

Modern Slavery Statement

Lendlease
(Melbourne Quarter R1)
Pty Ltd

**Financial Year
2021**





Contents

Introduction	4
Impact of COVID-19	5
Identifying the entity	5
Structure, operations and supply chains	6
Modern slavery risks in operations, supply chains and controlled subsidiaries	7
Actions taken to assess and address modern slavery risks, including remediation	8
Assessing the effectiveness of actions taken	10
Our consultation process in preparing this Modern Slavery Statement	10
Other relevant information	11



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 (Melbourne Quarter R1) Pty Ltd (LLMQR1) is developer of the first residential building at the mixed use urban regeneration precinct opposite Southern Cross Station known as Melbourne Quarter.

This first residential tower comprising 719 apartments across 40 levels completed construction in July 2020.

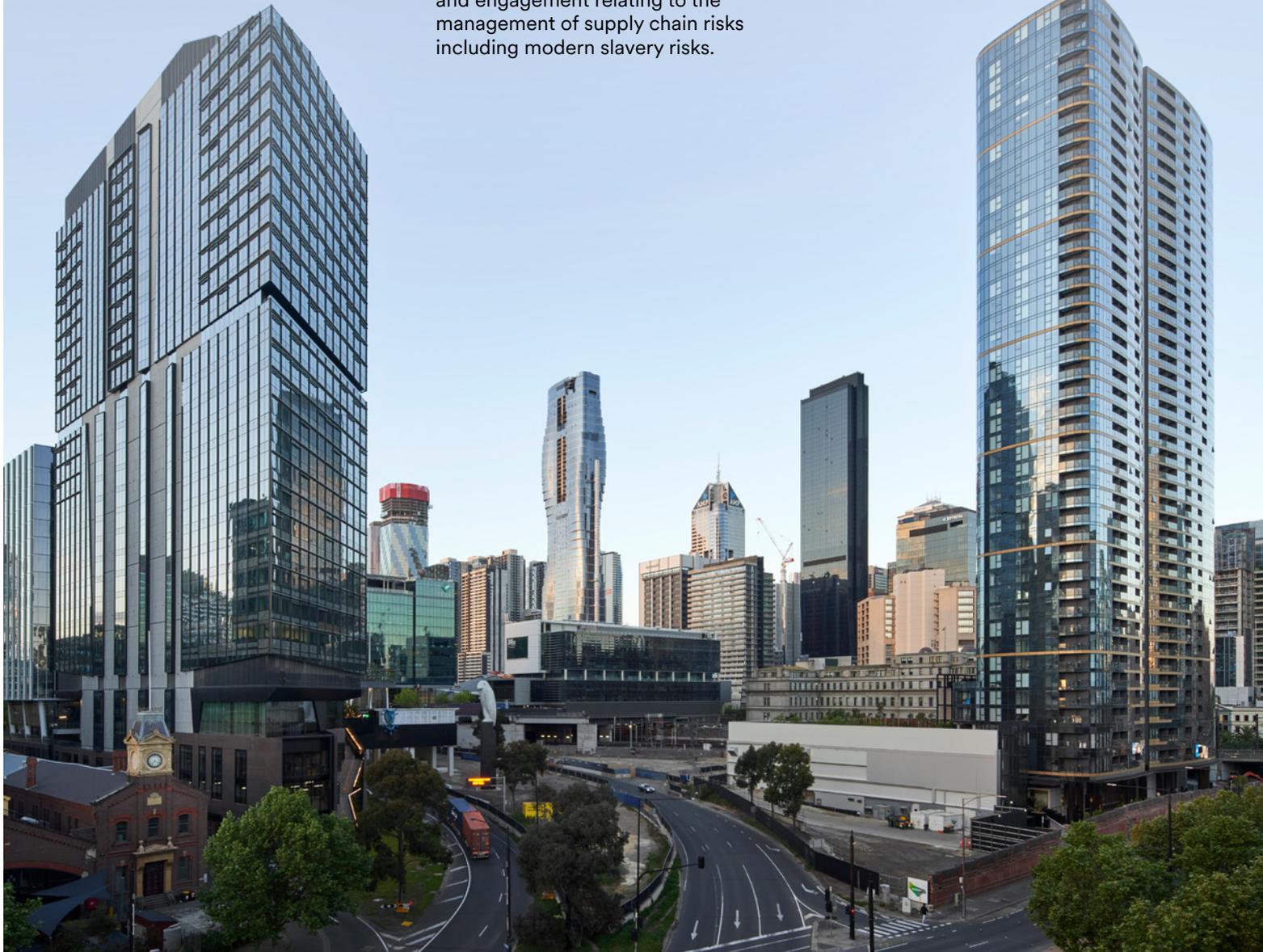
LLMQR1 does not have any direct employees and utilises the development management and construction services of the subsidiaries of the Lendlease Group.

This means the systems and processes of the Lendlease Group's operations and supply chains are accessed and utilised by the LLMQR1 entity for its operations.

This includes all Lendlease Group enterprise level measures, 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 FY21 in respect of responses by the LLMQR1 to:

- The impact of COVID-19
- Actions taken to mitigate modern slavery risk
- Assessing the effectiveness of those risk mitigation measures
- Consultation and engagement on modern slavery risk
- Other relevant information and looking forward





Impact of COVID-19

Specific controls and measures were diligently implemented across our development operation to protect workers on site and customers.

These included:

- COVID-safe procedures and guidelines on site including social distancing, personal screening, response protocols for confirmed cases, hygiene measures as well as shutdown, hibernation and re-start protocols.
- Onsite COVID-19 awareness training for employees.
- COVID-19 health information posters displayed in common areas.
- Screening / testing processes for COVID-safe measures for suppliers / contractors coming onto site.

Otherwise, our corporate response to the impacts of COVID-19 were the same as those of the Lendlease Group.

Please refer to the Lendlease Group Modern Slavery Statement FY21. Other specific commentary is provided within the various sections of this Statement.

Identifying the entity

This Modern Slavery Statement (Statement) is made by Lendlease (Melbourne Quarter R1) Pty Ltd ABN 72 609 191 817 (LLMQR1).

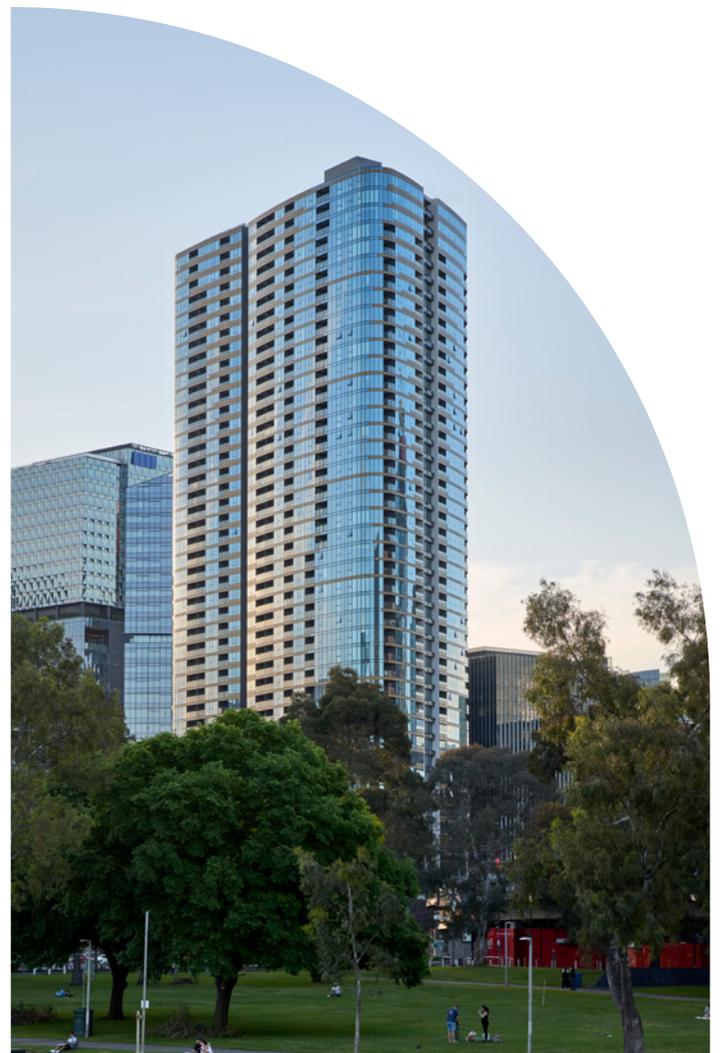
LLMQR1 is a 50/50 Joint Venture and extensively uses the services of subsidiaries of Lendlease Corporation Limited ABN 32 000 226 228 (hereafter referred to as the 'Lendlease Group').

LLMQR1 is the reporting entity for purposes of the Modern Slavery Act 2018 (Cth).

The registered office of LLMQR1 is:

Level 14, Tower Three, International Towers Sydney
Exchange Place
300 Barangaroo Avenue
Barangaroo NSW 2000

This Statement is for the financial year ending 30 June 2021.



Structure and operations

Structure

LLMQR1 is 50% owned by Lendlease Group subsidiaries and 50% by Mitsubishi Estate Group subsidiaries, a leading Japanese developer and investor.

Lendlease Group's investment in LLMQR1 is accounted for as an equity accounted investment. Refer to the [Lendlease Annual Report 2021](#).¹

The Structure and its relationship to the Lendlease Group is shown below with green circles indicating wholly owned subsidiaries of the Lendlease Group.

Governance

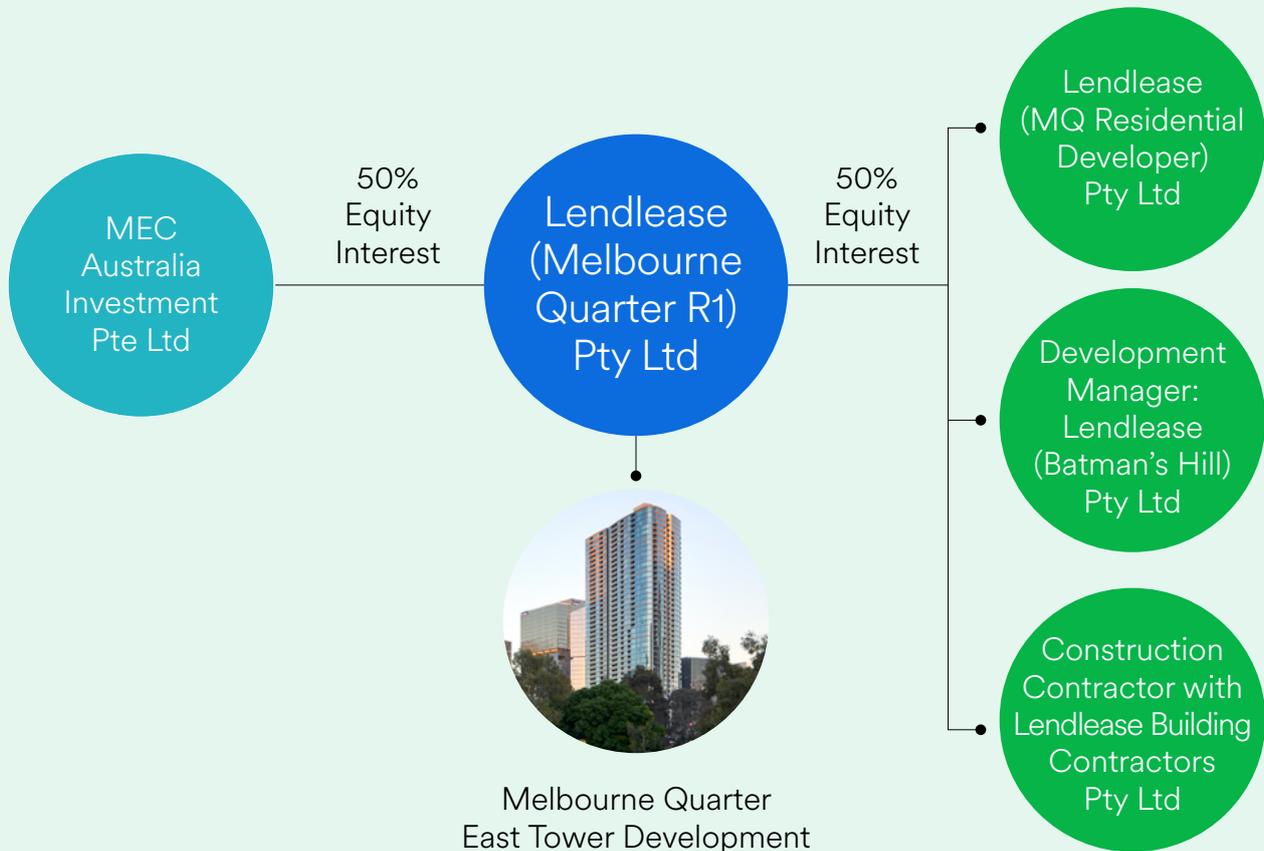
LLMQR1 is committed to robust corporate governance policies and practices that are fundamental to the prosperity of the project. LLMQR1 observes the corporate governance practices of the Lendlease Group, as set out in the Lendlease Group Corporate Governance Statement 2021.

Operations

LLMQR1 is the developer of the first residential building at the mixed-use urban regeneration precinct opposite Southern Cross station known as Melbourne Quarter.

Development management services for East Tower were provided by Lendlease (Batman's Hill) Pty Ltd and construction services provided by Lendlease Building Contractors Pty Ltd, both of which are wholly owned by Lendlease Group.

The systems and processes of Lendlease Group's operations and supply chains are accessed and utilised by Lendlease (Batman's Hill) Pty Ltd for LLMQR1's operations.



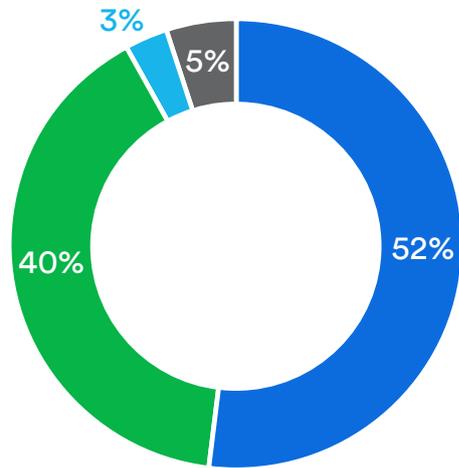
1. Refer to Note 12: Equity Accounted Investments, Section B: Notes to Consolidated Financial Statements pp152-156.

Supply chains

LLMQR1 had approximately 80 direct suppliers from whom invoices were received during the reporting period. Over 52% of spend was on design and construction services through Lendlease Building Contractors Pty Ltd, who utilise Lendlease Group's supply chain processes and systems. The following graph shows annual spend breakdown by key categories.

LLMQR1
Top Spend
Categories
FY2021

- Design & Construction Services
- Sales Related Expenses
- Professional Fees
- Development Expenses



500+
invoices raised



c.80
suppliers

Modern slavery risks in operations, supply chains and controlled subsidiaries

In the course of its operations, LLMQR1 shares the business systems and processes of the Lendlease Group. Its key supplier, Lendlease Building Contractors Pty Ltd, also leverages these same systems and processes. Accordingly, LLMQR1 had the benefit of the Group's initial desktop risk analysis undertaken to assess 'macro-level' exposure of Lendlease Group's operations to modern slavery risk.

Contracted labour and construction materials presented the most relevant areas of risk from modern slavery in the delivery of the LLMQR1 project during the reporting period. Construction completed in July of 2020 and spend through the remainder of the year was focused on lower risk areas of selling costs and professional fees. Refer to pages 14-19 of the Lendlease Group Modern Slavery Statement FY21 for further details.





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

LLMQR1 utilises the supplier risk screening and due diligence processes of the Lendlease Group, as part of the tendering processes, including communicating the expectation that contractors and suppliers act consistently with the [Lendlease Supplier Code of Conduct](#).

LLMRQ1's key supplier, Lendlease Building Contractors Pty Ltd is also a reporting entity for the purposes of the of the Modern Slavery Act 2018 (Cth). It is joined to the Lendlease Group Modern Slavery Statement.¹

Policies, Systems and Processes

LLMQR1 has access to Lendlease Group policies which ensure we act ethically and observe fundamental aspects of human rights in all our business relationships. These include [Employee Code of Conduct](#) (including associated policies), [Health and Safety](#), and [Diversity and Inclusion policies](#). Further details may be found on the Lendlease [website](#).

The following summarises the utilisation of Lendlease Group modern slavery risk mitigation initiatives by LLMQR1.

Lendlease Global Minimum Requirements

LLMQR1 also utilises Lendlease's Global Minimum Requirements ([GMRs](#)) across all its operations as a contractual requirement with contractors and suppliers.

Supplier Code of Conduct

During the reporting period, LLMQR1 business was in the early stages of adopting Lendlease's [Supplier Code of Conduct](#).

Lendlease Risk Appetite Framework

LLMQR1 adopted this to apply to its investment decision making across its operations.

1. Refer to page 6 of the Lendlease Modern Slavery Statement FY21 for further details.



Group Conduct Breach Reporting (Whistleblower)

Lendlease Group integrated modern slavery risk considerations into this Policy, by referencing the Supplier Code of Conduct. The LLMQR1 business also observes this policy.

Training

Employees offering services to LLMQR1 have access to Lendlease's internal Supply Chain Microsite, which contains a raft of resources and guides to build awareness of modern slavery risks. This includes access to the Modern Slavery Guide, toolbox talks, and posters as well as the new Modern Slavery e-Learning Module, launched by Lendlease Group during FY21.

Supplier Portal

The new Supplier Portal acts as a gateway to working with Lendlease, providing a single point of entry for Lendlease's entire supply chain. It also acts as a pre-requisite to Australian-based supplier engagement process.

Both LLMQR1 and Lendlease Building Contractors Pty Ltd will have access to this supplier screening platform which was in the process of implementation during the reporting period.

Standard Contracts and Template clauses

Implementation of template modern slavery risk clauses into LLMQR1 national contracts and key template contracts was in progress during the reporting period.

Audit

LLMQR1 suppliers are considered in the selection for Lendlease Group's new enterprise-wide supply chain audit program. Progress for site-based audits however has been interrupted due to access restrictions resulting from social distancing and international travel restrictions from COVID-19.



Assessing the effectiveness of actions taken

In FY22 we expect to continue to leverage the extensive work being progressed by Lendlease Group on their modern slavery risk mitigation.

With LLMQR1's sole development reaching practical completion in July 2020, the modern slavery risks associated with delivery of this development are expected to substantially reduce.

Responsiveness

During the reporting period, no reports were logged regarding modern slavery or labour rights concerns through Lendlease's externally managed grievance mechanism, Ethics Point, for LLMQR1.

Our consultation process in preparing this Modern Slavery Statement

As LLMQR1 observes the governance processes and practices of the Lendlease Group, it also has access to the Group's internal engagement processes in the information exchanges and responses toward mitigating modern slavery risks, through the Group's Modern Slavery Community of Practice for Australian operations.

Refer to pages 26-27 of the Lendlease Group Modern Slavery Statement FY21 for details.

Other relevant information

Engagement with External Stakeholders

LLMQR1 leverages the engagement processes conducted by the Lendlease Group which includes engagement with various industry working groups in Australia and internationally.¹

Looking ahead

LLMQR1 will progress its focus in the following areas during FY22 by leveraging Lendlease Group Supply Chain risk management policies and processes:



Embed policies, processes and standards

Progress integration of modern slavery risk mitigation measures across our operations



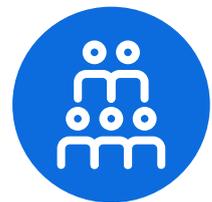
Supply chain transparency

Progress analysis to extend line of sight of modern slavery risks deeper into our supply chains



Supplier performance

Establish measures to assess performance and inform capacity building support in tackling modern slavery risks with suppliers



Engagement and training

Progress training across our operations and engage in multi-stakeholder dialogues to support industry responses to modern slavery risks

1. Refer to page 24 of the Lendlease Modern Slavery Statement FY21 for further details.

This Statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Policy Statement of LLMQR1, and its development has been considered by the Board of the LLMQR1.

The Statement has been approved by the Board of Directors of Lendlease (Melbourne Quarter R1) Pty Ltd, who will review and update it as necessary.

[Lendlease \(Melbourne Quarter R1\) Pty Ltd](#)

Signed: _____



Director name: Matthew Mears

Date: 22 December 2021

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