

# Modern Slavery Statement

Lendlease  
Retirement Living  
Trust

**Financial Year  
2020**



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# Introduction

Lendlease Retirement Living 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 17,000 residents.

The Lendlease Retirement Living Trust operates as part of the Lendlease Group, through its trustee, Lendlease Retirement Living Holding Pty Ltd. This means the systems and processes of the Lendlease Group's operations and supply chains are accessed and utilised by the trustee for the benefit of the Trust's operations. This includes all Lendlease Group enterprise level measures, global 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 FY2021.



# Identifying the Entity



This Modern Slavery Statement (**Statement**) is made by Lendlease Retirement Living Trust ABN 44 349 706 307 (LLRL Trust).

LLRL Trust is a for-profit owner, operator and developer of 72 retirement living villages across Australia as at 30 June 2020.

Lendlease Retirement Living Holding Pty Ltd ABN 72 613 131 187 (LLRLH) is the trustee for LLRL Trust and Australian Financial Services Licence Holder. LLRLH is a wholly owned subsidiary of Lendlease Corporation Limited ABN 32 000 226 228 (**Lendlease Group**).

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

This Statement was prepared by LLRLH on behalf of LLRL Trust.

The registered office of LLRL 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.

# Structure, operations and supply chains

## Structure

During the reporting period, the LLRL Trust was 75% owned by the Lendlease Group and 25% by APG Group NV (APG), a Dutch pension administrator that is the largest in Europe, globally managing more than €538 billion in assets on its clients' behalf (as at 30 June 2020).<sup>1</sup>

LLRL Trust is a joint venture of the Lendlease Group, and is accounted for as a material equity accounted investment. Refer to the [Lendlease Annual Report 2020](#).<sup>2</sup>

The Structure and relationship to the Lendlease Group is shown diagrammatically below.

## Governance

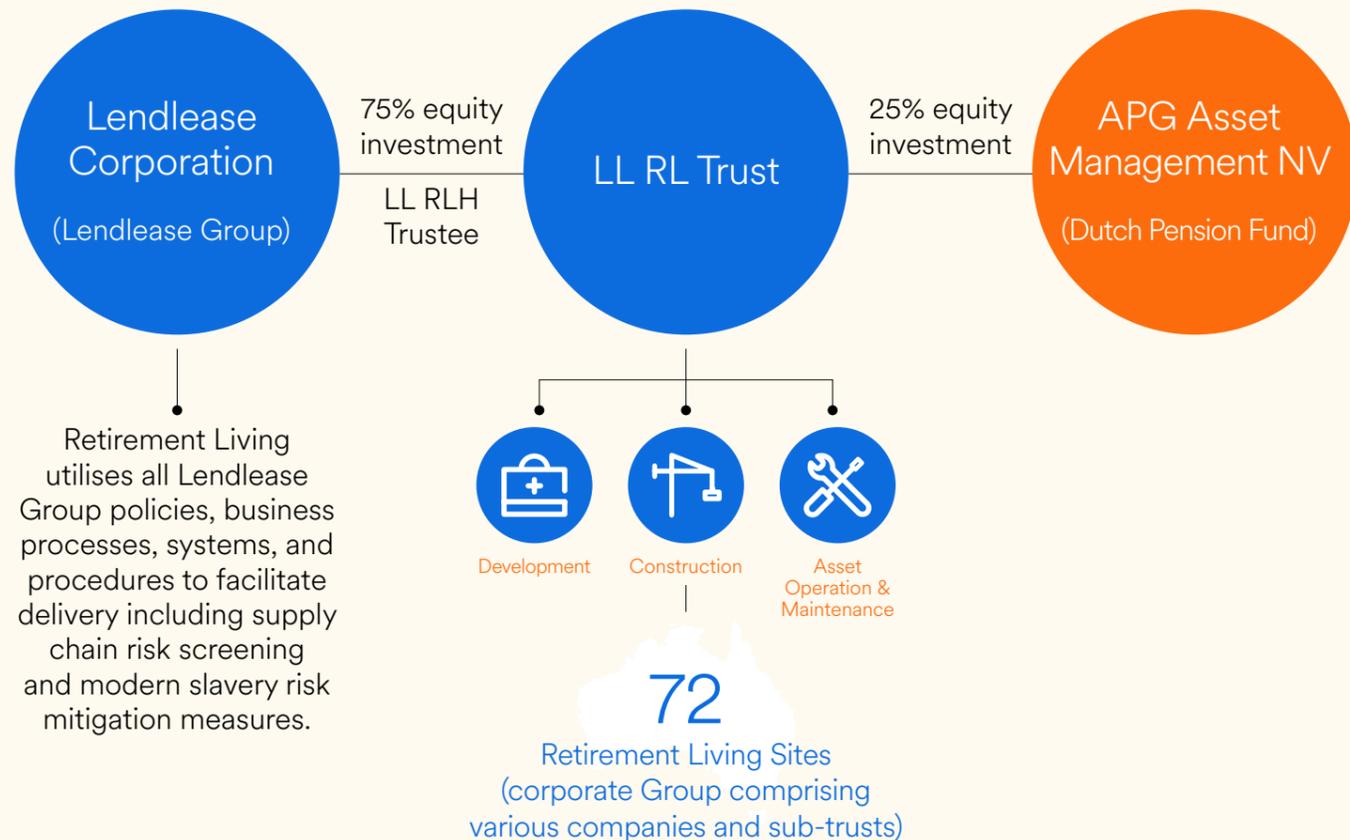
Lendlease Group, APG and LLRL Trust are committed to robust corporate governance policies and practices that are fundamental to the long-term success and prosperity of the Lendlease Retirement Living business.

LLRL Trust has adopted and prepared 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.

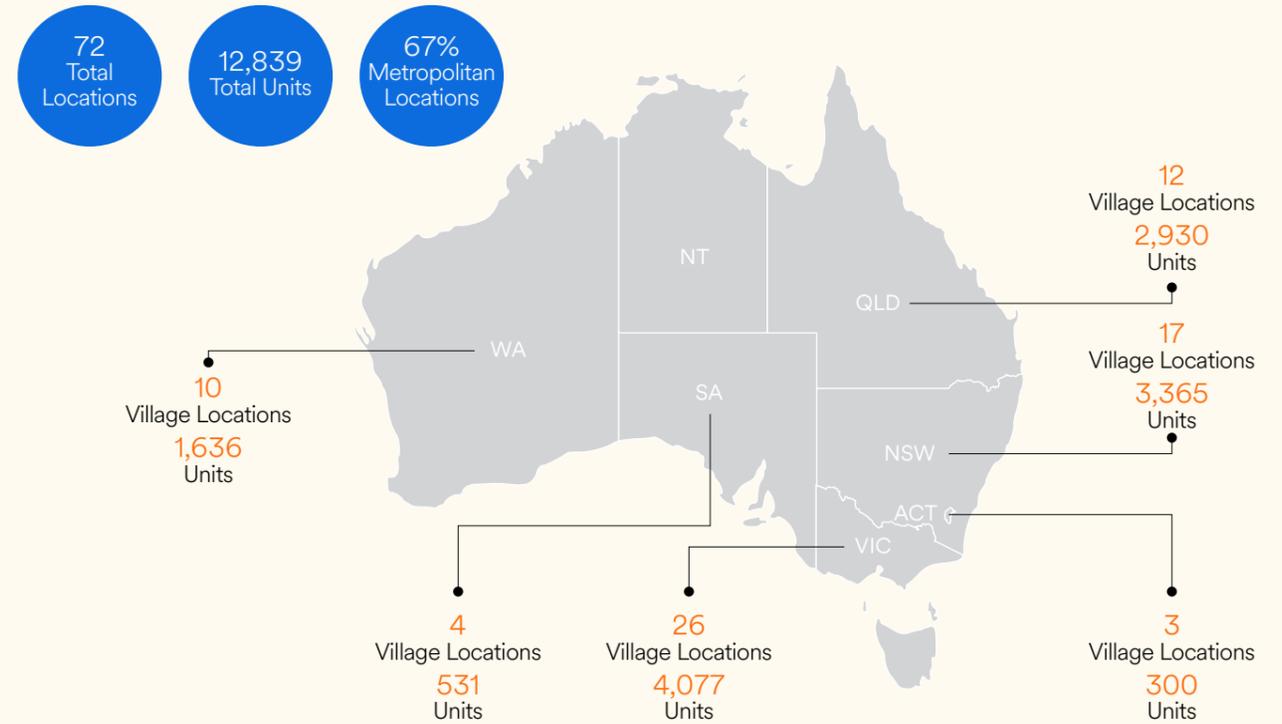
## Operations

LLRL Trust develops, constructs, owns and operates a geographically diversified portfolio of 72 retirement villages comprising 12,839 total dwellings (referred to as 'units') as at 30 June 2020 across Australia.

Strong national footprint and a well-diversified portfolio in the market



## Village Locations



| Victoria                       | Queensland                          | New South Wales                       |
|--------------------------------|-------------------------------------|---------------------------------------|
| 1 Abervale                     | 1 Allora Gardens                    | 1 Annesley Bowral                     |
| 2 Brighton Classic Residences  | 2 Eaglemont Retirement Resort       | 2 Ashton Gardens                      |
| 3 Burwood Terrace              | 3 Keperra Sanctuary                 | 3 Lakeside Retirement Village         |
| 4 Caesia Gardens               | 4 The Lakes Bundaberg               | 4 Brentwood                           |
| 5 Fiddlers Green               | 5 The Terraces Retirement Village   | 5 Closebourne Village                 |
| 6 Forest Hills                 | 6 Hibiscus Bellflower               | 6 Coastal Waters                      |
| 7 Goodwin Close                | 7 Buderim Gardens                   | 7 Dee Why Gardens                     |
| 8 Heathglen                    | 8 Hubiscus Buderim Meadows          | 8 Glenaeon                            |
| 9 Highvale                     | 9 Hibiscus Chancellor Park          | 9 Little Bay Apartments               |
| 10 Koorootang Court            | 10 The Gardens on Linfield          | 10 Lutanda Manor                      |
| 11 Lexington Gardens           | 11 Hibiscus Nambour                 | 11 Nelsons Grove                      |
| 12 Martha's Point              | 12 Hibiscus Noosa Outlook           | 12 Pittwater Village                  |
| 13 Menzies Malvern             | <b>Western Australia</b>            | 13 Rochford Place                     |
| 14 Evelyn Ridge                | 1 Harbourside Village Mindarie      | 14 Ardency Trebartha                  |
| 15 Meadowvale                  | 2 Homestay Village                  | 15 The Baytree by Ardency (Greenwich) |
| 16 Port Phillip Village        | 3 Lakeside Village                  | 16 Ardency Aroona (Yowie Bay)         |
| 17 Peppertree Hill             | 4 The Pines                         | 17 Henry Kendall Gardens              |
| 18 Windsor Park (Tannoch Brae) | 5 Parkland Villas Booragoon         | <b>South Australia</b>                |
| 19 The Brighton on Bay         | 6 Parkland Villas Ellenbrook        | 1 Elliot Gardens                      |
| 20 The Village Williamstown    | 7 Parkland Villas Mandurah          | 2 Trinity Green                       |
| 21 Viewbank Gardens            | 8 Parkland Villas Woodlands         | 3 Townsend Park                       |
| 22 Waverley Country Club       | 9 Timberside Villas                 | 4 Vermont Estate                      |
| 23 Woodlands Park              | 10 Woodstock West                   |                                       |
| 24 The Links at Waterford      | <b>Australian Capital Territory</b> |                                       |
| 25 Waterford Park              | 1 Isabella Gardens                  |                                       |
| 26 Waterford Valley Lakes      | 2 The Aerie at Narrabundah          |                                       |
|                                | 3 The Grove Ngunnawal               |                                       |

1. As at 18 February 2021, Aware Super has agreed to acquire from Lendlease a 25 per cent interest in the Lendlease Retirement Living business.  
2. Refer to Section B: Notes to Consolidated Financial Statements pp169-171.

Portfolio statistics as at 30 June 2020

**Our workforce**

As a geographically spread retirement living operator, our national workforce comprises the following breakdown:

**Lendlease Retirement Living Workforce**

| Employee Type <sup>4</sup> | Number     | % of total workforce |
|----------------------------|------------|----------------------|
| Casual                     | 133        | 16.54%               |
| Fixed Term                 | 20         | 2.49%                |
| Permenant - Part Time      | 208        | 25.87%               |
| Permenant - Full Time      | 443        | 55.10%               |
| <b>Grand Total</b>         | <b>804</b> |                      |

Less than 1% of our total national direct workforce comprises migrant workers<sup>5</sup> on visas.



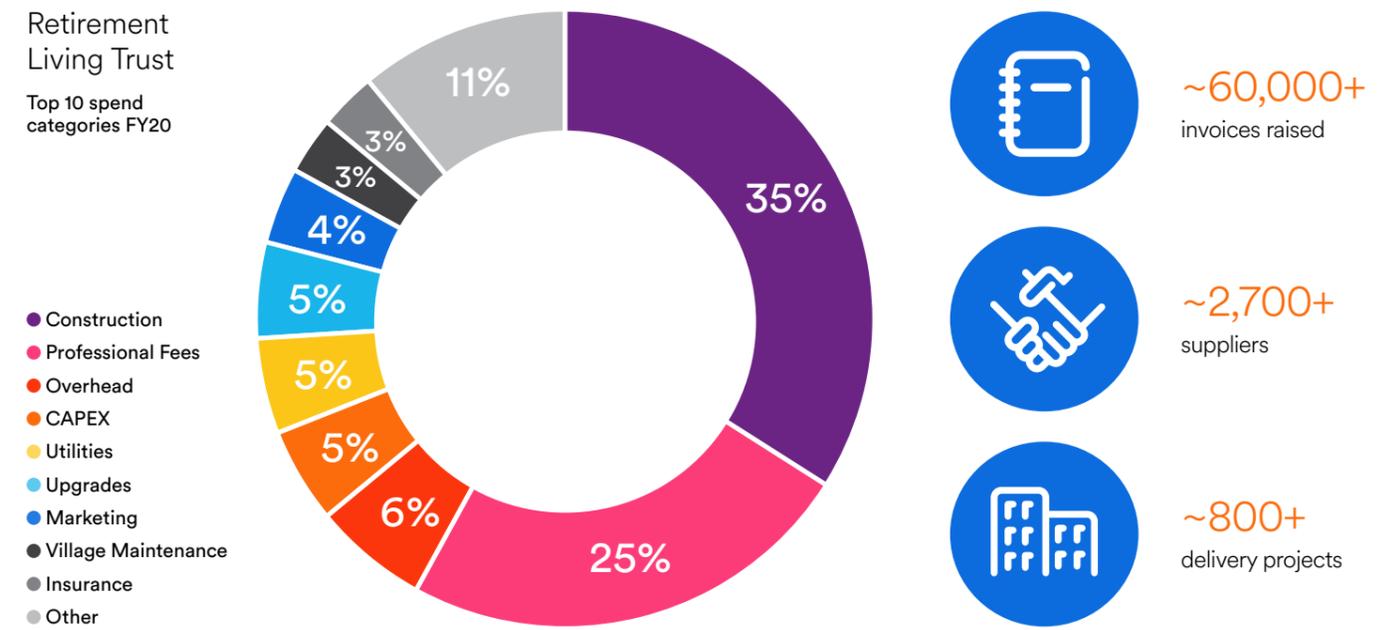
# Supply chains

LLRL Trust had approximately 2,700 direct suppliers from whom invoices were received during the reporting period. Strategic supply partners, typically national contracts, comprised 23% of total annual spend during the reporting period. This percentage is expected to remain relatively consistent given the villages' reliance on local suppliers due to geographical spread and existing relationships. There is also extensive engagement of small business enterprises, in the locality of the villages, for property maintenance and repairs, and catering services.

Most of LLRL Trust's suppliers of services, including design and consultants, catering, cleaning and security are based in Australia, with several contracted on a national basis. LLRL Trust also has access to the international supply chains of the Lendlease Group, in respect of materials and products utilised for construction, mechanical and electrical engineering, and aspects of business and finance administration services, as part of Lendlease Group's strategic supplier partnerships.

The following graph shows annual spend breakdown by top 10 supply chain categories. Construction-related costs, which include external works, foundation works, site establishment, structure and design, and consultants, comprised just over 60% of total annual spend. Cost of running and maintaining the assets, including village and property related costs (capital expenditure, unit upgrades etc) along with village maintenance and utilities, comprised around 23% of total annual spend.

Retirement Living Trust  
Top 10 spend categories FY20



4. Employment Type: 'Casual' are non-permanent workers engaged under an enterprise award with at least the 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.

5. Migrant workers are direct employees of Lendlease, 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.



# Modern slavery risks in operations, supply chains and controlled subsidiaries

In the course of its operations, LLRL Trust is able to draw on the systems and processes of the Lendlease Group's modern slavery risk supplier assessment and mitigation measures in operations. Refer to section 3 of the [Lendlease Group Modern Slavery Statement](#) for further details.

There are however some modern slavery risk issues specific to the Retirement Living sector, shown in the following graphic and outlined below.

Indirect labour (Supply Chain) / casual workforce is a key modern slavery risk for LLRL Trust through the:

- Engagement of small construction contractors
- Exposure to small contractors or sole traders with informal enterprise or labour arrangements for maintenance and capital upgrades
- Production of materials and consumables sourced for construction and operation of retirement village sites
- Provision of cleaning, security, care and hospitality services through labour hire providers

The Australian construction sector has experienced longstanding demand for low-skilled, manual, often migrant labour. It has been recognised, the indirect use of site labour utilising low skilled manual work recruited for sub-contractors through labour hire agencies, is an area requiring greater transparency. This is particularly relevant within Retirement Living as opposed to other areas like office or apartments, given the more likely use of tier 2 builders for some smaller projects.

Intense industry competition, tight cashflow and profit margins experienced by smaller, localised contractors may render workers (particularly casual workers) vulnerable to accepting informal work arrangements in terms of pay and conditions, which may not meet the minimum legal requirements. There may also be limited resources and capacity for those small businesses in turn to appropriately risk assess for modern slavery risks across their own supply chain.

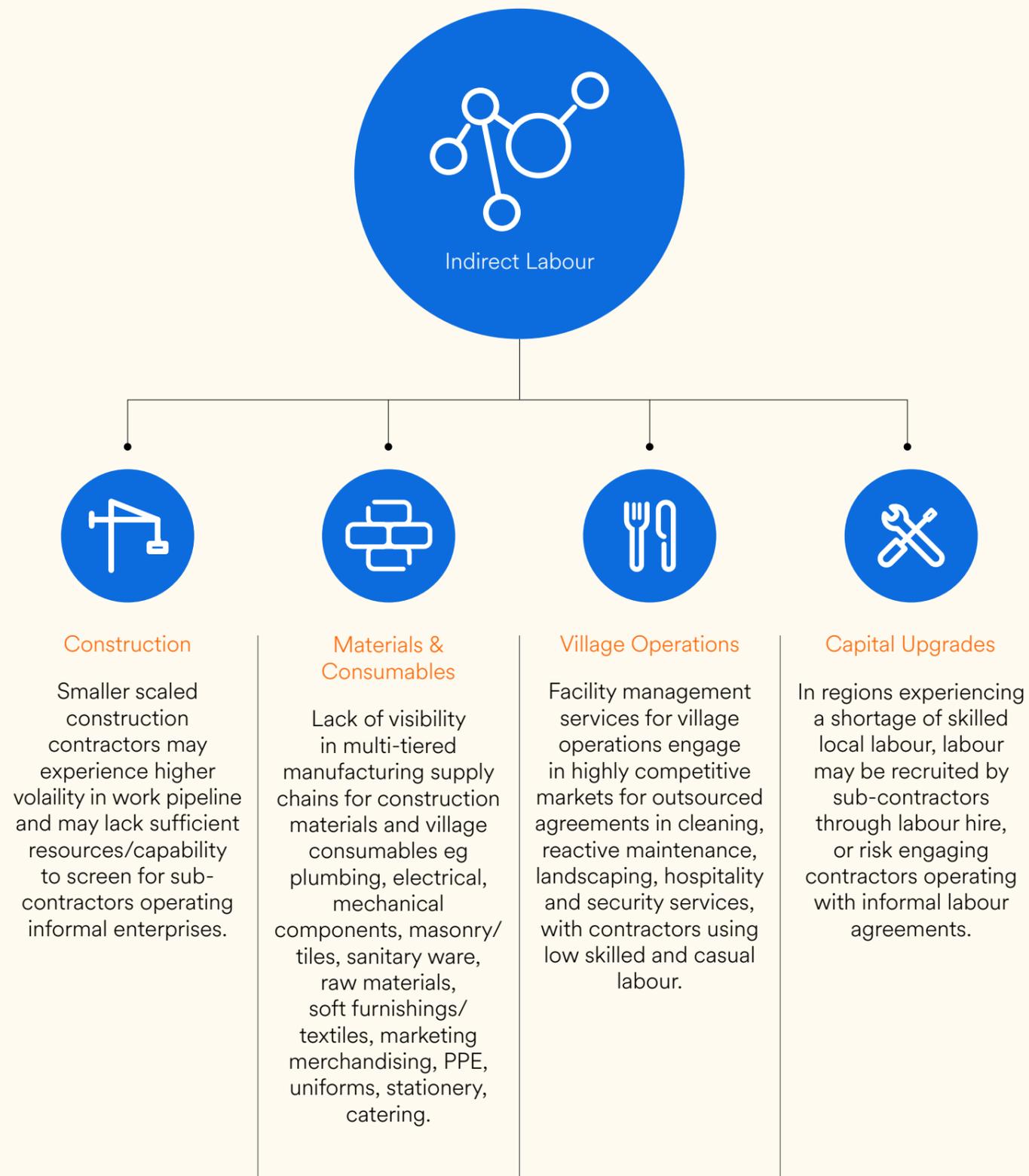
The aspects of the retirement living services often involves sourcing temporary labour from labour hire providers. For retirement village operations, soft and hard services such as cleaning, catering, property maintenance and security, exist in a price competitive low-margin market, sometimes relying on low-skilled migrant labour for viability. This creates preconditions for vulnerable workers to be exposed to a range of labour exploitation practices, including wage theft, underpayment, and unpaid entitlements.

In light of some of the supply chain and operational challenges across this sector, LLRL Trust has identified a number of Modern Slavery Risk mitigation strategies and actions, which are outlined the next section below (Section 4).

In addition, LLRL Trust has recently introduced Payments on Time reporting, where we have made available information to village managers of all invoices and their payment dates, to ensure all small suppliers are paid in a timely manner.

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

## Modern Slavery Risks – Retirement Living Trust



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

LLRL Trust is adopting the supplier risk screening and due diligence processes of the Lendlease Group, including the use of the modern slavery risk due diligence questionnaire as part of the Trust's tendering processes, and communicating the expectation that contractors and suppliers act consistently with the Lendlease Supplier Code of Conduct<sup>6</sup>.

#### **Policies, Systems and Processes**

LLRL Trust 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 is a summary of the utilisation of Lendlease Group modern slavery risk mitigation initiatives by LLRL Trust.

#### **Lendlease Global Minimum Requirements**

LLRL Trust 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, LLRL Trust business has been in the process of adopting Lendlease's Supplier Code of Conduct.

#### **Lendlease Risk Appetite Framework**

LLRL Trust applies this to its investment decision making across its assets and operations.

#### **Group Conduct Breach Reporting (Whistleblower)**

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

#### **Legal Training in Modern Slavery**

LLRL Trust legal team received specific practitioner level training on modern slavery risks and incident management, contextualised within crisis management and whistleblower procedures.

#### **Supplier Portal**

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 Australian-based supplier engagement process. The LLRL Trust business has access to this facility for its suppliers and operations across all villages and is in the process of updating this for all developments.

#### **Modern Slavery Risk Heatmapping**

The tool is pending piloting and is intended to be available to the LLRL Trust business for targeted risk analysis of its suppliers from FY21.

#### **Supplier Screening - Third Party Risk Intelligence**

The LLRL Trust business has access to external data service for screening suppliers who are determined to have a higher inherent risk.

#### **Modern Slavery Due Diligence**

LLRL Trust has access to Lendlease Group's modern slavery due diligence questionnaire for tender purposes and intends to progress targeted implementation during FY21.

#### **Standard Contracts and template clauses**

Implementation of the template clauses into LLRL Trust national contracts and key template contracts is underway.

#### **Audit**

LLRL Trust suppliers are considered in the selection of Lendlease Group enterprise-wide supply chain audit program in FY21, with a priority focus on labour. Progress for site-based audits however has been interrupted due to access restrictions resulting from social distancing and international travel restrictions from COVID-19. This is planned to be re-introduced in FY22.

#### **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 LLRL Trust employees can access this Guide through the Lendlease Group intranet.

#### **Casual Workforce**

LLRL Trust hire all employees (including its casual workforce) in alignment with the Fair Work Act. Majority of the casual work force is also aligned to the Aged Care Award 2010.

#### **Hiring Process**

LLRL Trust is aligned to the Lendlease Internal Resourcing Model. This means all permanent and casual hires follow the same thorough recruitment process, including internal/external advertising, competency-based interviewing, reference checking and pre-employment screening through a third party.



## Mitigating the impacts of COVID-19

Our customers and residents were a particularly vulnerable group to COVID-19, which meant specific controls and measures had to be diligently implemented across our village operations.

These included:

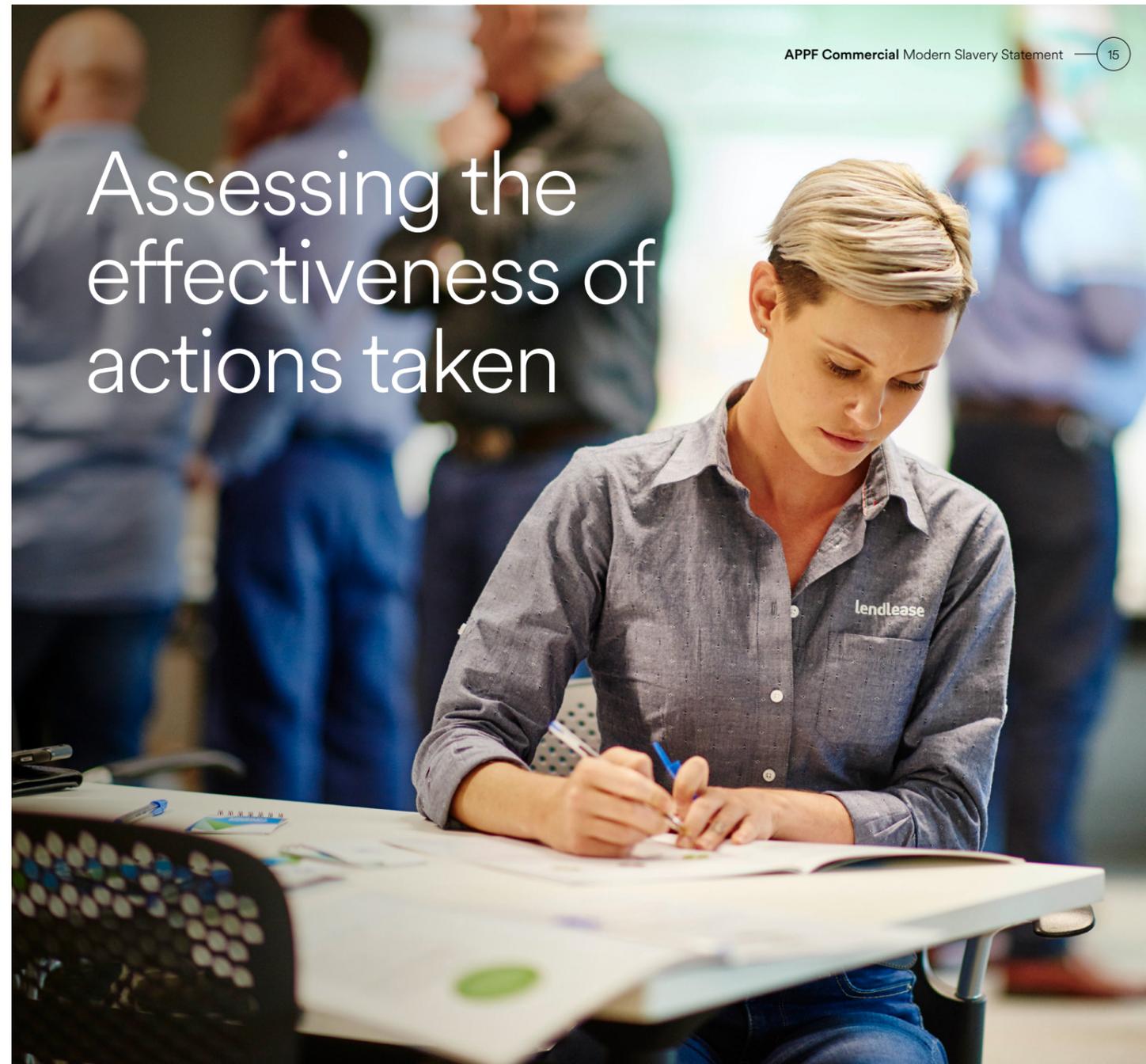
- Implementation of a special paid leave for casual employees where they were required to self-isolate and could not work from home. This discretionary payment provided access for up to two weeks paid special leave during the isolation period to support our valued casual workforce.
- Review of secondary employment arrangements to ensure village employees were not working at other medical/aged care/health providers or at risk environments (this precipitated in the development of a new Secondary Employment policy which is currently being finalised).

- Review of our aged workforce to ensure our “high risk” employee group were supported during the pandemic which included “high-risk” employees as described by the Australian Government as:
  - I. People over the age of 70 years;
  - II. People over the age of 65 years with pre-existing health conditions; or
  - III. Indigenous people over the age of age of 50 years with pre-existing health conditions.
- LLRL Trust required contractors and other visitors working at a Lendlease village to have a current flu vaccination, before being allowed to enter the village.
- Products sourced by LL Trust procurement team were to be TGA approved.
- A screening process is in place at each village for staff, contractors, suppliers and visitors – who complete a screening form, which included questions in relation to their health, current flu vaccination and temperature check.

- Delivery instructions involved “no contact” or “limited contact”.
- Cleaning and disinfection conducted more frequently than required, i.e. 3 times per day, plus regular cleaning of ‘high touch’ areas in between during the peak of the pandemic. Village Managers and other relevant village staff were asked to complete the online COVID-19 training put out by the Health Department.
- There is a procedure in place when entering a resident’s home (checking prior to the appointment that the resident is well, physical distancing (different room), PPE requirements and cleaning of surfaces touched during the visit.
- Introduction and implementation of activities to promote social engagement and connection, stimulating mental health and well-being. Examples include: Introduction of In-House TV Channel, Digital App, Weekly Newsletters, Covid-safe activities.

Otherwise, the LLRL Trust’s response to the impacts of COVID-19 were the same as those of the Lendlease Group<sup>7</sup>.

## Assessing the effectiveness of actions taken



In FY21 we expect to progress our engagement within our business and with our suppliers and external stakeholders to develop a suite of reportable key performance indicators.

### Prevention

LLRL Trust is in the early stages of implementing routine risk-based approaches on supplier assessments, as a key step to addressing modern slavery risks in a pre-emptive way.

During the reporting period, LLRL Trust employees could access the Lendlease Group supply chain internal microsite, which was upgraded with tools and content including the Modern Slavery Guide and Supplier Code of Conduct.

### Responsiveness

During the reporting period, no reports were logged regarding modern slavery or labour rights concerns through Ethics Point for LLRL Trust.

### Collaboration

Though early in its journey, LLRL Trust has an aspiration to strive towards industry best practice in setting the operating parameters for detecting and tackling modern slavery risks.

Key members of the LLRL Trust’s Executive Team (along with certain employees) are also members of Property Council Australia where Modern Slavery initiatives are discussed and shared with other industry participants.

# Our consultation process in preparing this Modern Slavery Statement



LLRL Trust holds controlling interests in a number of other companies and trusts (which fall below the revenue threshold). Some of these are landowner trusts, and others are operational companies, along with inactive intermediary entities. LLRL Trust effectively operates as a single business despite this corporate structure in taking steps to identify, assess and address risks of modern slavery in their operations and supply chains. The Executive Leadership Team also meets on a weekly basis, allowing them to address Modern Slavery objectives as required.

LLRL Trust is also a member of the Lendlease Modern Slavery Community of Practice (MS CoP) for Australia. This group aims to meet monthly to consider local modern slavery risks, across Australian operations and supply chains<sup>8</sup>.

# Other relevant information

### Engagement with External Stakeholders

We recognise tackling systemic modern slavery practices in global supply chains requires strong collaboration not only with suppliers, but government, industry and civil society. LLRL Trust is in the early stages of its engagement journey, but greatly values the insights and perspectives gained from the retirement industry and civil society approach to this issue.

### Social Traders, Australia:

As a member, LLRL Trust has access to opportunities for augmenting the mix of social enterprise businesses into project supply chains of its Australian projects, as part of the Lendlease membership of Social Traders.



# Looking ahead

LLRL Trust will progress its focus on the following areas for FY21:



### COVID-Safe

Operate responsibly - safeguard our customers and mindful of supply chain impacts of COVID-19 on our suppliers.



### Data Analytics

Progress targeted business-specific data analysis of key suppliers to better understand our risks.



### Embedding

Progress embedding Lendlease Group modern slavery risk due diligence and mitigation processes as well as employee training.



### Assessing

Targeted screening and assessment of key suppliers and supply chain categories - eg. through CAF certification.



### Engaging

Engage suppliers, property services providers, investors, tenants on education collaboration and awareness raising to jointly tackle modern slavery risks.

8. Please refer to section 6 of the Lendlease Modern Slavery Statement FY20.

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

The Statement has been approved by the Board of Directors of Lendlease Retirement Living Holding Pty Ltd, being the Trustee for LLRL Trust, who will review and update it as necessary.

Lendlease Retirement Living Holding Pty Ltd as  
Trustee for the Lendlease Retirement Living Trust



Signed:

Director name: Matthew Alan Mears

Date\*: 30 March 2021

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