

# Fraud, Bribery and Corruption Prevention Policy

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## 1. Purpose

Stockland is committed to conducting our business in line with our CARE values (Community, Accountability, Respect and Excellence) and with integrity and consideration to our stakeholder expectations.

Stockland does not tolerate or support fraudulent or corrupt activity of any kind and will act in accordance with our CARE values and operate within legal, compliance and regulatory frameworks. Fraud, bribery and corruption can damage Stockland's reputation and undermine political and social stability, security and human rights. It can also carry legal and criminal consequences both for Stockland and for individuals involved.

This Policy sets out Stockland's approach to fraud, bribery and corruption, and relevant employee guidance and obligations.

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## 2. Scope

This Policy applies to Stockland Corporation Limited, Stockland Trust and their related companies and trusts (collectively "**Stockland**") and all Stockland employees (including but not limited to non-executive directors, permanent, casual and fixed term employees and temporary workers) ("**Employees**").

Adherence to this Policy is mandatory.

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## 3. What is Fraud?

**Fraud**<sup>1</sup> is dishonest activity causing actual or potential financial loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation, and where deception is used at the time, or immediately before or after the activity. It includes destruction, concealment and falsification of documents and the improper use of information or position for personal financial gain.

Fraud can be committed by an Employee or persons external to Stockland.

Examples of fraud may include, but are not limited to:

- Diversion of cash (accounts payable and receivable schemes).
  - Falsifying expense claims or false invoicing.
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- Dishonest or deliberately misleading financial performance reporting.
- Theft, unauthorised use or misuse of assets (e.g. cash, equipment, supplies) secret commissions, records and confidential information.
- Unauthorised use of a credit card.
- Technology enabled fraud including theft of intellectual property, transfer of funds from a Stockland bank account to a third party or forgery / manipulation of data through unauthorised access or introduction malicious software by an employee or a third party.
- Ransom, being an extortionate demand for funds based on a claim of information theft or malicious software on computer systems.

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## 4. What is Bribery and Corruption?

**Corruption** is a dishonest and intentional activity in which an Employee or other person acts contrary to the interests of Stockland and abuses their position of trust for direct or indirect gain or advantage for Stockland or themselves personally.

Corrupt conduct may include,

- Any conduct that either directly or indirectly adversely affects or could adversely affect the honest or impartial exercise of any public official's powers of their duties or functions, or
- Conspiring with another person (whether or not a public official) to engage in the above conduct or in corrupt conduct including a public official.

The definition of a public official is broad and includes individuals engaged in assisting any federal agency or a service provider under a Commonwealth contract.

The National Anti-Corruption Commission has the power to investigate any person who acts in a way that might cause a public official to carry out their role in a dishonest or biased way, or conspires with another person, to engage in such conduct.

**Bribery** means providing, or offering to provide, directly or indirectly, any benefit to a person with the intent of influencing the person in relation to their business, duty or affairs and/or encouraging the misuse of their authority. This includes but is not limited to foreign and domestic public officials.

Bribery may be a form of corruption and may include, but is not limited to:

- Giving cash, or lavish gifts, sponsorship, or travel and accommodation.
- Giving political donations which are intended to gain a specific business advantage.
- Paying disguised agents fees (secret commissions).
- Submitting inflated tenders or false invoices.
- Making a payment or providing a benefit for committing IT fraud, the introduction of malicious software or performing a malicious act on behalf of an external unauthorised person or entity.

### **False accounting**

It is a criminal offence to intentionally or recklessly falsify any accounting document in order to conceal or disguise the giving or receiving of an amount or benefit that is not legitimately due.

### **Facilitation payments**

Facilitation payments, also referred to as “kickbacks” or “expedition fees”, are payments of a minor value made to domestic or foreign public or government officials, to expedite or secure the performance of a routine government action by a government agency. These payments can be made either directly or by third parties.

In Australia, facilitation payments may in some cases serve as a defence to the offence of bribery of a foreign public official. Notwithstanding this, Stockland prohibits political donations and does not tolerate facilitation payments or gifts of any kind to public or government officials, no matter what level of government.

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## **5. Fraud, Bribery and Corruption Prevention Framework**

The most effective means of preventing fraud, bribery and corruption is for management to foster and encourage a strong culture in line with Stockland’s CARE values, and to implement policies, procedures, training, periodic audits, segregation of duties and other control mechanisms which minimise the likelihood of fraud and corruption occurring.

This Policy is a critical component of Stockland’s Fraud, Bribery and Corruption Prevention Framework which also interacts closely with the other Stockland Policies summarised in Section 12.

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## **6. Employee Responsibility**

Employees play a critical role in preventing and detecting fraud, bribery and corruption and helping to minimise the likelihood of fraud occurring at Stockland.

Employees have an obligation to:

- **Understand** what fraud, bribery and corruption are by reading this policy and completing any further related training which might be offered by Stockland.
- **Be aware** of their responsibilities, adhere to correct job procedures, the Code of Conduct and other policies.
- **Be transparent** in their stance against fraudulent, corrupt or unethical conduct or practice and be familiar with the Code of Conduct.
- **Never:**
  - offer, request, or receive bribes of any kind to or from any person
  - help, encourage, conspire with, or ask another person to offer a bribe
  - make, arrange, or direct the making of a facilitation payment
- **Always act in the best interests of Stockland** and not abuse their position for personal gain.

- **Be continuously vigilant** to the potential for fraud and corruption, including being alert to behaviour which may in certain cases indicate fraud, bribery or corruption is taking place including but not limited to an Employee's:
  - resistance to take annual leave.
  - living beyond their means.
  - significant change in behaviour.
- **Report suspicious behaviour** and fraud vulnerabilities to their Line Manager, Group Risk, or in accordance with the Whistleblowing Policy.
- **Co-operate** with the assessment and management of fraud incidents.
- **Undertake an appropriate level of due diligence** when engaging with third parties.
- **Complete pre-employment and ongoing employee screening** in a timely manner.

If an Employee has any doubts about the above, whether fraud, bribery or corruption has occurred or if any behaviour is otherwise inappropriate, they should contact [compliance@stockland.com.au](mailto:compliance@stockland.com.au) or the Group Risk Officer.

Anonymous disclosures can be made utilising on of the reporting channels specified in Stockland's Whistleblower Policy.

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## 7. Reporting Fraud, Bribery and Corruption (Escalation Procedures)

Stockland is committed to providing an environment in which all Employees feel comfortable reporting incidents of fraud, bribery and corruption. Stockland is also committed to supporting people who report fraud and/or bribery and/or corruption or suspicions of fraud and/or bribery and/or corruption in good faith, regardless of whether any wrongdoing was identified.

If an Employee is aware of or suspects suspicious activities, they should escalate the issue via one of the following channels as soon as possible:

- **To their Line Manager:** Report to the relevant line Manager and escalate to Group Risk as per Stockland's Escalation Policy for assessment (see 8) and response (see 9).
- **To Group Risk :** If an Employee does not feel comfortable making a report to their Line Manager (for example where the Line Manager is suspected of involvement in the fraudulent activity), they can raise the matter directly with Group Risk at [compliance@stockland.com.au](mailto:compliance@stockland.com.au)

**If an Employee is not comfortable with reporting through Line Management or Group Risk , they are encouraged to report the incident in accordance with the Whistleblower Policy.** See the Whistleblower Policy for further details.

## 8. Fraud, Bribery and Corruption Assessment

The Chief Legal & Risk Officer and the Group Risk Officer will assess reported incidents, recommend a course of action and develop a management plan in consultation confidentially with representatives from the People and Stakeholder Engagement team.

The Group Risk Officer will record all reports of suspected fraud, bribery or corruption, including evidence available to support the allegation. The Chief Legal & Risk Officer will notify the Stockland Leadership Team and the Audit Committee of the existence of such reports.

Fraud, bribery or corruption incidents that are reported in accordance with the Whistleblower Policy will be managed in accordance with the terms of that Policy.

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## 9. Responding to Fraud, Bribery and Corruption

As far as is possible and subject to legal and regulatory obligations, Stockland will endeavour to maintain the confidentiality of Employees, who report suspicious activity in good faith, in order to protect those people from reprisals or victimisation. There may be circumstances where the law enforcement agencies or regulators will be notified of the fraudulent conduct.

Stockland, where permitted by law, will seek the recovery of money or property stolen or fraudulently misappropriated, through:

- Relevant provisions of the proceeds of crime legislation in the jurisdiction in which the offence was committed, and / or
- Civil remedies in the relevant jurisdiction in which the fraudulent activity was undertaken.

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## 10. Policy Compliance

Failure to comply with this Policy may result in substantial fines and penalties being imposed upon Stockland and may expose Stockland and/or its Employees to civil or criminal liability or other financial or reputational damage. It may put our Australian Financial Services (AFS) licenses and Real Estate Licenses at risk.

Employees who breach this Policy may face disciplinary action including dismissal.

Employees are required to adhere to Stockland's Escalation Policy in reporting any breach of this Policy which they are involved in or become aware of and do so in a timely manner.

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## 11. Review, Approval and Ownership

This Policy (and any material changes) is approved by the Stockland Board. Non-material changes may be approved by the Chief Legal and Risk Officer.

The Group Risk Officer is the Policy Owner and is required to review the Policy:

- When applicable and appropriate, including when there are changes in business practice, legislation and compliance obligations; and
- At least every 2 years

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## 12. Related Policies

- Risk Management Policy
- Compliance Framework
- Code of Conduct
- Government Relations Policy
- Whistleblower Policy
- Securities Trading Policy
- IT, Third Party Security and Information Security Policy
- Third Party Due Diligence Policy
- Stockland AML Program

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## 13. Contact for Questions

Please contact Group Risk at [compliance@stockland.com.au](mailto:compliance@stockland.com.au) for questions on this Policy.