cease engagement of these suppliers. LHG places value on suppliers who will help the organisation in meeting its compliance obligations and incorporates ESG considerations into its procurement decisions.

Criteria 5: Assessing effectiveness of actions undertaken to assess modern slavery risks

Given this is LHG's first reporting period under the Act, this reporting period has been focused on establishing the foundations of our modern slavery compliance framework which will then be built on in future reporting periods, as we mature in the modern slavery compliance space.

LHG will be working with our external advisors to consider the actions that have been undertaken during the reporting period, and how effective they were in LHG being able to assess and address our modern slavery risks. A key aspect of this review will surround how we issue modern slavery questionnaires, and how effective our current processes are in engagement with our suppliers and assessment of supply chain modern slavery risks.

Based on this review, LHG will be developing an action plan to govern our modern slavery compliance efforts in the FY26 (Financial Year 2025–26) reporting period which will build on our efforts in this reporting period. LHG is committed to complying with the continuous improvement approach underlying the Act. Some of these broader action items are outlined in Criteria 7.

Criteria 6: Consultation

This criterion is not applicable as LHG does not own or control any other entities.

Criteria 7: Any other information

LHG's first reporting period has been focused on establishing a foundation for modern slavery compliance and the oversight of operational and supply chain modern slavery risks.

In the next reporting period, we will focus on improving our modern slavery questionnaire process and embedding modern slavery risk assessments into our new supplier process. Given the acquisition of new sites during the reporting period (as outlined in Criteria 2), work will be undertaken to risk assess the supply chains and operations of these new sites.

We are aware that in December 2024, the Government issued a response to the statutory review of the Act and the accompanying recommendations to amend the Act, and that there may be a draft bill to amend the Act on the horizon. We will work with our third-party advisors to ensure that we are compliant with any changes made to the Act and accompanying guidance.

Approval

This modern slavery statement is LHG's first modern slavery statement and is for the period of 1 July 2024 to 30 June 2025. This modern slavery statement has been reviewed and approved by the Board of Lutheran Homes Group.



Mel Blondell – Board Chair

9 October 2025

