Stockland

SUSTAINABILITY DEEP DIVE SERIES FY20

Health, Safety and Security

Why this is important to Stockland

Stockland takes great responsibility and care for the health, safety and security of its customers, contractors and employees. Stockland's health, safety and security practices are embedded in its culture and we will continue to 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.

At Stockland we believe that a strong and enduring commitment to the health, safety and security of our customers and employees will result in optimal business performance. We are committed to delivering communities and assets where our employees, tenants, residents, customers and suppliers always feel safe.

This Deep Dive document is a component of our FY20 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is prepared in adherence to the International Integrated Reporting Framework principles of materiality, stakeholder responsiveness, reliability and completeness; in accordance with the GRI Standards[1] (Comprehensive); and is **third party assured**. 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, safety and security, available as part of our sustainability reporting suite at **Our Management Approach to Health, Safety and Security**. An update on our employee wellbeing initiatives during FY20 is provided in **Employee Engagement, Development, Diversity and Inclusion Deep Dive.**

Stockland's Sustainability Strategy

ENRICH OUR VALUE CHAIN

- Employee engagement and development
- Employee diversity and inclusion
- Governance and risk[1]
- Health, safety and security
- Human rights
- Stakeholder engagement[1]
- Supply chain

1 Management Approach only

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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/)

Our key achievements

- Received 47 submissions nationally from contractors and consultants for our second annual Stockland National Sights On Safety Award, focusing on plant rollover, service strike and height safety.
- Hosted the Safety Month@Stockland campaign during November 2019 on the theme of 'The Moments That Matter', raising safety awareness and showcasing the safety achievements of our business.
- Completed an external review of our operational risk audit and assurance framework with a view to continually improving the application of the audit framework.

- Continued the focus on Stockland's cyber security posture to protect infrastructure and digital assets, including roll-out of mandatory two-factor authentication and the introduction of automated monitoring to detect and proactively mitigate threats.
- Increased user awareness and training on cyber security.

Submissions received

47

FY20 National Sights on Safety Awards

FY20 targets and progress

Enrich our value chain

Focus area	FY20 priorities	FY20 progress	Status	Future priorities
Provide a safe environment for all stakeholders	Define forward looking deep dive approach aligned to Sights On Safety	Aligned our deep dive approach with Sights On Safety, focusing on analysis of high risk areas within Stockland and our broader industry. Focused on travelators and bushfires deep dives, in addition to the initial focus on plant rollovers, service strikes and height safety.	Achieved	Evolving Sights On Safety by adopting a deep dive approach to high risk areas across all asset classes (e.g. hazardous materials). Driving emergency and business continuity, planning and preparedness (e.g. COVID-19, bushfires and cyclones).
	Evolve Stockland's Sights On Safety brand and expand its focus across from development assets to operational assets as well as internal employee safety awareness initiatives	Developed 'Recommended Standards & Practices; in the areas of plant rollovers and service strikes. Hosted events across our development projects nationally, focusing on height safety 'Recommended Standards & Practices' from June to August 2019	Achieved	
		Expanded Sights On Safety to our operational assets with the launch of the height safety 'Recommended Standards & Practices', travelator deep dive, general awareness initiatives, employee injury video and Safety Week campaign focus.	In progress	
Continuously improve our health and safety management system and performance	Review our health and safety management system	Engaged a Work Health and Safety (WHS) consultancy to conduct a desktop review of our WHS risk management system against WHS legislative requirements. Verification of how our system is applied at the asset and project level has been deferred until a more suitable time post COVID-19 recovery.	In progress	
	Review and simplify fundamental Operational Risk procedures including contractor management and incident management	Continued to work through the review and update of all Operational Risk procedures with priority given to fundamental risk processes such as contractor management, permit to work and incident management.	In progress	Complete all updates and changes inclusive of recommendations from the recently completed WHS consultancy review . Reviewing and streamlining the Operational Risk Audit & Assurance program including the scope of audit parameters.
	Rebrand and relaunch the Operational Risk Integrated Management System intranet page	Commenced work to transition the Group Risk intranet site to SharePoint. Progressed the rebranding of the Operational Risk Integrated Management System intranet page, due to be relaunched in 2020 following development and final design of the SharePoint site.	In progress	

SHAPE THRIVING
COMMUNITIES

OPTIMISE &
INNOVATE

ENRICH OUR
VALUE CHAIN

Enrich our value chain

Focus area	FY20 priorities	FY20 progress	Status	Future priorities
Reduce cyber security related risks	Strengthen Stockland's cyber security posture	Rolled out mandatory employee cyber security training, followed up with regular vulnerability testing.	Achieved	Extending integrated Security Information and Event Management system monitoring and alerting to additional Stockland systems in order to improve threat detection and response capabilities.
		Deployed multifactor authentication and conditional access to further protect against unauthorised access to information.	Achieved	Implementing Document Rights Management for business document classifications and access control to reduce risks associated to data loss and to ensure that confidential business data is appropriately secured.
		Implemented a Security Information and Event Management (SIEM) system.	Achieved	
		Integrated alerting into service management processes and tooling for higher level of automation and efficiency.	Achieved	Implementing third-party access controls at Stockland assets to help prevent cyber security related incidents potentially impacting Stockland's business.
		Reported two sets of notifiable data breaches to the regulator, Office of the Australian Information Commissioner (OAIC). The regulator confirmed in both instances it was satisfied with Stockland's response to the breaches and closed the matters.		Creating scenario-driven incident response processes tailored to Stockland's cyber target operating model and processes and simulating these scenarios with key stakeholder groups to reduce cyber incident response and resolution times.

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FY20 performance and case studies

With the devastating bushfire season across Australian and the ongoing COVID-19 pandemic, FY20 has been a year of unprecedented events. Our priority has remained the health, safety and wellbeing of our employees, customers and contractors. Throughout the year we have responded with strength to these challenging events and have continued to evolve our systems and process to provide safe physical and digital work environments.

Employee health and safety

Fatalities and Lost time injuries

Our performance reflected the results of our ongoing focus on contractor and employee safety management practices. In FY20 we achieved zero fatality and life changing injuries in our business, which was consistent with the previous years. We also maintained a low lost time injury frequency rate (LTIFR)(3.4 in FY20), a reflection of our continuous focus on injury prevention in line with our LTIFR improvement plan.

More health and safety metrics are provided in the **People Data Pack**.

Health and safety initiatives

Sights On Safety

The Sights On Safety (SOS) initiative was implemented in 2016, working collaboratively with our external contractors, consultants and stakeholders across our development projects to focus on safety priorities. In FY20 the SOS program has continued to focus on the implementation of the plant rollover and service strike standards, along with the launch of the recommended standards and practices for height safety. SOS has also been expanded internally across our operational assets, working with other shopping centre operators on travelator incidents, particularly within our Retail Town Centres. With the initial focus of SOS being on our development sites, the objective throughout FY20 was to evolve SOS, expanding its focus to our operational assets as well as employee safety initiatives. In FY20 this included the travelator deep dive in Retail Town Centres, sharing an employee injury video in Retirement Living, national Safe Work Month campaign, and annual SOS awards (see below). To further support the internal promotion of SOS, a dedicated Sights On Safety team site was developed, providing Stockland employees with access to SOS-related content on the work completed to date and allow for knowledge sharing of best practice initiatives.

Stockland National Sights On Safety Award

In FY20 we held the Stockland National Sights On Safety Award for the second consecutive year for our contractors, consultants and stakeholders. The awards were presented for implementation of "Sights On Safety Recommended Standards and Practices" in our key focus areas: plant rollover, service strike and height safety. The award categories this year included: Implementation of SOS focus area; best innovative solution to an identified safety issue; and best overall project team approach to safety to deliver 'a better way'. We received 47 submissions nationally from contractors and consultants and there were four winners selected, including two joint winners in the category for the best overall project team to deliver 'a better way'. The details of the winning entries have been shared with all participants in our SOS initiative to facilitate broader industry sharing on better safety practices.

Safe Work Month campaign

Stockland National Safe Work Month campaign was held in November 2019. Our Safe Work Month initiatives are hosted annually with the intent to raise safety awareness and to showcase the safety achievements of our business. Celebrating the successes of our safety achievements further strengthens our safety culture and ensures that safety awareness is embedded in our business.

As part of this year's campaign, we distributed a range of internal communications highlighting the importance of safety across the business with a focus on SOS, travelator safety, injury prevention and safety in the holiday season. We shared a video story nationally featuring a Stockland employee who experienced a life-changing injury earlier in his career prior to joining Stockland. The intent of the video was to raise safety awareness and to show the broad impacts a workplace injury can have on someone's life. Retirement Living employees shared their reflections on the video story in the context of their own roles. There were high levels of engagement across the business during the campaign, which has helped in further strengthening of our safety culture.

Discharging our Work Health and Safety obligations – contractor induction and asset sign-in integration

Contractor management is a key focus area in our Work Health and Safety (WHS) Risk Management Framework. We require all contractors to be inducted before they commence work on site, which is critical for discharging our WHS obligation to provide engaged contractors with safety information. As part of our ongoing review of contractor management processes, we completed an integration of our online contractor induction system with our asset sign-in system (used to electronically track visitors at our sites and communicate in an emergency).

By integrating these two systems, a contractor's induction status (i.e. current or expired) is automatically verified at the sign-in point and contractors without a current induction record are denied access to the site. In addition, the system integration has delivered material improvement in time, cost and efficiency in our Commercial Property business, with asset teams no longer required to manually verify contractor induction cards. Furthermore, asset teams also have direct control of their site-specific induction content and can make any updates or amendments directly in the system.

Ongoing review of Work Health and Safety management system

Our Work Health and Safety (WHS) Risk Management System forms part of our Stockland Risk Management Framework. This system was developed in-house in alignment with 'Australian Standard 4801: Occupational health and safety management systems' and comprises a series of policies, procedures, checklists and guides, which collectively define how we manage WHS risks at Stockland. In line with our focus on continual improvement, we periodically seek assurances from external legal and WHS consultancies on the adequacy of our system and how well it is applied by our asset and project teams (via sample verification audits). These independent assurances are in addition to the regular internal reviews, deep dives and audits undertaken by Stockland.

In FY20 we engaged a WHS consultancy to undertake a gap analysis of our WHS risk management system against WHS legislative requirements (i.e. WHS Act 2011, WHS Regulations 2011 and relevant codes of practice). The review was completed at a desktop level. Verification of how our system is applied at the asset and project level has been deferred until a more suitable time in the COVID-19 recovery period .

Operational risk audit and assurance

Our operational risk audit framework includes ongoing risk audits across operational assets and development projects conducted internally by the Group Risk team. This audit program has been in place since 2014 and is designed as a mechanism to further embed our operational risk management systems, identify improvement opportunities, and identify risk areas that require a national 'deep dive' focus. Our operational risk audits cover compliance against our internal Work Health and Safety Operational Risk Management System (ORMS) which is a set of policies, procedures, guidelines and training developed to actively manage our Work Health and Safety (WHS) risks.

In FY20 our audit program was reviewed by a WHS consultancy with a view to continually improve the application of the audit framework. We also continued with the focus on closing out current audit findings for Workplace & Logistics, Retail, Retirement Living (including Association Villages), Completed Homes, Medium Density and Residential Land Developments. Ultimately, the application of the operational risk audit and assurance framework ensures that we continue to actively monitor and improve our risk position.

Risk aware culture

Our Group Risk Training Strategy was introduced to further develop and strengthen a group-wide risk aware culture. The Group Risk Training Strategy encompasses two distinct elements:

- Mandatory Employee Training – all Stockland employees must complete this mandatory training, regardless of their position. Mandatory training is auto assigned to new starters and includes Stockland policy requirements (e.g. Code of Conduct, Media Policy etc.) and regulatory obligations (e.g. Work Health and Safety, Equal Opportunities, Privacy). Overdue Mandatory Employee Training is reported monthly to all business unit leadership teams.
- Targeted Risk Based Training – our approach to targeted risk based training includes three key elements:
  - Critical roles – identifying roles accountable for the day-to-day management of risk and compliance at Stockland
  - Critical capabilities – identifying core competencies required to facilitate the management of risk and compliance at Stockland
  - Training requirements – developing and implementing the training curriculum to support the critical capabilities.

Our training strategy has been progressively implemented since its inception and has been supported by enhancements in our online delivery platforms (Success Factors Learning Management System) and enhancements in our in-house online development capabilities. All risk based training (face-to-face and online) is coordinated and tracked through the Success Factors platform, allowing timely reporting and monitoring of training completions. This in turn allows us to demonstrate the discharge of our statutory requirement to provide staff with risk information and training. Whilst COVID-19 has had an impact on our ability to deliver face-to-face training (due to travel restrictions), it has not impacted our overall strategy, which remains sound.

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, Safety and Security.**

Travelator deep dive – non-slip coating

We completed a deep dive into travelator risks across the retail portfolio. Following the review, we piloted a new-to-market travelator non-slip coating at our Green Hills Retail Town Centre (NSW) over four months, which was identified as a potential primary control strategy to reduce the rate of travelator slips. A trial period was completed and our data analysis found no further slip incidents occurring on the coated travelators since applying the coating in August 2019. Given the success of the trial, non-slip coating will be applied on high risk travelators across all our retail assets in FY21.

In addition, the deep dive into travelator incidents led to the establishment of an industry working group led by Stockland. The intent of the working group was to review industry wide travelator risks (following our internal review of travelator incidents and feedback we received from our peers around similar risks they face) and to work collectively with industry service providers to define best practice controls.

The working group has subsequently developed a Sights On Safety infographic summarising industry-endorsed best practice measures designed to help reduce the likelihood and consequence of travelator incidents.

Updates to strategies and guidelines

Permit to Work system review

Stockland's Permit to Work system has been in place for almost 10 years and applies nationally to all Stockland engaged contractors (except for principal contractors who manage their own high risk work approvals). Stockland's Permit to Work system applies to the following high risk work activities: working at heights, hot works, asbestos works, mobile cranes, building maintenance units, penetrations (e.g. excavation works), expanded polystyrene, and electrical works.

In FY20 we commissioned our external legal partners and a WHS consultancy to undertake a comprehensive review of our permit to work processes. Following these reviews, several enhancements were made to the procedural application of the system as well as individual permit requirements. The review also led to the introduction of the electrical work permit (previously managed outside the permit system) and the consolidation of similar permit processes (e.g. roof access and working at heights). Operational representatives involved in the permit review process ensured the system is user friendly.

A new online training module has also been developed, which will be deployed in July 2020.

Cyber security

Data safety is an integral part of the overall working environment and there have been several measures put in place in order to protect Stockland's business and employees from cyber security related threats.

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.

During FY20 Stockland strengthened our cyber security posture by:

- rolling out mandatory employee cyber security training on how to spot phishing email scams, followed up with regular vulnerability testing, which involves sending fake phishing emails to employees to measure training effectiveness and controls in place;
- deploying multifactor authentication to further protect against unauthorised access to information;
- implementing a Security Information and Event Management (SIEM) system to monitor and alert cyber security operations staff to suspicious events and trigger investigations, including login attempts indicating potential unauthorised access, malware detection and remediation, as well as unusual data movements to prevent data loss;
- integrating alerting into service management processes and tooling for higher level of automation and efficiency; and
- proactive monitoring and investigations around data breaches outside of Stockland's systems, but potentially impacting Stockland's business and its employees.

CASE STUDY
COVID-19 RESPONSE

Since the COVID-19 outbreak took effect we've continued to monitor the global pandemic both at a national and local level and respond accordingly, considering the nature of our employee base, customers and communities. Our response has been guided by advice from the Federal and State governments and the World Health Organisation. The key guiding principles of our response are based on:

- Managing the wellbeing and safety of our employees;
- Managing the impact of this outbreak generally on our operations across our assets/projects, customers, residents, stakeholders and functions; and
- Assessing and managing the financial impacts relating to this outbreak.

Our response strategies to date have included:

- Establishing governance protocols including a pandemic working group and activating our Crisis Management team to support and guide our operational and strategic response.
- Completing a review of our business continuity plans and identified priority areas requiring dedicated focus to address implications associated with COVID-19.

- Recommending where possible that our people work from home across our four state head offices. Subject to individual state restrictions these offices remain open to support critical activities that cannot be performed in an efficient manner remotely.
- Distributing specific communications to our tenants, contractors, suppliers and residents detailing our response to COVID-19. In addition, we have used online platforms including our website to communicate with customers and other stakeholders.
- Issuing hygiene kits comprising a set amount of equipment (e.g. face masks, hand wash, hand sanitiser, gloves, etc.) to our frontline teams and offices.
- Developing and deploying a bespoke COVID-19 safety training course to all head office-based staff.
- Adopting business unit specific controls across our retirement villages (e.g. closure of communal facilities such as swimming pools), retail centres, sales offices, Workplace & Logistics assets.

As government-imposed restrictions have begun to progressively ease in some states since May/June 2020, we continue to monitor changes and work with our respective businesses and key stakeholders to ensure adequate safety controls (including social distancing and hygiene measures) are in place to accommodate these changes.
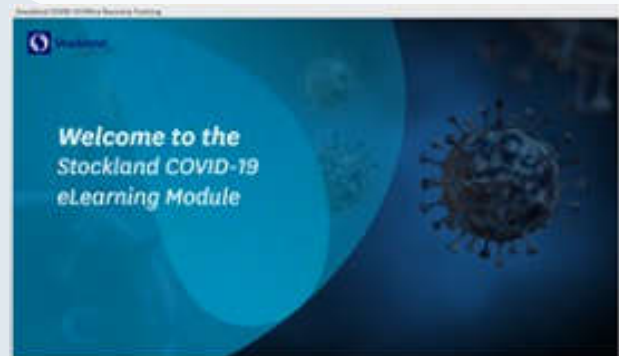
Bespoke COVID-19 online training module launched to all staff in May 2020.