

Modern Slavery Statement

Lendlease One International
Towers Sydney Trust

Lendlease One International
Towers Sydney Trust Sub Trust

**Financial Year
2020**



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Introduction

This Modern Slavery Statement is made by the following entities:

Lendlease One International Towers Sydney Trust (LLOITST)

Lendlease One International Towers Sydney Trust Sub Trust (LLOITST Sub Trust)

LLOITST is a A\$2.7b wholesale fund established in 2012. Both LLOITST and LLOITST Sub-Trust hold an interest in one of three commercial towers constructed by the Lendlease group at Barangaroo South, being International Towers Sydney – Tower One.

Barangaroo is an urban regeneration project located on the waterfront in the Sydney business district.

LLOITST and LLOITST Sub Trust are part of Lendlease's Funds Management Platform and comprise institutional investors. LLOITST has appointed Lendlease IMT (OITST) Limited (LLOITST Limited) as its trustee.

LLOITST Sub Trust has appointed Lendlease IMT (OITST ST) Pty Limited (LLOITST Sub Trust Pty Limited) as its trustee.

Both trustees are wholly owned subsidiaries of Lendlease Corporation Limited (Lendlease) and are part of the Lendlease Group, a global integrated real estate and investment group.

Therefore, as the trustees, LLOITST Limited and LLOITST Sub Trust Pty Limited, provide the conduit for the Funds accessing and using the policies, procedures, systems and processes of Lendlease, including all activities for assessing and addressing modern slavery risks in their supply chains and operations. This Statement therefore cross references the [Lendlease Modern Slavery Statement FY2020](#).





Structure and operations

One International Towers Sydney Trusts owns the largest of the three commercial towers at Barangaroo South, being International Towers Sydney – Tower One.

The structure of One International Towers Sydney Trusts is described in the Introduction to this Statement.

The operations of One International Towers Sydney Trusts involves the investment, management, leasing and administration of International Towers Sydney – Tower One at Barangaroo South.

The operations are managed by a team of portfolio managers, in-house and external legal teams as well as fund managers, transaction managers, finance professionals, and property managers.

One International Towers Sydney Trusts believe that in their fiduciary and stewardship roles as fund managers, ESG factors form an integral part of their portfolio and has had a Responsible Property Investment strategy in place since 2017.

It is through this ESG framework that One International Towers Sydney Trusts embarks on human rights considerations in its supply chains and operations, and this will be progressed in subsequent reporting periods.

Identifying the reporting entities

LLOITST and LLOITST Sub Trust are the reporting entities for purposes of the Modern Slavery Act 2018 (Cth) and make this Statement as a joint statement pursuant to section 14 of the Modern Slavery Act 2018 (Cth).

This Statement was jointly prepared by Lendlease IMT (OITST) Limited and Lendlease IMT (LLOITST ST) Pty Limited as trustees of their respective trusts.

This Statement also covers the entities cited in the table below, being entities which LLOITST control. None of the following entities are themselves reporting entities.

References to ‘One International Towers Sydney Trusts’ in the remainder of this Statement is a reference to LLOITST and LLOITST Sub Trust.

The registered office of LLOITST and LLOITST Sub Trust 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 2020.

Entity

Lendlease Company One Pty Ltd

Lendlease OITST Finance Pty Ltd



International Towers Sydney; Tower One, Tower Two and Three

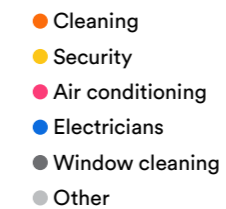
Supply chains

International Towers Sydney – Tower One is managed by an external property manager with retail leasing services provided by Lendlease Property Management (Australia) Pty Limited (LLPMA), a wholly owned subsidiary of Lendlease.

The property manager manages, amongst other things, procurement, repairs and maintenance, and enters into service, maintenance and supply contracts as agent for the trustee. It also provides commercial leasing services. It is the responsibility of the property manager and LLPMA for establishing and maintaining a robust framework, including processes and systems, in providing property management retail leasing services.

The following graph shows the annual spend breakdown by top 5 supply chain categories. Cleaning holds the highest share by value, followed by security, air conditioning, electricians and then window cleaners.

Top 5 national spend categories FY2020



Impact of COVID-19

The Lendlease Funds Management Modern Slavery Working Group continued to focus on identifying and mitigating modern slavery risks during the pandemic.



Generally, One International Towers Sydney Trusts' supply chains remained resilient during the reporting period and existing supply chain relationships were maintained. It focussed foremost on upholding Lendlease's commitment to safety for employees and customers.

International Towers Sydney Trusts acted swiftly in response to the COVID-19 outbreak to protect the health and safety of its employees and implemented the following measures:

- Implementing cleaning and disinfecting measures;
- Installing hand sanitiser units in the ground floor lobby, retail areas and tenant amenities;
- Installing hygiene awareness signage in amenities and kitchen and food preparation areas;

- Developed site specific staging plans to manage customer numbers within ground floor lift lobby areas; and
- Rolled out a Contractor Management Plan with respect to the access of contractors onto the site, which included digital registration when on site and temperature checking.



Modern slavery risks in operations and supply chains

Health and safety risks are the most salient human rights risks across the operations of One International Towers Sydney Trusts.

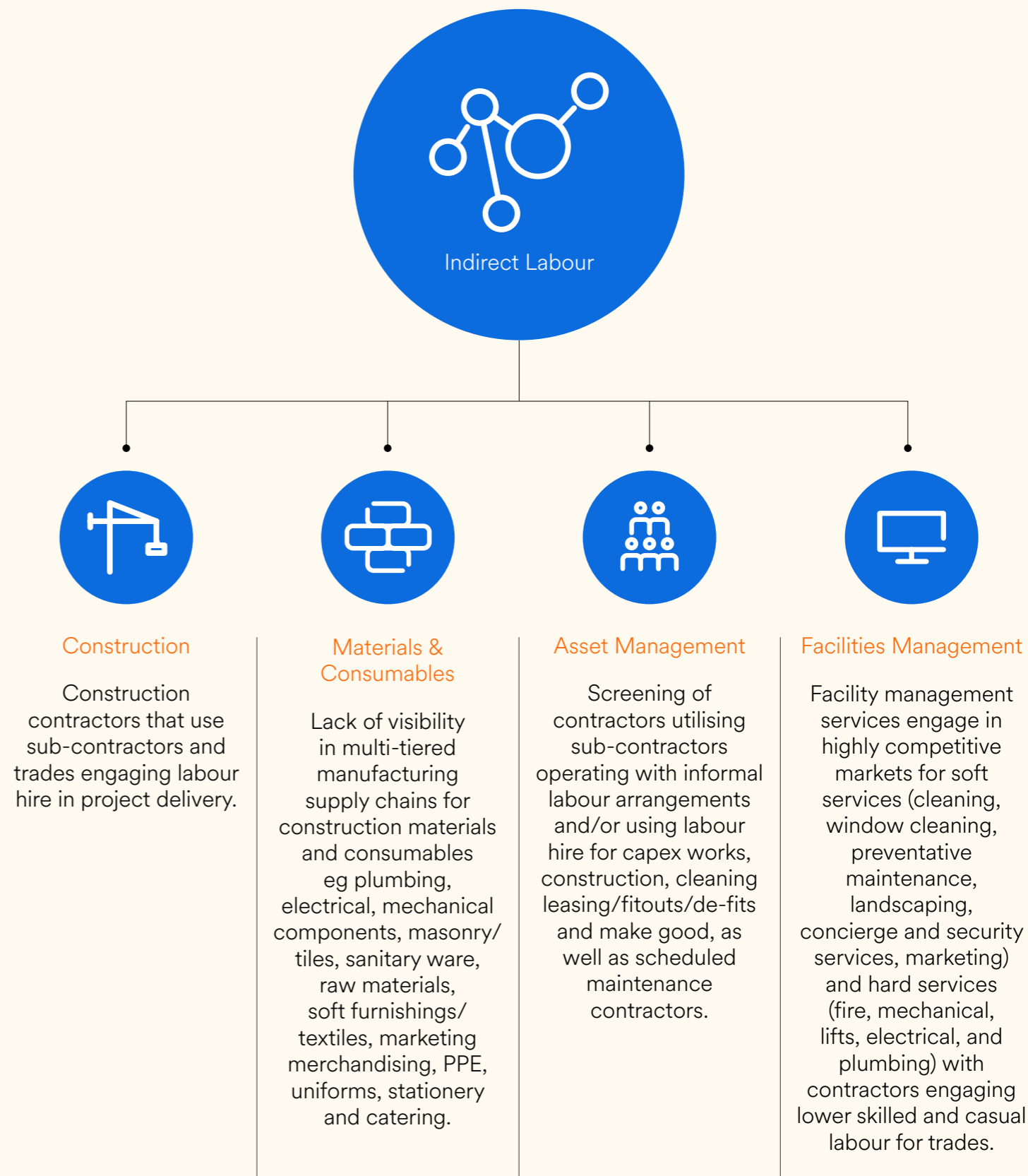
One International Towers Sydney Trusts comprehensively respond to these risks across all direct operations through Lendlease's Group Policy on Health and Safety, and the Lendlease Global Minimum Requirements. All suppliers and their supply chains are required to observe these policies.

The health and safety expectations are also conveyed in the Lendlease Supplier Code of Conduct.

Representatives from One International Towers Sydney Trusts are part of the Property Council of Australia's National Sustainability Round Table and through this, participated in a social sustainability modern slavery awareness session to understand key supply chain risks for portfolio assets. Industry peers identified low wage supply chain entities, as well as sub-contracted workers as key risks.

The following diagram identifies key areas vulnerable to modern slavery risks.

Modern Slavery Risks – One International Towers Sydney Trusts



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

Policies, Systems and Processes

As the trustees, LLOITST Limited and LLOITST ST Pty Limited have access to Lendlease's business systems and processes.

During the reporting period, Lendlease established a number of supply chain risk initiatives aimed at assessing and mitigating modern slavery risks. As part of Lendlease's Funds Management Platform, One International Towers Sydney Trusts adopted many of these as detailed in this section.

Lendlease Global Minimum Requirements

One International Towers Sydney Trusts utilises Lendlease's Global Minimum Requirements (GMRs) across all its operations as a contractual requirement with contractors and suppliers.

GMR 3 "Establishment – Places that Care" sets out minimum requirements for worker welfare and accommodation facilities, appropriate working hours and operational approaches for mitigating personal injury on site.

Lendlease Risk Appetite Framework

One International Towers Sydney Trusts adopted this framework to apply to its investment decision making across its assets and operations.

Modern Slavery Template Clause

Template clauses addressing modern slavery risk were being developed during the reporting period and will be incorporated into supplier contracts, lease agreements and other template contracts in FY2021.

Lendlease Supplier Code of Conduct

One International Towers Sydney Trusts adopted the Supplier Code of Conduct which includes specific requirements around mitigating human rights and modern slavery risks.

The Supplier Code of Conduct is also included in Lendlease's annual report to the United Nations Principles for Responsible Investment (PRI) as a tangible way the social dimension of the Principles are applied into One International Towers Sydney Trusts' operations and supply chain.

Lendlease's Funds Management Platform was one of the first property vehicles globally to join the PRI, becoming a signatory in 2007. The PRI is an initiative which comprises an international network of investors working together to implement the six Principles for Responsible Investment into practice. Further information can be found on the United Nations Principles for Responsible Investment website.

Group Conduct Breach Reporting (Whistleblower)

Lendlease integrated modern slavery concerns into this Policy by referencing the Supplier Code of Conduct. One International Towers Sydney Trusts also observe this policy.

Legal Training Modern Slavery

The Australia Property Legal team (which includes the team supporting One International Towers Sydney Trusts) received specific practitioner level training on modern slavery risks and incident management, contextualised within crisis management and whistle-blower procedures.

Modern Slavery Risk Heatmapping

The tool is pending piloting and is intended to be available to the One International Towers Sydney Trusts' business for targeted risk analysis of its suppliers during FY2021.

Supplier Portal

Lendlease is also phasing in the implementation of an enterprise wide web-based platform to facilitate supplier registration and screening.

The 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 the Australian-based supplier engagement process.

One Sydney International Towers Trusts will be provided access to this facility.

Modern Slavery Due Diligence

One International Towers Sydney Trusts have access to Lendlease's modern slavery due diligence questionnaire for tender purposes and intends to progress implementation during FY2021.

Audit

Suppliers are considered in the selection of Lendlease enterprise-wide supply chain audit program in FY2021, with a priority focus on labour.

Modern Slavery Guide

This is an employee guide on modern slavery and how to identify it as part of employee awareness raising and capacity building. All employees that work on One International Towers Sydney Trusts can access this Guide.



PCA Supplier Platform

During the reporting period, Lendlease progressed engagement with the Property Council of Australia's (PCA) Informed 365 platform. This is a web platform which allows PCA members to engage with suppliers on what they are doing to manage modern slavery risks through an online questionnaire. From September 2020, International Towers Sydney Trusts had access to the Informed 365 Platform.

Property Manager's Systems and Processes

One International Towers Sydney Trusts' third party property manager has a comprehensive suite of policies and measures for workforce management and supplier engagement, including human rights and modern slavery. The property manager also has processes to identify and mitigate modern slavery risks in its own operations and supply chains. These combined measures are implemented in the engagement of suppliers and contractors to the benefit of LLOITST in the operation and management of International Towers Sydney – Tower One.

Property Manager Engagement

Working with property managers to understand current practices and opportunities to engage through procurement with its supply chain on modern slavery risks.

Remediation

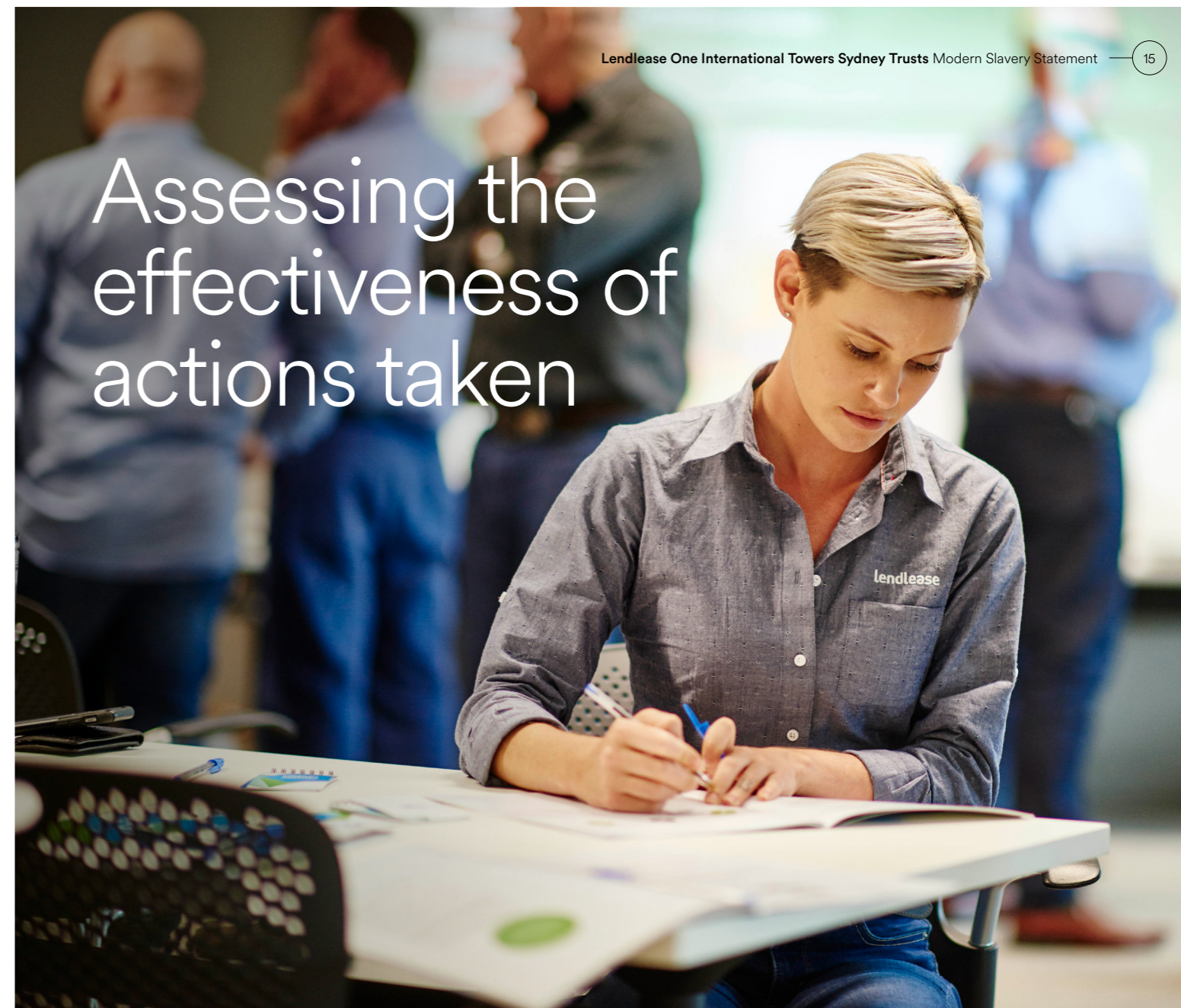
Remediation in a human rights sense is about 'putting things right' for the person(s) experiencing a human rights breach. The remediation response is specific to the particular circumstances and managed through One International Towers Sydney Trusts' crisis management framework. Depending on the contract obligations, this may mean invoking corrective action under contract, compensation, or, if an industry-wide systemic issue, public advocacy for change.

Ethics Point

Ethics Point is Lendlease's platform for confidentially logging concerns around improper conduct. This platform has been adopted globally. It is cited as the avenue for raising concerns and is accessible in local languages.

As part of Lendlease's Funds Management Platform, it is utilised by the One International Towers Sydney Trusts.

Assessing the effectiveness of actions taken



During the reporting period, Lendlease's supply chain portal microsite was upgraded with tools and content including the Modern Slavery Guide with supporting communication broadcast by the Lendlease Group Chief Executive Officer and Managing Director across its 10,800 employees.

One International Towers Sydney Trusts have access to this information and are able to adopt the resources and content across its operations and supply chains.

Responsiveness

During the reporting period, One International Towers Sydney Trusts recorded no reports regarding modern slavery or labour rights concerns through Ethics Point.

Collaboration

Third party feedback on the effectiveness in assessing modern slavery risk is an area that is in development, and expected to be progressed during FY2021.

One International Towers Sydney Trusts' engagement with institutional investors, analysts and industry working groups, provide valuable insights and knowledge exchange to promote positive change and further targeted action.

One International Towers Sydney Trusts are also mindful of the capacity to positively influence tenants occupying its assets, through engagement initiatives that raise awareness of modern slavery risks and to facilitate good and lawful labour practices in their operations.

Responsible Supply Chain Engagement

One International Towers Sydney Trusts are committed to responsible supply chain engagement, which includes:

- Responsible procurement practices;
- Supply chain education through pre-qualification;
- Alignment and implementation with Lendlease's Supplier Code of Conduct; and
- Implementation of Lendlease's Global Minimum Requirements for health, safety and the environment.



Consultation process in preparing this Modern Slavery Statement



One International Towers Sydney Trusts' response to modern slavery is led by a dedicated working group (Lendlease Funds Management Modern Slavery Working Group) within Lendlease's Funds Management Platform. This Working Group comprises a cross-section of senior leaders and representatives from legal, operations and sustainability. The Working Group regularly consults with Lendlease's Group Supply Chain function within which sits a dedicated risk team coordinating Lendlease's response to modern slavery risk mitigation.

In preparing this Statement, the trustees and property managers have been engaged in considering modern slavery risk issues, actions being taken to mitigate those risks and reporting requirements.

This has been done through the adoption of systems and processes which were developed and implemented by Lendlease's Group Supply Chain function and through briefings to the trustees.

Representatives of One International Towers Sydney Trusts have also participated in Lendlease's Australian Modern Slavery Communities of Practice, which has cross-functional representation across Lendlease in Australia that includes One International Towers Sydney Trusts' operations and entities.

The Communities of Practice aims to meet monthly to consider local modern slavery risks in respective operations and supply chains. Representatives include sustainability, supply chain, risk, legal, and operations functions from Lendlease's construction, investment, development and infrastructure businesses. Refer to section 6 of the [Lendlease Modern Slavery Statement FY2020](#) for further details.

There has also been consultation with a range of personnel who operate across the entities covered by this Statement.

Other relevant information

LLOITST was recognised as one of the world's most sustainable real estate funds in the 2020 Sustainability Benchmark (GRESB) Real Estate Assessment, achieving second place in the Australia Office Sector (high-rise core).¹ GRESB is a well regarded benchmark for ESG performance disclosure for real estate owners, asset managers and developers.

Material indicators relating to modern slavery include policies on social issues such as child labour and human rights as well as labour standards and working conditions. Social risk assessments also form part of the material indicators.

LLOITST maintains strong outcomes in both environmental and social performance within GRESB. In 2020, the Fund achieved a 5 Star rating, which is awarded to entities with GRESB scores placed in the top quintile (20%) of the entire benchmark.

Lendlease has been associated with GRESB for over a decade and is actively engaged in GRESB committees and working groups to advance the benchmark framework that support ESG outcomes in the property sector globally.

Looking ahead

In FY2021, areas of focus will include tenant education, property management awareness on modern slavery, continuing integration of modern slavery clauses in supplier contracts, leases other template contracts, as well as maintaining engagement with the Lendlease Funds Management Working Group.



1. The 2020 GRESB real estate results provide aggregated information on 96,000 properties in 64 countries, representing more than US\$4.8 trillion in gross asset value of property assets under management from over 1,200 GRESB participants.

This Statement is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth). Development of this Statement has been considered by the Boards of Directors of Lendlease IMT (OITST) Limited and Lendlease IMT (OITST ST) Pty Limited.

This Statement has been approved by the Board of Directors of Lendlease IMT (OITST) Limited on behalf of LLOITST and the Board of Directors of Lendlease IMT (OITST ST) Pty Limited on behalf of LLOITST Sub-Trust, who will review and update it as necessary.

Lendlease IMT (OITST) Limited

Signed: 

Name: Barry McWilliams

Position: Chairman

Date*: 30 March 2021

Lendlease IMT (OITST ST) Pty Limited

Signed: 

Name: Barry McWilliams

Position: Chairman

Date*: 30 March 2021

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