Our Management Approach to Health and Safety

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 and Safety 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 and deep dive reports comprise our sustainability reporting suite, which is prepared in accordance with the GRI Standards[1] 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.

B. Management approach

B.1 Employee health and wellbeing

We encourage flexible working arrangements with a guiding principle that every role at Stockland should be considered able to be done flexibly. Our Flexibility@Stockland programs gives all employees the opportunity to openly discuss the flexible work options they require to meet their work-life commitments. We run an annual 'Flex in Feb' campaign in February promoting One Simple Thing, which is our framework for implementing workplace flexibility and removing any stigma associated with flexible work arrangements. Employees are encouraged to record their One Simple Thing as part of their SAP SuccessFactors employee profile. Our internal flexible working policy and leave policies outline the range of flexible work options available, including:

- flexible starting and finishing times
- part-time working
- job-share
- working from home
- extended leave without pay
- personal carer's leave
- option to purchase an additional two weeks leave (PAL or Purchased Additional Leave).

We provide various 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.

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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/). The relevant standard for this management approach document is contained within GRI 103: Management Approach.

Employees are updated throughout the year with tips on managing stress and information about stress management programs. We offer a variety of initiatives to reduce stress and foster employee health and wellbeing both at home and at work, 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
- 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.

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.

B.2 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 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, insurer property and general liability risk audits 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. It does not cover 'education and training related to assisting workforce members, their families, or community members regarding serious diseases' as this is not considered applicable to our business.

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, risk workshops across employees responsible for 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.

B.3 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 of our major projects (e.g. retail town centre redevelopments) 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. Suppliers receive a copy of our guideline What Stockland Expects from Its Suppliers, which outlines our expectations of suppliers (including health and safety requirements) to assist them 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 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). 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.4 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.

(a) Customer safety and security measures

We have a range of measures in place regarding public safety and security, that 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 engagement with them as prospects, leads and customers. Our privacy policy is publicly available on our website.

B.5 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 (IRIS), which includes an automated escalation process and reports for tracking implementation of actions related to incidents or audits.

C. Review and evaluation of the management approach

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

- a status update and description of progress against our targets
- an explanation of progress on 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.

C.1 Employee health, safety and wellbeing

Our employees complete our externally administered Our Voice 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 Human Resources 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, Human Resources 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 Human Resources Managers and employees. Uptake of flexible working is tracked through employees recording their One Simple Thing in SAP SuccessFactors.

C.2 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.

C.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 and specialists then undertake spot checks of the self-assessment checklists.

D. Responsibilities

The table below describes key roles and responsibilities associated with our approach to health and safety. Health and safety 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	Assist the board to discharge its responsibilities in relation to assessing the effectiveness of our overall risk management framework Support 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
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, implementation and monitoring of workplace health and safety for our employees and contractors
Human Resources team	Management of our employee health and wellbeing activities

E. Version control

REVISION	PUBLISHED	OWNER(S)	CHANGES
1	September 2018	Group Risk Officer General Manager Human Resources	