

Health and Safety

FY18

Why this is important to Stockland

At Stockland, the health, safety and wellbeing of our employees and our customers is an important focus. We are committed to providing a safe environment for everyone who works with us or attends our workplace.

Millions of people access our assets each year and rely on us to keep them safe. Each asset presents unique security and safety risks. We commit to delivering 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. We also place a great focus on employee health and wellbeing. Stress and anxiety significantly impact job performance, employee satisfaction and retention and ultimately affect the achievement of organisational goals and objectives.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our [website](#). Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.¹ The material in this Deep Dive is supported by a wider collection of performance metrics contained in our [People Data Pack](#).

This Deep Dive is to be read in conjunction with our published approach to health and safety, available as part of our sustainability reporting suite at [Our Management Approach to Health and Safety](#).



Our key achievements

- Reduced our employee lost time injury frequency rate (LTIFR) to 1.6 (from 1.8 in FY17), our lowest rate in seven years.
- Implemented our Sights on Safety initiative, which focused on reducing incidences of service strikes and plant rollovers. This initiative was selected as a finalist for our Chairman’s Award for Innovation.
- Developed a Group-wide Design Risk Register capturing lessons learned from incorporation of risk management into project designs.
- Reviewed and updated over 15 Work Health and Safety (WHS) contractor management procedures and supporting documents to simplify our procedures.

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

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FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Continue to implement our Contractor Management Strategy through consultation, training and awareness.	Achieved	We completed our annual face-to-face contractor management training program across all states. We reviewed, refreshed and communicated our Contractor Management procedures to further simplify our procedures and the related supporting documentation.
Implement a vehicle impact mitigation guideline across all asset classes to minimise the likelihood and consequence of accidental or malicious incidents caused by a motor vehicle impact.	In progress	We are developing an integrated Vehicle Impact Mitigation Guideline, in consultation with an external security firm, that will supersede guides previously developed specifically for our Retirement Living and Commercial Property portfolios.
Review design risk management processes and further embed risk management protocols into design standards.	Achieved	We have completed the development of a group wide Design Risk Register capturing design lessons learnt. Design risk management will continue to be a strategic focus area in FY19.
Review the current Operational Risk Audit and Assurance program with intent to expand the scope of the assurance program through the development and implementation of deep dive focus areas.	Achieved	We have completed the audit program review and will be following the revised model in our FY19 audits and onwards (see below for further detail).
Develop guidelines to support our minimum security standards across all business units.	In progress	We developed a national security and public safety strategy with a specific focus on protecting people from harm, denying unauthorised access and protecting property from damage.
Complete the transition to a new SAP learning management system.	In progress	We have nearly completed configuration of the respective Environment, Health and Safety module. We expect the new module to be launched in FY19.

Future priorities

In addition to the priorities in progress above, our future priorities include:

- Review of our health and safety management system (including a gap analysis in line with the new ISO45001 standards).
- Implementation of the next phase of Sights on Safety focusing on working at heights.

FY18 performance and case studies

Employee health, safety and wellbeing

Lost time injuries

We continue to see a positive trend in our lost time injury frequency rate (LTIFR), with our FY18 result of 1.6 representing the lowest figure we have achieved in the last seven years. This reduction has occurred at the same time as an increase in lower-impact medically treated injuries because these injuries have not lost time (as was the case in previous years).

Notably, we have also seen a reduction in our average lost day rate, that is, each LTI this year resulted in less time lost than LTIs of the previous year (see [People Data Pack](#)). This result can be attributed to the implementation of our injury management strategy from the previous year, including refresher training in workers' compensation and injury management, as well as an increased focus on reducing incident reporting times. Also contributing to the result has been the engagement of injury management specialists to assist in the management of work related injuries (including stress).

KEY HEALTH AND SAFETY METRICS

	FY18	FY17	FY16	FY15	FY14	FY13	FY12
Total average workforce ²	1,689	1,578	1,507	1,438 ³	1,695	1,736 ⁴	1,384
Total hours worked (million)	3.08	2.83	2.75	2.53	2.97	3.03	2.42
Number of lost time injuries (LTI) ^{5,6}	5	5	11	12	18	17	18
Lost time injury frequency rate (LTIFR) ⁷	1.6	1.8	4.0	4.7	6.1	5.6	7.4

More health and safety metrics are provided in the [People Data Pack](#).

Wellbeing

Our wellbeing score (as measured in the annual employee Our Voice survey) was 75 per cent, which is consistent with our FY17 score and is four points above Willis Towers Watson's Australian National Norm (ANN) and two points above their Global High Performing Companies Norm. We also scored nine points better than the ANN for the question "I often feel anxious at work" (where higher scores against the ANN equate to lower feelings of anxiety) and five points above the ANN for the question "My work gives me a sense of personal accomplishment" which increased by one point in FY18.

An area impacting wellbeing scores is work systems and processes. We are addressing this through our Core Systems Program, and expect our score to improve as the Core Systems Program continues to be rolled out in FY19. Please refer to the [Employee Engagement, Development, Diversity and Inclusion Deep Dive](#) for further information on the Core Systems Program.

Our ongoing approach to workplace flexibility, centred on our One Simple Thing initiative, seeks to enhance work-life balance and general wellbeing. Refer to the [Our Approach to Employee Engagement and Employee Development](#) for further information on this initiative.

We continue to develop and implement training, tools and methods to maintain employee wellbeing. In FY18 we piloted new training on proactive wellbeing management to select groups of managers, and in FY19 we intend to deliver this training to our Executive Committee and General Managers, followed by a broader roll out across our business.

Health and safety initiatives

Sights on Safety

'Sights on Safety' is an initiative where we collaborate with our construction project delivery partners to identify and implement measures to help reduce the number of serious incidents occurring at our development sites. In December 2016, we commenced a series of joint discussions with our development contractors in each state to embed safety behaviours and advance best practice in the construction industry, with a particular focus on plant rollovers and services strikes.

Our focus in FY18 has been to communicate and implement agreed standards for mitigating the risk of plant rollovers and service strikes across our development projects. Since starting the Sights on Safety initiative, we have experienced a notable reduction of rollover incidents. Through engagement with our industry partners, we will continue to embed agreed standards and practices throughout FY19 and beyond.

Through the end of FY18, we have held over 20 state meetings and engaged over 200 construction delivery partners to form collaborative state-based Sights on Safety committees which were represented by 46 contractors in 2017 increasing to over 100 in 2018.

We continue to evolve the Sights on Safety initiative to expand its focus on known key risk areas. From review of construction industry data⁸, we identified working at heights to be a high risk activity that has resulted in 359 fatalities within the construction industry between 2003 and 2015. As a result, we have selected working at heights as the next Sights on Safety forum topic to be progressed in FY19.

² Total average workforce uses monthly employee totals rather than the end of financial year figure used in Our People metrics.

³ Total average workforce in FY15 reduced as a result of the sale of the Aged Care business in FY14.

⁴ Total average workforce was updated in FY13 to include Aevum payroll employees.

⁵ Includes injuries incurred as a result of a work related incident. Does not include commuting/recess injuries.

⁶ An injury resulting in the loss of one or more shifts. Not including injuries requiring first aid treatment only.

⁷ Number of LTIs / total hours worked from July 2016 to June 2017 x 1,000,000 hours.

⁸ Construction Industry Profile 2015 – Safe Work Australia

Work health and safety management systems review

In line with our commitment to continually improve work health and safety processes, we engaged an external consultant to review our Work Health and Safety (WHS) management system. The audit included a desktop review of our WHS management systems and site verification assessments at three assets (Retirement Living, Retail Town Centre and Residential). The review concluded our WHS management system is well developed, implemented and certifiable to AS4801, the Australian Standard upon which it was modelled. We have reviewed improvement opportunities arising from the audit, which have largely been incorporated into strategic plans during FY18.

We have also undertaken a thorough review of our WHS Contractor Management procedures. The focus of this review was to simplify our procedures and supporting documentation in line with our external legal advice. Following consultation and discussion with representatives from across the business, through workshops, these documents were updated and are available for use with additional training provided (face-to-face and online).

Operational Risk Assurance Program Review

We introduced our Operational Risk Assurance Program in 2013 to provide a systematic approach to verifying the implementation of our operational risk systems across our assets nationally. The program consists of annual audits undertaken in three progressive phases:

- (1) Gap Analysis (identify risk procedure / knowledge gaps)
- (2) Compliance Audit (verification of implementation of a risk aware culture)
- (3) Full Systems Audit (verification of risk processes embedded as business as usual).

At the conclusion of each phase, we calculate a score for each asset based on the number of actions (gaps) identified.

In the time since introducing the program, most assets have now completed a Full Systems Audit. As a result, we revised the program framework (presented below) to enable continued assessment and enhancement of our assets. We introduced an Initial Self-Assessment (Phase 1) as well as a cyclical approach to long-term assurance for assets and projects (Phases 4 and 5). In addition, we introduced deep dives (at any point during the audit lifecycle) which allows assurance of identified high risk areas (e.g. Bushfire Preparedness reviews undertaken in 2017). Our assets are in various stages of this process throughout any given year, with our Group Risk team providing support with assessments and understanding how to use the results to drive continuous improvement.

REVISED OPERATIONAL RISK AUDIT MODEL



Bushfire preparedness review

Bushfires represent a key risk for Stockland's assets in suburban and rural areas. An initial review in September 2017 assessed our exposure and verified appropriate controls relating to preparedness were in place for our assets and developments in high risk bushfire prone areas. Improvement opportunities were identified and have been addressed.

Design risk reviews

We completed a review of our processes that support our design teams to incorporate risk management into their project designs, with the intent of helping to:

- prevent design-related incidents and injuries
- reduce the need for retrospective capital expenditure
- streamline the design review process through development of new tools.

We also completed the development of a Group-wide design risk register capturing design lessons learnt from projects across our business units. This register was developed following Group wide consultation with key business unit representatives from design, development and operations (over 100 employees across four states). We also commissioned external legal advice to inform alignment of our processes with our safety in design obligations under WHS legislation. This will continue to be a focus area for FY19.

CASE STUDY

Safe Work Week: Safety Shares

In 2016, Mark Steinert, Managing Director and CEO, introduced Safety Shares, the concept of commencing internal meetings with a safety or Stockland value share and have gone to become a standard agenda item across meetings within the company. Our Safe Work Week theme for FY18 (October 2017) built on the 'Safety Share' initiative, reinforcing a positive safety culture through communication and collaboration of safety initiatives. We encouraged all employees to post their safety shares on Yammer, our internal social network, to share learnings and practice enhancements with colleagues. The Safe Work Week activation generated over 80 conversations and 100 pictures being posted during the week. The top safety share from each state had their safety share presented at Employee Roadshows over the following month.



The top safety share from Western Australia raised awareness of the importance of traffic management at events in our residential communities, such as the launch of our Jungle Park at Whiteman Edge (WA).

Customer safety and security

Our approach to customer safety and security comprises a combination of physical security measures, monitoring/surveillance systems, and systems for notification, awareness, and training. More detail on this approach is provided in [Our Management Approach to Health and Safety](#).

Updates to strategies and guidelines

Over the past year, we developed a national security and public safety strategy with a specific focus on protecting people from harm, denying unauthorised access and protecting property from damage. This national strategy encompasses the minimum-security standards that we developed in FY17. Supporting guidelines have been completed for key security elements (e.g. CCTV and body mounted cameras) with further guidelines to be developed in FY19.

Following the completion of vehicle impact assessments across our operational assets (Commercial Property and Retirement Living portfolios), we are developing an integrated Vehicle Impact Mitigation Guideline in consultation with an external security firm. This guideline will supersede business specific guides previously developed for Retirement Living and Commercial Property portfolios. Vehicle impact mitigation continues to be integrated in design risk reviews for new developments.

Body mounted cameras

Recent enhancements in digital technology have allowed industry to further advance its monitoring and surveillance capabilities through the use of devices such as body mounted cameras, which are wearable recording systems to deter aggressive behaviour and capture evidence. Although these devices are not traditionally used in retail environments (more commonly used in law enforcement), we have implemented body mounted cameras at a selection of our retail town centres to assist in managing localised crime and antisocial behaviour issues. Our national security and public safety strategy contains guidelines about body mounted cameras to assist these centres in managing the associated privacy, compliance, disclosure and data management obligations.



Residential camera pilot

We completed a review of the use of cameras and visual display boards at our development projects at three of our residential communities: Newport (Qld), Sovereign Pocket (Qld), and Completed Homes at Highlands (Vic). The review occurred from March 2017 through to November 2017 and focused on use of CCTV and visual display boards to assist with safety performance (including incidents of injuries and/or illnesses) and to reduce incidents of workplace theft and damage on our development sites. The overall feedback from the contractors involved in the pilot at these sites was positive.

In FY18, the project was extended to include a review of site safety and security controls related to residential sales offices, Townhomes developments and public open spaces in maintenance phase.

Following the pilot, we have committed to install CCTV at selected residential sales offices and to take a risk-based approach for installation of technology controls for new development projects, parks and display villages. We will require contactors to provide a returnable schedule detailing site specific security controls, which will form a component of the tender review process prior to award of contract.



To access the complete list of documents in Stockland's Sustainability Deep Dive Series, [click here](#).