

# Modern Slavery **Statement.**

for the year ended 30 June 2023



Downsize to a bigger life

**Lifestyle**<sup>®</sup>  
COMMUNITIES

# Message from our **Managing Director**

This is our fourth annual statement and outlines our progress on assessing the risks of modern slavery within our operations and supply chain, as well as actions we have taken in the financial year ending 30 June 2023 to address and mitigate these risks.

For the past 20 years, we at Lifestyle Communities have consistently maintained our commitment to operating as a business for purpose. This has included a commitment to ethical and responsible conduct, throughout all facets of our business.

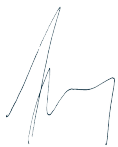
In the face of the immense global challenge that Modern Slavery presents, we are committed to the principles of minimising harm to people and have aligned our modern slavery program of work to our wider commitment of positive social impacts on people.

We oppose all forms of modern slavery and recognise that identifying, managing and mitigating potential modern slavery risks within our operations and supply chain is important to all of our stakeholders.

During FY23, we worked alongside our suppliers to better understand the risks of modern slavery within our supply chains. We also worked to raise awareness and understanding of modern slavery, within our own team and with key suppliers. Work on the ongoing uplift to management systems and process, backed by our ever-evolving governance framework, continues over our 2-year program into FY24.

In an ever-evolving regulatory environment, we look forward to the recommendations of the landmark review of the Modern Slavery Act and look to incorporate those findings into our continuous improvement program. Our approach is always one of continuous and incremental improvement.

This statement was approved by the Board of Lifestyle Communities Limited on XX December 2023.



**James Kelly**

Managing Director

*For and on behalf of the Board.*

# About this Statement

Our Modern Slavery statement has been prepared in accordance with The Modern Slavery Act (2018) and outlines the actions taken by Lifestyle Communities to address the risks of modern slavery within our operations and supply chain over the financial year 1 July 2022 to 30 June 2023.

This statement has been approved by the Board of Lifestyle Communities Limited and is made on behalf of Lifestyle Communities Limited and its subsidiaries<sup>1</sup>, some of whom qualify as reporting entities under the Act. Where information has remained the same over the reporting period, we have re-stated it in this statement.

The International Labour Organization (ILO) acknowledges that some sectors are more exposed to the issue of forced labour and human trafficking including sourcing goods and services from abroad, which is relevant to Lifestyle Communities. Across our operations and supply chain, we aim to ensure that we, along with our suppliers of goods and services and other business partners, operate in a way that is ethical, responsible, and respectful of human rights.

Criterion	Page/s
Identify the reporting entity and describe its structure, operations, and supply chain	4-10
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and entities it owns or controls	11-14
Describe the actions taken by the reporting entity and any entities that it owns or controls to assess and address these risks, including due diligence and	18-22
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	23-24

<sup>1</sup> Lifestyle Communities Limited  
Lifestyle Investments 2 Pty Ltd  
Lifestyle Developments 2 Pty Ltd  
Lifestyle Management 2 Pty Ltd

Lifestyle Communities Investments  
Cranbourne Pty Ltd  
Lifestyle Investments 1 Pty Ltd  
Lifestyle Management 1 Pty Ltd

Lifestyle Developments 1 Pty Ltd  
Brookfield Village Management Pty Ltd  
Brookfield Village Development Pty Ltd

# Our Structure and Operations

## Who we are and how we operate

Lifestyle Communities Limited (ACN: 0786755153) is an ASX listed company (ASX:LIC), headquartered in Melbourne. We build, own and operate land lease communities which provide affordable housing options to Australians over 50.

Lifestyle Communities is involved in greenfield site acquisition. Working with design and construction partners, we develop each site to produce a community comprising both modern homes to be sold, and communal facilities such as pools, gyms, clubhouses, cinemas, and pickle ball courts. We continue to manage our communities on an ongoing basis, including the caretaking and maintenance of facilities and grounds, as well as the delivery of activities and programs to homeowners.

Our core business activities fall into two broad categories:

Creating Communities	Managing Communities
Development, design and construction of new communities	Operation and management of completed communities

We also operate a Support office, which provides head office functions and support for our two core activities.

These functions include:

- Sales
- Marketing
- Finance
- Human Resources
- IT and other administrative support activities

Our commitment to human rights is underpinned by an approach that prioritizes positive social impacts, and attempts to reduce harm to people. This includes the people we employ, the suppliers we engage with, and people within our extended supply chain.



## Where we operate

Our operations are based solely in Victoria, Australia. 100% of our 167 employees are based in Victoria.

This is relevant to our inherent risk profile as the country risk for Australia as a whole is relatively low, especially with domestic operations. However it needs to be acknowledged that the true extent of Modern Slavery within Australia is difficult to ascertain and is very likely much higher than reported numbers, especially in specific industries. The risk becomes even higher within extended supply chain for goods procured.



## A note on subsidiaries

Our listed parent company has majority control over all entities in the Group. The Group is managed by a single executive leadership team, uses common policies, and all operations are undertaken under the Lifestyle Communities brand.

# Our People, Culture & Values

## Our workforce and culture

Our culture aims to provide team members with a voice and opportunity to positively influence those around them, including being a key driver for ethical behaviours within the business.

Our commitment to human rights and positive social impact is embedded throughout our organization through our values and culture.

We recruit to the behaviours, actions and personality/leadership traits outlined in our framework and encourage team members to speak up if something doesn't feel right, ensuring that adequate support is built into our governance structures. This approach is key to the success of our operations and risk management frameworks.

All employees are engaged under contracts that comply with national Australian employment standards and are regularly reviewed for alignment with all relevant awards and updated to reflect changes in working entitlements. Based on the national legislative and governance frameworks.

**167 employees directly employed**  
70% of which are women

- 160 Permanent Full Time employees
- 6 Permanent Part Time employees
- 1 employee on a fixed term part time contract

## Our Values

- Our customer is our only truth
- Do it from the heart
- Own it, sort it
- Play as a team
- Deliver. Delight. Everyday
- Be constantly curious



# Our Supply Chain

## Our approach to procurement

Lifestyle Communities works with a variety of suppliers across the development cycle, operation of our communities and support office functions.

The basis of our approach to procurement is an alignment of values, including those around prioritizing positive social impacts through responsible business practices and human rights.

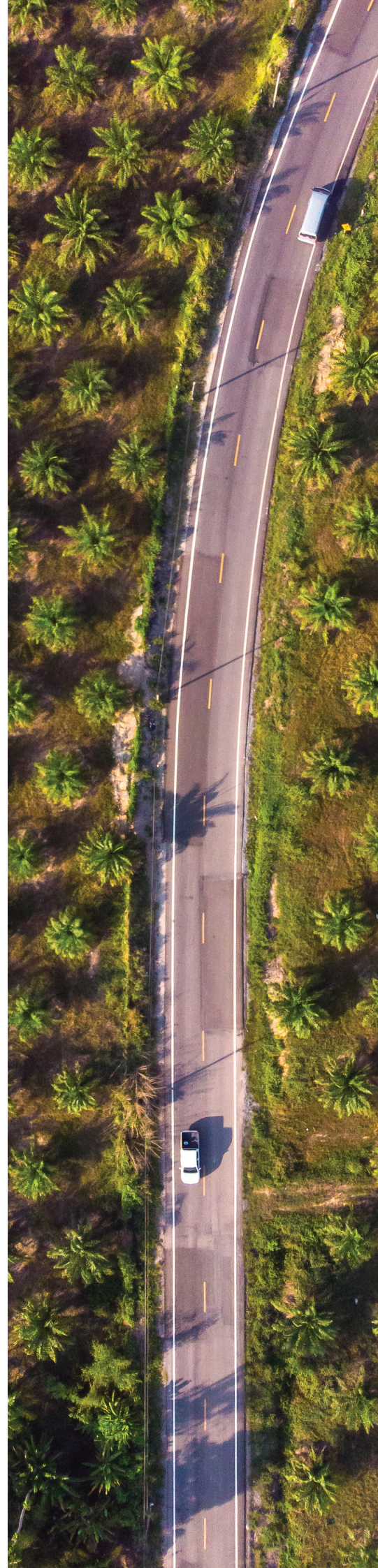
We believe that our supplier engagement and tender processes work to disincentivize modern slavery throughout our supply chain. Our process is a gradual and considered one, where we take the time to assess whether a supplier's values and ethics align with our own. We also engage suppliers based on best value rather than lowest cost, and work closely with our suppliers to agree upon reasonable timelines for the completion of work.

As such, we work with a small group of core suppliers and contractors during the development of our communities.

This number expands significantly during operations, as we look to engage with and support the local communities in which operate - which are spread out across Victoria. The majority of these suppliers are small to medium sized Victorian based business, or businesses with operating locations in Victoria.

We have long term relationships with the majority of our suppliers across all procurement categories, especially within the development and operations space. These relationships and regular engagement have allowed us to develop open transparent relationships that provide a natural forum to raise worker concerns.

We take this same approach to prioritizing small/medium and local businesses within our support office/ corporate procurement where possible, combined with larger organizations across specific functions, such as IT.



### A note on challenges

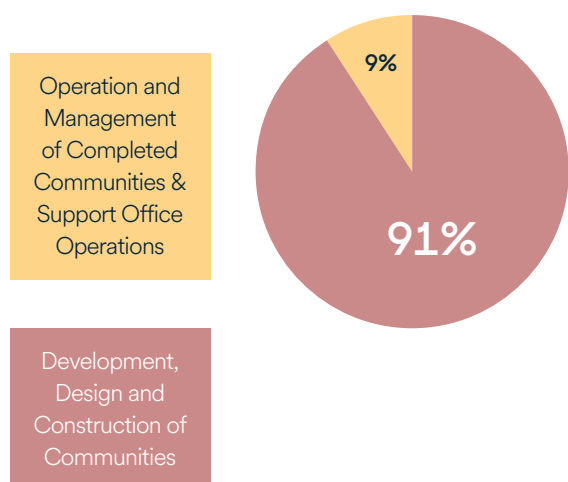
While we pride ourselves on our approach of building long term relationships with small and local businesses, we recognize that the rapid growth we have presents a unique set of challenges. These challenges impact the pace of our programs of work, and our ability to understand and address risks within our supply chains. However, we remain committed to supporting our suppliers on their, and our own, journey to greater organizational maturity and greater sophistication of processes and systems.

### Teir 1 Suppliers

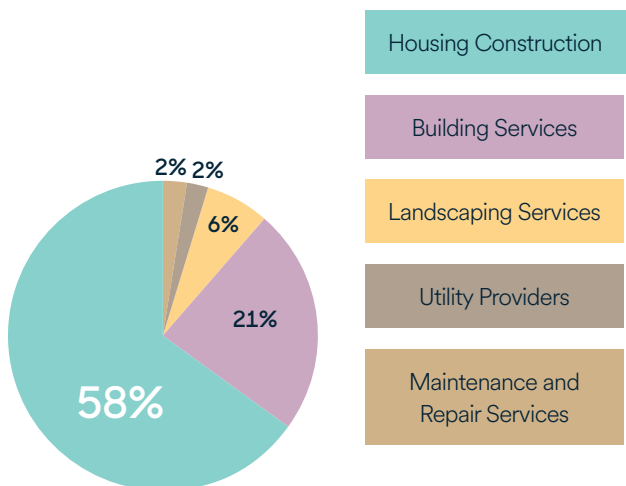
During FY23, we engaged with a total of 952 suppliers.

Though the majority of our suppliers of goods and services are based in and operate out of Victoria/Australia, we recognize that these suppliers may procure services and materials from outside Australia, including from geographies that are considered to have a high risk of modern slavery.

### FY23 Supplier Spend



### FY23 top five spend categories (products and services)



The nature of our core business activities means that the majority of our Tier 1 (direct) procurement is of services, with some procurement of goods across all functions.

The following is a breakdown of the number of suppliers\* we directly engaged in FY23, categorized by the type of supplier or type of service/good they provide us with.

\*Please note that some categories are duplicated across business activities.



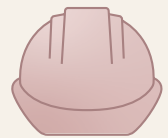
### FY23 Tier 1 Suppliers by Category

Business Activity		Supplier Category
Development, Design and Construction (new communities)	<b>1</b>	Architectural Services
	<b>2</b>	Building Services (1): including key construction partners and housing construction
	<b>3</b>	Construction Materials: including plant and machinery
	<b>4</b>	Environmental and Safety Consultants
	<b>5</b>	Interior Design and Furnishings (All)
	<b>6</b>	Landscaping Services
	<b>7</b>	Maintenance and Repair Services (1)
	<b>8</b>	Security Services
Operations and Management (completed communities)	<b>1</b>	Event Management and Hospitality
	<b>2</b>	Healthcare and Wellness Services
	<b>3</b>	Building Services (2)
	<b>4</b>	Landscaping Services
	<b>5</b>	Maintenance and Repair Services (2)
	<b>6</b>	Real Estate and Property Management: including cleaning services
	<b>7</b>	Transportation: including vehicle procurement
Support Functions	<b>1</b>	Consulting Services
	<b>2</b>	Government and Regulatory Affairs
	<b>3</b>	Human Resources and Staffing
	<b>4</b>	IT and Technology Solutions
	<b>5</b>	Legal Services
	<b>6</b>	Marketing and Advertising
	<b>7</b>	Merchandising and Retail
	<b>8</b>	Office Supplies and Equipment
	<b>9</b>	Photography and Videography
	<b>10</b>	Printing and Graphic Design
	<b>11</b>	Telecommunications
	<b>12</b>	Training and Education Providers
	<b>13</b>	Transportation and Logistics
	<b>14</b>	Travel and Accommodation Services
	<b>15</b>	Utility Providers

We have been working with suppliers to map our extended supply chain, and have been able to gain the following key insights into their operations, as well as our Tier 2 suppliers. These insights are important to understanding the inherent risk of modern slavery within our supply chains and help focus our actions on areas with the highest risk.

## Supplier Focus

### Housing Construction



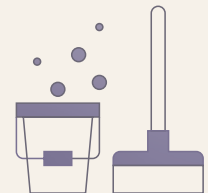
- Number of suppliers (during FY23)
- Average Number of Tier 2 suppliers (including sub-contractors)

**1**

**160**

*Key Tier 2 products and services include: Construction materials and installation services - including appliances, roofing, plaster, timber and hardware, flooring, and other materials.*

### Cleaning Services



- Number of suppliers (during FY23: mix of private companies and sole traders)
- Average number of Tier 2 suppliers
- Average workforce composition

**5**

**6-10**

**10-20%**

Part Time workers

**30-40%**

Subcontractors

**40-50%**

Casual Staff

*Key Tier 2 products and services include: Cleaning supplies, other cleaning services (such as carpet cleaning)*



# Understanding our Modern Slavery Risks

Understanding the risks of modern slavery within our operations and supply chain is key to meaningful action and minimizing harm to people.

According to the Property Council of Australia and KPMG(insert reference 1), the property and construction sectors are considered inherently high risk sectors for moder slavery, due to the following risk factors:

- Business Models (for eg: sub-contracting)
- Complex building material supply chains
- High risk categories and services (for eg: cleaning)
- High risk geographies (especially for procurement)
- Employment of workers from population vulnerable to exploitation

This understanding underpins much fo our approach to understanding and addressing the risks of modern slavery, through our direct operations but even more through our supply chains where we see the biggest risk.

In line with the UNGPs, the global standard for preventing and addressing business related human right harm, we look to prioritise and understand modern slavery risks through the lens of harm to people. This also aligns with with our approach to prioritise positive social impact on people and mitigate harm where possible.

We also utilize the UNGPs three part continuum of involvement to frame our understanding of modern slavery risks. This same approach also applies to future actions and remediation.

## UNGPs continuum of involvement in Modern Slavery

- Cause – operations that may directly result in modern slavery practices.
- Contribute to – operations/actions that may contribute to modern slavery practices.
- Be Directly Linked to – operations, products or services that may be connected to modern slavery through activities of another entity Lifestyle Communities has a business relationship with.

## Risks in our Operations

The modern slavery risks within our direct operations remain relatively low.

Our workforce is located solely in Australia. All employees are engaged under contracts that comply with national Australian employment standards and are regularly reviewed for alignment with all relevant awards and updated to reflect changes in working entitlements. Employees remain free to leave their employment at any time on provision of appropriate notice. We have a suite of policies that contribute to a fair and safe working environment, which is bolstered by our commitment to our values and culture. Based on the national legislative and governance frameworks in which we operate, we have identified that there is a low risk of modern slavery within our direct operations.

However, as part of our due diligence processes, we will continually review the risks at intervals outlined by our governance framework, to ensure that any changes to our operations risk profile are identified.

## Risks in our Supply Chain

Understanding the risks of modern slavery within our supply chain are crucial to mitigating and addressing harm to people, as we see our supply chain as containing areas of risk for modern slavery.

We have been working to understand the risks within our supply chains by assessing:

- Risk involvement on the UNGP continuum
- Potential forms of Modern Slavery

### Specific procurement category risk factors including:

- Sectors and industries of suppliers
- Types of services and products within the supply chain (inherent risk)
- Geographic risks
- Types of entities and governance structures of suppliers, including types of workers employed

Our ongoing risk assessment process had initially identified two broad areas that carried a higher likelihood of modern slavery risks. These have provided the basis for further assessment and engagement through the FY23 and FY24 programs of work.

This allowed us to focus our initial program of work on approximately 30 suppliers, including construction and cleaning contractors, as well as service providers supporting our communities.

Service providers – we engage contractors in the construction and cleaning sectors, among others. These two sectors are among those sectors identified at risk of forced labour in the Global Slavery Index country profile for Australia on account of the prevalent use of migrant labour.

Procurement of goods and materials – we procure goods and materials directly through our own activities, and indirectly through our contractors under work agreements. The Global Slavery Index has identified a shortlist of 15 imported products common in G20 countries, such as Australia, which present a risk of forced labour.

### Key findings in FY23

#### Housing Construction:



We continue to engage with Todd Devine Homes (TDH) as our principal housing construction partner. The construction sector carries an inherently high risk of modern slavery due to the risk factors in property and construction outlined earlier in the document.

We have continued to engage with TDH to understand and assess the risk of modern slavery in their Tier 1 and our Tier 2 supply chain. Aside from a majority full time, permanent workforce, TDH engages a number of suppliers and sub-contractors. All suppliers and sub-contractors are Australia based.

These suppliers and sub-contractors provide a range of products and services to TDH, including timber and hardware, steel components, insulation, floor coverings, paint, plaster, plumbing material and electrical work.

We recognize that the supply chains for many of these products extend outside Australia and can carry complex sourcing arrangements and base skilled labour. We recognize that we may be directly linked to modern slavery through the procurement of these products. There is also a risk that we are directly linked to exploitative labor practices through Tier 2 or 3 sub-contractors.

We will continue to work with our key partners to understand and collectively

#### Cleaning Services:



We procure cleaning services for our facilities through 5 key suppliers across our 21 operating communities. These suppliers are majority small/medium sized companies, as well as sole traders. We recognize that sub-contracted cleaning services in Australia can carry high risks of modern slavery due to a reliance on vulnerable populations and low barriers to entry. We recognize that we may be directly linked to modern slavery through our suppliers or sub-contractors, or can contribute to it through our contract terms.

Therefore we have engaged with each of our service providers to understand their workforce composition, and who their sub-contractors are.

Our service providers do employ casual workers and sub-contractors. Our initial assessment has identified that some of those sub-contractors are permanent residents and many are individuals running their own individual cleaning business.

We will continue to engage with suppliers to understand their workforce and supplier composition, and work towards building mechanisms for worker voice/engagement.

Our service providers procure their supplies from a small number of Tier 2 suppliers, including many of the recognizable national brands - who have mapped out their own Tier 1 and 2 suppliers. This will allow us clearer visibility into Tier 3.

We will continue engaging with our service providers to understand and address the risks of modern slavery within their industry.

Findings from these engagements have also been integrated into the description of our supply chain, as well as within the actions we took in FY23.

During FY23, we also started taking a closer look at two high risk products within our supply chain; electronics and solar panels.

## Solar Panels



Solar panels and the various materials that are used to manufacture them carry a number of modern slavery risks, and are becoming a more salient and urgent issue due to the energy transition.

The majority of the solar panels that we install within our communities are installed and sourced by a single contractor on our behalf. The imported panels are sourced from a high risk geography where there is a high risk of modern slavery within the manufacturing process, this means that we are possibly directly linked to modern slavery within that manufacturing process. The minerals and materials that go into the manufacture of solar panels also carry a high risk due to the geographies they are sourced from.

This is a priority area that we will continue to explore and understand, and we will work with our contractor to better understand how to mitigate some of these risks.

## Electronics



We procure IT equipment, communication devices and other peripheral equipment directly through a number of key suppliers.

There are risks that we are directly linked to modern slavery through the supply chains of these products, that can both be manufactured and sourced from high risk geographies where hazardous labour conditions and child labour may be present.

Over 50% of all IT equipment is procured through DELL, a major international supplier of computing devices. Other suppliers include Apple, Cisco and Scorptec at about 20%, 5-10% and 25% each. Scorptec is a local, major supplier of IT equipment. Apple and Cisco are both major international suppliers of IT and peripheral equipment, and all three international suppliers are working on their own extensive modern slavery program of work, which allows us better visibility in our own extended supply chain.

We have taken a staggered approach to mapping and understanding risks within our supply chain. Through our initial assessment exercise and subsequent work, we have endeavoured to capture the full details of our Tier 1 supplier's activities. However, we acknowledge that we do not yet have full visibility of the location or employment experience of all workers across all our Tier 1 suppliers (including non-Victorian based suppliers).

We further appreciate that our Victorian suppliers may carry modern slavery exposure through their operations in other jurisdictions or may engage Tier 2 and Tier 3 suppliers operating in higher risk environments. We are working on gaining visibility deeper into our supply chain, in some instances, this still remains limited.

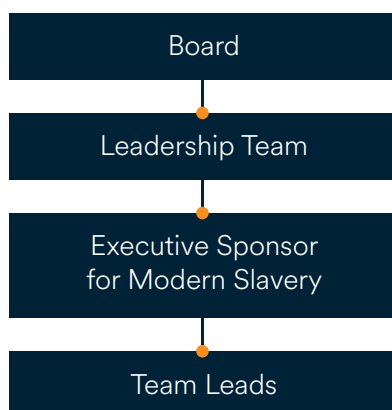
Many of our suppliers are small to medium size businesses with turnover well below \$100 million. They have not yet developed the capabilities and resources to assess their own supply chains. We intend to continue working with these suppliers to connect them with support, so that together we can increase transparency.

# Governance, Policies and Management Frameworks

Together with our organisational culture, our governance structure, policies, and management frameworks underpin our commitment to operating as an ethical business. This includes our commitment to human rights issues, including identifying and mitigating the risks of modern slavery. Our focus on contributing to positive social impacts also underpins our approach to human rights, and aligns with the UNGPs focus on risks of harm to people. Our approach to enterprise risk management also recognizes the importance of our culture and governance structures and controls to risk mitigation.

## Governance Structure and Policies

We have set out the below governance structure that we have in place to help build, commit to and monitor our Modern Slavery and Human Rights strategy, as part of our wider approach to ESG (environmental, social, governance). ESG and by extension, matters such as Modern Slavery, are a standing item on the board's agenda.



The Board is responsible for overseeing the effectiveness of the systems of risk management across our operations, including key ESG risks and opportunities. Risk issues are considered by the full Board, and the framework incorporates a mechanism to escalate material risk matters. The Board will review the business' approach to modern slavery at least annually and approve the Modern Slavery Statement for lodgment.

The Leadership Team contribute to, endorse and support the business' approach, guided by an Executive Sponsor who leads operational activity and engagement with suppliers, and ensures compliance with the reporting requirements under Act. The Executive Sponsor regularly reviews the systems and mechanisms in place to address the risks of modern slavery within the business operations and supply chain.

Our governance structure is complemented by policies and activities designed to:

- Support the due diligence and risk assessment of our supply chain
- Raise awareness to help identify and address human rights issues
- Promote ethical and legally compliant conduct internally and within our supply chain
- Promote and support a safe and fair working environment

The general policies that promote ethical and legally compliant conduct internally and within our supply chain include:

- Our Code of Conduct – articulates the behaviours expected of employees and directors within Lifestyle communities and aligns with our wider commitment to respecting human rights.
- Fraud, Corruption and Bribery (Prevention and Awareness Policy)
- Communications and Continuous Disclosure Policy
- Whistleblower Policy - encourages Lifestyle Communities Directors, employees, contractors, and suppliers who have witnessed, or know about, any misconduct or suspected misconduct to speak up without fear of intimidation, disadvantage, or reprisal. This directly contributes to the addressing and mitigating risks of modern slavery within our operations and supply chain.

Activities and controls that raise awareness around human rights issues, as well as contribute to due diligence within the business, are outlined further on in this statement.

To ensure that our governance structures and risk management frameworks remain current, Lifestyle Communities receives ongoing legal advice and alerts to any changes in legislation that may have an impact on material issues within the organisation, including modern slavery.



## Procurement and Supply Chain Management Frameworks

As described in our approach to procurement, we look to engage suppliers that align with our values and approach to human rights. We develop long term relationships with suppliers, which allows us to influence and support their practices.

Along with this alignment of values and approach, we also have a set of policies that ensure our expectations around human rights and modern slavery are clear, and these form part of the due diligence process we undertake during procurement.

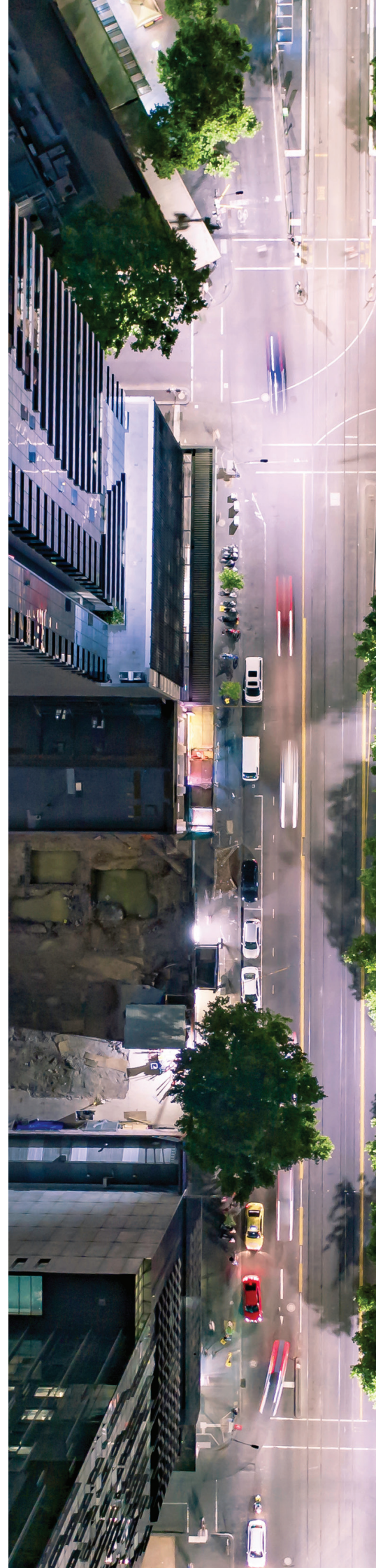
Our procurement policy outlines our commitment to understanding and addressing modern slavery, as well as our expectations of suppliers around modern slavery and human rights issues. Our procurement procedures set out our procurement processes and align with the policy.

We expect our suppliers to comply with our supplier code of conduct, which defines the standard required from third parties when working with Lifestyle Communities and confirms Lifestyle Communities' commitment to a sound culture of compliance and ethical behaviour. This includes a commitment to transparency. We ask that suppliers agree to this code as part of working with us.

These expectations are also echoed in our supplier terms and conditions, which forms part of our legally binding agreement with all of our suppliers.

All of our policies are reviewed at regular yearly or bi-annual intervals. All relevant procedures, codes and terms are then updated to reflect any changes in policy and rolled out accordingly.

We plan to continue working with our partners to streamline our supplier management processes and systems and are working to further embed ethical and human rights related expectations and principles into our supplier onboarding and on-going management systems.



# Actions to Assess and Address Risks

During FY23, we progressed our program of work to continue the assessment of and to address the risks of modern slavery within our supply chain, as per the commitments outlined in our previous statement.

Many of the actions we have taken in FY23 have also allowed us to expand upon and update our disclosures in previous sections.

We understand that human rights due diligence is an ongoing process - and we are committed to making meaningful and therefore incremental improvements to our processes and systems, as well as supporting our suppliers to improve their processes while collectively upskilling.

## Supplier Engagement and Collaboration

A key component of our strategy to address and mitigate the risks of modern slavery within our supply chains is engagement with our suppliers. The nature and length of our relationships with many key suppliers allows us to leverage our business relationships for the greatest impact.

Through close and on-going engagement with the small to medium sized suppliers who form the bulk of our supply chain, we have the greatest potential to identify and mitigate the risks of modern slavery through the upskilling of and collaboration with our suppliers, which has the knock-on effect of mitigating modern slavery risks several layers deep into the supply chain.

## Supplier Engagement and Collaboration Breakdown

### Housing Construction:



In FY23, we continued to collaborate closely with our key housing construction partner, TDH, to guide and align their operations and procurement practices with our own in terms of addressing modern slavery.

We continued to provide materials and advice to support them in developing and improving their modern slavery disclosures, including their modern slavery statement.

As outlined earlier, we reviewed their workforce breakdown and Tier 1 suppliers, to understand our Tier 2 supply chain and associated risks - and were able to glean some important insights which have been captured in our supply chain and risk assessment.

We also worked to re-align our expectations and re-affirm processes around areas such as health and safety and responsible procurement, as part of our HSE contractor management uplift.

These actions will allow both LC and TDH better visibility of our combined operational and supply chain risks, as well as an alignment of policies and actions to mitigate those risks. They will also allow us to strengthen due diligence in this area.

### Cleaning Services:



During FY23, we engaged with our key cleaning service providers to better understand the risks of modern slavery within their operations and supply chain, as outlined earlier.

We also reviewed their workforce breakdown, business models, and Tier 1 suppliers to better understand risks within their operations and our Tier 1 and supply chains.

As we roll out our updated contractor management model, we are also conducting a review of contracts and service agreement terms as another layer of defence against modern slavery.

### Solar Panels



As outlined above, the solar panels that we install within our newer communities are installed and sourced by a single contractor on our behalf.

During FY23, we engaged with this contractor to understand their Tier 1 (our Tier 2 supply chain) and the risks of modern slavery, especially within the manufacture and sourcing of raw materials.

We also collected and reviewed the modern slavery statements of their Tier 1 suppliers, to check their due diligence requirements and gain a preliminary understanding of Tier 3 and beyond.

This is a priority area that we will continue to explore in upcoming programs of work, and we will work with our contractor to better understand how to mitigate some of these risks.

## Building Capability and Awareness

Building capability and awareness is a key aspect of our supplier engagement program. It is also key to build internal capability and awareness at all levels of our organisation - to enable us to identify, assess and take meaningful action to address the risks of modern slavery.

During FY23, we refined our approach to internal engagement on Modern Slavery.

The cornerstones of this approach are:

- Continuing to embed our values into everything we do, including continuing to build a culture of trust and transparency
- Education and capability building, ensuring that our staff are well-equipped to recognize and address modern slavery
- Building systems and processes to support our team in recognizing and addressing these risks, including performing due diligence at key points

During FY23, we conducted a comprehensive review on our modern slavery training module, a key piece of training that all staff are required to go through.

Some of the updates included:

- Updates on how to identify and recognize modern slavery in operations and supply chains
- Highlighting specific risks within the property and construction industry
- How to respond to suspected modern slavery in a way that minimizes harm to people, and also maintains the psychosocial and physical safety of the team member

The training roll out is due to be completed in FY24, with a target of 100% completion by all existing staff and all new staff. It will also replace the Modern Slavery induction module completed by all new incoming staff.

We are also looking to make this training available to our smaller suppliers who may not have access to their own modules.

## Governance and Policies

During FY23, we re-aligned our approach to sustainability to prioritize positive social impacts on people within our spheres of influence. This aligns with our core ethos of acting as a 'business for purpose'. This has placed our commitment to human rights, and the UNGP principle of minimizing harm to people, as a core imperative, and key contributor to our social impact as an organization.

To support this alignment, we have continued with our approach of increasing the depth and frequency of ESG/Sustainability discussions at the board level, but also at all other levels of the business, as outlined in our governance framework. This has worked to organically increase human rights awareness and capability within the organization.

We also continued to review and update key policies, including our procurement policy and procedures. Our procurement policy is the cornerstone of how we communicate our commitment to human rights within our procurement and our expectations of suppliers and forms the backbone of our procurement governance and due diligence.

We also reviewed our whistle-blower policy, to ensure that it remained an effective mechanism. All policies reviews are discussed and approved at the board level.

We have also reviewed and updated our policy review schedule and systems to ensure that policies (and their related documents) are reviewed and updated at appropriate intervals to capture the evolution of our processes, systems, and commitments.

### **Procurement Framework and Management Systems**

During FY23, we continued our program of work with an independent consultant to evolve our supplier engagement model. This model is supported by the roll out of a comprehensive HSE (Health, Safety and Environment) management system, which includes a dedicated module to supplier and contractor management.

Our updated engagement model has allowed us to align our expectation of suppliers throughout our policies, contracts, terms and conditions, processes, and management systems – including expectations around fair work practices and human rights. It is also a key component of our risk assessment and management system.

During FY23, we began the roll out of the updated model. Implementation of the model, as well as the management system module, will continue throughout FY24.

### **Risk Assessment, Due Diligence and Remediation**

Our progress on risk assessment and findings have been incorporated throughout the document, in descriptions of our supply chain, understanding our risks and supplier engagement and collaboration actions. As outlined, during FY23 we engaged with a number of high-risk suppliers to assess risks within our supply chain.

Through the above actions and underpinning frameworks and processes, we have endeavoured to undertake human rights and modern slavery due diligence within our operations and supply chains. Our risk assessment, governance, procurement, and engagement frameworks are key to identifying and assessing actual and potential human rights impacts. Our incident reporting and training programs help us integrate our findings across the entire business. Publication of this statement, as well as other policies, communicates our progress within this area and aligns with our commitment to transparency.



We acknowledge that we are still early on in our journey in some respects, especially around tracking performance, and will continue to work towards stronger due diligence by strengthening our frameworks, processes, and engagement. The roll out of our updated supplier onboarding model and management system will contribute to more robust monitoring and tracking of our suppliers' performance around modern slavery.

In FY22, we engaged a third-party whistle-blower service provider to receive disclosures directly from staff and suppliers. This is supported by our existing whistle-blower policy that encourages stakeholder to report any improper conduct they encounter. A whistle-blower training module is also included as part of the induction process for new employees, and all existing staff have completed this training.

In the FY22 reporting period, we did not receive any reports of modern slavery in our supply chain through our Whistle-blower process. We continue to encourage use of discreet and anonymous grievance mechanisms by our team and supply chain.





# Assessing Effectiveness

The following indicators outline the way in which we track and assess the effectiveness of our actions around identifying human rights issues in our business activities.

We acknowledge that we are on a journey of continuous improvement and that the process of developing effective assessment mechanisms is on-going. The following outlines the preliminary KPIs we have used to assess the effectiveness of our actions during FY23. These align with the specific actions we had planned for FY23 and will continue to be used for FY24.

The results of these evaluation processes will be used to define the priorities and scope of work for upcoming periods - as well as naturally evolve as our processes and actions mature.

## Governance

### **Review of relevant policies and procedures according to the review schedule**

FY23 status: Complete

### **Review of modern slavery statement by board**

FY23 status: Complete

## Risk Assessment, Due Diligence and Remediation

### **Incremental mapping of Tier 2 to understand risks – including high risk services and goods**

FY23 status: Cleaning services, housing construction and solar panels preliminary results identified

### **Engagement with key suppliers to upskill and understand risks, including Tier 2 and workforce breakdown (At least 1-2 engagements)**

FY23 status: Cleaning services, housing construction and solar panels preliminary results identified

### **Number of high-risk suppliers who have completed risk assessment questionnaire**

FY23 status: FY21 initial assessment – 100%. Reviewed in FY 23 – cleaning services and housing construction

**Implementation of supplier management module**

FY23 status: Contracts reviewed and implemented, principal suppliers engaged, implementation ongoing in FY24

**Number of suppliers onboarded onto contractor management system**

FY23 status: System configured and tested with pilot supplier group, implementation of module to be completed in FY24

**Capability and Awareness**

**Percentage of new staff who have completed modern slavery onboarding module**

FY23 status: Existing module = 100%, new module to be rolled out during FY24

**Percentage of staff who have completed modern slavery training module**

FY23 status: Existing module = 100%, new module to be rolled out during FY24

**Grievance and Remediation Management**

**Total number of modern slavery related complaints received via whistle blower mechanism**

FY23 status: Zero – we recognize that this may be due to insufficient awareness or understanding beyond our operations. As we upskill and engage with suppliers, we understand that this number may change.

**Total number of modern slavery related complaints received internally**

FY23 status: Zero

**Number of remedial actions to address grievances raised**

FY23 status: Zero

During the reporting period to 30 June 2023, Lifestyle Communities did not receive any complaints or identify any breaches (through our grievance mechanisms and otherwise) of our Modern Slavery obligations thorough our operations or supply chain.

# Continuous Improvement Next Steps for FY24

Our current program of work runs over FY23 and FY24. Therefore, during FY24, we will continue to work towards the commitments we have made during FY23.

## **Risk Assessment and Supplier Mapping**

We will continue to work with our high-risk suppliers to understand risks within Tier 2 and Tier 3 of our supply chain, including working to identify actions that can be taken to minimize and address these risks.

We will also continue to review existing supplier categories and prioritise the next set of engagement, based on highest risk to people.

We will continue to explore the risks associated with high-risk products, especially those identified during FY23.

## **Supplier Engagement and Collaboration**

We will continue to engage with suppliers to share knowledge and contribute to our collective upskilling – with a continued focus on key and high-risk suppliers.

We will continue to support suppliers with their own modern slavery related commitments, including feedback on modern slavery statements and other policies.

## **Governance and Management Systems**

We will continue to integrate modern slavery and human rights considerations into supplier due diligence processes.

We will implement our updated supplier management model, as well as relevant systems, as key controls for risks associated with human rights and modern slavery.

We will work to further embed human rights risk into our risk management framework.

## **Building Capability and Awareness**

We will continue to work internally with staff and leadership, to improve awareness within the organisation, as well as build capability for addressing risks through tangible actions. This will include a focus on those members of staff who may be in positions of direct interaction with service providers and suppliers.



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