

Our Management Approach to Human Rights

A. Purpose

This document sets out our management approach and key focus areas for the business regarding human rights. It should be read in conjunction with our **Human Rights Deep Dive** (available on our [website](#)), where we report on progress against human rights 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 Standards¹(Comprehensive); and is **third party assured**.

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.²

Stockland's Sustainability Strategy



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

² These conventions address freedom of association, collective bargaining, forced labour, minimum age, worst forms of child labour, equal remuneration and discrimination (employment and occupation).

B. Management approach

B1. Overview

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, and this is appropriately reflected in our human rights policies and procedures. We acknowledge that our supply chain extends beyond the Australian boundaries, and are cognisant of emerging concerns

- **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

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, environment and anti-corruption.

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

- **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:

- 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
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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 Our Management Approach to Community).
Right to family life	Providing flexible working conditions for our employees (see Our Management Approach to Health, Safety and Security).
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 Our Management Approach to Customer Engagement and Experience).
Right to education	Supporting and delivering lifelong learning opportunities (see Our Management Approach to Community).
Right to physical and mental health	Supporting and delivering programs to promote health and wellbeing (see Our Management Approach to Community and Our Management Approach to Health, Safety and Security).
Right to participate in cultural life of the community	Supporting and delivering community programs that enhance a sense of belonging and vitality (see Our Management Approach to Community).

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. This 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 modern slavery training to all employees, with mandatory training for key job families such as project management and procurement.

The above-mentioned policies also demonstrate our commitment to encouraging a strong ethical culture to prevent fraud and corruption. We perform internal audits, thematic reviews, monitoring of segregation of duties and other control mechanisms that minimise the likelihood of fraud and corruption occurring. More information on internal audit activities is contained in [Our Management Approach to Governance](#) and [Risk](#).

Human rights stakeholders

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

When human rights attach to individuals or communities, these stakeholders 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 impacted 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 right-holders	Stakeholders influencing Human Rights Context
<ul style="list-style-type: none"> • Women • People with disabilities • Migrant workers • LGBTI+ people • Trade union association • Indigenous peoples • Parents and carers • Other protected attributes 	<ul style="list-style-type: none"> • Government and regulatory bodies • Suppliers • Security-holders 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 11 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.

B2. Systems and procedures

The following systems and procedures are used 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 lifecycle 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 relating to employees, customers or communities are conducted via annual surveys such as our annual employee survey, Our Voice (see **Our Management Approach to Employee Engagement, Development, Diversity and Inclusion**) and our Liveability Index and Residents Voice survey with residents (see **Our Management Approach to Customer Engagement and Experience**).
- **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, stakeholder, archaeological, heritage, First Nations and cultural.
- **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 **Our Management Approach to Health, Safety and Security**).
- **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 **Our Management Approach to Supply Chain** for further information on supply chain qualification criteria. In FY19 a supply chain risk review process was undertaken to further inform our work in this area.
- **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 Approach to Governance and Risk**).

Grievance mechanisms

We have implemented the following grievance mechanisms to provide for 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** – a whistleblowing channel is available for reporting any improper conduct. This channel 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 complaints handling 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.

B3. 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 **Our Management Approach to Supply Chain** for further information. Stockland has further evolved our understanding of supply chain risk with a supply chain risk review. This is discussed in our **Human Rights Deep Dive**.

Modern slavery

In April 2019 we established a Modern Slavery Working Group, overseen by the Sustainability and Risk Committees, to develop and implement our Modern Slavery Act strategy, 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 Direct Procurement 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 inaugural **Stockland Modern Slavery Statement** has been prepared in accordance with the Modern Slavery Act 2018. This statement has been prepared by Stockland's Modern Slavery Working Group and endorsed by the Stockland Board. It sets out the steps taken by Stockland during the financial year ending 30 June 2020 to identify and prevent modern slavery within its operations and supply chains. This is discussed in our **Human Rights Deep Dive**.

B4. 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; amenity; 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. This 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 and 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 are also committed to delivering a minimum of 5 per cent of all new Stockland Townhouse and Completed Homes to LHA Silver standard (and up to 20 per cent where a demand for LHA homes has been identified through internal research). 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

C. Review and evaluation of the management approach

We review and report on our progress against our human rights priorities in our annual **Human Rights Deep Dive**. In this reporting, we include:

- 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.

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; and
- nature of the key human rights risks and impacts identified in the reporting period and measures taken to prevent, mitigate or remediate.

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.

D. 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
Executive Committee	Supports the delivery of our human rights approach
National Manager – Group Sustainability	Effective implementation and evaluation of the community development 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 Direct Procurement	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

E. Version control

Revision	Published	Owner(s)	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	
2	August 2019	National Manager – Group Sustainability General Manager – Group Project Management & Direct Procurement	Added information about our supply chain risk review.
3	April 2020	National Manager – Group Sustainability General Manager – Group Project Management & Direct Procurement	Added content on Modern Slavery Statement