Stockland

SUSTAINABILITY REPORTING FY20

Our Management Approach to Health, Safety and Security

A. Purpose

This document sets out how we focus on the health, safety, and wellbeing of our employees, contractors and customers. It should be read in conjunction with our **Health, Safety and Security Deep Dive** (available on our **website)**, where we report on progress against health and safety priorities on an annual basis. Together, our management approach documents, deep dive reports and our data packs comprise our sustainability reporting suite, which 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**.

We are committed to providing a safe environment for everyone who works with us or attends our workplace. We are also committed 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. 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.

> ⓘ For more information on our focus on the health, safety and wellbeing of our employees, contractors and customers, see our **Health, Safety and Security 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

---

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

SHAPE THRIVING
COMMUNITIES

OPTIMISE &
INNOVATE

ENRICH OUR
VALUE CHAIN

B. Management approach

B1. 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 direct 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. A multi-layered approach to managing WHS and operational risk has been developed and implemented in all business units across both operations and development. This multi-layered 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 the business to effectively manage their 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 WHS training activities across the business. This training is delivered through a variety of face-to-face and online learning programs. Multiple training programs are delivered regularly including WHS Obligations training to all project management and development teams (all business units), risk workshops across Retirement Living (including sales teams), Retail Town Centre and Workplace and Logistics portfolios, covering a range of tailored risk management topics (e.g. contractor management, permit to work, incident management). WHS Responsible Officers legal briefings are also delivered to Leadership Teams, our Executive Committee and the Board.

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.

B2. 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 Executive Committee 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. This commitment is supported by tools for people managers and an online application and monitoring system. The provision of technology also allows our teams to stay connected while working flexibly.

SHAPE THRIVING
COMMUNITIES

OPTIMISE &
INNOVATE

ENRICH OUR
VALUE CHAIN

Whilst many employees have informal arrangements in place with their manager and teams, the online application system is used for formal arrangements including working from home, part-time employment and job share. Applications are monitored and supported by the People and Culture function to provide for equitable outcomes.

Informal or ad hoc flexibility is supported by our One Simple Thing initiative, which encourages employees and managers to discuss the 'one simple thing' that can support an employee's work/life balance. This is supported by tools and regular communication, which is tracked in our people management system.

More information on flexible working, leave, bullying/harassment prevention, and other mechanisms that support employee health and safety is provided in **Our Management Approach to Employee Engagement and Development** and **Our Approach to Diversity and Inclusion.**

B3. Contractor safety and performance

a. 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.

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. Site induction training is delivered online for both staff and contractors.

A critical step in our contractor management process is our third-party pre-qualification 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 (sub-contractors) 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.

b. Customer safety and security

Customer safety and security is considered at critical points in the design, development and construction stages of the project lifecycle and throughout our Group-wide business activities. In the design phase, major projects in Commercial Property and Communities businesses undergo design risk reviews to identify and mitigate potential health and safety impacts. In construction and operations, regular audits and inspections are carried out 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 feelings of safety contribute to resident satisfaction, enhance our community value proposition and drive customer referrals. Residents' perceptions of safety are surveyed as part of our Liveability Index research.

c. 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 that establishes a national approach to vehicle impact mitigation. 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 bi-monthly 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, leads and customers. Our privacy policy is publicly available on our **website**.

B4. Health and Safety Management Systems

WHS, contractor safety, and customer safety are governed by our Operational Risk Integrated Management System (ORIMS), a national system that 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 (SIRF), which includes an automated escalation process and reports for tracking implementation of actions related to incidents or audits.

B5. Cyber security

Our business leverages IT systems, networks, and data to operate efficiently. Managing potential IT system failures and cyber security breaches is 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.

Technology 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; and
- vulnerability testing of key systems and simulated cyber attacks to identify potential gaps and improvement areas.

We have a dedicated Cyber Security Operations team who manage all cyber security related incidents in conjunction with third party services.

C. Review and evaluation of the management approach

We review and evaluate progress against health, safety and security objectives as part of our annual **Health, Safety and Security Deep Dive**, which includes:

- a status update and 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; and
- case studies that explore key achievements, usually at particular locations.

C1. 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.

C2. 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 People and Culture team with feedback provided to the business. Action plans are subsequently developed by the business with support from Human Resources 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. Uptake of flexible working is tracked through employees recording their One Simple Thing in SAP SuccessFactors.

C3. 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.

C4. 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.

SHAPE THRIVING
COMMUNITIES

OPTIMISE &
INNOVATE

ENRICH OUR
VALUE CHAIN

D. 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 Human Resources 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
Executive Committee	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
Human Resources 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 cyber security at a Group level

E. Version control

Revision	Published	Owner	Changes
1	September 2018	Group Risk Officer General Manager Human Resources	–
2	August 2019	General Manager Group Risk General Manager Human Resources	–
3	August 2020	General Manager Group Risk General Manager Organisation Development and Corporate, People and Culture	Addition of security information as relates to cyber security.