FY21 ESG REPORTING

Social Management Approach

Contents

This document details how Stockland responds to, manages and evaluates the following matters:

ESG MANAGEMENT APPROACHES

Stockland publishes three management approaches covering the environmental, social and governance matters listed below.

Environmental Management Approach	Social Management Approach	Governance Management Approach
Climate change	People and culture	Governance and risk management
Water management and quality	Health, safety and wellbeing	Stakeholder engagement
Biodiversity	Customer engagement	
Waste and materials	Community investment and development	
Asset ratings and certification	Supply chain engagement	
	Human rights	

STOCKLAND ESG REPORTING SUITE

Our ESG Management Approaches document should be read in conjunction with the FY21 ESG Review and ESG Data Pack. Together, these documents comprise our annual ESG reporting suite, which is third-party assured and adheres to the International Integrated Reporting Framework principles of materiality, stakeholder responsiveness, reliability and completeness, the GRI Standards (Core)[1], and the Real Estate SASB Standards[2].

ESG Management Approaches - how we respond to, manage and evaluate our material ESG matters.

ESG Review - our annual ESG performance report on our material ESG matters including achievements, targets, progress, future priorities and case studies.

ESG Data Pack - comprehensive ESG data sets supporting our ESG Review, progress against year end targets, GRI and SASB references.

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[1]   The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/).

[2]   The Real Estate SASB (Sustainability Accounting Standards Board) Standards are industry-specific standards to assist companies in disclosing financially material, useful sustainability information to investors (https://www.sasb.org/wp-content/uploads/2018/11/Real_Estate_Standard_2018.pdf).

1. People and culture

1.1. OVERVIEW

This section sets out our approach to employee engagement, professional development and diversity and inclusion.

The ability to engage and retain our people is critical to our overall business performance. Employees who are engaged are more productive, more passionate about creating a better customer experience and more inspired to innovate and deliver above and beyond standard performance. Highly engaged employees are also likely to be better at evaluating risk and opportunities when they arise for the benefit of our stakeholders.

At Stockland, we recognise the role that lifelong learning plays in providing our people with career resilience in the future of work. Developing our employees' capabilities enables them to enhance performance, drive continuous improvement and deliver on our business strategy and purpose. We're also focused on helping our people grow emerging capabilities such as cyber security. Effectively monitoring and evaluating performance enables us to align our people's actions with our broader business objectives.

Stockland is committed to enhancing the diversity of our workforce and building on our inclusive culture. We aim to maximise the potential of our people and appreciate that individuals with different backgrounds, gender, ethnicity, physical abilities, sexual orientation, family status and thinking styles bring diversity of thought, more informed decisionmaking and ultimately better business outcomes for the benefit of our stakeholders. We believe that Stockland's employees should reflect the diverse range of customers, residents and stakeholders whom we serve as well as the communities we operate in.

An inclusive culture is key to creating an environment that not only harnesses diversity but leads to a true sense of belonging and community. This is at the heart of our purpose: "We believe there is a better way to live". Success in delivering on our purpose depends on our ability to create that same sense of belonging and inclusion within our workforce.

Our Diversity and Inclusion strategy and action plans aim to:

- build awareness and capability of our people leaders to embrace diversity and flexibility
- maximise diversity in leadership positions, in particular the proportion of women in management roles
- create a more inclusive workplace to help our people feel more respected and valued, and to mitigate against the risks of issues such as sexual harrassment
- position ourselves as a diversity leader and advocate in the property sector

1.2. MANAGEMENT APPROACH

1.2.1 Employee engagement

We have a multi-faceted approach to enhancing employee engagement, including career development and reward and recognition programs, health and wellbeing initiatives (refer to Health, safety and wellbeing), giving and volunteering activities (refer to Community development and investment), an inclusive workplace and flexible work arrangements.

Our Voice

We measure employee engagement annually through the Our Voice survey, independently administered by survey provider Willis Towers Watson. The survey measures our level of employee engagement and provides us with valuable information about our people's perceptions and experiences working at Stockland.

The survey generates scores for employee engagement and several other key evaluation metrics such as employee enablement, wellbeing, corporate responsibility and sustainability, diversity and inclusion and leadership. This helps us understand what is working well, where we can improve, and how our performance compares to that of our peers and leading

international companies. The insights provided by employees through their contributions to Our Voice help guide our people strategy and subsequent activities aimed at improving the engagement of our people.

Our Voice survey results are communicated to all employees via business-wide communication channels and cascaded through team debriefs and action planning sessions. Team debriefs are led by a manager and may be supported by a member of the People and Culture (P&C) team. At each level of the organisation, teams identify key themes emerging from the survey results and determine specific initiatives to address these focus areas going forward.

Internal communications

A fundamental component of our employee engagement approach is internal communications, which is managed by our Stakeholder Relations team. Our internal communications strategy clearly outlines why and how we engage with our employees, and sets out five elements that define our ideal future state and how we aim to achieve it:

Ideal future state	How we aim to achieve it
Employees understand and feel connected to the business strategy	Use communications to provide an overview of the strategy and an update on how we are tracking against it. Provide links between employee activities and outcomes. Demonstrate how cross-business collaboration helps achieve business objectives.
The Stockland Leadership Team members are seen as capable and inspiring leaders who openly and regularly communicate	Build support for the Stockland Leadership Team by demonstrating their passion, commitment and knowledge. Build trust through open and honest two-way communication.
General Managers and Senior Managers are effective two-way communicators	Improve leadership and senior manager team communications so that they can communicate change effectively and help employees feel supported and well informed about their business.
Employees are advocates for our brand and values	Increase understanding of the Stockland brand and our values so that employees can advocate for our company.
Employees feel good about coming to work and have the information and support they need to do their jobs well	Provide access to the information employees need, when they need it and via the proper channels.

The Internal Communications team supports the achievement of business objectives by partnering with business units and departments to provide strategic communications advice.

The main channels used to communicate with our employees are digital media (including intranet, blogs, emails, newsletters, award e-cards, polls/surveys, Yammer), face-to-face activities and events (subject to any COVID-19 restrictions) such as employee roadshows, employee town hall meetings, open-invite lunches, team meetings, leaders' forums and networking events. The impacts of COVID-19 have caused us to better integrate virtual communication platforms, which has enabled more two-way communication between our people.

Communication of major operational changes

We lead change through the lens of our values and always start with being open and honest with our people. Where possible, we also encourage our people to provide their own input into how changes will be implemented.

Consultation requirements regarding notice periods for major operational changes are set by Modern Awards that apply to certain employees. With regard to collective bargaining and Enterprise Agreements, a minimum notice time frame is not specified, however they do state that notice of change must be given as early as practicable. We apply a standard approach to consultation, regardless of whether employees are covered by a Modern Award or an Enterprise Agreement.

In the case of major operational changes, we will have discussions with impacted employees (and their representatives, if any) regarding the introduction of the changes, the likely effect on employees, and measures to avoid or reduce the adverse effects of such changes on employees. We will also give prompt consideration to matters raised by employees and/or their representatives in relation to the changes. We will commence discussions as early as practicable after a definite decision has been made to make the changes.

1.2.2 Employee development

Learning and career development

Our learning and development program helps employees as they join the organisation to grow within their roles and to lead their teams in an inclusive way.

Our orientation program and compliance training helps employees understand our organisation, strategy, values and purpose.

Once onboarded, Stockland's Capability Masterplan sets out the broad range of capabilities that will enhance the effectiveness of individual employees and the collective organisation. Our learning and development offerings are centred around building capability in these areas, which encompasses specific technical capabilities as well as broad business and leadership capabilities. This offering may be delivered via a combination of:

- **On-the-job opportunities:** Our employees have opportunities to participate in cross-business projects and initiatives including Employee Advocacy Groups (EAGs) which support our broader diversity and inclusion strategy and Process Action Groups (PAGs) to drive system and process efficiency.
- **In-house or externally-delivered programs:** In areas such as Leading Real Conversations and Development Conversations. Employees also have access to public, in-house or online courses through our partnership with the Property Council of Australia.
- **LeaderZone:** In 2020, we launched an online leadership resource containing practical tools and guides to help our people in leading themselves, others and teams. Anyone in Stockland can access the LeaderZone when and where it works for them. The tools cover a range of topics including leading change, leading inclusively, and supporting health and wellbeing in your team.
- **Feedback:** Employees have at least a single One Up discussion per year with their manager's manager which provides them with the opportunity to share their career aspirations, explore broader career development options and build a stronger relationship with upper management. Where relevant, some employees may also gather broader feedback via 360 degrees leadership reviews and other assessments.
- **3-in-3 Program:** A structured program to shadow an experienced colleague in another part of the business. The program is designed to facilitate cross-divisional learning, provide a more comprehensive understanding of the business and to broaden awareness of potential career opportunities.
- **Further education**: Our Further Education Assistance Policy outlines the three levels of support we offer for employees undertaking further study, depending on the relevance to their current or future role.
- **Coaching:** Targeted to key individuals at senior levels.

Leadership at all levels

All employees are encouraged to create and regularly review a tailored development plan with the support of their leader. This can happen at any time of the year, depending on the needs of the individual employee.

At senior levels, the growth and development of leaders is an individual pathway, slightly different for each person. Key senior leaders may benefit from external assessments with specialist leadership development providers to generate deeper insights and offer additional support with development planning. We seek to align "stretch assignment" – focused on solving the company's most complex problems or to support the delivery of our strategy in key growth areas – with the individual needs of each leader.

Performance @ Stockland

Every year, all employees are required to set clear and measurable objectives which describe how they will contribute to the strategic priorities of their business unit and the broader group. These are collected and tracked via our Performance Management System.

Our performance and development process is described below.

Employee performance is an ongoing focus, reflected in the nature and rigour of our performance review process, outlined below:

- **Objective setting:** Leaders and employees agree to objectives and measures of success for the year, or at the commencement of a new role.

- **Ongoing feedback:** Leaders and employees have regular meetings throughout the year to discuss ongoing performance and progress against employee's objectives.
- **Annual review:** A formal review process is conducted at the end of each financial year and is a summary of the regular discussions that have taken place throughout the year. A performance rating is assigned to reflect the employee's overall performance against their objectives and the Stockland values.

Our performance management framework facilitates fair evaluation of employee performance and equitable remuneration decisions. We measure performance against balanced scorecard objectives that employees set in conjunction with their managers each year. This complex process is made easier and more efficient through the use of our SuccessFactors tool.

We conduct calibration sessions with managers to ensure consistency of performance assessments and to reduce any potential bias. Outcomes for these procedures are reviewed for any gender bias and reported to the Stockland Leadership Team and the Board to increase transparency.

Talent and succession

Every 12-18 months, we assess our leader population (Stockland Leadership Team, General Managers, Senior Managers) to identify employees with the highest potential and to map successors for key leadership team roles (Stockland Leadership Team and General Managers). The talent review process allows us to target our investment to key populations and tailor their development by offering to provide maximum development, visibility and support to further their career at Stockland. Assessment and development planning for key populations is supported by a high calibre, external organisation with expertise in global leadership development. This further enhances the robustness of our approach as well as providing external input into our review process. The resulting talent and succession report, including associated analysis and insights, is shared with the Stockland Leadership Team and P&C Committee for their review and input.

Talent, succession and promotions are reviewed with a number of parameters in mind, including gender. Our annual talent and succession review aims to enable representation by women and men in key and emerging talent pools, and that women and men are considered in succession planning for each key role.

We review identified talent and successors against broader gender participation to highlight and assess any variances. In addition we look to identify talent and successors in job families with lower female participation, such as Development or Project Management, to support our broader diversity and inclusion goals.

Promotions are based on merit by looking at the expected leadership attributes required. Outcomes for these processes are also reviewed for gender bias and reported to the Stockland Leadership Team and the Board for increased transparency.

Graduate program

Every year we recruit a cohort of graduates in a variety of disciplines from Australian universities. Our graduate program aims to build a pipeline of future talent, to introduce diversity of thought, and to provide a high quality early-career experience. The graduate program runs for two years, and all graduates undertake a comprehensive training development program to supplement their on-the-job experience. As part of the program, graduates participate in focused development days, take

part in volunteer days and are allocated a senior leader from the business as their sponsor. Graduates also gain exposure to senior leaders via both one-on-one and group events.

Supporting the graduate program are a number of feeder pools, including:

- the Stepping Into program, which offers internships to undergraduate students with a disability
- the Career Trackers program, which offers internships to undergraduate students from an ATSI cultural background
- the UTS Bachelor of Accounting Sponsorship, which provides internships to accounting students completing their undergraduate degree (students complete two six-month internships with sponsor organisations)
- internships provided to UTS Law students

Supporting careers beyond Stockland

We maintain a strong focus on continued employability and seek to minimise the impact on those affected by organisational restructures and retrenchments. Such employees are supported in the search for alternative employment within our business, in the first instance, or via outplacement services, for those whose roles have become redundant. Our outplacement providers are available to employees and provide services such as career goal setting, job search strategy development, access to office support and comprehensive research facilities, group workshop and seminar programs, small business advisory services and expert advice on money matters.

1.2.3 Diversity and Inclusion

We have defined five key areas of focus within Diversity and Inclusion:

Wellbeing	LGBTI+	Gender Equity	Flexibility	Accessibility & Cultural Inclusion
To support employee wellbeing in a physically, mentally and psychologically safe environment.	To provide an inclusive workplace for current and future LGBTI+ employees.	To foster the equitable recruitment, development, retention and remuneration of persons from a variety of gender identities at Stockland.	To facilitate flexibility and help embed our hybrid work model to accommodate work/life needs, while maintaining business objectives.	To harness cultural diversity and support employees with accessibility needs, whether they are physical or mental or relate to neurodiversity.

Measurement

We track and measure progress through various people metrics within each EAG, which enable leaders and their teams to adjust and refocus their plans on a regular basis. Annually, Diversity and Inclusion metrics appear in the corporate scorecard, and thus impact the assessment of overall performance of the company. Key Diversity and Inclusion targets are approved by the Stockland Leadership Team and Stockland Board. Our progress against many of these metrics are reported transparently both externally and internally.

Employee Advocacy Groups (EAGs) and Stockland's Diversity and Inclusion Committee

The five D&I focus areas above are supported by five Employee Advocacy Groups (EAGs) to build capability and ownership of diversity and inclusion throughout our business.

Each EAG is sponsored by a Stockland Leadership Team member and led by a General Manager or Senior Manager. A diverse group of employees make up each of the EAG groups and helps focus our efforts on issues important to employees.

The Diversity and Inclusion Committee is chaired by our Managing Director and is composed of the EAG Stockland Leadership Team Sponsors, EAG leads, other Stockland Leadership Team members and applicable People and Culture managers.

Wellbeing

Our focus on employee wellbeing encompasses mental, physical and personal wellbeing, with key aspects including:

- providing and promoting our free Employee Wellbeing Assistance Program, as well as our confidential counselling service, which can be used by all employees and their immediate family members
- physical health programs to encourage exercise and healthy eating in our offices, as well as paid medical assessments for senior management personnel
- providing access to facilities that support wellbeing through workplace design e.g. end-of-trip facilities as well as building design features including plants, natural light, ergonomics and quiet spaces
- offering programs that encourage social connection with local communities through workplace giving, paid volunteering leave and our CARE Foundation partners
- mental health support and education for our employees through our CARE Foundation Partners R U OK? and ReachOut
- training programs to help support personal and organisational wellbeing, psychological safety and resilience

LGBTI+

Our LGBTI+ strategy seeks to promote inclusion for employees, customers and communities. We aim to enhance our positioning as an employer of choice for LGBTI+ employees. We have utilised our benchmark results from the Australian Workplace Equality Index to build and execute a targeted strategy. Key focus areas of this strategy include:

- providing guidance and advice on LGBTI+ employee inclusion in regards to communications, policy and employee experience
- enhancing key policies to be more inclusive for LGBTI+ employees
- providing guidance on LGBTI+ issues and inclusivity in external marketing and communications
- supporting and building an 'Ally' network of employees who actively promote their support of their LGBTI+ colleagues
- building awareness and understanding of LGBTI+ inclusion through training and communications with our Stockland Leadership Team, People and Culture and all other employees
- increasing our visual support of LGBTI+ inclusion in our offices as well as our built and digital assets including the use of social media, employee and customer communications, videos, signage and merchandise

Gender Equity

We have a history of strong and long-standing support for gender equity and are committed to maintaining an environment where we encourage and support career development and advancement of all gender identities in our business. Some key aspects of our commitment to gender equality include:

- our Managing Director advocating for gender equity in the broader property industry as a member of the Property Champions of Change group
- being recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for our active commitment to achieving gender equality in the workplace

- gender targets relating to women in management and senior women in management being part of our Corporate Balanced Scorecard
- a commitment to pay equity through ongoing measurement, external audit and targeted actions
- balanced recruitment panels, candidate shortlists and offers with gender service level agreements for our recruitment panel providers
- learning and development programs to help support career acceleration, including a Senior Women's Sponsorship Program with our Stockland Leadership Team and an Accelerated Development Program to develop a pipeline of female talent for the Development job family that has a lower representation of female managers than the wider Stockland population
- career resiliency programs that are available as female-only or as mixed cohorts
- networking events to promote and encourage the leadership of women at all levels
- support for industry programs such as the Property Council Australia's 500 Women in Property to help facilitate industry networking
- enhancing specific policies and guidelines to provide greater support to victims of domestic and family violence or sexual harassment, and advancing education and support to all employees
- organising internal campaigns to raise awareness of gender issues and create a more inclusive workplace where everyone feels safe and respected, such as the Everyday Respect campaign launched in August 2021

Accessibility and Cultural Inclusion

Our cultural inclusion strategy encourages support for cultural participation, access, and the right to express and interpret culture.

Our **Reconciliation Action Plan (RAP)** is closely aligned with our cultural inclusion strategy and outlines our commitment to deepening our understanding of our shared histories, cultures and achievements. Progress against our RAP actions is tracked and reported throughout the year, including targets for indigenous employment opportunities and procurement spend.

Our disability strategy advocates for improved recruitment of people with a disability and supporting accessibility in the workplace. We partner with the Australian Network on Disability to provide undergraduates with work experience through our Stepping Into Internship program.

Flexibility

Our flexibility strategy focuses on making flexibility business as usual. The impacts of the COVID-19 pandemic have highlighted the need to continue evolving flexibility further.

Our workplace practices and leave policies seek to foster a flexible working environment. Work-life balance continues to be important to employee wellbeing and workplace flexibility and a key reason why our people choose to stay with us. Our annual employee engagement survey shows one of our strengths is people feel that "My work schedule allows sufficient flexibility to meet my personal/family needs".

Our position is that all roles are considered flexible. Our commitment to flexible working via Flexibility@Stockland is designed to make it easier for employees to continue to develop a successful career while balancing other commitments outside of work. Our commitment is supported by frameworks, information and guidelines for employees and managers, including our "One Simple Thing" initiative, which encourages employees and managers to discuss the one simple thing that can improve their work/life balance and overall wellbeing. This is supported by tools and regular communication, which is tracked in our people management system.

In FY21, we launched Hub & Home, which is our hybrid work model aimed at encouraging all employees where possible to more effectively balance their personal and professional lives. Hub & Home continues to build on Flexibility@Stockland, empowering teams to discuss the most effective ways of working. We apply key principles to help guide us in what we know is an evolving space.

Parental Transitions

Through a parental transition program our employees are supported prior to and while on parental leave to enable them to be both informed and connected throughout this important stage of their careers. Managers and employees maintain continued focus on career development both during and on return from leave, and employees are partnered with a mentor that has previously been on parental leave to provide guidance and support before, during and after leave where desired. Keeping in Touch Days provide employees the opportunity to stay connected with important business updates and transitioning advice.

We also offer to all employees Work|Life Links, an online resource and advisory service that helps employees find suitable solutions and providers to support them in balancing their work and parental commitments. Work|Life Links assists individuals with information and support regarding any type of dependent care, health and lifestyle service.

Stockland Paid Parental Leave

We provide 16 weeks Paid Parental Leave to primary caregivers with an additional Parental Flex Option where employees can choose either an additional two weeks of paid leave, having super paid during the unpaid portion of parental leave or a lump sum on return. We also provide flexibility for non-primary carers so that they can take leave at a time that most benefits their family. If a non-primary caregiver subsequently assumes the responsibility of primary caregiver within 12 months of birth, adoption or fostering, the employee can take up to an additional 14 weeks primary carer's leave. This encourages all employees, regardless of gender, to take advantage of both primary and secondary carers leave so they can devote time to and care for their child with their partner, which Stockland widely advocates given the numerous benefits it creates.

Our parental leave policy includes surrogacy, adoption and fostering. We have also included stillbirth; in this circumstance employees are supported to take full parental leave. We have also updated our policy to highlight our support for parents whose children experience sudden infant death syndrome (SIDS).

1.2.4 Recruitment and selection

We are focused on preventing discrimination throughout all phases of the employment life cycle, beginning with recruitment and selection. Our recruitment is focused on selecting the best person for the job, taking into account only factors relevant to the person's ability to successfully perform the role. As a default, we seek to advertise all roles internally to facilitate access by all employees and we use gender-neutral language in our advertisements.

We seek to provide a diverse range of candidates for presentation on shortlists and to have male and female interviewers as part of any recruitment process. All senior hires (Senior Manager and above) are reviewed by our Stockland Leadership Team to facilitate transparency around gender outcomes.

Our managers are supported by an in-house recruitment team focused on encouraging decisions based on merit and removing unconscious bias.

1.2.5 Key working groups and industry participation

We aim for inclusive representation on internal committees and working groups that are formed to work on important business initiatives by including employees of different genders, cultures and work patterns. We aim to improve the diversity of views as well as providing career development opportunities for our diverse mix of employees.

We support the Champions of Change's Panel Pledge which means employees will only participate in panel and speaking engagements that can reasonably provide a balanced involvement of all gender identities.

1.2.6 Preventing discrimination and harassment

We are committed to preventing discrimination and harassment. Upon commencing at Stockland, all employees are required to complete an online course on Equal Employment Opportunity. Subsequently all employees are required to complete refresher modules annually. We also run targeted people manager sessions as required to improve awareness of inclusive behaviour, unconscious bias and/or the consequences of stereotypical beliefs.

1.2.7 Workforce analytics

Our annual employee engagement survey, Our Voice, provides detailed analytics of our diversity and inclusion metrics that can be examined by key demographic groups including gender, cultural background and LGBTI+. These analytics provide insights on strengths and opportunities for ongoing focus areas within our workforce.

In addition to our annual talent and succession planning process, we analyse outcomes by gender for all key People and Culture processes, including our annual performance reviews (ratings), promotions, and annual remuneration review (including short-term incentives), and are reported to the People and Culture Committee of the Board.

We also use data from terminating employees (resignations or otherwise), including exit interviews, to highlight any perceived or potential diversity-related issues.

Flexibility targets are part of individuals' KPIs, which helps highlight areas of our workforce that need attention.

People analytics through Microsoft Workplace Analytics produces a picture of aggregate behaviour, which provides insight into teams and risk areas that can be given greater focus and attention to improve wellbeing and career development.

1.2.8 Performance and reward

We undertake a comprehensive analysis of pay by gender ahead of the annual remuneration review to identify any material issues in regards to gender pay equity. This analysis looks at like-for-like roles with a target for our gender pay equity ratio, which measures market positioning of males compared to females for applicable like-for-like roles, to be at 100 per cent, within a tolerance range of +/- three per cent.

In response to this analysis, additional funds may be allocated to address pay gaps that cannot be justified by accepted drivers of pay such as employee performance.

Our approach to performance and reward is intended to:

- achieve gender pay equity
- remove gender bias during the remuneration review process
- provide transparency of our remuneration approach
- hold managers accountable for pay equity outcomes
- maintain a transparent and rigorous performance assessment process

1.2.9 Domestic and family violence

Stockland is committed to providing a safe working environment and this extends to supporting employees if they are exposed to domestic or family violence.

Our support may include one or more of the following:

- People and Culture supporting managers and/or employees with assistance where domestic or family violence is impacting an employee, including development of a safety plan
- the ability to request flexible working arrangements including alternative start and finishing times and alternative locations
- access to our Employee Assistance Program
- uncapped leave for employees who are experiencing domestic or family violence. This leave is critically important to those impacted so they can seek medical or legal assistance, attend court appearances or counselling, relocate or make other safety arrangements. The leave also extends to employees supporting affected family members.

We have provided awareness training for our Executive and General Managers so that they understand the prevalence and organisational impact of domestic or family violence, and have trained First Responders nationally to support managers and/or to be equipped to respond to employees impacted by domestic or family violence.

1.2.10 Sponsorships and memberships

We are a corporate member of the Australian Network on Disability, Diversity Council of Australia, Pride in Diversity and National Association of Women in Construction. These organisations are committed to recognising and maximising the important role of diversity in business and we look to them for benchmarking, resources and education. We also seek sponsorship and partnership opportunities that contribute to thought leadership and advocacy in the property industry.

Our Managing Director and CEO is a key member of the Property Champions of Change and we continue to share and apply learnings from this group.

1.3. REVIEW AND EVALUATION

A comprehensive set of targets and priorities guides our approach to our people and culture. We report on progress against our priorities and targets in our **ESG Review** and **ESG Data Pack**.

Our Voice

We use the results from our annual Our Voice survey as an important source of information in evaluating the effectiveness of our engagement activities and the initiatives executed as part of our people strategy.

The annual Our Voice survey measures key scores for employee engagement and several other valuable evaluation metrics, such as wellbeing, sustainable engagement, diversity and inclusion and leadership communication. The survey questions are reviewed annually with support from our independent provider, Willis Towers Watson, so that the information we gather is consistent for key scores and also takes current priorities around employee engagement into account.

Talent attraction and retention

We recognise that employee engagement has a direct relationship with both productivity levels and talent attraction and retention. As such, we use key retention metrics to determine the success of our employee engagement activities, including employee-initiated turnover, turnover in the first year, and key talent retention. Employee turnover is monitored and reported monthly on a rolling 12-month average. We also track turnover for employees with strong performance or above. We set annual targets for turnover and report on these regularly to our Stockland Leadership Team and Board.

Exit surveys also provide valuable information on key drivers of retention and reasons for leaving. These are analysed every six months.

Internal communications

We measure the reach and impact of our internal communications in a number of ways, such as through the Our Voice survey, page hits on the intranet, open rates of emails, engagement on Yammer, and surveys following employee events, including the employee roadshow.

Employee development

We utilise a range of metrics as proxies for determining the return on investment in employee development, including employee costs, turnover, and leave rates. These metrics are monitored and reported monthly to our Stockland Leadership Team and Board to track overall HR effectiveness and are readily available to senior leaders across the organisation through the HR Dashboard on the intranet.

The annual Our Voice employee engagement survey has a professional development and performance review category, which allows us to see how our people perceive their skill development and performance feedback over the year. We also evaluate each of our learning programs that aim to capture learning transfer and adoption.

Our leadership competencies are built into a 180 degree leadership assessment that our senior leaders undertake as they participate on the Senior Leadership Experience Program.

1.4. RESPONSIBILITIES

The roles and responsibilities associated with our approach to employee engagement, development, diversity and inclusion are described in the table below.

Role	Responsibilities
Managing Director and CEO	Responsibility for diversity and inclusion at a Group level.
Stockland Leadership Team members	Participate on the Diversity and Inclusion Steering Committee, accountability for driving initiatives and actions that deliver improved diversity and inclusion outcomes, and lead Group strategy and engagement on Employee Advocacy Group themes (for Executive Committee sponsors of Employee Advocacy Groups).
Employee Advocacy Group members	Meet key performance indicators related to respective Employee Advocacy Group themes, deliver initiatives in partnership with the Diversity, Inclusion and Communications Manager.
All managers, senior managers, general managers and executive employees	Accountability to support initiatives and achieve diversity and inclusion performance measures such as inclusive leadership practices.
Diversity, Inclusion and Communications Manager	Partnering with the Diversity and Inclusion Committee, Business Unit Leadership Teams, Employee Advocacy Groups and People and Culture Business Partners to set strategy and drive initiatives to enhance diversity and inclusion at Stockland.
All employees	Help inform diversity and inclusion initiatives through engagement and feedback processes, participate in and support local initiatives and adopt inclusive behaviours organisationally.

2. Health, safety and wellbeing

2.1. OVERVIEW

This section sets out how we focus on the health, safety and wellbeing of our employees, contractors and customers.

We are committed to providing a safe environment for everyone who works with us or attends our workplace. We are also committed to providing communities and assets where our residents, visitors, tenants and shoppers feel safe at all times.

We foster a culture where health, safety and wellbeing are core values and continuous improvement of our safety performance is part of our normal business practice. In addition to workplace health and safety, we also focus on employee health and wellbeing. Stress and anxiety can impact job performance, employee satisfaction and retention and ultimately affect the achievement of organisational goals and objectives.

2.2. MANAGEMENT APPROACH

2.2.1 Work health and safety (WHS)

Our vision is to foster a culture where health, safety and welfare are considered core values and continuous improvement of our safety performance is part of our normal business practice. Our **Work Health and Safety Policy** details commitments that support our vision.

Work undertaken by Stockland employees is typically limited to low-risk professional, domestic and maintenance duties. Consequently, employee incidents typically include manual handling related injuries, ergonomic related injuries, muscle strains/sprains and slip/trip/fall incidents.

Our health and safety management system is designed and structured based on AS/NZS4801. We have developed and implemented a multilayered approach to managing WHS and operational risk in all business units across both operations and development. This multilayered approach is a network of periodic internal and external audits, workplace inspections, incident investigations, property and general liability risk audits by insurers and numerous other compliance and risk management initiatives. This approach also extends to our contractors and service providers, including tenants, residents and members of the public.

Our health and safety management framework enables us to effectively manage safety risks through systematic identification, assessment, control and reporting, which includes policy and procedures on incident management, contractor management (including the prequalification of suppliers and contractors), emergency management and work-related injuries.

We complete a comprehensive suite of targeted WHS training activities across the business. This training is delivered through a variety of face-to-face (COVID-19 permitting) and online learning programs. We deliver training programs regularly, including WHS Obligations training to all management and frontline teams across all business units.

In the interest of the health and safety of all employees, our Alcohol and Other Drugs Policy provides guidelines on the use of alcohol and other drugs and also outlines assistance for substance and alcohol abuse.

2.2.2 Employee health and wellbeing

Our focus on employee wellbeing encompasses mental, physical and personal wellbeing, with key aspects including:

- Work|Life Links – an independent national telephone information and resource service that assists employees to balance work-life commitments by providing information and support regarding any type of dependent care, health and lifestyle service.
- Our Employee Assistance Program (EAP) – a free, confidential, independent and professional counselling service available to all our employees and their immediate family members to support wellbeing and help them resolve work or personal issues. The EAP also provides a range of online resources to support wellbeing.
- Mental health support and education for our employees through our CARE Foundation Partners R U OK? and ReachOut.
- Training programs to help support personal and organisational wellbeing and resilience.

We also provide health services to our employees, including annual optional flu vaccinations for all employees and a comprehensive annual executive health assessment for all General Managers and Stockland Leadership Team members. Corporate affiliations provide additional health benefits, including discounts on health insurance, fitness programs, gym memberships and optical services.

Our flexibility strategy focuses on making flexibility business as usual. Our position is that all roles are considered flexible. Our commitment to flexible working is designed to make it easier for employees to continue to develop a successful career while balancing other commitments outside of work. Our provision of technology also allows our teams to stay connected while working flexibly.

More information on flexible working, leave, bullying/harassment prevention and other mechanisms that support employee health and safety is provided in the People and Culture chapter of our Social Management Approach.

2.2.3 Contractor safety and performance

Contractor safety and performance

As construction activities present a high level of risk and are conducted by our contractors, we require principal contractors on all our major projects (e.g. workplace and logistics developments) to have comprehensive WHS management systems. This is verified in the tender review process and performance is monitored throughout the contract execution.

We engage our contractors on health and safety matters in key areas including the direct and indirect procurement process, development and implementation of project-level safety management systems, project inductions, WHS performance monitoring of project delivery and risk reviews, including independent contractor audits. Our **What Stockland Expects from its Suppliers** policy outlines our expectations of suppliers (including health and safety requirements) and assists them to operate in a manner consistent with our corporate, social and environmental values. Through these processes, we communicate WHS expectations clearly and work with our contractors to monitor performance and manage health and safety risks. We deliver site induction training for both staff and contractors.

A critical step in our contractor management process is our third-party prequalification system for all directly engaged contractors conducting physical work onsite. The system supports us to externally validate contractor WHS systems and processes prior to commencement of works onsite. This validation process includes a comprehensive review of contractor safety management systems as well as the verification of insurance and licencing requirements.

We collect lost time injury (LTI) data for principal contractors and their contractors (subcontractors) at development projects. We also collect total hours worked at development projects and report an aggregated contractor lost time injury frequency rate (LTIFR) for our development projects.

Customer safety and security

We consider customer safety and security at critical points in the design, development and construction stages of the project life cycle and throughout our Group-wide business activities. In the design phase, major projects in our Commercial Property and Communities businesses undergo design risk reviews to identify and mitigate potential health and safety impacts. In construction and operations, we carry out regular audits and inspections across our projects and assets to identify opportunities for improved health and safety systems and process performance.

Customer safety and security considerations differ across business units, with safety aspects for Retirement Living varying from those for Residential, Retail Town Centres and Workplace and Logistics. Health and wellbeing initiatives and objectives form part of each business unit's sustainability policy, which sets standards and objectives for each phase in project development.

In our Communities business, we are committed to delivering communities where our residents and visitors feel safe. We recognise that safety contributes to resident satisfaction, enhances our community value proposition and drives customer referrals. Residents' perceptions of safety are surveyed as part of our Liveability Index research.

Customer safety and security measures

We have a range of measures in place regarding public safety and security, which fall into three broad categories:

- physical security
- monitoring and surveillance systems
- notification, awareness and training systems

Physical security generally consists of perimeter fencing, locks/access control systems, boom gates, lighting, environmental design factors (e.g. elevated mall entrances) and vehicle impact mitigation (e.g. bollards). These are standard inclusions across the bulk of our assets with additional security measures implemented as deemed necessary based on local incident trends. Our approach to physical security is supported by our Vehicle Impact Mitigation Guideline. The guideline provides asset-specific security and safety measures to minimise the likelihood and consequence of accidental or malicious incidents caused by motor vehicles.

Monitoring and surveillance systems commonly include closed-circuit television (CCTV) and active security guards.

Notification, awareness and training systems across the group typically encompass a range of visual and audible notifications (i.e. signage and sirens/alerts), communication systems (two-way radio and Emergency Warning and Intercommunication Systems) and procedures and training (emergency guidelines, desktop exercises and emergency training). The application of notification and awareness systems is dependent on the asset type and equipment available (e.g. Retail Town Centres will typically have more sophisticated communication systems than a Residential sales environment). Similarly, our approach to procedures and training is also bespoke to the risk profile of each asset class (e.g. external fire evacuation and emergency management training and monthly desktop scenarios for our Retail Town Centre and Retirement Living portfolios, internal training and bimonthly desktop scenarios across Residential Communities).

Our approach to customer safety and security differs according to the risk profiles of our assets and their customers. The current security and loss prevention methodologies within Commercial Property include traditional security measures of monitoring (CCTV and security guards) and emergency management procedures that are regularly reviewed and enhanced. Our Residential and Retirement Living assets generally have different control measures that reflect their risk profiles, such as cameras and emergency notification systems at our Residential sales centres and communications to residents to assist in mitigating common risks, including unauthorised access.

We have a privacy policy and associated controls and procedures that aim to safeguard the privacy and security of our customers. These controls and procedures help us meet customer expectations around how their information is managed and protected and help us meet our legal obligations under the Privacy Act 1988. This helps build trust with customers while continuing to engage with them as prospects and leads. Our privacy policy is publicly available on our **website**.

2.2.4 Health and Safety Management Systems

WHS, contractor safety, and customer safety are governed by our Operational Risk Integrated Management System (ORIMS), an internally developed system that is implemented nationally. ORIMS defines our approach to managing operational risk and includes compliance with associated regulatory requirements. ORIMS is aligned with the relevant WHS legislation and AS4801. Our risk management framework also includes business continuity plans for our assets and insurance management for our business, including workers compensation insurance.

All health and safety incidents are recorded in our incident recording and investigation system, which includes an automated escalation process and reports for tracking implementation of actions related to incidents or audits.

2.2.5 Cyber security

Our business leverages IT systems, networks and data to operate efficiently. Managing potential IT system failures and cyber security breaches are a focus area to help us manage the risk of loss of sensitive information, operational disruption, reputation damage and fines and penalties. As we continue to digitise our business and enable digital services for our customers, protecting the information and the privacy of our customers has become increasingly important.

Technological safety is integral to our overall working environment and there are measures in place in order to protect our business and employees from cyber security related threats, including:

- providing employees with a digitally safe working environment
- protecting systems, networks and end-point devices
- putting policies in place on how to safely access and manage data, for both employees and third parties
- mandatory training for all employees to identify and manage potential threats
- vulnerability testing of key systems and simulated cyber attacks to identify potential gaps and improvement areas

We have a dedicated Cyber Security team who manage all cyber security related incidents in conjunction with third-party services and focus on cyber resilience.

2.3. REVIEW AND EVALUATION

We review and evaluate progress against health, safety and security objectives as part of our annual ESG reporting.

2.3.1 Work Health and Safety

Our national Operational Risk Assurance Program incorporates WHS and ascertains the level of compliance with operational risk procedures. Progress against audit action items is monitored and reported on by the Operational Risk team.

Our WHS systems are reviewed periodically by external legal and WHS consultants as well as internally. Reviews often follow changes in legislation and relevant standards but also occur on an informal basis as needed.

2.3.2 Employee health, safety and wellbeing

Each year our employees complete Our Voice, our externally administered employee engagement survey annually. The results of the Our Voice survey relating to health and safety and work-life quality and wellbeing are reviewed and analysed by our People and Culture team with feedback provided to the business. We subsequently develop action plans with support from People and Culture to implement improvement strategies.

To analyse employee wellbeing, the People and Culture team draws on several data sources. These include usage rates of the Employee Assistance Program (generally less than five per cent), carers/personal leave rates, Our Voice survey results (particularly the Wellbeing Index), feedback from the related action planning sessions and feedback from People and Culture Managers and employees.

2.3.3 Customer safety and security

Internal reviews and external insurance property and general liability audits are undertaken regularly to measure compliance with operational risk policies and procedures. This includes a review of public safety and emergency response planning at an asset level. Risks identified through the audit program are electronically recorded, monitored and tracked so that compliance and identified gaps are addressed by relevant responsible management teams in a risk-prioritised order.

In addition, self-assessments are undertaken by each asset to achieve compliance against our operational risk management system. Our Operational Risk Managers then undertake sample verification checks of the self-assessment checklists.

2.3.4 Cyber security

Cyber security related incidents, threats and associated risks are regularly reviewed, including in the Cyber Security Governance Committee monthly meetings with representatives from our Technology and Group Risk teams. This forum is responsible for identifying and mandating any mitigation actions, including but not limited to changes to existing controls, implementation of new controls, identification and implementation of cyber security related training courses for employees via SuccessFactors and/or running of simulated cyber attacks to verify readiness, with the overall goal to reduce cyber security related risks.

2.4. RESPONSIBILITIES

The table below describes key roles and responsibilities associated with our approach to health, safety and security. Health, safety and security is considered a fundamental and integral part of everyone's role at Stockland, and is integrated into the Balanced Scorecard approach to employee performance management framework. As such, there are clear health and safety objectives, accountabilities, KPIs and capabilities defined for every role in the company.

Role	Responsibilities
Board of Directors	Oversees management's implementation of an effective system of risk management, compliance and control across the organisation.
Board Risk Committee	Assists the board to discharge its responsibilities in relation to assessing the effectiveness of our overall risk management framework. Supports a prudent and risk aware approach to business decisions across the company. Works with the Audit Committee, Sustainability Committee and People and Culture Committee to assist the board in fulfilling its responsibilities for sound management of risk and compliance across the company.
General Counsel and Company Secretary	Effective implementation of our risk management systems relating to health, safety, customer safety and security at a Group level.
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Oversight of health and safety initiatives and outcomes within their respective business units.
Stockland Leadership Team	Supports the implementation of our risk management framework, compliance framework and internal audit function.
Group Risk Officer	Leadership of Group Risk team and establishment and management of our risk management framework, compliance framework and internal audit function.
Group Risk team	Establish frameworks to help the business identify and manage operational risk, including the development and implementation of workplace health and safety programs and monitoring of workplace health and safety performance of our employees and contractors.
People and Culture team	Management of our employee health and wellbeing activities.
Chief Innovation, Marketing and Technology Officer	Effective implementation of our risk management systems relating to IT infrastructure and cybersecurity at a Group level.

3. Customer engagement

3.1. OVERVIEW

This section sets out how we engage with our customers to understand their changing needs and enhance the customer experience. These insights are critical to the sustainability of our business and the ongoing relevance and reputation of our brand, products and services.

Our commitment to customer engagement is consistent across our diverse customer base, which includes:

- the people who live in our Residential communities
- the people who live in our Retirement Living communities
- the people who may potentially live in our Residential and Retirement Living communities
- shoppers and retailers in our Retail Town Centres
- workplace and logistics' tenants across our commercial assets

3.2. MANAGEMENT APPROACH

3.2.1 Engagement methods and research

Strong customer engagement is a priority for Stockland, and involves:

- understanding who the customer is and relative customer segments
- identifying customer values and needs and developing relevant value propositions
- understanding the customer journey and establishing a high standard of customer service excellence
- committing to measurable investments that create both new customers and brand advocates who are willing to share their experience with friends and family
- unlocking the value of positive customer experiences by encouraging existing customers to refer friends and family

Customer engagement methods and objectives vary across business units due to the different requirements of our diverse customer base. We focus on understanding customer segments and what drives value for these customers to inform strategic decisions regarding portfolio mix, design, delivery and operation of new and existing assets.

Customer insights

- understanding the needs, values, attitudes and behaviours of current and prospective customers
- quantifying the size and value of different segments within defined catchment areas for our assets

Customer analytics

- using behavioural data for customer segmentation, targetting potentially similar looking new customers, understanding the most critical parts of the customer journey and identifying current and emergent trends
- utilising machine learning and predictive modelling for lead prioritisation and to optimise the customer experience and conversion

Customer experience(CX)

- developing strategies to drive a positive customer experience
- measuring the experiences of our customers to evaluate areas for improvement in service delivery and in the design/ operation of our assets
- this includes annual surveys and regular ongoing engagement with our customers to provide quality service and prompt management of any issues

Customer insights are provided to the respective business units and projects and these insights are used across the business (such as development, sales, marketing, business development and sustainability and placemaking) to inform strategy and decisionmaking and help our assets meet the evolving needs of our customers and the community.

Learning and improving via customer feedback

Stockland is committed to collecting, understanding and learning from customer feedback, both positive and negative. It is critical for Stockland, as a customer-centric organisation, to handle feedback in a disciplined manner for the continuous improvement of our products and processes. Proper handling of feedback maximises customer satisfaction while also protecting our reputation, mitigating risks and increasing trust and transparency with our customer.

In April 2021, Stockland launched the Customer Advocacy Group (CAG) and Customer Champion Groups (CCG) across our business units, demonstrating our commitment to drive and embed a customer-centric culture that creates a superior customer experience, leveraging all levels of our business.

These groups work with the business to prioritise and deliver initiatives and projects designed to enhance our customer experience and customer-centric culture. Starting with the customer, listening to and understanding different layers of feedback and data, the groups apply a customer-led lens to determine which projects will maximise customer satisfaction and the creation of value for Stockland.

3.2.2 Management approach by business unit

Our key customer engagement mechanisms for each business unit and customer group are outlined in the table below.

Key customer engagement mechanisms	Business Unit				
	Group	Commercial Property	Residential	Retirement Living	Land Lease Communities
Brand Reputation Tracking[1]: • Measuring Stockland's corporate reputation	X				
Brand Health Monitor[2]: • Measuring perceptions, values and drivers amongst prospective customers	X	X	X	X	X
Stockland Exchange Community: • Online community for B2C customers		X	X	X	X
CX monitor[3]: • Measuring CX throughout the customer journey • Coverage of B2C and B2B customers		X	X	X	X
Resident Deep Dive: • Liveability • Residents Voice			X	X	
Social Listening: • Social media sentiment and topic profiling using Machine learning/neurolinguistic programming capability		X	X	X	X

1   Survey among general public to measure reputation of the largest companies in Australia (according to the IBIS World 2000 list).
2   Survey among general public to measure how our brand performs in terms of awareness, consideration, preferences and imagery vs competitors.
3   Survey among prospective customers to measure satisfaction with the sales experience, including products and services offered.

3.3. REVIEW AND EVALUATION

We review and evaluate our progress against our customer engagement and experience targets in our annual ESG reporting, centred on metrics such as retailer/tenant satisfaction, liveability, likelihood to recommend and resident wellbeing.

We use and review customer research at Project Control Group meetings (monthly meeting to review progress of development projects) and Asset Control Groups, which review and respond to customer experience findings. In addition, key insights from customers and other research are incorporated into Investment Review Group papers and reviewed by the Research team to enable customer insights to be accurately reported and considered in investment decision-making. The Customer Insights team works with the business units to set and review customer research-related KPIs so that they are attainable and in line with customer expectations.

3.4. RESPONSIBILITIES

The roles and responsibilities contributing to the execution of our approach to customer engagement and experience are described in the table below.

Role	Responsibilities
Chief Innovation, Marketing and Technology Officer	Responsibility for customer insights and experience at a Group level.
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Responsibility for customer experience in their respective business units. Each business unit has customer-focused key performance indicators designed to continually improve customer engagement.
Stockland Leadership Team	Supports the delivery of our customer engagement and experience approach.
General Manager of Customer & Group Marketing	Responsible for driving customer-centricity within Stockland as well as the implementation of marketing using customer insights within each of the business units. Reports directly to Chief Innovation, Marketing and Technology Officer.
National Customer Experience Manager	Set group-wide strategy and support business units to deliver a differentiated customer experience and drive commercial outcomes.
Customer Insights team	Management of company-wide customer insights and customer analytics and informing strategic recommendations.
Group Research	Analysis of customer insights from our customer relationship management system as well as providing marketing analytics to increase customer leads, conversion and retention.
Market Insights team	Analysis of industry data and using it to inform a product and pricing strategy.
Customer-facing employees	Meet evaluation criteria for customer service.

4. Community investment and development

4.1. OVERVIEW

This section sets out our management approach to how Stockland shapes thriving communities, which includes our work in the areas of community investment and community development.

As one of Australia's largest diversified property groups, we are well placed to have a positive and lasting impact on the communities in which we operate. We believe there is a better way to live and our goal is to create and shape communities that thrive now and into the future.

We seek to achieve this goal in and around the communities located near our Stockland assets by focusing on health and wellbeing, community connection and education.

Our proprietary customer and industry research tells us these are the areas that matter when our customers are deciding where to live, play and shop.

Our contribution to creating and shaping thriving communities is coordinated through:

- **Community Partnerships and Programs** – social infrastructure and programs across our three focus areas
- **Community Investment** – our employee volunteering and giving programs
- **Community Development** – projects and initiatives that enhance the communities at our assets
- the **Stockland CARE Foundation** – our charitable trust, which delivers infrastructure, programs and initiatives to Australian communities.

4.2. MANAGEMENT APPROACH

4.2.1 Strategic priorities

Our contribution to creating and shaping thriving communities is achieved through the delivery of social infrastructure and programs across our three focus areas: health and wellbeing, community connection and education. We have strategic priorities in each focus area:

Health and wellbeing

- promote activities and places that encourage positive physical and mental health and wellbeing
- incorporate design that optimises accessibility, safety and mobility

Community connection

- promote activities that foster engagement, pride and a sense of belonging
- promote design that creates a sense of place and supports recreation and participation
- incorporate accessibility and inclusiveness into the design of our assets, communities and supporting infrastructure

Education

- promote programs that support economic employment within our communities
- incorporate design that facilitates learning and education opportunities for all ages

Health and wellbeing
We are focused on promoting the health and wellbeing of our Residential and Retirement Living communities and the communities living around our Retail Town Centres. We seek to provide our communities with access to fresh, healthy food and encourage participation in active and healthy living practices. This focus is supported by our liveability research that

illustrates the value communities place on parks, open spaces, recreational infrastructure and a feeling of safety within their communities.

We seek to activate communities with health and wellbeing programs that support positive physical and mental health for all ages, such as exercise and recreational groups, healthy eating and cooking programs as well as physical and mental health information services.

We seek to provide (or facilitate the provision of) infrastructure that supports community health and wellbeing, such as accessible community amenities and services, active public transport options, parks and recreational facilities, walking paths, cycleways and inclusive playspaces.

Community connection

We invest in community connection by focusing on activities that support self-sustaining social cohesion. Our focus and commitment to community connection reflects our research that indicates our residents desire greater connectedness.

We seek to provide (or facilitate the provision of) infrastructure that supports community connection, such as community centres, hubs, public art, place-making initiatives and multi-use formal and informal spaces. For greatest impact, we seek to engage with community groups on projects and encourage participation in the vision, design and development process.

Education

Our focus and commitment to education is supported by customer research, such as our proprietary Liveability Index, which identifies access to and quality of education as a major driver of personal wellbeing and prosperity for individuals, families and communities.

Critical to the delivery of this focus area is providing access to formal and informal opportunities (including mentoring) for quality education and skills development at all life stages, and, through this access, enhancing the economic prosperity of our residents, retailers, customers, local communities and other stakeholders.

Infrastructure that supports sustainable education includes the effective design and delivery of schools, libraries and learning hubs, local employment and training facilities, connectivity centres in partnership with contractors and local employment services, retailer training programs and coworking spaces.

4.2.2 Community partnerships and programs

We have close working relationships with a variety of community organisations that help us deliver social infrastructure and programs in and around our assets. These partners align with our three community focus areas: health and wellbeing, community connection and education.

We categorise our community partners and programs as foundation, national or local:

- **Foundation** partners are those we work with through the Stockland CARE Foundation. The Stockland CARE Foundation directs its financial and in-kind support to organisations that positively impact the health and wellbeing and education of communities in and around our assets.
- **National** community development programs and partners have national reach across our assets and projects and work with our teams to deliver infrastructure and programs aligned with our three focus areas. National partnerships are managed by our national Sustainability Team and are selected based on assessment criteria outlined in our **Request for Charitable Support and Sponsorship Guideline**.
- **Local** community partners and programs work with our asset teams at the local, regional or state level to deliver ad hoc events or programs in and around our assets, servicing a particular need of the local community. Local community partners are not required to meet the same criteria as national or foundation partners, as they meet bespoke, local community requirements.

We review new community partner opportunities according to criteria outlined in our **Request for Charitable Support and Sponsorship Guideline**. This **guideline** is also available for community members and organisations that request financial, in-kind or other types of support from us.

Our community partnerships, programs and resources are summarised in our annual **ESG Review** and **ESG Data Pack**.

4.2.3 Community investment

Workplace giving

Workplace giving at Stockland allows all full-time, part-time and fixed-term employees to make donations to a charity of their choice from their pre-tax income. We match 100 per cent of these employee contributions up to $5,000 per individual to an overall cap of $100,000 each financial year and absorb the associated administrative costs, maximising the financial donation to the charity.

We partner with **Good2Give** to administer our workplace giving program.

Corporate donations

Corporate donations are made in response to specific events and ad hoc charitable purposes, in line with our internal policy related to charitable support and sponsorship. These donations may be in support of a number of charitable causes, including emergency relief appeals in and around our assets or one-off community investment opportunities that align with other Stockland programs.

In-kind support

We also provide local community groups with in-kind support (such as community space in our retail centres or access to land for charitable purposes) at either no cost or at a discounted rate.

Volunteering

Our volunteering program provides our employees with the opportunity to volunteer with an organisation of their choice or with our national community partners in and around our communities. We provide opportunities for our employees to participate in volunteering opportunities that have a clear and positive impact on community health, education or connection.

Employees can volunteer their time and skills in three key areas:

- **Team volunteering** provides much-needed support to our local communities as well as serving as a powerful team building exercise, and gives employees a chance to connect with our customers and communities. We encourage all our employees to participate in at least one team volunteering day each year. Employees are also provided with two additional community volunteering days each year as part of their leave entitlements.
- **Student mentoring** provides a way for individual employees to volunteer their time and skills as part of a facilitated program. We provide opportunities for our employees to mentor both primary and high school students through our partnership with the Australian Business and Community Network (ABCN).
- **Personal volunteering** supports full-time and part-time employees to take up to 16 hours of personal volunteering leave per year for a charity of their choice, in addition to their team volunteering activities. Personal volunteering can also take place through flexible working arrangements agreed upon by employees and their managers.

4.2.4 Community development

Community development refers to the projects and initiatives designed to enhance the communities at our Residential communities, Retirement Living villages and Retail Town Centres.

Selected assets and projects across our Retail Town Centre, Residential and Retirement Living portfolios complete a community development plan to facilitate community activities and initiatives for the upcoming financial year:

- Retail Town Centres devise community development plans that outline the key community development activities to be performed throughout the year. All city, regional, subregional and neighbourhood Retail Town Centres typically have a community development plan. However, some small neighbourhood centres within our Residential masterplanned communities, such as Stockland Baringa, are not required to have a plan. This is due to its small size, where there is little direct opportunity and where there is a community development plan in place for the broader Aura community.
- All Residential communities are required to develop a community development plan for the financial year in which new residents first move into their new homes. Community development plans are reviewed to integrate Liveability Index results, national community standards and targets (where appropriate) and new partnership and program opportunities.

- All our managed Retirement Living communities (in development and established) have a community development plan that captures national community development initiatives, community grants and CARE Foundation activities. In our Retirement Living portfolio, we only report on those community development activities that have been coordinated at a national level.

Selected assets and projects across our Retail Town Centre, Residential and Retirement Living portfolios complete a community development plan (incorporated into the sustainability plan for Residential communities and the asset plan for Retirement Living communities) to facilitate community activities and initiatives for the upcoming financial year.

4.2.5 Stockland CARE Foundation

Founded in May 2015, the Stockland CARE Foundation is a charitable trust established to deliver programs and initiatives to improve the lives of people living in or near Stockland communities. The Stockland CARE Foundation directs its support to strategic and aligned charitable partners who help Stockland deliver on this purpose.

In September 2019, the Stockland CARE Foundation brought together charity partners ReachOut Australia, Redkite and R U OK? in a collaborative partnership model that aims to improve wellbeing in communities across Australia. The Foundation will invest more than $1 million and ongoing non-financial support (such as through volunteering and the provision of meeting spaces at our assets) over the next three years to help support mental health programs in Australian communities. Further information is available in the **CARE Foundation section of our website**.

The Stockland CARE Foundation Board oversees the Foundation strategy and programs and the Stockland CARE Foundation employee network supports the Foundation through communicating activities, recruiting volunteers, helping with events and sharing insights.

Further information on the governance of the Stockland CARE Foundation can be found in our Governance Management Approach.

4.3. REVIEW AND EVALUATION

We set targets and priorities that guide the delivery of social infrastructure and programs across our three focus areas of health and wellbeing, community connection and education.

We report on our progress against these targets as well as our commitments and targets for community investment, community development and the Stockland CARE Foundation in our annual **ESG Review** and **ESG Data Pack**. In this reporting, we include:

- a status update and measurement of our progress against our short, medium and long-term targets
- detailed commentary on the priority actions that contribute to the achievement of key targets
- the identification of future priorities
- highlights of initiatives implemented over the reporting period
- case studies that explore key achievements, usually at particular locations

4.3.1 Community partnerships

Each existing national partnership is periodically reviewed and evaluated for community uptake and achievement of its desired impact. Each partner is also required to provide us with consistent reporting, including the number of participants involved and program frequency.

All new or potential community partners must submit a proposal to our Sustainability Team, in accordance with our **Request for Charitable Support & Sponsorship Guideline**.

4.3.2 Community investment

We collect, measure and report data relating to community investment initiatives on an annual basis, including our time, monetary support and in-kind donations given to charities and community groups. We collate and analyse this data to inform any modifications to our approach and to communicate the outcomes of our activities to our stakeholders. We continue to work with Business for Societal Impact to validate the data collected, verify the validity and accuracy of Stockland's reported community investment datasets, and to benchmark our performance relative to other Corporate Citizenship members.

We also undertake reviews of programs, partners and participation rates to measure and report the effectiveness of our approach.

4.3.3 Community development

All projects and assets that complete a community development plan are required to submit their plans to the national Sustainability Team for review and report on the delivery of initiatives over the previous financial year. This includes initiatives implemented, total spend and the commercial and social outcomes achieved.

The national Sustainability Team collates data from each community development plan and tracks the progress of community development against our sustainability strategy and targets.

The ongoing impact of the COVID-19 pandemic

The COVID-19 pandemic continues to impact our assets, customers and communities and we remain committed to supporting those people affected. The rolling lockdowns within Australian states and territories have a direct impact on the ability of our customers and communities to physically connect and participate in local community programs and activations. We continue to focus on delivering our community activations virtually, and where possible, in person.

4.3.4 Community engagement

We use business-specific tools and resources such as online research platforms and face-to-face customer consultation sessions to directly engage with community members throughout the year. This provides us with confirmation on where we are successfully delivering community development initiatives in accordance with our sustainability strategy, and allows us to refine our processes if required. Refer to the Customer Engagement chapter of our Social Management Approach for further information on the mechanisms we use to seek feedback from customers.

4.4. RESPONSIBILITIES

The roles and responsibilities related to our management approach to community investment, community development, and the Stockland CARE Foundation are provided in the table below.

Role	Responsibilities
Board Sustainability Committee	Oversight of community approach, targets and performance tracking.
Chief Financial Officer	Responsibility at Group level for community investment, community development and the Stockland CARE foundation. Reports directly to the Managing Director and CEO.
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Accountability for community development delivery within respective business units.
Stockland Leadership Team	Supports the delivery of our community approach.
National Manager – Group Sustainability, supported by National Sustainability Managers and the CARE Foundation Manager	Effective implementation and evaluation of community investment and development approach. Provide guidance to Commercial Property and Communities' asset teams to deliver sustainability plans.
Development Managers and Asset Managers	Effective delivery and management of community development at a project and asset level.
CARE Foundation Board	Oversight of Stockland CARE Foundation strategy and programs (Board composition provided in our Governance Management Approach).

5. Supply chain engagement

5.1. OVERVIEW

This section sets out our approach to managing our procurement and supply chain activities.

Every year, we partner with hundreds of suppliers that include construction contractors, design consultants, building services contractors and suppliers of office products. We work to build strong partnerships with our suppliers so that they are motivated to operate in a manner that is consistent with our values and standards by considering social, environmental and human rights-related factors in procurement decisions.

We are committed to responsible procurement and sustainable supply chain management. We recognise that having a sustainable supply chain is fundamental to having a sustainable business.

We adopt a Group-wide strategic approach to managing our procurement and supply chain activities across our three key focus areas, which represent different aspects of our business, as outlined below. Direct procurement spend associated with the development of our assets accounts for approximately 75 per cent of our annual spend, with operational and corporate procurement representing approximately 15 per cent of annual procured spend combined, and the remaining 10 per cent for non-procurement activities like tax.

Development	Operations	Corporate
Design and development construction, contractors and consultants	Service providers across our assets	Suppliers of corporate goods/services

5.2. MANAGEMENT APPROACH

5.2.1 Supply chain framework

We work with a wide and varied range of suppliers and endeavour to build partnerships with suppliers who operate in a manner that is consistent with our values and standards. Our expectation is that our suppliers and their supply chain comply with Australian federal, state and local laws and regulations including but not limited to labour laws, environmental regulations and workplace health and safety standards. Where a supplier's operations occur outside Australia, our expectation is that our suppliers comply with legislation in the country (or countries) of operation as well as the ten principles of the United Nations Global Compact.

Our supply chain framework outlines six key focus areas for our supply chain to help us deliver sustainable outcomes. This is supported by our **What Stockland Expects from its Suppliers** policy, which is available via our website. Acceptance of this policy is a prerequisite for any new supplier as well as any supplier participating in a tender.

Stockland supply chain framework

Governance and Management	Environmental Impact	Health, Safety and Quality
Stockland seeks to work with suppliers who are transparent and accountable in how they do business. This includes complying with all legislation and standards as well as acting ethically in all their dealings with us and in the marketplace.	Stockland believes every organisation has a responsibility to understand and manage their environmental impacts. As such, we seek to work with suppliers who have sustainable procurement practices and prioritise the use of sustainable materials.	Stockland provides a safe and healthy work environment. We implement high standards in health, safety and quality across our operations and expect the same standards from our suppliers.
Social Value	**Human Rights**	**Innovation, Capability and Capacity**
Stockland believes business can play a positive role in society. We encourage our suppliers to identify ways to positively contribute to the communities in which we operate.	Stockland respects and promotes safe, fair, diverse and inclusive workplaces. We seek to work with suppliers who have appropriate labour practices and values consistent with our company. Reviews regarding modern slavery are discussed in the Human Rights chapter.	Stockland works collaboratively with industry partners and suppliers to achieve innovative and sustainable outcomes. We seek to work with suppliers who have proven capability and capacity to work collaboratively to achieve better outcomes.

We use the supply chain framework to hold suppliers accountable for cohering to our values and we respond to any environmental, social and labour practice risks or impacts that we identify.

5.2.2 Supply chain procurement

We procure goods and services from a diverse range of suppliers, with the main categories shown in the diagram below. In addition, we recognise that directly-engaged suppliers often depend on products and services supplied by others, who in turn may depend on another level of suppliers, and so on. This means we engage a number of producers and service providers in addition to our immediate suppliers.

How we categorise suppliers

Building contractors (civil and built form)	Marketing and advertising	Travel and accommodation
Design consultants (architects, engineers)	Utility providers	Legal
General consultants	Insurance	Real estate
Service providers (cleaning, security, waste)	Information technology	Human resources

We actively monitor and manage our suppliers by categorising suppliers by services provided as well by as tiers based on annual spend. Our Tier 1 suppliers are classified as those that involve a direct spend greater than $5 million, with these suppliers predominantly those involved in the development and construction of our assets. This process provides a means of identifying strategic business opportunities to influence sustainability within our supply chain, further mitigating risk and enhancing the quality of our business and sustainability outcomes. We are also taking practical steps to engage with a larger proportion of our supplier base in order to gain a greater understanding of the risks and opportunities in our broader supply chain.

Our development spend is predominantly procured with Australian suppliers. Given the geographic spread of our projects across Australia, we encourage our suppliers to procure from local communities. On some of our larger projects, we have worked with the principal contractor to collect data on local procurement. While we do not have systems to report local procurement spend across all of our projects, we are committed to sourcing labour, goods and services from the local communities in which we operate.

5.2.3 Supplier management systems

We seek to work with suppliers who have demonstrated sustainability capability and have certified management systems, facilitating optimal sustainability outcomes in the delivery of our projects. All new critical suppliers are screened using labour practices criteria such as employment practices, health and safety practices and history of incidents. More information on contractor health and safety priorities and achievements can be found in the Health, Safety and Wellbeing chapter.

All of our contractors on projects seeking a Green Star rating with contracts over $5 million (for Green Star Communities) or $10 million (for Green Star Design & As Built) are required to have a valid ISO 14001 Environmental Management System accreditation prior to and throughout the duration of the project contract.

5.2.4 Development projects D-Life process

Due to the inherently complex nature of property development, the large number of suppliers involved, and the diverse services, materials and equipment required to deliver large-scale developments, we apply our project life cycle process for development projects (D-Life), which covers the development life cycle from concept to completion.

D-Life identifies specific gates with critical control points. It requires approval before proceeding to the next phase of the project life cycle, while enabling compliance and reducing risk. In addition, we set minimum sustainability, environmental and social requirements of our suppliers during the tender and project delivery processes, as outlined in the figure 1.

Figure 1: D-LIFE VALUE CHAIN: Critical Control Points within the Project Life Cycle

STAGE 1 Identify Opportunity (Acquire / Develop)	STAGE 2 Propose Opportunity	STAGE 3 Plan and Obtain Approvals	STAGE 4 Detailed Design and Tender	STAGE 5 Construct and Deliver	STAGE 6 Complete / Manage / Divest

PLANNING & DEVELOPMENT	DESIGN & PROCUREMENT	DELIVERY & OPERATION
DESIGN BRIEFS • Clearly outlining and defining project objectives and deliverables with specific sustainability objectives.	**PREQUALIFICATION AND ASSESSMENT PROCESS** • To ensure suppliers have the capability and demonstrated ability to meet general and project-specific sustainability and quality requirements. • This process assesses the proven occupational health and safety systems, financial viability, environmental, social and sustainability capabilities of potential suppliers. • Tender assessments are weighted to achieve a balance of cost, time, capability and sustainability objectives.	**CONTRACTS** • Project delivery is controlled through prescriptive scoping of the project objectives and deliverables and through standard contracts, by which the suppliers commit to meeting specific requirements. • Contracts incorporate specific requirements regarding occupational health and safety systems and environmental, social and sustainability obligations (e.g. Workplace Health and Safety, Green Star, Environmental Management Plan). **MONITORING, REPORTING AND COMPLIANCE** • Detailed reviews and reports on our strategic suppliers are undertaken, requiring information on workplace health and safety, environmental, community grievances, quality and financial viability. • These reports are provided monthly and enable early qualification and quantification of potential project risks and where required are elevated through the project risk governance framework for review by senior management and the Executive Committee. • Corrective action plans are developed and implemented where required, in conjunction with our suppliers, outlining plans and a road map for improvement. Corrective action plans are then reviewed for compliance. • We conduct in-house and third party audits on various aspects of our sustainability requirements, including health and safety and environmental performance.

5.3. REVIEW AND EVALUATION

We review and report on our progress against annual procurement and supply chain priorities in our annual ESG reporting.

To further evaluate the effectiveness of our management approach, we engage with industry bodies and incorporate best practice processes and procedures across our business. We also consult external stakeholders to stay informed about current trends and material issues and regularly benchmark against our peers.

By regularly reporting our progress to our Stockland Leadership Team and to our Board, we continually review our performance so that our approach remains relevant and effective.

We regularly identify opportunities to reduce capital and operational expenditure. The spend analysis also serves to inform our procurement strategy and enable the setting of tactical and strategic initiatives for the new financial year. Additional

mechanisms for evaluating the effectiveness of our approach include our internal strategic review and the internal audit process within our broader risk management approach (see our **Governance Management Approach**).

5.4. RESPONSIBILITIES

The table below describes the roles and responsibilities associated with our approach to supply chain management.

Role	Responsibilities
Business unit CEOs, Managing Director and CEO	Responsibility for procurement and supply chain management practices within their teams, business units and activities
Stockland Leadership Team	Supports the delivery of our approach to supply chain management
General Manager – Group Project Management and National Operations	Responsibility for procurement processes and procedures on our development projects and operations. Accountable for the execution of these policies within Project Management and National Operations Reports directly to Chief Investment Officer and indirectly to business unit CEOs
General Managers of Property Management (Retail Town Centre and Workplace), Logistics and Business Parks and Operations (Retirement Living) supported by Procurement Manager, Asset Management and Operations	Oversight of supply chain and procurement activities related to operations of Commercial Property and Retirement Living assets Reports directly to respective business unit CEOs
National Procurement Manager, Group Finance	Procurement activities in our indirect supply chain and administration of Group procurement policy and systems Reports directly to General Manager - Group Treasury

6. Human rights

6.1. OVERVIEW

This section sets out our management approach and key focus areas for the business regarding human rights.

In accordance with the UN Guiding Principles on Business and Human Rights, we are committed to respecting and promoting human rights consistent with the International Bill of Rights (including the Universal Declaration of Human Rights the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and with the eight fundamental conventions of the International Labour Organisation.[1]

6.2. MANAGEMENT APPROACH

6.2.1 Policies and approach

Human rights

Stockland operates wholly within Australia, a country with a long history of democratic government, judicial independence and high standards of governance, and with legislative regimes relating to human rights including labour standards, privacy and non-discrimination. Our commitment to both respect and promote human rights underpins our business activities and stakeholder relationships, which is appropriately reflected in our human rights policies and procedures. We acknowledge that our supply chain extends beyond Australian borders, and are cognisant of emerging concerns regarding modern slavery. We do not tolerate behaviour that is in breach of the law or our corporate policies.

We respect and seek to promote human rights through corporate policies, programs, initiatives, project and asset guidelines and broader governance and stakeholder management methods. We are a signatory to the United Nations Global Compact (UNGC) and we support the ten principles of the Global Compact on human rights, labour, the environment and anti-corruption.

Corporate policies that reflect and support our commitment to respecting and promoting human rights include:

- **Human Rights Policy**
- **Code of Conduct**
- **Fraud and Corruption Policy**
- **Whistle-blower Policy**
- **Our Approach to Diversity and Inclusion**
- **Anti-Discrimination and Harassment Policy**
- **Conflict of Interest Policy**
- **Work Health and Safety Policy**
- **What Stockland Expects from its Suppliers**
- **Government Relations Policy**
- **Environment Policy**
- **Privacy Policy**
- **Reconciliation Action Plan**
- **Procurement Policy**
- **Modern Slavery Statement**

These policies promote and respect fundamental rights such as:

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[1] These conventions address freedom of association, collective bargaining, forced labour, minimum wage, the worst forms of child labour, equal remuneration and discrimination (employment and occupation).

- Right to equality
- Freedom from discrimination
- Right to a safe work environment
- Right to family life
- Right to rest and leisure
- Right to fair remuneration
- Freedom of association

- Right to collective bargaining
- Right to social security
- Right to political participation
- Right to privacy
- Freedom of thought, conscience and religion
- Rights of Indigenous peoples

We also look to promote human rights through our business activities and other initiatives, with examples set out in the table below.

Human Right	Examples of actions
Right to own property	Providing affordable house and land packages.
Right to work (and rights of the child)	Offering a range of employment support activities for school students living in and around our communities (see Community chapter).
Right to family life	Providing flexible working conditions for our employees (see Health, Safety and Wellbeing chapter).
Right to an adequate standard of living	Responding to customer and resident feedback across our residential communities, including a focus on housing and product quality and affordability (see Customer Engagement chapter).
Right to education	Supporting and delivering lifelong learning opportunities (see Community chapter).
Right to physical and mental health	Supporting and delivering programs to promote health and wellbeing (see Community Engagement chapter and Health, Safety and Wellbeing chapter).
Right to participate in cultural life of the community	Supporting and delivering community programs that enhance a sense of belonging and vitality (see Community chapter).

We have a number of core mandatory training programs that all new employees must undertake to comply with our obligations under our **Human Rights Policy**. All employees are required to refresh this training every 18 months. The training includes modules on equal opportunity in employment, sexual harassment in the workplace and workplace bullying. We also deliver targeted unconscious bias training as required and have launched a company-wide online resource for all leaders, which guides inclusive leadership and the management of day-to-day issues that relate to human rights. We offer training regarding the issue of modern slavery to all our employees, with mandatory training for key job families such as project management and procurement.

The aforementioned policies also demonstrate our commitment to encouraging a strong ethical culture to prevent fraud and corruption. We perform internal audits, thematic reviews and monitor the segregation of duties to minimise the likelihood of fraud and corruption occurring. More information on internal audit activities is contained in our **Governance Management Approach**.

Human rights stakeholders

Our stakeholders can be divided into two categories: stakeholders as rights-holders and stakeholders that influence the human rights' context.

Stakeholders who are individuals or communities with human rights are considered rights-holders. Three of our stakeholder groups may be considered rights-holders: employees, customers and communities. Particularly vulnerable populations within these groups require special attention, either because their rights are more likely to be impinged upon, or their vulnerability means they are less equipped to advocate or likely to be heard.

Stakeholders that influence the human rights' context include institutions, agencies, businesses and entities. These stakeholders do not hold human rights; however, they have important duties to protect, promote, respect and support human rights. They also have direct influence over how people experience their human rights.

The table below lists vulnerable rights-holders identified by Stockland and stakeholders that influence the human rights' context.

Vulnerable rights-holders	Stakeholders influencing human rights' context
• Women • People with disabilities • Migrant workers • LGBTI+ peoples • Trade union association • Indigenous peoples • Parents and carers • Other protected attributes	• Government and regulatory bodies • Suppliers • Securityholders and the investment community • Media

Human rights review

In FY18, we completed a human rights issues review that extended to 100 per cent of our operations. It leveraged external expertise to benchmark the rights articulated in our Human Rights Policy against human rights issues facing the property sector. The review highlighted risk and opportunity areas based on a review of key documents and interviews with our staff who control frameworks for human rights through their work in governance, risk, sustainability and procurement. The review identified supply chain as having the highest potential for human rights risk for our business.

Supply chain management

Our **What Stockland Expects from its Suppliers** policy is available on our website and outlines our expectation that suppliers operate in a manner consistent with our corporate, social and environmental values. The policy outlines the additional corporate responsibility and sustainability practices we consider when making key procurement decisions.

We have also developed a supply chain framework outlining our focus areas and supplier requirements with regards to governance and management, environmental impact, health and safety, social value, human rights and capability and capacity. Refer to the Supply Chain Engagement chapter for further information. Stockland has further developed our understanding of this issue with a supply chain risk review.

Modern slavery

In April 2019 we established a Modern Slavery Working Group, overseen by the Risk Committee, to develop and implement our Modern Slavery Act strategy and to manage our various initiatives and ongoing priorities relating to effectively identifying and managing modern slavery risks and due diligence activities (including managing our reporting obligation). Co-chaired by the General Manager of Group Project Management and National Operations and the Group Risk Officer, the Working Group contains representatives from across the business including Sustainability, Legal, Investor Relations, People and Culture, Risk, Procurement and Operations.

The annual **Stockland Modern Slavery Statement** is prepared in accordance with the Modern Slavery Act 2018. This statement is prepared by Stockland's Modern Slavery Working Group and endorsed by the Stockland Board. It sets out the steps taken by Stockland during each financial year to identify and prevent modern slavery within its operations and supply chains.

Modern slavery risks are assessed in relation to Stockland's potential to:

- *cause* - our operations directly result in modern slavery
- *contribute to* - operations and/or actions may contribute to modern slavery
- *be directly linked to* - operations, products or services may be connected to modern slavery through activities of another entity

The potential ways that Stockland may cause, contribute to or be directly linked through our operations and supply chain are listed below.

Corporate procurement	Operations	Direct procurement
Directly linked:	*Contribute to:*	*Directly linked:*
Labour conditions and child labour in the supply chain of manufactured goods, such as electronic equipment, paper and motorised vehicles.	Underpayment and exploitation of migrants working for cleaning and security service subcontractors.	Labour conditions, forced, bonded or child labour in the supply chain of building products such as solar panels.

We partner with our construction and building services suppliers to assess and manage human rights risks and increase our awareness of high-risk products.

Accessibility

Across our Retail Town Centre developments, accessibility is a key component of our commitment to create places where everyone feels welcome. We commit to delivering a quiet room to provide a calm, low-sensory environment for people with Autism Spectrum Disorder and their carers and parents in all new Retail Town Centre developments. We also focus on inclusion by delivering inclusive playspaces certified by Variety and adult change tables designed using principles from Changing Places.

In our Residential business we are focused on liveability and improving industry standards to raise liveability benchmarks for our residents. Our proprietary liveability research is a key element of our residential customer engagement. The Liveability Index is a derived score that takes into account six core elements: community perceptions, personal circumstances, accessibility, amenities, education, and home design, and is determined using regression analysis.

Livable Housing Australia (LHA) has introduced a voluntary three-tier performance range for liveable housing design: Silver, Gold and Platinum. The LHA certification promotes good design principles and can add to the long-term value of homes in our communities. The Livable Housing Design Guidelines describe 16 easy living design elements based on simple principles, such as minimum width corridors and more generous bathrooms. Each element details the performance expected to achieve Silver, Gold or Platinum level accreditation. LHA issues the Liveable Housing Design Quality Mark to accredited building projects that are assessed at the Design & As Built stages of development.

We are committed to all new greenfield retirement living villages achieving Silver design certification and our Retirement Living Design Guidelines have been developed to reflect the LHA principles. We set targets to deliver a certain percentage of new Stockland townhouse and completed homes to the LHA Silver standard. We are working with our builder partners to improve industry capacity through increasing awareness, improving deliverability and identifying opportunities for cost reduction. We also continue to advocate within industry through the Property Council of Australia and the Green Building Council of Australia on the importance of market transformation and acceptance of LHA as an industry standard.

Our Accessibility and Cultural Inclusion Employee Advocacy Group (EAG) supports employees with accessibility needs (whether they are physical or mental or relate to neurodiversity). A diverse group of employees make up the group to help focus our efforts on supporting personal wellbeing and accessibility in the workplace. The EAG is sponsored by a Stockland Leadership Team member and led by a General Manager or Senior Manager.

6.2.2 Systems and procedures

We use the following systems and procedures to actively identify, assess and implement responses to human rights-related issues across our business.

Due diligence processes

We undertake various due diligence processes at different stages of the project life cycle and business activity. These incorporate human rights' considerations in the assessment process and enable us to identify, prevent and mitigate potential human rights' impacts. Examples include:

- **Stakeholder Relations** – regular assessments of human rights-related risks or impacts regarding employees, customers or communities are conducted via surveys such as our annual employee survey, Our Voice (see People and Culture chapter) and our Liveability Index and Residents Voice survey with residents (see Customer Engagement chapter).
- **Project Development** – due diligence reports prepared for project developments require the identification of risks and opportunities relating to various key human rights-related aspects, including infrastructure and servicing, contamination, sustainability, stakeholders, archaeological, heritage, First Nations people and other cultural matters.
- **Assets and Projects** – assessments of human rights-related risks and opportunities (relating specifically to community development objectives and outcomes) are conducted annually at each asset and project in accordance with the sustainability policy.
- **Operations** – we conduct regular assessments of human rights-related risks and impacts relating to our operations, particularly the health, safety and security of our employees and customers, supported by regular management and site-based audits and reviews (see Health, Safety and Wellbeing chapter).

- **Supply Chain** – our key suppliers are assessed against predetermined human rights-related criteria, which they must meet to be eligible for consideration in the procurement process. This includes health and safety, community development and corruption. Refer to the Supply Chain Engagement chapter for further information on supply chain qualification criteria.
- **Investments** – our Investment Review Group considers stakeholder impact, including human rights, as part of our investment analysis and decision-making processes, as well as our ownership policies and practices (see our **Governance Management Approach**).

Grievance mechanisms

We have implemented the following grievance mechanisms to provide for the reporting and management of human rights incidents in a timely manner:

- **Grievance Procedure** – if an employee has a concern regarding their employment, they have the option of raising that matter through our grievance procedure. If an employee is unable to resolve the concern informally or with their manager, they may raise a formal grievance with our People and Culture team and the matter will be investigated as appropriate.
- **Whistleblower Policy** – under our Whistleblower Policy, there are various whistleblowing escalation channels available for reporting any improper conduct. These channels can be used if the normal business channels are not appropriate or if the employee or external stakeholder wishes to report the improper conduct anonymously.
- **Dispute Resolution Policy** – this policy sets out approaches to deal with investor grievances appropriately, and for advising senior management on grievances so that processes can be improved and risks contained.
- **Customer Feedback and Complaints Procedure** – this procedure outlines how customer and community complaints received by Stockland employees or contractors are to be identified, addressed, remediated and reported. We rely on strong complaints-handling processes to strengthen customer satisfaction, reduce risks and identify opportunities to improve the quality of our processes and services.
- **Privacy Policy** – any member of the community may raise a concern through our Privacy Officer (privacy@stockland.com.au) about the way their information has been handled.

6.3. REVIEW AND EVALUATION

We review and report on our progress against our human rights priorities in our annual **ESG Review** and **ESG Data Pack**.

Current indicators for evaluating our human rights performance include:

- incidents of non-compliance with the Human Rights Policy and associated policies during the reporting period
- number of stakeholder grievances relating to human rights raised and percentage remediated during the reporting period through formal grievance mechanisms
- progress against the initiatives in our Reconciliation Action Plan
- supplier management in relation to human rights-related criteria
- nature of the key human rights risks and impacts identified in the reporting period and measures taken to prevent, mitigate or remediate them

We have benchmarked our Human Rights Policy and approach against the UN Global Compact Principles and found our approach to be current and relevant. We will continue to benchmark our approach against emerging global practice and are committed to maturing our approach as regulations and stakeholder expectations evolve. We appreciate that human rights are about rights-holders and acknowledge that their perceptions are equally as important as any objective and/or quantitative data relating to our performance against particular indicators or criteria.

6.4. RESPONSIBILITIES

Key roles and responsibilities for delivering our approach to human rights across our business are described in the table below. In addition to the responsibilities itemised below, respect for human rights is considered the responsibility of all employees and is driven by policies, procedures, practical toolkits and shared best practices.

Role	Responsibilities
Chief Financial Officer (CFO)	Responsibility for human rights at a Group level.
Managing Director and CEO, business unit CEOs	Respecting and promoting human rights within their teams, business units and activities.
Stockland Leadership Team	Supports the delivery of our human rights approach.
National Manager – Group Sustainability	Effective implementation and evaluation of the community development and investment initiatives that promote the human rights of our customers and communities. Development and maintenance of an effective framework for encouraging respect for human rights and responsible practices in our indirect supply chain. Reports directly to CFO.
General Manager – People and Culture	Effective implementation and evaluation of policies and programs to promote labour-related human rights within our direct workforce.
General Manager – Group Risk	Grievance Mechanisms.
General Manager – Project Management and National Operations	Effective monitoring and evaluation of human rights-related issues across our development supply chain. Encourage the responsible practices of our contractors and their respect for human rights.
Compliance and People and Culture teams	Provide guidance to employees on the appropriate procedures available to support employees through the resolution of disputes or grievances.